

May 22, 2020

*Via Electronic Mail*

Board of Directors  
Inter-American Development Bank Group (IDB)  
1300 New York Avenue, N.W.  
Washington, D.C. 20577, USA

**Re: Call to include external stakeholders in the selection process for MICI Director**

Dear Board of Directors:

As organizations focused on accountability in international development finance, we are writing to urge the inclusion of civil society and other external stakeholders in the selection of the next Director of the Independent Consultation and Investigation Mechanism (MICI). The process for selecting the previous Director suffered from a significant lack of transparency, with virtually no information about the process publicly disclosed until after the Director was selected. External stakeholder involvement in the selection process, including through participation in the selection panel, is a crucial component of a more transparent hiring process for the MICI Director. Doing so will enhance the effectiveness, independence, and legitimacy of MICI.

As the IDB's independent accountability mechanism (IAM), MICI plays a critical role by ensuring that when communities are harmed or potentially harmed by IDB-financed activities, there is a place for them to seek redress. As the IDB has acknowledged, drawing on the perspectives and expertise of civil society and other external stakeholders has been invaluable when working toward the evolution of the MICI and bank more broadly. Involvement of external stakeholders will likewise help IDB identify the requisite qualifications that the MICI Director must possess to run MICI effectively.

To properly perform its work and be recognized as legitimate, it is also vital that MICI, and consequently its Director, be independent. To ensure that the hiring process promotes the independence of the MICI Director and the legitimacy of the entire mechanism, we strongly recommend that the IDB **create numerous opportunities for, and proactively seek, the input of civil society and other external stakeholders throughout the hiring process.** MICI's policy stipulates that the Board shall convene a selection panel to identify candidates.<sup>1</sup> **This selection panel should include external stakeholders.**

We also note that inclusion of external stakeholders is considered good practice among international financial institutions (IFIs). The policy for the European Bank for Reconstruction and Development's IAM stipulates that external stakeholders sit on the selection panel for the mechanism's head.<sup>2</sup> Other IFIs have also adhered to this practice, including the World Bank Group when hiring the head of the Compliance Advisor Ombudsman (CAO), the IAM of the

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<sup>1</sup> *Policy of the Independent Consultation and Investigation Mechanism of the IDB*, para. 53(a).

<sup>2</sup> EBRD, *Project Complaint Mechanism (PCM) Rules of Procedure*, para. 57; see also EBRD, *Project Accountability Policy*, sec. III, para. 3.3(a)(iii) (coming into effect later this year).

International Finance Corporation.<sup>3</sup> Indeed, the President of the World Bank Group recently reiterated their commitment to including civil society and other external stakeholders in the hiring process for the head of the CAO.<sup>4</sup>

Further, our requests are consistent with existing MICI practice with regard to other positions. MICI, working with the Human Resources Department, includes external stakeholders on the selection panel for Phase Coordinators, who lead MICI's Consultation and Compliance Review functions. MICI further utilizes the expertise of external stakeholders through the on-going operation of its External Consultative Group.<sup>5</sup>

We appreciate your consideration and look forward to hearing more about the hiring process for the next MICI Director and further engaging with this process.

Sincerely,

Accountability Counsel  
Asociación Ambiente y Sociedad  
Asociación Interamericana para la Defensa del Ambiente  
Asociación Unión de Talleres 11 de Septiembre  
Bank Information Center (BIC)  
Buliisa Initiative for Rural Development Organisation (BIRUDO)  
Center for International Environmental Law (CIEL)  
Centre for Research on Multinational Corporations (SOMO)  
Cultura Ambiental Causa Ecologista (CAUCE)  
Derecho, Ambiente y Recursos Naturales (DAR)  
Forest Peoples Programme  
Fundación para el Desarrollo de Políticas Sustentables (Fundeps)  
Green Advocates International  
International Accountability Project  
Oxfam  
Oyu Tolgoi Watch  
Plataforma Internacional contra la Impunidad  
Recourse  
Rivers without Boundaries Coalition  
Sociedad y Discapacidad (Sodis)  
Sustentarse  
urgewald e.V.  
Witness Radio Organisation  
Youth for Environment Education and Development Foundation (YFEED Foundation)

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<sup>3</sup> See C. Daniel, K. Genovese, M. van Huijstee & S. Singh, *Glass Half Full? The State of Accountability in Development Finance*, Annex 12 (SOMO, Jan. 2016), available at <https://glass-half-full.org/>.

<sup>4</sup> "To ensure that the independence of the CAO Vice President is maintained, the next head of the CAO will be selected through a transparent and participatory selection process, led by an independent multi-stakeholder Selection Committee, including representatives from civil society, industry and academia, following the model used for the selection of the CAO VP in 1999 and 2014." Letter from David Malpass, President of the World Bank Group (Mar. 20, 2020), available at [https://financialservices.house.gov/uploadedfiles/malpass\\_ltr\\_mnuchin\\_3202020.pdf](https://financialservices.house.gov/uploadedfiles/malpass_ltr_mnuchin_3202020.pdf).

<sup>5</sup> See <https://www.iadb.org/en/mici/external-consultative-group>.