



## **Press Release: Civil Society Welcomes the Introduction of the International Financial Institution Improvements Act of 2024**

[Washington, DC, October 23, 2024] - The Bank Information Center (BIC) and Accountability Counsel (AC) welcome the introduction of Chairwoman Maxine Waters' and Congresswoman Joyce Beatty's [International Financial Institution Improvements Act of 2024](#). As organizations that work closely on issues related to international financial institutions (IFIs), we are grateful for Reps. Waters and Beatty's long-standing leadership for strong United States' engagement with the IFIs and their dedication to pushing for stronger accountability and transparency policies at the institutions. This comprehensive legislation, which comes as the World Bank and IMF hold their 2024 Annual Meetings, directs the U.S. to advocate for improved environmental, social, accountability, and transparency standards at the IFIs in which it is a member. This bill also reflects the priorities of our organizations and broader civil society around the need for the IFIs to improve their due diligence before project approval and provide remedy when their projects cause harm.

While each IFI has unique geographic and thematic focus areas, their collective mission is to advance economic development and tackle pressing global challenges, such as climate change and preventing pandemics. However, despite their mandates, IFIs have a long track record of causing environmental and social [harm](#) and violating the rights of project affected people. This harm often leaves communities worse off and undermines the IFIs' development effectiveness.

The U.S. has long been a strong champion for accountability and transparency measures at the IFIs to mitigate the risk of harm and has argued that if unintended impacts happen, the IFIs must provide remedy to project-affected communities. This tradition of U.S. leadership would be continued through the passage of the International Financial Institution Improvements Act. Specifically, we welcome the following provisions:

- **Independent Accountability Mechanisms (IAMs):** IAMs are often the only avenues communities have to raise concerns about IFI projects. This provision mandates the Treasury Department to work with the IFIs to support and increase the effectiveness of the IFIs' IAMs via engagement with IFI management and other Executive Directors, and advocates for the IFIs' adoption of responsible exit policies. It also requires the Treasury Department to report to Congress annually on all IAM cases opened within the past year or remain open, and how the IFIs are engaging with IAM cases, including implementing remedial measures.
- **Sexual Exploitation and Assault (SEA) Prevention:** Mandates that the Treasury Department consults with the IFIs on how they are operationalizing their policies and

guidance on preventing SEA, and requires the Treasury Department to report to Congress on these outcomes, including the number of SEA cases reported to each IFI and the number of cases involving minors.

- **Accountability for Child Sexual Abuse:** Requires the Treasury Department to report quarterly on the actions completed by the International Finance Corporation (IFC) to compensate the survivors of child sexual abuse [harmed](#) by its Bridge International Academies project with financial compensation and other relief. The quarterly report to Congress must also include details of reforms adopted by the IFC to prevent such failures in the future.
- **Publication of Loan Agreements:** Mandates that the Treasury Department seeks to require private and public sector IFI project loan agreements to be made public as a condition of the U.S. voting in favor of projects. This will help stakeholders understand what the IFIs are funding and facilitate accountability if contractual provisions are violated.
- **Adoption of Anti-Reprisal Standards:** Mandates that the Treasury Department encourages the IFIs to adopt anti-reprisal and retaliation standards in their safeguards policies and loan agreements to enhance accountability when reprisals occur. Raising concerns about IFI projects has become increasingly [dangerous](#), and this provision will help pressure IFIs to quickly and meaningfully respond to threats against human rights defenders.
- **Climate Finance Transparency:** Requires that the U.S. push for the IFIs' public disclosure of their internal methodologies for calculating the climate impact of their projects, including explanations of their processes and practices for making these assessments. Without such transparency, it is difficult to understand whether IFIs are really addressing the climate crisis.

Many IFIs, most notably the World Bank Group, are undergoing ambitious reform agendas to revamp how these institutions respond to global challenges. As part of this process, several IFIs are requesting increased funding from donors, the United States being one of the largest. Negotiations around these requests are critical moments for the U.S. to push the institutions to adopt and implement policies to protect the environment and project-affected communities from the potential negative impacts of development projects. Reps. Waters and Beatty's International Financial Institution Improvements Act meets the moment and would require the U.S. to take strong positions during general capital increase and replenishment negotiations. We urge Congress to utilize its oversight role in directing U.S. policy at the IFIs and pass this critical legislation. The value of U.S. leadership at the IFIs is essential to pushing these institutions to fulfill their mandates and center accountability and project-affected communities in all of their work.