

Recommendations for the Review of IFC's Policy on Disclosure of Information

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Japan Center for a Sustainable and Environmental Society (JACSES)

1. Introduction

We, as a non-governmental organization working for social justice and ecological sustainability, would like to express our concerns with respect to the review process and the content of the new disclosure policy of the International Financial Corporation (IFC).

We urge the IFC to incorporate the following recommendations into the new policy to ensure greater transparency and accountability of the IFC, and to promote informed participation of stakeholders, particularly affected communities and other civil society organizations, in its lending activities and operations.

2. Review Process

We request the IFC to inform the all stakeholders regarding the detailed plans of the review process of the disclosure policy. This should include if and how the IFC will respond to external comments, if draft policy paper will be disclosed, and if IFC will conduct wide-range of consultations with concerned citizens and NGOs.

To make a public comment to the policy review process, stakeholders need basic information about the IFC's current policy and practice of information disclosure. The following lists should be attached to the first draft of the new disclosure policy with proposed classification and reasons for it.

- **List of Disclosure/Non-Disclosure Documents:** The IFC should make a list of all the types of documents that are produced through project formulation, design and implementation, and consider whether such documents are to be disclosed or not. On the new list, IFC should provide full and concrete reasons for not disclosing particular documents to the public.
- **List of Current Requests and Responses on information:** IFC should make a list of number and type of current information requests from stakeholders. For Documents that IFC rejected to disclose, IFC should explain clear reasons why these documents were not being disclosed to the public.

3. Board related information

For years, the transparency of the Board of Directors, the decision-making body of the IFC, has been a major concern of civil society organizations. So far, full contents of project proposals (project appraisal report) for the IFC's Board approval. This is our particular concern because once the Board approves policies or projects it is very difficult for affected peoples and civil society organizations to ask withdrawal of such decisions. In addition, we strongly believe the Board work plan and schedule as well as minutes of the Board meetings should also be open to the public in timely manner so that concerned citizens and groups

can make effective inputs to the Executive Directors of IFC prior to Board meetings

In most donor countries, the proposals to and deliberations of the highest decision-making bodies are open to the public. Any bills, budget or other proposals to such bodies are disclosed when they are submitted for approval, and the minutes of the meetings are also public documents. There is no compelling reason why the IFC should not follow this standard of accountability of the highest decision-making bodies. As taxpayers of Japan, one of the largest shareholders to the IFC, we also have the right to know how the Executive Director represents our country in the IFC.

The IFC's member countries should immediately address this issue. We propose that the following documents should be disclosed.

- **Proposals for Board Consideration:** All proposals for Board consideration (including those circulated to the Board on non-objection basis) should be disclosed on the website at the same time they are circulated to the Board 14 days before Board consideration)
- **Minutes and Summaries of Board meetings:** The minutes and summaries of Board meetings should be disclosed within 30 days after Board meetings.
- **Board Work Plans and Schedule:** The work plans and schedule of the Board should also be disclosed on the IFC website, no later than 90 days prior to Board meetings.
- **Loan Agreements:** The IFC should disclose Loan Agreements after Board considerations.

4. Information on Policy Formulations and Revisions

To facilitate meaningful participation by civil society in policy-making processes, the following documents regarding policy formulations/revisions should be disclosed.

- **Notification of policy formulations/revisions:** When the IFC decides to formulate new policies or review existing policies internally or externally, such information should be disclosed to the public through the IFC website in order to allow stakeholders to make meaningful inputs into the processes.
- **Draft policy papers:** At least one draft of new or revised policies should be disclosed for public comments before working papers are prepared.
- **Draft policy papers for Board Consideration:** Draft policy papers for Board consideration should also be disclosed to the public at the same time that they are circulated to the Board of Directors.
- **External Comments and Management's responses:** All external and internal comments received on the draft policy papers should be disclosed with the Management's responses to such comments as attachments of Draft policy papers for Board consideration.

5. Project Documents

The disclosure of project documents has been a particular concern to project affected peoples and NGOs monitoring the negative environmental and social impacts of IFC projects. The IFC should release these documents as following due dates.

- **Summary of Project Information (SPI):** According to the current disclosure policy, "SPI is released no later than 30 days prior to the Board date". However, It is too short for affected people to express their concerns to the IFC. All of SPIs should be disclosed no later than 120 days prior to the Board date.
- **Environment-Related Documents:** According to the current disclosure policy, Environment Assessment (EA) report of Category A project is released no later than 60 days prior to the Board date, and Environment Review Summary (ERS) of Category B

project is released no later than 30 days. The IFC should disclose such Environment related documents of both Category A and B projects no later than 120 days prior to the Board date.

- **Documents relating to Social Issues:** The IFC should clarify as publicly available documents relating to social issues including Resettlement Plan and Indigenous People Development Plan.
- **Documents relating to Project Evaluation: On the new policy,** the IFC should clarify the types of documents relating to project evaluation and the due date of disclosure.

6. Disclosure Review Mechanism

The IFC should create an independent Disclosure Review Mechanism to ensure effective monitoring, reporting and review of the information disclosure policy. This has significant importance for the IFC because there is no judicial court where people can file a case against the IFC's violations on the disclosure policy.

Information Disclosure Review Panel should be established as an independent body. The Panel would receive complaints regarding violations of the new information disclosure policy, review them, and make recommendations. Such recommendations should be made public immediately. Details of the institutional framework of the Panel need to be further considered with a full participation of civil society groups in such decision-making process.

7. Requests for Information

The IFC's information should be available to all stakeholders. In particular, it is important to give due consideration to the needs of project affected people. To enhance the accessibility of IFC documents and facilitate informed participation of affected people, the process of information requests should be very easy to use. In order to make the disclosure process more accessible to affected people, we recommend the following reforms.

- **Means of requests:** Filing of information requests should be allowed by mail, fax, e-mail and hand delivery.
- **Language of requests:** The requests should be allowed to file in English or any of the official or national languages.
- **Anonymity:** The identities of the requesters should be kept confidential to prevent any reprisals by project proponents or other agencies.
- **Due date of Response:** IFC should specify a due date of response to the requester in the new policy.

8. Translation

The issue of language has been a major barrier for project affected people to access IFC's documents. While affected people have the right to know how projects and policies will affect them and what their rights are under the policy framework of the IFC, they have experienced difficulties in getting such information or documents in languages they understand.

To facilitate affected people's informed participation in the decision-making process, a comprehensive policy on translation should be included in the new policy. The following documents should be translated into languages that are understandable to affected people.

- **Summary of Project Information (SPI):** All SPIs should be translated into languages understandable to affected people.
- **Environment-related Documents:** Important documents regarding environmental and social considerations in projects should be translated into languages understandable to affected people. These documents should be translated both in draft and final forms to guarantee informed consultations with stakeholders. The cost for the translation and provision of these documents should be included in the overall project cost. The lists of

- original and translated documents should be included in the SPI.
- **Safeguard and accountability policies:** To facilitate affected people's understanding of their rights under the IFC's policy framework, all safeguard policies and accountability policies should be translated into languages understandable to affected people.

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