



Japan Center for a Sustainable Environment and Society
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August 24, 2004

Mr. Peter Woicke
Executive Vice President
International Finance Corporation

Mr. David Fairman
Managing Director
Consensus Building Institute

Re: Recommendations to the IFC concerning consultation process of safeguard and disclosure policies' revision

Dear Sirs,

We appreciate the opportunities to comment on the consultation process of revision of safeguard and disclosure policies. We are writing our concerns and recommendations on the consultation agenda.

Design of the consultation workshops

The IFC states in the consultation draft of the disclosure policy that "key stakeholders are those directly affected by IFC financed project, and the host countries where these projects are located (Para 13)." However, the draft agenda proposed consultation workshops in only four places, Buenos Aires, Manila, Nairobi and Istanbul. Also, it specified the workshop to be in three days and invitation-based. This invitation-based consultation fails to provide broader participation for affected people to input into the policy formulation process.

As a result of IFC's financial activities over the past several years, strong criticism against social and environmental impacts have been raised by affected people and NGOs. (e.g. Baku-Tbilisi-Ceyhan (BTC) Pipeline Project, Chad-Cameroon Oil and Pipeline Project, Yanacocha Mine and Panama's Corredor Sur Toll Road Project). The consultation workshops must be more accessible to such affected people as mentioned above. (The specific problems related to disclosure policy are listed in the Annex1.)

Recommendation 1:

Recognizing IFC's capacity and budget limitation, the IFC should hold one-day consultation workshops in more than 10 countries where the affected people have raised their concerns against IFC's accountability.

Recommendation 2:

The IFC proposed to have parallel consultations on safeguard and disclosure. The safeguards consultation is then partly divided into 3 or 4 parallel sessions. This is quite inexpedient to those stakeholders who wish to participate in every session. The IFC should arrange the consultation workshops so that stakeholders could participate in every session.

Recommendation 3:

We ask you to ensure enough time for discussions between IFC staff and the external stakeholders. The discussion among external stakeholders is not necessary as talking with IFC is more important. Therefore, more time and energy should be given to discussions between IFC staff and the external stakeholders.

Information prior to the Consultation Workshops

As external stakeholders of the IFC, we are aware of only some of the types of documents produced and possessed by the IFC in the process of project formulation, processing and implementation. For example, the draft states that the presumption in favor of disclosure would support the regular public release of “development intent” as a Board paper. However, the external stakeholders do not have opportunities to learn how to draft/formulate this document in the current procedures.

Instead of providing this information, however, the consultation draft only states the types of documents that IFC thinks can be made public. Because of this gap in the amount of information between IFC staff and the external stakeholders regarding IFC documents, it is difficult for us to input further material into the new policy.

Recommendation 4:

The IFC should provide a comprehensive list of all the types of documents (including those in draft form) which are produced and possessed by the IFC in the process of project formulation, processing and implementation, and state whether or not such documents have been disclosed.

This abstract consultation draft also lacks the explanation of how external comments have been addressed. The participation process cannot only be based on one-way announcement by draft composer but also be based on appropriate responses and feedbacks.

Recommendation 5:

The IFC should immediately provide the explanation on how the external comments on the current policy were addressed in the consultation draft of the new policy.

We are looking forward to hearing from you soon.

Sincerely,

Yuki Tanabe and Kazuko Suzuki

Japan Center for a Sustainable Environment and Society (JACSES)