

July 27, 2009

Lars Thunell, Executive Vice President
International Finance Corporation
2121 Pennsylvania Avenue, NW
Washington, DC 20433 USA

Dear Mr. Thunell:

The undersigned coalition of development, environment, human rights, professional, faith-based, gender, youth and economic justice organizations are writing to express our interest in the International Financial Corporation's (IFC's) three-year review of its Policy on Disclosure of Information, and its Policy and Performance Standards on Social and Environmental Sustainability Policy.

Because the Policies and Performance Standards on Environmental and Social Sustainability were such a departure from previous IFC policies, the Board, when it voted to approve them in 2006, required that the IFC conduct a three-year review to determine their effectiveness. Specifically, one of the aims of the review, as stated by the IFC, is to assess the "impacts on the natural environment and the communities affected by IFC projects."¹

In order to meet these objectives, it is essential that IFC solicit input from individuals and communities who have firsthand knowledge of project impacts and effectiveness, including intended beneficiaries, indigenous peoples and their representative federations and civil society partners, those subjected to displacement and those who have experienced changes in their local environments. This input will contribute to a balanced and grounded assessment of the effectiveness of the policies and Performance Standards and, ultimately, policy revisions that facilitate positive development outcomes.

We understand from IFC staff that management will propose a plan to the Board to undertake external consultations regarding implementation of the Policies and Performance Standards and seek suggestions for any revisions. However, we are concerned that the proposed review process does not guarantee an opportunity for robust public consultation. In particular, we are concerned that IFC has not made a commitment to ensure that those most affected by IFC-supported projects are provided with the space to share their experiences and influence policy revisions.

We expect that the current assessments by the Office of the Compliance Advisor Ombudsman will provide meaningful feedback on the effectiveness of the Policies and Performance Standards from the perspective of the affected communities. However, this does not discharge IFC's responsibility to consult with communities in conducting its

¹ International Finance Corporation, *IFC Policy and Performance Standards on Social and Environmental Sustainability and Policy on Disclosure of Information: A Process Proposal for the Third Year Policy Review and Update*, August 2008.

own review. In this regard and drawing from the perspective of civil society, we would like to make a set of recommendations to further strengthen the review process:

- Commit to transparency of the review process by publishing the review timeline, external comments received during and throughout the process, and relevant internal and external assessment reports, including the list of projects evaluated as part of the review;
- Designate a contact person for the review process; and update the public in a timely manner on the progress of the review.
- Throughout the review, ensure translation of the approach paper and subsequent policy drafts into the languages accessible by those being consulted at least 4 weeks in advance of public consultations.
- Disclose the approach paper in early August 2009 to allow civil society groups to prepare for a public comment period starting in September and subsequent discussion during the Annual Meetings in Istanbul. Consultation on the approach paper should be for a period of at least 8 weeks.
- Develop proposed revisions to the Policies and Performance Standards and indicate whether and how comments received during the consultation period were incorporated into those revisions.
- Organize a series of face-to-face consultations in each region to discuss proposed revisions to the Policies and Performance Standards on Social and Environmental Sustainability and Policy on Disclosure of Information. These consultations should be accessible by project-affected communities and their civil society partner organizations and targeted in project areas that have generated or have the potential to generate adverse social or environmental impacts. Additionally, members of the IFC review committee should attend key consultations in each region or be available to answer questions through a video link.
- Prepare final proposed revisions to the Policy and Performance Standards on Social and Environmental Sustainability and Disclosure Policy and disclose them at the same time that they are circulated to the Board of Directors for approval. The final revisions should include how stakeholder input was incorporated.

We believe that by approaching the policy review in this manner, the IFC will be furthering our common objective of enhancing the effectiveness of its Policy and Performance Standards on Social and Environmental Sustainability and Disclosure Policy and thereby improving development outcomes.

Three years following the approval of a new set of environmental, social and disclosure standards we welcome the IFC's stated commitment to conduct an implementation review. We hope that the recommendations outlined above will help the IFC to design and implement a thorough and participatory review process that includes the perspective

and experiences of a wide array of civil society and those affected by IFC-supported project. We look forward to your response.

Sincerely,

CC: Committee on Development Effectiveness, World Bank Group; Greg Radford, IFC

Algeria

Ghozali Belaidi Samira
Syndicat de la Metallurgie

M. Djilali Hadjadj
Association algérienne de lutte contre la corruption (AACC)

Armenia

Inga Zarafyan
Ecolor

Australia

Charles Roche
Mineral Policy Institute

Luke Fletcher
Jubilee Australia

Azerbaijan

Namika Rzaeva and Mirvari Gahramanli
OWRPOPU

Irshad Abbasov
Eco Renaissance

Bangladesh

Abu Rayhan Al-Beeroonee
Shelter for the Poor

M M Mahbub Hasan
Coastal Development Partnership

Md Shamsuddoha
EquityBD

Zakir Kibria
BanglaPraxis

Kazi Zaved Khalid Joy
Initiative for Right View (IRV)

Muhammad Hilaluddin
Angikar Bangladesh Foundation

Ahmed Swapan
VOICE

Equity and Justice Working Group

Bulgaria

Petko Kovatchev
Green Policy Institute

Burkina Faso

Moses Kambou
ORCADE

Burma

Si Phoung
Mekong Alumni Network

Cambodia

Phearum Sia
The Cambodian Housing Rights Task Force

Chhith Sam Ath
The NGO Forum on Cambodia

Cameroon

Samuel Nnah Ndobe
Centre for Environment and Development

Ndoumbe Nkotto Honore
FOCARFE

Canada

Christine Elwell
Sierra Club of Canada

Karyn Keenan
Halifax Initiative Coalition

Ian Baird
GAPE

Chad

Gilbert Maoundonodji

GRAMP/TC

Costa Rica

Isaac Rojas
COECOCEIBA-FOE Costa Rica

Denmark

Johannes Rohr
IWGIA

Ecuador

Belen Paez
Fundacion Pachamama

Germany

Heike Drillisch
CounterCurrent

Sabine Schielmann
INFOE

Knud Voecking
Urgewald

Egypt

Manal Tibe
The Egyptian Center for Housing Rights

Ghana

Kyeretwie Opoku
Civic Response

India

Dino Dead Gracious Dympep
Meghalaya Peoples' Human Rights Council

Gururaja Budhya
Urban Research Centre

Hari Mohan Mathur
Council for Social Development

Gautam Bandyopadhyay
Nadi Ghati Morcha

Raju Mimi
Mishmi Indigenous Rights Association

Aravinda Pillalamarri
Association for India's Development

Ravi Rebbapragada
Samata

Ramananda Wangkheirakpam
North East Peoples' Alliance (NEPA)

Shweta Narayan
Community Environmental Monitoring and
Corporate Accountability Desk

Mamata Dash

Ravindranath
River Basin Friends (NE)

R.Sreedhar
Academy for Mountain Environics

National Alliance of People's Movements

Narmada Bachao Andolan

National Forum of Forest People and Forest
Workers India

Ghar Bachao Ghar Banao Andolan

Himalaya Niti Abhiyan

Intercultural Resources

National Fishworkers Forum

Mazdoor Kisan Shakti Sangathan

Jan Sangharsh Vahini

Nadi Ghati Morcha

Matu Jan Sangathan

Tehri Bandh Sangharsh Samiti

Delhi Forum

Indonesia

Norman Jiwan
Sawit Watch

Muhammad Reza
KruHA

Riko Kurniawan
Perkumpulan Elang

Y.L. Franky
PUSAKA

Rivani Noor,
CAPPA

Chris Wangkay
GARPU

Nur Amalia
RACA Institute

Arimbi Heroepoetri
debtWATCH Indonesia

Hegar Wahyu Hidayat
WALHI Kalimantan Selatan

Italy
Antonio Tricario
CRBM

Japan
Yuki Tanabe
JACSES

Noriko Shimizu
FoE Japan

Kazakhstan
Sergey Solyanik
Green Salvation

Kyrgyz Republic
Natalia Ablova
Bureau on Human Rights and Rule of Law

Anara Dautalieva
Taza Suu activist

Kalia Moldogazieva
HDC Tree of Life

Malaysia
Carol Yong

Mali

Mamadou Goita
IRPAD

Mauritania
Wane Ibra Mamadou
Publiez Ce Que Vous Payez-Mauritanie

Sid'Ahmed O. Ahmed El Hady
Association des Journalistes de Mauritanie

Mexico
Scott S. Robinson
Viculart, A.C.
Dr. Francisco Valdes-Perezgasga
Prodefensa del Nazas, A.C.

Morocco
Hicham Benzine
l'Association Marocaine d'Ecologie Urbaine
(AMEU)

Karima Yahyaoui
Initiatives pour la Protection des Droits de la
Femme (IPDF) à Fès

Khalis Abderrahman
Association Forum des Contributions Maroc

Zahra Id Ali
Afoulki pour les Femmes

Touriya Lahrech
CDT

Nepal
Ratan Bhandari
Water and Energy Users' Federation-Nepal

Rabin Subedi
Nepal Policy Institute

Anuj Sitoula
HYPHEN

Chandra Kulung
ANKKLACD

The Netherlands
Wiert Wiertsema
Both ENDS

Nigeria

Michael Keania Karikpo
Environmental Rights Action/FoE-Nigeria

Aliyu Noma Usman
Coalition of Dam Communities in
Nigeria

Edem Okon
Green Concern for Development
(GREENCODE)

Pakistan

Zafar Lund
Hirrak Development Center

Ali Ahmed
Participatory Development Initiatives

Zulfiqar Halepoto
Thardeep Rural Development Programme

Sindhoo Bachao Tarla

Taraimet Sanj

Halli Sanj

Panama

Brigido Hernandez
MOCAMDERCO

Leopoldo Gonzales
Red Contra Represas y por los rios de
Panama
Larissa Duarte
Frente Unido en Defensa del Ecosistema

Alianza para la Conservación y el Desarrollo

Peru

Cesar Leonidas Gamboa Balbin
Derecho, Ambiente y Recursos Naturales

Philippines

Violeta Corral
PSIRU

Leah D. Agonoy
Ummah Fi Salam

Jola Diones-Mamangun

Annie Enriquez Geron
PSLINK

Russian Federation

Ivan Blokov
Greenpeace Russia

Rwanda

Frank Habineza
RWASEF

Singapore

Magdalene Kong
UNI Apro

Sri Lanka

Roshan Salinda Narasinghage
Green Movement of Sri Lanka

Tajikistan

Sergey Vorsin
OO Tarraqiyot

Thailand

Sabrina Gyorvary
EarthRights International

Joan Carling

Asia Indigenous Peoples Pact (AIPP)

Tunisia

Karim Trabelsi
Union Générale Tunisienne de Travail

Turkmenistan

Andrey Aranbaev
CATENA

Uganda

Frank Muramuzi
NAPE

UK

Andy Whitmore
Indigenous Peoples Links (PIPLinks)

Marcus Colchester
Forest Peoples Program

Ama Marston
Bretton Woods Project

Nicholas Hildyard
The Corner House

USA
Peter Bosshard
International Rivers

Julie Tanner
Christian Brothers Investment Services, Inc.

Stephanie Fried
Ulu Foundation

Kate Watters
Crude Accountability

Steve Herz

Natalie Bridgeman
Accountability Counsel

Steve Kretzmann
Oil Change International

Doug Norlen
Pacific Environment

Anne Perrault
CIEL

Neil Watkins
Jubilee USA Network

Satindar Bhagat
University of Maryland

Korinna Horta
Environmental Defense Fund

Said Yakhyoev and Joshua Klemm
Bank Information Center

Larry Williams
Sierra Club

Michael Marx
Corporate Ethics International

Monica Wilson
Global Alliance for Incinerator Alternatives

Jennifer Kalafut
International Accountability Project

Michael Brune
Rainforest Action Network

Timothy Ryan
Solidarity Center

Martin Wagner
Earthjustice

Ian Gary and Emily Greenspan
Oxfam America

Peter Bakvis
International Trade Union Confirmation

Uzbekistan
Nigora Umaraliev
Armon

Rustam Murzakhanov
Environmental Law Center

International
Abdulai Darimani
Third World Network-Africa

Lindlyn Tamufor
Third World Network-Africa

Oladayo Olaide
West Africa Resource Watch

Robert Kugonza
Africa Rivers Network

Claude Kugonza
Southern Africa Resource Watch

Susanne Breitkopf
Greenpeace International

Ted Downing
International Network on Displacement and
Resettlement

Toby Mendel
Article 19

Manana Kochldze
CEE Bankwatch Network

Amnesty International

Renato Redentor Constantino
NGO Forum on ADB