

4 October 2004

## Statement of Civil Society Representatives

The undersigned representatives of civil society organizations have decided not to participate in today's international civil society meeting on the IFC's proposed Environmental and Social Policy and Performance Standards and Disclosure Policy. Although we are all present in Washington, DC for the annual meetings, we do not believe that engaging under the current circumstances would be appropriate or worthwhile.

The IFC has proposed a fundamental change in the way in which it intends to address environmental and social safeguard policies. The new draft framework would replace ten safeguard policies with one new policy and nine proposed performance standards, some of which address new areas, but none of which are sufficiently clear about how they would be implemented.

The World Bank Group's environmental and social safeguard policies are intended to ensure that the rights and interests of local affected people are respected in the development process. In general, we do not oppose revising and updating the environmental and social policies if this will improve development effectiveness. IFC's proposed consultation process, however, effectively excludes those very people whose interests are most at stake. To involve local affected people in the policy process requires more time, more outreach, more translation, more information and more engagement than IFC's current process will allow.

Over 180 civil society organizations have signed on to the September 16 letter to the IFC that raises significant concerns about the proposed consultation process. Although we acknowledge that IFC has made some changes in response to that letter, the majority of our input was ignored. As a result, the consultation process is still fundamentally flawed, and we do not believe our participation can be effective at this point.

When a civil society group in Latin America raised concerns about not having adequate time and information to fully participate in last week's Rio meeting, IFC responded that they needed "to conduct the entire process as efficiently as possible, in line with expectations of the private sector and our management." IFC has once again subordinated the interests of locally affected communities to those of its private sector clientele.

The absence of essential information also makes it impossible for us to participate effectively. We can not assess the effect of the proposed performance standards nor engage substantively on their implications, without access to information that has not been made publicly available, including interpretation notes, any revised corporate procedures, or a revised Environmental and Social Review procedure. IFC has also failed to define key terminology introduced in the proposed performance standards. In

addition, the IFC has failed to explain how the performance standards, procedures, action plans, and interpretation notes will be operationalized in an integrated way that ensures accountability and transparency.

The proposed consultation process is so flawed that we question whether civil society's inputs will result in anything more than minor incremental changes to the proposed framework. Having now developed a "broad consensus within the World Bank Group" around this framework, the IFC has presented a public consultation schedule that is designed to rush the framework through. This essentially presents civil society with a fait accompli and little reason to believe that our engagement is worthwhile. Contrary to the assertion in the September 22 letter from Mr. Woicke, the CAO Safeguard Review Process and Extractive Industry Review processes do not substitute for effective engagement on these specific proposed changes to IFC policies.

Our decision today reflects a general level of frustration amongst our groups about engaging with the World Bank Group in processes that are fundamentally flawed and closed to real engagement and meaningful dialogue. We hope that our actions will result in IFC taking a step back and re-evaluating its timeline and process for consultation with respect to these vital policy issues.

Kate Walsh, AID/Watch, Australia

David Ugolor, ANEEJ/PWYP, Nigeria

Manish Bapna, Bank Information Center, USA

Henneke Brink, BothENDS, Netherlands

Lucy Baker, Bretton Woods Project, UK

Kate Watters, Crude Accountability, Russia

Jaroslava Colajacoma, Campagna per la riforma della Banca mondiale, Italy

Shannon Lawrence, Environmental Defense, USA

Ndoumbe Nkotto, FOCARFE, Cameroon

David Waskow, Friends of the Earth, USA

Graham Saul, Friends of the Earth, Canada

Nadia Martinez, Institute for Policy Studies, USA

Dana Clark, International Accountability Project, USA

Peter Bosshard, International Rivers Network, USA

Yuki Tanabe, JACSES, Japan

Sukumaran Krishnan, Narmada Bachao Andolan, India

Doug Norlen, Pacific Environment, USA

Zakir Kibria, BanglaPraxis, Bangladesh

Abdulai Darimani, Third World Network-Africa, Ghana

Knud Vocking, Urgewald, Germany

Andrea Ploeger, World Economy, Ecology and Development, Germany

Anna Roggenbuck, Polish Green Network, Poland

Andrea Durbin, USA

Steve Herz, USA

David Hunter, USA

Steve Kretzman, USA