

FACT SHEET ON SAFEGUARDS UPDATE AND DISCLOSURE POLICY REVIEW

Reasons for the Review and Update

1. IFC recommended a three-year review of the Safeguards at the time of their adoption in 1998. This review was recently completed by the Compliance Advisor/Ombudsman (CAO) and the final report, *Review of IFC's Safeguard Policies*, was released in April 2003.
2. In response to the CAO Review, IFC is updating its Safeguard Policies and Disclosure Policy in conjunction with IFC's broader initiative to fully integrate sustainability into IFC's core business.

Goals and Objectives

1. The updated Safeguards will:
 - Clearly define minimum requirements applicable to all IFC projects
 - Be streamlined and easier to use
 - Address major issue gaps as appropriate
 - Emphasize private sector considerations
 - Incorporate the concept of sustainability
2. The update will place the Safeguards in a policy framework that clearly articulates policy objectives, minimum standards, and the roles and responsibilities of IFC and its partners and emphasizes outcomes and performance.
3. In recognition that transparency promotes efficiency and accountability and enhances development impact, the Disclosure Policy Review intends to:
 - Clarify when there is a need for disclosure and when there is a need for consultation
 - Distinguish between the role of IFC and the role of project sponsors
 - Understand the impact of IFC's disclosure requirements on its clients, their legitimate business confidentiality concerns, and IFC's market position
 - Determine the appropriate timing for release of information

Stage 1: Fact Finding and Policy Drafting (January – July 2004)

Initially, there will be a phase of fact finding and internal IFC discussions that will lead to a draft approach for these policies.

During this initial phase, the **Safeguard Policy Update** will be able to draw from the recommendations presented by IFC's Compliance Advisor/Ombudsman in its recent **Review of IFC's Safeguard Policies**. Focus will be on internal discussions on how best to address the various questions and recommendations brought forward by this review, as well as by a gap analysis that drew on a wider range of external reviews, such as the Extractive Industries Review, and standards worldwide. Further, IFC will involve select external experts, who will especially target new policy areas that were identified as gaps. A small group of external experts will comment on an early draft of the revised policy structure, including revised and clarified performance standards.

The **Disclosure Policy Review** process is designed to build on the earlier work of two independent reviews that have already been completed: the aforementioned report of the CAO and the **Extractive Industries Review**. Both of these provide important insights into the climate for disclosure. However, as they were not focused on the issues of transparency and disclosure per se, the Disclosure Policy Review will at this stage engage in a series of extensive *external* fact-finding activities, including an e-discussion with interested parties and an IFC client survey, as well as conducting *internal* IFC workshops to develop a draft policy.

Following discussions with management, the new draft policy approaches (for the Safeguard Policies and Disclosure Policy) will be presented to IFC's Board of Directors in July.

Stage 2: Stakeholder Engagement/Policy Finalization (August 2004 – February 2005)

After the Board briefings, there will be an external stakeholder engagement process to discuss these draft policy approach papers. Different avenues will be open for stakeholder input, including regional consultation workshops. These workshops will be held in tandem for both processes. The detailed process of stakeholder engagement is currently being designed and will be posted on the reviews' website shortly.

Stakeholder feedback will be reviewed and taken into account. There will then be another opportunity for stakeholders to comment on the revised policy prior to final board approval.

Further Information and Input

- Information, reference materials, and on-line forms for comment submission are posted on the [Safeguards Update & Disclosure Policy Review website](#).

ADDITIONAL INFORMATION:

Motoko Aizawa (E-mail: maizawa@ifc.org) for further information on the Safeguards Update

Suellen Lazarus (E-mail: slazarus@ifc.org) for further information on the Disclosure Policy Review

MEDIA CONTACT:

Ludi Joseph, E-mail: ljoseph@ifc.org, Tel: 202-473-7700

▪ **Joint Timetable for Disclosure Review and Safeguard Update**

DISCLOSURE

JOINT

SAFEGUARDS

March

April

May

June

July

Aug

Sept

Oct

Nov

Dec

Jan
2005

Feb 2005