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July 27, 2004

Dear Ladies and Gentlemen,

Firstly, let me thank you for your letter dated July 6 addressed to Peter Woicke, and your interest in IFC's review of its Safeguard and Disclosure Policies and the Pollution, Prevention and Abatement Handbook. Peter has asked me to respond on his behalf. I appreciate your collective views and am looking forward to continued discussion with you in this regard over the coming months.

Some of the issues you have raised in your letter will be addressed in the course of the review. You rightly point out that IFC is considering to adopt a principles-based approach. Such an approach will help to clarify the intent of a revised disclosure policy and social and environmental standards for IFC and will guide us in our work which, as you know, includes a broad range of clients, in many different country circumstances and industries. As you will see from our policy review website (www.ifc.org/policyreview), one of the key objectives for the revised policies is to clarify the respective roles and responsibilities for IFC and for our clients.

You correctly point to the broader context in which the policies are being reviewed which includes, for example, the work and recommendations of the CAO's Review of the Safeguard Policies, the Extractive Industries Review (EIR) and draft Management Response, as well as other relevant international standards and initiatives. Indeed, the draft Management Response to the EIR specifically referred to the policy reviews and makes a number of commitments which we are incorporating in the policy development process.

The process we are developing for reviewing the policies is designed to facilitate engagement on these issues with all of our stakeholders. Following distributions of our draft Safeguard Policies and our Disclosure Policy Concept Paper, we will hold a series of regional consultation workshops that will include participants from all of IFC's stakeholders, including project-affected communities; governments; civil society; and the private sector. To support this, we shall also hold targeted meetings, and encourage web-based feedback. The policy review process is also designed to be transparent; we are posting written comments from stakeholders on our policy review website, along with our responses. We hope to learn the concerns and priorities of all stakeholders, engage in discussion and gain valuable feedback to ensure that our revised draft policies reflect the dynamic environment in which we operate.

We look forward to your active participation in the forthcoming consultation process and will be sure to inform you of the details once the draft documents are made available.

Yours sincerely,


Rachel Kyte
Director
Environment & Social Development Department

July 27, 2004

[Letter sent by e-mail to 140 civil society groups from around the world: sign-ons@verizon.net]

cc: CEXVP-06791

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