Parliamentary Network on the World Bank

Response to the IFC Consultation on the IFC Sustainability Policy and Performance Standards and Disclosure Policy

28 February 2011

The Parliamentary Network on the World Bank (PNoWB) welcomes the ongoing review of the IFC’s Sustainability and Performance Standards and Disclosure Policy.

PNoWB believes that the proposed review is a step in the right direction to improve standards related to climate change, ecosystems and biodiversity, financial intermediaries, human rights, labour and supply chains, and stakeholder engagement. PNoWB strongly supports the additional recommendations included in the civil society recommendations from Phase 2 of public comments from 27 August 2010.

Considering that one of PNoWB’s main missions is supporting parliamentary participation in the decision-making process of World Bank Group funded projects, its response to the consultation will focus mainly on stakeholder engagement, in particular of Parliamentarians.

The IFC proposes to strengthen guidelines for client stakeholder engagement, especially with affected communities. In addition, the IFC plans to ‘disclose more project-level environmental, social, and development impact information during all stages of the project, in accordance with the IFC’s approach to project categorisation’. PNoWB applauds these initiatives but wants to ensure that Parliamentarians in particular will play an important part in the client stakeholder consultations during all stages of the project development and implementation. Traditionally, consultations include representatives from academia, the private sector, non-governmental and civil society organisations. Considering, the role of parliamentarians as the direct representatives of populations affected by IFC-funded projects, PNoWB considers that it is crucial for the IFC to establish a permanent mechanism for parliamentary consultation.

Parliaments, through their legislative oversight and representation functions, are a key institution in safe-guarding democratic governance structures and are, therefore, central in creating the right environment for investment and economic growth. Parliaments are behind the legislation which will affect the activities of the private sector. In respect of the role of Parliamentarians, it is imperative for them to obtain a clear and sound understanding of the IFC funded projects which will go on in the communities they represent, and they have to be equipped with the right information to stimulate debate and act effectively to promote initiatives towards sustainable development. Parliamentarians are the political representative closest to the population. They are a key stakeholder in international development and can play an information and advocacy role in various issues within their legislatures. They initiate legislation that promotes socio-economic and environmental equity.
In their Committees, Parliamentarians create legislation related to the business regulation, climate change, extractive industries and many other subjects of interest to the private sector. A legislature that effectively carries out its three core functions – oversight, representation and lawmaking – is critical in establishing the right regulation for private sector activities.

By using the question period, conducting public hearings, and inviting ministers, business people and others to testify before committees, legislators can help make certain that private sector regulation is accurate and effective for business.

Carrying out their representation function, legislators can help ensure that a future project is better tailored to their communities. Through public hearings, interviews with the media, constituent outreach, and other methods, legislators can build public awareness and present feedback on previously non-identified issues.

Acting in their lawmaking capacity, legislatures can ensure that laws are changed in a way that reflects and reinforces an effective business environment. In developing countries, Parliamentarians are responsible for enacting important economic reforms. To do so, the private sector has to ensure that Parliamentarians are correctly informed about private sector activities in their communities.

As the legislative branch of a government, Parliamentarians are responsible for translating international agreements into actions via planning, legislation and budget allocation. Because of their key role in translating commitments into action, parliaments have the potential to be more powerful than the executive in areas such as climate change mitigation. Certain countries have even started to include parliamentarians in the delegations to the negotiations of the United Nations Climate Change Conference.

Parliaments can have a natural function as a mediator between the public and international organisations and institutions, on the one hand and NGOs and CSOs on the other. Parliaments have to ensure that investment in a certain project will not create negative consequences for their communities, be the impact societal or environmental. Therefore, it is crucial the IFC ensures that Parliamentarians are provided will all the necessary information once an investment decision is taken. PNoWB requests that all information related to IFC funded projects is submitted to parliamentarians, both in the development and the implementation phase. In particular, there should be clear information on how these projects will contribute to effective development.

About PNoWB
The Parliamentary Network on the World Bank (PNoWB) strives to increase transparency and accountability in the development cooperation process by promoting the oversight role of parliaments and civil society. PNoWB has a specific focus on the work and modus operandi of the World Bank Group, the world’s largest multilateral funder.

Founded in 2000, the Network is an independent, non-governmental organization that provides a platform for parliamentarians from over 110 countries in the South and the North to advocate for increased accountability and transparency in World Bank-funded development programs. PNoWB—via its international secretariat, regional chapters and country chapters—reaches over 2000 parliamentarians in Africa, Asia, Europe and the Americas. PNoWB also engages with hundreds of civil society organisations (CSOs) in its members’ countries, many of them advocating for increased transparency and accountability from their national governments and its partners. For more information on the Network and its activities, see http://www.pnowb.org/.