

Our Constituency's interest in the Safeguard Update

ALTERNATE EXECUTIVE DIRECTOR PATRICK BRANDT'S TALKING POINTS

1. Findings in Summary

The three safeguards are not efficient enough according to studies done by the evaluation department of the Bank.

The roles and responsibilities of public and private entities have changed (e.g. in some DMCs, there is an increased capacity to implement improved country systems). In others both have to be improved.

There is a need to change the safeguards to reflect this situation as well as best practices, match the evolving range of lending products and achieve greater harmonization with other IFIs.

2. The process is not an easy one as we have all noticed. So I want to commend all involved for making the effort time and again to contribute to the discussions. Even those that decided to stay away contributed in signaling that more needs to be done.

3. Role of the Board vs NGOs:

- We appreciate the NGOs contribution in openly discussing their views based on relevant field experience.
- We believe this could lead to a better product to be discussed by the Board once it has the form of a W-Paper.
- Our role in the present phase is to encourage Management and NGOs to keep the consultation process functioning. This requires a certain amount of trust between NGOs and the Bank. This forum can, in our view, contribute to that.

4. Welcome Management's response to NGOs requests for a new SPS draft on the web plus a draft Operational Manual.

5. Looking at the broad impact of the safeguard policies, one becomes alert to the need of reformulating an instrument that will be used in practice to its full potential and there I see a challenge. In other words, if we end up building a Rolls Royce that countries are not willing to use, we will have failed with the best of intentions. We have to stay engaged.

6. My preliminary advice: Aim to keep the safeguards equal to the ex ante situation. There are other relevant policies for further improvement. Be efficient because your clients might pass you by otherwise.