

Recommendations for the review of the IFC Sustainability Framework

December 2024

The International Finance Corporation's long-delayed review of its Sustainability Framework, including the Sustainability Policy, Access to Information Policy, and the globally influential Performance Standards, must result in substantial improvements and updates to meet best international practice. The world has changed significantly since these policies were previously updated in 2012, with numerous multilateral climate agreements (including the Paris Agreement), the Sustainable Development Goals and the recent UN Principles on Critical Energy Transition Minerals, improved international labour standards and the Global Biodiversity Framework all shaping responses to new development challenges. To ensure the review meets these challenges, it must provide robust opportunities for communities affected by IFC financing, accountability and development experts, Indigenous Peoples' representatives and organisations, civil society organisations, labour unions and other rights-holders and stakeholders to provide feedback on the policies at the numerous, key stages in their development.

We know from experience that a good review process supports more effective and community-oriented safeguards. Following are minimal elements for a successful review process:

Principles

- The review of the policies included in the Sustainability Framework should be based on principles of **meaningful consultation and transparency**.
 - Consultations must be wide, inclusive and meaningful, ensuring that the voices of community-based organisations, people's organisations, human rights and environmental defenders are heard and prioritised. In particular, communities which have been involved in filing cases to the Compliance/Advisor Ombudsman and therefore have direct experience of the Performance Standards and the Access to Information Policy should be consulted.
 - These consultations and meetings should ensure the security and safety of its participants and guard against retaliation.
 - The consultations should include in-person and virtual participation options and must accommodate various time zones. In order to enable participation from a diverse range of stakeholders, the barriers to participation for communities (in terms of travel time, financial cost etc.) and marginalised groups, including persons with disabilities, should be reduced as far as possible.
 - The consultations and all documents must be available, in a timely manner, in multiple languages and accessible to persons with disabilities to ensure the widest possible participation and inclusion.
 - The review should be transparent to ensure an informed process by having all documents relevant to the review process, including terms of reference, approach papers, reports, draft policies, and comments received by external and internal reviewers disclosed in different languages well in advance and in a timely and accessible manner.

- Seek input from stakeholders to facilitate their participation. Create agendas that are detailed, participatory, and shared in advance. Sharing the agenda in advance provides opportunities for civil society to shape the discussion while also preparing questions on the content.
- Develop a plan for ongoing communication with stakeholders after the consultation. The IFC should be ready to provide feedback on how stakeholder input influenced decisions, using redline tracked changes, and reasoning behind why some input may, or may not, have been incorporated.
- The review should be underpinned by the principle of ‘**no regression**’ – the policy should not be weakened – and should be conducted with the mandate of improvement.

First phase:

- The IFC should disclose well in advance, and in multiple languages, any document that will inform the review process, such as an approach paper or terms of reference. The IFC should solicit comments from the public on these documents.
- The IFC should **commission an independent external review** of the extent to which the existing IFC Sustainability Framework has been successful in achieving its stated goals, consulting with project-affected communities and civil society organisations to gather their perceptions. This external review report should be disclosed to the public in different languages. As a part of the drafting of the review report, stakeholders should have the opportunity to provide feedback on the strengths and weaknesses of the existing policies and their implementation.

Second phase:

- The IFC should organise consultations on the existing Sustainability Framework, what its strengths and weaknesses have been and how to improve them, fill any gaps, and address new challenges. As a part of the consultations, the IFC should hold in-person and hybrid meetings with stakeholders, including civil society organisations, and project-affected communities.
- Consultations with project-affected people should be conducted in their communities, rather than requiring them to travel to cities, in a minimum of ten countries where significant CAO cases have taken place.
- Dedicated consultations should be held with representatives of indigenous peoples to guarantee their effective participation in accordance with Articles 41 and 42 of the UN Declaration on the Rights of Indigenous Peoples.
- The IFC should publish on its website an unedited compilation of all comments and recommendations received.
- The IFC should also organise and facilitate thematic work sessions with experts, specialised CSOs, and affected communities to discuss specific issues in more detail. For example, the Asian Development Bank convened an Indigenous Peoples Advisory Group to facilitate consultations on its new Environmental and Social Framework.

Third phase:

- The IFC should release, in different languages, a first draft of the revised Sustainability Framework for broad consultation with stakeholders, clearly showing in redline edits where changes have been made/language added to the 2012 version.
- At least 120 days should be allowed for consultation in this phase of the review. The translated versions should be available at the beginning of the consultation period.

Fourth stage:

- The IFC should revise the policies of the Sustainability Framework based on the feedback received and release, in different languages, a second draft for an, at minimum, 90-day public comment period. The documents released as a part of this consultation should include a marked-up version of the first draft that shows the changes made after the first consultation and a document that lists the recommendations received in the first consultation and the IFC's response to these recommendations.
- As with the first consultation, the revised draft should be made available in multiple languages, and IFC should hold in-person and hybrid consultation meetings.

Final Stage:

- The final draft policy should be released publicly and in different languages, *before* being submitted to the Board for approval.
- Any Guidance Notes developed as part of the Sustainability Framework's proposed implementation should also be released for public consultation.

From:

1. Recourse
2. Arab Watch Coalition
3. Bank Information Center
4. Centre for Financial Accountability
5. Accountability Counsel
6. Oxfam International

dorsed by:

7. Association Tunisienne de droit de développement
8. Association Talassemiane pour l'environnement et développement
9. ATGL
10. BankTrack
11. Bio Vision Africa
12. Bretton Woods Project
13. CEE Bankwatch Network
14. Center for International Environmental Law (CIEL)
15. Centre for Research and Advocacy Manipur
16. Cohesión Comunitaria e Innovación Social A.C.
17. COMPPART Foundation for Justice and Peacebuilding
18. Dibeem for Environmental Development
19. ESPOD

20. Forest Peoples Programme
21. Friends of the Earth US
22. Friends with Environment in Development
23. Fundación Ambiente y Recursos Naturales (FARN)
24. Fundeps
25. GAiA Asia Pacific
26. Global Rights
27. GongGam Human Rights Law Foundation
28. Green Advocates International
29. Green Development Advocates
30. Inclusive Development International
31. Initiative for Right View
32. International Rivers
33. JUHUDI Community Support Center
34. Law&Society Institute
35. London Mining Network
36. MenaFem Movement for Economic Development and Ecological Justice
37. NGO Forum on ADB

38. Observatoire d'Etudes et d'Appui à la Responsabilité Sociale et Environnemental

39. Oil Workers' Rights Protection Organization Public Union
40. Oyu Tolgoi Watch
41. Pain aux Indigents et Appui à l'auto-Promotion/PIAP
42. Peace Point Development Foundation

43. Phenix Center
44. Regional Center for Development
45. Rivers without Boundaries Coalition
46. Sustentarse
47. Transport & Environment
48. Urgewald
49. Wedyan Association For Society Development
50. Witness Radio - Uganda
51. World Economy, Ecology & Development
52. Wemos
53. Yemene observatory for Human Rights
54. منظمه شؤون المراه والطف