

# IFC Policy & Performance Standards Consultation Notes: Consultation with Conservation Organizations

*Bangkok, Thailand, November 19, 2004*

BANGKOK, Thailand, November 19, 2004 – International Finance Corporation (IFC) met with interested participants of the IUCN World Conservation Congress to discuss the biodiversity conservation and natural resource management aspects of the draft Policy and Performance Standards on Social and Environmental Sustainability.

A brief presentation on the Safeguards Update and consultation process was followed by detailed discussion of the biodiversity conservation and natural resource management aspects of the draft Policy & Performance Standards. A number of comments, suggestions and questions were discussed regarding IFC's consultation process for the update, the IFC Policy section of the consultation document, and particularly *Performance Standard 6: Conservation of Biodiversity and Sustainable Natural Resource Management*. A summary of specific questions and comments is presented below:

## *Process*

- IFC should test projects on the Performance Standards
- IFC should consider proposing and agreeing with the Board on a set review/test period for implementation of the new Performance Standards.
- IFC should be certain to release revised drafts of the Interpretation Notes at the same time that it releases its revised draft of the Policy and Performance Standards on January 10, 2005.
- The comment periods past January 10th are very tight – is there any flexibility in this? Is there any flexibility in the July 1st start date for implementation?

## *IFC Policy*

- Should be clearer how things work within the strategies of host governments.
- IFC should consider strengthening its supervision.
- IFC should not finance projects that have begun prior to IFC's involvement
- IFC should provide incentives for clients to be advocates to governments to change/strengthen policies

## *Performance Standard 6*

- It is odd that PS6 mentions the Framework Convention on Climate Change but does not mention the CBD. PS6 should mention the CBD as well as other well established conventions and agreements. It is important to look at other policy work and to build on what has already been accomplished. RAMSAR
- IFC needs to be very clear about the definition of biodiversity that it is using. There are differences between the definition used in the CBD and others.
- The no-go debate is, in many cases, sector specific. For example, is there really a no-go situation for tourism?
- The PS should take an approach based on the integrity of the natural environment. The intent of statements like the client "must not introduce alien species" could be clarified in this way. Agricultural crops and the grasses used on putting greens, for example, would not meet this requirement as stated in the Performance Standard.
- A degree of discretion is often necessary but IFC should articulate its procedure to document how a discretionary decision is made. E.g. PS6 requirement for a time-bound phased action plan – what is acceptable and how is the judgment made? IFC should consider external auditing.
- It is not presently clear how the transparency and accountability element works in the current document. Stakeholders should be able to know why a decision was made.
- Could consider a project size threshold above which IFC would not finance
- How do you decide what is early enough?

- The PS needs more of an emphasis on 'local' environmental issues – not just global issues. E.g. access to water, maintaining ecosystem services for livelihoods.
- It is odd that forests are the only ecosystem singled out in the Standard. Citing forests in this way is redundant – it should be made clear why forests have been cited or include other types of ecosystems.
- The PS should address GMOs and reference the Biosafety Protocol. This could perhaps be done within the context of alien and invasive species.