



**International Finance Corporation's  
Guidance Notes:  
Performance Standards on Social &  
Environmental Sustainability**

**July 31, 2007**

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1. IFC has prepared a set of Guidance Notes, corresponding to the Performance Standards on Social and Environmental Sustainability. These Guidance Notes offer helpful guidance on the requirements contained in the Performance Standards, including reference materials, and on good sustainability practices to improve project performance. These Guidance Notes are not intended to establish policy by themselves; instead, they explain the requirements in the Performance Standards.
2. IFC expects that each client will employ methods best suited to its business to meet the requirements of the Performance Standards. In assisting the client to meet the Performance Standards, IFC will take into account variables such as host country context, the scale and complexity of project impacts, and the associated cost-benefit considerations, as well as those of project performance beyond the level required in the Performance Standards. The Guidance Notes provide context, rather than substitute for the sound judgment and discretion used by clients and IFC staff to make project decisions consistent with the Performance Standards.
3. The Guidance Note text in bold italics indicates the text of the corresponding Performance Standard. All references contained in the text of the Guidance Notes are reproduced in full in the References section at the end of the Guidance Notes.
4. IFC will update the Guidance Notes periodically to reflect IFC's lessons of experience with the implementation of the Performance Standards, as well as emerging private sector good practices and updates in the referenced materials.

### Guidance Notes 2007 Updates as of July 31, 2007 Change Matrix

The following table summarizes the 2007 updates made to the Guidance Notes that accompany the IFC Performance Standards. In general, the updates focused on: (i) reflecting relevant developments (e.g., explanation of the operational implications of the new UN Convention on the Rights of Persons with Disabilities), updating references, and incorporating new IFC guidance materials published since April 2006; (ii) responding to external stakeholders' comments and requests for clarification on specific areas (reflected mostly in Guidance Note 5); and (iii) enhancing guidance in areas identified by internal discussion, particularly areas related to health impacts to communities from project activities (reflected mainly in Guidance Notes 1 and 4).

IFC welcomes ongoing comments from stakeholders on the Guidance Notes. Comments can be submitted to:

<http://www.ifc.org/ifcext/CES/Comments.Nsf/Input2?OpenForm>

Guidance Notes Paragraphs (new paragraph numbers)	Summary of Changes
<b>Guidance Note 1</b>	
Paragraph G9	Explains conceptual differences between Assessment under Performance Standard 1 and Assessments specified under other Performance Standards, particularly Performance Standard 5
Paragraph G21	Provides a fuller description of transboundary impacts, including transboundary epidemic disease transmission
Paragraph G22	Provides a fuller description of cumulative impacts, and ensures consistency between Performance Standard 1, paragraph 5 and paragraph G22
Paragraph G23	Refers to the road testing version of the draft Human Rights Impact Assessment
Paragraph G25	Describes how to address project impacts on people with disability and explains benefits of universal design
Paragraph G27	Provides a fuller explanation of the connection between gender and health
Paragraphs G57 and 58	Provides additional guidance on grievance mechanisms, consistent with guidance in the new Good Practice Handbook on Stakeholder Engagement
<b>Guidance Note 2</b>	
Paragraph G5	Emphasizes the importance of good implementation of labor related management action items through a good management system
Paragraph G29	Provides guidance on disability in the work place
Paragraph G44	Provides guidance on human trafficking issues in the context of child labor
Paragraph G52	Provides guidance on human trafficking issues in the context of forced labor

Guidance Notes Paragraphs (new paragraph numbers)	Summary of Changes
<b>Guidance Note 3</b>	
Annex A	Provides additional guidance on GHG emissions in relation to gas flaring
<b>Guidance Note 4</b>	
Paragraph G3	Introduces new guidance and resources for conducting health impact assessments
Paragraph G7	Provides guidance on monitoring of health impacts at household or community levels, and underscores the need to interact with the host government
Paragraph G13	Stresses the importance of addressing hazardous materials considerations at the end of the project life-cycle, such as PCBs and asbestos at the time of project decommissioning
Paragraph G15	Stresses the importance of assessing cumulative increases in project-related emissions and releases to air, water and soil
Paragraph G18-20	Provides expanded explanations of environmental health, nutrition and food security, and infectious diseases considerations in the affected communities
Paragraph G22-23	Provides guidance on worker and community health issues when projects introduce imported workers and contractors
Paragraph G35	Provides additional guidance on situations where the project is providing equipment to public security personnel
Annexes A, B, C and F	Annex A lists the material Environmental Health considerations; Annex B provides specific instances of environmental health issues connected to distinct project activities; Annex C provides a summary of a health impact assessment process; and Annex F lists different types of health impact assessments
<b>Guidance Note 5</b>	
Paragraph G10	Lists examples of scenarios that do not come under Performance Standard 5 because impacts are not due to project related land acquisition, and provides guidance on how such impacts may be addressed through Performance Standard 1
Paragraph G12	Clarifies the general principle to be applied when affected livelihoods are land-based (whether in the context of physical or economic displacement, and whether involving Type I or II transactions)
Paragraph G40	Clarifies requirements under Performance Standard 5 when project-affected people who are without legal title or claim are economically displaced

Guidance Notes Paragraphs (new paragraph numbers)	Summary of Changes
<b>Guidance Note 6</b>	
Paragraph G26	Provides guidance on the need for assessment when a project introduces genetically modified organisms (GMOs) - also known as living modified organisms - in a manner similar to invasive alien species
Paragraph G28	Explains a number of ongoing international multistakeholder standard setting initiatives in large commodity sectors, such as palm oil, soy and sugar
<b>Guidance Note 7</b>	
Paragraph G1	References the new IFC guide for clients who operating in countries that have ratified Convention 169
<b>Guidance Note 8 : No changes</b>	