

IFC Position Statement on Retaliation Against Civil Society and Project Stakeholders

October 2018

IFC recognizes the responsibility of the private sector to respect human rights. IFC's Sustainability Framework integrates human rights considerations, applicable to business, into our environmental and social standards, due diligence and supervision processes. The projects we finance must adhere to our Performance Standards, which are referenced in our legal agreements. The advice we give to our clients must be consistent with these standards.

Respect for human rights includes the ability of stakeholders to engage freely with IFC and its clients. This is essential to promoting positive development outcomes. Civil society organizations (CSOs) and project-impacted stakeholders must be able to provide feedback, voice opposition, and raise concerns with our clients and with IFC when necessary to ensure that environmental and social impacts in IFC-financed projects are avoided, minimized or mitigated and that the project achieves its intended development impact. We value the input and views of all stakeholders.

IFC does not tolerate any action by an IFC client that amounts to retaliation – including threats, intimidation, harassment, or violence – against those who voice their opinion regarding the activities of IFC or our clients. We take seriously any credible allegations of reprisals.

When complaints of this nature are raised with IFC, we work – within the scope of our mandate – with our clients or other appropriate parties to try to address them. In such instances, we raise our concerns directly with the client or relevant party, make our position against reprisals clear, and take follow up action as and where appropriate. We will make all efforts to safeguard identities and confidential information shared with us in this regard.

We are working on internal protocols and staff guidance to raise awareness and guide action, including integrating these concerns into our contextual risk screening procedures to identify operating contexts which are high risk for retaliation and violence.

IFC's Performance Standard requirements focus on risk identification, avoidance, and mitigation related to project-impacted individuals and communities. Performance Standard 1 requires our clients to undertake stakeholder engagement and ensure disclosure of information. Clients are also required to establish a project-level grievance mechanism for local communities that is accessible and implemented without retribution to the party that originated the issue or concern.

The Office of the Compliance Advisor Ombudsman (CAO), IFC's independent accountability mechanism, provides an important additional grievance channel for communities affected by IFC investments. CAO has developed an approach with respect to complainant protection and threats of reprisals which is available <u>here</u>.

We are committed to learning and improving and continue to seek opportunities to enhance IFC's due diligence and supervision, and our clients' implementation of our Performance Standards. For more information see www.ifc.org/sustainability.