

Pest Management

Note: This policy applies to projects financed by the International Finance Corporation (IFC). In case of doubt, any determination of what is acceptable to IFC under this policy is made by the Vice President, Investment Operations in consultation with the Vice President with corporate responsibility for environmental issues, the Technical and Environment, and Legal Departments. Questions should be addressed to the Associate Director, IFC's Environment Division. Additional copies are available to IFC staff in the Information Resources Center, Room L-124. The policy is available to the public through IFC's World Wide Web site at: <http://www.ifc.org/enviro>.

1. In assisting project sponsors to manage pests that affect either agriculture or public health, IFC¹ supports a strategy that promotes the use of biological or environmental control methods and reduces reliance on synthetic chemical pesticides. In IFC-financed projects, the project sponsor addresses pest management issues in the context of the project's environmental assessment.²
2. In appraising a project that will involve pest management, IFC assesses the capacity of the project sponsor to promote and support safe, effective, and environmentally sound pest management. As necessary, IFC and the project sponsor incorporate in the project components to strengthen such capacity.

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3. IFC uses various means to assess pest management in a specific project and support integrated pest management (IPM)⁴ and the safe use of agricultural pesticides: project-specific environmental assessments, participatory IPM assessments, if applicable, and components of investment projects aimed specifically at supporting the adoption and use of IPM.
4. In IFC-financed agriculture operations, pest populations are normally controlled through IPM approaches, such as biological control, cultural practices, and the development and use of crop varieties that are resistant or tolerant to the pest. IFC may finance the purchase of pesticides when their use is justified under an IPM approach.

Criteria for Pesticide Selection and Use

5. The procurement of any pesticide in an IFC-financed project is contingent on an assessment of the nature and degree of associated risks, taking into account the proposed use and the intended users.⁵ With respect to the classification of pesticides and their specific formulations, IFC refers to the World Health Organization's *Recommended Classification of Pesticides by Hazard and Guidelines to Classification* (Geneva: WHO, 1994-95).⁶ The following criteria apply to the selection and use of pesticides in IFC-financed projects:

- a) They must have negligible adverse human health effects.

¹ The International Finance Corporation (IFC) is the World Bank Group entity with a mandate to invest in private sector projects in developing member countries. It lends directly to and makes equity investments in private companies without guarantees from governments and attracts other sources of funds for these projects. IFC also provides advisory services and technical assistance to governments and businesses.

² See OP 4.01, *Environmental Assessment*.

³ OP 4.09 applies to all IFC lending, whether or not the loan finances pesticides. Even if IFC lending for pesticides is not involved, an agricultural development project may lead to substantially increased pesticide use and subsequent environmental problems.

⁴ IPM refers to a mix of farmer-driven, ecologically based pest control practices that seeks to reduce the reliance on synthetic chemical pesticides. It involves (a) managing pests (keeping them below economically damaging levels) rather than seeking to eradicate them; (b) relying, to the extent possible, on nonchemical measures to keep pest populations low; and (c) selecting and applying pesticides, when they have to be used, in a way that minimizes adverse effects on beneficial organisms, humans, and the environment.

⁵ This assessment is made in the context of the project's environmental assessment and is recorded in the project documents. The project documents also include (in the text or in an annex) a list of pesticide products authorized for procurement under the project, or an indication of when and how this list will be developed and agreed on. This authorized list is included by reference in legal documents relating to the project, with provisions for adding or deleting materials.

⁶ Copies of the classification, which is updated annually, are available in IFC's Information Resource Center, Room FL-124.



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- b) They must be shown to be effective against the target species.
 - c) They must have minimal effect on nontarget species and the natural environment. The methods, timing, and frequency of pesticide application are aimed to minimize damage to natural enemies. Pesticides used in projects that have public health program components must be demonstrated to be safe for inhabitants and domestic animals in the treated areas, as well as for personnel applying them.
 - d) Their use must take into account the need to prevent the development of resistance in pests.

6. IFC requires that any pesticides it finances be manufactured, packaged, labeled, handled, stored, disposed of, and applied according to standards acceptable to IFC.⁷ IFC does not finance formulated products that fall in WHO classes IA and IB, or formulations of products in Class II, if (i) the country lacks restrictions on their distribution and use; or (ii) they are likely to be used by, or be accessible to, lay personnel, farmers, or others without training, equipment, and facilities to handle, apply, and store these products properly.

⁷ The FAO's *Guidelines for Packaging and Storage of Pesticides* (Rome, 1985), *Guidelines on Good Labeling Practice for Pesticides* (Rome, 1985), and *Guidelines for the Disposal of Waste Pesticide and Pesticide Containers on the Farm* (Rome, 1985) are used as minimum standards.