



PERFORMANCE STANDARDS COMMUNITY OF LEARNING

OCTOBER 25-26, 2011



Scope of Performance Standard Changes

- Changes mostly provide clarity to existing requirements
- There are a limited number of requirements that were extended or new ones that were introduced

Key Changes by PS





PS1: Assessment and Management of Environmental and Social Risks and Impacts

OBJECTIVES

- To anticipate, avoid, minimize, and compensate for risks and impacts
- To mitigate or minimize negative impacts to workers, affected communities and the environment
- To promote effective use of environmental and social management systems
- To promote adequate engagement and communication with project-affected communities

PS 1 Key Changes

- Recognizes private sector role in respecting human rights
- Tailored for easier application to non-project finance
- Requires an E&S Policy
- Requires a passive external communication channel



PS2: Labor and Working Conditions

OBJECTIVES

- To promote fair treatment, non- discrimination, equal opportunity and safe conditions for workers
- To promote compliance with national employment and labor laws
- To protect workers and avoid the use of forced labor or child labor

PS 2 Key Changes

- Requires comparable terms and conditions for migrant workers compared to non-migrant workers
- Introduces requirements for workers' accommodation
- Requires ongoing monitoring of working conditions for workers under the age of 18
- Requires analysis of alternatives prior to retrenchment
- Third party worker access to a grievance mechanism
- Defines “primary supplier”
- Introduces “safety” trigger in primary supply chain

Case Studies

PS1 Jupiter Gold

PS2 Prospect Cement Company



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PS 3: Resource Efficiency and Pollution Prevention

OBJECTIVES:

- To reduce pollution from project-related activities
- To promote energy efficiency and more sustainable use of resources, including energy and water
- To reduce project related GHG emissions

PS 3 Key Changes

- Introduces a resource efficiency concept for energy, water and core material inputs
- Introduces a water consumption requirement for a potentially significant consumers of water
- Strengthens focus on energy efficiency and greenhouse gas measurement
- Reduces GHG emissions thresholds for reporting to IFC from 100,000 tons CO₂ to 25,000 tons per year
- Requires determination of accountability with regards to historical pollution
- Introduces concept of 'duty of care' for hazardous waste disposal



PS 6: Biodiversity Management and Sustainable Management of Living Natural Resources

OBJECTIVES

- To protect and conserve biodiversity
- To maintain the benefits from ecosystem services
- To promote the sustainable management of living natural resources

PS 6 Key Changes

- Clarifies definitions of and requirements for various types of habitats
- Includes “Net Positive Gain” requirement in Critical Habitats
- Elaborates on requirements for management of ecosystem services
- Introduces stronger requirements for biodiversity offsets
- Clarifies requirements for “Living Natural Resources” (i.e., agribusiness, aquaculture and forestry investments)
- Broadens certification requirements to all agribusiness (rather than just forestry)
- Outlines requirements for supply chain

Case Studies

- Meridian
- Aquaculture Investment Company



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PS 4: Community Health, Safety, and Security

OBJECTIVES

- To anticipate and avoid health and safety impacts on project-affected communities
- To safeguard people and property in accordance with relevant human rights principles

PS 4 Key Changes

- Considers risks to communities associated with use and/or alteration of natural resources and climate change through an ecosystems approach



PS 5: Land Acquisition and Involuntary Resettlement

OBJECTIVES

- To avoid or minimize displacement of communities
- To avoid forced eviction
- To reduce adverse impacts from land acquisition and restore the livelihoods of displaced persons

PS 5 Key Changes

- Extends scope of application to restriction on access to (and use) of resources including land, forest, fisheries, etc
- Strengthens requirements regarding consultations
- Introduces a requirement for a completion audit under certain circumstances



PS 7: Indigenous Peoples

OBJECTIVES

- To ensure respect for the human rights, culture, and livelihoods of Indigenous Peoples
- To promote sustainable development benefits and opportunities for Indigenous Peoples
- To ensure the Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples in certain circumstances

PS 7 Key Changes

- Expands consideration of Indigenous Peoples' specific circumstances in developing mitigation measures and compensation.
- Introduces requirement for land acquisition due diligence with regards to lands subject to traditional ownership or under customary use.
- Introduces the concept of Free, Prior, and Informed Consent under certain circumstances (same as GFN triggers in the 2006 version).



PS 8: Cultural Heritage

OBJECTIVES

- To protect and preserve cultural heritage
- To promote the equitable sharing of benefits derived from cultural heritage

PS 8 Key Changes

- Requires clients to allow access to cultural sites

Case Studies

- Canal Area Investment Company
- Southeast Asian Mining Company