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## **Annex III: Interim environmental and social safeguards of the Fund**

### **I. Overview of the International Finance Corporation Performance Standards**

1. The eight Performance Standards (PS) and the objectives of each are as follows:

#### **1.1 PS1: Assessment and management of environmental and social risks and impacts**

- (a) Identify funding proposal's environmental and social risks and impacts;
- (b) Adopt mitigation hierarchy: anticipate, avoid; minimize; compensate or offset;
- (c) Improve performance through an environmental and social management system;
- (d) Engagement with affected communities or other stakeholders throughout funding proposal cycle. This includes communications and grievance mechanisms.

#### **1.2 PS2: Labour and working conditions**

- (a) Fair treatment, non-discrimination, equal opportunity;
- (b) Good worker-management relationship;
- (c) Comply with national employment and labour laws;
- (d) Protect workers, in particular those in vulnerable categories;
- (e) Promote safety and health;
- (f) Avoid use of forced labour or child labour.

#### **1.3 PS3: Resource efficiency and pollution prevention**

- (a) Avoid, minimize or reduce project-related pollution;
- (b) More sustainable use of resources, including energy and water;
- (c) Reduced project-related greenhouse gas emissions.

#### **1.4 PS4: Community health, safety and security**

- (a) To anticipate and avoid adverse impacts on the health and safety of the affected community;
- (b) To safeguard personnel and property in accordance with relevant human rights principles.

#### **1.5 PS5: Land acquisition and involuntary resettlement**

- (a) Avoid/minimize adverse social and economic impacts from land acquisition or restrictions on land use:

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- (i) Avoid/minimize displacement;
  - (ii) Provide alternative project designs;
  - (iii) Avoid forced eviction.
- (b) Improve or restore livelihoods and standards of living;
  - (c) Improve living conditions among displaced persons by providing:
    - (i) Adequate housing;
    - (ii) Security of tenure.

## 1.6 PS6: Biodiversity conservation and sustainable management of living natural resources

- (a) Protection and conservation of biodiversity;
- (b) Maintenance of benefits from ecosystem services;
- (c) Promotion of sustainable management of living natural resources;
- (d) Integration of conservation needs and development priorities.

## 1.7 PS7: Indigenous peoples

- (a) Ensure full respect for indigenous peoples
  - (i) Human rights, dignity, aspirations;
  - (ii) Livelihoods;
  - (iii) Culture, knowledge, practices;
- (b) Avoid/minimize adverse impacts;
- (c) Sustainable and culturally appropriate development benefits and opportunities;
- (d) Free, prior and informed consent in certain circumstances.

## 1.8 PS8: Cultural heritage

- (a) Protection and preservation of cultural heritage;
  - (b) Promotion of equitable sharing of cultural heritage benefits.
2. The International Finance Corporation (IFC) PS can be viewed at:

[http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC\\_Performance\\_Standards.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES).

## II. Performance Standard Guidance Notes

3. A set of eight Guidance Notes, corresponding to each PS, offers guidance on the requirements contained in the PS. In addition, the World Bank Group Environmental, Health and Safety (EHS) Guidelines are technical reference documents with general and industry-specific examples of good international practice and are linked to the PS through PS2 and PS3.

4. The Guidance Notes and EHS Guidelines can be found at:

[http://www.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site/IFC+Sustainability/Sustainability+Framework/Sustainability+Framework+-+2012/Performance+Standards+and+Guidance+Notes+2012/.](http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/Sustainability+Framework+-+2012/Performance+Standards+and+Guidance+Notes+2012/)