

Four principles to guide the IFC Sustainability Framework review

September 2026

The International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) are currently updating their Sustainability Framework (SF), which sets out the environmental and social safeguards designed to prevent development projects financed by these institutions causing harm to people and the environment.

The IFC and MIGA will disclose the first draft of the new SF and launch public consultations in Nov–Dec 2026.¹ In September 2026, 116 civil society organisations (CSOs — including the publishers of this briefing) signed a letter to the World Bank Group (WBG) Board outlining four core principles to guide the review:

1. **Alignment with best available practice and human rights norms**
2. **Non-regression from existing policies**
3. **Improved implementation**
4. **Meaningful consultation of affected communities and a dedicated, rights-based engagement with Indigenous Peoples**

The WBG Board has a vital role to play in ensuring that the revised SF adheres to these principles, which are essential for ensuring the SF is fit for purpose, up to date, and able to protect affected communities from harm.

This briefing explains the four core principles in more detail, with reference to other international standards used by peer institutions and the private sector.

A second, separate briefing provides detailed recommendations on priority issues that must be addressed during the SF review, including recommendations on existing and new Performance Standards, the Access to Information Policy, and cross-cutting issues such as gender.

Find both briefings on the [Recourse website](#).



1. Alignment with best available practice and human rights norms

It has been almost 15 years since the SF was last updated. The 2012 SF was an important step forward, and in many ways represented a gold standard in environmental and social (E&S) sustainability at the time. However, developments in human rights norms and E&S approaches since 2012 mean that the IFC/MIGA safeguards are no longer the leading standards they used to be.

This is reaffirmed by the Independent Evaluation Group (IEG) assessment of the 2012 SF, which found that it is “less up to date than some peer frameworks”, as peer institutions have “introduced additional standards to address areas not explicitly covered in IFC’s framework” such as “financial intermediaries, stakeholder engagement and information disclosure, and selected emerging risks”.²

Furthermore, as many investigations by CSOs and the Compliance Advisor Ombudsman (CAO) attest to, the current safeguards are not fully preventing harms.³ As such, **there is an urgent need to update and improve the existing SF; to prevent harms, minimise reputational risks for IFC/MIGA, bring the SF into alignment with the best available practice (including at peer institutions), and regain IFC/MIGA’s leadership role in the field.**

Over the years, private sector companies have strengthened their approach to due diligence in line with corporate responsibilities to respect human rights under international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The IFC/MIGA SF should be fully aligned with the UNGPs, and the human rights, climate change, and environmental review obligations of IFC/MIGA, and their member states, under customary international law.⁴ The SF should be further aligned with IFC/MIGA

member states’ same obligations under treaties such as (but not limited to) the Aarhus Convention, Kyiv Protocol, Escazú Agreement, United Nations Declaration on the Rights of Indigenous Peoples, the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

By aligning policy and practice with international and human rights norms and obligations, we expect the IFC and MIGA to adopt an approach that ensures their projects do no harm to people, animals or the planet. This requires **adopting the highest standards of environmental, social and animal welfare impact assessment, that make use of the best available science and methods to assess and prevent harms.** Aligning with other, widely known standards will also help to minimise complexity for IFC and MIGA clients in the private sector, thus supporting improved implementation.

We are hopeful that the WBG Board agrees with us on the need for strong E&S safeguards, and that shareholder governments will push for improvements to the IFC/MIGA SF in line with their international obligations and human rights norms.

2. Non-regression from existing policies

Alongside a commitment to improving the existing SF and bringing it into line with international best practice, we urge the Board to also **ensure that the review does not weaken the existing safeguards.**

We find it concerning that, in previous CSO consultations on the SF update, IFC management has made reference to aiming for no ‘net’ regression of the policy. This suggests that some areas of the policy will get weaker. In particular, we are concerned that the IFC’s policy on Free, Prior and Informed Consent (FPIC) for Indigenous Peoples may be amended to limit its application, which would deny some Indigenous communities their rights and increase

1 IFC. (2026). ‘Update of IFC’s and MIGA’s Sustainability Frameworks’. <https://www.ifc.org/en/what-we-do/sector-expertise/sustainability/policies-and-standards/update-of-ifc-s-sustainability-framework>.

2 IEG. (2026). ‘The International Finance Corporation’s Sustainability Framework (Fiscal Years 2012-25): An Independent Evaluation’. <https://ieg.worldbankgroup.org/evaluations/ifc-sustainability-framework-fiscal-years-2012-25/chapter-2-fit-purpose>.

3 For examples, see IFC Exposed. (2026). ‘Case Studies’. <https://ifc-exposed.org/category/case/>; CAO. (2024). ‘Strengthening Greenhouse Gas Mitigation in IFC-Financed Projects’. <https://www.cao-ombudsman.org/resources/strengthening-greenhouse-gas-mitigation-ifc-financed-projects>.

4 Drs. J. Lorenzo and J. Lin. (2025). ‘International legal obligations of multilateral development banks and their member states in relation to climate change’. <https://bankclimateadvocates.org/mdb-legal-climate-opinion>.

the likelihood of harm occurring. Similarly, CSOs are concerned that IFC's suggestions of taking a "differentiated approach" to the application of safeguards for indirect lending (e.g. capital markets transactions, financial intermediary investments) could lead to even weaker application of the Performance Standards for these projects.⁵

Neither the desire to harmonise standards with peer institutions nor the push for the IFC and MIGA to rapidly increase their portfolios can justify any attempt to water down the existing safeguards. This would only undermine the global influence and credibility of the Performance Standards and would create additional reputational risks (and CAO cases) by permitting further harms to be perpetrated against affected communities. There also seems to be little logic to weakening standards that private sector clients are already using and are accustomed to, as any regression moves the SF further away from best practice and causes further proliferation in the differing requirements that companies must follow.

We expect that Board members will **adopt, at the very minimum, a policy of non-regression when reviewing the draft SF and will reject any attempts to introduce de facto policy regression**. Furthermore, as stated above, we highlight that a policy of non-regression alone is insufficient to prevent the continuation of social and environmental harms suffered as a result of WBG projects and should be accompanied by dedicated improvement measures to the SF.

3. Improved implementation

Strong policies on paper do not always lead to better practices on the ground. CSO analysis and complaints to the CAO have highlighted many times that implementation of the IFC/MIGA Performance Standards has been inconsistent and has sometimes led to severe harms. Some of those cases are documented on IFC exposed.⁶

The IEG's report also cites implementation as an issue and recommends that it can be improved by "expanding hands-on E&S support to clients" and by "improving the transparency of its E&S performance and disclosures".⁷

But the IFC and MIGA also need to look inward and focus on **better incentivising strong E&S performance and creating and deepening an internal culture of accountability among IFC/MIGA management and staff**. This includes **establishing an effective remuneration and performance management system, and organisational culture**, which incentivise staff and teams to ensure the full implementation of E&S requirements, while also embedding accountability within operational departments (including accountability for failures to carry out E&S safeguards).⁸ Staff performance and promotion metrics should be aligned to their roles in effectively implementing the SF. This includes IFC/MIGA staff involved in E&S performance across all types of projects throughout their entire lifecycle, including after project closure.

It is also important for the **requirements of the SF to be applied more consistently and comprehensively across the many project types** (e.g. trade finance, capital markets transactions, guarantees and financial intermediary investments/guarantees) and financial instruments (debt, equity, quasi-equity, private equity, corporate finance, syndicated loans, trade finance, bonds, etc.) in which the IFC and MIGA engage, as well as to parent projects when IFC/MIGA are financing any associated facilities. MIGA should, in particular, consider how to ensure the application of the SF to on-lending and subprojects enabled by MIGA's guarantees, as the relationship between MIGA, the client/guarantee holder and a subproject can be even more complex than that between the IFC and a subproject.

5 IFC. (2025). 'Approach Paper for the Update of IFC's Sustainability Framework'. <https://www.ifc.org/content/dam/ifc/doc/2025/approach-paper-updated.pdf>; Recourse, Oxfam, urgewald et al. (2026). 'CSO recommendations for the new Financial Intermediary safeguard in the IFC Performance Standards'. <https://ifc-exposed.org/wp-content/uploads/2026/07/CSO-recommendations-for-a-new-Financial-Intermediary-safeguard-in-the-IFC-Performance-Standards-June-2026.pdf>.

6 IFC Exposed. (2026). 'Case Studies'. <https://ifc-exposed.org/category/case/>.

7 IEG. 'The International Finance Corporation's Sustainability Framework (Fiscal Years 2012-25)'. <https://ieg.worldbankgroup.org/evaluations/ifc-sustainability-framework-fiscal-years-2012-25/overview>.

8 Friends of the Earth US et al. (2026). 'Re: Aligning IFC Staff Incentives with Implementing the Sustainability Framework'. https://ifc-exposed.org/wp-content/uploads/2026/05/CSO-Letter_-Aligning-IFC-Staff-Incentives-with-Policy-Implementation.pdf.

The IFC and MIGA must also carefully consider **how to increase their leverage with clients (particularly financial intermediary clients) throughout the project cycle to ensure strong E&S compliance, and to make better use of their existing leverage.** The CAO has provided useful recommendations for how the IFC could maintain leverage throughout an investment cycle; for example by tying disbursements to E&S outcomes, by building client capacity to implement E&S requirements or by using new investments with existing clients as a point of leverage with which to ensure E&S management systems are being properly implemented.⁹

While strengthening IFC and MIGA policies will be vital throughout this review, we urge the Board to continue monitoring both institutions' E&S performance closely and to ensure that more is being done to ensure better implementation of the SF.

4. Meaningful consultation of affected communities and a dedicated, rights-based engagement with Indigenous Peoples

As CSOs highlighted to the IFC and MIGA at the start of the review, **it is vital that consultations on the draft SF are conducted in a meaningful way that enables those most impacted by IFC/MIGA projects to contribute to improving the safeguards.**¹⁰ This is the best way to increase trust and show that these institutions are committed to improving E&S outcomes.

The IFC's engagement with CSOs during the pre-consultation phase has been, for the most part, positive and constructive. However, we currently have concerns on two fronts.

Indigenous Peoples' organisations requested on multiple occasions that the IFC establish an autonomous Indigenous Peoples Advisory Group to engage on the SF update (as the Asian Development Bank did during its recent Safeguard Policy review and has continued for its current Accountability Mechanism Policy review).¹¹ However, despite many meetings and considerable work done by Indigenous Peoples' organisations to begin developing a framework for the group, the IFC did not demonstrate good faith and trust towards the organisations, who subsequently withdrew from the process.

CSOs also requested that the IFC and MIGA engage project-affected people during the SF review, which they have now committed to do during the public consultation phase.¹² However, plans on how this will be done are currently unclear, as the IFC and MIGA have yet to publish or share any details of the Stakeholder Engagement Plan for public consultations.

The details of this plan are vital. Project-affected communities, Indigenous Peoples and Indigenous Peoples' organisations are best placed to inform the IFC and MIGA of how E&S safeguards are likely to impact these groups and how best to engage them. IFC/MIGA must meaningfully engage communities who have filed complaints to the CAO in the past, as they are well acquainted with the shortcomings of the SF and its implementation. Meaningful engagement would include **IFC staff meeting project-affected communities where they are, in locations accessible to them.** We expect consultations to be conducted in local languages, with independent facilitation and translation, and consultation documents disclosed well ahead of time.

We trust that these expectations are shared by the Board, and **welcome your support in scrutinising the IFC and MIGA Stakeholder Engagement Plan, when disclosed, to ensure that they are reflected in the Plan's approach.**

9 CAO. (2026). Leveraging IFC's Influence to Enhance Environmental and Social (E&S) Outcomes. <https://www.cao-ombudsman.org/resource/leveraging-ifcs-influence-enhance-environmental-and-social-es-outcomes>.

10 Recourse et al. (2024). 'Recommendations for the review of the IFC Sustainability Framework'. <https://re-course.org/wp-content/uploads/2024/12/Proposal-for-the-process-of-the-IFC-Performance-Standards-review-2024.pdf>; This should be "meaningful" as defined by the OECD. OECD Watch. (2023). 'The OECD Guidelines and stakeholder engagement'. <https://www.oecdwatch.org/oecd-ncps/the-oecd-guidelines-for-mnes/what-is-in-the-oecd-guidelines/the-oecd-guidelines-and-stakeholder-engagement/>.

11 (2025). 'Joint Letter calling for a Dedicated Consultation Process and Mechanism with Indigenous Peoples for the Update of IFC's Sustainability Framework'. https://aipnee.org/wp-content/uploads/2025/12/IFC_letter_with_header_logos_rev.pdf.

12 IFC. (2025). 'IFC Sustainability Framework Update Stakeholder Consultation Framework', p.4. <https://www.ifc.org/content/dam/ifc/doc/2025/stakeholder-consultation-framework.pdf>.