

Civil society recommendations for the IFC/MIGA Sustainability Framework

September 2026

To engage effectively with the Sustainability Framework review, civil society has formed working groups to discuss policy recommendations on different themes and Performance Standards. Through these groups, we have engaged in IFC consultations, developed joint positions, and proposed submissions for the new draft SF. Below, we highlight priority issues that we would like to draw the Board's attention to when reviewing draft SF.

PS1: Assessment and Management of Environmental and Social Risks and Impacts¹

- 1. Bring requirements on social risk and marginalised groups in line with current best practice:** Since the last update of the SF, multilateral development banks (MDBs) have increasingly recognised the social risks and impacts that come with development projects and have improved their policies and guidance to address these risks. An updated PS1 must provide clients with clear direction for assessment and management of social risks, particularly those disproportionately affecting marginalised groups. PS1 should clearly define and list these marginalised groups so they are integrated into project due diligence, impact assessments and stakeholder engagement.
- 2. Bring environmental and social impact assessment requirements, including in regards to impact, alternatives and mitigation analysis, in line with best available science and methods:**

Since 2012, the methods and science used to assess and prevent E&S impacts have also significantly improved, and many MDBs have improved their E&S policies and guidance to recognise this. An updated PS1 must reflect and require implementation of best available science and methods for E&S assessments to avoid significant and preventable harms.

- 3. Integrate contextual risk assessment:** To optimise risk management, PS1 requirements should be integrated with the IFC's contextual risk assessment frameworks. This would facilitate comprehensive risk identification and management, including those related to security and conflict; political risk, governance, and civil liberties; labour; health and population; biodiversity, ecosystem services, and climate change; land and access to natural resources; social cohesion; gender; and reprisals. Furthermore, PS1 must define project scope and area of influence clearly and broadly, while delineating thresholds that trigger cumulative impact assessments.

PS2: Labour and Working Conditions²

1. Stronger protections for Freedom

of Association: Employers worldwide violate their employees' freedom of association on a regular basis, and as identified in the CAO's recent report, IFC projects are no exception. We support policies that support collective bargaining and expanded protections for workers who face retaliation for exercising their right to organise.

2. A new, standalone standard for

Occupational Safety and Health (OSH): The 2012 Performance Standards include only a small paragraph on OSH issues, whereas peer institutions such as the European Bank for Reconstruction and Development (EBRD) and Asian Development Bank (ADB) have given occupational safety and health its own standard, partly in light of the designation of OSH as a fundamental right at work. The IFC/MIGA should adopt a robust OSH Standard, and we suggest using the EBRD's newly adopted Environmental and Social Requirement 4 as a model. IFC/MIGA must also **ban all investments in asbestos projects**, following peer institutions such as the ADB, AIIB and EBRD.

3. Ensure all project workers are covered:

The IFC's current policies leave contracted workers and workers in supply chains largely without labour rights protections, and (as working relationships across the world grow increasingly complex) this introduces more risk for project workers. The IFC's protections should **set a standard for all project workers**, and employers should not be able to use new technologies to obscure employment relationships. Greater attention is required in the SF to **prevent IFC/MIGA clients from**

employing workers on illegal contracts, such as day laborer contracts when they are in fact working full time, and to ensure that employees are paid in full in a timely manner.

PS3: Resource Efficiency and Pollution Prevention³

1. Strengthen climate integrity: For projects with more than negligible emissions, the IFC and MIGA should require lifecycle Scope 1–3 greenhouse gas (GHG) emissions disclosure before financing, and annual reporting thereafter. Pre-financing impact analysis should demonstrate alignment with 1.5 degrees Celsius sector pathways. It should also contain alternatives and mitigation assessments using best available science and methods that include GHG reduction, economic and technical feasibility analysis for all alternatives, social cost of carbon analysis, and assessment of lower-emission designs, fuels, technologies, and materials. The SF should require adoption of the lowest-emissions option that is technically and economically feasible. IFC/MIGA must disclose each project's GHG impacts, alternatives considered, and mitigation measures before Board consideration.⁴

2. Ensure resource efficiency: The revised SF should establish a mandatory mitigation hierarchy, requiring time-bound, externally verified reductions in material, water, land, feedstock, and pollution intensity against sector-specific metrics. High-impact projects should use advanced water-management practices, independent verification, and gender-responsive monitoring.

3. Prevent pollution: The IFC/MIGA should ban pollution offsetting and require hazardous-waste minimisation, safe treatment, and

1 Full submission on PS1 here: <https://ifc-exposed.org/wp-content/uploads/2026/03/CSO-Submission-on-PS1-Assessment-and-Management-of-Environmental-and-Social-Risks-and-Impacts.pdf>.

2 Full submission on PS2 and labour-related issues here: https://ifc-exposed.org/wp-content/uploads/2026/03/Trade-Union-Submission-to-ESF-Review_final.pdf.

3 Full submission on PS3 here: https://ifc-exposed.org/wp-content/uploads/2026/03/PS3_Climate-Recommendations.pdf.

4 This is the expectation set by the OECD Guidelines, see: https://www.oecd.org/en/publications/2023/06/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_a0b49990.html



A protest in the Philippines against IFC's financing of coal-fired power plants which caused health problems and displacement in numerous communities. Photo by the Philippine Movement for Climate Justice (PMCJ), April 2025.

disposal in line with the Basel, Rotterdam, and Stockholm Conventions. Mining projects must be required to meet the Global Industry Standard on Tailings Management, prohibit new wet-tailings dams where people live in self-rescue zones, and mandate closure plans and emergency-response systems from the outset. IFC/MIGA should also end support for the production or trade of persistent organic pollutants and radioactive waste.

PS4: Community Health, Safety, and Security

1. Recognise and assess worker well-being in relation to its potential impacts on patient or community safety:

PS4 should acknowledge that worker burnout, fatigue from excessive hours, and psychosocial stress impact quality of care and are significant risks to patient and community safety. IFC/MIGA clients should monitor and mitigate these risks in their community health and safety management plans. This reframes 'degradation of working conditions' not just as a labour issue, but as a critical patient safety issue that must be addressed.

2. Address client incentive and performance management systems:

PS4 should be amended to prohibit 'Ethically Compromising Performance Targets':

This would require the introduction of language in PS4 that prohibits investee companies from implementing performance management systems for staff, particularly clinical staff, based on purely financial or patient-volume targets. Performance metrics in this instance should instead be based on quality of care or services and patient outcomes. This directly targets the 'aggressive commercial targets' that create professional and ethical conflicts for medical or other practitioners.

3. Broaden the definition of affected communities:

Particularly in social sector investments such as health and education-related investments where affected communities extend far beyond a physical location. This applies especially when you consider the workforce, secondary stakeholders such as patients' families or caregivers who also bear the burden of care or treatment, or quite crucially those affected by the extended reach of health or education-related technologies. The risks to community safety are often overlooked, as was evidenced in the recent Bridge cases in Kenya which highlighted several significant lapses in the implementation of PS4, particularly regarding child protection and safeguarding.

PS5: Land Acquisition and Involuntary Resettlement⁵

1. Remediate legacy displacement: PS5 does not apply to displacement before IFC involvement, including in anticipation of financing, or following disasters or conflict, creating a perverse incentive to displace communities early to avoid PS5 requirements. PS5 also lacks requirements for when IFC finances expansion of existing operations. PS5 should apply retroactively in these circumstances, requiring an independent assessment and a remedial action plan as a financing condition.

2. Prioritise avoiding displacement through early community participation in planning and decision-making: PS5 should require engagement with potentially affected communities, and support for their participation, at the earliest stages of the project, including a systematic assessment of alternative project locations, designs and footprints (including No-Go zones), with the aim of avoiding displacement and livelihood impacts and limiting the duration of impacts on land and resources. Communities should be provided with independent advisors to ensure they have the support to engage in the process. For projects with significant impacts, PS5 should require good faith, equitable negotiations with affected communities to reach agreements on impact-avoidance measures and other terms on which the project may proceed. When Indigenous Peoples are concerned, there must be no displacement without FPIC.

3. Ensure livelihood improvement and benefit sharing: Where displacement cannot be fully avoided, PS5 should require sustained improvement in affected people's livelihoods and living standards, not mere restoration. This means requiring measures demonstrably

capable of producing better outcomes than the pre-displacement baseline, rather than merely compensating losses. For land and natural resource-based communities, clients should demonstrate they can provide viable alternative land and resources of equal quality. Livelihood improvement plans should include community-designed benefit sharing that leaves affected communities better off. Completion should depend on independent, participatory verification that these improved outcomes have been achieved.

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources⁶

1. Explicitly align with the Convention on Biological Diversity (CBD) and the Kunming-Montreal Global Biodiversity Framework (GBF) (including any framework that supersedes it): This includes aligning with the GBF goal to stop and reverse biodiversity loss. To support international efforts to achieve this goal, the IFC should establish No-Go areas.⁷ With over 75% of the world's land mass significantly altered, the IFC should exclude financing in critical ecosystems, including internationally and nationally recognised areas, areas with threatened species, Key Biodiversity Areas, Other Effective Area-Based Conservation Measures, Alliance for Zero Extinction sites, free-flowing rivers, primary and vulnerable secondary forests, threatened and at risk coastal and marine areas, and iconic transboundary biomes and landscapes (e.g. the Amazon, Arctic, among others).

2. Adopt a clear 'no loss' standard rather than 'no net loss': 'Net loss' approaches are based on misguided offset methodologies; since their introduction in financing schemes, biodiversity offsets have repeatedly failed

⁵ Full submission on PS5 here: <https://ifc-exposed.org/wp-content/uploads/2026/03/Civil-Society-Submission-on-IFC-Performance-Standard-5-FINAL-Jan-15-2026.pdf>.

⁶ Full submission on PS6 here: https://ifc-exposed.org/wp-content/uploads/2026/03/IFC-PS6_Recommendations-from-CSOs-Dec-2025.docx.pdf.

⁷ As recommended by the Banks and Biodiversity Initiative, endorsed by over a hundred organisations and scientists. See: <https://banksandbiodiversity.org/>.

because of timing gaps, ecological mismatch, weak methodologies, inadequate institutional capacity and insufficient monitoring.

To prioritise avoidance over offsets, sectoral exclusions for activities fundamentally incompatible with reversing biodiversity loss should be strengthened. Certain sectors are well established drivers of biodiversity loss and climate change, including industrial-scale agriculture and livestock, industrial forestry, deep-sea mining, fossil fuels, radioactive materials, and hydropower dams. Animal welfare should be formally integrated through welfare-based exclusions for inherently harmful systems, including battery cages and gestation crates, and measurable, science-based minimum standards, transition plans, and disclosure requirements.

- 3. Require systematic assessment of indirect, upstream, downstream, and supply-chain impacts on biodiversity on a local, regional, and global level:** PS6 should also clarify 'primary supplier' and extend applicable environmental and social requirements to subcontractors.

PS7: Indigenous Peoples⁸

- 1. Operationalise FPIC with clear pause and No-Go thresholds:** The IFC should ensure meaningful implementation of FPIC whenever an IFC-financed project, or significant changes in it, may affect Indigenous Peoples — not only for specific circumstances under a project. IFC should verify that Indigenous Peoples are able to undertake their collective and independent decision making process through their own representative institutions and decision-making processes to reach FPIC, separate from company or state-based consultations. All implicated Indigenous communities must be engaged, not a select few. The outcome should be documented, including whether consent was provided, withheld, or provided subject to conditions.

Where the IFC cannot ascertain that FPIC has been obtained, the project, or relevant aspects of it, should not proceed.

- 2. Integrate FPIC throughout the SF and ensure PS7 governs all impacts on Indigenous Peoples:** The requirement to obtain FPIC should be reflected consistently across the SF, particularly in PS1, PS5, PS6 and PS8. PS1 should require an early, robust assessment of the social, cultural, economic and gender-differentiated impacts on Indigenous Peoples, undertaken with those concerned. Assessments should identify and recognise lands, territories and natural resources including minerals under traditional ownership or customary use through participatory processes, rather than relying only on state recognition or formal title. Where Indigenous Peoples are affected, PS7 must apply in full, with PS5 complementing, not replacing, its collective rights and FPIC requirements. Land acquisition and displacement should be avoided, and there should be no relocation without FPIC.
- 3. Clarify IFC accountability and the limits of government-led processes:** Government consultation, permitting or land acquisition should not be treated as evidence of compliance with PS7. The IFC and its clients remain responsible for verifying that engagement and consent processes are legitimate, free from coercion and consistent with Indigenous governance systems. This requires independent verification, documented assessment of representation and conditions for free decision-making, and access to independent support. Projects should not proceed where assessment of impacts on Indigenous Peoples has not been completed and consent was not obtained, and where Indigenous Peoples in voluntary isolation may be affected.

⁸ Full submission from Indigenous Peoples' organisations on PS7 (and PS5) here: https://static1.squarespace.com/static/67228f0f7192a401a75f-f94a/t/69d90fb072ea4108df116a1e/1775833017817/IFC+PS+7+and+5_April9.pdf.

New Performance Standards

The following two issues have been proposed by the IFC as potential new Performance Standards, to harmonise the SF with the World Bank's Environmental and Social Framework.

Proposed PS9: Financial Intermediaries⁹

The IFC and MIGA should use the World Bank's Environmental and Social Standard 9 (ESS9) on financial intermediaries (FIs) as the minimum standard for PS9. Furthermore, the IFC should:

- 1. Make it explicit that the requirements of the SF apply to all FI investments,¹⁰ and to other investment types (e.g. guarantees, capital markets projects):** Like ESS9, the new FI PS requirements must apply to all FI clients, investments, and their subproject portfolios regardless of the financial instrument used (e.g. debt, equity, trade finance, bonds, etc.). This will create a stronger accountability pathway throughout the FI investment chain.
- 2. Adopt a counterparty-based approach, whereby the requirements of the SF apply to an FI client's entire subproject portfolio, regardless of the financial instrument:** The IFC's current ringfencing approach, which limits the application of the PSs to a defined asset class, has many risks. This includes a missed opportunity to improve FI and sub-client practices, and reputational risks to IFC by failing to address exposure to clients that finance harmful projects. Using a counterparty-based approach, which is already suggested in the joint MDB principles on Paris Alignment, would instead extend PS application to the FI's entire portfolio (as is required under the WB's ESS9).¹¹

- 3. Adopt a systems level approach to disclosure of information relating to FI investments:** This would introduce a 'presumption of disclosure' where information is disclosable unless it falls within a defined, limited set of exceptions. It would also see the disclosure of subproject level information, annual portfolio disclosure summaries, sector breakdowns, high-risk exposure mapping, and climate alignment metrics.

Proposed PS10: Stakeholder and Rightsholder Engagement¹²

- 1. Mainstream stakeholder and rightsholder engagement and actively prevent reprisals:** Project assessments and risk mitigation plans should be informed by and co-developed with project stakeholders and rightsholders through early and continuous consultation and dialogue. Meaningful stakeholder and rightsholder engagement must begin with information sharing, feature accessible frameworks that deliberately include marginalised groups within communities, and proactively prevent and address the chilling effects of reprisals. PS1 should express IFC's zero tolerance statement against reprisals.
- 2. New requirements for IFC clients to secure negotiated Broad Community Support (BCS):** The IFC's current approach of recognising BCS only in the Sustainability Policy is insufficient. By the IFC's own disclosures, BCS has been found to exist in just 18% of Category A (highest risk) projects, stating without explanation that BCS is not applicable for 72% of Category A projects. Failure to obtain BCS subjects the IFC and its clients to a higher risk of complicity

⁹ Full submission on potential PS9 here: <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>.

¹⁰ This would be consistent with the approach taken by the OECD Guidelines, see: https://www.oecd.org/en/publications/2023/06/oecd-guide-lines-for-multinational-enterprises-on-responsible-business-conduct_a0b49990.html.

¹¹ Joint MDB Working Group on Paris Alignment. (2023). 'Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of New operations: Intermediated financing'. <https://documents1.worldbank.org/curated/en/099153206162328669/pdf/IDU0c-77fadd6076d30433709a4b07b34a68508b2.pdf>.

¹² Indigenous Peoples organisations are advocating that they be regarded as rightsholders rather than stakeholders in any engagement, hence the proposed addition of 'rightsholders' to this PS.

in human rights abuses and makes them more likely to face costly conflict, complaints and delays. Such projects also miss out on communities' expert knowledge in the design of projects, losing an opportunity to co-design projects in a way that avoids displacement and other harmful impacts.

- 3. The PS should include an explicit BCS requirement for clients, organised around good-faith, equitable negotiations and when Indigenous Peoples are concerned, it must ensure the respect for their rights, including their right to self-determination and FPIC:**

These negotiations would be supported by rights-based mediation to address power imbalances and provide a fair and neutral forum for the negotiations. The goal should be to negotiate fair, equitable and legally enforceable agreements that avoid negative impacts and ensure local benefits. A policy proposal, endorsed by more than 60 organisations, sets out a framework for earning BCS, and this approach should replace PS5's current, flawed, top-down model.¹³

Beyond the Performance Standards

Gender

The WBG expressly commits to accelerating gender equality and considers "unlocking the full potential of women and girls" an institutional priority. To support this, CSOs believe it is essential that gender considerations are mainstreamed across the SF, rather than creating an additional Performance Standard. Each PS should be reviewed through a gender 'lens', should consider the potentially gender-differentiated impacts of IFC/MIGA projects, and should be constructed with a view to preventing disproportionate harms to women, girls and minoritised genders, while supporting gender justice. Developing this approach should be guided by the WBG's most recent Gender Strategy (2024–30) and accompanying Implementation Plan, and by recommendations from the IEG in its 2024 evaluation on World Bank and IFC engagement on gender equality.¹⁴ It is also vital that risk assessments capture

the essential role that public services play in the lives of women and girls, especially by alleviating overwhelming care (paid and unpaid) responsibilities.

Some considerations in this regard include:

1. The integration of gender-related issues into contextual risk analysis under PS1; including the recommendation from the recent civil society Public Services Submission to the SF review that all ESIA's should include standalone Gender and Social Impact Assessments (GSIA) and Distributional Impact Assessments (DIA). These should include baseline data that is disaggregated by sex and other relevant characteristics, which must be disclosed, and all project risk screening tools should include gender-differentiated risk criteria.¹⁵
2. Integrating references to gendered impacts on Indigenous Peoples into PS7.

13 Inclusive Development International. (2025). A just Alternative to Development-Forced Displacement: Policy proposal to advance a just energy transition for project-affected communities. <https://www.inclusivedevelopment.net/wp-content/uploads/2025/10/A-Just-Alternative-to-DF-DR-Policy-Proposal-Online-Version.pdf>.

14 IEG. (2024). 'An Evaluation of World Bank and IFC Engagement for Gender Equality over the Past 10 Years'. <https://ieg.worldbankgroup.org/evaluations/evaluation-world-bank-and-international-finance-corporation-engagement-gender-equality>.

15 Oxfam et al. (2026). 'IFC Sustainability Review and Public Services: Technical Briefing Note'. <https://ifc-exposed.org/ifc-sustainability-review-and-public-services-technical-briefing-note/>.

3. Establishing clear requirements for prevention, response, and reporting mechanisms related to gender-based violence and sexual exploitation, abuse, and harassment, including specific measures to protect children. This includes making gender risk assessments and distributional impact assessments mandatory for all contracted and supply chain labour in healthcare settings.

Access to Information Policy¹⁶

The IFC/MIGA SF includes the Access to Information Policy (AIP), which is the bedrock of the institutions' transparency and accountability.

This policy must be rooted in a clear, overarching commitment to a presumption of disclosure. To align with global transparency standards, the Board should prioritise the following structural reforms:

1. **Revamp the exceptions regime:** The current exceptions are overly broad and non-exhaustive, creating loopholes for blanket secrecy. The Board must transition to an exhaustive list of exceptions that

protect only narrowly defined, legitimate interests. For example, the 'commercial sensitivity' exception must be restricted to legitimate trade secrets and proprietary data, ensuring that factual project outcomes and environmental impacts are never classified as confidential. All exceptions must be subject to a strict, mandatory 'harm test', as well as a public interest override whereby information must be released if the public interest in the disclosure outweighs the expected harm to the legitimate interest. There should also be a clear requirement to release non-sensitive information via redaction and severability.

2. **Broaden policy scope and proactive disclosure:** To ensure meaningful transparency, the AIP must explicitly cover all information held by the IFC. This comprehensive scope must be supported by a renewed commitment to proactive disclosure and improved policy implementation, ensuring that transparency remains a default operating principle rather than an administrative afterthought.



16 Full submission on the AIP here: https://www.law-democracy.org/wp-content/uploads/2026/02/IFC.AIP_Note_Oct25.sent_rev2_.pdf.