

Review and Update of the Policy and Performance Standards on Social and Environmental Sustainability and Policy on Disclosure of Information Consultations' report: Accra, Ghana, June 18, 2010

Location of the consultation: Accra, Ghana

Date: June 18, 2010

Participants: see annex

Consultation Process: The consultation included: (i) and (ii) a brief introduction of all the participants and participants' expectation of the process, (iii) a plenary session on the PS Review Consultation process, Overview of Sustainability Framework, IFC's Project Cycle, areas of improvement and key themes brought up in Consultation Phase 1 (iv) breakout group discussion and presentation reflecting on key themes (v) IFC response and feedback to selected key themes, (vi) second breakout session on topics selected by the participants, who are grouped into stakeholder categories and (vii) closing remarks.

This report presents the opinions presented by the participants as the consultation took place

Key Themes, Recommendations, and Questions Raised:

Revision of the Sustainability Framework and Performance Standards:

Climate change

- IFC should incorporate climate change requirements into Performance Standard 3.
- Climate change is a global phenomena and thus should be incorporated throughout the performance standards
- GHG emissions calculation methodology for clients is not specified in the PS, and thus the client will have very difficult technical issues to overcome in figuring out this calculation requirement
- Do the PSs require that GHG calculation methodology is disclosed publically and for third party verification?
- Do smaller businesses have a higher risk (higher costs) associated with complying with GHG emissions calculation?
- Do the PSs require emissions calculations on a project-by-project basis, or by sector, or cumulative effect? Would it be more effective to think of green house gas emissions in terms of a sector-wide, cumulative effect, rather than focusing on emissions at the individual project level?
- The previous versions of the PSs did not have standard, consistent terms in defining the mitigation hierarchy.
- Greater consistency is needed around terms used to describe mitigation/ emission reduction requirements

Gender

- Equate gender to apply to men and women; gender is not just about women
- IFC shouldn't upset community balance by including women after the fact, eg compensation signed for by husband and wife without women empowerment activities/awareness raising throughout or preceding implementing the project
- Disproportionate impacts on women should be discussed and mitigated
- Local CSOs could be employed to raise awareness around gender issues in the communities
- PS2 equal opportunity could help ensure inclusion of women

Biodiversity, Ecosystem Services and Water Resources

- Create an ecosystems approach to monitoring and evaluating potential impacts on biodiversity and water resources
- Further clarity is needed on supply chain issues and biodiversity requirements in PS6
- Requirements around water use and efficiency in PS4 need to be increased
- Emphasis in terms of efficiency is placed on resource rather than application of resource
- Economic evaluation of ecosystem services is necessary to ensure protection of the ecosystem – placing monetary value on the ecosystem services should be required
- IFC should include payment of environmental services to communities i.e. compensation for what is lost if there is a loss of access to environmental /ecosystem services as a result of a project
- Community ownership of ecosystem services should be emphasized to achieve sustainability

Client's Project consultation and Disclosure

- IFC should strengthen requirement for annual update to community
- IFC should require Annual Monitoring Reports to be disclosed to public, with the additional suggestion of enhancing AMRs with quarterly disclosures to communities. The scope should also be widened to include other stakeholders consulted during SEA studies, particularly Local/Provincial Governments
- More accessible media (for rural communities) should be used for disclosure
- Summarized in local and national language
- Get feedback from communities and have them fully engaged
- IFC is doing a good job of aiming to align its disclosure policy with that of the world bank
- In regards to contract disclosure, IFC should require disclosure of the relevant project, including terms of power purchase agreements for large power projects
- Disclosure should also apply to projects financed by Financial Intermediaries

Consultation or Consent (FPIC)

- Can IFC provide clarity regarding the differences between FPIC Consultation as opposed to Consent? Why does IFC use the term Consultation when other international development organizations use the term Consent?
- The principle of Good Faith Negotiations should be encouraged as opposed to consent
- How should FPIC be applied when the term "indigenous" has a different contextual meaning in different regions?
- FPIC consultation for projects with significant impacts is a good development but should be applied more broadly (beyond category A).

Labor

- IFC should improve retrenchment requirements in PS2

Government-led Resettlement

- Government led resettlement should be tied in an escrow agreement between client and the local government
- Client should be required to offset or mitigate the low compensations provided by government for resettlement