IFC Performance Standards Implementation: Challenges

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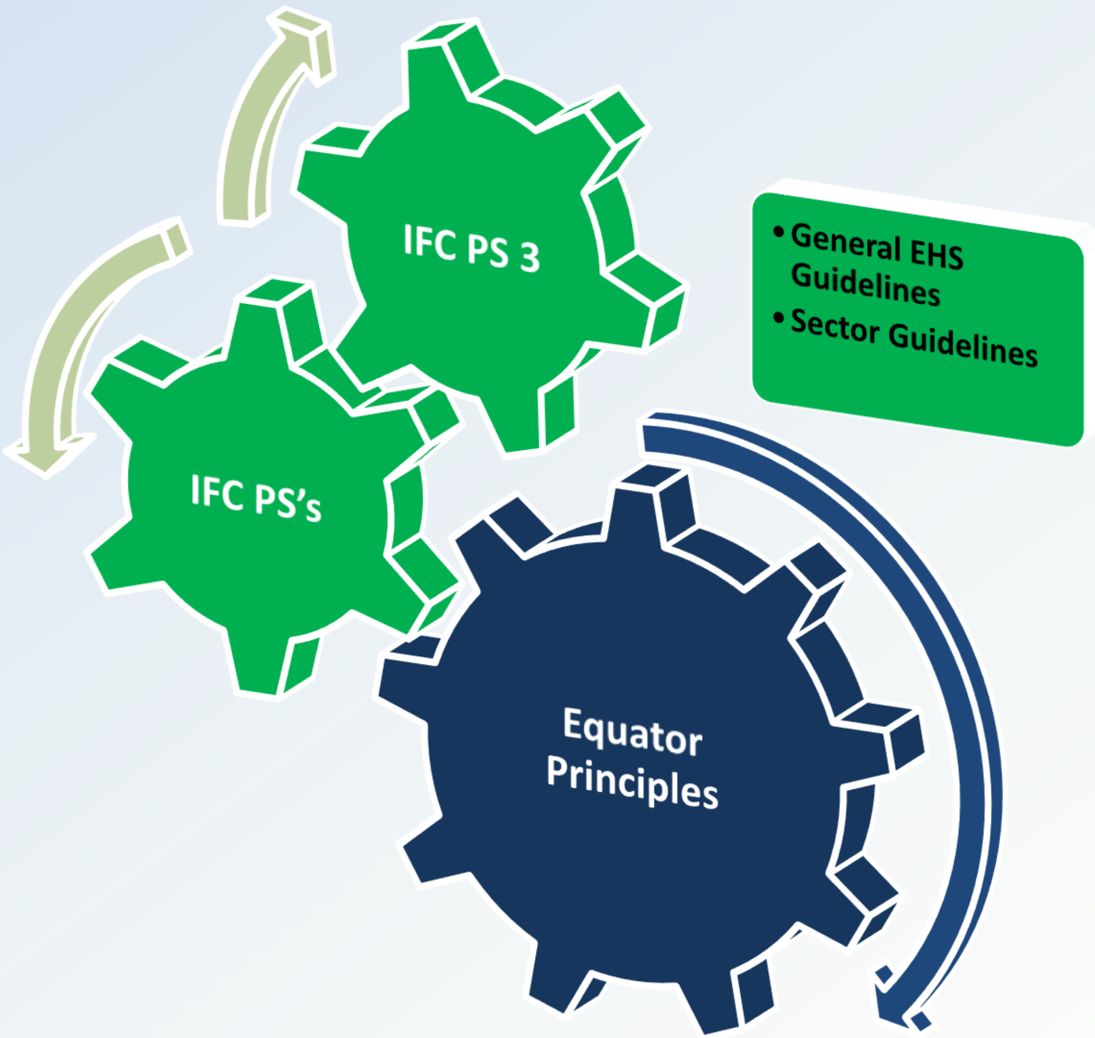
EPs and the IFC PSs



Challenges in Developing Economies

- Limited regulatory framework
- No independent, expert review of ESIA
- Absence of mandated social impact assessment
- Regulations can be:
  - Difficult to access
  - Poorly translated
  - Scientifically problematic to meet / achieve

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Challenges in Developing Economies

- Societal norms make certain aspects of PS2 challenging
- PS3 emphasises cleaner production / efficient use of raw materials – normally outside capability of the ESIA team for complex projects e.g. refineries
- Waste management
- Evaluation of the projects vulnerability to climate change
- Evaluation of decommissioning

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Benefits of EPs / IFC PSs

- Emergence of lender standards can significantly change project standards in developing economies
- Consideration of broader range of impacts
- Significantly increases investment in ESIA process by proponents
- **Provides for Independent Review of ESIA**
- Requires full assessment of alternatives
- Mandates a detailed IFC mitigation measures hierarchy
- Lenders emerged as key E&S **regulators** for major projects in many developing countries

Summary

- IFC Performance Standards - ‘*de facto*’ E&S standards
- Notwithstanding benefits, meeting all IFC requirements in certain developing countries continues to be problematic
- Let’s not be dogmatic!