



IFC

**International
Finance Corporation**
World Bank Group

December 1, 2006

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Mr. David Hunter
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Mr. Marcos Orellana
Center for International Environmental Law

Dear Ladies and Gentlemen,

Subject: Environmental Health and Safety Guidelines Revision Process

The International Finance Corporation (IFC) appreciates the comments received in your letter dated October 23, 2006 regarding the recent and ongoing publication of draft Environmental, Health and Safety (EHS) Guidelines. As you are aware, these documents are being published in draft form to allow stakeholders to participate in the period of public comment associated with their review and update, and for IFC to take advantage of the wide range of opinions that will ultimately improve their quality.

IFC has developed a sustainability framework that aims to promote the enhancement of positive environmental and social outcomes in all of the projects it finances. Under this revised framework, IFC has clarified the outcomes it requires its clients to achieve, IFC's procedures for reviewing the client's assessment and establishing the requirements applicable to the project based on the results of this assessment, and IFC's own institutional requirements. Integral to this policy framework is a set of tools designed to help clients implement the requirements which are

now clearly stated in the Performance Standards. This set of tools includes the Guidance Notes corresponding to each new Performance Standard, a variety of separate best practice materials, and the EHS Guidelines.

The term “Guidelines” is defined as “a statement or other indication of policy or procedure by which to determine a course of action.”¹ IFC considers the EHS Guidelines to be technical reference sources intended to aid IFC clients in meeting the requirements of Performance Standard 3, Pollution Prevention and Abatement, which, among others, require clients to:

- “apply pollution prevention and control technologies and practices (techniques) that are best suited to avoid, or where avoidance is not feasible, minimize or reduce adverse impacts on human health and the environment while remaining technically and financially feasible and cost-effective” and,
- “project-specific pollution prevention and control techniques applied during the project life-cycle ... tailored to the hazards and risks associated with project emissions and consistent with good international industry practice.”

As such the EHS Guidelines contain information designed to lead to the conclusion of what is generally considered to be technically and financially feasible as well as good international industry practice (GIIP) and is intended to be used as an input to the determination of performance levels in specific cases. As with the Performance Standards, the applicability of the performance levels and measure included in the EHS Guidelines is established during the environmental assessment process where potential impacts and risks specific to the project are identified. The EHS Guidelines provide information to IFC clients and IFC environmental practitioners who then use it to establish project-specific requirements contained in the legal agreement between IFC and its client.

In this sense, it is IFC’s opinion that the EHS Guidelines are part of a coherent framework that clearly articulates IFC client requirements supported by a set of guidance documents with information to help achieve them. Additionally, IFC believes that much of the information included in the revised EHS Guidelines can also serve as a driver to overall improvements in performance and that this is consistent with the outcome-based objectives of the revised Performance Standards. Examples of this approach include the guidance on energy efficiency, water use efficiency, and resource conservation provided in the General EHS Guidelines and many of the industry sector guidelines. Of course, IFC welcomes comments and suggestions to address any deficiencies in this regard.

It is not IFC’s intent to articulate norms for non-borrowers although IFC recognizes that the EHS Guidelines are also used as technical sources of information by IFC specialists during the appraisal process, by Equator Banks and their consultants, and probably by other practitioners by

¹ American Heritage Dictionary

virtue of the fact that they are publicly available on the IFC web site. IFC agrees that the intent should be made clearer in the introductory statements to avoid confusion.

Prior to the initiation of document drafting activities, IFC conducted a cursory review of guidelines documents published by United States and European federal agencies revealing that in practice there is no single model for a guideline that employs a uniform terminology. Verbs used in the US Federal guidelines include “shall”, “must”, “may”, “should”, “will”, and “would”, despite the great differences in the meaning of each word. IFC has strived for consistency in word usage to appropriately express the advisory nature of the EHS Guidelines and their roles within the revised policy framework.

IFC agrees that several international organizations have published important references and it is IFC’s intent to recognize and reference them in the Guidelines as long as this is done within a context that can be easily used by environmental practitioners. Examples of this approach are in the recently published guidelines applicable to the infrastructure sector where IFC refers to information published by such sources as the International Maritime Organization, International Civil Aviation Organization, etc. Examples of other organizations whose publications are extensively referenced and relied-upon in many of the documents published in draft form so far include World Health Organization, International Labor Organization, Food and Agriculture Organization, etc. Again, IFC welcomes any suggestions to identify gaps or omissions in this regard.

IFC has made great efforts to identify professional networks in government, academia, consultancies, industry, and other stakeholder groups and notified them of the opportunity to participate in the comment period. IFC does not believe that there is necessarily one or two most qualified expert(s) globally but that the quality of the input is increased by the diversity of views. IFC welcomes any suggestions for contacting specific expertise as part of the review process.

IFC recognizes that there is a need for better source citation in the revised documents than what has been included in existing documents published in 1998. IFC also recognizes the need to complete the referencing prior to publication of final documents as noted in a footnote included in the first page of all draft documents posted for public comment which indicates that “Attribution of all references, including verification for completeness and accuracy, to be completed for final draft.”

IFC agrees with the need to publish a summary of the comments received, excepting those that require anonymity. IFC is currently evaluating the most appropriate means of publishing this information, especially since the vast majority of the comments are technical in nature. However, IFC is not planning to publish a comparison of all changes made between existing and revised documents as this can be clearly ascertained by readers through a comparison of existing and revised versions.

Again, IFC appreciates the comments you have provided as part of the public comment period and welcomes the opportunity to answer any additional comments or questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Kyte', with a long horizontal stroke extending to the right.

Rachel Kyte
Director

Environmental & Social Development

Cc: Mr. Lars Thunell, Executive Vice President, IFC
Ms. Meg Taylor, Compliance Advisor/Ombudsman, IFC
Ms. Katherine Sierra, Vice President and Head of Network, World Bank
Mr. Rashad Kaldany, Director, Oil, Gas, Mining & Chemicals, IFC
Mr. Charles di Leva, Chief Counsel, World Bank

Bcc: Mr. William Bulmer, IFC
Ms. Patricia Miller, IFC
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IFC User
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