

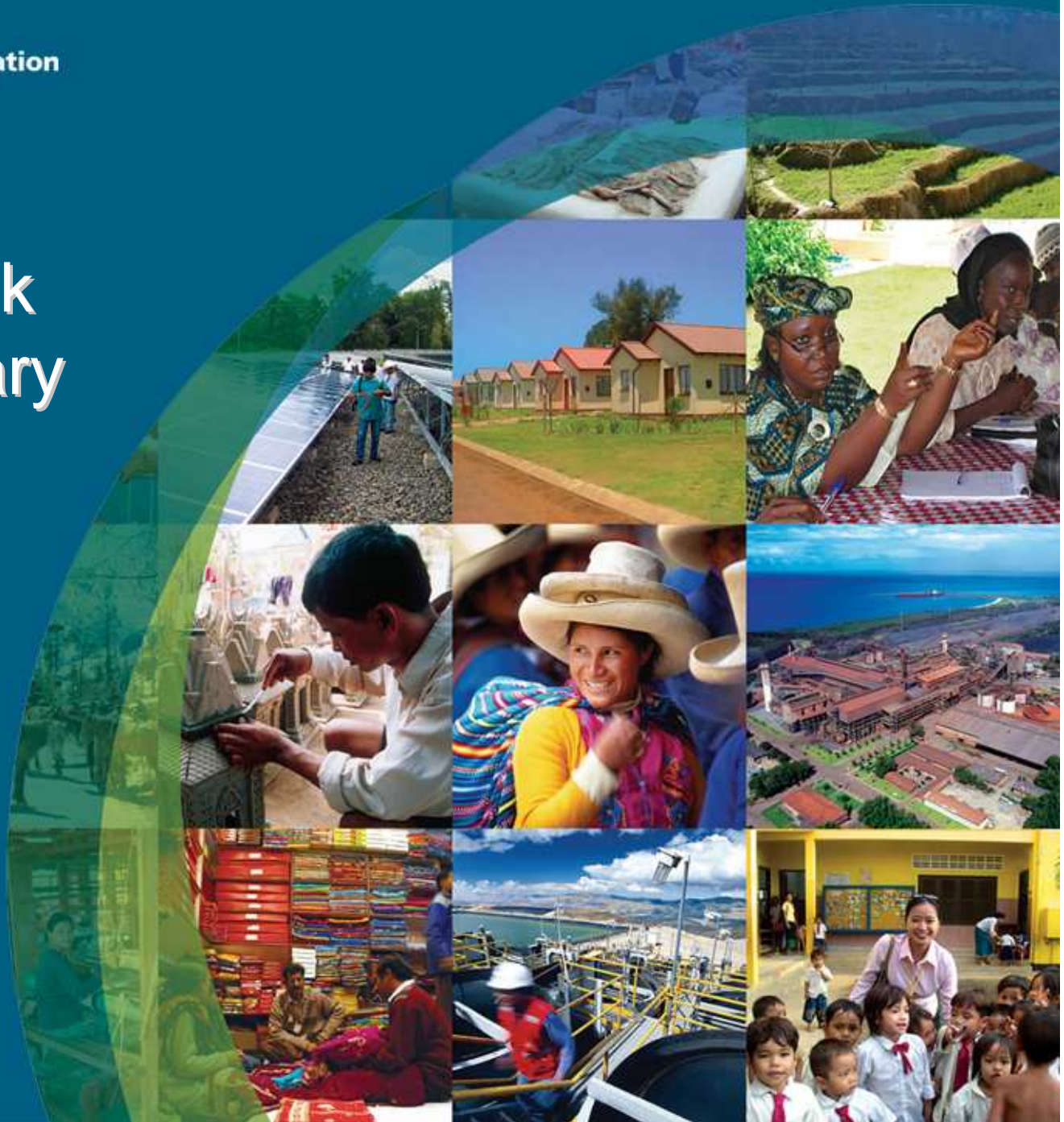


**IFC** International  
Finance Corporation  
World Bank Group

# Managing Risk Using Voluntary Standards

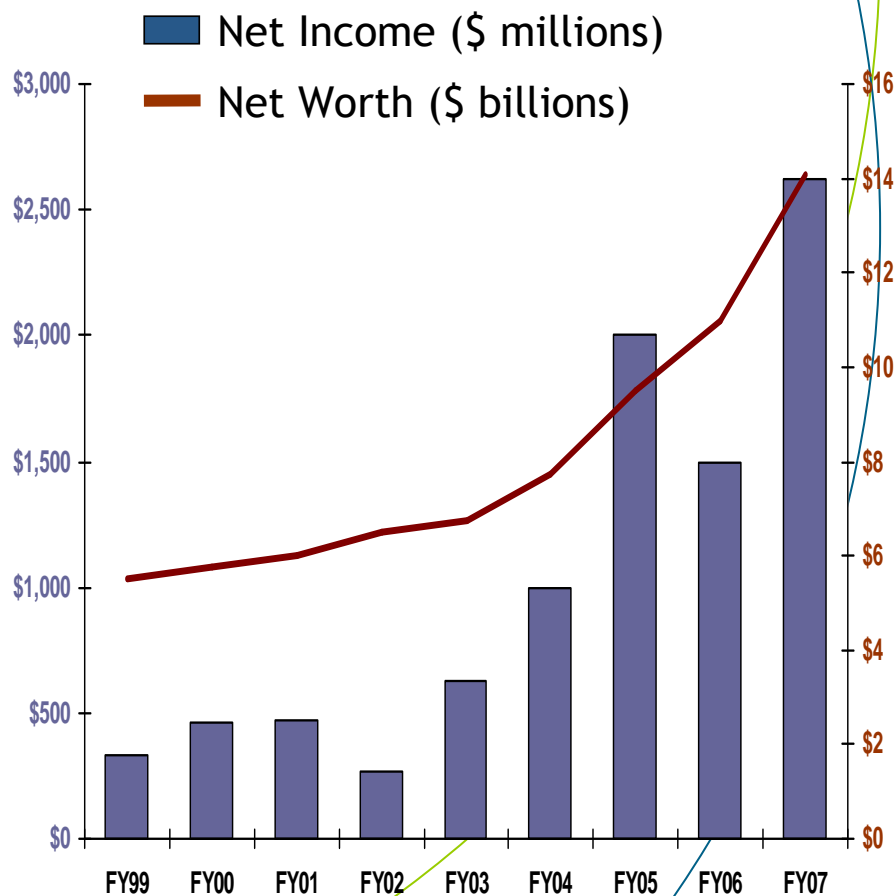
**Trade Standards  
Practitioners Network:  
Assessing the Impacts,  
Costs & Benefits**

9-10 December, 2008  
Berlin



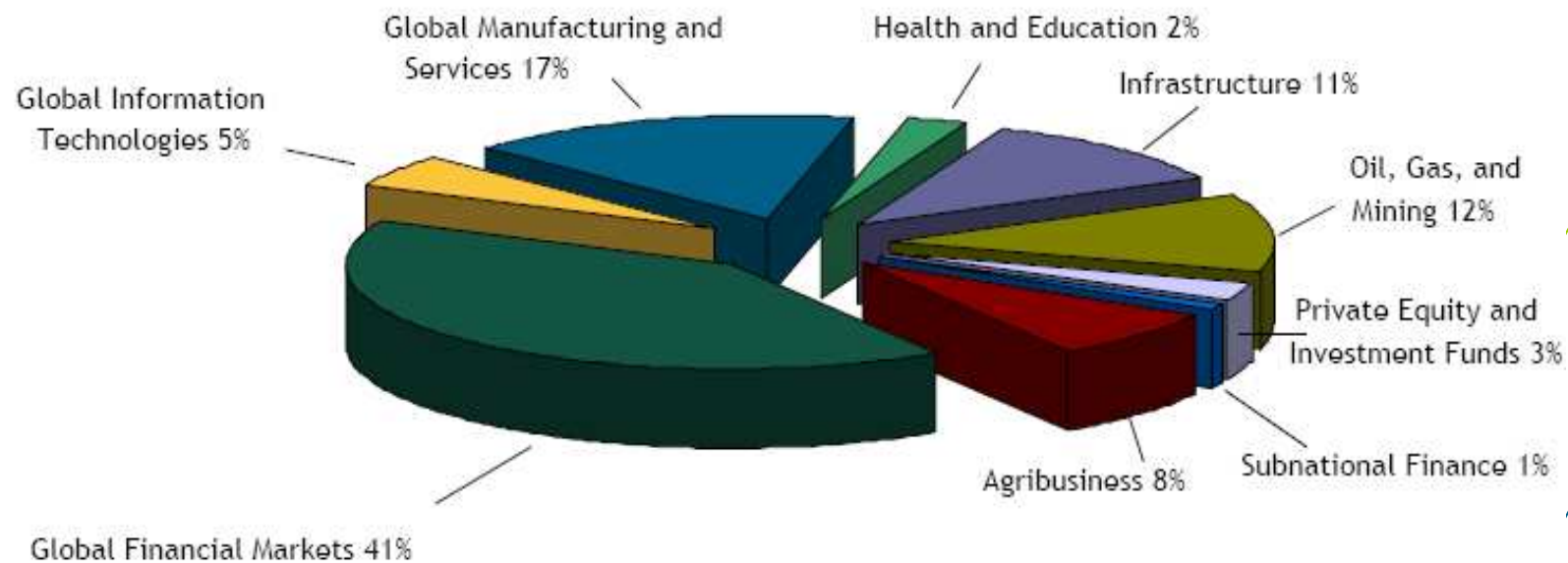
# IFC Business Products & Net Worth

- Loans and intermediary services
- Equity and quasi-equity
- Loan participations
- Structured finance
- Risk management products
- Trade finance
- Subnational finance
- Treasury operations

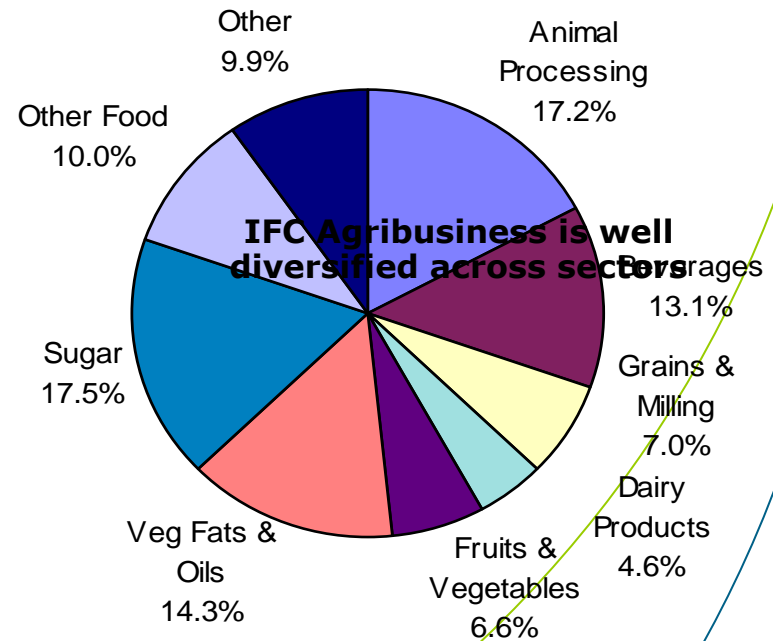
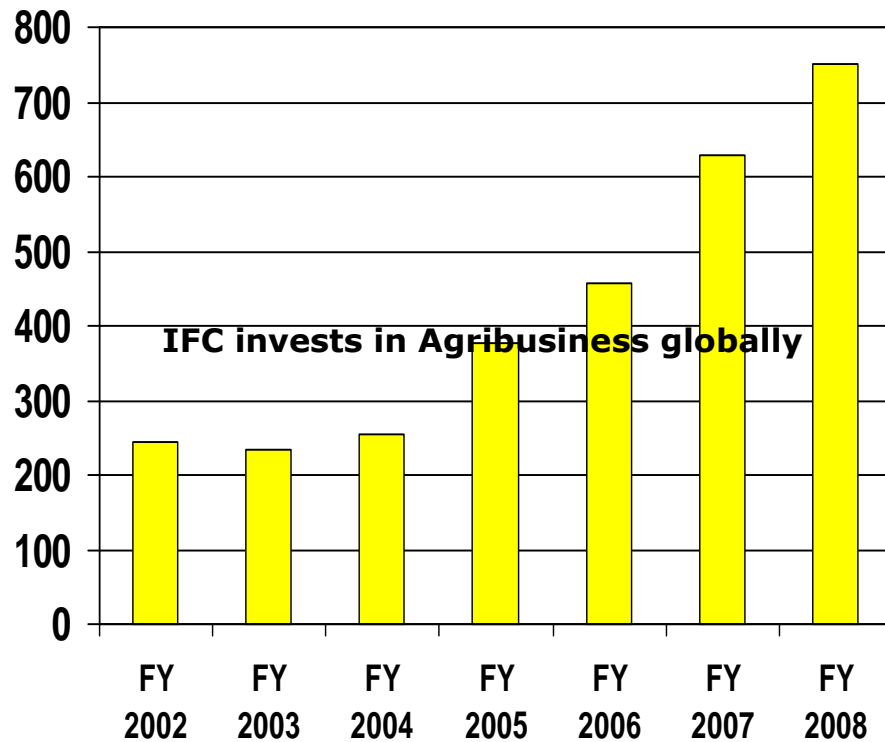


# IFC Commitments by Industry

Commitments for IFC's Account: \$8.2 Billion



# IFC Investments in Agribusiness



# IFC Sustainability Framework

## Responsibilities



**Sustainability  
Policy**

**Disclosure  
Policy**



**8 Performance Standards**

## Implementation Tools

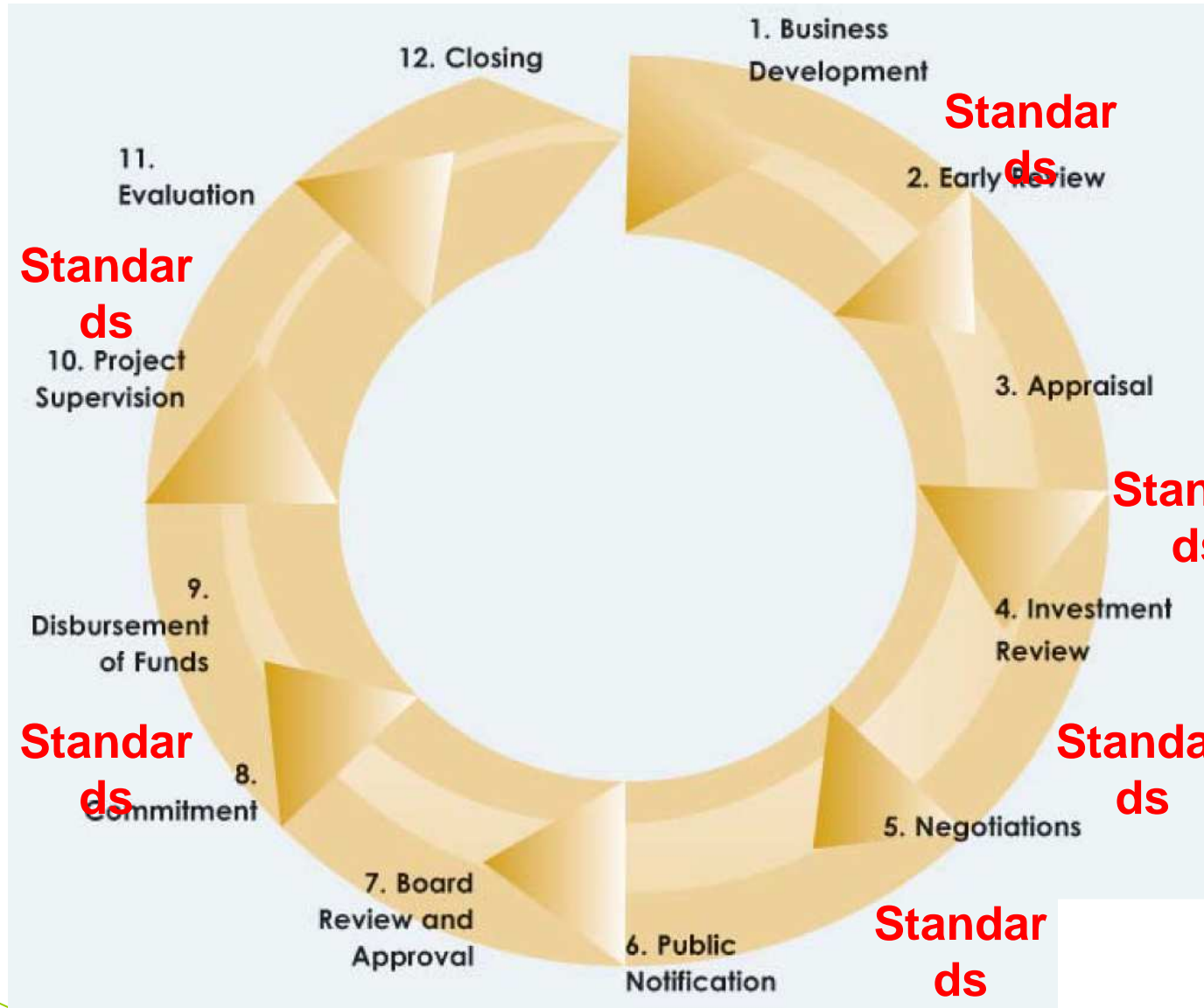
**Environmental and Social  
Review Procedures**

Guidance Notes

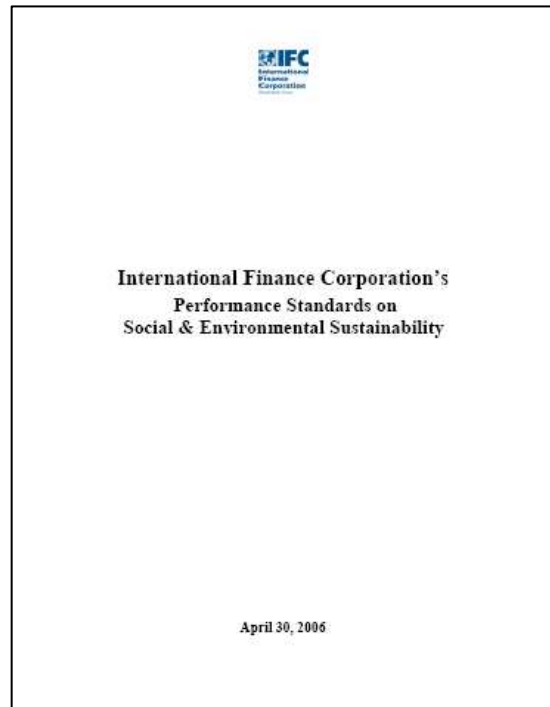
Environmental, Health  
& Safety Guidelines

Good Practice Materials

# Using Standards In IFC Investments



# The Performance Standards Use Standards



- **PS 1: Social & Environmental Assessment and Management System**
- **PS 2: Labor and Working Conditions**
- **PS 3: Pollution Prevention and Abatement**
- **PS 4: Community Health, Safety & Security**
- **PS 5: Land Acquisition & Involuntary Resettlement**
- **PS 6: Biodiversity Conservation**
- **PS 7: Indigenous Peoples**
- **PS 8: Cultural Heritage**

# Key Features of Performance Standards



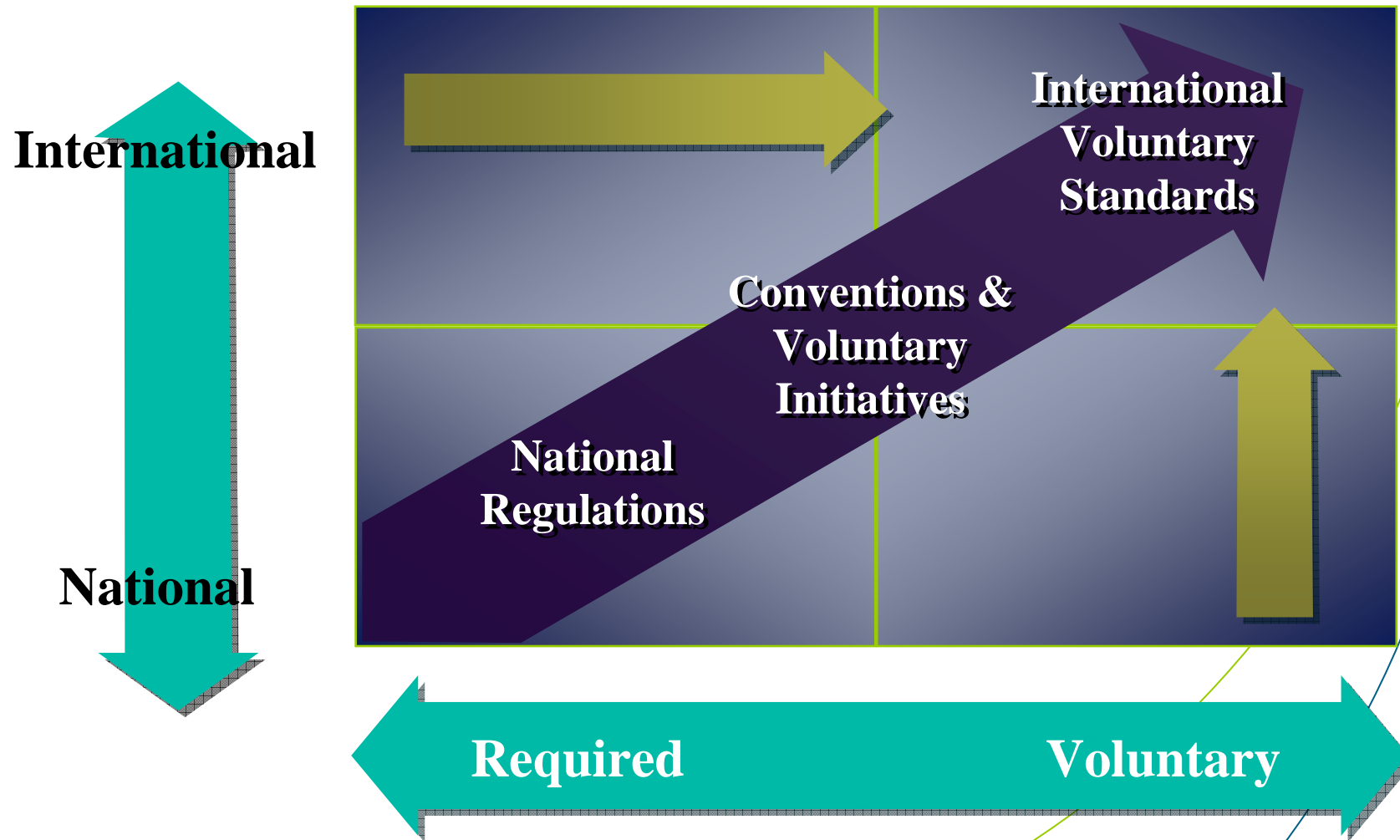
- Principles based
- Outcomes oriented
- Separation of responsibilities
- E&S issues are integrated
- Applied across life cycle
- 70 Equator Banks Using

# PS Biodiversity Conservation & NRM

*The client will ensure that all natural forests and plantations over which they have management control are independently certified as meeting performance standards compatible with internationally accepted principles and criteria for sustainable forest management.*

*Clients involved in the production and harvesting of fish populations or other aquatic species must demonstrate that their activities are being undertaken in a sustainable manner, through application of an internationally accepted system of independent certification,*

# Evolution of IFC's Use of Standards



# IFC Uses a Broad Set of Standards



# Commodity Roundtables and Companies

Commodity	Places Impacted	Partnering Corporations
Cotton	India, Pakistan, Brazil, China, West Africa	WWF, Adidas, GAP, IKEA, H & M, Nike, Wal-Mart, Rabobank, ABN-AMRO
Sugarcane	Brazil, India, Honduras, East Africa, Vietnam, Australia, US	WWF, Cadbury, Cargill, Coca-Cola, Tate & Lyle, Ethical Sugar, BP, Shell, British Sugar, ILRF, SAB Miller, IFC,...
Palm Oil	Indonesia, Malaysia, Honduras, Brazil, PNG	Initially Unilever, WWF, Cadbury-Schweppes, The Body Shop, IFC, now more than 166 ordinary members (7 investors) and 64 affiliates
Bananas	Honduras, Belize, Guatemala	Chiquita, Dole, WWF, Favorita, Fyffes, Costco, Croplife,...
Soy	Brazil, Argentina, Paraguay, US, China	Unilever, WWF, Bunge, COOP, Cargill, Grupo AMaggi, IFC, HSBC, Rabobank, ABN-Amro, Nutreco, Solidaridad, Nestle Oil (now > 40)
Shrimp	Belize, Indonesia, Madagascar, Mexico	WWF, Ahold, Carrefour, Costco, IKEA, Sysco, ABN-Amro, Marks & Spencers, Wal-Mart ,...