

INTERNATIONAL FINANCE CORPORATION WORLD BANK GROUP

Integrated Environmental, Social, Health and Safety Management Systems As a Complement to the ESIA Process

> Peter Neame & Nicholas Flanders International Finance Corporation Washington, DC



- Private sector arm of World Bank Group
- Approx. US\$6B/yr invested, approx. 1500 investments in portfolio
- Global investor in developing countries
- Broad range of business sectors



IFC's Role

- IFC is a development bank, focused on strengthening the private sector
- Holistic approach in assessment and supervision of investments—
 - social,
 - environmental,
 - health and safety, and
 - strong financial return





- IFC needs a way to supervise effectively
- Many clients now obtaining ISO 14001/ OHSAS 18001
- These are potentially useful as a framework for implementation of mitigative measures identified during impact assessment
- Integration of 14001/18001 can cover the main areas we focus on



Problems

- Management systems don't incorporate standards (except SA 8000)
- Certified system guarantees systematic approach but not compliance
- Conformance audits not compliance audits
- We want ISO framework to meet needs without requiring a separate reporting system



IFC Requirements – 3 Definitions

▶ 3.2 environment:

definition includes humans—we interpret this in the broadest sense, as an integral part of the total environment, including the community dimension





- Include in corporate environmental policy adherence to IFC Policy Framework
- Include full range of social, health and safety as well as environmental performance



- Holistic approach, including social and environmental aspects and health and safety risks
- Social
 - Community Dimension
 - Labour
 - Economic linkages
- Building sponsor capacity





Need to be clear that meeting IFC emission and other standards (guidelines) is considered a legal requirement



IFC Requirements – 4.3.3 Objectives and Fargets

- Must include legal requirements
- Priority on:
 - bringing into compliance
 - Continuing to achieve compliance
 - Looking for efficiencies in achieving compliance
- Need to integrate views of interested parties



IFC Requirements – 4.5.2 Non-conformance

- Non-compliance is non-conformance
- Non-compliance is an indicator of system nonperformance
- Procedures must include identification of noncompliance



IFC Requirements – 4.5.4 EMS Audit

- Must report on non-conformance
- Is company meeting objectives & targets, not just having a functioning system?

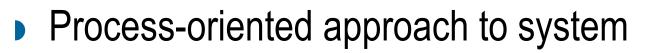


IFC Requirements - Summary

- Integrated ISO-type system can meet IFC's objectives
- IFC will need to develop guidance to supplement formal Standards
- External audit capacity?







- Focus on processes & customers
- Customers include workers, environment, community

