



INTERNATIONAL FINANCE CORPORATION
WORLD BANK GROUP



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

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IFC Background



- 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 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

IFC Requirements – 4.2 Environmental Policy



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

IFC Requirements – 4.3.1 Environmental Aspects



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

IFC Requirements – 4.3.2 Legal and other requirements



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

IFC Requirements – 4.3.3 Objectives and Targets



- ▶ 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 non-performance
- Procedures must include identification of non-compliance

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?

ISO 9001?



- Process-oriented approach to system
- Focus on processes & customers
- Customers include workers, environment, community