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CIVICUS: IFC Review Process must align with the UN Framework on Business and Human Rights

CIVICUS: World Alliance for Citizen Participation is a global movement of civil society with members and partners in over 100 countries. CIVICUS welcomes the opportunity to be part of the Consultation Process for the International Finance Corporation's (IFC) Sustainability Framework Review and Update.

CIVICUS has had the opportunity to study the draft sustainability framework and in particular the draft Policy on Social and Environmental Sustainability put together by the IFC. Although there are some improvements in the current draft over the existing 2006 policy, we are deeply concerned that the draft falls far short of the standards recommended by Professor John Ruggie, the UN Secretary General's Special Representative on the issue of human rights and transnational and other business enterprises (UN Framework on Business and Human Rights).

CIVICUS would like to point out that the IFC's emphasis on "environmental and social" due diligence as an alternative to human rights due diligence by IFC clients undermines the UN Framework on Business and Human Rights, which is being developed through extensive consultations and participation by representatives of governments, business enterprises and multilateral institutions, including the IFC.

Given that a policy framework on Business and Human Rights already exists, unanimously adopted by the UN Human Rights Council in 2008, we believe that it is inappropriate and counter-productive for the IFC as an international financial institution to have a parallel set of standards for its clients. The UN policy framework is organised around the three principles of "protect, respect and remedy": the state duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and the need for more effective access to remedies.

We would like to reiterate that the IFC, as a multilateral institution owned by various UN member states, has a responsibility to promote the principles enshrined in the UN Charter and the Universal Declaration on Human Rights which must in turn be respected by IFC's clients who benefit from borrowing sums of money owned by governments.

We believe that many of the crises facing the world today, including political and ideological conflicts, environmental degradation, poverty and inequality are the direct result of the failure of states and multilateral institutions to uphold and enforce the international human rights framework. CIVICUS has observed a constant erosion of fundamental freedoms in the first decade of the 21st century. In this context, we believe that it is all the more important for the IFC to put its weight behind universally recognised human rights standards.

While we recognise that some human rights are covered through “environmental and social” due diligence being forwarded by the IFC in its draft performance standards, we would like to point out that the UN Framework on Business and Human rights being developed by Professor John Ruggie clearly stipulates that business enterprises should carry out human rights due diligence with clear reference to the International Bill of Rights and the eight ILO Conventions.

We believe that the draft IFC standards selectively borrow from the above-mentioned UN and ILO standards, prioritising some human rights while neglecting others. We believe that adoption of the standards in their current form will not only result in an inadequate framework but also lead to varying levels of compliance with and respect for internationally accepted norms on human rights.

We therefore request that the IFC puts its weight behind the UN framework on Business and Human Rights and redrafts its standards in light of the principles enunciated therein to engender comprehensive protection of human rights.

For more information, please contact:

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