



Statement

By

Reidar Kvam

**Manager, Policy and Quality Assurance
Environment, Social and Governance
Department**

**At the 10th Session of the
United Nations Permanent Forum on
Indigenous Issues**

May 18, 2011

Madame Chair, participants and delegates:

Thank you very much for inviting the International Finance Corporation to make a statement today. IFC is the part of the World Bank Group financing private sector development.

I am pleased to inform you that the Board of IFC approved our updated Sustainability Framework Thursday last week, May 12th. This approval follows nearly two years of extensive consultations globally, with a wide range of stakeholder groups. Many of you have participated in this, and I would like to thank you for your interest and constructive engagement.

The approval of the updated Sustainability Framework is an important milestone not only for IFC and its clients. In the five years since the Framework was originally adopted, IFC's standards have become a global benchmark for environmental and social performance used by a wide range of financial institutions and, increasingly, as a reference point for governments in their policy guidance.

The Sustainability Framework consists of IFC's Policies for Sustainability and Access to Information, and eight Performance Standards on environmental and social issues that apply to IFC's clients. In terms of Indigenous Peoples' rights, the updated Performance Standard 7 confirms and strengthens the existing objective of ensuring that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples. Throughout the Performance Standards we have strengthened and made more explicit the guidance for community engagement, through processes of informed consultation and participation, with robust grievance mechanisms where needed. In the case of Indigenous Peoples the updated Performance Standard now requires Free, Prior and Informed Consent in certain circumstances affecting Indigenous Peoples. This involves a mutually accepted process of Good Faith Negotiation between the client and Affected Communities of Indigenous Peoples, and evidence of agreement between the parties as the outcome of the negotiations.

Over the next weeks and months we will develop operational guidance for our clients on how to apply this principle and other changes in the Performance Standards. I hope we can continue to benefit from your experience and advice, and look forward to working with you as we strengthen not just policy standards but equally importantly implementation on the ground with development benefits that respect and support Indigenous Peoples' rights.

Thank you very much.

