

KARIN M. FINKELSTON

Vice President, Partnerships, Communication & Outreach

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Ms. Aruna Kashyap
Senior Counsel
Women's Rights Division
Human Rights Watch
Email: aruna.kashyap@hrw.org

Dear Ms. Aruna Kashyap,

On behalf of Mr. Philippe Le Houérou, CEO of the International Finance Corporation (IFC), thank you for your letter sharing recommendations for protecting workers in response to the COVID-19 pandemic and your request for additional information regarding IFC's response. Before addressing your request, I do hope this letter finds you and the other members of your community well. These are indeed difficult times for all of us, and we share your concerns regarding the myriad issues faced by workers around the world.

We appreciate your recommendations regarding transparency and increasing civil society engagement. We are committed to transparency, and we have established a dedicated section of our [website](#) to disclose information about our COVID-19 response support. As you recommended in your letter, we have also updated this page to include a [list of committed projects](#) for ease of access of this information. We will also make project-level information public, including through updated Environmental and Social Risk Ratings (ESRRs) and Environmental and Social Action Plans (ESAPs). We also welcome your ideas on engaging a broad range of stakeholders to share information related to projects. We recognize that civil society groups may have important on-the-ground information and may also hold relationships with community members that we may not. IFC considers this collaboration critical to achieving our development mandate.

With respect to your recommendation to integrate specific goals related to job preservation, occupational health and safety and other social protection in Environmental and Social Action Plans and loan documents, we can assure you that livelihood protection, job insecurity, job loss, and workers' health and safety are areas of key concern for IFC. If IFC clients need to retrench workers as a last resort, they will need to follow the requirements of IFC's [Performance Standard 2 \(PS2\) on Labor and Working Conditions](#). PS2 provides that, before moving to retrenchment, clients should conduct an analysis of alternatives to retrenchment. Our recent advice document on [supporting workers in the context of COVID-19](#) also outlines several potential options and scenarios as alternatives to retrenchment. There may, unfortunately, be circumstances where companies cannot avoid the financial consequences of the COVID-19 pandemic, which may lead to potential staff reductions. In such cases, we are advising our clients to look at ways to protect jobs. We are also encouraging our clients to take actions to help their workers, including keeping regular lines of communication open so all parties stay informed and engaging with workers on how best to support employees.

With respect to interim advice, in addition to the IFC advice documents you mentioned in your letter, we recently released two new documents to help our clients undertake [effective safe stakeholder engagement during the pandemic](#) and [develop COVID-19 emergency preparedness and response plans](#). Additionally, in recognition of the potential for increased risk of reprisals and retaliation in the context of COVID-19, we are developing a reprisals tip sheet for our clients alerting them to possible risks and providing guidance on prevention measures. We have engaged with Global Witness, Oxfam and BIC on the topic of reprisals in the context of COVID-19 and the forthcoming tip sheet is a result of those ongoing discussions. The reprisals tip sheet builds on IFC's [2018 Position Statement](#) of zero tolerance and will also be made publicly available. The complexities of this global crisis have brought new challenges to bear, and we are committed to ensuring our clients have ease of access to critical information to support their workers and business continuity efforts.

Finally, with respect to your request for additional information, we are committed to transparency regarding the US\$8 billion in fast-track financing we are providing for existing IFC clients that demonstrate an impact on their business due to COVID-19. As we noted above, we have established a dedicated section of our [website](#) to disclose information about our COVID-19 response and will be updating it to make certain project-level information public. In designing the criteria for these facilities, we took great care to restrict the availability of the facilities to those clients who were in good standing with IFC and have demonstrated satisfactory performance in implementing relevant environmental, social, and governance requirements. For real sector clients, in cases where new material environmental and social risks are identified and cannot be mitigated under existing mechanisms, IFC will disclose these projects 30 or 60 days prior to commitment depending on the project categorization. The bulk of this financing will go to client banking institutions, enabling them to continue to offer trade financing, working-capital support and medium-term financing to private companies struggling with disruptions in supply chains. IFC's response also will help existing clients in economic sectors directly affected by the pandemic—such as tourism and manufacturing—to continue to pay their bills. As the COVID-19 pandemic evolves, we will continue to work with our Board of Directors to determine what facilities IFC can offer to best address the needs of clients in the countries in which we operate.

Again, thank you for your suggestions and your efforts to give voice to the workers around the world affected by the COVID-19 pandemic. We look forward to continued communication and opportunities to engage as we all navigate this unprecedented crisis.

Sincerely,



Karin M. Finkelston
Vice President

Partnerships, Communication and Outreach

cc: Stephanie von Friedeburg, Chief Operating Officer, IFC
Elena Bourghanskaia, Chief of Staff, IFC
Mary Porter Peschka, Director, Environment, Social and Governance, IFC