

Summary of Formal Public Consultations from February 21 – April 20, 2023 and Feedback on the proposed IFC/MIGA Approach to Remedial Action and draft IFC Responsible Exit Principles

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A. Introduction

1. Developing the Proposed IFC/MIGA Approach to Remedial Action

The “*External Review of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA)’s Environmental and Social (E&S) Accountability, including the Compliance Advisor Ombudsman (CAO)’s Role and Effectiveness*” (the External Review)¹ was initiated in 2018 by the Committee on Development Effectiveness (CODE) on behalf of the Boards of the IFC and MIGA. A team of independent experts chaired by former IFC Executive Vice President, Mr. Peter Woicke, conducted the review. They presented the External Review, including 136 recommendations, to the Committee on Development Effectiveness (CODE) and the Committee on Governance and Executive Directors’ Administrative Matters (COGAM) for discussion on 24 June 2020.

On 26 October 2020, CODE/COGAM endorsed the “*Final Roadmap Package on IFC & MIGA E&S Accountability, including CAO’s Role and Effectiveness*” prepared by IFC, MIGA, and CAO in response to the External Review recommendations. IFC/MIGA’s response clustered next steps into the following three areas: (i) the IFC/MIGA Independent Accountability Mechanism (CAO) Policy, which was approved by the Board in June 2021; (ii) non-Policy actions for IFC/MIGA to implement; and (iii) an IFC/MIGA remedial actions framework.

The External Review made the following recommendations on remedy:

- “Two mechanisms should be established to fund remedial actions: (1) contingent liability funds from the client that can be tapped in the event that E&S harm materializes and is linked to the client’s failure to meet the Performance Standards; and (2) funds that the IFC/MIGA can contribute in the event that IFC/MIGA has/have contributed to E&S harm.
- IFC and MIGA should define a framework for remedial action, and the Board should review and approve that framework, building in part on the Dutch Banking Sector Agreement.
- IFC and MIGA should develop contingent liability funding requirements and mechanisms for all investments that present significant E&S risk (at a minimum, all Category A, B, FI 1, and FI 2 investments).
- IFC and MIGA should develop, in collaboration with CAO, and present to the Board a draft policy on the use of IFC/MIGA resources to contribute to remedy, clarifying the criteria, potential uses, and limitations of such resources to contribute to remedy.”²

In response to these recommendations, IFC/MIGA committed to further explore the matter and, in February 2022, IFC/MIGA Management presented to CODE key considerations for an approach to remedial action, followed by a fuller paper in October 2022. This proposed IFC/MIGA Approach to Remedial Action paper was approved by CODE for the purposes of public consultations at its meeting on 26 October 2022, while clarifying that the paper has not been endorsed by and remains subject in all respects to further review and comment by the IFC and MIGA Boards of Directors, including CODE. A

¹ External Review: <https://thedocs.worldbank.org/en/doc/578881597160949764-0330022020/original/ExternalReviewofIFCMIGAESAAccountabilitydisclosure.pdf>, pp. 98-98.

² Ibid, pp 98-99.

stakeholder consultation (the subject of this Report) took place from 21 February – 20 April 2023. Considering feedback received during the public consultations, IFC/MIGA will submit a paper to CODE recommending the way forward.

2. Developing the Draft IFC Responsible Exit Principles

IFC's focus on responsible exit takes forward its commitment in the Management Response to the CAO case regarding IFC's investment in Corporación Interamericana para el Financiamiento de Infraestructura, in which IFC committed to "review IFC's investment operations, policies and procedures as they relate to aspects of exit and define IFC's approach to responsible exit"³ as well as relevant aspects of the *Operating Principles for Impact Management*, of which IFC led the development and to which it is a signatory.

IFC delivered an initial presentation to CODE on the Responsible Exit Principles in February 2022, at which point the importance of stakeholder consultation was emphasized. IFC therefore included the IFC Responsible Exit Principles as part of the public consultation on the IFC/MIGA Approach to Remedial Action. IFC is also currently piloting the Responsible Exit Principles.

3. Summary of the Consultation Process

3.1 Independent Facilitators

IFC/MIGA contracted a team of four independent facilitators to help design the consultation program and to manage, conduct, and report on the public consultation process, in consultation with IFC/MIGA.

3.2 Schedule for the Consultation Process

Following the Board's decision to release the two documents and move ahead with a public consultation process to elicit comments and written submissions, the independent facilitators, in coordination with IFC/MIGA, devised a schedule for consultations that would commence on 21 February.

The opportunity for comment and feedback on the two documents was initially scheduled to close on 7 April 2023. It was first extended to 13 April 2023 in response to requests from stakeholders to allow for the late posting of documents and information in the World Bank Group official languages (see Section 3.4) and then extended further to 20 April 2023 to allow more time for those making written submissions.

3.3 Consultation Process Webpage

A dedicated webpage was developed for the consultation process – [Consultation on the proposed IFC/MIGA Approach to Remedial Action](#) – and a dedicated email address (accountabilityconsultation@worldbankgroup.org) provided an opportunity for stakeholders to communicate with the consultation organizers and to which stakeholders could also send written submissions.

The webpage described the background to the public consultation process, set out consultation dates in various time zones, and provided links for registration to the sessions and to materials relevant to the consultations. As sessions progressed, the webpage was updated to include additional materials as they

³ IFC, "Management Response to the CAO Compliance Investigation Latin America and Caribbean Corporación Interamericana para el Financiamiento de Infraestructura, S.A.," at: https://www.cao-ombudsman.org/sites/default/files/downloads/IFCManagementResponseCIFIReport_April232020.pdf, p. 38.

became available in the official World Bank Group languages, as well as the facilitators' reports summarizing each session.

3.4 Language of Webpage and Documents

The proposed IFC/MIGA Approach to Remedial Action paper and the draft IFC Responsible Exit Principles presentation were each made available through the consultation webpage, initially in English. A week after the start of the consultation period, on 1 March 2023,⁴ the documents were posted in the official World Bank Group languages: Arabic, Chinese, Spanish, French, Japanese, Portuguese and Russian. Mid-way through the consultation process, in response to stakeholder feedback, the website was also made available in Arabic, French, Spanish, and Portuguese.

3.5 Consultation Meetings

3.5.1. Overview

Plans for the consultation sessions were advertised through promotion across various social channels and networks.

Sessions entailed: (i) an initial informational session, (ii) consultation meetings targeted to particular stakeholders, (iii) consultation meetings, held across languages and time zones, open to all stakeholders.

3.5.2. Informational session: 28 February 2023

All stakeholders and the public were invited to join a initial virtual Informational Session on 28 February 2023. It was attended by 153 participants and conducted by the independent facilitators.

The session was designed as an introduction to the consultation process, to give all stakeholders the background to and an overview of the two documents as well as details of the forthcoming consultation meetings. The primary objective was to address queries related to the consultation process exclusively, rather than engage in a discussion of the documents. This approach ensured that the following nine consultation sessions would maximize the time effectively without reiterating the fundamental information.

IFC/MIGA presentations covered:

- An overview of the consultation process and the timeline
- Proposed IFC/MIGA Approach to Remedial Action:
 - Background and context to the development of the Approach
 - Key elements of the Approach
 - Proposed next steps including the pilot period.
- Draft IFC Responsible Exit Principles:
 - Background and context to the development of the Responsible Exit Principles
 - Key elements of the Responsible Exit Principles
 - Proposed next steps including the pilot period.

⁴ The consultation period was extended from 6 April to 13 April 2023, to allow for late posting of documents and information in all languages.

3.5.3. Consultation meetings

Nine global consultation meetings were designed to reach any stakeholder groups. The sessions were conducted by the team of professional facilitators. IFC and MIGA representatives provided shortened versions of the presentations which had been provided initially in the Informational Session. The goal was to collect as many comments, reflections, and recommendations from participants as possible and, in response to requests from participants, allowed for IFC/MIGA to respond to their questions.

Three consultation meetings were by invitation only: to Independent Accountability Mechanisms (IAM)s, Development Financial Institutions (DFI)s, Multilateral Development Banks (MDB)s, and clients, respectively:

Date	Region	Open to	# Participants	Hybrid / virtual	Language	Interpretation
07 March	Global	DFIs	27	Virtual	English	None
08 March	Global	IAMs	37	Virtual	English	None
05 April	Global	IFC/MIGA Clients	12	Virtual	English	None

The six remaining meetings were posted on the dedicated consultation webpage, scheduled to reach a range of time zones and languages and open to all stakeholders.⁵

Date	Targeted Region	Open to	# Participants	Hybrid / virtual	Language	Interpretation
3 March	Global	All	70	Hybrid	English	None
16 March	Francophone Africa	All	10	Virtual	French	English
23 March	USA, Caribbean and Latin America	All	26	Virtual	English	None
29 March	West and Central Asia	All	9	Virtual	English	None
30 March	North Africa, Middle East and Arab Peninsula	All	18	Virtual	Arabic	English
04 April	Latin America and Caribbean	All	22	Virtual	Spanish	English Portuguese

⁵ The focus of the consultations was on specific regional target groups, but all meetings were open to participants from other regions as well. Participants included CSOs, communities and other interest groups in that specific region and/or time zone.

In response to comments from participants early in the process, the format of the meetings was adjusted to allow for interaction between the participants and IFC/MIGA.

With minor adjustments to suit the nature of different meetings, each followed a similar agenda:

- Welcome and Introductions
- Overview of the consultation process
- Opening remarks by IFC and MIGA
- Explanation of meeting structure:
 - the purpose of the meetings
 - agenda and engagement protocols
- Introduction of IFC/MIGA Team
- IFC/MIGA presentation: the proposed IFC/MIGA Approach to Remedial Action
- Plenary discussions, facilitated⁶
- IFC presentation: draft Responsible Exit Principles
- Plenary discussions, facilitated⁷
- Next steps in the consultation process including reporting

3.6 Written Submissions

In total, 30 written submissions were received through the consultation email. Feedback included several joint submissions from stakeholder groups and individual/organization submissions. A range of stakeholders provided written feedback, including civil society organizations (CSOs), DFIs, MDBs, IAMs, IFC/MIGA clients, private sector entities and individuals. Feedback submitted mainly focused on both the proposed Approach and draft Principles, with a small number of submissions also reflecting on the consultation process. The written feedback received was closely aligned with similar topics and comments received during the consultation meetings. Section C of this report provides a comprehensive table summarizing all feedback received during the public consultation, including during consultation meetings as well as in written submissions.

3.7 Reporting on the Public Consultation

A Summary Report for each meeting was prepared based on comprehensive notes taken during the meeting by a team of note-takers provided by IFC/MIGA. Each report was circulated to participants to allow them to review that their comments had been reflected accurately, after which it was posted on the webpage.

The facilitators explained to all participants that, at the end of the consultation process, a final Report would be prepared, publicly disclosed, and presented to CODE.

The remainder of this Report comprises:

⁶ Due to the large number of participants in the initial global consultation session on 3 March, participants worked in breakout rooms and then reconvened in plenary to share the key points of their discussions. Otherwise, sessions were conducted entirely in plenary.

⁷ Ibid.

Section B: Facilitators' Summary of comments received during the consultation meetings.

Section C: A summary of comments received during consultation meetings and written submissions.

B. Facilitators' Summary of Consultation Meetings

1. Proposed IFC/MIGA Approach to Remedial Action: Summary of Comments

1.1 General Remarks

Participants from all stakeholder groups commented that the External Review created expectations that IFC/MIGA would respond to shortcomings identified by the Compliance Advisor Ombudsman (CAO) around IFC/MIGA and their clients' non-compliance. It was widely commented that the Approach does not fulfill the task set by the External Review.

While there have been changes, with more environmental and social (E&S) experts employed by IFC and MIGA, the view persists among participants that IFC/MIGA still fail to comply with their own policies and in their conduct of due diligence, especially when it comes to remedy for affected communities. Several commented on perceived significant shortcomings in the Approach in relation to existing policies, and that the Approach lacks emphasis on implementation. Participants felt that in practice the existing Sustainability Framework is insufficient.

Participants expressed that existing commitments in the Sustainability Framework are considered inadequate and not being implemented, and that this needs to be acknowledged by IFC/MIGA in both the Approach and Responsible Exit Principles.

Participants from across the stakeholder groups underscored that IFC/MIGA set the bar for good practice among financial institutions, and thus expectations had been high that the Approach would provide new perspectives as a "yardstick" for other financial institutions. Nevertheless, many participants expressed disappointment with the Approach, stating that it lacks sufficient substance. They failed to see any difference between the Approach and what is already required or what new "enhanced" activity is being proposed and therefore found they were unable to comment substantively. Participants questioned the purpose of the Approach over and above exigences of a robust Environmental and Social Impact Assessment (ESIA).

Several stakeholders from across groups expressed concern that the Approach made no reference to and as such emphasised the importance of incorporating the *United Nations Guiding Principles on Business and Human Rights (UNGPs) on protection, respect, and remediation; Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises; and Office of the High Commissioner for Human Rights (OHCHR) Report on Remedy in Development Finance*. In developing the Approach, stakeholders recommended that IFC/MIGA needed to align with these frameworks/recommendations as well as with international law.

Many participants remarked on a lack of reference to international instruments in the Approach and argued strongly that human rights principles should lie at its foundation. They stressed that it is of concern that IFC/MIGA do not explain how they intend to address mistakes that happen in a project in relation to individual and collective human rights or the environment. Furthermore, there were calls that the Approach include early prevention of what may later become a violation of human rights.

Several participants remarked that references in the Approach to legal theories and the risk of liability as reasons for *not* establishing a fund for provision of remedy need to be explained and the legal theories declared in subsequent documents.

It was suggested that the issue of IFC/MIGA liability frames the whole Approach, referencing *paragraph 21*, which implies that IFC/MIGA seeks to distance itself from liability and, in doing so, misunderstands the law. Participants considered that maintaining this position is more likely to put IFC/MIGA at legal risk. IFC/MIGA should treat litigation risk as secondary, to be addressed through legal channels, not as a constraint on efforts to mitigate impacts.

Stakeholders generally found the Approach lacking in clarity, including lacking in definitions of and consistency in the use of key words and concepts, and called for IFC/MIGA to define “remedy,” and a number remarked that they were unable to comment on a document so lacking in substance. Several participants criticized the lack of clarity and consistency in the Approach regarding concepts and general language, citing examples where IFC/MIGA’s understanding of words such as “remedy” was not explicit and where references to fundamental expressions such as “exceptional circumstances,” “special circumstances,” and “enhancements” were not explained. Participants called for elaboration of these and other phrases to provide uniformity and thereby avoid the risk of faulty assumptions.

Many participants across all the stakeholder groups requested more substance and detail on the Approach in a second draft, and the opportunity to participate in its review.

1.2 Scope of the Approach to Remedial Action

Participants in numerous consultation sessions repeated that where IFC/MIGA contributes to financing a project, it should contribute to remedy of harm resulting from a project. This is regarded by many participants from across all groups as the basis of any reasonable Approach to Remedial Action and Responsible Exit Principles. Participants were vocal that the Approach does not satisfy that principle and, as such, the proposals neither satisfy the needs of the communities nor comply with recommendations of the External Review which they believe would have gone a long way towards addressing the current remedy gap.

They challenged IFC/MIGA’s description of the Approach as “holistic” and called for a more comprehensive and transparent approach to remedial action in cases of harm caused by or resulting from their projects, to include existing and legacy harms from completed as well as ongoing projects, and not to be limited to new or future cases selected on an ad hoc basis, or “exceptional circumstances.”

Many called on paying special attention to retaliation through the persecution and criminalization of leaders, especially women community leaders. The harm caused by a project may relate to the rupture of the social and environmental fabric of project-affected communities and personal risk of reprisals against individuals.

Concerns were shared that IFC/MIGA are not giving adequate attention to assessing the risk to project-affected people and the environment, as well as to themselves and their clients and to the risk of litigation arising from not providing remedy.

Participants recommended that IFC/MIGA learn from best practices of other MDBs, such as the prohibition of financing projects that may involve individual titling of collective territories, the use of consultation protocols developed by Indigenous Peoples, and the creation of buffer zones for Indigenous Peoples in voluntary isolation.

Regarding implementation of policies, a participant commented that emphasis could be placed on the existing requirements embedded in IFC/MIGA policies; and then the Approach could elaborate on what additional actions IFC/MIGA intend to take to strengthen implementation both in-house and on the side of a client, including helping to build capacity in the latter.

IAM participants comment that the Approach may make a compliance review by IAMs more difficult because such a review determines whether an International Finance Institution (IFI) complied or not i.e., it investigates the IFI, not the client. The Approach needs to explain how it will apply where compliance or non-compliance with E&S standards may not have been or cannot be assessed; where an IFI may be found to be non-compliant; or in circumstances when a client cannot or will not provide remedial action. When an IFI is found to be non-compliant, only exceptionally does the Approach propose anything other than placing the cost and burden of remedy on the client, not the IFI.

A participant expressed the view that there is a complete disconnect between the conclusions of IFC's accountability mechanism, the CAO, and the corrective measures suggested in the Approach, which seem to have been designed to strengthen IFC/MIGA processes and not to remedy harm. It was suggested that IFC/MIGA consider designing a revised Approach jointly with the CAO.

Several participants said that the idea that remedial action would apply only to new and future projects was not acceptable. They proposed that a second draft should at minimum include a strong commitment to remedy, provision of remedy in CAO "legacy" cases, and it should commit clients and/or IFC/MIGA to implementing agreements made after CAO dispute resolution. They emphasized that not addressing legacy harms would not only be unacceptable to stakeholders, but also create reputational risk for IFC/MIGA.

It was not clear to several participants whether all types of projects will have access to the contractual provisions proposed in the Approach or only high-risk projects and whether some elements of the Approach may be applicable to sovereign projects.

The proposed pilot phase was met with criticism due to its lack of clarity, as to how it would work in practice, as well as its long timeline. The expected output and outcome indicators for the pilot phase were described as vague e.g., "provisions incorporated in contract templates," "increased client awareness," "improved utilization of influence," "exceptional circumstances" (referencing paragraph 17 d). There was a call for clear measurable criteria to inform assessment and reports.

Many participants called for IFC/MIGA to support their claims of success stories in the Approach by sharing the benchmarking to which they refer as the basis for the Approach, as well as examples and case studies where the environment and natural resources and social context have been violated and remedy provided. Participants called for a revised Approach to include examples of how cases have been addressed previously by IFC/MIGA.

1.3 Roles and Responsibilities in the Remedy Ecosystem

Participants expressed concerns about the Approach not adequately defining or delineating the expected roles and responsibilities of the different institutions and stakeholders engaged in a project, extending to the roles and responsibilities of contractors and subcontractors. IFC/MIGA was asked to provide examples of current roles and responsibilities in projects and show how these have enabled remedy.

1.3.1. IFC/MIGA role and responsibility

Participants in several sessions acknowledged that many projects might not get off the ground without IFC investment. Nevertheless, this should not exonerate IFC/MIGA from responsibility for remedy even where other financial institutions may also have invested, as suggested by the current language in the document. IFC/MIGA was described by one participant as taking a timid and lukewarm approach to their own responsibility for harm and remediation. Participants across all stakeholder groups repeated that, where IFC contributes to financing a project, or contributes to harm, it should contribute to remedy of harm resulting from a project.

Some participants described as disappointing the Approach's apparent lack of evidence, rationale, or justification for what prevents IFC/MIGA from fully embracing any contribution to harm. One participant, whose voice was supported by others in the meeting, sought to emphasize how well IFC/MIGA is placed to use its existing influence and enabling functions to influence change. Nevertheless, there are situations where, for example, those currently involved in CAO Dispute Resolution, and others who have been through compliance processes and are still waiting for remedy, are particularly impacted by IFC/MIGA falling short of expectations of contributing to remedy.

Many participants argued that IFC/MIGA bears responsibility for remedial action where projects have not complied with the PSs and thereby contributed to harm. In such a context, IFC/MIGA are perceived to have failed to comply with their own policies or conduct proper due diligence. Participants commented that IFC/MIGA should not place the cost and burden of remedy onto clients, nor can they shed responsibility under international and domestic law. Instead, IFC/MIGA should remain the guarantor of compliance, and contribute to remedy as recommended in the External Review.

A point was made that IFC/MIGA local offices have an additional responsibility to monitor local conditions and situations to identify issues before complaints are lodged.

1.3.2. Clients' roles and responsibilities

The Approach was criticized more broadly for not being clear as to the difference between what is already addressed in an ESIA and what new activity, if any, is being proposed. Nor is the Approach clear as to whether the client is expected to develop their own capacity and prepare for remedial action, or whether IFC/MIGA envisions expanding the role of Environmental and Social Due Diligence consultants. In this regard, concerns were raised about inaccurate evaluation and reporting in studies conducted by specialists, suggesting that these specialists and consultants can be biased in favor of those who have contracted them.

Several participants shared the view that they would like to see the Approach address the need for clients to be held more accountable, and that monitoring, and review of projects should be strengthened and include stakeholder engagement, the mobilization of CSOs, the provision of evidence, and project documentation. Participants from different stakeholder groups asked that IFC/MIGA consider verifying the capacity of clients to carry out any new tasks under the Approach and provide support where necessary in terms of both finance and capacity building.

1.3.3. Communities' roles and responsibilities

Participants recommended reference to the UNGPs' approach when it comes to communities' involvement and impacts on communities. Many participants called for the Approach to address and

expand a critical role for affected communities to be engaged in discussion, planning and decision-making and thereby minimize potential risks created often by lack of information around a project. It was suggested, furthermore, that IFC/MIGA have a responsibility to connect communities with clients, particularly in situations where the State is weak, and communities feel helpless.

Participants further commented that communities must be recognized in the Approach as having third-party beneficiary rights.

1.3.4. IFI's roles and responsibilities

The view was expressed that IFIs may have little ability to influence clients' decision making, so the Approach needs to explain how this influence could be leveraged.

Several participants requested that IFC/MIGA describe the specific roles of IFIs in the remedy ecosystem, especially those who apply the PSs either through parallel lending or IFC-managed loans.

Participants requested that IFC/MIGA clarify how other financial institutions will be expected to apply the Approach to their (sub)projects. Where IFC/MIGA outsource projects to commercial banks or private equity funds, they should have their own remedy frameworks in place which include provision of adequate funds.

1.4 Preparing for Remedial Action

It was proposed by several participants that the Approach clarify where additional preparation for remedial action will be required, and whether this is dependent on the level of perceived risk in a project. Stakeholders called for the Approach to make provision for remedial measures to be included in contracts; those risks of harm be assessed and costed upfront; and resources put in place for remedy when things go wrong; and, when they do, that the Approach provides for quick action and problem-solving on strict timelines.

Several participants reflected that more could and should be done to prevent harm from occurring, while not specifying specific actions that could be taken.

1.4.1 Pre-project

Participants across the stakeholder groups were supportive of the prevention and preparedness aspects of the Approach and made specific proposals on mitigating risks of harm pre-project approval: that projects should be assessed for compliance with the Sustainability Framework; that mechanisms be put in place which allow for community participation; and early warning systems be established. Specifically, it was proposed that consultation should take place during the process of identifying projects and deciding on their feasibility and, in this way, remediation could be planned from the outset.

Several participants recommended that the Approach include a risk-rating process for clients and describe how IFC/MIGA plans to support/provide remedy when clients are found to have low capacity or lack willingness to build effective risk management tools. This is notable in countries where fragility, conflict, and violence are present.

Participants across stakeholder groups were of the view that additional, later remedy action plans are repetitive and bring no additional benefit over and above an effective Environmental and Social Action

Plan (ESAP); and that time and money would be better invested in helping clients understand the value of ensuring an effective ESAP from the outset.

Several participants were supportive of the proposal to cost ESAPs, and called for IFC/MIGA to assist with budgeting for risk mitigation and costing remedial action as, to date, the costs of planning for risk and remedial action have been punitive. Costing remedial actions in all ESAPs would help clients in gaining certainty when addressing risk. Client stakeholders requested that the extent of risk assessment undertaken to be proportionate to the actual remedial action needed, for example in the context of “extreme risk scenario planning” and its attendant cost.

There was also a suggestion to embed remedial action in a project’s emergency response planning.

Several participants commented that communication and engagement with stakeholders should be strengthened in both the Approach and Responsible Exit Principles and that the documents need to flesh out how enhanced stakeholder engagement will be embedded in associated processes, whether through additional grievance mechanisms or enhanced enabling activities.

1.4.2 Funding mechanism and contingency financing

The view was shared broadly that the Approach unfairly places the financial burden of remedy on the client and falls short on IFC/MIGA also contributing to remedy through contingency financing, as recommended by the External Review. It was proposed that a focus on contingency funding minimizing the burden on the client needs to be balanced with a strong component to minimize the burden on affected communities.

It was further recommended by several stakeholders that a funding mechanism be established, in addition to any contingency funding, to support remedial action from the start of a project. Objective criteria against which cases for contingency financing may be selected should be made explicit in the Approach, and funds created to help private companies to address E&S issues.

While participants felt that there should be a contractual requirement in every financing agreement that requires some measure of client-funded remedy, a large proportion of stakeholders in each of the consultation meetings remarked that IFC/MIGA need to demonstrate a stronger commitment to their own contribution to the provision of remedy, with reference to existing international standards, including the OHCHR Report on Remedy in Development Finance, which specifically provides clear arguments around the question of contingency funds.

One participant suggested that, in contexts where clients pre-pay, IFC/MIGA should investigate mechanisms that could be used to address remedy such as taking a percentage of pre-payment for remedial measures.

Participants called for IFC/MIGA to be the guarantor of PS compliance and to provide remedy whenever the client is unable to do so. IFC/MIGA should assume greater responsibility for a portion of any E&S harm risk and establish a funding mechanism from the start of a project to support remedy in these circumstances.

It was suggested that the Approach include a proposal that the World Bank set up a trust fund for various exigencies in the development context, including climate resilience, that could be capped and would help to deliver on some of the remedial actions. There was also a proposal that clients could tap into existing

IFC/MIGA trust funds to cover the costs of assessments for extreme risk scenarios. It was recommended that contingency financing be carefully considered before embarking on a pilot, or IFC/MIGA risk running into questions on how it will be provided, which could set a precedent and create a potential future problem for DFIs. IFC/MIGA is asked to include examples of cases where contingency funding has been considered before embarking on a pilot, in the Approach.

1.4.3 Building capacity

Several participants commented on the importance of IFC/MIGA building capacity among stakeholders, including providing documents (e.g., guidance notes, infographics, training materials etc.) in local languages and accessible formats.

1.4.4 CAO role

Some participants suggested that the CAO could/should play a role in preparation for remedial action.

1.5 Access to Remedy

Participants asked IFC/MIGA to explain what it means by access to remedy, the criteria and circumstances for its implementation, and how its effectiveness will be measured. Participants also asked for clarification of "relevant third parties" in the context of providing stakeholders with information to access remedy.

The discussion on access centered the importance of including communities in project planning, and planning towards remedial action. Participants raised the issue of poor disclosure of and access to information for project-affected communities which prevents them from assessing the potential benefits of a project, or from understanding what potential remedy may be available to them should harm occur. Nevertheless, participants commented that the Approach does not provide any specific, objective commitments or defined actions that would improve complainants' access to redress. They questioned the lack of emphasis on ensuring rights holders have the capacity to access remedy and said that communities should be afforded the same protection from risk as clients. It was recommended specifically that the Approach require affected communities to be informed directly and consistently of redress options (including through IAMs) while clearly describing the responsibilities of the client in this regard.

Participants also expressed concern about a lack of transparency in the Stakeholder Grievance Response (SGR) role at IFC and suggested establishing guidelines and procedures for engaging with communities and managing their complaints. Participants commented that the Approach needs to recognize that project Grievance Mechanisms (GMs) are generally only equipped to solve everyday issues, and not able to handle the type of widespread problems and harms faced by affected communities. Enhanced stakeholder grievance procedures need to be clearly defined to address potential duplication and overlap of functions and roles between the actors. Some participants felt that IFC/MIGA is currently limited in its response to grievances and recommended that the Approach facilitate direct communication between the community and IFC/MIGA, both during construction and for the first five years of operation of a project, whether via a website or open channels with the regional or local office.

Participants stated that it is difficult for local communities to understand the language and terminology used in IFC/MIGA documents and recommended that IFC/MIGA commit to translating documents into different languages and use language that is easy for community members to understand.

One participant suggested that the Approach be elevated to a legal instrument so that measures would be binding and mandatory such that a client may be sued if they fail to comply.

Another recommended offering arbitration in the dispute resolution context as another avenue in seeking redress in cases of harm.

Participants commented that the Approach needs to be explicit as to what it means by facilitating access to and extending responsibility for remedial action to Financial Intermediaries (FIs).

In terms of PSs, a participant commented on the lack of capacity among consultants advising clients, resulting in failures in the implementation of the PSs, especially PS5 (Land Acquisition and Involuntary Resettlement) and PS7 (Indigenous Peoples). They suggested independent verification of the implementation of these standards.

Lastly, some participants hope to see a second draft of the Approach that places communities at the center of concern and has a strong human rights approach, whether looking at constraints, the process itself, or steps to be taken.

1.6 Facilitation and Support for Remedial Action

Participants suggested that IFC/MIGA already have the legal power to enforce remedial actions but are failing to utilize it.

Participants wanted to know whether IFC/MIGA has leverage in post-exit situations for remedial action when the client or situation still qualifies as a "special circumstance."

Participants recommend that the Approach use established normative frameworks, such as the UNGPs, as a basis for defining and elaborating on terms such as "exceptional circumstances."

Participants recommended that IFC/MIGA consider remedies other than purely financial and include existing and legacy harms from completed or ongoing projects in their approach.

Additionally, participants suggested that IFC/MIGA should provide more information on additional actions they plan to take to strengthen their own internal capacity, as well as that of clients, to facilitate and support remedial action.

The Approach is not seen as ensuring sufficient guidance on meaningful engagement with people who were or could potentially be impacted by a project. It lacks detail on how community engagement will be supported by clients or IFC/MIGA or verified by IFC/MIGA.

Participants said that the Approach rejects the idea of new instruments because IFC/MIGA maintain that there are existing processes that could be enhanced, yet the Approach does not provide analysis on whether those existing instruments serve the purpose of ensuring that there are funds available for remedial action.

Reference to enhanced or shortened timelines for CAO processes alone is no guarantee of effective remedy where harms are complex, widespread, and deep. Suggestions were put forward on how IFC/MIGA can build on its existing resources to provide the technical support necessary to ensure that harmful impacts are remedied as quickly and sustainably as possible: such as building the capacity of project teams in social expertise and providing training on effective implementation of the PSs. Building

the capacity of financial institutions working with private sector companies in terms of E&S standards would be another contributor in supporting positive outcomes and speeding up the provision of remedy.

Participants suggested that the Approach should clarify whether fact-finding, technical studies and capacity building will support IFC/MIGA's response to a complaint through the CAO, or whether they will be conducted only in relation to complaints that come directly to IFC/MIGA. The document also needs to be explicit as to what is meant by IFC/MIGA supporting joint fact-finding activities and community development as they relate to CAO cases and explain whether this permits IFC/MIGA to finance an independent expert's fees.

The Approach also needs to clarify the different facilitation and support processes, such as Management Action Plans (MAPs) and Corrective Action Plans (CAPs) (ref. para 24 of the Approach). Participants also noted that current MAPs already embed remedial actions, and that the Approach needs to be clear on whether it seeks to require an additional stand-alone remedy action plan for all projects or only for some projects, and whether this would be a requirement regardless of the risk of the project and the criteria that would be applied.

It was recommended that IFC/MIGA support dispute resolution processes and outcomes and explain how long they will be part of any remedial action process. The Approach should include examples of successful and unsuccessful experiences of corrective measures implemented under dispute resolution mechanisms.

Participants urged IFC/MIGA to elaborate in the Approach on the complexities of direct financing of remedy and provide better explanations to CSOs on why banks would not step in to pay the cost of non-compliance directly.

1.7 The Consultation Process

Several participants from the full range of sectors expressed their appreciation for what was described as a reasonable and well-structured effort by IFC/MIGA to consult stakeholders on the Approach. The work in producing the document was acknowledged, and their consulting on it at this early stage was regarded as positive.

A point was made by a few participants that the structure of the consultation process should have been made known to participants at an earlier date to help them prepare, and that the registration page and all documents should have been available on the website in all languages from the outset. Some expressed frustration that the Approach and consultations were not made available in the major Asian languages, and that the webpage at the time was not available in Arabic or Spanish. Some stakeholders expressed feeling disadvantaged compared to English-speakers because they were not able to access all the documents in their own language so had to base their comments and inputs on a PowerPoint presentation and not the full documents.

It was recommended that there should be direct interaction and dialogue between participants and the IFC/MIGA experts during the consultation sessions, and not only one-way inputs and comments. Some participants commented that consultation need not be confined to the public meetings, and that there should be more opportunity for bilateral discussions between IFC/MIGA and interested stakeholders.

There were widespread requests from all stakeholder groups that, post CODE's initial review, the following drafts of both the Approach to Remedial Action and the Responsible Exit Principles be made

available for further consultation, and that the Board should not finalize any document without having received further review and comment.

There was an enquiry as to how IFC/MIGA is coordinating internally: whether there is a working group for key stakeholders within IFC/MIGA, or a specific committee approving the steps for both the Approach to Remedial Action and the Responsible Exit Principles.

One participant commented that both the Approach to Remedial Action and the Responsible Exit Principles are communication-intensive, and that IFC/MIGA should clarify in the documents how communications will be managed in terms of scope, time, sequence, and overall stakeholder engagement.

2. Proposed IFC/MIGA Approach to Remedial Action: Summary of Recommendations

2.1 General Remarks

- a. Define “remedy” itself and provide a glossary of definitions, key words, phrases, and concepts used repeatedly in the Approach. Define and elaborate on core words and phrases, such as “remedy,” “exceptional circumstances,” “special circumstances,” and “enhancements,” among a longer list, to ensure uniformity and reduce the risk of faulty assumptions.
- b. Frameworks like the UNGPs, OECD Guidelines, OHCHR paper on Remedy in Development Finance as well as human rights principles should be at the foundation of the Approach and therefore be reflected throughout in the language and understanding of the issues.
- c. Place more emphasis on implementation.
- d. Explain the “legal theories” behind the Approach and justify that the risk of liability is sufficient reason for IFC/MIGA not to establish a fund for the provision of remedy. If legal theories and risk of liability are cited as reasons for not establishing a fund for remedy, they should be explained clearly.
- e. Provide evidence, rationale, or justification around factors that prevent IFC/MIGA from fully embracing any contribution to harm.
- f. Share benchmarking, case studies, and examples to support claims in the Approach of success stories where environment and natural resources and social context have been violated and remedy provided.
- g. IFC/MIGA should respond promptly and act when non-compliance with PSs is found. They should comply with their own policies and carry out due diligence properly.
- h. Ensure that the next draft of the Approach provides more substance and detail and allow for stakeholders to provide substantial comments.

2.2 Scope

- a. The Approach should be revised to reflect that IFC/MIGA should contribute to the remedy of any harm caused by projects in which it has invested.
- b. The Approach should, as far as possible, comply with the recommendations of the External Review as well as standards set in the Sustainability Framework.
- c. IFC/MIGA should apply the Approach to existing and legacy projects and commit to providing remedy in CAO “legacy” cases as well as new projects with pertaining “exceptional circumstances,” or they risk leaving a significant gap in relation to existing and historical harm. IFC/MIGA should provide remedial action to existing and legacy harms, not just to new or future projects on an *ad hoc* basis, or in “exceptional circumstances.” The Approach should describe criteria for “exceptional circumstances” and explain why remedial action for new cases is to be considered case-by-case.
- d. A second draft should at minimum include a strong commitment to remedy and provision of remedy in CAO “legacy” cases and commit clients and/or IFC/MIGA to implementing agreements from CAO dispute resolution.
- e. Explain whether all types of projects will have access to the contractual provisions proposed in the Approach or only high-risk projects and whether some elements of the Approach may be applicable to sovereign projects.

- f. The Approach should pay attention to assessing risks to project-affected people and the environment as well as to IFC/MIGA and clients and embed stakeholder engagement throughout the Approach.
- g. IFC/MIGA should learn from best practices of other MDBs and incorporate these lessons into the Approach.
- h. Build on the existing requirements embedded in IFC/MIGA policies and elaborate on the additional actions that will be taken to strengthen implementation both in-house and on the side of the client, including helping to build their capacity.
- i. Consider designing a revised Approach jointly with the CAO.
- j. Commit to providing remedy if CAO reaches a finding of non-compliance and where a client cannot or will not apply remedial action.
- k. Explain how the Approach applies where compliance or non-compliance with E&S standards may not have been, or cannot be, assessed; where an IFI may be found to be non-compliant; or in circumstances where a client cannot or will not apply remedial action.
- l. Reconsider the potential benefit of a pilot phase by defining expectations in terms of outcomes and indicators and provide measurable criteria to inform assessment and reporting.
- m. Include in the next draft examples of how cases have been addressed previously by IFC/MIGA.

2.3 Roles and Responsibilities

- a. Even where other financial institutions may have invested in the same project, IFC/MIGA must acknowledge its responsibility to contribute to remedy, and not only when it is linked to harm. This also applies in situations where IFC/MIGA has failed to comply with its own policies or conduct proper due diligence.
- b. IFC/MIGA should clearly delineate the expected roles and responsibilities of the different institutions and stakeholders engaged in a project, using concepts of linkage, contribution, and cause.
- c. IFC/MIGA should clarify in the Approach its assumptions behind these roles and responsibilities and avoid language that suggests it does not consider itself responsible for addressing harm.
- d. IFC/MIGA should provide evidence, rationale, or justification around factors that prevent them from fully embracing any contribution to harm.
- e. The Approach should include examples of current roles and responsibilities in projects that have enabled remedy.
- f. The Approach needs to describe in detail what new activity is expected of clients and explain if this applies to current projects. This includes whether clients are expected to develop their own capacity and prepare for remedial action, or whether IFC/MIGA envisions expanding the role of Environmental and Social Due Diligence consultants.
- g. Hold clients more accountable in monitoring and review of projects, stakeholder engagement, the mobilization of CSOs, evidence and project documentation.
- h. IFC/MIGA should verify a client's capacity to conduct new tasks assigned under the Approach and provide both financial support and capacity building support where necessary.
- i. The Approach should not be solely focused on the responsibility of the client and should take the potential risks to communities into account. Communities must be recognized in the Approach as having third-party beneficiary rights. IFC/MIGA has a responsibility to connect communities with

clients. Communities need to be engaged in discussion and planning for remedy and given a seat at the table as early as the contracting phase.

- j. IFC/MIGA should clarify how other financial institutions will be expected to apply the Approach to their (sub)projects. Where IFC/MIGA outsource projects to commercial banks or private equity funds, they should have their own remedy frameworks in place which include provision of adequate funds.
- k. The Approach needs to explain how IFIs can leverage influence over clients' decision-making.
- l. IFC/MIGA should follow local news closely through their local offices in countries where they have projects to identify issues before complaints are lodged.

2.4 Preparing for Remedial Action

- a. Clarify where additional preparation for remedial action will be required, over and above the ESAP to comply with exigencies in the Approach and explain whether this is dependent on the level of perceived risk in a project.
- b. Responsibility for risk mitigation should start at contracting and project approval phases. Risk assessment and allocation of resources for remedy, such as through a dedicated fund, should be put in place at contracting, and remedial measures should be included in contracts.
- c. Treat litigation risk as secondary, to be addressed through legal channels, not as a constraint on efforts to mitigate impacts.
- d. Every financing agreement should require clients to commit to fund remedy.
- e. Place IFC/MIGA as the guarantor of PS compliance to provide remedy whenever the client is unable to do so.
- f. IFC/MIGA should assume greater responsibility for a portion of any E&S harm risk and establish a funding mechanism, from the start of a project, to support remedy in these circumstances.
- g. Introduce a risk-rating process to determine which clients may have low capacity or lack of willingness to build effective risk management tools, and therefore need capacity building.
- h. Assist with budgeting for risk mitigation and costing remedial action to ease the client's burden and help them ensure that the extent of risk assessment undertaken is proportionate to the actual remedial action needed and help them gain certainty when addressing risk.
- i. Allow the CAO to play a role in preparation for remedial action.
- j. Assess projects for compliance with the Sustainability Framework pre project approval.
- k. The focus of contingency funding on minimizing a burden on the client needs to be balanced with a strong component to minimize the burden on affected communities.
- l. Include explicit and objective criteria against which cases eligible for contingency funding are selected on a "case by case" basis and make those criteria public.
- m. Communities should have a stronger voice in discussions pertaining to their interests being addressed in the implementation of remedial action and therefore in its planning.
- n. Explore other mechanisms such as taking a percentage of pre-payment for remedial measures.
- o. Embed remedial action in a project's emergency response planning.
- p. The World Bank could set up a trust fund for various exigencies in the development context, including climate resilience, that could be capped and would help to deliver on some of the remedial actions. Clients could also tap into existing IFC/MIGA trust funds to cover the costs of some assessments for extreme risk scenarios.

- q. Consider contingency financing carefully or it could set a precedent during a pilot that could potentially be challenging in the future for DFIs.
- r. Include in the Approach examples of cases where contingency funding has been considered before embarking on a pilot.

2.5 Access to Remedy

- a. Remedy for communities affected by projects needs to be strengthened by the Approach and made more effective, providing remedy for everyone affected.
- b. A second draft of the Approach should prioritize placing communities at the centre of concern and the entire process, whether looking at constraints, the process itself, or steps to be taken.
- c. IFC/MIGA need to clarify what they mean by access to remediation, the criteria, and circumstances for its implementation, how they will deal with complaints, and how its effectiveness will be measured.
- d. Acknowledge that project-level GMs are generally only equipped to solve everyday issues and unable to handle the type of widespread problems and harms faced by affected communities. Nevertheless, provide clear detail on enhancing stakeholder grievance mechanisms and explain how they can impact operational decisions.
- e. Develop clear guidelines and procedures for engaging with communities and managing complaints through Stakeholder Grievance Response (SGR) in a transparent and consultative process.
- f. Encourage communities to resolve issues locally in cooperation with the client by keeping them informed consistently and directly of redress options, including IAMs, and provide the means for them to do so.
- g. The Approach needs to set out clear plans to make the CAO known to IFC/MIGA clients and communities at the outset of a project and describe the client's responsibilities in this regard.
- h. The language used in the Approach should be easy to understand for local communities, not just translated into different languages.
- i. Include and describe a mechanism to facilitate direct communication between the community and IFC/MIGA, not just through the client and not only during the construction period but for the first five years of operation. Consider the role here of IFC regional and local offices.
- j. The Approach needs to clarify what "relevant third parties" means in the context of providing stakeholders with information to access remedy.
- k. The purpose of company-level GMs should be made clear, whether to receive complaints or to provide a channel for access to remedy.
- l. Give the Approach some legal standing so that measures would be binding and mandatory, and a client could be held legally responsible if they fail to comply.
- m. Consider offering arbitration in the dispute resolution context as another avenue in seeking redress in the case of harm.
- n. Be explicit as to what the Approach means by facilitating access to and extending responsibility for remedial action to FIs.

2.6 Facilitation and Support for Remedial Action

- a. Provide clear guidance on meaningful engagement with people who could potentially or harmed by a project impact. Describe how community engagement in remedial action will be supported by clients or IFC and verified by IFC.

- b. Explain for how long IFC/MIGA will participate in a remedy process.
- c. Offer some analysis in the Approach of existing instruments, and how they serve the purpose of ensuring that there are funds available for remedial action.
- d. Remedies other than purely financial remedies should be considered.
- e. Clarify the different facilitation and support processes, such as MAPs and CAPs, and be clear as to whether IFC/MIGA would support clients in implementing their existing MAPs more effectively without having to develop an additional, parallel MAP, CAP, or remedial action plan. Clarify whether this would apply to all projects or only for some projects regardless of the risk of the project, and what criteria would be applied.
- f. Allow for more information to be provided on additional actions IFC/MIGA plan to take to strengthen capacity, both in-house and with the clients, to facilitate and support remedial action.
- g. Describe how IFC/MIGA can build on its existing resources to provide adequate technical support to ensure that harmful impacts are remedied as quickly as possible and sustainably, such as building the capacity of project teams in social expertise and providing training on effective implementation of the PSs.
- h. Strengthen the capacity of financial institutions working with private sector companies in terms of E&S standards to support positive outcomes and speeding up the provision of remedy.
- i. Build capacity among project stakeholders and provide documents e.g., guidance notes, infographics, training materials etc. in local languages and accessible formats.
- j. Support dispute resolution processes and the terms of any agreement reached, even those that do not require developing a MAP or CAP.
- k. Clarify whether fact-finding, technical studies, and capacity building will be carried out only in relation to complaints that come directly to IFC/MIGA, or whether these activities will be conducted as part of IFC/MIGA's response to a complaint through the CAO.
- l. Elaborate on the complexities of direct financing of remedy, and on why banks would not step in to pay the cost of non-compliance directly. Be clear as to whether IFC/MIGA has leverage in post-exit situations for remedial action when the client or situation still qualifies as a "special circumstance."
- m. In general, build more into the Approach around what more needs to be done to prevent harm, invest in prevention, build the capacity of project teams in social expertise, and provide or encourage training in relation to implementing IFC/MIGA PSs.

2.7 The Consultation Process

- a. Ensure that further drafts of the Approach are made available for further consultation before being finalized by the Board.
- b. When publishing the second draft, or any related documents, post them in all languages simultaneously so that no stakeholder group feels disadvantaged.
- c. Allow for interaction and dialogue between IFC/MIGA and stakeholders in subsequent consultation sessions, and not just one-way inputs and comments.
- d. Allow for bilateral discussions between IFC/MIGA and stakeholders.
- e. Create a working group for key stakeholders and IFC/MIGA developing steps for the Approach.
- f. Being a communication-intensive process, clarify how communications will be managed in terms of scope, time, sequence, and overall stakeholder engagement.

3. Draft IFC Responsible Exit Principles: Summary of Comments

3.1 Links and Overlap between Responsible Exit and Remedial Action

Participants, across the full range of stakeholder groups, underscored the view that responsible exit is inextricably linked with remedial actions; therefore, a robust remedial approach is necessary for responsible exit to occur. Several participants called for remedial actions to be provided in all responsible exit cases to avoid parallel processes.

Participants commented repeatedly in different sessions that serious corrective measures and the right to reparation are needed to address harm that has already occurred. Without reparations, responsible exit cannot take place.

The overlap between remedy, remedy financing, and exit was pointed out by several participants from all stakeholder groups, with some suggesting that prepayment fees should not be waived if there are outstanding E&S issues at exit. It was emphasized that, if no effective remedy is being offered, IFC should not exit, nor should IFC be able to exit if there is an ongoing complaint on the project lodged with CAO.

In one meeting, it was proposed that two new Principles be included in the next draft: that responsible exit is related to remedy, and that exit cannot occur if remedy has not been provided.

3.2 Definitions

Several participants remarked that IFC should define "responsible exit" in the context of both the Responsible Exit Principles and the Approach to Remedial Action. There were also requests for uniform definitions in the Principles to ensure consistency of language and understanding in both documents.

3.3 Preparing for Exit

Several participants emphasized the importance of planning for responsible exit from the beginning of a project, and that IFC should define and explain their plans to stakeholders early in the investment and project cycle and more so involve communities in that planning process.

Several participants in different stakeholder groups flagged the role of legal agreements and legal liability in responsible exit, recommending that IFC include responsible exit provisions in their legal agreements, and thereby ensure that active exits unfold through such legal agreements.

Several participants supported the view that E&S impacts often persist after exit and that these impacts sometimes relate to contractual matters. In their view, this underscores the importance of compliance with E&S issues being considered an essential element of *responsible entry*. The view was expressed by a number of participants that IFC needs to incorporate mechanisms that respond to concerns generated as early as the financial contracting period, so that the Principles apply even if IFC exits before it has disbursed and called in other investors. It was recommended that the Responsible Exit Principles should also address the legal basis of responsible exit and that sound legal provisions would enhance IFC's leverage to achieve responsible exit. This should include a situation where a client is moving towards, or desirous of, pre-paying to release itself from loan obligations, including cases where there remain outstanding concerns around adverse E&S impacts.

Participants asked IFC to set out a clear process for closing out a project and how a client would prepare for exit, acknowledging that it may not be easy to map out and requires careful thought.

3.4 Active and Passive Exit

According to several participants in different stakeholder groups, the Responsible Exit Principles should be applied in all cases where IFC is exiting a project: to both active and passive exits, regardless of whether the exit was initiated by IFC or the client. The distinction between active and passive exits is relevant in the sense that active exits may allow for more control and influence by IFC over the exit process and its outcomes, while passive exits may limit such control and influence. Nonetheless, IFC should consider each context individually when implementing the Principles.

Regardless of the type of exit, if there is unresolved E&S harm or human rights violations, IFC's exit should be regarded as active, and the Principles applied accordingly. The Principles should stipulate IFC's obligations and responsibilities during the exit process, including the identification and mitigation of any potential E&S risks or harm and the provision of support for affected communities.

For passive exit, the Principles should also provide guidance on IFC's obligations, including the management of any E&S risks that may arise during or after the exit process.

Overall, the Responsible Exit Principles should be comprehensive and clear, and should provide guidance for both active and passive exits, regardless of the reason for the exit. The Principles must be implemented with a focus on minimizing harm and ensuring that affected communities are supported throughout the exit process.

3.5 Transparency and Stakeholder Engagement

Several participants commented on the need for more transparency in IFC exiting a project. Some recommended that transparency could be enhanced with increased stakeholder engagement embedded throughout the process. One participant commented on the importance of transparency with IFC's decision-making and suggested that it should be incorporated in the existing Principles, or as a stand-alone Principle.

It was widely stated that inclusive and comprehensive consultations are vital to ensure that the Responsible Exit Principles are effective and serve the best interests of all parties involved. One group calling for mandatory consultations with communities emphasized that IFC must address any limitations on its ability to disclose information as part of remedial action when exiting.

Several CSO participants were at pains to remind IFC of their responsibility to provide support for persons with disabilities and vulnerabilities to ensure inclusive consultation. A responsible exit should aim to leave people with peace of mind and, to achieve this, include reparation for all harms caused.

IFC needs to incorporate precautionary and corrective measures to recover ancestral land rights after exit in the Responsible Exit Principles. A participant suggested that IFC should consider "exceptional actions" for the most vulnerable groups that may have lost rights during project development or implementation.

A suggestion that a stakeholder engagement approach be included as one of the Responsible Exit Principles was echoed in several consultation sessions.

Several participants stressed the importance of taking into account the concerns of local populations when investors exit a project, pointing to the CSO joint statement submitted to the consultation process which articulated the inadequacy of the Principles in addressing community interests.

Several participants commented that consultations around exit are not only for clients and should always include affected communities to ensure that their interests are protected. During discussion, a number of participants voiced their concern that community engagement was not given enough importance in the Principles and was treated as a secondary consideration: “additional guidance” rather than a key Principle.

Several participants representing communities suggested that any plan to exit a project should be discussed and consulted with affected communities before or at the start of the divestment process to ensure that access to remedy is at the core of a responsible exit. Several participants emphasized that consulting with project-affected communities during the exit stage was as crucial as consulting with them at the beginning of the project. Some stressed the importance of mandatory consultation with communities.

Participants emphasized that more must be done to consider affected communities’ concerns and enable them to improve their situation and livelihoods after the project sponsor’s exit. It was noted that these aspects are often overlooked during the financing process, leading to confusion at the exit stage between social responsibility and the local context.

Participants highlighted the importance of conducting an assessment before exiting a project to review social and environmental norms and determine whether communities have benefitted from a project or been left in a worse position than before the project began. This would establish and seek to address any perceived or actual harm to stakeholders and the local community.

It is crucial to understand the respective roles and responsibilities of the different stakeholders in the exit process to ensure that communities have some recourse to mitigate negative E&S impacts.

A participant commented that IFC and MIGA are generally perceived as financiers who are not concerned with community issues. Therefore, it is essential to elicit and consider the concerns of local populations during the drafting process of the Responsible Exit Principles.

3.6 Funding for Remedial Action at Exit

There was widespread concern expressed by participants that IFC appears unwilling to make reparations even where affected peoples are waiting for remedial action. Across the board, participants emphasized that IFC must be accountable for a responsible exit and that the likelihood is that, whenever there is an exit, there are likely to be risks that require urgent corrective measures.

Participants noted that, in cases where IFC decides to exit a project and the client has not addressed or is not willing to effectively address any shortcomings in E&S impacts, the Principles should require that IFC has a fund in place that may be applied to remedy the adverse impacts caused by the project.

In linking exit and remedy, a rule was proposed that, in cases where IFC receives revenue at/from exit, this revenue should be held as a fund to compensate the community or pay for remedial actions.

A suggestion was put forward by a participant that one way to ensure a safe/responsible exit is for IFC to support repayment of loans.

Participants emphasized the importance of safeguarding a client's financial well-being throughout the responsible exit process, as crucial to ensure a sustainable and non-detrimental exit process that would not harm the client's financial standing.

The view was expressed by several participants that it may be necessary for IFC to work with the client to identify and mitigate any financial risks to the client associated with the exit process, and to provide support to the client where necessary to ensure its continued financial stability. This could include measures such as: providing technical assistance on financial management; helping the client to secure alternative sources of financing; offering financial guarantees; or other forms of support.

3.7 Performance Standards

Several participants commented that IFC's leverage over a project's social and environmental performance decreases after exit and, therefore, exit should only happen if IFC PSs have been fully complied with.

A number of participants commented that the Principles need to provide more detail on what is meant by, and expected of, client E&S performance in the context of responsible exit. They requested that IFC provide clarity in the document on how the Principles apply for corporate investments, where IFC is holding equity, and how E&S standards can be assessed for responsible exit to secure overall sustainability.

3.8 Active CAO Cases

Participants raised concerns about IFC's potential exit from a project during an ongoing CAO dispute resolution or compliance process, recommending that the Principles explain how they would be applied in such circumstances.

Several participants proposed that IFC should commit to not exiting a project where there is an active case with the CAO without the consent of the affected community. Others expanded on this by recommending that IFC should not exit until remedies agreed within a dispute resolution process have been fully implemented to address the risk of IFC being unable to maintain influence and leverage in active cases.

3.9 Risk of Reprisals

Several participants across stakeholder groups raised the risk of reprisals against stakeholders and project affected communities at exit and post-exit. A number of participants underscored the need for the Responsible Exit Principles to recognize that the risk of reprisals during and after exit is high and that this risk must be highlighted as a crucial component of the Principles.

In designing and implementing its exit strategies, IFC needs to recognize and understand the structure and historical context of local communities, including the gender aspects. Due diligence on these factors should be emphasized at the time of divestment, which is a critical period when violence and retaliation may flare up.

The Principles need to take this risk of reprisals seriously in order to minimize the risk, and ensure that the exit process is conducted in a responsible and ethical manner. A zero-tolerance policy against reprisals should be implemented post-exit to ensure that communities are not subject to retaliation for whatever their degree of involvement in the project.

3.10 Financial Intermediaries

Comments were made by numerous participants regarding the inclusion of FIs in the Responsible Exit Principles. Some participants suggested that FIs should be integrated into both the Approach to Remedial Action and the Responsible Exit Principles, and that the Principles should apply equally to IFC and FIs. In addition, participants shared a strong view that both the Approach to Remedial Action and Responsible Exit Principles should apply to projects funded by FIs.

The view was expressed that FIs would want to learn from the Responsible Exit Principles. Thus, IFC should ensure that the Principles are comprehensive and applicable to all relevant stakeholders, including FIs.

IFC should elaborate on references in the document to which specific E&S issues may trigger the staff of FIs to consider exit.

3.11 Multilateral Development Banks

Participants commented that, because the concept of responsible exit may be new to some MDBs the methodology and research behind the Principles should be thoroughly reviewed and discussed within each institution.

It is crucial for MDBs to ensure that their own exit strategies are responsible and consider the potential impacts on affected communities and stakeholders.

The input and feedback from participants on the draft document can be a valuable resource for MDBs as they continue to develop and refine their respective responsible exit policies and practices.

3.12 Relevant Policies/Frameworks

Participants raised concerns about the lack of context and reference to human rights in the current Responsible Exit Principles document. One participant asked to what extent IFC took into account the *Office of the High Commissioner for Human Rights (OHCHR) study on Remedy in Development Finance* and how the Principles measured up to those laid out by the OHCHR.

Another participant noted that the Responsible Exit Principles lacked foundation, either normatively or in comparison to the UNGPs and suggested that IFC should draw on established frameworks as a basis for a revised approach.

From a trade union perspective, a participant suggested that aligning the Responsible Exit Principles with the *Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises* would be helpful, particularly in terms of the obligation to include trade unions or worker representatives in any changes that would have a significant impact on employment. The participant cited a hypothetical example where IFC may be planning an exit, but the company cannot find new investment, leading to job losses. They suggested that the Responsible Exit Principles should require IFC and clients to provide sufficient notice and cooperate with labor representatives to develop plans and programs to reduce such impacts.

Several participants emphasised the importance of taking a gender approach to responsible exit.

3.13 Exit and Project Timeframes

A participant raised a concern about the practicality of implementing responsible exit in projects with longer-term horizons, particularly regarding the provision in Principle 3 para c that refers to additional

contractual provisions and responsibilities regarding environmental and social issues post-exit. The participant questioned what a "fixed period of time" would mean for IFC clients and how it would be determined. The participant also asked whether IFC would retain any obligations after the cut-off time.

It was recommended that loan agreements include clear time frames to allow sufficient preparation for exit and to address any potential confusion around post-exit responsibilities. A participant emphasized the importance of clarity around time frames and obligations to ensure a smooth and responsible exit process.

3.14 Staffing

Participants discussed the need for more guidance on E&S staffing during the exit process, and how to engage stakeholders effectively. One participant highlighted the potential for a surge in demand for E&S staffing across all projects, not just those deemed high-risk, and emphasized the need for adequate staffing to support responsible exit.

Another participant stressed the importance of continuity in IFC staffing, noting that staff turnover can be a challenge during the portfolio management phase of a project. A joint statement on behalf of CSOs, shared in one of the consultation sessions, recommended that management be involved in the approval process for exit/prepayment and have direct experience of the project to ensure a smooth and responsible transition.

3.15 Actions Post Exit

The discussion on the challenges of remedy after IFC has exited a project focused on the importance of responsible exit strategies for IFC when it exits from a project, and the need for clarity regarding the implementation of remedies post-exit. Participants expressed concerns that exiting clients may deny communities the opportunity to engage in CAO processes which could enable remedial action.

There was a call for the Responsible Exit Principles to be more concrete regarding tools and ways for IFC to enhance leverage post-exit, such as using dispute resolution mechanisms. The discussion also touched on the nature of financing, with participants questioning how it would impact post-exit complaints, particularly in the case of equity financing.

Participants suggested that IFC should identify key contact points in new management when relinquishing financing to ensure continued motivation for remedial action. Overall, the focus was on the need for IFC to have a clear and well-defined strategy for responsible exit that considers community engagement and ensures the implementation of remedies post-exit.

3.16 Institutional Constraints and Risk of Liability

Participants expressed concerns that the Principles may not be clear enough with regards to the legal and reputational consequences for clients when IFC decides to exit a project. Participants commented on the need for the Responsible Exit Principles to expand on institutional constraints such as liability issues and whether – or when and how – such constraints might be used to mitigate/avoid the application of these principles. Some called for the Principles to provide more guidance on how to deal with such institutional constraints, such as legal or regulatory requirements, that could limit the ability of IFC to implement some of the Principles.

There were suggestions that IFC needs to avoid situations in which it remains in a project solely to avoid impacting a client's reputation.

Nonetheless, it was noted that the Principles should be implemented to the extent possible within these constraints, and IFC should work with its clients and other stakeholders to address these constraints and find ways to mitigate the risks of harm to affected communities.

3.17 Case Studies

Participants requested that the final version of the Responsible Exit Principles include examples and case studies that would provide context and clarity about IFC's strategy and approach to responsible exit. Case studies can also serve as a valuable learning tool for stakeholders, demonstrating how the Principles have been applied in practice and providing insight into best practices for responsible exit.

3.18 Consultation Process

Some participants are seeking more information and transparency around the development and implementation of the Responsible Exit Principles. One participant described them as vague and insufficient for meaningful consultation.

A participant specifically asked for a more detailed document that provides the rationale behind the Principles.

4. Draft IFC Responsible Exit Principles: Recommendations

4.1 Links and overlap between Responsible Exit and Remedial Action

- a. Link responsible exit with remedial actions and include two Principles: that responsible exit is related to remedy; and that exit cannot occur if remedy has not been provided.
- b. Do not waive prepayment fees if there are outstanding environmental and social issues at exit.
- c. Corrective measures and the right to remedy is needed to address harm that has already occurred.

4.2 Definitions

- a. The IFC should define "responsible exit" in both the Responsible Exit Principles and the Approach to Remedial Action and provide uniform definitions and elaboration of terms to ensure consistency of language and understanding.

4.3 Preparing for Exit

- a. Define and explain IFC's plans for exit at the outset of a project to stakeholders.
- b. Involve communities directly in the exit planning process.
- c. Incorporate mechanisms that respond to concerns generated as early as the financial contracting period, which will apply even if IFC exits before it has disbursed and called in other investors.
- d. Compliance with E&S should be considered an essential element of responsible entry.
- e. Include responsible exit provisions in legal agreements to ensure that active exits unfold through legal agreement.
- f. Set out a clear process for closing out a project including how a client should prepare for exit.
- g. Incorporate precautionary and corrective measures to recover ancestral land rights after exit.
- h. Exceptional actions should also be considered for the most vulnerable groups that may have lost rights during project development or implementation.
- i. State clearly the respective roles and responsibilities of IFC, the client, any IFI, the IAM in the exit process to ensure that communities have some recourse to mitigate negative environmental and social impacts.

4.4 Active and Passive Exit

- a. Make a clear statement that the Principles apply to both Active and Passive Exit.
- b. State clearly that, regardless of the type of exit, if there is unresolved E&S harm or human rights violations, the IFC's exit will be regarded as active, and that the Principles should be applied accordingly.
- c. Provide guidance for passive exit, on IFC's obligations including the management of any E&S risks that may arise during or after exit.

4.5 Transparency and Stakeholder Engagement

- a. Embed stakeholder engagement throughout the exit process. Prioritize community consultation and engagement during the exit stage as much as at the beginning of a project.
- b. Make community engagement a key Principle in the exit process.
- c. Make community consultation mandatory.
- d. Ensure support for persons with disabilities and vulnerabilities during consultation.

- a. Take the concerns of local communities into account when investors exit a project and assess whether communities are being left better or worse off than at the outset.
- b. Conduct an impact assessment before exiting a project to review social and environmental harm to stakeholders and the local community.

4.6 Funding for Remedial Action at Exit

- a. Make it a rule that revenue received at the time of or because of exit must be held as a fund to compensate the community or pay for remedial action.
- b. Put in place a fund to remedy adverse E&S impacts at the time of exit, where a client has not addressed or is not willing to address such impacts.
- c. Support repayment of loans so that safe and responsible exit could be assured.
- d. Consider a client's financial health to ensure that the exit process is carried out in a sustainable manner.
- e. Work with the client to identify and mitigate any financial risks associated with the exit process and provide support to the client where necessary to ensure their continued financial stability.

4.7 Performance Standards

- a. Require projects to meet the required PSs before IFC exits a project.
- b. Set out IFC's expectations around E&S performance in the context of responsible exit, including how E&S standards can be assessed for responsible exit to secure overall sustainability of the project post exit, particularly in circumstances where IFC is holding equity.

4.8 Active CAO cases

- a. Ensure that IFC cannot exit any project where there is an active case with the CAO, or without the consent of the affected community.
- b. Include a requirement that IFC may not exit a project without ensuring implementation of any remedies agreed by parties in a CAO dispute resolution process.
- c. Set out a clear process for closing out a project, and how a client would prepare for exit in response to an existing CAO report.

4.9 Risk of Reprisals

- a. Recognize that the risk of reprisals against stakeholders and communities is often high, and that an exit process must be conducted in a responsible and ethical manner to minimize such risk.
- b. Present a zero-tolerance policy towards reprisals post-exit.
- c. In designing and implementing its exit strategies, IFC should recognize and understand the structure and historical context of local communities, including gender aspects. Emphasise the need for due diligence on these factors at the time of divestment. Ensure that the exit leaves people with peace of mind and balance in the community.

4.10 Financial Intermediaries

- a. Integrate FIs into both the Approach to Remedial Action and the Responsible Exit Principles and apply these equally to projects funded by IFC and FIs.
- b. Ensure that the Principles are comprehensive and applicable to all stakeholders so as to facilitate FIs learning from the Principles.

4.11 Multilateral Development Banks

- a. No specific recommendations, but a strong request that the IFC be aware and take note that MDBs will be drawing on these Principles to inform their own exit strategies.

4.12 Relevant Policy Context

- a. Demonstrate that the Principles are aligned with established frameworks: OHCHR Study on Remedy in Development Finance; the UNGPs; and the OECD Guidelines for Multinational Enterprises.
- b. Align the Principles with OECD Guidelines in terms of the obligation to include trade unions or worker representatives in any changes that would have a significant impact on employment.
- c. Require IFC and clients to provide sufficient notice and cooperate with labor representatives to develop plans and programs to reduce negative impact of exit.

4.13 Exit and Project Timeframes

- a. Design clear time frames in loan agreements to allow sufficient preparation for exit and to address any potential confusion around post-exit responsibilities.

4.14 Staffing

- a. Enhance guidance on environmental and social staffing needed to support responsible exit.
- b. Ensure continuity in IFC staffing to ensure a smooth and responsible transition during the portfolio management phase of a project.
- c. Involve IFC Management that has direct experience of the project in the approval process for exit/prepayment to ensure a smooth and responsible transition.

4.15 Actions Post Exit

- a. Apply the Principles to current, legacy, and completed projects.
- b. Concretize tools and ways for the IFC to enhance leverage post-exit, such as the use of dispute resolution mechanisms.
- c. Specify that, when relinquishing financing, IFC will identify key contact points in new management, to ensure continued motivation for remedial action in the new context.

4.16 Institutional Constraints and Risk of Liability

- a. Provide more guidance on dealing with institutional constraints, such as legal or regulatory requirements, which could serve to limit the ability of IFC to implement some of the Principles.
- b. Be clear regarding the legal and reputational consequences for clients when the IFC decides to exit a project.
- c. Ensure implementation of the Principles to the extent possible within institutional constraints, such that the IFC commits to working with its clients and other stakeholders to address these constraints and find ways to mitigate the risks of harm to affected communities.

4.17 Case Studies

- a. Provide examples and case studies for context to IFC's thinking and strategy behind the design of the Principles.

4.18 Consultation Process

- a. Deliver more information and transparency around the development and implementation of the Responsible Exit Principles, including a more detailed document that provides the rationale behind the Principles, information regarding the process of exit itself, and greater emphasis on the disclosure of information to communities.
- b. Elicit and consider the concerns of local communities in subsequent drafts of the Principles.

C. Table of Feedback Received

The following table summarizes all feedback received: during consultation meetings and written submissions.

1 IFC/MIGA APPROACH TO REMEDIAL ACTION

1.1	General
1.1.1	The proposed Approach falls short of expectations set by the External Review, the revised CAO Policy, international frameworks, and IFC/MIGA’s reputation as setting the bar for other DFIs.
1.1.2	There is nothing/minimal new in the Approach , which is insufficient given that there remains a remedy gap in IFC/MIGA projects. Not addressing this gap is inconsistent with IFC/MIGA’s own development mandate/mission which emphasizes “do no harm.”
1.1.3	IFC/MIGA should be playing a leading role and setting the bar for other development finance institutions (DFIs) which this proposed Approach fails to do.
1.1.4	<p>The Approach should consider/reflect key recommendations and established frameworks/analysis. The current lack of alignment contrasts with evolving market practices and does not enable IFC/MIGA to address the remedy gap, thereby causing practical operational challenges. Relevant frameworks/analysis:</p> <ul style="list-style-type: none"> ● The External Review, including recommendations: “IFC and MIGA should define a framework for remedial action, and the Board should review and approve that framework, building in part on the Dutch Banking Sector Agreement”; IFC/MIGA should contribute to remedy where it has contributed to harm; “two mechanisms should be established to fund remedial actions: (1) contingent liability funds from the client that can be tapped in the event that E&S harm materializes and is linked to the client’s failure to meet the Performance Standards; and (2) funds that the IFC/MIGA can contribute in the event that IFC/MIGA has/have contributed to E&S harm”; contingent liability funding requirements and mechanisms should be for all investments that present significant E&S risk (at a minimum, all Category A, B, FI 1, and FI 2 investments); the draft policy on IFC/MIGA resources should be developed “in collaboration with CAO.” ● The United Nations Guiding Principles on Business and Human Rights (UNGPs), which embody the existing principles and requirements of international human rights law as well as the responsibilities of private sector financial institutions and development finance institutions, as emphasized, for example, in OHCHR’s “<i>Remedy in Development Finance</i>.” ● The OECD Guidelines on Multinational Enterprises which draws on and is consistent with the UNGPs. ● The Dutch Banking Sector Agreement which states that “adhering banks confirm, in conformity with the responsibility set out in the OECD Guidelines, the UNGPs and ILO, that when enterprises identify through their human rights due diligence process or other

	<p>means that they have caused or contributed to an adverse impact they should provide for or cooperate in their remediation through legitimate processes (UNGPs 22 and 29, OECD GL art. 6 of chapter IV) and act upon the findings as described in these guidelines (see Appendix 1 for the different ways in which businesses, including the financial sector, can be connected to adverse human rights impacts)” (<i>Section 7, para 1</i>).</p> <ul style="list-style-type: none"> ● International law/international human rights law including the right to an effective remedy, the right to reparations, and international law related to indigenous peoples. ● CAO’s analysis of root causes of the remedy gap including lack of awareness among affected people of options for grievance redress, missed opportunities by IFC and clients for early resolution of concerns raised, failure to use available leverage (including the practice of granting waivers without analysis of E&S impacts), exits that have left behind un-remediated harms, and CAO case processing times (as explained in the <i>CAO Advisory Note “Insights on Remedy – The Remedy Gap: Lessons from CAO Compliance and Beyond”</i>). ● Good practices in other banks’ frameworks, including e.g., IDB, World Bank and commercial banks (e.g., ABN Amro, ANZ, Standard Chartered, Rabobank, Westpac), including practices which draw from/align with the UNGPs, OECD Guidelines, and Dutch Banking Sector Agreement. ● Broader trends in sustainable finance and environmental, social, governance (ESG) practices. ● The World Bank Group Evolution Roadmap.
1.1.5	<p>The Approach is problematically vague/does not explain the rationale for key aspects. Key terms/analysis should be defined/provided, including:</p> <ul style="list-style-type: none"> ● Concepts such as remedy, facilitate, leverage/influence, and exceptional circumstances, and the rationale for using each of these terms. ● Analysis of: extent of the remedy gap; examples of how remedy has been provided in the past; the complexities and risks of financing remedial action; legal theories justifying the claim of increased litigation risk and what accounts for \$15M in legal costs; and effectiveness of resources currently dedicated to E&S risk management and accountability. This analysis needs to be disclosed if already conducted. ● Details on the types of measures to build and exercise leverage. ● Concrete, time-bound and measurable commitments for all aspects of the Approach.
1.1.6	<p>Risks emphasized in the Approach should be further explained/reconsidered:</p> <ul style="list-style-type: none"> ● Costs/competitiveness: Some comments reflected concerns related to competitiveness, while others argued that the Approach’s mention of “increased costs and decreased competitiveness” is flawed, including due to the following arguments: (i) IFC is not concerned when it comes to the use of contingency financing in relation to repaying IFC, but only when it comes to remedying harm to communities and this asymmetry should be explained. (ii) IFC is not concerned about imposing increased costs on clients. (iii) Changes in the market to focus on ESG are leading to viewing related costs as part of doing business. (iv) Remedy should be viewed as a critical part of IFC’s value proposition and development mandate; competitiveness/costs outweighing

	<p>resolving harms is contradictory with IFC/MIGA’s development mandate. (v) Concerns about costs are inconsistent with IFC’s Articles of Agreement, which focuses on activities for which private capital is not available. (viii) Commitments to remedial action should ultimately decrease costs as opposed to increasing them by incentivizing early action. (ix) Remedy would only be needed in a limited number of projects and can take non-financial forms.</p> <ul style="list-style-type: none"> ● Moral hazard risks: Key arguments that the Approach’s emphasis on moral hazard is flawed include the following: (i) The expectation is not that IFC should assume clients’ responsibilities, and IFC can enhance requirements to ensure that clients understand and are required to fulfill their obligations; clarifying this in the Approach would mitigate any such risks. (ii) Such risks have not materialized in notable examples (e.g., funds in the context of the Rana Plaza collapse in Bangladesh, decommissioning trust fund in the context of the Association of International Petroleum Negotiators’ Model Joint Operating Agreement, World Bank rapid social response trust fund). (iii) The current analysis of moral hazard assumes that the current system in fact does incentivize PS compliance. (iv) The analysis does not recognize that costs are currently externalized to communities. ● Litigation risks: Key arguments that the Approach’s emphasis on litigation risk is misplaced include the following (among extensive additional analysis in written submissions): (i) The Approach understates the potential <i>decrease</i> in litigation risk from providing remedy – the lesson from <i>Jam v. IFC</i> is that IFC/MIGA would never have been exposed to litigation if it had provided remedy in response to the CAO complaint. (ii) The Approach significantly overstates the likelihood of litigation, including because litigation is typically the last resort because there are substantial legal hurdles (consider current US case law) and practical barriers; this is evidenced by the fact that there have been few actual cases. (iii) Examples in which remedy was provided did not lead to increased litigation. (iv) Risks to communities/the environment should be treated as primary, and litigation risk to IFC as secondary. A robust remedial approach would welcome legitimate claims and not necessarily invite a higher number of complaints to IAMs, including given the significant challenges in lodging complaints in terms of resources/time, fear of the risk of reprisals, and the fact that IAMs filter out ineligible claims. IFC/MIGA needs to explain more clearly the legal theories on which they rely; provide independent third-party analysis; and submit this analysis to CODE and public disclosure.
1.1.7	<p>Stakeholder/community engagement.</p> <ul style="list-style-type: none"> ● Communities need to be informed and engaged throughout the project cycle, including in identifying risks and in decision-making and design of remedial action. This could also involve communities’ representatives and/or advisors. ● Engagement should not be skewed to those stakeholders agreeing with the project, which has occurred with some consultants contracted by the client. ● A technical/legal assistance fund should support communities’ ability to engage through the project cycle, including providing technical support to develop remedial measures.

	<ul style="list-style-type: none"> ● Vulnerable groups, in particular women, racial and ethnic minorities, and people with disabilities, who seldom benefit from projects, are at risk of suffering from disproportionate impacts, could be more likely to be left without remedy, and need to be considered. ● Contextual risks and conflict sensitivities must be considered in engagement/design of remedial actions.
1.2	Scope
1.2.1	<p>The scope of the Approach should be expanded/clarified:</p> <ul style="list-style-type: none"> ● Current cases: The Approach “fails communities who are currently experiencing harm and need remedy.” It should be applied retroactively not just to new projects, especially in cases where CAO has already found IFC/MIGA non-compliance, as well as in dispute resolution cases where agreements have not been fully implemented, and in the context of complaints raised to IFC’s Stakeholder Grievance Response (SGR) function. Specific ongoing cases should be considered, including the specific remedy proposals that have been developed by the communities for several of these; in one instance, in collaboration with an expert committee. ● Financial Intermediaries (FIs): The Approach should clarify how FIs will be expected to apply it to their projects; FIs should have their own frameworks in place, including because communities’ access to information is more limited in the case of FI projects; FI sub-clients should have the same remedy obligations as direct investment clients. ● The Approach should avoid assumptions about its applicability to private versus sovereign operations and be neutral on its applicability to sovereign operations. ● The applicability of the Approach to smaller non-infrastructure investments, minority equity investments, equity investments generally, debt with limited rights, and advisory services should be clarified. ● What will be expected of private sector actors and financial institutions, including those who follow the Performance Standards (PSs)/Equator Principles, should be clarified. ● The Approach should clarify how IFC/MIGA policy would help to contain or mitigate regional issues (e.g., inflation and risk of poverty, political instability, increase in migration, climate change/droughts), as IFC/MIGA have a role to play regarding such issues given they are benefiting from projects.
1.2.2	<p>The Approach suggests building on the Sustainability Frameworks and the PSs, which are insufficient for the purposes of closing the remedy gap:</p> <ul style="list-style-type: none"> ● The Approach should address risks related to (and as needed provide remedy for impacts related to) digital technologies, human rights defenders, gender-based violence, additional aspects of supply chains, and climate resilience/nature-based solutions, which are not currently addressed in the PSs. ● The Approach should consider governance issues, as part of ESG. ● Separately, the Sustainability Framework itself should be updated to include remedy as part of the mitigation hierarchy.
1.2.3	IFC/MIGA should consider broader institutional changes , including:

	<ul style="list-style-type: none"> ● Establish an internal feedback mechanism for learning from projects that do not proceed due to E&S risks and compliance reviews and make necessary changes based on lessons learned. ● Look beyond short-term goals (profits) to reimagine and reform the institution. ● Change internal incentives to emphasize preventing and providing remedy, including engagement with communities, as opposed to deal volume.
1.3	Roles and Responsibilities
1.3.1	<p>IFC/MIGA should contribute to remedy where they have contributed to harm, as recommended by the External Review and UNGPs.</p> <ul style="list-style-type: none"> ● IFC/MIGA should assess their contribution to harm and develop a corresponding approach to contribution. ● IFC/MIGA should analyse their contribution through a factor-based analysis (e.g., was scope of due diligence adequate, what steps were taken to build leverage). IFC/MIGA contribution to harm could entail, e.g., providing bad guidance or supervising ineffectively. ● Contribution to remedy could also be necessary where the client relationship has ended or the client (including sub-client) is unwilling to provide remedial action, as per the External Review. ● With respect to MIGA, “proximity to harm” is not determinative of responsibility; MIGA should consider developments among actors (e.g., Export Credit Agencies) with similar products. ● Contribution should not occur only in exceptional circumstances and must go beyond influence and enabling activities. As is, the Approach unfairly puts the burden on the client and does not acknowledge IFC/MIGA’s responsibility. ● Making a commitment to contribute to remedy where IFC/MIGA have contributed to harm would also incentivize IFC/MIGA to improve due diligence and supervision, including through exercising available leverage. ● Focusing contribution on clients only makes IAMs’ compliance review more difficult because compliance investigates whether an International Finance Institution (IFI) complied, as opposed to focusing on the client. ● Analyzing contribution should be “a floor not a ceiling”: going beyond contribution to harm where IFC/MIGA have contributed to remedy, IFC/MIGA should see unmet remedy needs as a development opportunity.
1.3.2	<p>The Approach should clarify that clients should be required to contribute to remedy where they cause or contribute to harm.</p> <ul style="list-style-type: none"> ● Providing remedy should be the <i>client’s</i> primary responsibility. ● If the client has E&S capacity constraints, IFC should provide technical assistance (at client’s expense or, in certain circumstances, its own).
1.3.3	<p>IFC/MIGA should explain who the “others” are in the remedy ecosystem and how the Approach will influence other institutions, including:</p>

	<ul style="list-style-type: none"> ● The Approach should be clearer on how other DFIs/MDBs who co-finance a project, and other IFIs who apply the PSs, are expected to contribute, or participate in remedial action. ● Responsibilities should be broken down in more detail and defined, including to address the roles and responsibilities of contractors, subcontractors, and core suppliers. ● The Approach should envisage third-party facilitation of remedial action. ● IFC/MIGA should leverage the World Bank's relationship with host governments and other actors.
1.4	Preparing for Remedial Actions
1.4.1	<p>Environmental and Social Action Plans (ESAPs) should be costed:</p> <ul style="list-style-type: none"> ● Costing ESAPs and ensuring that the client has the appropriate budget for ESAPs should have been routine practice since 2006. ● The Approach should clarify whether the full costing or only specific line-items would be disclosed. ● The Approach should clarify who is responsible for costing i.e., IFC/MIGA or client. ● IFC/MIGA should avoid projects that are only financially viable if harms are not costed. ● Determine the human resources/capacity needed for effective ESAP implementation, including staff and/or consultants.
1.4.2	<p>Contractual provisions should include:</p> <ul style="list-style-type: none"> ● Conditions precedent: to remedy pre-existing harms; to establish sufficient budget and staffing for ESAPs; to provide evidence of broad community support. ● Third-party beneficiary rights, including enforceable through arbitration (involving well-suited rules such as the Hague Rules on Business and Human Rights Arbitration) and including in agreements between clients and affected communities or agreements in the context of CAO dispute resolution (DR). ● Tie disbursements to completion of E&S actions and encourage co-financiers to do the same. ● Expand client reporting obligations (which could then trigger increased IFC/MIGA oversight and where necessary support). ● Requirement to engage in IAM DR and compliance processes in good faith. ● Requirement for clients to remedy adverse impacts. ● Requirement to develop remedial plans, including post client notifying IFC/MIGA about adverse E&S impacts/incidents. ● IFC/MIGA should clarify whether they are considering any requirements that would be actionable post exit.
1.4.3	<p>Transparency/disclosure.</p> <ul style="list-style-type: none"> ● IFC/MIGA should publish a model contract and commit to contract transparency. ● IFC/MIGA should clarify whether remedial plans/other aspects of the Approach/analysis can be disclosed.
1.4.4	Careful analysis needs to be conducted before providing contingency financing.

1.4.5	<p>IFC/MIGA should require clients to provide contingency financing through a variety of mechanisms:</p> <ul style="list-style-type: none"> ● Financial mechanisms that could be established and used to finance remedy could include setting aside funds, reserve funds, escrow, trust funds, insurance, guarantees, and letters of credit, some of which are already used in the context of E&S risks. ● To the extent mechanisms are not available, IFC/MIGA should additionally move the needle by helping <i>develop</i> financial instruments/markets for remedial action. ● The current Approach claims that there are funding mechanisms already in place but fails to support this claim with any examples.
1.4.6	<p>IFC/MIGA should clarify/adjust the scope of contingency financing and contractual provision requirements, which are currently proposed to be applied on a case-by-case basis:</p> <ul style="list-style-type: none"> ● The case-by-case approach is flawed: It is difficult to anticipate which projects will draw complaints, cause, or contribute to harm, and require remedy, so focusing enhancements on Category A projects and/or clients with already poor performance only will leave both clients and IFC/MIGA unprepared. ● Objective criteria for which projects must apply enhancements should be established and disclosed. Enhancements should apply to all projects, or at a minimum to all projects with significant E&S risks, including Cat. A, B, FI-1, FI-2 – unless there is a compelling reason not to apply enhancements in a particular case.
1.4.7	<p>IFC/MIGA should establish funding/a financing mechanism for contribution to remedy:</p> <ul style="list-style-type: none"> ● Such mechanisms should be established/available from the start of the project. ● Options include remedy fund, trust funds, climate resilience fund, emergency funds, setting aside a portion of client pre-payment, using project profits, and developing and testing new products. ● For legacy cases, DFIs should create an environmental and social legacy fund to ensure remedy is provided for past harm from DFIs.
1.4.8	<p>A remedy fund would entail risks related to (i) roles and responsibilities; (ii) privileging resources for future remedy claims rather than impactful investment; (ii) legal liability issues; (iii) the unknown scale of payments; (iv) driving investors away from riskier investments; (v) the fact that this is not contemplated by a particular DFI’s Articles of Agreement. One participant mentioned that these challenges should be better explained to CSOs.</p>
1.4.9	<p>IFC/MIGA should develop incentives/disincentives for clients, such as financial incentives for strong E&S risk management and community engagement, “blacklisting” of clients with poor performance, and better enforcement of the Exclusion List. However, establishing financial incentives should not suggest PS compliance is voluntary.</p>
1.4.10	<p>IFC/MIGA should clarify the added value of remedial action plans vis-à-vis Management Action Plans (MAPs) and vis-à-vis ESAPs and should take a risk-based approach to contractual requirements for client provision of remedy (e.g., whether impacts are significant, material, complainants’ context) to avoid “extreme remedial action.”</p>

1.4.11	<p>IFC/MIGA should commit to and provide more information on what additional actions they plan to take to strengthen capacity:</p> <ul style="list-style-type: none"> ● Of in-house project teams, to reinforce IFC/MIGA’s due diligence and supervision, as well as provision of remedy where needed and appropriate, such as training IFC staff on key concepts like ESAP effectiveness. ● Of clients, such as through technical support. ● Of affected communities, to reinforce communities’ engagement through the project cycle, such as through technical support (and including in the context of CAO cases, in particular DR processes). ● Of third parties (and clarify what is meant by third parties, and whether capacity building is more envisaged for clients or for third parties). ● Of consultants advising clients, whose lack of capacity often results in failures of PS implementation, in particular, PS5 and PS7. ● Efforts to build capacity must include documents (e.g., guidance notes, infographics, training materials etc.) in local languages and formats accessible to low-capacity clients.
1.4.12	<p>Additional actions that IFC/MIGA should take early in the project cycle include:</p> <ul style="list-style-type: none"> ● Carrying out “proper due diligence” on client commitment and capacity for PS compliance and requiring suitable evidence of such commitment. ● Assessing the capacity and commitment of relevant third parties. ● Requiring the identification of local partners for high risk ESAP items. ● Reviewing compliance records and requiring provision of remedy as a condition of new support. ● Assessing consequences and costs of risks/impacts being realized, including considering interrelationship of impacts. ● Assessing benefits and costs to directly affected communities. ● Assessing contextual risks when entering a sector/market, including undertaking “peace and conflict analysis.” ● Using various tools related to biodiversity. ● Monitoring local news through local offices to identify issues before complaints are lodged. ● Including planning for remedy in Board papers/project documents. ● Integrating negative E&S impacts into ex-ante impact assessment tools and determination of development outcomes. ● Prohibiting the financing of undercapitalized subsidiaries.
1.5	Access to Remedy
1.5.1	IFC/MIGA need to clarify how the effectiveness of access to remedy will be measured.
1.5.2	The Approach should clarify IFC/MIGA’s role in remedy in the context of DR, compliance, and MAP development. IFC/MIGA should engage early, remain engaged throughout, and provide support (including through fact finding exercises, technical studies, capacity

	<p>building, using leverage); IFC/MIGA teams should also be willing to engage with CSOs when a case is filed, which they are sometimes unwilling to do.</p> <p>Specific actions should include the following:</p> <ul style="list-style-type: none"> ● Establishment of a support fund for CSOs to help complainants bring claims, with independent evaluation undertaken after a suitable interval. ● Regarding DR, IFC/MIGA should provide technical expertise/support upon request of CAO or other parties and should hold observer status by default. ● IFC/MIGA should require good faith participation by clients. ● There should be channels for communities to be able to raise concerns directly with IFC not just during construction but also before the start of the project and throughout the operation period. ● IFC/MIGA should explore alternative dispute resolution, including arbitration, including in the context of DR processes. IFC should provide financial support to arbitrators’ fees and expenses, and an arbitral award should trigger the release of contingency funds.
<p>1.5.3</p>	<p>In relation to IFC’s Stakeholder Grievance Mechanism (SGR):</p> <ul style="list-style-type: none"> ● The Approach should provide more detail on SGR enhancements and how SGR adds value to clients and stakeholders on the ground without overlapping or duplicating other internal or external accountability functions. ● SGR processes, including recent/planned changes, should be more transparent, and IFC should clarify whether there will be consultations on them. ● For non-CAO complaints, IFC will need to secure sufficient client involvement and define when complaints will be considered resolved.
<p>1.5.4</p>	<p>Project level grievance mechanisms (GMs):</p> <ul style="list-style-type: none"> ● GMs are unable to provide adequate remedy and should be strengthened through the following: <ul style="list-style-type: none"> ○ Processes should be shorter/streamlined. ○ There should be monitoring systems/reporting requirements for complaints received/investigated/resolved. ○ Mechanisms should be co-designed with or designed by communities and aligned with the interests of communities. ○ GMs should be available prior to the start of the project. ○ There should be guidance provided for community liaison offices. ○ The project GM should be the “starting point,” used before other mechanisms. ○ For FIs, in the FI Interpretation Note, the difference between External Communications Mechanisms and grievance mechanisms should be clarified. ○ Strengthen requirements for independent auditors. ● Strengthening GMs should have been routine practice since 2006, in the context of the IFC PSs, and should not be seen as an enhancement. ● While the Approach mentions a holistic portfolio-wide review of client-supported GMs, it provides no information as to what this means, nor how the results will be used to

	ensure grievance mechanisms operate properly, nor what IFC/MIGA will do when clients fail or refuse to provide adequate remedy through the GMs. It is critical that this review consults with users of project-level GMs to learn from their experiences and incorporate these learnings.
1.5.5	<p>Insufficient awareness of GMs/IAMs needs to be addressed:</p> <ul style="list-style-type: none"> ● Clients should be contractually required to raise awareness on grievance redress options, including CAO. ● IFC/MIGA should make “a commitment and a work plan to ensure that project-affected people receive accessible information about their grievance redress options, including access to CAO.” ● There should be a baseline assessment of project-affected peoples’ knowledge of CAO prior to the introduction of contractual requirements to make IFC/MIGA financing and CAO known, which needs to be repeated at appropriate intervals to determine the impact of additional contractual requirements.
1.5.6	Accountability mechanisms need to be able to act independently when observing an issue, not only in relation to a submitted complaint.
1.5.7	The risk of reprisals against communities when they raise grievances must be addressed.
1.6	Facilitation and Support for Remedial Actions
1.6.1	<p>Remedies should take many forms, including non-financial:</p> <ul style="list-style-type: none"> ● The Approach should reflect the established typology of forms of remedy (restitution, compensation, rehabilitation, satisfaction, guarantees of non-repetition) which should be described fully, not just mentioned in a footnote. ● The form of remedy should be tailored/specific to characteristics of those affected; should be coherent; should consider both individuals and the collective; and should further development objectives. ● The Approach should detail how IFC/MIGA are prepared to provide each type of remedy.
1.6.2	<p>IFC/MIGA should increase their use of leverage:</p> <ul style="list-style-type: none"> ● IFC has failed to use leverage to remedy harm. Introducing new contractual provisions is pointless if IFC/MIGA continue to not exercise them. ● Using leverage should be routine practice at the core of ongoing supervision. ● IFC should exercise maximum leverage to prompt remedial action by their clients, including FIs and their sub-clients. ● The commitment to use leverage should be clearer, and not be limited to a commitment to “explore” doing so.
1.6.3	IFC/MIGA should cost MAPs, and ideally disclose the cost of MAPs.
1.6.4	IFC/MIGA should assess remedial actions plans through standard due diligence and engaging external experts.
1.7	Next steps and piloting

1.7.1	IFC/MIGA should provide a revised draft for public consultation before an Approach is finalized before submission for CODE approval. The draft should be more clearly written/easily understandable.
1.7.2	IFC/MIGA should clarify the decision-making process i.e., whether there is a working group with IFC/MIGA key stakeholders and/or a specific committee approving the Approach and next steps.
1.7.3	CAO should have played a significant role in the development of the Approach and should go forward.
1.7.4	Coordination with DFIs is crucial , critically but not only because of co-financing.
1.7.5	A working group should be formed to explore third party beneficiary rights/arbitration.
1.7.6	IFC should consider providing training to stakeholders , including financial institutions, on the application of the Approach.
1.7.7	The pilot should have clear/measurable outcome/output indicators and a detailed pilot work plan and internal budget, the outline of which needs to be presented for consultation prior to CODE approval.
1.7.8	The pilot period is inexplicably long given its lack of innovation. There are questions as to the value of a pilot when the Approach does not introduce anything new of substance. Only truly new enhancements should be piloted. Any piloting of additional contractual provisions should be anchored in a clear assessment of the extent to which existing contractual leverage has been exercised in practice.
1.7.9	Piloting IFC/MIGA's contribution to remedy should be carried out through a multistakeholder process modelled upon that of the Dutch Banking Sector Agreement.
1.7.10	The proposed pilot period will limit IFC/MIGA's ability to change course afterwards once actions become precedent. IFC/MIGA should share examples where they have considered contingency financing before moving forward.

2. IFC RESPONSIBLE EXIT PRINCIPLES

1	Links and Overlaps
1.1	Responsible Exit and Remedial Action are inextricably linked.
2	General Definitions/Explanations
2.1	“Responsible exit” should be further defined.
2.2	IFC should explain to what extent and how IFC considered guidance from the Office of the High Commissioner for Human Rights.
3	Scope, including considerations on active and passive exit
3.1	<p>The scope of the Principles needs to be expanded and/or clarified:</p> <ul style="list-style-type: none"> • Responsible exit should apply to all projects. • Responsible exit should apply to passive as well as active exits, including because IFC’s leverage (e.g., through a parent company) in the case of passive exit could still be significant. • The approach should distinguish between debt and equity; address the special case of distressed assets; and clarify how it applies to corporate investments (including equity investments) and advisory services. • The applicability of the approach to other financial institutions should be considered/clarified, including whether those who follow the PSs/Equator Principles will also need to follow the approach.
4	Preparing for Exit
4.1	Preparing for exit should be emphasized and clarified: There is a clear need to prepare for exit, so responsible exit should be integrated throughout the project cycle, but what preparing for exit entails needs to be clarified.
4.2	Responsible exit strategies should be developed at the start of the project, including defining and communicating responsibilities in case of exit and how stakeholders should prepare for exit.
4.3	Triggering exit: IFC should set out the conditions where E&S issues may trigger IFC staff to consider exit.
4.4	<p>Contractual provisions should be modified/expanded to include the following:</p> <ul style="list-style-type: none"> • Time frames for exits should be specified to give sufficient time to prepare for exit; ESAP deliverables should be linked to the overall loan timeframe. • Provisions that would enhance IFC’s leverage to achieve responsible exit, including cases where there remain outstanding concerns around E&S impacts when a client is moving towards or wishes to pre-pay. • An IFC commitment to assess client’s compliance prior to exit and make such assessment publicly available. • Consequences for clients who exit without resolving non-compliances. • Requirement for client to prepare and disclose plan for continued compliance post exit. • Responsibilities to remedy post-exit.

5	Key Analysis/Considerations for Responsible Exit
5.1	<p>The Principles need to establish clear pre-conditions for exit. IFC should not exit (or should not exist without community consent):</p> <ul style="list-style-type: none"> • Until remedial actions have been provided. • If there is an ongoing CAO case. • Unless PS compliance has been achieved/if E&S performance is unsatisfactory. • Without using all available leverage. • Without adequate consultation with project-affected communities. • If there are any pending cases, litigation, or complaints. • If promised development benefits/opportunities have not been delivered/made sustainable. • If the exit would exacerbate existing E&S issues. • If the exit does not support the achievement and sustainability of the project’s intended development impact.
5.2	IFC should undertake an ESG risk assessment to determine whether the proposed exit comes at a suitable time from an ESG risk and impact perspective; what aspects of future risk and impact control should be integrated in company business plans; the status of regulatory compliance; the status of other requirements (e.g., ESAPs).
5.3	IFC should commit to considering the E&S record (including track record of achieving and reporting on impact, Paris Alignment, etc.) of buyers of shares unless not possible.
5.4	IFC should further delineate the potential negative impacts of exit : e.g., job loss, access to goods/services, lower standards.
5.5	<p>Clarify:</p> <ul style="list-style-type: none"> • “Institutional constraints,” which should not be used as a waiver/trump to the other Responsible Exit Principles. • Principle 3, which should be reformulated to “building and using” leverage and the “likely and severe” criterion should be removed. • “Imminent” should be adjusted so long-term/protracted impacts can be considered. • The need to consider emergency measures if urgent risks should be addressed.
6	Transparency and Stakeholder Engagement
6.1	<p>IFC should disclose information to communities and IAMs about exit:</p> <ul style="list-style-type: none"> • IFC should announce its exit as soon as possible and publicly post the exit notice. • Upon making an exit decision, IFC should publish an exit note including the main commitments from the client, e.g., with respect to outstanding non-compliances. • IFC should disclose its intentions to IAMs when exiting from a project with an ongoing case so that responsible exit can be integrated into the DR/compliance processes.
6.2	Transparency in IFC decision-making should be a stand-alone Principle.

6.3	<p>IFC should disclose information about exit decision-making.</p> <ul style="list-style-type: none"> ● IFC should document and publish its analysis of responsible exit. ● All relevant project pages should be updated.
6.4	<p>Affected communities should be engaged in exit decision-making:</p> <ul style="list-style-type: none"> ● Stakeholders should be consulted unless specific circumstances do not permit this, and such consultation should be elevated to a principle instead of additional guidance. ● This should include trade unions/workers representatives, as suggested by the requirement in the OECD Guidelines for Multinational Enterprises to include trade unions or workers representatives in any changes that would have a major effect on employment (e.g., if company is not able to find a new investor, leading to a loss of jobs). ● Consultations should be inclusive, including vulnerable populations (e.g., indigenous people residing on ancestral land and women) and considering local context. ● Consultations should start at least 12 months prior to divestment. ● Consultations should make use of IFC or contracted experts on-site.
7	Funding for Remedial Action in the context of Responsible Exit
7.1	IFC should undertake an analysis of their client’s financial health (status and capacity to support an exit process and associated remedial actions) should be ensured during an IFC/MIGA responsible exit process.
7.2	There should be financing for remedial action at exit. Revenue or pre-payment fees could be set aside; insurance, an escrow fund, or a remedy fund could also be used. Other financing mechanisms should be explored.
8	Active CAO cases
8.1	Describe how the Principles will apply and how IFC will retain influence/leverage if there is an ongoing DR or compliance process.
8.2	IFC should commit to participating in all stages of CAO process regardless of exit.
9	Risk of Reprisals
9.1	The risk or threat of reprisal against stakeholders should be taken seriously and routinely considered both at exit and post exit.
9.2	IFC should strengthen its capacity to address reprisals pre and post exit (including through establishing post-exit channels to receive and respond to reports of reprisals).
10	Financial Intermediaries (FIs)
10.1	Responsible exit should apply equally to IFC’s FI clients.
11	Exit and Timeframes
11.1	Clarify how responsible exit would work with projects with longer-term horizons.
11.2	Explain what a “fixed period of time” means for IFC clients, and whether IFC would retain any obligations after that cut-off time.

12	Staffing
12.1	Give more guidance on IFC E&S staffing , emphasizing the importance of continuity in staffing: staff involved in exit should have direct experience of the project from earlier in the project cycle.
13	Action Post Exit
13.1	Leverage: Explain/clarify the tools/ways IFC can enhance leverage post exit e.g., through DR processes.
13.2	IAMs' role: Explain/clarify whether the Principles restrict the ability of IAMs to provide access to various types of remedy post-exit.
13.3	Clarify who decides whether the Responsible Exit Principles were respected. All stakeholders should be involved and an independent third party should be mandated to monitor and validate the implementation of the Principles, in the interest of all stakeholders.
13.4	Grievance Mechanisms should be accessible post exit to address exit-related impacts.
13.5	After IFC exit, a key contact point from the new investor should be identified or there will be no motivation for actors “on site” to provide remedy.
14	Case Studies
14.1	Explain which projects are in the pilot and describe how IFC followed the Responsible Exit Principles for any completed exits.
15	Other Next Steps
15.1	IFC should consider providing training/capacity building to stakeholders once the Responsible Exit Principles are finalized.
15.2	Describe IFC’s internal decision-making processes, specifically whether there is a working group with IFC key stakeholders and/or a specific committee reviewing next steps in the establishment of the Principles.
15.3	A more detailed document explaining the Approach should be made available for public consultation prior to CODE approval.

3. PUBLIC CONSULTATION PROCESS

1	Agendas for the public consultation sessions should have been made known beforehand.
2	There should have been more opportunities for discussion as some comments were not responded to satisfactorily during the sessions.
3	The way to make anonymous comments during the meetings should have been clearer.
4	The consultation website and information sessions slides should have been made available in other languages.
5	All materials should have been made available in multiple languages.
6	Meetings could have been delivered in more languages particularly major Asian languages.

