



# PS7 OVERVIEW

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**Diana Baird**, Principal Social Development Specialist and Global Social Lead

**Jorge Villegas**, Principal E&S Development Specialist and Sector Lead for Infrastructure

# Overview of PS7 – Structure of PS7



## General

- Characteristics of Indigenous People
- Avoidance of Adverse Impacts
- Participation and Consent
- Project Benefits



## Circumstances Requiring Free, Prior and Informed Consent

- Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use
- Relocation of IPs from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use
- Critical Cultural Heritage



## Mitigation and Development Benefits



## Private Sector Responsibilities where Government is Responsible for Managing IPs Issues

# Characteristics of Indigenous People



**A distinct social and cultural group possessing the following characteristics in varying degrees:**



Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others.



Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture.



Collective attachment to geographically distinct habitats or ancestral territories in the project area and the natural resources in these habitats and territories.



A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.



**Communities/groups with a collective attachment, i.e., Identity linked to distinct habitats / ancestral territories & natural resources therein.**

Or collective attachment was lost within the concerned group members' lifetime.



# PS7 Objectives

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- Ensure development process fosters full respect for human rights, dignity, aspirations, culture, and natural-resource-based livelihoods.
- Anticipate and avoid adverse impacts of projects on IP communities, when avoidance not possible, minimize and/or compensate for impacts.
- Promote sustainable development benefits and opportunities. For IPs in culturally appropriate manner.
- Establish and maintain ongoing relationship based on Informed Consultation and Participation (ICP) through life of project.
- Ensure the Free, Prior, and Informed Consent (FPIC) of the affected IP Communities when the circumstances described in PS7 are present.
- Respect and preserve the culture, knowledge, and practices of IP communities.

# Avoidance of Adverse Impacts

- Identification of all communities of IPs within the project area of influence. (aligned with PS1).
- Apply mitigation hierarchy, start by avoiding.
- On mitigation measures consider:
  - Nature and scale of impacts.
  - Vulnerability of affected communities of Indigenous Peoples.
- Develop an Indigenous Peoples Plan or community development plan with separate components for IPs.
  - Proposed actions developed with the informed consultation and participation of IPs.



# Informed Participation and Consent



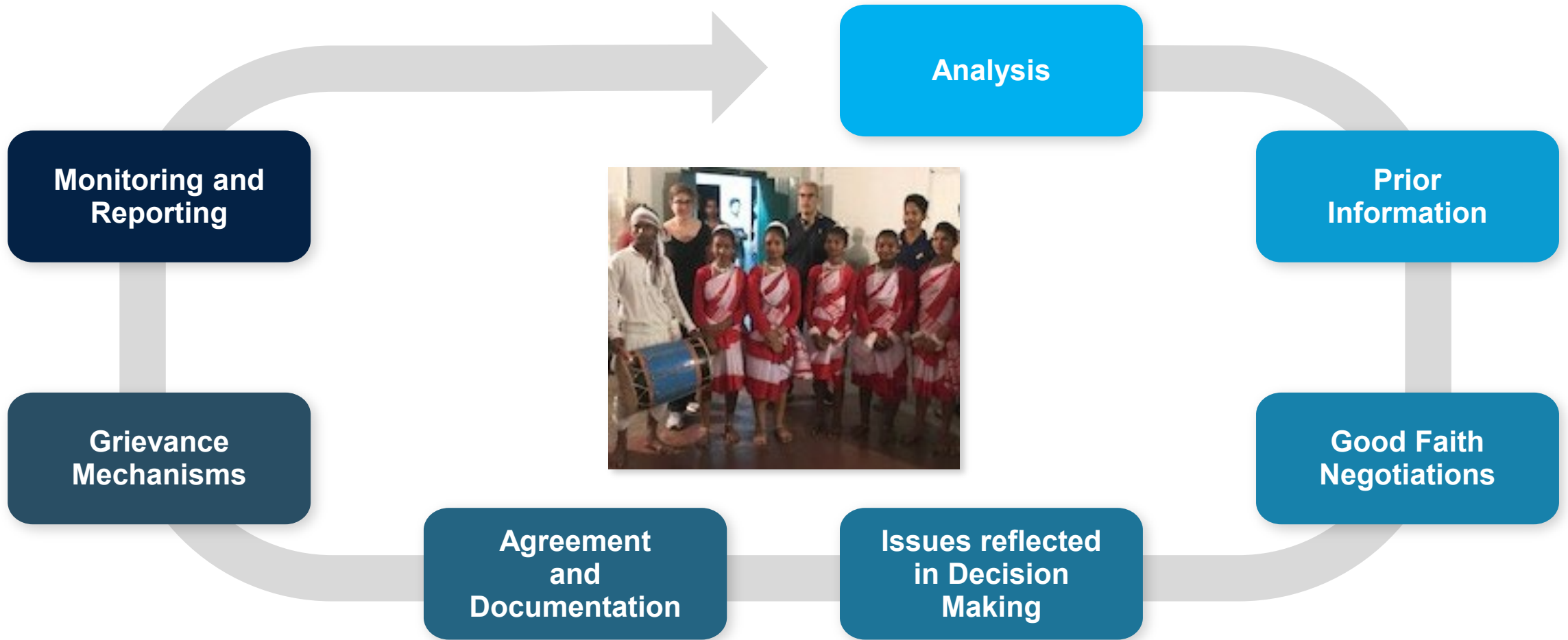
- Engagement with affected communities of IPs (PS1)  
Including:
  - Engagement with IP representative bodies.
  - Allow sufficient time for IP's decision-making processes.
- Consider vulnerability to loss of, alienation from, or exploitation of their land and access to natural and cultural resources.

# FPIC Considerations



- FPIC defined only for the purposes of projects and clients following IFC's Performance Standards.
- Applies to project design, implementation, and expected outcomes related to impacts affecting the communities of Indigenous Peoples.
- Emphasis on collective rights.
- FPIC does not require unanimity.
- Require good faith negotiations and a documented agreement.

# FPIC Elements

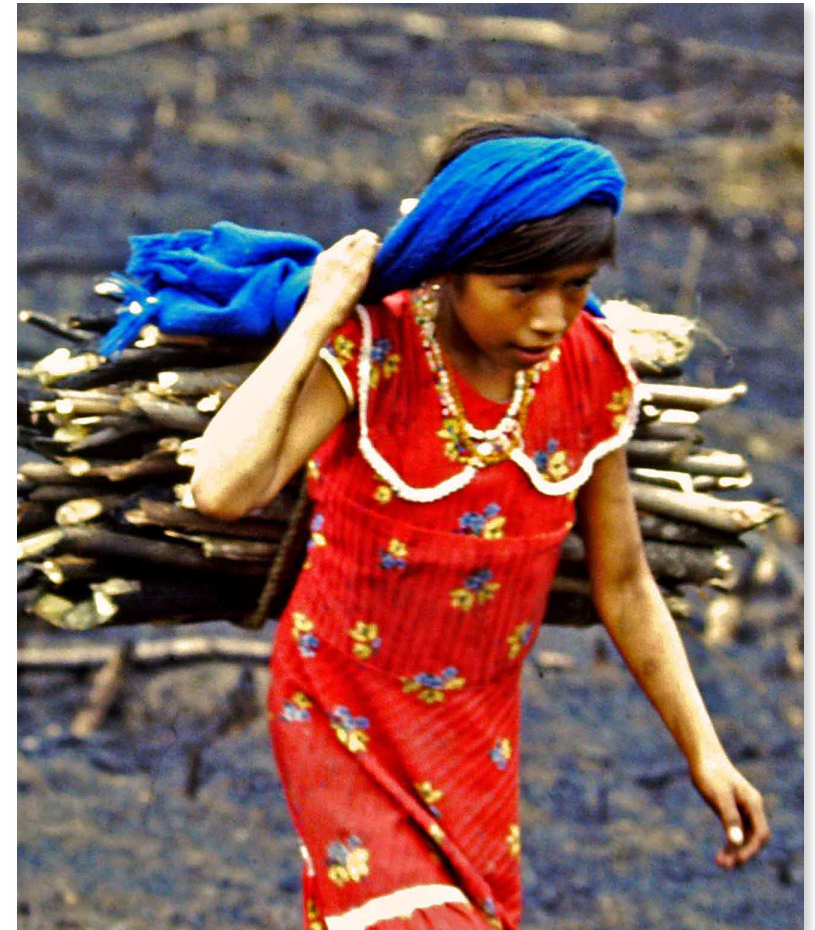




# Q&A

# Circumstances Requiring FPIC

- Impacts on lands and natural resources subject to traditional ownership or under customary use.
- Relocation of indigenous peoples from lands and natural resources subject to traditional ownership or under customary use.
- Significant impacts on critical cultural heritage or proposed commercial use of cultural heritage.





# Circumstances Requiring FPIC

## – Impacts on Lands and Natural Resources

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- Document efforts to avoid and minimize the area of land proposed for the project and/or impacts on natural resources.
- Identify and review all property interests and traditional resource uses.
- Assess and document the Affected Communities of IPs' resource use. This must be gender inclusive.
- Ensure IPs are informed of their land rights under national law.
- Offer compensation and due process and sustainable development opportunities.

# Circumstances Requiring FPIC – Relocation



- Consider feasible alternative project design.
- FPIC must be obtained, if relocation is needed.
- Consider other IPs or communities in key area to avoid conflicts.



# Circumstances Requiring FPIC

## – Cultural Heritage

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- Project significantly affects Critical Cultural Heritage (CCH): essential to identity cultural, ceremonial, or spiritual aspects of IPs lives.
- Priority given to avoidance.
- Where significant impacts on CCH are unavoidable, client will obtain FPIC from IPs.
- Use of Cultural Heritage includes knowledge, innovations or practices of IPs for commercial purpose: inform IPs of their rights under national law, the scope and nature of the proposed commercial development, the potential consequences and obtain FPIC.
- Ensure fair and equitable sharing of benefits from commercialization of knowledge, innovation or practice consistent with the customs and traditions of IPs.

# Mitigation and Development Benefits

- Identify mitigation measures and sustainable development opportunities.
- Delivery in a timely and equitable manner the agreed-upon measures.
- Consider laws, institutions, and customs of IPs and level of interaction with mainstream society.
- Consider collective or individual compensation and effective delivery and distribution of compensation.
- Identify opportunities to address the goals and preferences of the Indigenous Peoples.





# Private Sector Responsibilities when Government is Responsible for Managing Indigenous Peoples' Issues

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- Client collaborates with government and agencies to achieve outcomes consistent with the objectives of PS.
- If government capacity is limited, client is to play an active role during planning, implementation, and monitoring activities.
- Develop a plan that together with government documents will address:
  - Plan, implementation, and documentation of the process of ICP or FPIC.
  - Description of government provided entitlements to IPs.
  - Measures to bridge gaps.
  - Financial and implementation responsibility of the government agency and/or client.

# General Issues and Tips



- These negotiations can take time and need to follow the IPs governance structure.
  - Communal vs individual benefits (handled under PS5).
  - Challenge when government does not recognize IPs but they meet our criteria.
  - When multiple IP communities to negotiate with, be clear and transparent with all, on how mitigation and benefits have been applied
  - Consider involving IP CSOs: they may be able to help with the process.
  - Some groups that meet the IP criteria do not want to be labeled as indigenous—try and meet their needs.
- Use experts to help identify Indigenous Peoples and implement any required measures.
  - Have approaches for mixed communities of Indigenous Peoples and non-Indigenous Peoples.
  - Clients must ensure that culturally appropriate approaches to working with Indigenous People's communities are employed.
  - Ensure representativeness of IP leaders.
  - Ensure that all groups within the IP group are included (women, youth, and vulnerable groups).



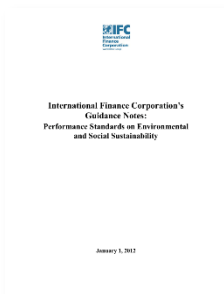


# Q & A

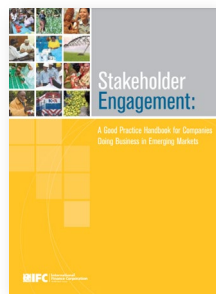
# PS7 Publications



## Guidance Notes



Guidance Notes to IFC's Performance Standards  
(January 1, 2012)

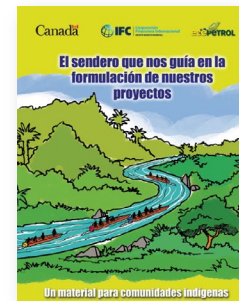


Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2007)

## Other Guides on IPs



ILO Convention 169 and the Private Sector: Questions and Answers for IFC Clients (2007)



[In Spanish] Preparing Public Investment Projects – A Guide for Indigenous Communities in Colombia (2016)



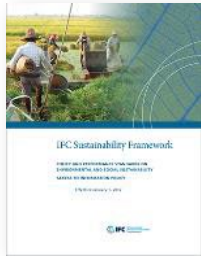
Good Practice Note: Addressing the Social Dimensions of Private Sector Projects (2003)

More resources are available at <http://www.ifc.org/ps7>

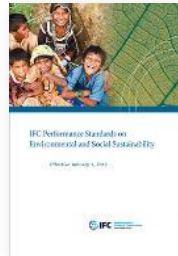
# Resources

## IFC Sustainability Framework (2012)

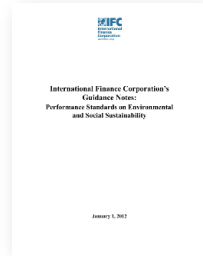
[www.ifc.org/sustainability](http://www.ifc.org/sustainability)



IFC Sustainability Framework - Effective January 1, 2012



IFC Performance Standards on Environmental and Social Sustainability - Effective January 1, 2012



Guidance Notes to IFC's Performance Standards - Effective January 1, 2012

## IFC Access to Information Policy

IFC's new Access to Information Policy will go into effect on 1 January 2012 for all investment and client-facing advisory services projects. The new disclosure policy reaffirms IFC's commitment to transparency and accountability, which are fundamental in fulfilling the institution's development mandate.

[read more >](#)

IFC Access to Information Policy

[www.ifc.org/disclosure](http://www.ifc.org/disclosure)

## WBG EHS Guidelines

[www.ifc.org/ehsguidelines](http://www.ifc.org/ehsguidelines)



### World Bank Group (WBG) Environmental, Health, and Safety (EHS) Guidelines

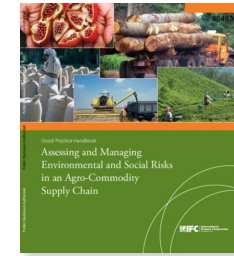
IFC has launched a three-year consultative process to revise the WBG EHS Guidelines. See [www.ifc.org/EHSGuidelinesRevision](http://www.ifc.org/EHSGuidelinesRevision)

Also see:

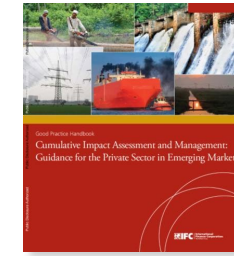
[www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance)

## ESG Publications:

For a full list, see: [www.ifc.org/sustainabilitypublications](http://www.ifc.org/sustainabilitypublications)



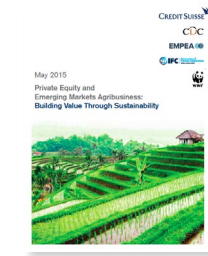
Good Practice Handbook: Assessing and Managing Environmental and Social Risks in an Agro-Commodity Supply Chain



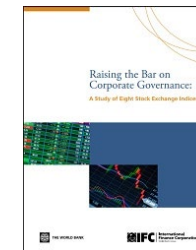
Good Practice Handbook: Cumulative Impact Assessment and Management: Guidance for the Private Sector in Emerging Markets



IFC Sustainability Resources Brochure



Private Equity and Emerging Markets Agribusiness: Building Value Through Sustainability



Raising the Bar on Corporate Governance: A Study of Eight Stock Exchange Indices



Emerging Trends in Environmental, Social, and Governance Data and Disclosure: Opportunities and Challenges



Corporate Governance Success Stories - Middle East and North Africa



Corporate Governance Success Stories - Europe and Central Asia

# Resources

## Learning / Tools / Methodology

See: [www.ifc.org/sustainability](http://www.ifc.org/sustainability) and [www.ifc.org/corporategovernance](http://www.ifc.org/corporategovernance)



**E-Learning** Course on Managing Environmental and Social Performance



Sustainability Training and E-Learning Program (**STEP**) for Financial Intermediaries  
Available in English, French, Russian



**FIRST** for Sustainability  
See: [www.firstforsustainability.org](http://www.firstforsustainability.org)  
Available in English, French, Chinese, Russian and Spanish



Global Map of Environmental and Social Risks in Agro-Commodity Production (**GMAP**)  
See: [www.ifc.org/gmap](http://www.ifc.org/gmap)

**Corporate Governance**  
Methodology Tools

**Corporate Governance**  
Development Framework Toolkit

**IFC Nominee Directors** Training

Environmental and Social Management System (**ESMS**)  
Toolkit and Handbooks



A large group of women, many wearing colorful saris, are gathered in an open field. They have their arms raised in a gesture of celebration or triumph. The scene is overlaid with a semi-transparent blue filter. The text "Thank you" is centered over the image in a large, white, sans-serif font.

# Thank you