



Joint Letter calling for a Dedicated Consultation Process and Mechanism with Indigenous Peoples for the Update of IFC's Sustainability Framework

To:

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2121 Pennsylvania Avenue, NW Washington, DC 20433
USA

Cc:

Federico Galizia, IFC Vice President, Risk and Finance
Tania Kaddeche, Director of the ES&G Sustainability Advice & Solutions
Emmanuel Boulet, Head of the Stakeholder Grievance Response Unit
Maria Carolina Hoyos Lievano, Senior Operations Officer

Dear Mr. Pooley and team,

We write on behalf of the undersigned Indigenous Peoples organizations and networks to urge the International Finance Corporation (IFC) to establish a consultation process specifically for Indigenous Peoples, and a formal Indigenous Peoples Advisory Group (IPAG) as part of the ongoing review of its Sustainability Framework and Performance Standards.

We appreciate the IFC's efforts to consult with Indigenous Peoples' representatives during international events such as the UN Permanent Forum on Indigenous Issues (UNPFII) session this year. However, those events, although valuable, are not the ideal venues to reach the Indigenous Peoples impacted by IFC-financed activities or the Indigenous defenders supporting those communities. Representatives of those Indigenous communities with lived experiences of harms, or the Indigenous defenders and leaders with deep familiarity with safeguards of multilateral development institutions, are often unable to participate in those events due to logistical, financial, or institutional barriers.

Thus, as the IFC is defining its overall approach for stakeholder engagement in the safeguard review process, we understand that there is not yet a dedicated process and mechanism to enable Indigenous Peoples' representatives to engage directly and meaningfully. Our proposal offers a constructive and practical way forward that builds on international good practices and reflects the perspectives of Indigenous Peoples themselves on what meaningful engagement should entail.

The IFC has a critical opportunity to strengthen its engagement by drawing on lessons from experiences among peer institutions. In particular, the Indigenous Peoples Advisory Group (IPAG) set up for the recently concluded Safeguard Policy review of the Asian Development Bank (ADB) offers a relevant model. Developed through sustained collaboration between Indigenous Peoples

and the ADB, the IPAG provided ADB with both policy expertise and grounded knowledge from affected Indigenous communities and Indigenous Peoples organizations, and helped foster more consistent, meaningful, and ongoing dialogue between Indigenous Peoples and the institution. As a result, ADB's engagement with the IPAG has continued to facilitate dedicated consultations with Indigenous Peoples' representatives for its ongoing Accountability Mechanism Policy review and other relevant processes.

Indigenous Peoples are not only among those most directly and disproportionately affected by IFC-financed activities, but we are also recognized as rights-holders under international law and as essential stewards of lands and resources indispensable to achieving sustainable development and climate goals. Meaningful engagement with Indigenous Peoples will strengthen the legitimacy, effectiveness, and impact of IFC's investments. Evidence-based experience globally has demonstrated that failing to engage with Indigenous Peoples as rights-holders can result in substantial conflict, delays, and reputational risks that undermine development objectives.

We therefore urge the IFC to:

1. Co-design, resource, and implement, in conjunction with Indigenous Peoples' representatives, a dedicated, meaningful, and time-bound consultation process with Indigenous Peoples for the ongoing update of the IFC's Sustainability Framework;
2. Co-develop, support, resource, and establish, in conjunction with Indigenous Peoples' representatives, an Indigenous Peoples Advisory Group to ensure consistent and informed engagement of Indigenous Peoples in the update, implementation, and monitoring of the Sustainability Framework.
3. Ensure the consultation process and mechanism are Indigenous-led and grounded in the following principles:
 1. Independence from the influence of the IFC and its borrowers.
 2. Zero tolerance for reprisals against participating Indigenous leaders, including measures to ensure safe spaces for dialogue and provide accessibility support
 3. Representation from diverse Indigenous territories and regions, particularly from those countries where the IFC operates.
 4. Representation from Indigenous women, youth, and other marginalized groups within Indigenous Peoples, and
 5. Establish a clear, substantive mandate to provide independent advice on FPIC implementation across IFC-financed activities/projects, monitor and enforce compliance with the IFC Sustainability Framework, strengthen public accountability of the IFC, and advance Indigenous Peoples' self-determined, Indigenous-led development strategies.

We appreciate your attention to this Letter and welcome further dialogue on how to shape the process and the mechanism in a way that is effective, inclusive, and rights-based. For Indigenous Peoples, meaningful engagement is not simply a matter of consultation; it is a matter of respect for our rights as outlined in Articles 41 and 42 of the UN Declaration on the Rights of Indigenous Peoples (Declaration). Thus, the organs and specialized agencies of the UN system and other intergovernmental organizations, including the World Bank Group, should contribute to the full realization of the Declaration through the mobilization, inter alia, of financial cooperation and technical assistance. Achieving this goal requires establishing mechanisms to ensure the participation of Indigenous Peoples in decisions on issues affecting them. Further, the UN, its bodies, and specialized agencies should follow up on the effectiveness of their programs and their alignment with the Declaration.

We urge the IFC to demonstrate its commitment to Indigenous Peoples' rights by ensuring that Indigenous Peoples are engaged not only as stakeholders, but as rights-holders and decision-makers in updating the IFC's Sustainability Framework as it affects their lands, lives, and futures.

We look forward to your timely response.

1. Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE)
2. Asia Indigenous Peoples Pact (AIPP)
3. Community Empowerment and Social Justice Network (CEMSOJ)
4. Indigenous Peoples Rights International (IPRI)
5. Right Energy Partnership with Indigenous Peoples (REP)
6. Securing Indigenous Peoples' Rights in the Green Economy (SIRGE)
7. Tallgrass Institute, Center for Indigenous Economic Stewardship