

Mr. Justin Pooley
Manager, Environment and Social Policy and Standards
International Finance Corporation
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CC:

- Carolina Hoyos Liévano, Stakeholder Engagement Officer, IFC
- Grant Binder, Principal Environmental Specialist, Policy & Standards, IFC
- Government members of the OECD Working Party on Responsible Business Conduct
- Government members of the OECD Development Assistance Committee

14 April 2026

Dear Mr. Pooley,

As the International Finance Corporation (IFC) undertakes to update its Sustainability Framework, OECD Watch, the recognised representative of civil society to the Organisation for Economic Cooperation and Development (OECD) regarding responsible business conduct policy, urges the Review Team to ensure coherence between the updated Framework and the [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) (Guidelines) wherever beneficial to advancing sustainable development.

Summary

Governments adhering to the OECD Guidelines have committed in 2022 to advance responsible business conduct in the context of development cooperation, including through engaging with international organisations such as multilateral development banks to promote policy coherence on responsible business conduct in relevant development finance policies and instruments. Putting this commitment into action, adherents to the Guidelines are now working to integrate the OECD's standards on responsible business conduct into the OECD's policymaking on development, through a new and exciting collaboration between the two relevant OECD committees. Adherents to the Guidelines have also recently strengthened the sustainability expectations set for companies in the OECD Guidelines by, in 2023, revising the standards on topics also of critical importance in the development context, from climate change and biodiversity preservation to human and workers' rights.

OECD Watch writes to alert the IFC's Sustainability Framework Review Team of the commitments OECD Guidelines adherent governments, which are also shareholders to the World Bank Group, have made to ensure policy coherence across these fields. We also highlight the unique opportunity for policy coherence that arises now in the context of coinciding initiatives under the OECD and World Bank Group. We urge that the Review be used to strengthen the IFC's Sustainability Framework through alignment with and reference to the OECD's standards wherever beneficial to advancing sustainable development goals, ensuring a principle of no regression on prior agreed standards. We encourage direct engagement between the IFC and OECD on this matter. We also offer ourselves and our network members as a resource to support coherence for a more just and sustainable future.

Background

Three parallel initiatives underway on responsible business conduct and development finance at the OECD and World Bank Group provide an opportunity for policy coherence. The IFC is reviewing its Sustainability Framework, the OECD developing new responsible business conduct guidance for development cooperation, and the World Bank Group adopting a "One World Bank" approach,

involving a “makers and checkers” approach to environmental and social management and the potential integration of the bank’s independent accountability mechanisms. We believe the coincidence of these three initiatives offers a vital opportunity to explore synergies and align standards, helping the World Bank Group and OECD advance their shared goals to promote sustainable development, support coherence between government-backed responsible business standards, and simplify client/company implementation of government-backed sustainability expectations.

Governments adhering to the OECD Guidelines have committed to advance responsible business conduct in the context of development cooperation. In 2022, the then-51 governments adhering to the OECD Guidelines adopted a [Recommendation on the Role of Government in Promoting Responsible Business Conduct](#). Directed to Adherents to the Guidelines but setting expectations applicable to all governments, the *Recommendation* urges key actions for governments to advance responsible business, covering topics from establishing binding corporate accountability laws, to leading through example in their procurement, investment, and export credit activities, to ensuring victims of irresponsible business conduct effective access to judicial and non-judicial remedies.

Of relevance for the ongoing IFC Sustainability Framework review, the OECD *Recommendation* calls on governments to collaborate through relevant international and regional organisations to promote international policy coherence on responsible business conduct in line with the OECD Guidelines. The *Recommendation* specifically encourages reflection of responsible business conduct in development cooperation efforts, in particular development finance instruments at the national and international levels. The *Recommendation* calls for “collaborating internationally, for example through...multi-lateral development banks, to promote policy coherence on responsible business conduct at the international level in line with the OECD Guidelines and other international RBC standards.” The *Recommendation* asserts that “policies of development finance institutions, as well as sustainable and blended finance instruments should be based on RBC standards, including OECD Due Diligence Guidance.”

Putting this recommendation into action within the OECD, in 2025 the OECD’s Development Assistance Committee, together with the OECD Working Party on Responsible Business Conduct, has begun developing guidance on responsible business conduct for development cooperation. Expected in Q1 2027, the guidance is anticipated to clarify, for the context of development, the core concepts of responsible business conduct including human rights and environmental due diligence. It will guide states in engaging with their own as well as partner governments on the issue of responsible business conduct in development, and also support them in clarifying expectations for companies involved in development implementation.

The OECD has strengthened its standards for responsible business conduct on topics critical in the context of development cooperation

In 2023, Adherent governments updated the OECD Guidelines to, while maintaining alignment with the *UN Guiding Principles on Business and Human Rights*, clarify their application to issues highly relevant in the context of development. The 2023 update also emphasized clearer expectations around process elements for companies such as due diligence including cooperation in remediation, meaningful stakeholder engagement, and responsible disengagement.

Of note:

- **Climate change and environmental impacts:** The Guidelines now expect corporations to identify and address through due diligence their adverse impacts on climate change, animal welfare, biodiversity, deforestation, pollution, and other environmental concerns. Detailed text on climate change brings the Guidelines into explicit alignment with the Paris

Agreement, such as by demanding adoption and monitoring of mitigation targets that take into account scope 1, 2, and 3 greenhouse gas emissions, as well as focus on adaptation. The Guidelines also address other climate concerns such as discouraging the use of carbon offsets and ensuring their integrity.

- **Just transition:** The Guidelines recognise the responsibility of companies to help achieve a just energy transition and call on enterprises to avoid and address the environmental and social harms of their transition both away from fossil fuels and towards renewable energy sources. The OECD will soon release guidance to support the corporate role in the just transition.
- **Science and technology:** The Guidelines now explicitly extend due diligence expectations to the digital sphere, requiring companies to identify and address their adverse impacts linked to technology such as artificial intelligence and digitalisation broadly (a topic recently [analysed](#) by the OHCHR in the context of development).
- **Human rights and marginalisation, vulnerability, and intersectionality:** The Guidelines expect enterprises to pay special attention to adverse impacts on marginalised or vulnerable groups, including defenders and Indigenous Peoples, and to take account of the distinct and intersecting risks rightsholders may face due to their individual characteristics. The updated standards include new texts on human rights defenders, land rights, and other core rights topics, while also referencing the right to Free, Prior and Informed Consent (FPIC) and the UN Declaration on the Rights of Indigenous Peoples.
- **Workers' rights:** The Guidelines clearly call on enterprises to respect the rights of all workers in their value chains, not merely employees of the enterprise, including the rights to form unions and collectively bargain.
- **Due diligence:** The updated Guidelines now weave due diligence consistently across the issue-based chapters in the text, underscoring it as the key tool for identifying and addressing, including through remediation, harmful impacts to people and the planet that the company has caused, contributed to, or is directly linked to through business partners. These principles are reflected in the UNGPs and increasingly in regional and national law.
- **Meaningful stakeholder engagement:** The Guidelines call on enterprises to engage meaningfully with all stakeholders – in particular those directly affected – throughout all the six steps of their due diligence. Engagement should be two-way, conducted in good faith, responsive to stakeholders' views, timely, accessible, appropriate, safe, and adapted to remove barriers to engagement. Updated texts on disclosure across several chapters also guide companies in ensuring rightsholders critical access to information, such as information related to risks and the success of responsive measures.
- **Responsible disengagement:** The revised Guidelines clarify that companies must act responsibly when considering disengaging from a business relationship. This includes meaningfully consulting rightsholders and addressing potential adverse impacts related to the disengagement itself, in addition to the underlying harms.

OECD Watch encourages that the IFC Sustainability Framework Review be used as an opportunity to advance commitments to align international standards and policies on responsible business conduct and development. The same governments that adhere to the OECD Guidelines also back the IFC and its Sustainability Review. We encourage the IFC to pay careful attention to ensuring the update of the Sustainability Framework, including in particular the Performance Standards but also relevant aspects of the IFC's Policy on Environmental and Social Sustainability, maintain coherence with the standards set out in the OECD Guidelines where those standards surpass those of the IFC in breadth, depth, or specificity.

We highlight, of note, the opportunity to improve through alignment expectations for IFC clients around climate change mitigation and adaptation measures, access to information, zero tolerance for

and remediation of retaliation against human rights defenders, responsible disengagement (a topic recently [studied](#) by the IFC), and implementation of human rights and due diligence processes. Within the IFC's own Policy, we encourage that greater emphasis be placed on the IFC itself implementing the due diligence process regarding the projects it finances, and strengthening its own and its clients' cooperation in the provision of remedy. In line with forthcoming just transition guidance from the OECD, the IFC could also better emphasise shared prosperity business models to finance projects jointly or wholly operated by communities such as Indigenous Peoples. As regards the process of the Sustainability Review itself, we also encourage the Review team to ensure, as the OECD Working Party took steps to ensure, dedicated consultation with Indigenous and other marginalised groups.

Increasing policy coherence is an effective and streamlined approach to advance best sustainability practice both by implementing governments, and their private company partners. OECD Watch encourages direct and high-level dialogue between the IFC and OECD on ensuring policy coherence through the Review. We will continue to coordinate with civil society partners advising the IFC's Sustainability Framework review. We also stand ready to engage directly with the IFC's Review team and interested governments to help consider ways in which the OECD Guidelines can be used to strengthen coherence in international policies on responsible business conduct.

Thank you for your consideration of this letter. We look forward to hearing your response.

Sincerely,

OECD Watch, a network of over 130 civil society entities from over 50 countries

With:

1. Accountability Counsel
2. Association for Farmers Rights Defense, AFRD
3. Business and Human Rights Association Turkiye - BHRTR
4. Centre de Développement de la Région de Tensift
5. Clean Clothes Campaign
6. Danish Institute for Human Rights
7. Environment Governance Institute
8. Equitable Cambodia
9. Fair Finance International
10. Foundation for the Development of Sustainable Policies (Fundeps)
11. Friends with Environment in Development
12. Friends of the Earth U.S.
13. Fundación Ambiente y Recursos Naturales
14. Global Witness
15. Green Advocates International
16. Inclusive Development International
17. Industrious Labs
18. Jamaa Resource Initiatives
19. Manushya Foundation
20. MiningWatch Canada
21. Nect Green Code
22. Observatoire d'études et d'appui à la responsabilité sociale et environnementale
23. Oil Workers' Rights Protection Organization Public Union
24. Oyu Tolgoi Watch
25. Peace Point Development Foundation-PPDF
26. Polish Institute for Human Rights and Business

- 27. Profundo
- 28. Razom We Stand
- 29. Recourse
- 30. SeaChoice
- 31. Stop Financing Factory Farming
- 32. Sustentarse
- 33. Transparentem
- 34. Wemos Foundation

About OECD Watch

OECD Watch is the global civil society network recognised in the OECD Guidelines as the representative of civil society to the OECD Investment Committee and Working Party on Responsible Business Conduct. In that capacity, we guide civil society in using the OECD’s responsible business standards effectively to strengthen company and community engagement, policy advocacy, and complaints. We also support the OECD and governments in improving their implementation of the Guidelines through OECD-led and wider international standard-setting, dispute settlement, and policy guidance.

Since 2003, we have helped support two updates of the OECD Guidelines (in 2011 and 2023) that strengthened corporate expectations on human rights, environment, climate, and other issues. We have helped strengthen development of the OECD’s widely-referenced cross-sectoral and sector-specific due diligence guidance, as well as guides on topics such as the just transition and the effective handling of complaints by National Contact Points. Most recently, we have encouraged and engaged with the OECD’s initiatives to support the role of government in promoting responsible business conduct through law, procurement, trade and investment, export credits, and development cooperation amongst other avenues, and to convene dialogue amongst policymakers on best practice in due diligence law and policy.

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