

May 15, 2026

Re: Aligning IFC Staff Incentives with Implementing the Sustainability Framework

Dear IFC Sustainability Team,

As the International Finance Corporation (IFC) reviews its Sustainability Framework, we write to share recommendations which can help motivate the full and consistent implementation of standards across all IFC activities by better aligning staff incentives. In our experience as civil society advocates, Indigenous Peoples advocates, and project affected communities, there is an enduring, significant [gap between policy and implementation](#) in [IFC projects](#). This gap is where harm too often happens and where the IFC falls short of its development mandate, undermining public trust and generating avoidable social, environmental, financial, and reputational costs for all parties involved. At the same time, we recognize that the Sustainability Framework itself is not static nor perfect, which is precisely why it is currently under revision to strengthen and update it in light of lessons learned, evolving standards, and emerging good practices. In this context, addressing implementation gaps remains essential both during the ongoing revision process and once the updated framework is adopted and put into practice.

We believe that a key, missing piece in motivating full and consistent implementation of safeguards is incorporating and deepening incentives for IFC staff to stay engaged with clients, and to support them in reaching and maintaining full compliance with IFC policy. This includes revising how IFC staff in various roles are assessed, measured, promoted, and compensated for their contributions toward reaching full implementation of the IFC Sustainability Framework. We are optimistic that efforts to better connect staff performance metrics to successful E&S implementation can help close the widening gap between paper and practice. We also believe that these steps can help increase accountability amongst various departments and teams in motivating all staff to contribute to the institution's progress toward its development goals.

There is evidence and precedence for aligning staff incentives with institutional targets, including around policy implementation, with promising results. In the private sector, linking incentive structures to ESG performance is becoming more common, with over 75% of S&P 500 companies incorporating ESG performance in executive compensation metrics [per 2024 disclosures](#). [BNP Paribas](#), for example, integrates sustainability risk into its employee remuneration and includes sustainability risk as one of the objectives against which employees are assessed. Among peer development institutions, as of January 1, 2026 the Asian Development Bank requires borrowers to use a new [Merit Point Criteria](#) in project-related procurement. This new system will factor in technical criteria along with price to evaluate and select among bidders for internationally-advertised contracts.

In an effort to promote the full implementation of the IFC's Sustainability Framework, we ask to open a space for deeper dialogue on staff incentive structures within the Sustainability Policy and the Environmental and Social Review Process Manual to discuss different ideas, tools, and systems to motivate staff and clients to enhance performance and engagement for effective implementation and compliance with the updated Sustainability Framework. Below we include a brief, non exhaustive list of examples of how to better connect staff incentives with implementing the Sustainability Framework:

- Staff incentives, including compensation, promotions, performance metrics, among other approaches, should be reviewed as part of the Sustainability Framework update.
- Staff performance metrics should directly incentivize effective implementation of the Sustainability Framework, consisting of the Sustainability Policy, the performance standards and the Access to Information Policy, with respect and acknowledgement of various team proportional roles and contributions to IFC operations and activities. Performance metrics examples can include, but are not limited to: measuring the level of client compliance with environmental and social requirements, including the quality and timeliness of engagement, consultation, consent, and grievance response processes where applicable; rewarding staff for disclosing information in line with the Access to Information policies; staff responsiveness to impacted communities and public requests for information; prompt reporting of instances of GBV/SEAH or reprisals, among others.
- IFC promotion and compensation structures should incentivize broader disclosure and better engagement, particularly two way communications with Indigenous Peoples as rightsholders and affected communities in a manner that ensures genuine Broad Community Support for high risk projects (and Free, Prior, Informed Consent for Indigenous Peoples) through early engagement, equitable negotiations, and a commitment to ensuring that affected communities derive benefits from projects.
- Internal IFC structures should develop and prioritize staff incentives to encourage full participation with accountability mechanism processes. This includes but is not limited to: informing project affected communities about the Compliance Advisory Ombudsman (CAO); providing timely responses to communities and CAO; enabling CAO full access to project documentation; and implementing any Board approved recommendations from the [Targeted CAO Policy Review Draft Report](#) regarding participation in dispute resolution processes; improving Management Action Plans and use of leverage.
- Incentives for performance should be based on verified results, not only on expected outcomes.
- Any changes to compensation and promotion rubrics should be disclosed.

We would be happy to discuss further. Please contact us at klu@foe.org.

Sincerely,

1. AbibiNsroma Foundation, Ghana
2. Accountability Counsel, International
3. Aliansi Masyarakat Adat Nusantara Wilayah Maluku, Indonesia
4. Arab Watch Coalition, USA
5. Association for Farmers Rights Defense, Georgia
6. Bank Climate Advocates, USA
7. Bank Information Center, USA
8. Batani Foundation
9. Bio Vision Africa, Uganda
10. Blue Dalian, China
11. Bretton Woods Project, United Kingdom

12. Conseil Régional des Organisations Non gouvernementales de Développement, Democratic Republic of Congo
13. Debt Justice Norway, Norway
14. Deep Sea Mining Campaign
15. Fair Finance International, International
16. Forest Peoples Programme, USA
17. Forum Ökologie & Papier, Denmark
18. Foundation for Environmental Rights Advocacy and Development, Nigeria
19. Friends of the Earth US, USA
20. Friends with Environment in Development, Uganda
21. Green Advocates International, Liberia
22. Inclusive Development International, USA
23. Industrious Labs, USA
24. Jamaa Resource Initiatives, Kenya
25. Just Ground, Netherlands
26. LBH ANGSANA, Indonesia
27. Leave it in the Ground Initiative (LINGO), Germany
28. LemBAH, Indonesia
29. Mazingira Network - Tanzania (MANET), Tanzania
30. MiningWatch Canada, Canada
31. Organisatie van Inheemse volken in Suriname, Suriname
32. Oxfam International, International
33. Oyu Tolgoi Watch, Mongolia
34. Peace Point Development Foundation-PPDF, Nigeria
35. Profundo, Netherlands
36. Quest For Growth and Development Foundation, Nigeria
37. Rainforest Action Network, USA
38. Recourse, United Kingdom
39. Rivers without Boundaries, Mongolia
40. Rivers without Boundaries International Coalition, International
41. Securing Indigenous Peoples' Rights in the Green Economy Coalition, International
42. Sinergia Animal, Brazil
43. Southern Initiatives, Myanmar
44. Sustainable Holistic Development Foundation (SUHODE Foundation), Tanzania
45. Urgewald, Germany
46. Youth in Agroecology and Restoration Network, Nigeria