International Finance Corporation (IFC)

Name of the organisation: International Finance Corporation (IFC)

Corporate website address: www.ifc.org

Company Details

Membership number: 5-0002-05-000-00

Membership Type: Ordinary Membership

Membership category: Banks and Investors

Please TICK all business activities your organization is involved in, INCLUDING the primary MEMBERSHIP CATEGORY.

(Please note that you are required to complete the form for all categories you are involved in as well)

You are allowed to tick more than one sector

| Banks and Investor |

What is the name of the entity or holding company that has management control over all palm oil related activities within the organization? Please note that this ACOP submitted is only for the entity and subsidiaries that are members of RSPO and not the holding company

Is the holding company a RSPO Member?

Please name any sub of the organisations in oil palm or related activities. Please note that all of your subsidiary companies are also bound by RSPO code of conduct, and this ACOP should report on all of their activities & progress whether they are members or not [Name. Activities. RSPO Members (Y/N)?]

Please indicate all the regions in which the member organisation and its subsidiaries for which you are completing this report operate in

| Europe | USA | Australia | India | China | Latin America | Africa | South East Asia | Malaysia | Indonesia | Other |

Contacts

Primary contact responsible for organisational commitment to RSPO

Kate Bottriell  kbottriell@ifc.org
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20433
USA

Person reporting (if different)

Kate Bottriell  kbottriell@ifc.org

Financial contact for paying fees (THIS INFORMATION WILL NOT BE MADE PUBLIC)
**Related information**

State your policy on palm oil (Please provide links, upload attachments or complete the text box)

Please provide links for reports that may be relevant to Sustainable Palm Oil.

The World Bank Group’s objective in engaging in the palm oil sector is to invest in the potential of the sector to reduce poverty by generating growth and incomes, and to contribute to food security while ensuring sustainable management of resources and the environment. While WBG strategy and work programs in individual countries are ultimately determined by host country government development priorities and private sector interest, the WBG has identified four pillars through which it could work with other stakeholders to strengthen the economic, social and environmental underpinnings of the sector.

1. **Policy and regulatory environment:** Issues regarding land acquisition, land tenure, and forest governance, and the rights of workers, communities, and indigenous peoples are at the root of much of the social and environmental problems in the sector. Where policies and regulations are in place, better implementation of land administration systems, land use planning, environmental impact assessment and regulations, labor regulations, and conflict resolution can assist in protecting biodiversity, mitigating climate change, protecting rights of workers and local communities. The WBG can offer advice and capacity building and share global best practice in many of these areas.

2. **Sustainable private sector investment:** Most investment in the palm oil sector has been undertaken by the private sector. Where government policies and regulations permit, private sector investors can ensure investment in the sector generates economic benefits in an environmentally and socially sustainable manner. The WBG can support sustainable investment by private sector actors using direct and indirect financing and advisory services.

3. **Benefit sharing with smallholders and communities:** Palm oil can be a significant contributor to livelihood improvement and poverty reduction in many rural communities; and further promoting environmentally and socially sustainable models of oil palm development that improve the distribution of benefits to local communities and smallholders is a priority for many governments. Since 1970, large-scale agro industry has seen a transformation from more directly managed planning to more flexible methods where farmers can choose how best to engage. This approach offers real opportunities for benefit sharing, but key questions around regulation and economies of scale continue to require further research. Integrating smallholders into growing global markets and supply chains is critical in addressing poverty. The WBG can help by identifying and scaling up inclusive business models, investing in infrastructure that enables smallholders to access markets, strengthening services to improve the productivity of smallholder farmers and developing innovative financial mechanisms to provide access to finance.

4. **Codes of sustainable practice:** The development, adoption, and implementation of commodity specific sustainability standards and codes of practice, including certification systems is, when accompanied by complementary regulatory requirements, an effective means for achieving sector-wide change in the industry. The WBG can support the development and accelerated adoption of such standards and practices.

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Upload new file: [http://www.rspo.org/acop/internal/upload/58939_1_form1.pdf](http://www.rspo.org/acop/internal/upload/58939_1_form1.pdf)

Palm oil related websites: [http://www.ifc.org/ifcext/agribusiness.nsf/content/palmoil](http://www.ifc.org/ifcext/agribusiness.nsf/content/palmoil)
Banks & Investors

Operational profile:
Please state what your main activities are within finance:
| Corporate/ Business Banking | Global Banking | Trade Finance | Structured Finance | Capital Markets | Internet Banking/ E-Banking

Operations in palm oil:
What are the various types of financial services to the oil palm sector provided by your organization?
| Lending/ Loans | Investments

How large is your investment/financial interest in the palm oil sector?
Current committed portfolio - $62.25 million

What geographic regions do you operate in for the Palm Oil business?
Indonesia, West Africa, Latin America have active work.
IFC works focused exclusively on the private sector in developing countries.

Different sectors which you have the relationship with:
IFC has 9 sectors/Industry departments, including Agribusiness, Global Financial Markets, Global Manufacturing and Services, Health & Education, Information & Communication Technologies, Infrastructure, Oil Gas & Mining, Private Equity & Investment Funds and Subnational Finance.

Number of lending engagements with palm oil organizations within the reporting period:
No new engagements

Palm Oil Policy:
Does your organisation have a lending or investment policy on palm oil? (If so please submit a copy as a pdf)

Does the policy on palm oil make specific reference to RSPO certified sustainable palm oil?
Yes

Do you require your customers to be RSPO members?
Yes

Do you require your customers to have a public a Time-bound plan for 100% RSPO certification?
No

Number of lending engagements refused due to non-compliance with your banks’ palm oil policy:
No comment

Date of submission : 26-Sep-12
Number of customers joined the RSPO as a result of engagement:
Unknown

Amongst the oil palm growers, miller and refiner clients or prospects you engaged with, how many have consequently become RSPO members (# in the reporting period only)?
Unknown

Time-bound plan

Time-bound plan - Year expected to achieve 100% certified palm oil financed:
Certification is a requirement in sectors where an acceptable certification system exists. No specific target.

What other commitments & activities have you undertaken in the reporting year to promote CSPO?
Several prospective new investments by IFC in palm oil operations are under active consideration, particularly in West Africa. Any future investments in palm oil operators will need to meet the requirements of IFC’s Environmental and Social Performance Standards and as such this means achieving RSPO or RSPO equivalent certification. Through IFC advisory work, a diagnostic study is being conducted to understand better the issues and challenges faced by oil palm smallholders in Indonesia, especially independent smallholders, and IFC has earmarked funds to support the RSPO National Interpretation processes in Liberia and Sierra Leone, and for work in on RSPO Ghana, and has been working with internal and external stakeholder to develop these projects. Planning has been underway for a project on smallholders traceability in Indonesia.
IFC continues support RSPO through the Biodiversity and Agricultural Commodities Program (BACP) in particular to pilot, refine and share knowledge on biodiversity and HCV related best practice. Active projects within the last reporting period include support for the RSPO Roadshow in Ghana, Gabon, Cameroon and Liberia; support for the Zoological Society of London developing the capacity of RSPO Stakeholders on Biodiversity and the development of carbon-finance mechanisms by FFI for High Conservation Value forests and peatlands in oil palm-dominated landscapes of Kalimantan. A grant to RSPO is also in discussion. Further more, IFC is participating in the smallholders working group, the P&C Review Task Force (alternate) and the Biodiversity and HCV Working Group.

Targets for next reporting period

Outline actions that will be taken in the coming year to promote sustainable palm oil:
IFC will continue to take forward the advisory projects that are currently ongoing or in planning stages, notably the National Interpretations in Africa and the smallholder work in Indonesia. As outlined in the World Bank Group Framework and IFC Strategy for Engagement in the Palm Oil Sector, we will continue to seek opportunities to support multi-stakeholder-led development of industry wide voluntary standards for sustainable investments, such as RSPO. In Africa and Latin America and the Caribbean, we will work to develop national interpretations of internationally recognized certification standards such as RSPO.