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# Integrating IFC's Performance Standard 6 into the ESIA

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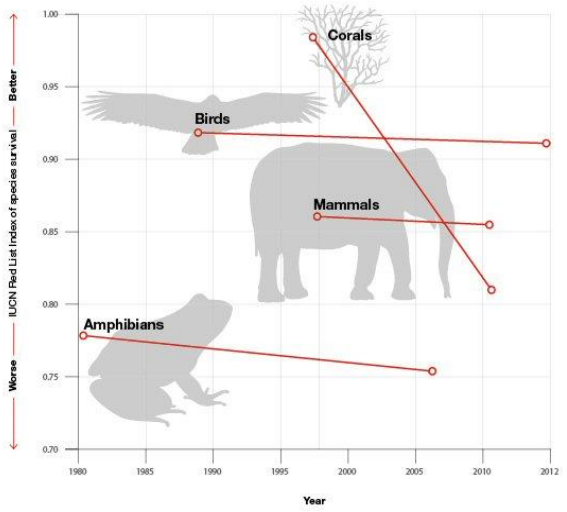
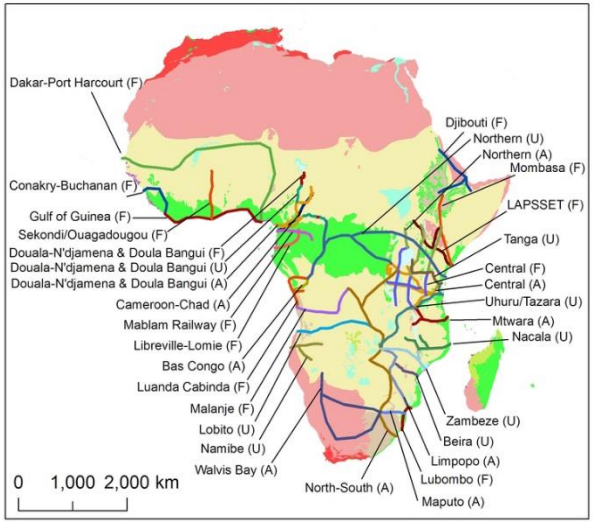
# The growing biodiversity challenge

- Global biodiversity loss is accelerating
- Development is expanding into previously inaccessible areas of high biodiversity
- Inadequate consideration of biodiversity value in development continues to contribute to avoidable habitat loss and threaten species survival




IUCN (2012)




W. F. Laurance *et al.* (2015) *Current Biology*

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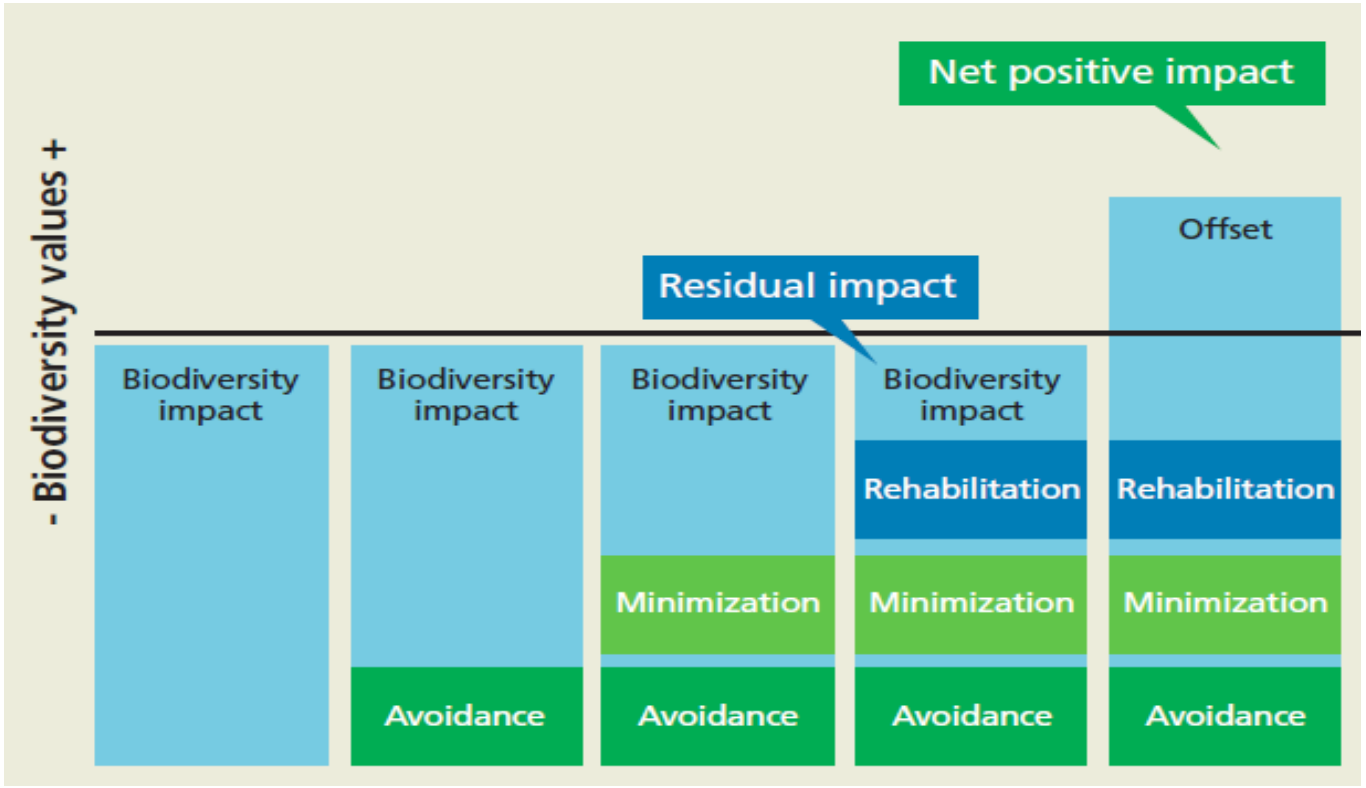
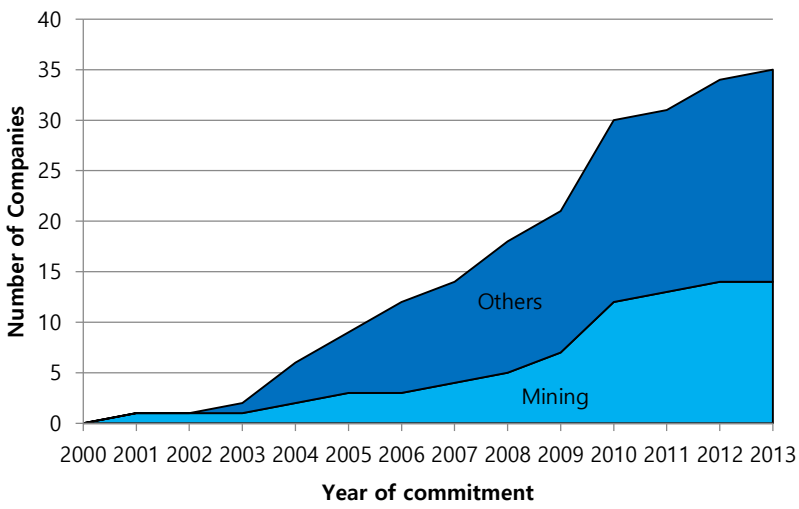
# Impact assessments need to be scoped and structured to enable a rigorous application of the **mitigation hierarchy**



# Performance Standard 6 on '*Biodiversity Conservation and Sustainable Management of Living Natural Resources*'

## Catalysing major change in biodiversity policy and management

- IFC invested $22 billion into 600 projects in developing countries in 2014
- 83 lending institutions aligned with PS6 through adoption of **Equator Principles**, covering 70% of international private sector project finance in emerging markets
- Recognised as global best practice in private sector
- Strong support from global civil society and the conservation community

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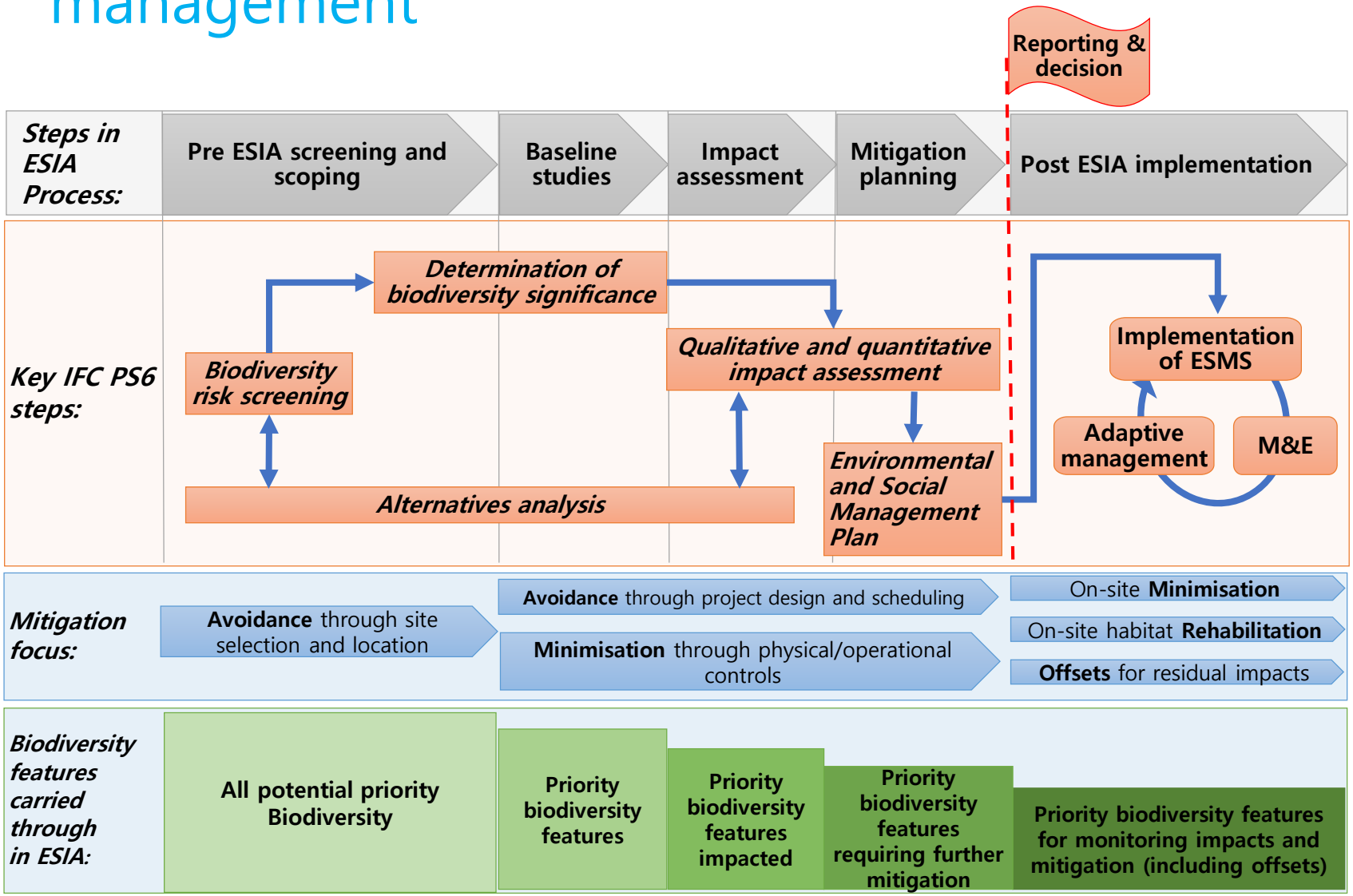
# PS6 provides an effective framework for addressing biodiversity risks through:

1. Upfront identification of priority biodiversity features at greatest risk from development
2. Rigorous application of the mitigation hierarchy to reduce impacts to as low as is practicable
3. Quantification of significant residual impacts to priority biodiversity
4. An assessment of whether a credible rationale exists for offsets
5. Either a net balance or net gain for priority biodiversity features, depending on their level of significance
6. A clear plan documenting the project's approach to achieving intended biodiversity outcomes
7. A robust, long-term, monitoring and adaptive management plan

# CHA as part of project biodiversity risk management

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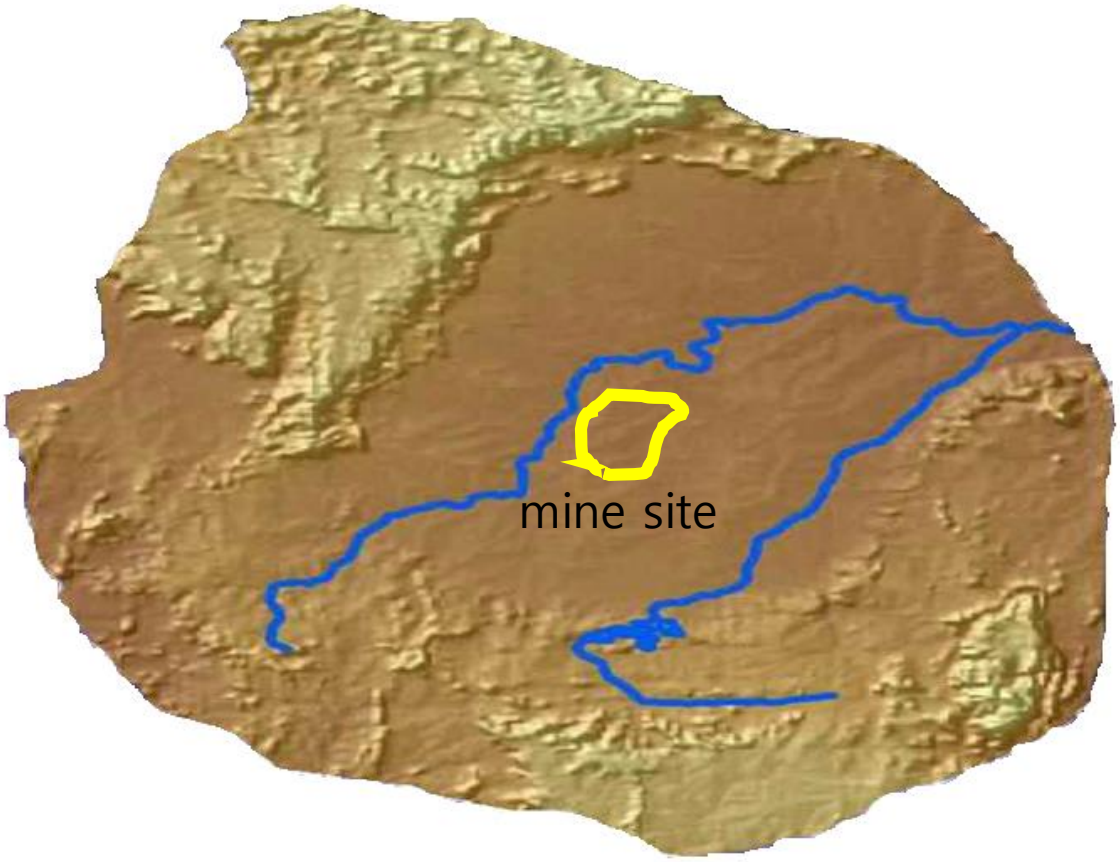
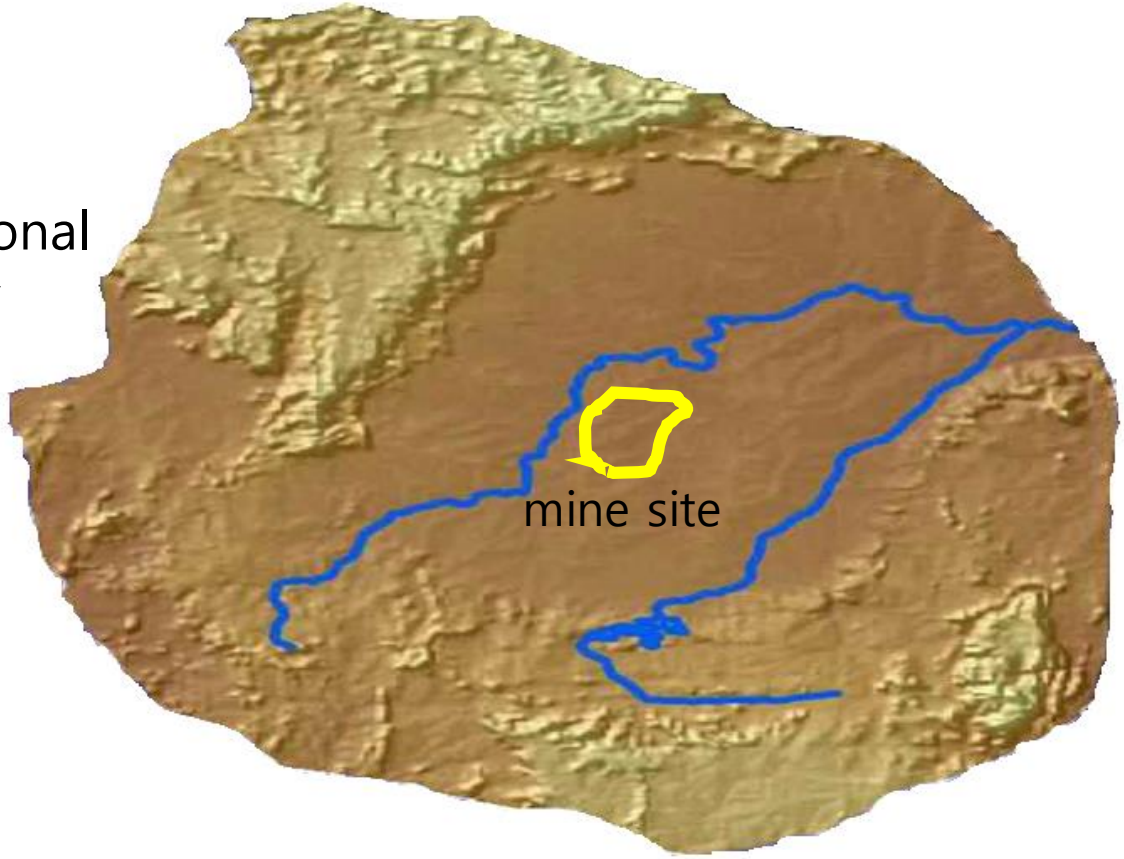
# Simplified, idealised, example of implementing PS6 for a small-scale mining project


mine site

# 1. Screen for potential biodiversity risks

Desk-based assessment using global/regional biodiversity data




Potential priority biodiversity features

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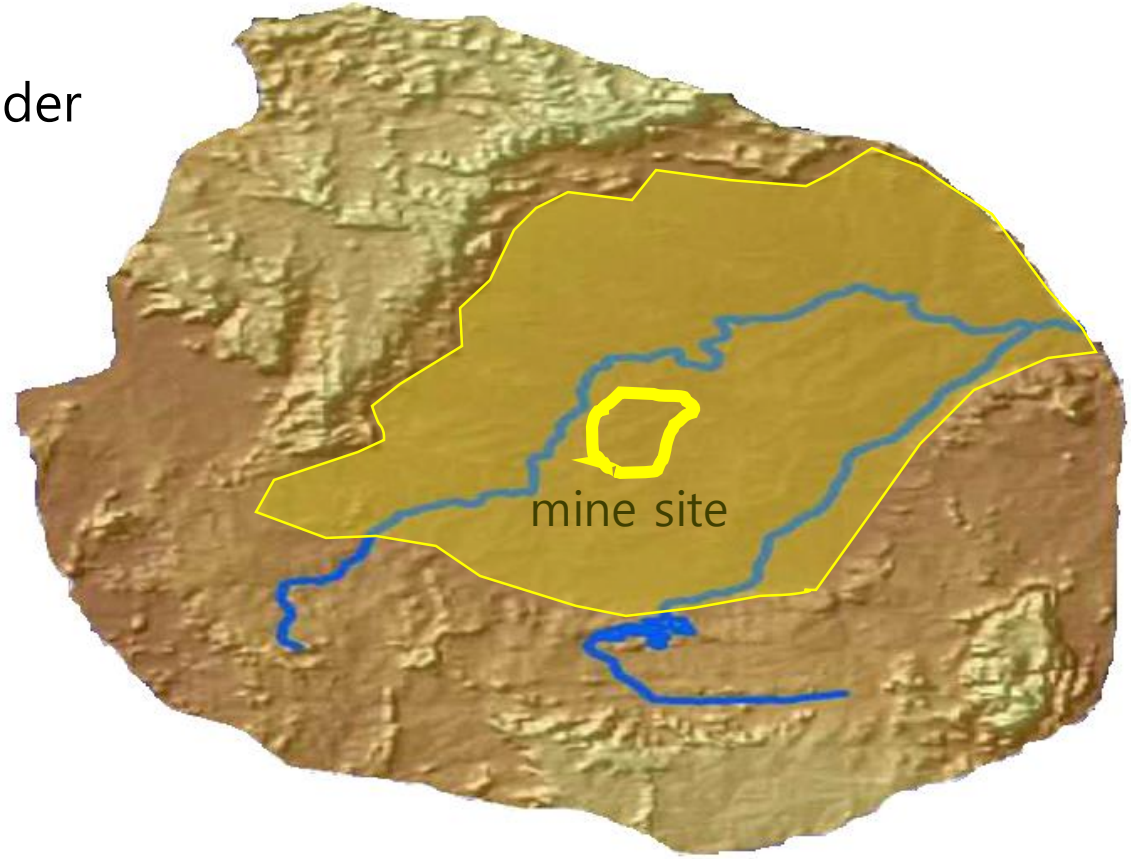
**Pre ESIA screening and scoping** → **Baseline studies** → **Impact assessment** → **Mitigation planning**

# 2. Determine biodiversity significance

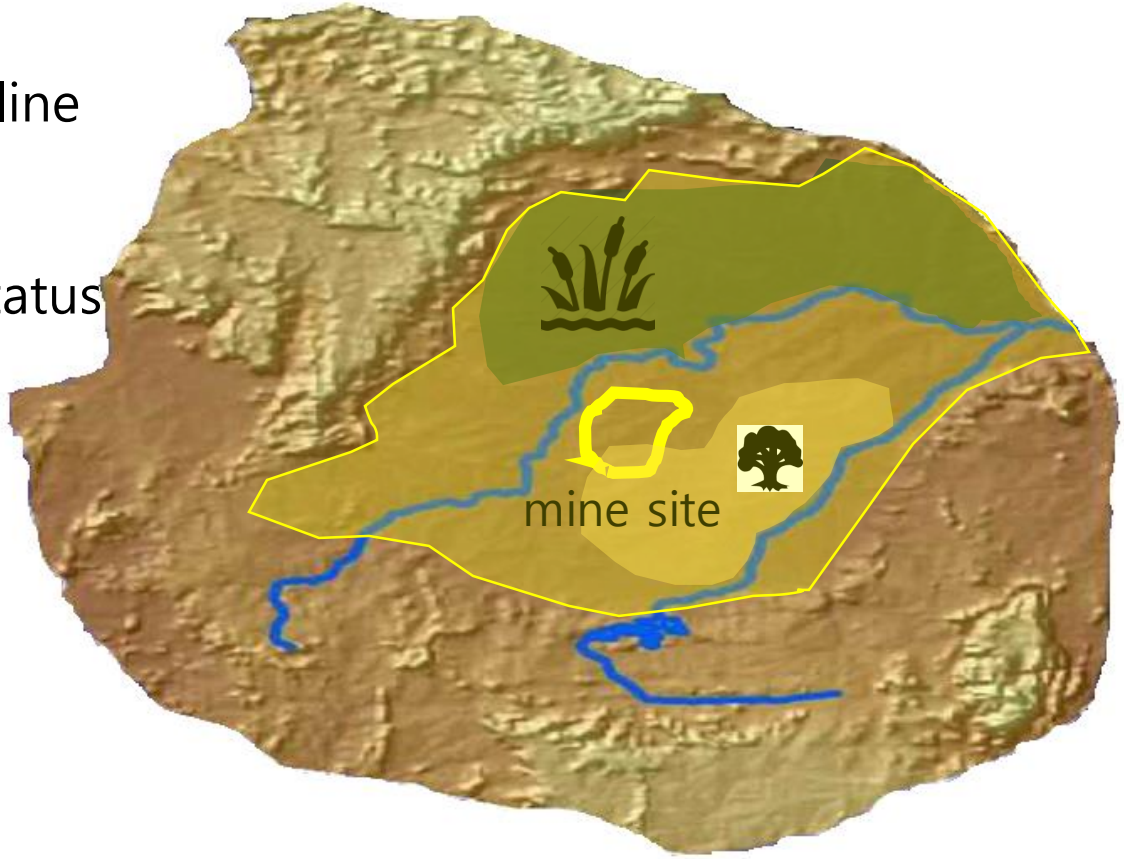
Determine project's wider area of influence




Priority biodiversity features

# 2. Determine biodiversity significance

Undertake broad baseline surveys to confirm presence/status




Priority biodiversity features

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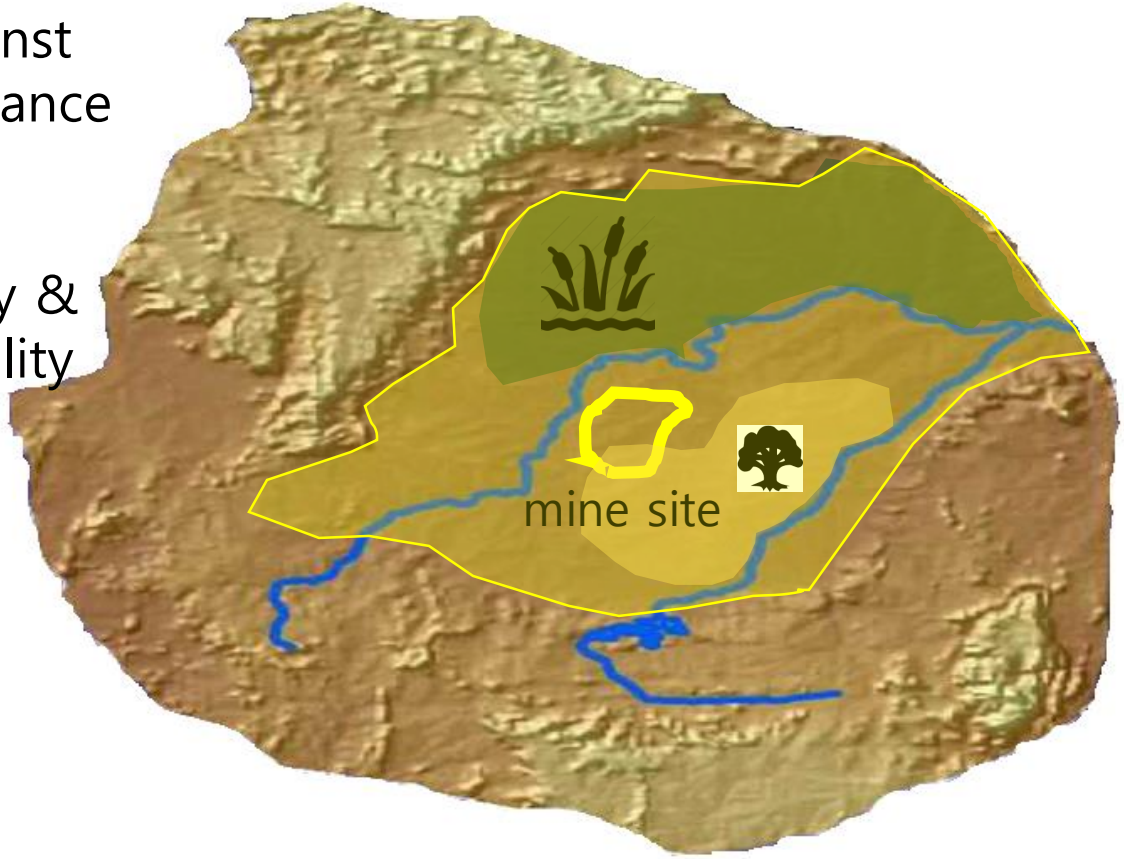
Pre ESIA screening and scoping → **Baseline studies** → Impact assessment → Mitigation planning

# 2. Determine biodiversity significance

Assess against PS6 significance thresholds based on vulnerability & irreplaceability




Priority biodiversity features

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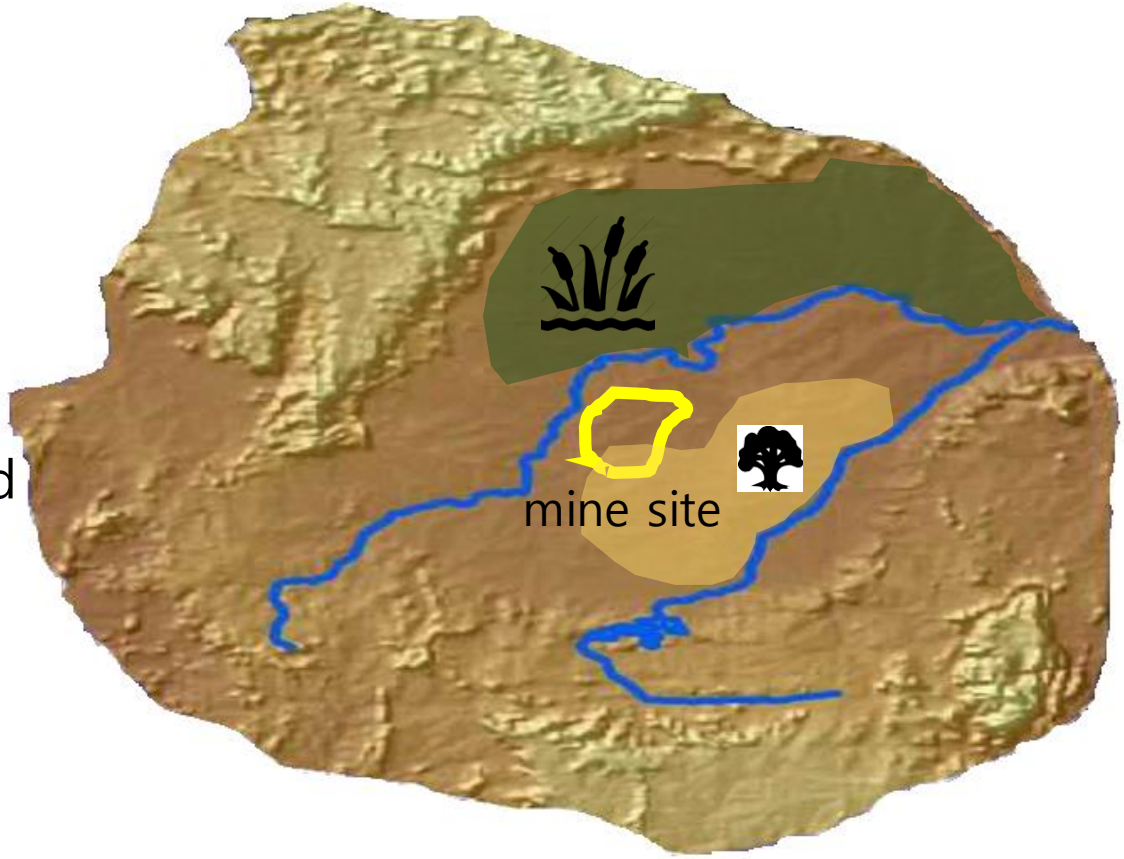
Pre ESIA screening and scoping → **Baseline studies** → Impact assessment → Mitigation planning

# 3. Undertake impact assessment

Undertake narrow, focused surveys to assess direct, indirect and cumulative impacts




Priority biodiversity features impacted

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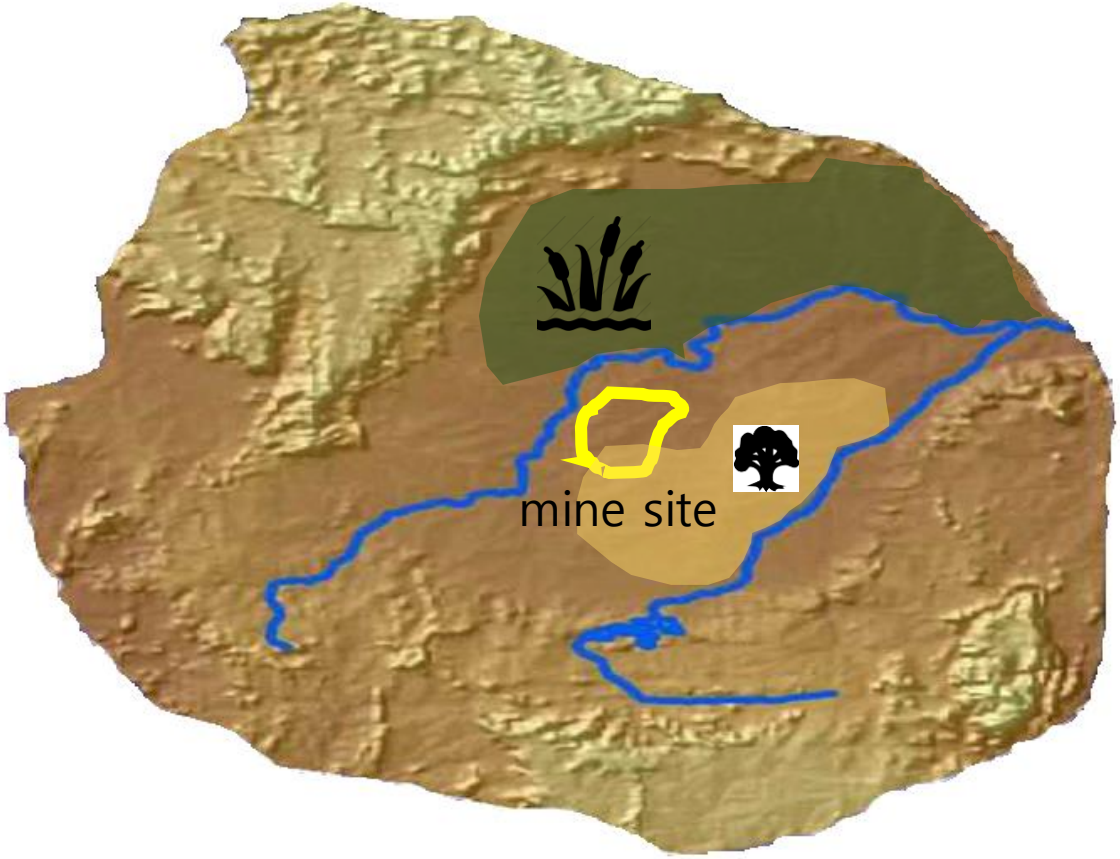
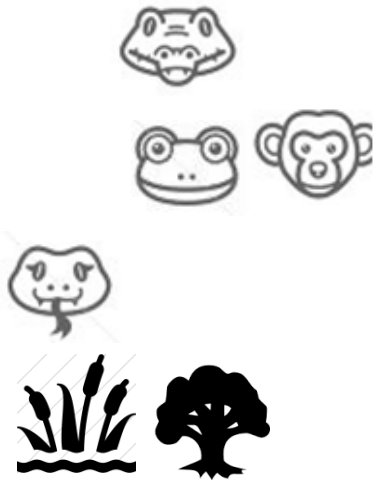
Pre ESIA screening and scoping → Baseline studies → **Impact assessment** → Mitigation planning

# 3. Undertake impact assessment

Apply mitigation hierarchy




Priority biodiversity features impacted



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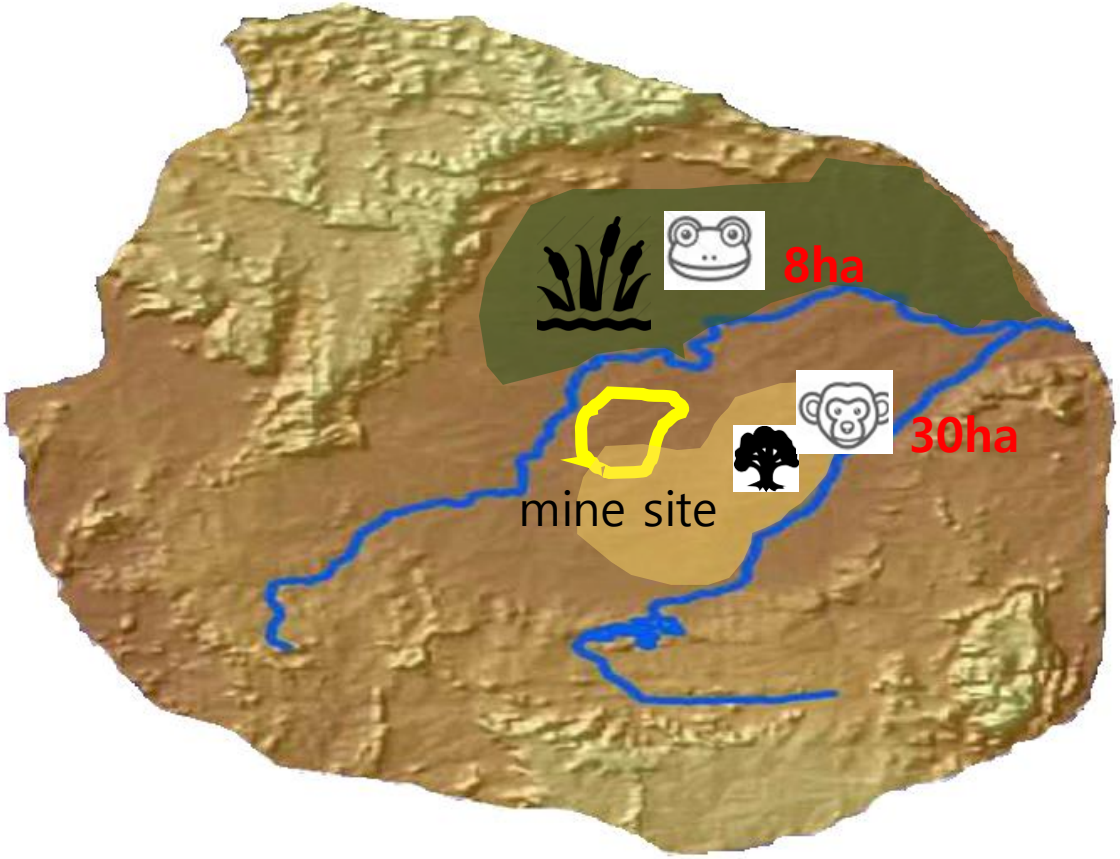
Pre ESIA screening and scoping → Baseline studies → **Impact assessment** → Mitigation planning

# 3. Undertake impact assessment

Quantify residual impacts




Priority biodiversity features impacted

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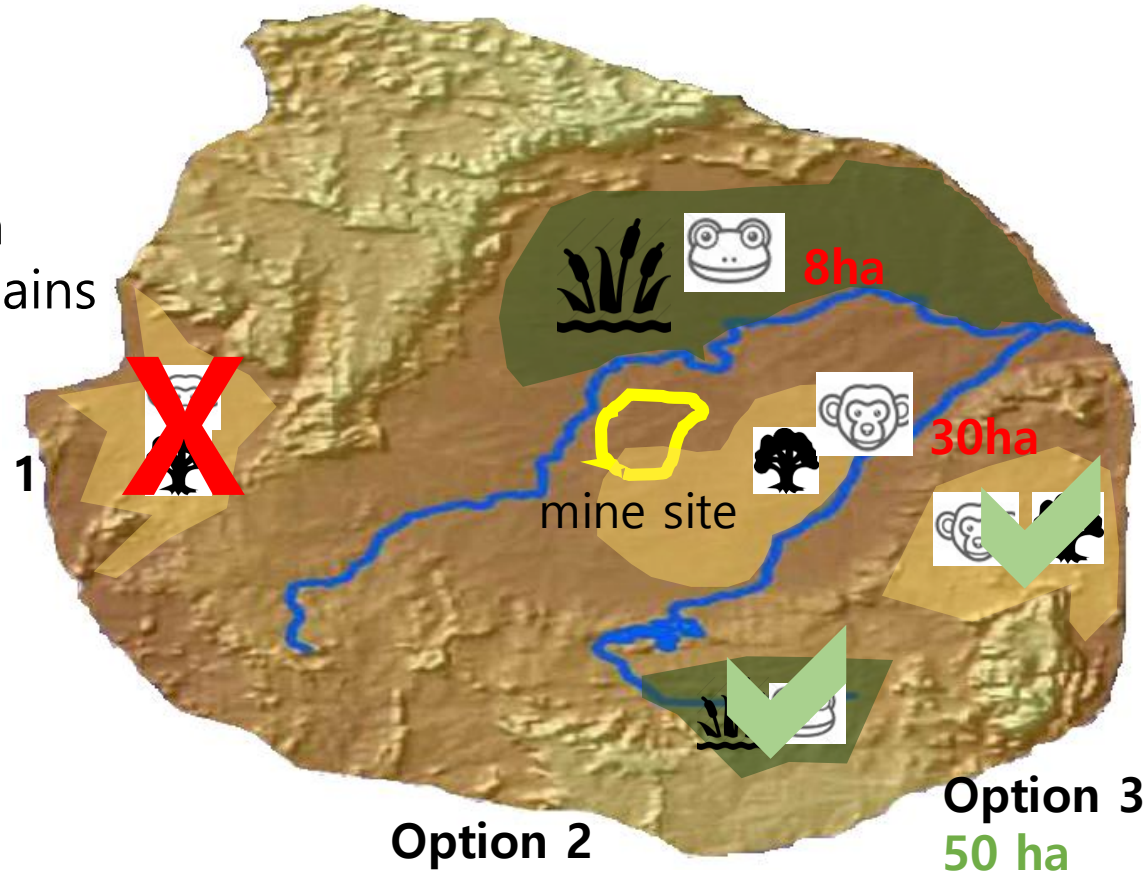
Pre ESIA screening and scoping → Baseline studies → **Impact assessment** → Mitigation planning

# 4. Develop strategy for offsetting residual impacts

Determine if/how offsets can deliverer gains




**Option 1**
**25 ha**

**Option 2**
**12 ha**

**Option 3**
**50 ha**

Priority biodiversity features requiring offsets

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Pre ESIA screening and scoping → Baseline studies → Impact assessment → **Mitigation planning**

# Benefits of integrating PS6 into ESIA

1. Ensures consideration of biodiversity risks early into project scoping and design
2. Enables a more definitive and transparent judgement on whether project impacts are acceptable
3. Focuses limited resources on identifying and addressing the greatest risks
4. Anticipates and addresses stakeholder concerns
5. Helps reduce unnecessary information and analysis often associated with contemporary ESIAs
6. Aligns with an increasing number of national policies requiring offsets
7. Avoids post-hoc integration into ESIA not scoped to provide quantitative information on impacts
8. Helps prevents project delays and reduces costs downstream
9. Delivers better biodiversity outcomes

# Concluding statement:

Integration of a PS6 risk-focused approach into the ESIA can improve biodiversity outcomes while simultaneously helping to reduce costs and project delays, delivering increased efficiencies to financiers, governments and projects alike.