

Safeguards Update

Meeting with Conservation Organizations

Washington, DC

April 12, 2005

Organizations Represented

IFC, IBRD, World Wildlife Fund, IUCN, Conservation International, World Resources Institute, National Wildlife Federation, Fauna and Flora International, BirdLife International

Discussion Summary:

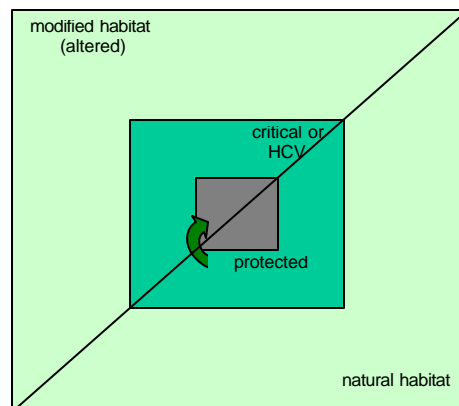
The meeting commenced with a brief presentation on the status of policy review process and an overview of the proposed Policy and Performance Standards on Social and Environmental Sustainability. The presentation is available on IFC's website at <http://www.ifc.org/policyreview>.

The presentation was followed by an in-depth discussion of the biodiversity and natural resource management aspects of the Policy & Performance Standards on Social and Environmental Sustainability – particularly Performance Standard 6 “Conservation of Biodiversity and Sustainable Natural Resource Management”. An overview of the discussions is presented in the following section.

Questions & Comments

Conceptual Framework of PS6

- IFC is considering reframing Performance Standard 6 around the major threats to biodiversity including habitat destruction and invasive alien species. In addition, the revised approach to the PS is intended to more clearly address impacts on biodiversity in both natural and modified habitat



- The framework presented is a step forward – it is good to catch agricultural areas via the “managed” habitat construct
- Who decides where a project fits into the conceptual scheme?
 - The client conducts the assessment but IFC will review and reach agreement with the client early in the process.
 - IFC engages with the client early on to work with the client as they conduct the assessment

- How do you apply this construct where the project's intention is to degrade/manage a habitat – e.g. agricultural areas?
 - IFC is still considering how to address situations there is a managed habitat with high conservation value. We are still considering specific language, but in general, IFC would look at an area and determine if it has conservation value. The concept of ecosystem stability is also useful in making this determination – though it is difficult to clearly link specific ecosystem harm to a specific actor.
- Biodiversity action plans (BAP) are a tool to focus on for implementation of this PS. BAPs let you identify biodiversity and conservation targets. IFC should strengthen the BAP annex in the Guidance Note and clearly signal to clients that there will often be an existing biodiversity strategy to consider as well as the importance of coordinating with what other organizations/ actors are doing.
- There is risk of neglecting time and space considerations in PS6. The PS needs to address more than geographical considerations. It is also important to focus on supply chains.
- The ecosystem stability concept changes over time; IFC should also consider the impact of an investment over time as projects have secondary and induced impacts.
 - IFC recognizes the importance of space and time considerations and have addressed them within the context of PS1 as these are cross-cutting issues relevant to all of the PS. Specifically, paragraphs 11-15 of the Guidance Notes for PS1 address these issues.
 - While the process may be addressed in PS1, it would be useful to clearly cross-reference this as it is important for the PS and any reader of it.
- It would be better to combine PS1 & PS9 and to consider them as an umbrella PS over the others.
- The concept of natural resource dependent communities should be addressed and perhaps is best addressed in PS6 – particularly if it is likely to come out of PS7 – per the footnote in the Guidance Note for PS7.
 - This concept is important and will be addressed through PS1's approach to vulnerability rather than within PS6.

Protection & Conservation / No-go Circumstances

- Overall, there is too much wiggle room in the PS – IFC needs to define “significant”. Is there such a thing as non-significant conversion of a critical habitat? Who makes a judgment of what's significant?
 - IFC would apply the significance test via a biodiversity assessment that identifies the nature/state of the habitat and determines whether an investment activity would undermine the integrity of the habitat.
 - IFC makes the ultimate decision regarding what's significant.
- IFC should be stronger on no-go areas – should consider IUCN categories I-IV as no-go.
- IFC should consider putting biodiversity assessment and a definition of significance into the Performance Standard.
- The requirement for net benefits in protected areas is critical. The PS should be clear about what is meant by ‘net benefit’ as well as about who a client should consult for opinions on this matter
- IFC should consider applying the ‘net benefit’ requirement to activities in critical habitat – and not limit this requirement just to protected areas.
- It is not clear why threatened species are treated differently than endangered species.
- Should look at the World Bank's list of sources for threatened and endangered species information as well as data compiled by BirdLife International as it has updated its information more recently than the WB.
- Critical habitat is a key issue. Not all critical habitats are ‘natural’, e.g. tiger reserves in India are highly managed. The word “natural” could be removed from the current term “critical natural habitat”.
- There is a growing convergence in the conservation community around the definition of ‘high conservation value’. IFC should define ‘high conservation value’ in the PS and could refer to published criteria on this.
- The definitions of economic and technical feasibility are very broad and provide a great deal of ‘wiggle room’
 - Assessments must be done by appropriately qualified people and IFC ultimately determines what is acceptable and exercises this ‘wiggle room’ at the risk of its reputation.
 - This wiggle room is also controlled to some extent through disclosure of information to the public.

- Nonetheless, IFC should reduce this wiggle room in the PS to the greatest extent possible – e.g. could consider specifying some no-go situations
- PS9 could also be tighter in terms of specific monitoring and reporting requirements

Forests

- IFC should consider the latest WB forest policy language regarding forest certification – FSC or equivalent – as this was negotiated with WWF
 - This language is in the Guidance Note to PS6 almost in its entirety

Invasive Alien Species

- What is meant by the reference to ‘regulatory framework’ in the alien invasive species section of the PS? Most national laws are weak on this subject and IFC should consider a specific link to IUCN guidelines on this
 - Regulatory framework refers to national laws.
- The word ‘introduction’ in the alien and invasive species section is very active. It might be better to say “prevent spread or colonization”. Further, there should be a requirement to assess risk and to determine the likelihood of an introduction of an alien species with a high risk of invasive behavior.

GHG / Land Use Change

- The PS inclusion of offsets is encouraging, CO2 from land use change and habitat conversion is important.
- Should be clearer whether offsets would be required where there are not national laws implementing host country obligations under UNFCCC.
- IFC should look at Conservation International’s project-based standard for offsets and biodiversity protection. <http://www.climate-standards.org/>
- Offsets need to have an element of additionally and to meet a quality standard – this is also outlined on CI’s website.
- Offsetting would necessitate quantification
 - IFC recognizes this and is revising this section of the draft.
 - IFC would also look for carbon opportunities – e.g. via the CCF, GEF
- It is important to consider the cost implications of this and impacts on IFC’s competitiveness. IFC should have incentives and clear business reasons for clients to offset and go beyond compliance.

Guidance Note 6

- The reference section of the Guidance Note is too thin and should be expanded.

Action Items

- BirdLife to follow up with IFC regarding species lists
- Conservation International to contact IFC regarding potential web-portal for biodiversity information