



## A Guide to Biodiversity for the Private Sector

[www.ifc.org/BiodiversityGuide](http://www.ifc.org/BiodiversityGuide)

### The Risks of Operating in Remote Areas and “No-Go” Zones

While business activities in any part of the world, even urbanized areas, can pose threats to biodiversity, there are particular risks associated with operations in relatively remote and undeveloped regions. These remote areas often include relatively intact, pristine ecosystems with significant levels of species diversity and endemism. Business operations can threaten this biodiversity through land clearing, habitat conversion, pollution and the introduction of non-native species.

Because these areas are remote and undeveloped, they generally lack the basic infrastructure, such as roads, power lines and other facilities, that companies may need to do business. Constructing such infrastructure can pose further threats to biodiversity. The development of linear structures, such as roads, corridors for transmission lines, or pipelines can fragment habitats and provide increased access to an undeveloped area, leading to a whole range of induced indirect impacts. Improved access can result in increased poaching, illegal logging, agricultural conversion, spontaneous settlements, and artisanal mining, all of which can increase the strain on the area's biodiversity resources.

Because of these increased risks and the high biodiversity value of many remote areas, some parties in the conservation community — and even the business world — have proposed the idea of “no-go zones,” areas where industrial development just shouldn't take place. It is generally proposed that these areas include certain types of protected areas, specifically IUCN category I-IV protected areas [<http://www.iucn.org/themes/wcpa/ppa/protectedareas.htm>], which designate the highest level of protection and most strictly limit human use. However, while some have suggested the idea of mapping out a comprehensive set of areas that would be considered no-go zones, the more common approach is to develop a set of decision points that businesses can use to evaluate possible project sites on a case-by-case basis.

Rather than taking a straight no-go zone approach, the IFC relies on the professional judgment of its environmental and social specialists and the close analysis of all proposed project activities

and project areas, based on a standard decision-making process. IFC's newly revised [Performance Standards](#) require a comprehensive approach to biodiversity and natural resource management, with a cumulative set of requirements that increase in projects dealing with increasingly critical biodiversity. The IFC definition of critical habitat has been substantially strengthened and the requirement related to critical habitats is a measurable standard based on science. As a result of these changes, some invasive project activities proposed in areas of high biodiversity will not meet the requirements of the Performance Standard, leading to an IFC decision not to finance the project. At the same time, other benign project activities might be permitted in areas of high biodiversity if all the specific requirements are met.

A Habitat Decision Framework is included as part of the Guidance Note for [IFC's Performance Standard 6](#), which addresses Conservation of Biodiversity and Sustainable Natural Resource Management. This framework will be publicly available after April 30, 2006

Another tool with a similar approach is the Framework for Integrating Biodiversity into the Site Selection Process, [<http://www.theebi.org/pdfs/selection.pdf>] developed by The Energy and Biodiversity Initiative [<http://www.theebi.org>] a joint initiative of four major international energy companies and five leading conservation organizations that came together to develop tools and recommendations for integrating biodiversity considerations into upstream oil and gas development. Although the tool was developed specifically for the energy industry, it can easily be adapted by many other sectors.

Finally, some companies are beginning to take a closer look at their policies for site selection and developing decision-making standards and procedures to reflect the increased risks of operating in areas of high biodiversity value. For example, the Royal Dutch/Shell Group of companies has made a commitment not to operate in World Heritage Sites [<http://www.iucn.org/themes/wcpa/wpc2003/pdfs/pressreleases/shell270803.pdf>].