
Guidance Note: EBRD Performance Requirement 6

**Biodiversity Conservation and Sustainable
Management of Living Natural Resources**



European Bank
for Reconstruction and Development

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1 Introduction

The European Bank for Reconstruction and Development's (EBRD) [Environmental and Social Policy](#) (ESP, 2014) commits the Bank to "be precautionary in its approach to the protection, conservation, management and sustainable use of living natural resources and will require relevant projects to include measures to safeguard and, where feasible, enhance ecosystems and the biodiversity they support."

To help implement these commitments at the project level, the ESP includes [Performance Requirement \(PR\) 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources](#).

This guidance note has been prepared to assist the EBRD's clients; impact assessment practitioners who may be involved in project appraisals, monitoring and related due diligence; and/or other stakeholders who wish to better understand the key concepts and specific requirements addressed in PR6.

This guidance note is not intended as a comprehensive "how to" guide that would duplicate the wealth of guidance and/or good practice examples available elsewhere. Instead, it is designed as a concise "where to" guide that helps users find appropriate external guidance and provides definitions of key terms used in PR6.

Given the variety of issues covered in PR 6, this guidance note only addresses the biodiversity conservation and management requirements addressed in paragraphs 1-21 of PR6. Additional guidance on Sustainable Management of Living Natural Resources will be addressed in a separate document.

2 The importance of biodiversity conservation and the role EBRD plays

Biodiversity is widely understood to be undergoing significant and increasing loss and degradation globally.¹² Similarly, use of living natural resources frequently exceeds sustainable levels.³ In spite of the introduction of biodiversity legislation and nature directives across the EBRD's regions, biodiversity is being lost at an unparalleled pace. Further land cover conversion and intensification of land use may negatively affect the region's biodiversity, directly through resource depletion and habitat destruction or fragmentation, and indirectly through pollution (for example, eutrophication and acidification).

Loss and degradation of biodiversity and living natural resources have complex context-dependent effects, and can negatively impact economic prosperity and human development. The understanding of these complexities and interdependencies is particularly important in assessing development in countries in transition, where reliance on natural resource-based livelihoods may be widespread.

The EBRD is committed to promoting environmentally sound and sustainable development in the full range of its activities, including investments and technical cooperation initiatives. The EBRD sees sustainability as a fundamental part of its mandate to foster transition towards open market-oriented economies, and actively seeks projects which align with sustainability goals.

The EBRD recognises that the conservation and protection of biodiversity and sustainable management of living natural resources are fundamental to environmental and social sustainability. Accordingly, the EBRD is precautionary in its approach to the protection, conservation, management and sustainable use of living natural resources and will require relevant projects to include measures to safeguard and, where feasible, enhance ecosystems and the biodiversity they support.

The EBRD's [PR6: Biodiversity Conservation and Sustainable Management of Living Natural Resources](#) recognises the importance of maintaining core ecological functions of ecosystems and the biodiversity they support. PR6 also recognises that (i) the livelihood of indigenous peoples and affected communities whose access to, or use of, biodiversity or living natural resources may be affected by project activities, and (ii) they may have a positive role in biodiversity conservation and sustainable management of living natural resources. The EBRD believes that the objective of biodiversity conservation and sustainable management of living resources must be balanced with the potential for utilising the multiple economic, social and cultural values of biodiversity and living natural resources in an optimised manner.

The EBRD is committed to promoting the adoption of European Union (EU) environmental principles, practices and substantive standards by EBRD-financed projects, where these can be applied at the project level, regardless of their geographic location. When host country regulations differ from EU substantive environmental standards, projects will be expected to meet whichever is more stringent. In the context of PR 6, three key directives must be considered: the EU [Habitats](#), [Birds](#) and [EIA](#) Directives.

3 Key concepts

The [Biodiversity A-Z](#) and the [Convention on Biological Diversity](#) are useful resources for defining biodiversity-related terms. Some key concepts relevant to PR6 are summarised below.

3.1 Biodiversity

(PR6 paragraph 1 and onwards). Biological diversity or "biodiversity" means the variability among living organisms from all sources including, among other things, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part. This includes diversity within species, between species, and of ecosystems.

3.2 Ecosystem

(PR6 paragraph 2 and onwards). The dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit. "Ecosystem" is used interchangeably with "habitat" in EBRD PR6 with the exception of "critical habitat", which is defined in 3.7 below.

3.3 Ecological functions

(PR6 paragraph 2 and onwards). Intrinsic ecosystem characteristics whereby an ecosystem maintains its integrity. Ecosystem processes include decomposition, production, water and nutrient cycling, and fluxes of nutrients and energy. Also known as ecological/ecosystem processes/functions.

¹ [CBD \(2010\) Global Biodiversity Outlook 3. Secretariat of the Convention on Biological Diversity, Montréal, Canada.](#)

² [UNEP \(2012\) GEO5: Global Environment Outlook: Environment for the future we want. United Nations Environment Programme, Nairobi, Kenya.](#)

³ [MA \(2005\) Ecosystems and Human Well-being: Current State and Trends, Volume 1. Findings of the Condition and Trends Working Group of the Millennium Ecosystem Assessment. Island Press, Washington D.C., USA.](#)

3.4 Values of biodiversity

(PR6 paragraph 3). The importance attributed to features of biodiversity by local, national and/or international stakeholders. This value can vary between stakeholders (for example, scientists versus fishers) and may change over time as societal norms shift. The concept of value used here is not restricted to financial or economic definitions, but also refers to rarely-monetised definitions such as cultural or scientific, and/or the value of species to people purely in terms of their existence (rather than any use value). Some values are indirect, for example, some stakeholders may highly value the existence of brown bears and thus also value the existence of their habitat or prey such as salmon or small mammals.

3.5 Mitigation hierarchy

(PR6 paragraph 5 and onwards). A tool commonly applied in Environmental Impact Assessments (EIAs) which helps to manage biodiversity risk. Includes measures taken to avoid impacts to biodiversity from the outset of development activities and, where this is not possible, to implement measures that would minimise, then reinstate and, as a last resort, offset any potential residual adverse impacts.

3.6 Priority biodiversity features

(PR6 paragraph 12). This concept replaces the previous definition of natural habitat used by the EBRD (in the 2008 ESP) and adopts the criterion-based approach already used for definition of critical habitat. Priority in all EBRD definitions combines consideration of irreplaceability (the limited number of places in which the feature is found) and vulnerability (the risk of the feature being lost over time). Priority biodiversity features have a high, but not the highest, degree of irreplaceability and/or vulnerability. Although a level below critical habitat in sensitivity, they still require careful consideration during project assessment and impact mitigation.

In current practice such features are often identified (for example, during the environmental screening or assessment process) as species or issues that do not merit critical habitat status, but remain of concern from a conservation perspective. The EBRD does not use the term “natural habitat” which is used by some financial institutions to describe areas composed of viable assemblages of native species where human activity has not essentially modified primary ecological functions or species composition. Such areas are likely to include priority biodiversity features. Many existing approaches can be used to support the identification of priority biodiversity features, such as [systematic conservation planning](#), [High Conservation Value \(HCV\) assessment](#), and [identification of Key Biodiversity Areas](#) (including, for example, [Important Bird and Biodiversity Areas](#) and [Important Plant Areas](#)).

Where appropriate, consultation with EBRD staff and/or expert stakeholders (such as government agencies, local or international NGOs, academia, conservation experts) will be important to ensure that potential priority biodiversity features have been considered, and not just those already captured within existing global or national data sources.

Table 1. Examples of features that may meet criteria for priority biodiversity features

| Priority biodiversity features as per EBRD PR6 (2014), paragraph 12 | Examples |
|--|---|
| Threatened habitats | Habitats considered under pressure by national, regional or international assessments. These include natural and priority habitats identified under the EU Habitats Directive (Annex I). |
| Vulnerable species | Species listed by the International Union for Conservation of Nature (IUCN) or any other national/regional lists (such as national Red Lists) as Vulnerable (VU) or equivalent. These include animal and plant species of community interest identified under the EU Habitats Directive (Annex II). |
| Significant biodiversity features identified by a broad set of stakeholders or governments | Key Biodiversity Areas and Important Bird and Biodiversity Areas; nationally and internationally important species or sites for conservation of biodiversity; many areas meeting natural habitat definitions of other international financial institutions. |
| Ecological structure and functions needed to maintain the viability of priority biodiversity features | Where essential for priority biodiversity features, riparian zones and rivers, dispersal or migration corridors, hydrological regimes, seasonal refuges or food sources, keystone or habitat-forming species. |

3.7 Critical habitat

(PR6 paragraph 14). Areas identified as critical habitat hold the highest tier of irreplaceable (existing in few places) and vulnerable (at high risk of being lost) biodiversity features. The criteria used by the EBRD's PR6 to define critical habitat build on and are closely aligned with those used by the [International Finance Corporation Performance Standard 6 \(IFC PS6\)](#). PR6 also explicitly includes ecological functions that are vital for maintaining the

viability of critical habitat features. Identification of such functions will vary between features and locations, so the involvement of credible external experts with relevant ecological experience is highly recommended. Illustrative examples of such functions, as well as examples of features that would meet other critical habitat criteria, are provided in Table 2.

Table 2. Examples of features that may meet criteria for critical habitat and relationship with criteria for priority biodiversity features

| Critical habitat as per EBRD PR6 (2014), paragraph 14 | Definition/examples | Priority biodiversity features as per EBRD PR6 (2014), paragraph 12 |
|---|---|---|
| (i) Highly threatened or unique ecosystems | <p>Ecosystems that are at risk of significantly decreasing in area or quality; have a small spatial extent; and/or contain concentrations of biome-restricted species. For example:</p> <ul style="list-style-type: none"> ■ Ecosystems listed as, or meeting criteria for, Endangered or Critically Endangered by the IUCN Red List of Ecosystems ■ Areas recognised as priorities in official regional or national plans, such as National Biodiversity Strategy and Action Plans ■ Areas determined to be of high priority/significance based on systematic conservation planning carried out by government bodies, recognised academic institutions and/or other relevant qualified organisations (including internationally-recognised NGOs). | (i) Threatened habitats |
| (ii) Habitats of significant importance to endangered or critically endangered species | <p>Areas supporting species at high risk of extinction (Critically Endangered or Endangered) on the IUCN Red List of Threatened species (or equivalent national/regional systems). For example:</p> <ul style="list-style-type: none"> ■ Alliance for Zero Extinction sites ■ Animal and plant species of community interest in need of strict protection as listed in EU Habitats Directive (Annex IV). | (ii) Vulnerable species |
| (iii) Habitats of significant importance to endemic or geographically restricted species | <p>Areas holding a significant proportion of the global range or population of species qualifying as restricted-range under Birdlife or IUCN criteria. For example:</p> <ul style="list-style-type: none"> ■ Alliance for Zero Extinction sites ■ Global-level Key Biodiversity Areas and Important Bird and Biodiversity Areas identified for restricted-range species. | (iii) Significant biodiversity features identified by a broad set of stakeholders or governments (such as Key Biodiversity Areas or Important Bird Areas) |
| (iv) Habitats supporting globally significant (concentrations of) migratory or congregatory species | <p>Areas that support a significant proportion of a species' population, where that species cyclically and predictably moves from one geographical area to another (including within the same ecosystem), or areas that support large groups of a species' population that gather on a cyclical or otherwise regular and/or predictable basis. For example:</p> <ul style="list-style-type: none"> ■ Global-level Key Biodiversity Areas and Important Bird and Biodiversity Areas identified for congregatory species ■ Wetlands of International Importance designated under criteria 5 or 6 of the Ramsar Convention. | |
| (v) Areas associated with key evolutionary processes | <p>Areas with landscape features that might be associated with particular evolutionary processes or populations of species that are especially distinct and may be of special conservation concern given their distinct evolutionary history. For example:</p> <ul style="list-style-type: none"> ■ Isolated lakes or mountaintops ■ Populations of species listed as priorities by the Edge of Existence programme. | |
| (vi) Ecological functions that are vital to maintaining the viability of biodiversity features described (as critical habitat features) | <p>Ecological functions without which critical biodiversity features could not persist. For example:</p> <ul style="list-style-type: none"> ■ Where essential for critical biodiversity features, riparian zones and rivers, dispersal or migration corridors, hydrological regimes, seasonal refuges or food sources, keystone or habitat-forming species. | (iv) Ecological structure and functions needed to maintain the viability of priority biodiversity features |

3.8 Biodiversity offsets

(PR6 paragraph 5 and onwards). Measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts. These residual impacts may result from project development after appropriate prevention and mitigation measures have been taken into account. The goal of biodiversity offsets is to achieve “no net loss” (see definition below) and preferably a net gain of biodiversity on the ground. The characteristics of offsets could include those designed to improve species composition, habitat structure and ecosystem function and people’s use and cultural values associated with biodiversity.

3.9 No net loss

(PR6 paragraphs 5, 13). The point at which project-related impacts on priority biodiversity features are reduced by avoidance, minimisation and/or reinstatement measures, and offsetting compensates fully for all significant residual impacts – that is to say, no significant net impacts on biodiversity remain.

3.10 Net gain

(PR6 paragraphs 5, 13, 16). Going beyond “no net loss”, through achievement of additional conservation outcomes for the biodiversity features for which critical habitat was designated. Net gains will usually be achieved through the development of a biodiversity offset.

3.11 Monitoring

(PR6 paragraph 7). The standardised measurement and observation of indicators to understand changes over time (for example, in the condition or threats to priority biodiversity features), often used for warning and adaptive management. These structured measurements may be continuous or at defined intervals. See PR1.

3.12 Adaptive management

(PR6 paragraph 11). Management that involves a learning process which helps to adapt methodologies and practices in response to changed understanding of issues or actual changes that occur over time (for example, modifying mitigation if unexpectedly high impacts on biodiversity are found during monitoring). There is a responsibility to continually improve upon the existing management of biodiversity, ecosystem services and living natural resources. See PR1.

3.13 Sustainable use or management

(PR6 paragraph 1 and onwards). The use of components of biodiversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.

3.14 Relevant EU Directives

In the context of PR6, three key directives must be considered: the EU Habitats, Birds and EIA Directives.

The [Habitats Directive](#)⁴ lists over 200 habitat types and over 1,000 species for which special conservation measures are required. Annex I lists habitat types and Annex II species for which Special Areas of Conservation (SAC) are required (under circumstances described in Annex III). Development restrictions are placed on these sites, and a 2014 amendment requires application of the mitigation hierarchy for developments in SACs. This allows the use of biodiversity offsets for significant adverse effects. Annex IV lists species in need of strict protection and for these species prohibits all forms of deliberate killing or capture, deliberate disturbance, destruction of breeding sites or resting places, and keeping or trade. Annex V lists species for which the controlled hunting or collection is allowed. Annex VI lists prohibited means of killing, capture or transport. See Section 6.4 of this Guidance Note for specific requirements related to operating within Protected Areas.

The [Birds Directive](#)⁵ bans activities which directly threaten the survival of wild birds. This includes the deliberate killing or capture of birds, collection of eggs and the destruction of nests, and the trade in live or dead birds (or eggs). The regulated sustainable hunting of some species is allowed. Annex I lists restricted-range and threatened species for which special habitat conservation measures are required (Special Protection Areas). Annex II lists species for which regulated hunting is allowed and Annex III lists species which are allowed to be traded legally.

The [EIA Directive](#)⁶ describes requirements for impact assessments for public and private projects which are likely to have significant effects on the environment. Annex I lists projects for which an EIA is mandatory. Annex II lists projects which Member State authorities shall decide whether an EIA is required following a screening process. The [EIA Directive was amended most recently in 2014](#) to, among other changes, integrate biodiversity protection as an important element in the EIA assessment and decision-making processes and to oblige developers to follow the mitigation hierarchy (including the use of biodiversity offsets). The EBRD’s requirements concerning impact assessments, and how these are tied to the EIA Directive, are addressed in [PR1: Assessment and Management of Environmental and Social Impacts and Issues](#).

⁴ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p.7) as amended.

⁵ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7–25).

⁶ Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40–8), as amended.

4 Biodiversity screening and assessment

Screening and assessment for biodiversity is outlined in PR6, paragraphs 6-10. Additional information relevant to the general process of assessment is described in [PR1: Assessment and Management of Environmental and Social Impacts and Issues](#). The [Cross Sector Biodiversity Initiative \(CSBI\)](#), a partnership between the International Council on Mining and Metals (ICMM), IPIECA, the global oil and gas industry association for environmental and social issues, and leading financial institutions (including the Equator Principle Association, the EBRD and IFC) have also recently developed an indicative [timeline tool](#) that is designed to assist professionals coordinate project development calendars, financial timelines and biodiversity impact assessment and management schedules.

In all cases, stakeholders should be engaged in line with PR10. Where indigenous peoples may be present, specific requirements apply as outlined in PR7.

4.1 Biodiversity screening

(PR6 paragraph 6). Good screening is the first and most fundamental step to designing an efficient and effective assessment and mitigation process. It should aim to inform project avoidance and minimisation of biodiversity impacts at an early stage. As a first step, the client should determine whether its project has the potential to result in significant adverse impacts to biodiversity (and therefore whether PR6 is relevant). If relevant, initial biodiversity screening should use existing data and resources to identify biodiversity of concern, particularly priority biodiversity features and critical habitat, and/or potential gaps in information that may need to be filled. Biodiversity screening should be aligned with the [EU Environmental Impact Assessment \(EIA\) directives](#), which include [screening guidance](#) and [supporting checklists](#) as well as the EU Habitats Directive Screening process and associated guidance. Additional useful guidance on screening is available in the [Energy and Biodiversity Initiative framework](#) and [CBD Voluntary Guidance on Impact Assessment](#).

A number of online databases, tools and related portals are available to support rapid initial screening. While these data are useful during initial screening or scoping, they are not a substitute for doing further baseline assessment. In some cases, data are still in the process of being collected, while in others data may be out of date or incomplete. As such, these data should always be interpreted carefully by knowledgeable experts. Useful datasets include:

- [Integrated Biodiversity Assessment Tool](#), synthesising data from several sources on Protected Areas, Key Biodiversity Areas (including Important Bird and Biodiversity Areas and Alliance for Zero Extinction sites) and the IUCN Red List of Threatened Species
- [A to Z areas of biodiversity importance](#)
- [National Red Lists](#)
- [Important Plant Area Database](#)
- [Fishbase](#)
- [Global Forest Watch](#).

In addition to this, some countries have national or local systems to support screening. Other frequently available resources include [National Biodiversity Strategies and Action Plans](#), systematic conservation plans and land-use plans. Some countries are party to bilateral or multilateral biodiversity agreements (such as regional agreements like the Danube River Protection Convention) which also need to be taken into account.

Further biodiversity-focused assessments will often be needed where the presence – even temporary – of any biodiversity features is confirmed or suspected, especially in cases where critical habitat or priority biodiversity features are confirmed or suspected during the screening process, or where significant data gaps exist. Consultation with credible external experts or organisations with relevant experience of the features and/or region may support such a determination, through expert review and access to unpublished data.

Screening is a crucial step that requires sufficient attention. An inadequate screening process may lead to biodiversity issues being overlooked or the conclusions not resulting in a biodiversity assessment that adequately informs mitigation planning. The end result may be project delays and additional costs from the need to commission further studies, as well as the resulting reputational risk.

4.2 Baseline characterisation and minimum biodiversity assessment requirements

(PR6 paragraphs 7-9). Detailed guidance for the characterisation of baselines and biodiversity assessments is offered within the following documents that were prepared on behalf of the Multilateral Financing Institutions' [Biodiversity Working Group in 2015: Good Practices for the Collection of Biodiversity Baseline Data](#) and [Good Practices for Biodiversity Inclusive Impact Assessment and Management Planning](#).

The effort put into establishing baselines should be commensurate with the level of risk and impact. In some cases (for example, low risk projects with a well understood biodiversity context) a desktop review supported by ground-truthing may be adequate. For more complex projects, biodiversity baseline assessments may require some or all of the following:

- Developed by credible, independent consultants with relevant experience
- Developed with input and ideally peer review (at a level commensurate with risks) from credible external experts or organisations
- Clearly defined and mapped study area, including area of influence and a consideration of broader landscape context
- Includes maps of land use, vegetation types and overlap with proposed project footprint
- Based on most recently available data from key sources (including alignment of species taxonomy and nomenclature with global/national threatened species lists) and includes reference list of all resources used and experts consulted
- Consideration of data synthesised within the [Integrated Biodiversity Assessment Tool](#)
- Where field surveys are required, they should be undertaken at relevant times and seasons needed to

cover expected variations in biodiversity detectability and activity

- Field surveys, where appropriate, should consider all vertebrates (mammals, birds, reptiles, amphibians, fish)
- Field surveys, where appropriate, should consider all potential occurring critical habitat and priority biodiversity features
- All methods, including dates, location and duration of field surveys, should be documented in a way that allows a clear understanding of the approach and facilitates replication if required
- Original, as well as summary, data are made available to the competent authorities.

More information on assessment is available in PR1.

4.3 Consultation with external experts and interested stakeholders

Due to the specialised nature of biodiversity knowledge, external experts are often necessary to support assessment and management of biodiversity risks. Care must be taken to select the most appropriate skill set for a project, including consideration of relevant geographic and taxonomic experience. In many cases, different specialists will be needed for different aspects of the project (such as landscape planning, field survey methods and identification of new species). Biodiversity management specialists who are familiar with specific industries and safeguard systems can help developers navigate novel or complex biodiversity issues, networks and data.

In high risk projects, such as those involving critical habitat, clients should ensure that external experts with regional experience are involved in the assessment and management process. Such experts can provide access to local and regional knowledge and experience. For example, [IUCN Species Specialist Groups](#) include world experts that span a range of species groups and conservation management issues. In some projects with high risk biodiversity issues, the use of expert panels can enhance project-level resources and transparency in decision making. In addition, some experts may be aligned with conservation organisations or agencies that may be available to support long term planning, monitoring and implementation via partnerships. Such partners can also help with identifying additional expertise or data, and facilitate discussions with other civil society groups or local stakeholders.

4.4 Critical habitat assessments

A critical habitat assessment will be required where impacts on critical biodiversity features (Table 2) could occur or are suspected. Recommended steps in a critical habitat assessment are:

- **Define the study area.** This may include a relatively broad landscape or seascape unit and will depend on the biodiversity features of interest and the ecological functions required to maintain them. A critical habitat assessment must encompass all direct and indirect impacts and not solely focus on the project site. More than one study area may be defined if ecologically sensible.

- **Stakeholder consultation and initial desktop review of all available data⁷** obtained during screening in order to understand biodiversity within the landscape from the perspective of all relevant stakeholders. It should be noted that sometimes stakeholders that use a protected area, such as a park or river system, are not living in the vicinity of the area but travel to it. These stakeholder views are also important.
- **Verification of available information** within the study area, including in-field data collection where necessary, via engagement of qualified specialists.
- **Confirmation of biodiversity** likely to meet critical habitat criteria, as defined by PR6 and based on the importance of the study area(s) to each biodiversity feature.
- **Determination of critical habitat status** (of each study area) based on analysis of all collected data.

For further information, [IFC PS6 Guidance Note \(GN6\)](#) provides detailed guidance on undertaking a critical habitat assessment. Definitions of and quantitative thresholds for critical habitat biodiversity follow those of GN6⁸ until such a time as international consensus develops on more detailed guidance (such as the [IUCN Red List of Ecosystems](#) or the [Key Biodiversity Area standard](#)).

4.5 Operating in protected areas

(PR6, paragraphs 19-20). The EBRD's PR6 establishes specific requirements for operating in legally protected and internationally recognised areas of biodiversity value. An important example of such areas is the network of [Natura 2000](#) sites, designated by the EU Habitats Directive, which form the centrepiece of EU nature and biodiversity policy. Activities and developments are possible in Natura 2000 sites as long as they do not contravene the Birds or Habitats Directives. In other instances, some areas may have been proposed for protection by a government authority or other body but the process for designation has not been completed (for example, [candidate Emerald sites](#) proposed by countries across Eastern Europe and the Caucasus, Western Balkans and Morocco in accordance with the obligations under the [Bern Convention](#)). In such circumstances, these proposed protected areas are likely to be of concern to stakeholders and thus should be treated like designated areas. Details on possible proposed protected areas might be obtained through stakeholder consultation. Furthermore, PR6 follows the [IUCN definition of protected areas](#) which includes sites protected by both legal and other effective means. Areas protected by other effective means include, for example, private nature reserves. These may not be designated as protected areas under national legislation but are managed as such by their owners.

Where the project occurs within or has the potential to adversely affect an area that is protected through legal or other effective means and/or is internationally recognised or proposed for such status by national governments. PR6 specifically requires that:

- the client must identify and assess potential project-related impacts and apply the mitigation hierarchy so that impacts from the project will not compromise the integrity, conservation objectives and/or biodiversity importance of such an area.

⁷ Some data (such as habitat mapping) may need to be restricted to prevent future poaching/harvesting of species of conservation importance.

⁸ [GN 55-97 in IFC \(2012\) IFC Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. International Finance Corporation \(IFC\), Washington D.C., USA.](#)

- if the assessment identifies that the project has the potential to adversely impact priority biodiversity features and/or critical habitat within the legally protected areas or internationally recognised areas of biodiversity value, the client will seek to avoid such impacts in accordance with paragraphs 13 or 15-17 respectively.

In addition the client will:

- demonstrate that any proposed development is legally permitted, which may have entailed that a specific assessment of the project related impacts on the protected area has been carried out as required under applicable law
- act in a manner consistent with any government-recognised management plans for such areas
- consult protected area managers, relevant authorities, local communities and other stakeholders on the proposed project in accordance with PR 10
- implement additional programmes, as appropriate, to promote and enhance the conservation objectives of the protected area.

Operations within protected areas are often perceived as high risk by project stakeholders, regardless of biodiversity features present, and must be carefully managed with a precautionary approach to maintain the integrity and conservation objectives of the protected site. The EBRD applies the spirit and principles of the EU EIA and Habitats Directive regardless of geographic location of the project. The EU Habitats Directive provides specific [guidance on the assessment of impacts on protected sites](#), such as Natura 2000. This EU guidance has the following recommendations.

- **Screening** – the process which identifies the likely impacts upon a site of a project or plan, either alone or in combination with other projects or plans, and considers whether these impacts are likely to be significant.
- **“Appropriate assessment”** – the consideration of the impact on the integrity of the site of the project or plan, either alone or in combination with other projects or plans, with respect to the site’s structure and function and its conservation objectives. In addition, where there are adverse impacts, an assessment of the potential mitigation of those impacts.
- **Assessment of alternative solutions** – the process of examining alternative ways to achieve the objectives of the project or plan that avoids adverse impacts on the integrity of the site.
- **Assessment of compensatory measures** – where no alternative solutions exist and adverse impacts remain, but where, in the light of an assessment of imperative reasons of overriding public interest, the competent authorities deem that the project or plan should still be carried out, taking into account compensatory measures to ensure that the overall coherence of the Natura 2000 is protected.

In the event of [dealing with management conflicts likely to be encountered when operating within protected sites](#), principles that are applicable include:

- recognising the importance of involving landowners and land users in decision-making processes
- establishing a good knowledge base for communication and decision-making
- ensuring sustainable management requires long-term commitments to develop mutual understanding and to form a dialogue
- providing information and education targeted to the needs of stakeholders.

Many of these practices will also be useful for projects in close proximity to protected areas where the real or perceived risks can be just as high.

5 Mitigation and planning

Assessment and Management of Environmental and Social Impacts and Issues are described in PR1. Useful guidance specific to integrating biodiversity issues into broader impact assessment, which includes mitigation and planning, is available from the [International Council on Mining and Metals \(ICMM\)](#); [International Petroleum Industry Environmental Conservation Association \(IPIECA\)](#); [Energy and Biodiversity Initiative](#); [Cross Sector Biodiversity Initiative \(CSBI\)](#); [Convention on Biological Diversity Voluntary Guidance on Impact Assessment](#); and the Multilateral Financing Institution (MFI) document previously referenced in section 4.2.. The EBRD also aligns with the [EU Environmental Impact Assessment \(EIA\) Directive which is supported by useful guidance](#).

5.1 Biodiversity Management Plans and Biodiversity Action Plans

(PR6 paragraphs 6, 17). Biodiversity Management Plans (BMPs) and Biodiversity Action Plans (BAPs) should aim to be practical work plans that capture all actions necessary to achieve desired project outcomes (such as no net loss/net gain) on biodiversity. They should clearly capture the tasks, expected timelines, responsible parties and measures for success that allow these plans to be auditable. They should be dynamic, allowing for adaptive management in response to results from project monitoring and evaluation of mitigation measures.

Many overlaps exist in their intention and structure. In general, a BMP should be seen as a compilation of all objectives and actions related to managing biodiversity risks that would be expected within an overall Environmental and Social Management Plan (ESMP). Additional guidance on ESMPs is provided in PR1. In many cases, integrating a BMP within a broader ESMP will better ensure mainstreaming within project management systems and timelines. A BMP will require updates based on changing circumstances and information, and should be aligned with similar update cycles for a broader ESMP to ensure the BMP remains fit for purpose. In cases of high biodiversity risk where transparency on biodiversity-related actions is important, a stand-alone BMP can facilitate communication with partners and external stakeholders while offering a useful demonstration of the priority attached to biodiversity issues.

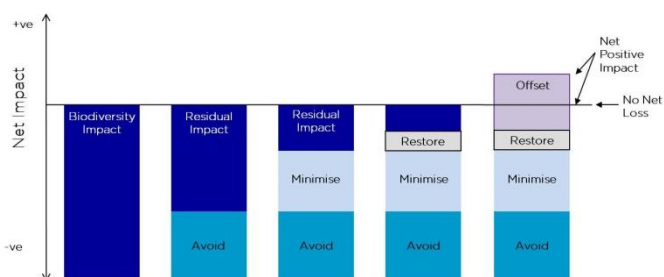
A BAP is a stand-alone plan that often builds on a BMP. A BAP will, however, offer additional information. This will generally include a summary of biodiversity context, issues and partnerships. A BAP may also describe additional time-bound actions that are required of the client to bring the project into compliance with PR6. Some of these actions could also include additional conservation actions in support of conservation priorities unrelated to project impacts, and/or other philanthropic conservation actions which may not be clearly linked to on-the-ground outcomes (such as supporting biodiversity research, education or governance) to ultimately achieve no net loss/net gain conservation outcomes. Some elements of a BAP may need to be updated less frequently than a BMP. BAPs are typically required in projects where there are high biodiversity risks and/or a complex context (for example, when there are many stakeholders or complex issues).

A clear framework for monitoring progress should be developed (and implemented) alongside, or as part of, the BMP or BAP. IFC GN6⁹ outlines considerations for development of such plans. Detailed industry guidance on developing plans is also available and broadly applicable to many EBRD clients.^{10 11}

5.2 The mitigation hierarchy, no net loss and net gain

(PR6 paragraph 5 and footnote 9). Mitigation efforts are expected to follow a mitigation hierarchy, starting with avoidance, minimisation, restoration and, finally, offsetting.

Figure 1. Mitigation hierarchy (from TBC 2014)



The Cross-Sector Biodiversity Initiative (CSBI) has recently developed [guidance on applying the mitigation hierarchy](#), including the importance of aligning financing, project development and impact assessment timelines.

Mitigation should be designed to achieve no net loss, and preferably a net gain, of priority biodiversity features over the long term. The [EU No Net Loss Initiative](#) is developing guidance that will be applicable to EBRD definitions of no net loss or net gain. For critical habitat impacted by the project, mitigation should be designed to achieve net gain. Mitigation plans should clearly describe, prioritise and justify actions according to the mitigation hierarchy. Demonstrating that biodiversity gains are equal to (no net loss) or exceed (net gain) biodiversity losses will require selection of appropriate metrics to measure losses and gains in

biodiversity.¹² Key steps include identification and prioritisation of biodiversity features for inclusion in loss-gain accounting; selection of which metrics to use, ensuring consideration of species and habitat-level measures; selection of a baseline or counterfactual scenario(s) against which to measure losses and gains; and quantification of biodiversity losses and gains likely to be caused by the project during its lifespan.

5.3 Biodiversity offsets

(PR6 paragraph 18). Biodiversity offsets should be considered a last resort in any mitigation package. They should only be attempted with input from credible external experts with relevant experience in their design and implementation and should follow existing principles, guidance, science and best practice.

As well as scientific literature¹³ there is now a wealth of practical guidance available on the appropriate use, design and implementation of biodiversity offsets, including from the [Business and Biodiversity Offsets Programme \(BBOP\)](#)^{14 15} [IUCN/ICMM](#) and IFIs including IFC.¹⁶

In general, at a project level, a project developer would be expected to identify the critical or priority biodiversity features impacted, document mitigation actions, quantify residual impacts and then propose a high-level offset strategy to address those residual impacts. Development of such a strategy before or during an ESIA facilitates stakeholder engagement and endorsement or modification of the strategy. The next step is to develop a more detailed offset management plan to specify and budget for all actions necessary to achieve offset gains equivalent to – or greater than – residual impacts. Monitoring will be necessary to demonstrate success of the plan's implementation or to support adaptive management.

The following BBOP principles are broadly agreed as key guidance for offset design.

- **Adherence to the mitigation hierarchy:** a biodiversity offset is a commitment to compensate for significant residual adverse impacts on biodiversity identified after appropriate avoidance, minimisation and on-site rehabilitation measures have been taken according to the mitigation hierarchy.
- **Limits to what can be offset:** there are situations where residual impacts cannot be fully compensated for by a biodiversity offset because of the irreplaceability or vulnerability of the biodiversity affected.
- **Landscape context:** a biodiversity offset should be designed and implemented in a landscape context to achieve the expected measurable conservation

¹² As an example, see: [Temple, H.J., Anstee, S., Ekstrom, J., Pilgrim, J.D., Rabenantoandro, J., Ramanamanjato, J-B., Randriatafika, F. and Vincelette, M. \(2012\) Forecasting the path towards a Net Positive Impact on biodiversity for Rio Tinto QMM. International Union for Conservation of Nature \(IUCN\), Gland, Switzerland.](#)

¹³ As summarised in: [Pilgrim, J.D. and Ekstrom, J.M.M. \(2014\) Technical conditions for positive outcomes from biodiversity offsets. An input paper for the IUCN Technical Study Group on Biodiversity Offsets. International Union for Conservation of Nature \(IUCN\), Gland, Switzerland.](#)

¹⁴ [BBOP \(2012\) Biodiversity offset design handbook-updated. Business and Biodiversity Offsets Programme \(BBOP\), Washington, D.C., USA.](#)

¹⁵ [BBOP \(2009\) Biodiversity offset implementation handbook. Business and Biodiversity Offsets Programme \(BBOP\), Washington, D.C., USA.](#)

¹⁶ [GN 55-97 in IFC \(2012\) IFC Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. International Finance Corporation \(IFC\), Washington D.C., USA.](#)

⁹ [Annex A in IFC \(2012\) IFC Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. International Finance Corporation \(IFC\), Washington D.C., USA.](#)

¹⁰ [Rio Tinto \(2012\) Staged Approach to Biodiversity Action Planning – Guidance Note.](#)

¹¹ [IPIECA-OGP \(2005\) A guide to developing biodiversity action plans for the oil and gas sector. International Petroleum Industry Environmental Conservation Association \(IPIECA\) & International Association of Oil and Gas Producers \(OGP\), London, UK.](#)

outcomes taking into account available information on the full range of biological, social and cultural values of biodiversity and supporting an ecosystem approach.

- **No net loss:** a biodiversity offset should be designed and implemented to achieve measurable conservation outcomes that can reasonably be expected to result in no net loss and preferably a net gain of biodiversity.
- **Additional conservation outcomes:** a biodiversity offset should achieve conservation outcomes above and beyond results that would have occurred if the offset had not taken place. Offset design and implementation should avoid displacing activities harmful to biodiversity to other locations.
- **Stakeholder participation:** in areas affected by the development project and by the biodiversity offset, the effective participation of stakeholders should be ensured in decision-making about biodiversity offsets, including their evaluation, selection, design, implementation and monitoring. It should be noted that some of those with an interest in the area or occasional use of the area may not live in proximity to the site(s).
- **Fair and equitable approach:** a biodiversity offset should be designed and implemented in an equitable manner, which means the sharing among stakeholders of the rights, responsibilities, risks and rewards associated with a development project and ensuring that these are offset in a fair and balanced way, respecting legal and customary arrangements. Special consideration should be given to respecting both internationally and nationally recognised rights of indigenous peoples and local communities.
- **Long-term outcomes:** the design and implementation of a biodiversity offset should be based on an adaptive management approach, incorporating monitoring and evaluation, with the objective of securing outcomes that last at least as long as the development project's impacts and preferably in perpetuity.
- **Transparency:** the design and implementation of a biodiversity offset, and the public communication of its results, should be undertaken in a transparent and timely manner, unless that disclosure further threatens the species it is intended to protect.
- **Science and traditional knowledge:** the design and implementation of a biodiversity offset shall be a documented process informed by sound science, including an appropriate consideration of traditional knowledge.

5.4 Invasive Alien Species (IAS)

(PR6, paragraph 21). Non-native species that pose a risk of spreading quickly can create significant environmental and socio-economic impacts (for example, crop pests, disease vectors, new predators). Some countries have regulations on species considered as IAS, while the [IUCN Invasive Species Specialist Group](#) offers a database of species known to be IAS. These regulations and lists should be consulted in cases where species introductions have potential to occur in order to prevent introduction of known IAS. The ESIA process should include IAS within the assessment of project risks and impacts, including consideration of the potential for accidental introductions. Measures to prevent accidental introductions or further spread or

eradication, where feasible, of IAS should be captured within the ESMP. Additional guidance aligned with PR6 requirements for IAS, is available from the [CBD](#), [European Commission](#), [IPIECA](#), [IUCN Invasive Species Specialist Group](#) and [IFC GN6](#).¹⁷

6 Engaging EBRD

Managing biodiversity risks and impacts can often be complex and require specialist engagement, especially when encountering priority biodiversity features and/or critical habitats on a project, or when working in or near legally protected and internationally recognised areas of biodiversity value. In these circumstances, it is recommended that potential EBRD clients (or their environmental consultants with permission of the client) contact the Bank early on in the project development process to clarify requirements and approach.

On all projects, EBRD specialists are committed to work with their clients to help define the project scope, categorisation and nature and level of environmental and social investigations that may be required. EBRD specialists will also provide guidance to assist clients in developing appropriate measures consistent with good international practices and the mitigation hierarchy to address environmental and social impacts (such as the need to develop Biodiversity Management Plans, Biodiversity Action Plans and/or Biodiversity Offset Plans). Bank staff can also help clients identify opportunities for additional environmental or social benefits at the project level.

Specific questions related to the EBRD's Environmental and Social Policy and related Performance Requirements, including PR6, can be directed to the project's financial contact point with the EBRD, who will advise the specific environmental and social specialists assigned to the project. General questions on the Bank's ESP can be directed to:

EBRD Environment and Sustainability Department

Tel: +44 20 7338 7158

Email: environmentandsocial@ebrd.com

¹⁷ [GN 119-124 in IFC \(2012\) IFC Guidance Note 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. International Finance Corporation \(IFC\), Washington D.C., USA.](#)