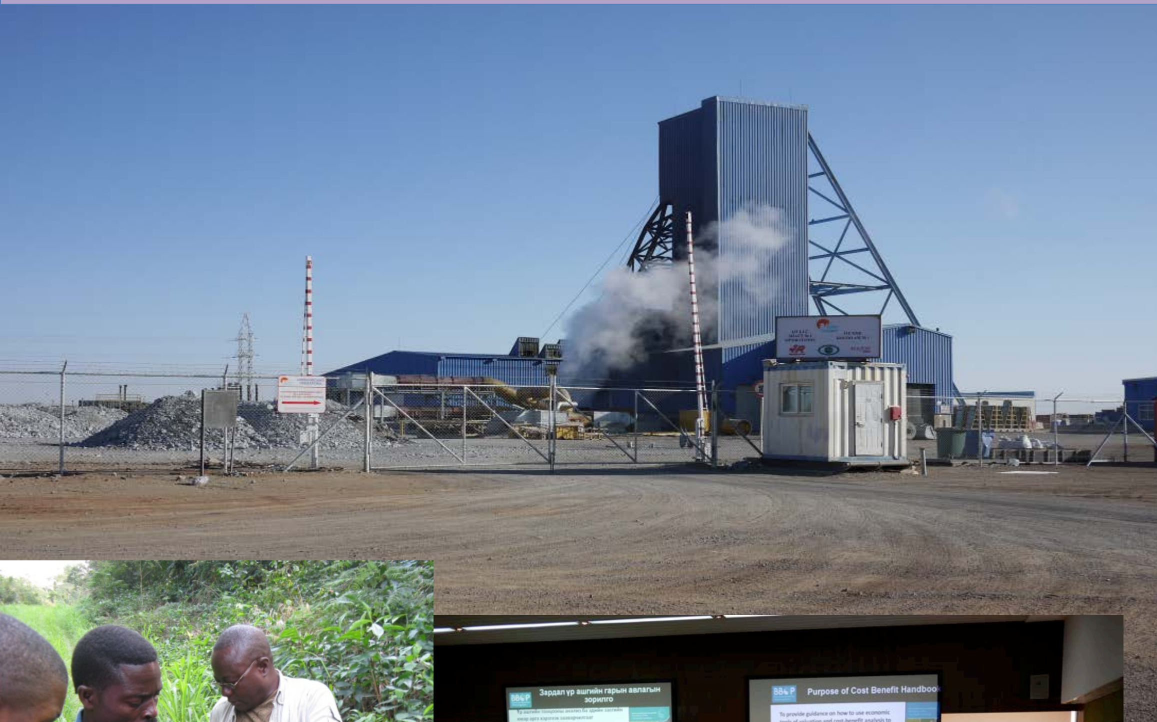
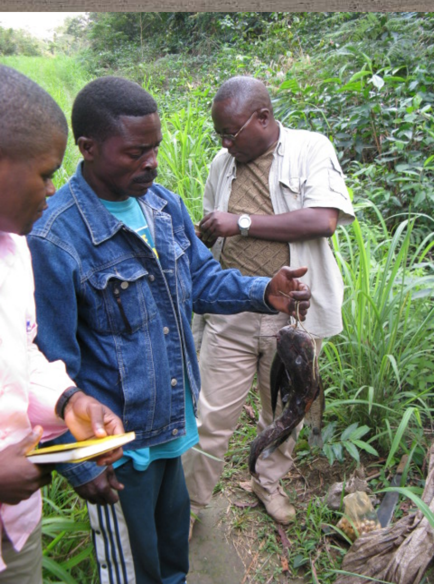
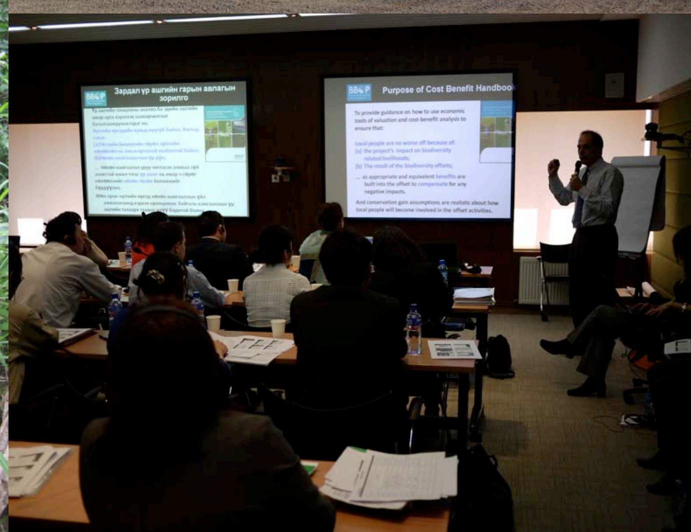
WILDLIFE CONSERVATION SOCIETY

WCS Business and Conservation Initiative (BACI): Engaging Industry in the Work of Conservation in Central Africa







Presented by

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Presentation Overview

- The Business and Conservation Initiative – Vision and Approach
- The Business Case for Biodiversity Conservation
- IFC’s PS6 and the Mitigation Hierarchy
- Responding to Policy Environments in Africa
- Case Study: Mining in the Bateke Plateau
- Case Study: Capacity Building in DRC

The BACI Mission

To create mechanisms that ensure long-term financing for conservation as compensation from private and public entities for their use and impact on natural resources.

We Engage with Governments, Financial Institutions, Companies, and Key Stakeholders to Achieve No Net Loss of Biodiversity from Commercial Investments in the Landscapes where WCS works

Factors Guiding BACI Vision & Approach

- **Companies face increasing biodiversity risk - but, lack experience or expertise to manage it.**

- **Financial institutions are increasing their demands for environmental responsibility (ex. – IFC PS6)**

- **Most governments ill-equipped to respond - lack of regulations, poor capacity, limited scope for planning, desire for quick riches.**

Until these needs are resolved we face continued loss of biodiversity from extractive industry investments

WILDLIFE CONSERVATION SOCIETY

Working with a Broad Array of Stakeholders

Business – Making the Business Case

Government- NNL Policy Development

Civil Society - Consultation and Participation

Financial Institutions – Lending Practices PS6, Green Protocols

BACI Multi-Tiered Approach

We influence projects and policies that affect the decisions and behavior of key stakeholders:

Governments

Mandates, standards and regulations on best practices (mitigation, compensation) affect company behavior and investment approaches

Lenders

Safeguards that affect performance through pre and post-project requirements

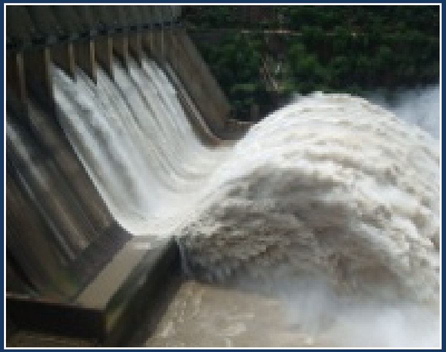
Companies - Industry

CSR and market access affect their actions on the ground (voluntary)

Most Effective & comprehensive

WCS is Engaged Through Six Key Industry Sectors

Mining

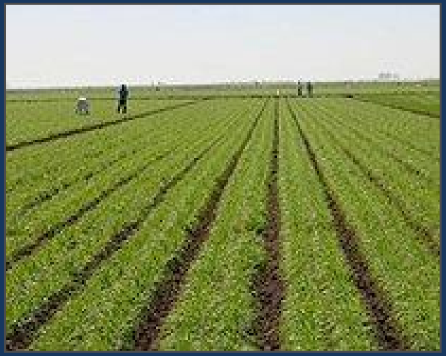


Other Energy

Oil and Gas

Fisheries

Forestry



Agriculture

The Business Case: Managing Risk

Conservation planning can mitigate <u>Risk</u>

- Regulatory risks
  - Profitability may be threatened by fines, claims for damage, delays or loss of authorization
- Reputational risks
  - Loss of trust, poor profile, target of negative publicity, NGO campaigns, loss of license to operate
- Financing risks
  - Tougher access to investment capital—debt and equity—especially given growing offset requirements by Equator banks
- Operational risks
  - Poor consideration of biodiversity & ecosystem services can increase future vulnerability to risks (e.g. inadequate water supply, flooding)

The Business Case: Gaining Competitive Advantage

- Access to land – at initial stages of project development & for ongoing exploration to extend the lifetime of existing projects;
- Legal and social license to operate
- Access to old & new markets
- Access to human capital
- A seat at the policy development table

IFC PS6 and the Equator Principles Association

- Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- Performance Standard 2: Labor and Working Conditions
- Performance Standard 3: Resource Efficiency and Pollution Prevention
- Performance Standard 4: Community Health, Safety, and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- **Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**
- Performance Standard 7: Indigenous Peoples
- Performance Standard 8: Cultural Heritage

IFC International Finance Corporation World Bank Group

EQUATOR PRINCIPLES

What Does PS6 Require from Borrowers?

- To protect and conserve biodiversity.

- To maintain the benefits from ecosystem services.

- To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

Where PS6 is appropriate

- **Determined in SEIA process (PS1)**
- **Applied to projects:**

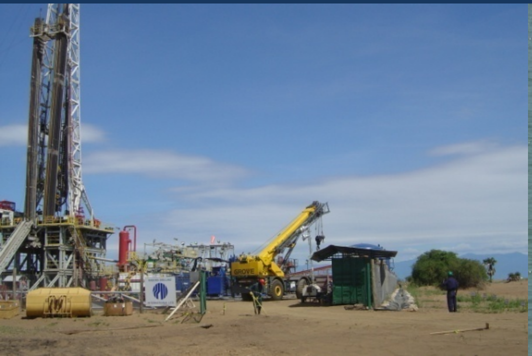
  (i) located in modified, natural, and critical habitats;

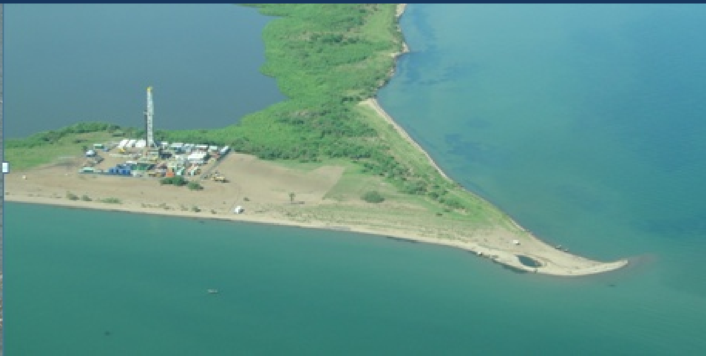
  (ii) that impact ecosystem services; or

  (iii) that include the production of living natural resources (e.g., agriculture, animal husbandry, fisheries, forestry).

Can't EIA take care of biodiversity?

- EIA rarely considers 'no net loss'.
- Typically only requires avoidance/minimization for some impacts.
- Usually does not address residual impacts.
- Does not address all components of biodiversity.
- Often very site specific, without proper landscape scale.
- Often fails to address indirect and cumulative impacts.
- ***HOWEVER an offset can be integrated into the EIA process to deliver 'no net loss'!***





Implementing the Mitigation Hierarchy

Offset to Achieve Net Positive Impact

Offset to Achieve No Net Loss

Restoration

Minimization

Avoidance

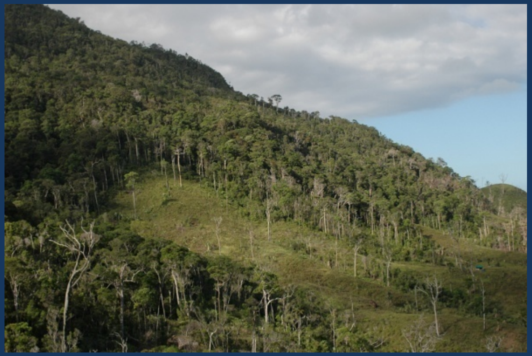
- Create a system for planning and that limits impacts to biodiversity and ecosystem services and incorporates that into the EIA process

- Create a value for biodiversity and ecosystems services and system whereby the impactor pays.

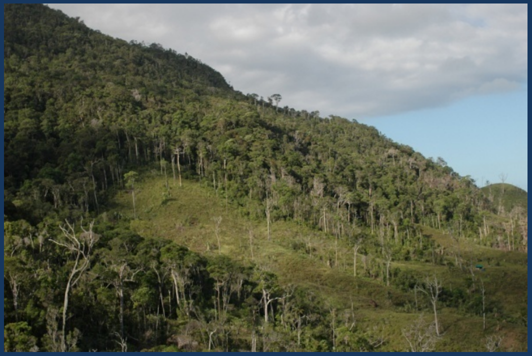
Offsets aim for 'Like for Like' gains

Offsets deliver conservation gains for the same elements of biodiversity that face residual losses

Lemurs for lemurs



Lowland humid forest for lowland humid forest



Responding to Cumulative Threats

- **At a Landscape or Project Scale**:
  - Use spatial planning tools to ***reveal impact threats and identify mitigation solutions***.
  - Collect data to ***quantify biodiversity values*** at site and landscape level.
  - Use species distribution models and systematic conservation planning to ***produce best practice mitigation and biodiversity offset plans.***
  - ***Ensure the permanence of offsets –*** resilient legal and financial mechanisms
  - Provide technical and management expertise to ***implement offsets.***
- **At a Global, Regional and National Scale**:
  - ***Establish standards and policies*** for net positive impact on biodiversity
  - Consolidate lessons learned into ***a portfolio of site-based projects.***

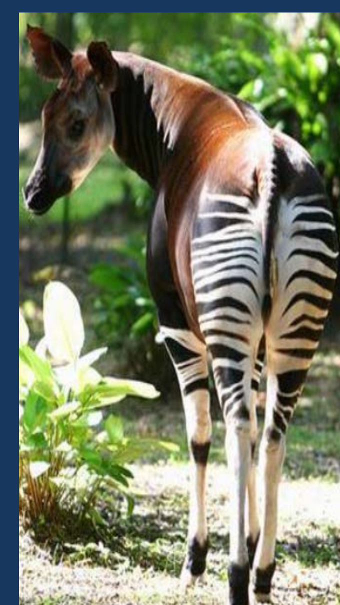
What Results Are We Producing?

- **Policies and Standards**
- **Metrics**
- **Projects**

AFRICA BIODIVERSITY COLLABORATIVE GROUP

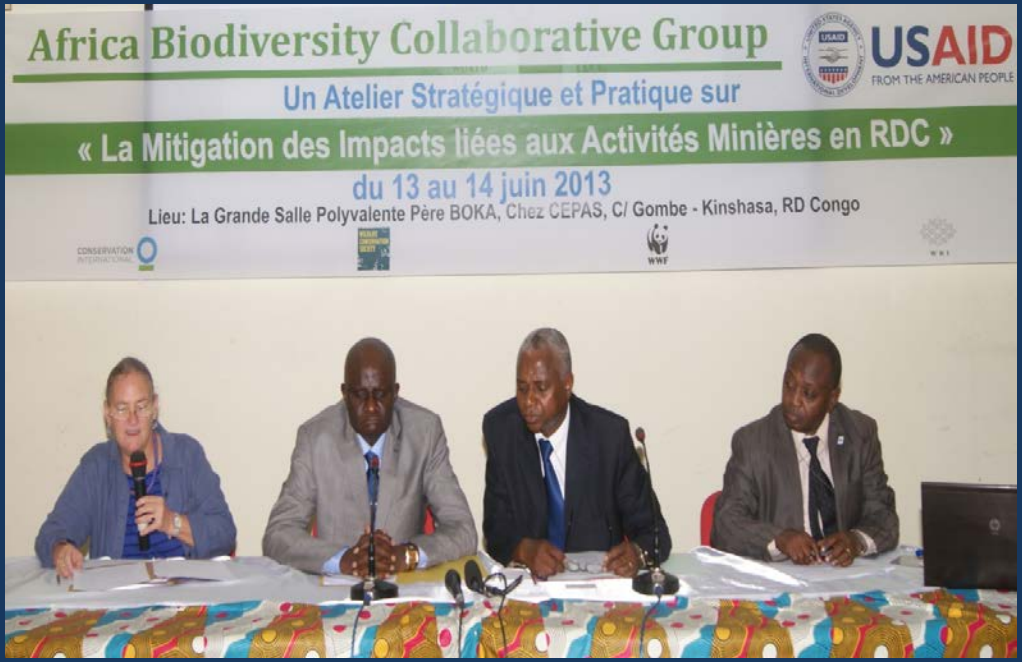
Mitigating Impacts from Mining in the DRC: Workshop on Strategy and Practice

«Mining & Biodiversity in DR Congo » workgroup



AFRICA BIODIVERSITY COLLABORATIVE GROUP

- Held June 13-14, 2013 in Kinshasa, DRC
  - Industrial mining companies;
  - Gov't: technical & policy-makers
  - Civil society groups;
  - Donors;
  - Conservation actors



<u>Overall objective:</u>

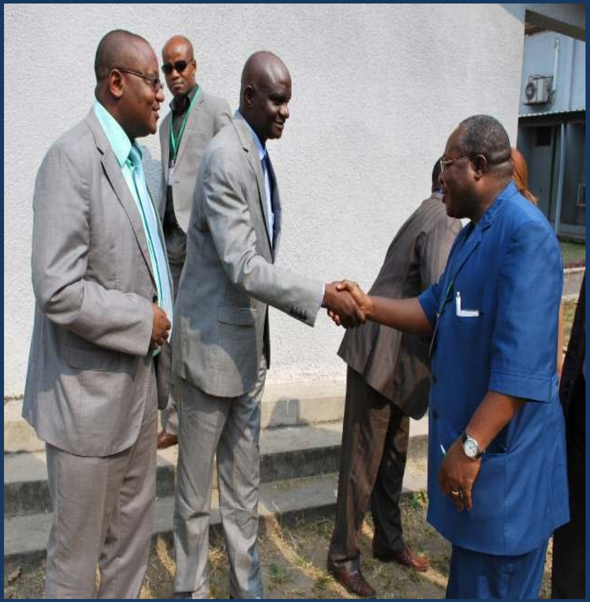
promote ***best practices*** in mining sector by identifying opportunities to improve their implementation, in order to mitigate negative impacts on biodiversity and ecosystem service values from mining sector development.

Topics covered at workshop

1. Legal context for mining sector environmental obligations
2. International best practices for mining & biodiversity
3. Environmental impact assessments & mitigation procedures
4. Integrated land-use planning
5. Evaluation of artisanal mining impacts & mitigation tools
6. Case studies demonstrating mitigation hierarchy

Africa Biodiversity Collaborative Group

Principal Workshop Recommendations



- Adoption (in principle) of "net-zero loss of biodiversity" objective for mining sector
- Harmonization of legal texts
- Environmental obligations for mining sector should shift from Ministry of Mines to Environment
- All mining actions should evaluate impacts which contribute to social development and adopt FPIC (free prior informed consent) norms

- ASM should be formalized into cooperatives, allowing clarification of their legal status and environmental obligations

Land Use Recommendations

- Improved coordination for multi-sectoral integrated land-use planning
- Initiatives to inventory biological, geological and socioeconomic data/information to inform processes
- Definition of “no-go” zones strengthened by harmonization of laws
- Cancellation of concessions in protected areas & evacuation of ASM actors

Recommendations for follow-up

- DRC Mining Code to be revised
  - Three stakeholder groups:
    1. Government
    2. Mining Companies
    3. Civil Society
  - Recommendations legalized and communicated to mining companies & civil society
- Advance recommendations & approach – new activities:
  - USAID / DFID / GIZ, etc.
  - PROMINES & World Bank

Case Study: Zanaga Iron Ore Mine
Republic of Congo

WCS on the ground 2010-present

Corporate mergers –
Jumelles (2009) -> MPD (2010) -> Xstrata ->
Glencore (2013)

Originally committed to IFC PF6 ….
now committed to "best practices"

- overlaps with 3 forest concessions in mine site area
- at least 3 other mines + oil/gas + commercial agriculture in vicinity of the transport corridor

Beneficial site-based actions by a single industry can be negated by the cumulative impacts from many industries operating within the same landscape.