

# **WWF Comments on the World Bank's Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Reference: World Bank Environmental and Social Framework,  
First Draft for Consultation, July 30, 2014

Consultation Meeting November 12-13, 2014, Berlin/Germany

We welcome the opportunity to submit our comments and stress the need for extensive consultation with as many relevant stakeholders and groups of interest. While WWF has concerns with regard to other standards of the Environment and Social Framework, we focus on ESS6 here and would like the World Bank to note the following in its update of the existing safeguards under OP 4.04 (Natural Habitats) and OP 4.36 (Forests).

- **Terminology:** Throughout the document the World Bank should use the terminology and definition of biodiversity and sustainable use of natural resources as well as related terms as agreed by the Parties of the Convention on Biological Diversity (CBD).
- **Limited protection for Ecosystems and Communities:** The proposed ESS6 language only makes brief reference to the importance of environmental values and lacks any safeguards in regards to ecosystem services. Ecosystem services should be more explicitly recognized and integrated into all the definitions, in particular of critical habitat/areas of importance. Ecosystem services as defined by the Millennium Ecosystem Assessment are “the benefits people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits and supporting services, such as nutrient cycling that maintain the conditions for life on Earth”. The current draft does not recognize the link between carbon sequestration and critical habitat, an essential connection for the World Bank’s own priority of a low-carbon future, nor does the draft recognize the role of local communities and Indigenous Peoples in environmental stewardship for biodiversity and climate-resilient ecosystems. Therefore, stronger language is needed to safeguard the link between livelihoods/well-being and ecosystem services. The proposed ESS6 must strengthen climate change considerations and safeguard ecosystem services including but beyond biodiversity, with consideration to the landscape-level importance of ecosystem services and landscape-level impacts of Borrower activities.

- **Narrow definition of Critical Habitat:** “Critical Habitat” as defined in ESS6 focuses on species biodiversity to the exclusion of other values such as ecosystem service provision, livelihood, and cultural values. Landscapes are complex social-ecological systems shaped by dynamic human-nature interactions that lead to multiple land uses as well as a diversity of values attached to the landscape. Taking into account scale, intensity, and risk of a project, as well as respecting the activities, customary and legal rights of Indigenous Peoples and local communities, the new safeguards framework should prevent the conversion, fragmentation and degradation of intact forest landscapes and other intact landscape-level ecosystems. We suggest the proposed ESS6 should identify and protect High Conservation Values (HCV) including species diversity, as well as landscape-level and rare ecosystems, critical ecosystem services, community needs (indigenous and local), and cultural values. Within intact area cores, the new framework should ensure that Borrowers implement protection measures (for example, community or conservation reserves, indigenous protected areas, etc.) to ensure management for intactness, in areas within a Borrower’s control, only allowing limited development if such operations produce clear, substantial, long-term conservation and social benefits.
  
- **Logging/forest certification:** Responsible forest stewardship, motivated in part by commercial interest in maintaining a wood supply, can help protect vulnerable forests from illegal logging, encroachment, and conversion to other land uses. Credible, independent third-party certification of management is critical to ensuring responsible stewardship and is a current requirement of OP 4.36, but is omitted in the draft framework. Without strict and consistent criteria for responsible forest management, natural resources are put at risk of degradation and conversion. Compounded with the draft safeguards narrowed definition of critical habitat, the current requirements for forest certification and forest goods’ extraction undermines the objectives of ESS6. The following criteria for forest certification, currently specified in OP 4.36, should be retained and emphasized to ensure the conservation as well as the long-term viability of forest resources:
  - Conservation of ecological functions, including biodiversity
  - Recognition of and respect for any customary or statutory land tenure and use rights, as well as worker rights and rights of Indigenous Peoples
  - Effective forest management planning
  - Minimization of adverse impacts
  - Active monitoring and assessment of relevant forest management areas; and
  - The maintenance of critical forest areas and other critical natural habitats affected by the operation (see above comments on HCVs and intact landscapes)

Additionally, *cost-effective*, in reference to requirements for a credible certification scheme (para 26 footnote 100), should explicitly consider long-term benefits and risk avoidance as well as the incremental costs of certification. The IEG evaluation of the Bank's portfolio indicated poor performance as a result of poor impact assessments, monitoring, and implementation, as well as lacking consideration for cross-sectoral threats. Weakening the criteria for resource extraction and forest management undermines the potential for a new safeguards framework to address these issues.

- **Impact avoidance, mitigation and offsets:** The provisions in Para 11-21 to apply the mitigation hierarchy are acknowledged. However, biodiversity offsets should only come at the end of the impact mitigation hierarchy if residual impacts are still envisaged. In other words they should only be considered after efforts have been made to avoid, minimise and restore or repair the adverse impacts of the Borrower's project. In contrast to the provisions in Para 16 and 17 negative impacts on biodiversity and ecosystem services cannot be offset if biodiversity conservation is the priority feature: Areas and values that are not offsettable include

  - a) areas or species that are internationally or nationally recognized as being unique, critical, irreplaceable and/ or formally protected for biodiversity conservation. These areas would comprise habitat for threatened, endemic and/or restricted-range species, globally significant concentrations of migratory species, and/or congregatory species; areas with regionally unique and/or threatened biotopes; and areas which are crucial for maintaining key evolutionary and climate change adaptation processes,
  - b) areas that are recognized as being crucial to safeguard significant ecosystem services, and on which local communities rely for livelihoods.

Biodiversity offsets should also not be used in cases where these areas or values are at unforeseen risk. Currently the provisions offer an unacceptable loophole to realize a project even if critical biodiversity features are affected, and should be reconsidered.
  
- **Affected communities:** Full consideration must be given to resource rights, access, and the substantive engagement of Indigenous Peoples and local communities in the design and implementation of resource management interventions, with strong priority given to the distribution of benefits to these target groups, carried out in a socially inclusive participatory manner, that is transparent and culturally accessible with adequate time allotted for decision making. In order to do this effectively, the new safeguards framework must explicitly recognize the rights of both indigenous and non-indigenous resource dependent peoples, integrate High Conservation Values into the definition of critical habitat, including areas of significant cultural value, and prioritize low-impact /community-level management, providing first access to local communities and apply Free Prior and Informed Consent.
  
- **Supply chains:** Although it is the Borrower's responsibility, the World Bank should provide adequate oversight in performing necessary due diligence where there is risk of conversion within commodity supply chains. A growing body of organizations are committing to zero net deforestation and forest degradation within the supply chains of major agricultural and forest commodities. Investments must be limited to suppliers that can demonstrate that they are not contributing to conversion or degradation of natural habitat and forest ecosystems.

- **Implementation:** The Biodiversity Action Plan should include procedures for monitoring, assessment, and implementation for management and mitigation of impacts on natural resources and ecosystem services, to the project. Clarification is needed on the scope and applicability of the Biodiversity Action Plan, as well as the degree of Bank-provided support for its development and implementation.

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