

# Global datasets and tools for screening critical habitats, legally protected areas and internationally recognised areas

## Information sheet for Equator Principles Financial Institutions

### INTRODUCTION

This information sheet is intended for financial institutions that have committed to screening investment decisions for potential impacts on critical habitats, with a particular focus on Equator Principles Financial Institutions and the application of the International Finance Corporation *Performance Standard 6*.

The information sheet covers the following topics:

- financial institution commitments to screen investments for impacts on critical habitats, legally protected areas and internationally recognised sites;
- Key Biodiversity Areas (KBA), including Important Bird Areas (IBA) and Alliance for Zero Extinction (AZE) sites; and
- information resources and decision support tools for identifying critical habitats, legally protected areas and internationally recognised areas.

### FINANCIAL INSTITUTION COMMITMENTS

#### ***Equator Principles***

To date, 84 financial institutions in 35 countries have adopted the *Equator Principles*, a risk management framework for determining, assessing and managing environmental and social risk in project finance. These institutions, known as 'Equator Principles Financial Institutions' (EPFI), commit to implementing the Equator Principles in their internal policies, procedures and financing decisions.

Equator Principles Financial Institutions commit:

- to screen and categorise projects based on the level of environmental and social risk associated with the proposed activities.

- to require clients to conduct environmental and social assessment for proposals with potential adverse impacts;
- to evaluate compliance with relevant host country laws, regulations and permits that pertain to environmental and social issues;
- to commission an independent review of potential high risk impacts, including impacts on 'critical habitat' (as defined in IFC Performance Standard 6); and
- except in designated countries with robust environmental and social frameworks,<sup>i</sup> to evaluate compliance with IFC *Performance Standards*<sup>ii</sup> and World Bank *EHS Guidelines*.<sup>iii</sup>

#### ***IFC Performance Standard 6***

Policies and procedures for screening impacts on natural habitats have been adopted by a range of leading multilateral development banks, including the World Bank, International Finance Corporation (IFC), European Investment Bank, European Bank of Reconstruction and Development, Inter-American Development Bank and Asian Development Bank.<sup>iv</sup>

IFC Performance Standard 6 (IFC PS6) seeks to protect and conserve biodiversity, maintain ecosystem services and promote sustainable management of living natural resources.

IFC PS6 sets out definitions and requirements in relation to natural, modified and critical habitat, legally protected areas and internationally recognised areas. 'Critical habitat' is defined as:

*areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.*<sup>v</sup>

‘Internationally recognised areas’ are defined exclusively to include World Heritage Areas, Ramsar wetlands, UNESCO Biosphere Reserves and Key Biodiversity Areas.

Clients must not implement project activities in critical habitat, legally protected areas or internationally recognised areas unless:

- no other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical;
- the project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and the ecological processes supporting those biodiversity values;
- the project does not lead to a net reduction in the global and/or national/regional population of any Critically Endangered or Endangered species over a reasonable period of time; and
- a robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client’s management program.

For proposed development activities within a legally protected area or internationally recognised area, the client must also:

- demonstrate that the proposed development is legally permitted and consistent with relevant government recognised management plans;
- consult with relevant stakeholders; and
- implement additional programs, as appropriate, to promote and enhance the conservation aims and effective management of the area.

Noting the importance of correctly identifying a proposed development site as critical habitat, a legally protected area and/or an internationally recognised area, international conservation organisations have developed a range of global data sets and decision-support tools for use by financial institutions.

## KEY BIODIVERSITY AREAS

Key Biodiversity Areas (KBA) are ‘sites that contribute to the global persistence of biodiversity’, identified using globally agreed criteria set out in the *Global Standard for the Identification of Key Biodiversity Areas* (KBA Standard).<sup>vi</sup>

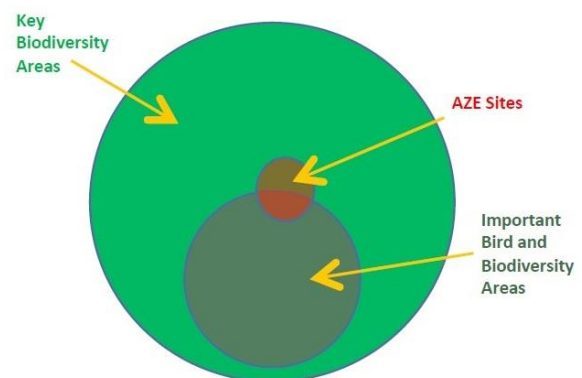
These criteria are clustered into five categories: threatened biodiversity; geographically restricted biodiversity; ecological integrity; biological processes; and, irreplaceability.

KBAs are ‘internationally recognised areas’ for the purposes of IFC PS6, and will ordinarily fall within the definition of ‘critical habitat’ set out in IFC PS6 and the Equator Principles.

The KBA concept originates in the work of BirdLife International in developing the Important Bird and Biodiversity Area (IBA) concept and identifying thousands of IBAs worldwide over the past 40 years. Similar approaches were later developed by others – including the *Alliance for Zero Extinction* and the *Critical Ecosystem Partnership Fund* – and are now widely used to inform conservation planning and decision making.

The KBA Standard is intended to harmonise these existing approaches to provide a unified list of sites for use by decision-makers, other stakeholders and the conservation community. Harmonisation of identification criteria means that both IBA and Alliance for Zero Extinction (AZE) sites are recognised as KBAs (**Figure 1**).

To date, more than 18,000 KBAs have been identified worldwide. To view an interactive online map of KBAs worldwide, visit: [www.keybiodiversityareas.org](http://www.keybiodiversityareas.org).



**Figure 1.** Relationship between Key Biodiversity Areas (KBA), Important Bird and Biodiversity Areas (IBA) and Alliance for Zero Extinction (AZE) sites.

### **Important Bird and Biodiversity Areas**

Important Bird and Biodiversity Areas (IBA) are places of international significance for the conservation of birds and other biodiversity.

IBAs are ‘internationally recognised areas’ for the purposes of IFC PS6 and will ordinarily fall within the IFC definition of ‘critical habitat’.

Using standardised global criteria, BirdLife International has identified more than 12,000 IBAs in over 200 countries. To learn more, visit the BirdLife International [website](#).

### **Alliance for Zero Extinction (AZE)**

The Alliance for Zero Extinction (AZE) is a global initiative launched by biodiversity conservation organisations. Each one of these sites is the last remaining refuge for one or more Endangered or Critically Endangered species. AZE sites are identified using the following criteria:

- **Endangerment.** An AZE site must contain at least one Endangered (EN) or Critically Endangered (CR) species, as listed on the IUCN Red List.
- **Irreplaceability.** An AZE site should only be designated if it is the sole area where an EN or CR species occurs, contains the overwhelmingly significant known resident population (>95%) of the species, or contains the overwhelmingly significant known population (>95%) for one life history segment (e.g. breeding or wintering) of the species.
- **Discreteness.** The area must have a definable boundary within which the character of habitats, biological communities, and/or management issues have more in common with each other than they do with those in adjacent areas.

For the purposes of IFC PS6, AZE sites are both critical habitat (due to their importance for Critically Endangered and Endangered species) and internationally recognised areas. For more information, visit the [AZE website](#).

### **INFORMATION RESOURCES**

International conservation organisations have developed a number of datasets and decision-support tools to inform financing decisions for development proposals with potential adverse impacts on internationally important sites.

### **Integrated Biodiversity Assessment Tool**

Developed by BirdLife International, IUCN, Conservation International and the UNEP World Conservation Monitoring Centre, the [Integrated Biodiversity Assessment Tool](#) (IBAT) provides an interactive GIS database of legally protected areas and internationally recognised areas (including World Heritage Areas, Ramsar wetlands, KBA, IBA and AZE sites), as well as information about species distributions derived from the [IUCN Red List of Threatened Species](#).

Using an interactive mapping tool, decision-makers are able to identify biodiversity risks and opportunities within a proposed development site. Exportable maps make it easy for users to share biodiversity assessment results, while downloadable data sets enable businesses to conduct additional in-house analysis.

The IBAT Consortium has developed a version of the tool for the World Bank Group, tailored to the needs of financial institutions. IBAT is used by IFC, IBRD and MIGA, and is available as a subscription service to financial institutions to promote more consistent interpretation and application of IFC PS6. For more information about IBAT for financial institutions, visit the [IBAT for the World Bank Group](#) website.

### **World Database of Key Biodiversity Areas**

Managed by BirdLife International on behalf of the KBA Partnership, the [World Database of Key Biodiversity Areas](#)<sup>TM</sup> provides an interactive online map of KBAs with links to detailed documentation for each site.

### **World Bird and Biodiversity Database**

The [World Bird and Biodiversity Database](#), managed by BirdLife International, provides detailed information about more than 12,000 IBAs worldwide, including site descriptions, monitoring information and contact details for relevant national conservation organisations.

### **Alliance for Zero Extinction website**

The [Alliance for Zero Extinction website](#) provides a searchable map of AZE sites worldwide, and information about the conservation values of each AZE site.



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<sup>i</sup> 'Designated Countries' are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. There are currently 32 designated countries listed on the Equator Principles [website](#).

<sup>ii</sup> IFC's Environmental and Social Performance Standards define IFC clients' responsibilities for managing their environmental and social risks. They can be found on the IFC [website](#).

<sup>iii</sup> The World Bank Group Environmental, Health, and Safety Guidelines are technical reference documents with general and

industry-specific examples of Good International Industry Practice (GIIP). These are regularly updated on the IFC [website](#).

<sup>iv</sup> You can find the complete Safeguard Policies on the following bank websites: [World Bank](#); [International Finance Corporation](#); [European Investment Bank](#); [European Bank of Reconstruction and Development](#); [Inter-American Development Bank](#); [Asian Development Bank](#).

<sup>v</sup> The Critical Habitats definition is found on pp.4-5 of IFC Performance Standard 6 uploaded on IFC's [website](#).

<sup>vi</sup> The *Global Standard for the Identification of Key Biodiversity Areas* can be downloaded on the KBA [website](#).