Business Opportunities Forum

ESF Training: Module 5
ESS6: Biodiversity Conservation and Sustainable Natural Resources Management &
ESS3: Resource Conservation and Pollution Prevention

Session Outline

ESS6: Biodiversity conservation and sustainable natural resources management

- Key objectives
- Comparison with SPS
- Definitions of habitats and living natural resources and related requirements
- Key requirements for contractors and primary suppliers

ESS3: Resource Conservation and Pollution Prevention

- Key objectives
- Comparison with SPS
- Approach and new requirements
- Key requirements for contractors

ESS6: Biodiversity conservation and sustainable natural resources management

- **Conserve biodiversity & ecosystem integrity:** Protect species, genetic diversity, habitat structure, and ecological processes
- **Safeguard ecosystem services:** Sustain benefits communities receive, such as water, food, flood control, and cultural values
- **Apply mitigation hierarchy toward No Net Loss (NNL) or Net Gain:** Avoid, minimize, rehabilitate/restore, and offset impacts; aspire to Net Gain in Critical Habitat
- **Promote sustainable natural-resource use:** Agriculture, forestry, and fisheries must follow Good International Practice and credible certification or management plans

ESS6 comparison with SPS

Theme	What the SPS requireed	How ESS 6 maintains (or tightens) it
Mitigation Hierarchy	Avoid → Minimise → Rehabilitate → Offset.	Identical sequence; adds stricter feasibility test before offsets.
Baseline & Impact Assessment	Borrower/client must conduct biodiversity baseline and EIA (or IEE) proportional to risk.	Same duty, now framed as “Biodiversity Assessment” embedded in ESIA.
Critical / Natural Habitat Protection	Projects in critical habitats require stringent conditions and demonstrable conservation gains.	Retains this safeguard; clarifies “no-go” areas (23–24) and Net-Gain expectation. Definition of Priority Biodiversity Values (PBVs)
Legally Protected Areas	Development must comply with national law and maintain PA values.	Same rule, site co-management plans.
Offsets for Significant Residual Impacts	Allowed when technically and financially feasible, aiming for No Net Loss.	Same principle; adds explicit “offsetability” screening and long-term financing test.
Invasive Alien Species (IAS) Prevention	Borrower to prevent introduction of IAS in project design/operation.	Retained; now a dedicated clause with biosecurity protocols.
Sustainable Natural-Resource Use	Forestry, fisheries, agriculture must follow good international practice.	Same requirement; adds animal-welfare and One-Health considerations and international certifications where feasible.
Stakeholder Engagement & Indigenous Peoples	Information disclosure and meaningful consultation; respect customary resource rights.	Identical principles, integrated with ESS 7 (Indigenous Peoples) and ESS 10 (Stakeholder Engagement).
Compliance with International Agreements	Projects must comply with host-country obligations under treaties (e.g., CITES, RAMSAR).	Same clause; cross-references Paris Agreement and Kunming–Montreal GBF.

Modified Habitats

Modified Habitat (MH): Significantly altered by people yet still may support meaningful native biodiversity

Maintaining and enhancing the ecological integrity of human-altered landscapes, such as plantations, grazed grasslands, and secondary forests.

Natural Habitat

Natural Habitats: Mostly intact native species assemblages; ecological functions largely undisturbed

No significant conversion or degradation

Maintain species composition, ecological function, and landscape connectivity; small, reversible disturbances may be acceptable

Independent review & disclosure

External experts validate impact predictions, proposed measures, and NNL calculation methodology

Exceptional-circumstance test

Proceed only when (i) no viable alternative sites/designs, (ii) mitigation hierarchy achieves demonstrable NNL, (iii) robust long-term management funded

Adaptive management covenant

ESMP must include SMART thresholds; failure triggers design/operation changes or additional offsets

Requirements in Critical Habitats

Critical Habitats: Can be present both in MH and NH. Highest-value areas containing Priority Biodiversity Features; triggers stricter NNL / Net-Gain test.

Highest-value sites

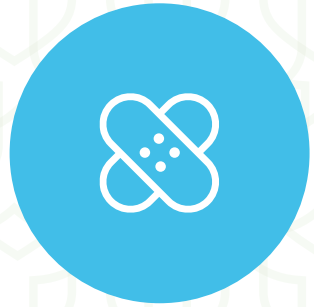
Hosts **Priority Biodiversity Features** whose loss would cause global, regional, or national population declines

Exceptional-circumstance gateway

Project allowed only if **all criteria met** → viable alternatives lacking, meets legal protections, stakeholders agree, Net Gain ensured

Independent, transparent review

Third-party specialists validate baseline, impact model, offset design, and long-term financing



Offsetability limits

Certain CH (e.g., Alliance for Zero Extinction sites, UNESCO World Heritage, Free-Flowing Rivers ≥ 500 km) are of such high importance that projects in these location may not be allowed.

Sustainable Management of Living Natural Resources

Applies to industrial agriculture, forestry, fisheries & livestock. Must follow GIP or an agreed certification standard

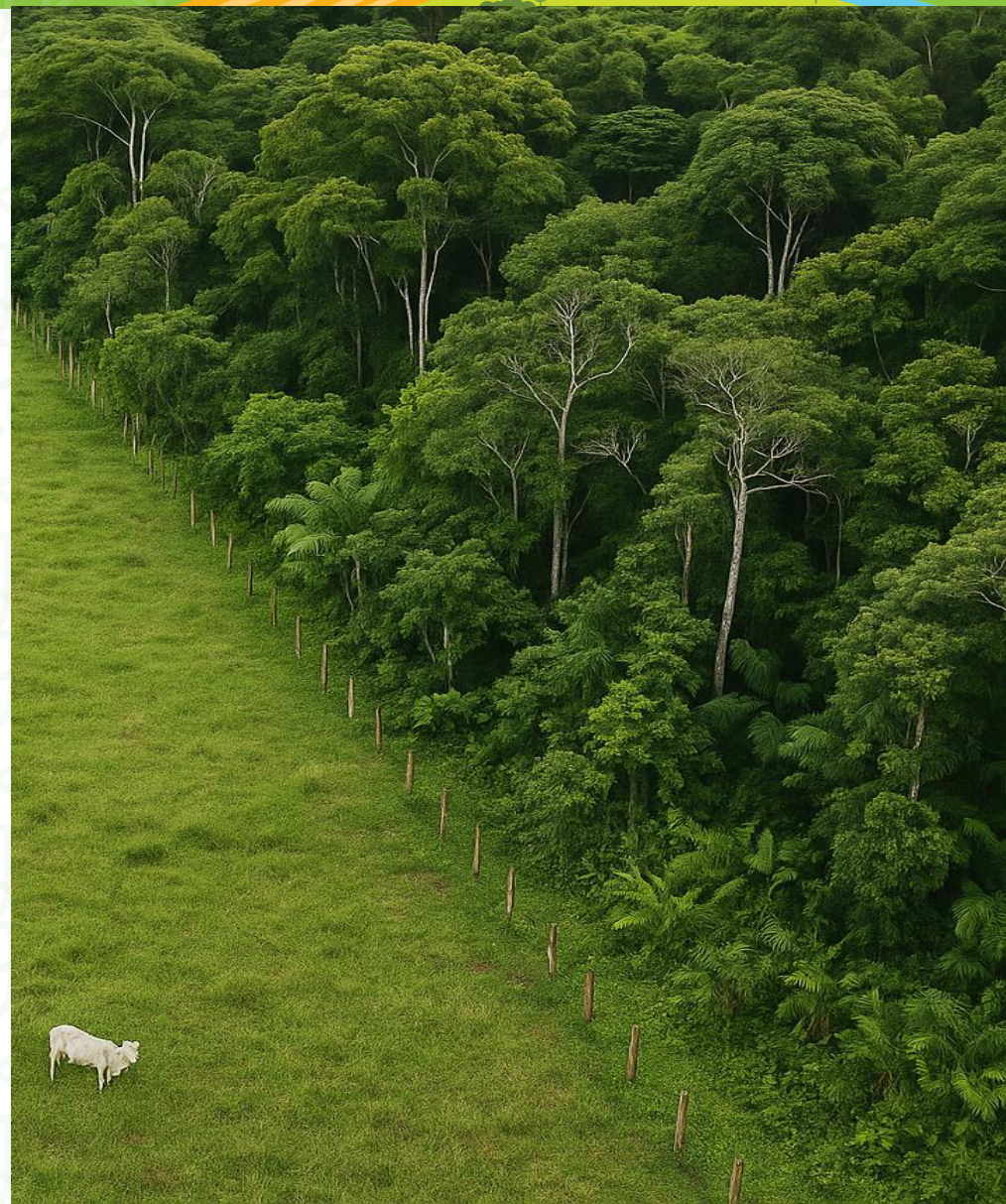
Prevent habitat conversion & over-extraction. Trace supply chains; exclude products from NH/CNH

Manage agri-chemicals & livestock waste. Control runoff, choose low-risk pesticides, avoid routine antibiotic growth-promoters to curb AMR

Animal-welfare & One-Health focus. Provide humane housing, biosecurity, vaccination; assess zoonotic-disease risks at wildlife–livestock interfaces

Link to ESS 3 & 7

Pollution controls, circular-economy inputs, Indigenous Peoples' resource rights interactions.



Key Requirements for Contractors

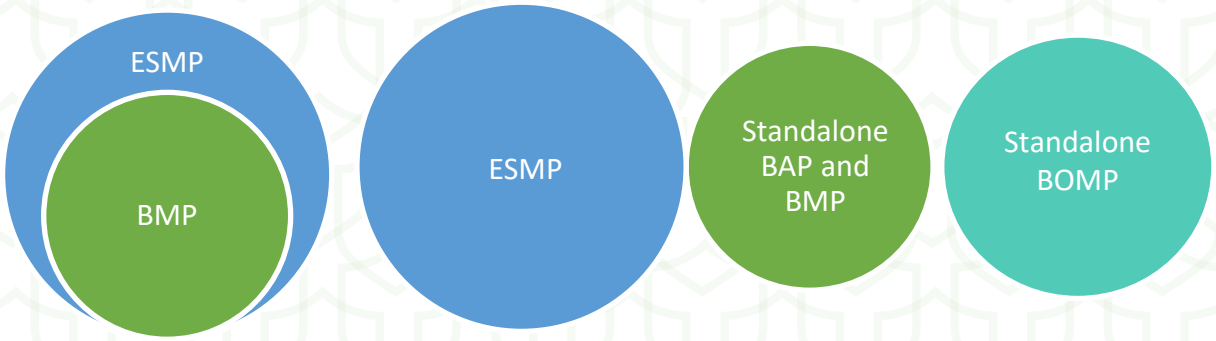
Moderate Risk Projects

Substantial Risk Projects

High Risk Projects

Without biodiversity offsets

With biodiversity offsets



ESIA
(+Biodiversity Assessment)

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Procurement documents

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Ensure biodiversity measures and monitoring requirements are reflected in the C-ESMP

Have a qualified team in place to implement the plans (get expert help if needed)

Provide training to all contractor staff and subcontractors

Adhere to anti-poaching, hunting, foraging clauses in contracts and agreements

Use adaptive management measures to address unexpected risks/impacts

Monitor and report on the implementation of the plans

All biodiversity related plans should be in place before ANY clearing work can start.

Requirements related to Primary Suppliers

Primary supplies: timber, fisheries products, agricultural commodities, and other ecosystem-derived materials

Supply chains: could supply goods whose sourcing or production is likely to impact priority biodiversity features, Natural or Critical Habitats, or ecosystem services

Procedure to assess primary suppliers:

- only from legal and sustainable origin;
- sourcing is monitored and documented; and
- procurement is limited to those suppliers that can demonstrate that they are (a) not causing significant adverse impacts to natural habitats, priority biodiversity features, critical habitats, protected areas, or internationally-recognized areas and/or (b) supplies are not from or in the areas as set out in no go zones

Source. https://environment-review.yale.edu/sand-resource-extraction-strains-function-critical-ecosystems

ESS3: Resource Conservation and Pollution Prevention

- Promote sustainable use of resources (energy, water, soil, sand, raw materials)
- Prevent pollution impacts on health and the environment; minimize when avoidance isn't possible.
- Prevent emissions and discharges; minimize pollution to air, water, and soil when unavoidable.
- Prevent waste generation; minimize and manage hazardous and non-hazardous waste properly.
- Prevent, minimize, and manage risks from hazardous chemicals in use, storage, transport, and production.
- Prevent, reduce, and manage risks from pesticide use

Requirements Unchanged from SPS

- **Use of More Stringent Standards**
  Apply measures for resource conservation, efficiency, and pollution prevention that comply with applicable national requirements or internationally recognized standards, **whichever is more stringent**.

- **Precautionary Approach**
  Take action to prevent environmental harm when there is a credible risk, even if full scientific certainty is not yet established. The burden of proof lies with the borrower/client.

- **Use of GIP/Alternate Standard if Justified**
  If proposing **less stringent standards** than GIP, provide detailed assessment and justification, demonstrating consistency with ESS3 objectives and unlikely to result in significant environmental or social harm.

- **Use of Modelling Tools**
  Apply appropriate reliable **modeling tools** to assess potential impacts of pollutant emissions and discharges, considering local conditions, existing ambient quality, and sensitive receptors.

- **Requirements for Existing Facilities**
  For projects involving existing facilities or previously used sites, carry out a **preliminary E&S site assessment** to characterize any legacy contamination risks and implement remedial actions accordingly.

New Requirements

- **Resource use** should be minimized, use best available technology (BAT) and obtain independent certification for sustainable resource management.
- **Energy-intensive projects** should follow sector-specific standards, reuse waste energy and renewable or low-carbon energy sources.
- **Water-intensive projects** should be avoided and if necessary, meet benchmark standards
- **Raw material** use must comply with host country regulations and prioritize recycled materials, reuse strategies, and legally approved sources
- Prevent **soil degradation and erosion** and promote sustainable or regenerative farming in agriculture projects
- Prioritize **pollution** prevention, considering existing environmental conditions, land use, climate impacts, and proximity to sensitive areas.
- Adopt a circular economy approach to **waste management** including for hazardous and non-hazardous waste disposal requirements.
- Prohibit **hazardous chemicals**, including banned pesticides, persistent organic pollutants, and harmful industrial substances
- Favor traditional, indigenous, and biological **pest control** methods and encourage integrated pest or vector management and compliance with WHO guidelines to minimize antimicrobial resistance.

Risk-based approach

Proportionality

Conduct detailed assessments that are **proportional to the level of environmental and social risks and** apply **progressively stricter prevention and mitigation measures** where risks are higher.

Identification of High Resources/Energy Users

Identify projects that will be significant users of energy, water, or raw materials, and demonstrate that all practical measures have been considered to **optimize resource efficiency**, **reduce waste**, and **lower overall consumption**.

Best Available Techniques (BAT) Study for High-Risk Projects

Conduct a **BAT review** to identify and evaluate proven technologies and practices that can minimize resource use, reduce emissions and discharges, and achieve higher environmental performance. Incorporate BAT findings into **project design, procurement,** and **operational plans**, with clear justification if BAT is not applied.

Key Requirements for Contractors

ESIA/ESMP

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Procurement documents

Incorporate management actions in the C-ESMP	Clear policies and procedures for resource conservation and pollution prevention (routine emissions), risk assessments measures (including stop work procedures), training program, emergency preparedness and response plan (non-routine and accidental release), monitoring and evaluation measures.
Have clear contracts and terms and have a qualified team in place	Supervision of subcontractors clearly outlined in the subcontractor management plan. Subcontractor agreements clearly define obligations and penalties for non-compliance.
Provide basic and specialized training to all site staff and subcontractors	Provide regular training for staff and subcontractors. Ensure team is adequately trained to conduct high risk activities. Maintain a training register for all staff and subcontractors.
Monitor and report on the implementation of the plans	Conduct regular monitoring including assessment of subcontractor performance based KPIs. Link KPIs to milestone payments.

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