Implications and relevance
- Protected areas cover around 15% of land and 5% of the ocean.
- Projects in or near protected areas are often controversial and attract close stakeholder scrutiny.
- IFC Performance Standard 6 (PS6) has stringent requirements for such projects. PS6 is a good framework for managing risk, but the spirit in which issues are addressed is just as important.

Projects in protected areas pose high risks
Development projects in sites protected for nature conservation raise strong concerns for many stakeholders. IUCN’s recently called for prohibition of industrial-scale development that could negatively affect any protected area. IFC’s Performance Standard 6 (PS6) places stringent requirements on projects taking place in or near protected areas.

What counts as a protected area?
IUCN defines a legally protected area (PA) as ‘a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values’. Examples include National Parks, Wildlife Sanctuaries and Nature Reserves.

PS6 also includes protected areas that governments have proposed but not yet designated, as well as areas recognised by an international body or international assessment exercise. These ‘internationally recognized areas’ (IRAs) are defined as UNESCO natural World Heritage sites, UNESCO Man and the Biosphere Reserves (MAB reserves), Key Biodiversity Areas (KBAs), and wetlands designated under the Convention on Wetlands of International Importance (i.e. Ramsar sites).

At a glance
Protected areas (PAs) and internationally recognised areas (IRAs) are some of the most important sites globally for biodiversity conservation. They will often qualify as Critical Habitat under IFC PS6.

Operating in or near PAs or IRAs is likely to be high risk. Perceived impacts can be as important as actual impacts. This sensitive environment will require careful management and communication, and strong stakeholder engagement.

To align with PS6, projects potentially impacting PAs or IRAs must take steps to show that the proposed development is legally permitted, consult with relevant stakeholders, assess, mitigate and monitor their impacts, align with any existing management plans, and implement additional activities to promote effective management and conservation.

1 See TBC’s 2016 briefing note “IUCN decisions tighten ‘no go’ for protected areas and other important sites for biodiversity” for details of IUCN’s recommendation and its implications for primary industries.
What does PS6 say about PAs and IRAs?

PS6 and its Guidance Note (GN6) require special measures for any project in a PA or IRA. For PAs that are designated Critical Habitat, paragraph 17 of PS6 also comes into effect, and may apply even if there is no project footprint in the PA.

Identifying Critical Habitat is thus a crucial first step. PAs in IUCN Management Categories Ia, Ib, and II, natural World Heritage sites and Ramsar sites are all automatically classed as Critical Habitat. Other protected areas in IUCN Management Categories III-VI and Key Biodiversity Areas (KBAs) qualify as Critical Habitat if they meet PS6 criteria for nationally or globally important biodiversity (such as highly threatened species or ecosystems).

What does PS6 require of project developers?

PS6 describes measures a project should follow if it is ‘located within’ (usually interpreted as ‘having any direct or indirect impacts upon’) a PA or IRA, specifically:

- Demonstrating that the proposed development in such areas is legally permitted;
- Following any protected area management plan;
- Consultation with relevant managers, Affected Communities, Indigenous Peoples and other stakeholders; and
- Implementation of additional activities to “promote and enhance the conservation aims and effective management of the area”.

Where Critical Habitat is present, PS6 sets out a number of additional requirements, including assessment of alternatives, adherence to the mitigation hierarchy, implementation of robust monitoring, and development of a Biodiversity Action Plan. These are good practice for effective risk management whether or not a PA or IRA is Critical Habitat.

Though PS6 provides a good framework for managing risk in PAs and IRAs, it is not foolproof. Even more important is the spirit with which issues are addressed – through demonstrating commitment to avoid and manage impacts, genuinely consider alternatives, demonstrate transparency, and take on board stakeholders’ concerns.

What steps should a project take to align with PS6?

Assess and mitigate significant impacts on protected areas and internationally recognised areas

Project developers will first need to assess whether their project has any impacts, direct or indirect, on any PA or IRA.

Information on PAs is usually held by national authorities, and compiled into the World Database on Protected Areas (WDPA). Information on IRAs is administered by the relevant institution, for example by the Ramsar Convention Secretariat for Ramsar sites or by BirdLife International for Key Biodiversity Areas. PA and IRA data are only available for commercial use through the Integrated Biodiversity Assessment Tool (IBAT) online tool.
Protected areas, internationally recognised areas, and IFC Performance Standard 6

This kind of assessment generally starts by using IBAT to screen overlap of the project’s area of influence with maps of PAs and IRAs. As boundaries in IBAT might be out of date or poorly georeferenced, project developers may also need to consult with government to verify the exact limits. PA status implies significant stakeholder concern. As such, determining potential project impacts on specific PAs or IRAs is best achieved through an enhanced and careful impact assessment. Potential direct impacts could include, for example, not only project footprint (e.g., pits, well pads or plantations), but also supporting infrastructure such as access roads, rail lines, pipelines or power lines. Indirect impacts – such as project-induced agricultural encroachment, increased hunting or increased cutting of fuelwood – often may be more severe than direct impacts.

If an impact assessment shows that the project has significant impacts on a PA or IRA, special emphasis should be placed on avoidance, so far as feasibly possible, followed by minimisation and restoration. Biodiversity offsetting for residual impacts is possible under PS6 but will face high levels of stakeholder scrutiny, heightened by IUCN’s 2016 decision stipulating that residual impact in PAs cannot be offset.

The mitigation measures should be consistent with any existing PA management plan and be included in a project environmental management systems (EMS) or biodiversity action plan (BAP).

**Demonstrate legal compliance**

If a project impacts a PA or IRA, PS6 requires clear demonstration that this is permitted under the appropriate legal framework. This will necessitate consultation with appropriate management authorities (for example the relevant government conservation body), review of laws on biodiversity conservation and protected areas, and review of any national or local land-use or conservation plans (for example any National Biodiversity Strategy and Action Plan: NBSAP).

**Demonstrate consistency with management plans**

Many PAs and IRAs (though usually not areas which are solely KBAs) have management plans that have been developed by government authorities or other stakeholders (for example conservation NGOs), and often these are publicly available. Management plans typically outline the biodiversity priorities of the area, identify threats, and outline management actions to manage those threats. Many plans also include information on resources needed to achieve management goals. Where there are no site-level management plans, NBSAPs often give guidance on high-level management goals. Review of management plans and NBSAPs, and consultation with management authorities, will provide the guidance a project needs to operate consistently with an area’s management objectives.

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2 For example a landscape-scale area of analysis used in an impact assessment.
Implement additional programmes to support effective PA/IRA management

PS6 Guidance Note 6 states that projects impacting PAs or IRAs "...should result in tangible benefits to the conservation objectives of that area, and clear conservation advantages should be gained by the presence of the project." A project can best identify and implement additional programmes to provide such benefits through collaboration with PA management authorities and other important stakeholders, starting with the stakeholder consultation process discussed above.

Potential activities include technical or financial support to management activities, socio-economic development programmes for local communities dependent on PA/IRA resources, support to the full protection of an IRA that is not yet a PA, or support to the development and implementation of a site management plan. Such actions can be included in a project EMS or BAP, so that their implementation and effectiveness can be monitored over time.

Setting up an independent Biodiversity Advisory Group can often be helpful, both in engaging important stakeholders and providing well-informed guidance for project interventions.

The Biodiversity Consultancy works together with industry leading clients to achieve an ecologically sustainable basis for development by tackling complex biodiversity challenges and by supporting positive conservation outcomes. Contact us to find out how we can help you to:

- Identify and avoid risks before they occur
- Deliver your projects on time and at cost
- Turn environmental challenges into opportunities
- Demonstrate shared value to stakeholders
- Build a positive brand and sustainable business

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