
Corporate Biodiversity Finance

Financing no net loss & positive impacts

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Panel 1B: Resource Mobilisation

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Three tools for corporate biodiversity finance

1. Corporate Biodiversity Mitigation
2. Verified Conservation Areas
3. Conservation Capital Funds

1st tool: Corporate Biodiversity Mitigation



IFC Performance Standard 6

- 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

[ifc.org/sustainability](https://www.ifc.org/sustainability)

IFC PS6 paragraphs 7 & 10



7. As a matter of priority, the client should seek to **avoid** impacts on biodiversity and ecosystem services. When avoidance of impacts is not possible, measures to **minimize** impacts and **restore** biodiversity and ecosystem services should be implemented. ...The client should adopt a practice of **adaptive management** in which the implementation of mitigation and management measures are responsive to changing conditions and the results of monitoring throughout the project's **lifecycle**.

10. For the protection and conservation of biodiversity, **the mitigation hierarchy** includes biodiversity **offsets**, which may be considered only after appropriate avoidance, minimization, and restoration measures have been applied.

Biodiversity mitigation strategy



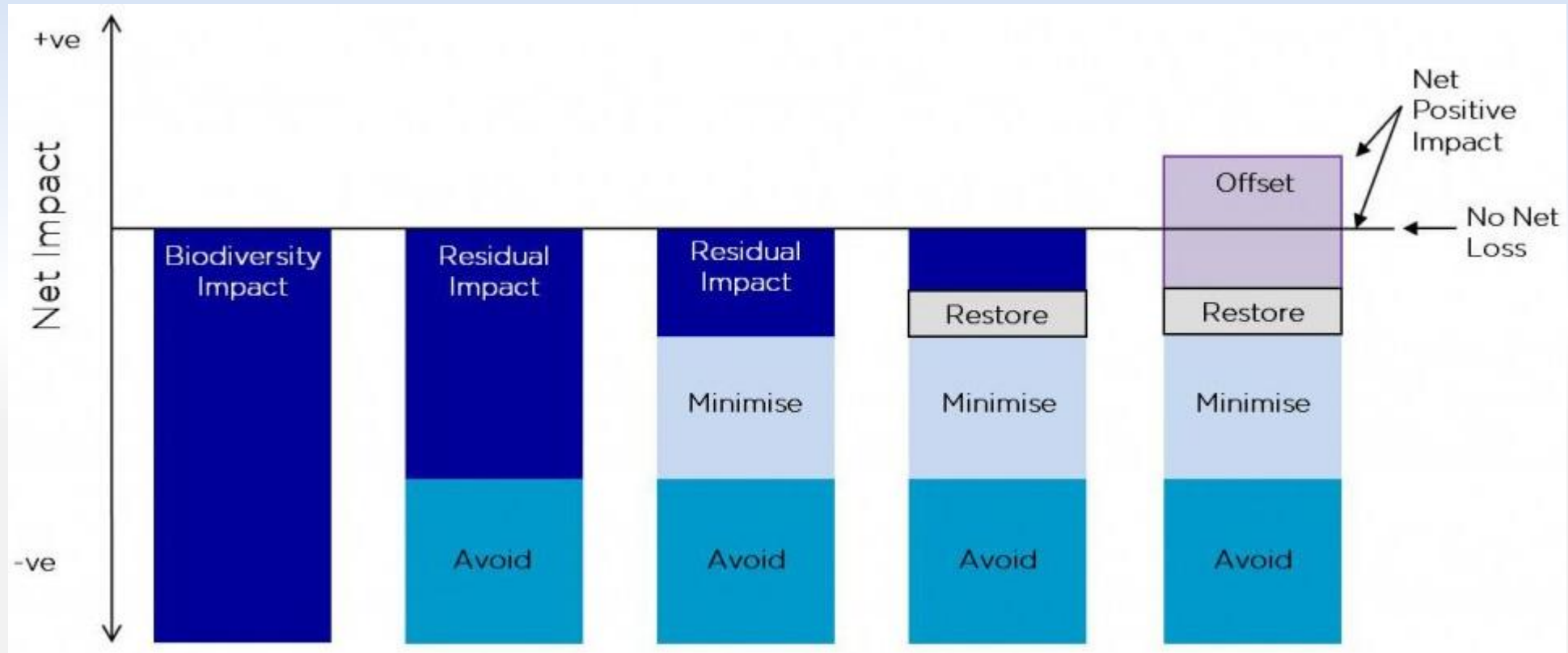
Avoid → Minimize → Restore → Offset

Through a process of **adaptive management**

Over the **lifecycle** of the project

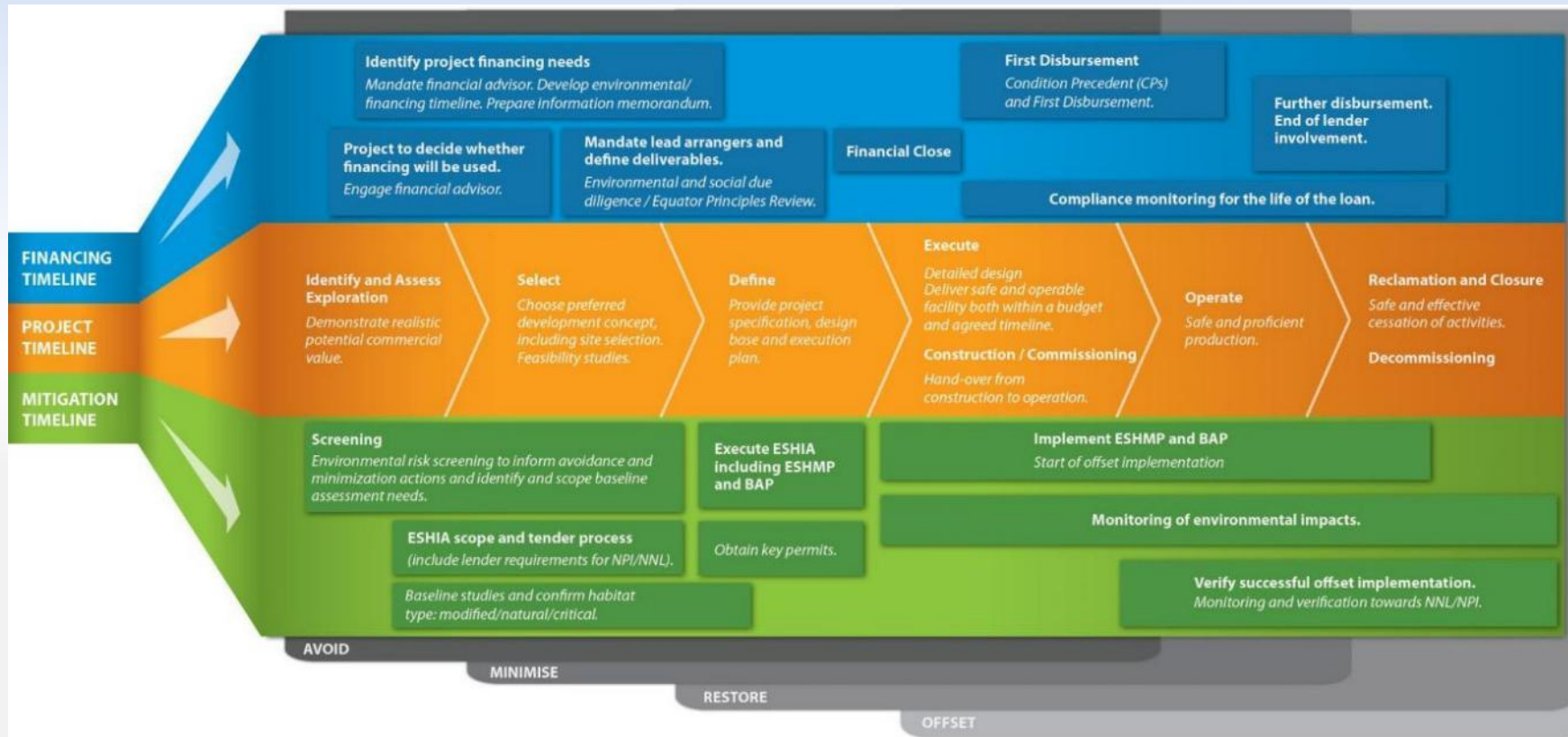
→ “No net loss and preferably a net gain of biodiversity”

Biodiversity mitigation hierarchy



(The Biodiversity Consultancy)

Biodiversity mitigation timeline



Adaptive management over the project lifecycle

Aligning financing, management & mitigation

(Cross-Sector Biodiversity Initiative)

The financing case for IFC PS6



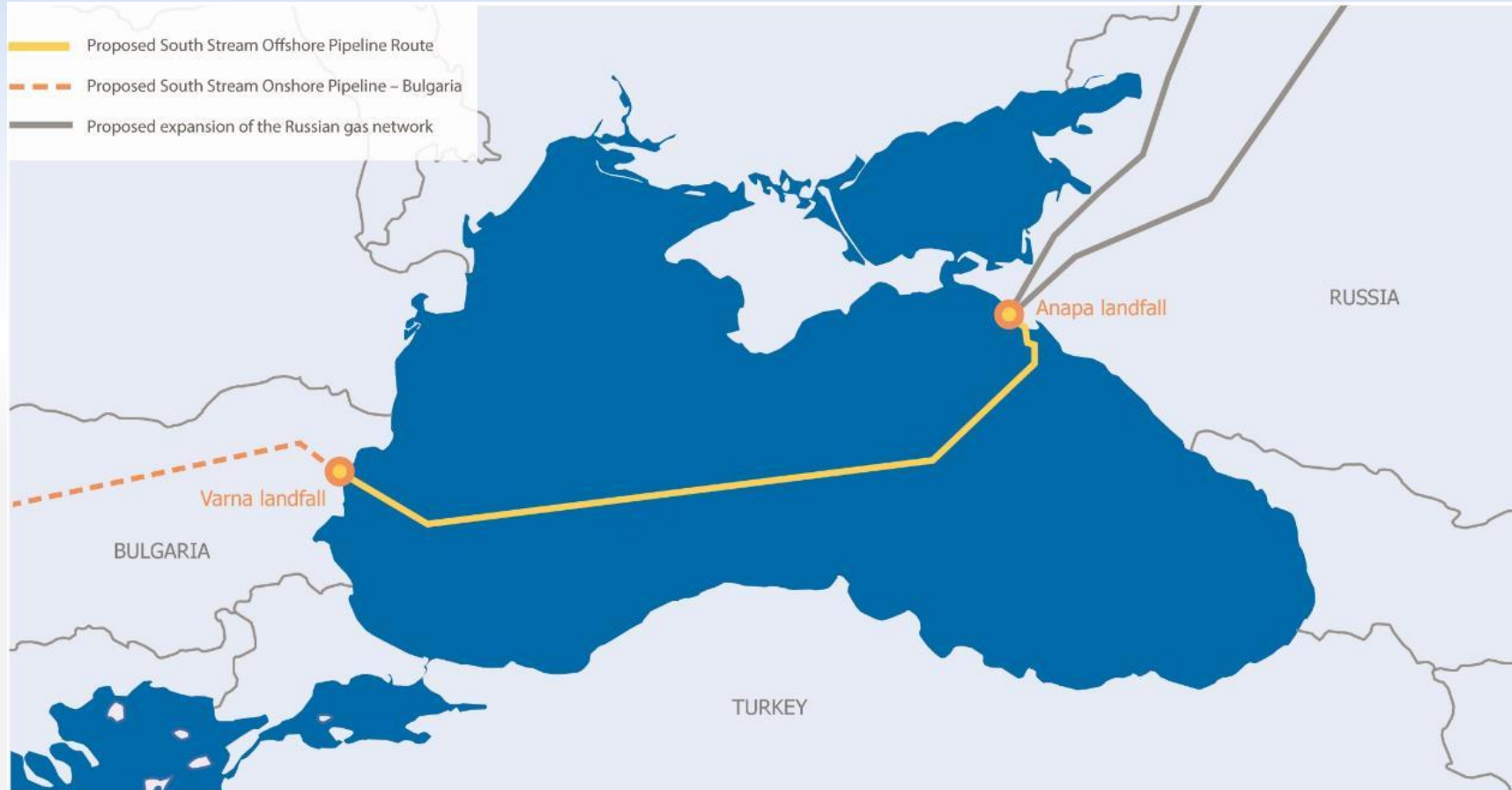
Export credit agencies under the OECD Common Approaches

“When undertaking a review, Members should benchmark ... **all eight IFC Performance Standards**, in particular where justified and/or practicable due to the size and/or structure of the transaction...”

Commercial banks under the Equator Principles

For Projects located in Non-Designated Countries, the Assessment process evaluates compliance with the then applicable **IFC Performance Standards on Environmental and Social Sustainability** and the World Bank Group Environmental, Health and Safety Guidelines.

South Stream Offshore Pipeline



ESIAs
for
Russia,
Turkey &
Bulgaria

IFC-
compliant
as required
by the ECAs
& banks

Nacala Corridor, Mozambique



Linking the Moatize coal mine to Nacala, where Vale will build a deep-water sea port

Revamping some 682 kilometres of existing railroads & laying 230 new kilometres

Associated facilities: coal mine, railroad & port

2nd tool: Verified Conservation Areas



The VCA Registry

Making conservation visible, accountable & marketable

- To register a VCA, submit an audited Management Plan
- To remain registered, submit an audited Performance Report yearly

v-c-a.org



Investing in verified conservation



Opportunities for business

- **VCAs ‘inside the fence’**
 - minimisation, avoidance, lifecycle management, decommissioning
- **VCAs ‘outside the fence’**
 - avoided areas, offsets, compensation, strategic CSR
- **VCAs in supply chains**
 - adds landscape-level conservation to commodity standards: CCBA, FSC, MSC, RSPO, RTRS, UFZ, etc.

Yemen LNG marine conservation area



Verified conservation areas

Coutada 5, Mozambique



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Coutada 5

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Original signpost dating back to 1972

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687,000 hectares hunting concession

- Large-scale private wilderness restoration
- Large-scale sustainable agriculture & ranching
- Community-based conservation farming

3rd tool: Conservation Capital Funds



- Securing long-term capital for biodiversity conservation
- Providing independent assurance & accountability
- Can finance biodiversity mitigation & verified conservation

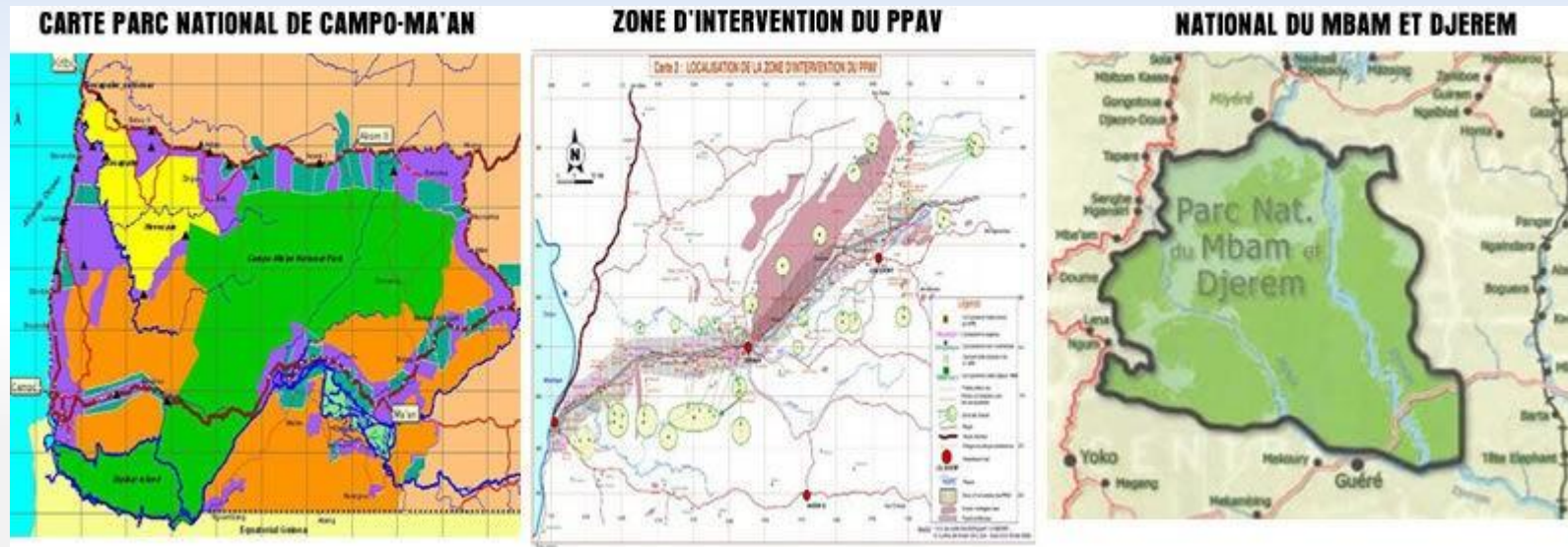


CAFÉ - Consortium of African Funds for the Environment

RedLAC - The Latin American and Caribbean Network of Environmental Funds

redlac10.earthmind.net

La Fondation pour l'Environnement et le Développement au Cameroun



Trust fund set up as an environmental compensatory mechanism under the Chad-Cameroon Pipeline Construction Project

Niger Delta Biodiversity Trust Fund



Under development by a UNDP/GEF Project

Support to long-term biodiversity management as a collaborative engagement mechanism for local communities, oil & gas companies, and Government

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