**Activity Report**

**WCC-2016-Res-073-EN**

**Investments of development finance institutions: socio-environmental impacts and respect for rights**

**Provision of technical support and capacity building to Members monitoring large-scale, DFI- financed projects and their socio-environmental impacts:**

As the Regional Implementation Team for the Indo-Burma hotspot, the IUCN Asia Regional Office has facilitated the awarding of several grants to civil society organizations working on this monitoring large-scale DFI-financed projects in the Indo-Burma hotspot. Small grants were awarded for instance to International Rivers to support a project assessing the impact of the development of the Nam Ou hydropower cascade in Lao PDR by PowerChina Resources and to the Mekong Community Institute Association (a Thai NGO) to support a project working with the Ing Women Network for Environmental Conservation (IWNEC) to assess the impact of infrastructure development on the Ing river, a tributary of the Mekong river in Thailand.

As part of the Global Water Initiatives IUCN supported the regional dialogue process that led to the adoption of the ECOWA directive on large water infrastructure in June 2017. The directive provides a critical framework – to be transposed into national legislation of ECOWAS Member States - to ensure that large-scale the DFI-financed dams are monitored on socio-environmental impacts.

IUCN/GWI developed publications and educational tools that are available for IUCN members and the wider public when assessing social impacts of future large dam projects or proposing social mitigation measure:

1. A study demonstrating opportunities for improving living conditions of smallholder farmers through the agricultural irrigation projects linked to the construction of large dams. <https://www.gwiwestafrica.org/en/irrigation-food-security-and-poverty-lessons-three-large-dams-west-africa>,
2. a study providing strategic reflections on the contribution of hydropower projects to the sustainable local development of dam-affected areas in Guinea, in particular through the development of a national benefit-sharing mechanism <https://www.gwiwestafrica.org/en/strategic-reflection-contribution-hydropower-projects-sustainable-local-development-dam-affected> and
3. through the development of 3 animated videos on “Securing the land rights of people affected by dams in West Africa” (<https://www.gwiwestafrica.org/en/securing-land-rights-people-affected-dams-west-africa>), “Negotiating fair agreements around large dam building” (<https://www.gwiwestafrica.org/en/negotiating-fair-agreements-around-large-dam-building>), and “Using locally controlled funds to support the development of communities affected by large dams” (<https://www.gwiwestafrica.org/en/using-locally-controlled-funds-support-development-communities-affected-large-dams>)

**Identify possible donors interested in supporting capacity building for IUCN Members in subjects:**

Since 2013, IUCN acts as a donor itself facilitating CEPF grant-making in the Indo-Burma Hotpot and supports civil society to analyse the possible/likely impacts of such projects, and propose alternative (less damaging) development scenarios. It seems likely that CEPF will continue investing in the region in the coming years, and that this topic will remain an investment priority.

The IUCN Secretariat organized a symposium together with the International Association for Impact Assessment (IAIA) in Washington on biodiversity aspects of development - technical committee (RFP around a training component); IAIA is member of IUCN and may provide opportunities for IUCN providing online training and inputs in their annual conferences.

IUCN, along with The Biodiversity Consultancy, have generated an online database of national-level biodiversity offsets policy : https://portals.iucn.org/offsetpolicy/

With support from the Intergovernmental Forum on Mining, IUCN and TBC an analysis paper was generated - <https://www.iucn.org/sites/dev/files/content/documents/understanding_government_biodiversity_offset_policies_in_the_mining_sector_november_2017.pdf>

**Share with DFIs and make available to IUCN Members material prepared by IUCN on socio- environmental safeguards as part of the ESMS:**

The Secretariat developed an environmental and social management system (ESMS) to check projects implemented by the Secretariat on environmental or social issues. As part of this system, operational procedures have been developed in form of a Manual (ESMS Manual) and four ESMS Standards that provide guidance how to address particular impact issues common in IUCN projects and/or that are at the heart of IUCN’s conservation approach. These materials are publically available ([www.iucn.org/esms](http://www.iucn.org/esms)) and could also be used by IUCN Members DFIs etc. In the case of GEF or GCF projects where IUCN acts as implementing agency and IUCN members being the executing agencies, members are already aware and informed about these the safeguard instruments.

**Continue to provide information based on IUCN standards and data sources such as the IUCN Red List, National Red Lists, Key Biodiversity Areas and Protected Planet in order to support DFIs in the application of standards and safeguards:**

IUCN continues to provide support to the World Bank Group in using IUCN standards and data sources through IBAT. A version of IBAT specifically designed for use with the IFC Performance Standard 6 has been developed and an IBAT users group for the wider World Bank Group has been created and training will be provided in early 2018. IBAT is being reconfigured to improve user access and the new version will be implemented in 2018. Discussions with the Inter-American Development Bank on a subscription to IBAT have made some progress. The new IBAT director will come to Washington in Q2 2018 and visits to IADB and other IFIs will widen use of IBAT in screening.

**URGES those DFIs that do not have their own safeguard systems to develop them expeditiously (…)**

One example could be that DFI’s utilize the standards developed as part of the IUCN Biodiversity Offsets Policy ([www.iucn.org/offsets](http://www.iucn.org/offsets)) as a starting point for the application of the Mitigation Hierarchy.

Additionally, the IFC has been updating their Guidance Notes for their Performance Standard (which is utilized by a number of institutions), and the World Bank has recently released the new Environmental and Social Safeguards Framework, which will be used by many government financial institutions (see below).

**URGES those DFIs with incipient safeguard systems to continue developing them, with the full participation of all stakeholders, and with the same basic elements as those listed in paragraph 2 above**

IUCN convened the Biodiversity Expert Group to support the World Bank Group in developing the new Environmental and Social Safeguards (ESS). The BEG recommendations to the World Bank were largely upheld in the policy document issued in August 2016. The Guidance Notes process for the implementation of the ESS framework has also been the subject of BEG input but it is not yet clear whether the input has been adopted by the WBG.