

Public consultation webinars on the EIB Group's Environmental and Social Framework

Webinar on **Standard 4 – Biodiversity and Ecosystems**

Wednesday, 30 June 2021

Summary of discussions

Objective

The European Investment Bank (EIB) is hosting a series of 13 webinars in the context of the public consultation on the EIB Group Environmental and Social Sustainability Framework (ESSF), open from 3 June to 6 August 2021. The overall objective of the webinars is to facilitate dialogue with stakeholders on the EIB Group Environmental and Social Policy (hereinafter “the Policy”) and Standards.

On 30 June 2021, the EIB hosted a webinar on Standard 4 – Biodiversity and Ecosystems. The Standard outlines the promoters’ responsibilities with regard to the identification, assessment, management and monitoring of the impacts and risks affecting biodiversity, ecosystems and their services that result from the projects that the EIB finances.

Introduction

The EIB welcomed the 65 webinar attendees (52 external, 13 EIB Group staff) and explained the webinar housekeeping rules and arrangements to ensure an effective discussion, noting that participant statements would not be attributed to individuals or organisations in the summary report and any comments made during the discussion would not be considered as formal contributions. The EIB invited participants to submit their written contributions to the public consultation by 6 August 2021 on the public consultation [website](#).

The EIB delivered a [presentation](#) on Standard 4: Biodiversity and Ecosystems. It summarized the background to the public consultation, the ESSF currently in force, and the main changes to the Standard under consideration. The floor then opened for discussion.

Discussion

The exchange with participants was an opportunity to identify areas in the Standard where **clarifications, strengthening approaches** were necessary.

Some participants found that the aim of a net zero loss of biodiversity was not explicit enough in the revised Standard. Others felt that phrases such as “relevant legislation” or “significant impact” were not clear enough and could create unintended loopholes. The panel welcomed these comments and took the opportunity to reiterate the EIB’s commitments to achieve a no net loss of biodiversity and ecosystems. Participants were also invited to submit written comments with precise suggestions in order to make the Standard as clear as possible.

The **methodology and tools used by the Bank to assess project impacts and risks to biodiversity and ecosystems** were also of interest to some participants. The panel explained that within the EU, the Bank follows applicable EU law during its appraisal and when it identifies a gap, it requires additional information and assessments. The Integrated Biodiversity Assessment Tool (IBAT) was used to inform the Bank’s due diligence. The Bank has started an exercise to integrate the value of biodiversity and ecosystems within its economic appraisal in order to be able to assess the tradeoff between projects’ objectives and their impact. The Bank applies the biodiversity headline targets of the EU Biodiversity

Strategy and is supporting the EU Delegation in the discussions and negotiations of the post-2020 Global Biodiversity Framework of the Convention on Biological Diversity (CBD) and its Aichi targets. Once the new targets have been defined, the EIB will refine its indicators to ensure that the projects it supports are contributing to these new targets.

The Bank's investments in **agriculture** raised considerable interest. Participants enquired as to how the Bank safeguards **animal welfare** and the panel highlighted that animal welfare principles and practices are enshrined in EU legislation, which the Bank applies rigorously in all its project in the sector.

Beyond agricultural projects, participants enquired about the way the Bank considers their upstream impacts on biodiversity (e.g. land requirements to grow the crops that will feed livestock). The panel explained that this aspect is taken into consideration during the due diligence process. Clients are required to prove that their feedstock is sustainably sourced, using for instance internationally recognised certifications.

In a similar way, the added value of the new Standard regarding the **impact of land use change on biodiversity** and deforestation was of interest to some participants. The panel explained that beyond Natura 2000 and other nationally or internationally protected areas, there are areas of high biodiversity value that are covered by the Standard, leading the Bank to require additional actions and obligations for a project to be eligible for funding.

Finally, some participants called on the Bank not to lend to projects supporting intensive forms of agriculture and instead favour projects promoting **regenerative forms of agriculture and agroecology**. Panellists explained that the EIB is led by EU policies and it assesses agricultural projects on a case-by-case basis considering their merits and positive and negative impacts. The Bank imposes more stringent due diligence when there is a possible stronger impact on the environment, or does not fund projects where this impact may be unacceptably high.

Some participants asked why the new Standard did not explicitly **exclude projects being financed in certain areas such as critical habitats or Natura 2000 areas**. The Bank explained that the EIB Group Climate Bank Roadmap (CBR) ensures that activities do not expand into areas of high carbon stock or high biodiversity value.

In addition, the Bank's critical habitat assessment leads it to exclude projects that bring about a net reduction of vulnerable, endangered and critically endangered species. In the same way, Standard 4 includes "buffer zones" around projects developed near critical habitat and protected areas.

Finally, a representative from a non-governmental organization (NGO) highlighted that the Bank can take the lead and not fund projects in Natura 2000 areas. The panel explained that it was legally possible but only under very specific requirements and after a careful assessment by the Bank. The upcoming EU Restoration Regulation will define strict protection areas where no projects can take place.

Some participants expressed concerns about the effectiveness of biodiversity **offsets**, considering that loss of protected ecosystems cannot be compensated by restoration elsewhere. The panel explained that there were different types of offsets. When you can achieve ecological equivalence, on-site offsets can be effective. In addition, the Bank is cognisant of the flaws and difficulties with offsets but, particularly in a developing context, offsets can have a positive impact by protecting areas which were not previously protected.

The **coherence of the Standard on biodiversity with the climate and social ambitions** of the Bank was also of interest to participants. Regarding climate change, the panel explained that the impact of a project on climate change was always considered alongside its impact on biodiversity. Nature-based solutions are another example where biodiversity and tackling climate change are complementary, in line with the EU Adaptation Strategy.

Participants enquired about the apparent lack of reference to local communities or women and the relative importance given to **human rights** when considering biodiversity. The panel recalled that women and local communities suffer most from biodiversity losses. Standard 4 promotes a gender-sensitive approach in identifying the project's impact on ecosystem services, and requires that local communities are involved in the assessment process and in the definition of mitigation and restoration measures, particularly when they are vulnerable and their livelihoods depend on biodiversity and ecosystem services. In addition, the panel insisted on the need to consider this Standard in the broader context of the Policy and the other Standards, as it offers a coherent approach when it comes to human rights.

Disclosure of information

The development of **disclosure frameworks** at EU and international level led some participants to enquire as to how biodiversity was taken into consideration. The panel explained that the EIB was contributing to developments such as the Task Force on Nature-related Financial Disclosure (TNFD), and was assessing how disclosure requirements at EU level such as the Corporate Sustainable Reporting Directive (CSRD) applied to the Bank. It was the opportunity to recall that the Bank published such information in its annual Sustainability report, and reports according to the Global Reporting Initiative, Sustainable Accounting Standards Board and more recently Taskforce on Climate-related Financial Disclosures requirements.

Other participants were interested in the effort of the Bank to require its clients to report biodiversity information. The panel explained that the Bank requires that its clients share non-sensitive environmental information with stakeholders and was supportive of them to do so using global data repositories such as the Global Biodiversity Information Facility. Sharing such information with competent authorities is key for an effective decision making process.

Concluding remarks

The EIB thanked participants for their constructive participation, which allows the review of the ESSF to benefit from the expertise of a wide range of individuals and organisations. The EIB reiterated the invitation to submit written contributions by 6 August 2021 on the public consultation [website](#). After this date, the EIB will start publishing the written contributions received. 15 working days ahead of the Board of Directors meeting during which the revised ESSF will be discussed, a draft revised EIB-ESSF, reasoned responses to the contributions and a draft consultation report will also be published.