

GUIDANCE NOTE
ON BIODIVERSITY DATA SHARING
- FOR EPFIs

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INTRODUCTION

This Guidance Note comprises information to support the implementation of the requirements contained in Principle 10 and Annex B of the Equator Principles version 4 (EP4) on reporting of biodiversity. This Guidance Note does not intend to establish new principles or requirements and each EPFI should make implementation decisions based on its institution's policy, practice and procedures.

Unless stated otherwise, all references to the 'Equator Principles' in this document relate to the Equator Principles text dated July 2020. The contents of this document will be updated over time to reflect the experience of EPFIs and EPFI clients, and in response to other changes affecting implementation (e.g. regulatory developments and technological advances).

This Guidance Note was compiled by a representative group of subject matter experts to assist EPFI clients through the process of formatting and sharing biodiversity data and addressing attribution, confidentiality and data privacy issues.

1. PURPOSE AND OBJECTIVE OF EP4 BIODIVERSITY DATA SHARING

Rationale

Biodiversity baseline and monitoring data is crucial for understanding how industrial, infrastructure, agricultural and extractives projects could impact, or are currently impacting, the living natural environment. This data tells us much about the biodiversity impacts we must avoid, mitigate, restore or offset and are crucial for aligning with international best practices and performance standards, including IFC Performance Standard 6. Biodiversity data gathering is one of the most expensive and time-consuming components of the impact assessment process. From on-site observations, experts must account for the complete range of species and habitats, as well as migratory patterns and lifecycles of species across seasons. Aligning the data collection period with the project and financing lifecycle can be a challenge. Failure to anticipate and plan for multiple site visits across seasons to understand the temporal differences in the likely impacts of a project can lead to delays and additional costs. Additionally, many transactions subject to the Equator Principles occur in developing countries with an abundance of biodiversity that tend to lack robust datasets of local biodiversity due to less resource availability.

Benefits of data sharing

Despite its potential value beyond the needs of a project, biodiversity data is rarely shared with non-project affiliated actors. Instead, valuable data is archived within company systems. As a result, resources are spent collecting new data at sites where existing data may be sufficient and data valuable to conservation is lost. An estimate of the spending on biodiversity assessments in Western Australia alone is of the order of US\$28 million per year (WABSI 2017). Sharing data would benefit project proponents working in areas in which data has already been gathered by not only reducing costs, but reducing the time needed for data collection and thus project development. Sharing data should enable better predetermination of critical habitat, promoting avoidance at project conception. Increasing the available data on critical habitat will mainstream those variables into the decision making and planning matrix more accurately. Sharing biodiversity data will also benefit conservation efforts by enabling scarce resources to be better targeted. Sharing data with the conservation community could also support corporate responsibility commitments by project proponents and their financiers. For example, in Western Australia where sharing of biodiversity data by companies already occurs, it is estimated that the value of existing data is of the order of US\$100 million and that companies could save about US\$39 million per year by having access to the shared data (WABSI 2017).

These benefits arise with minimal incremental cost in biodiversity data gathering because data can be collected in the format required for uploading to national and global biodiversity databases from the outset. EPFI clients and their biodiversity consultants will need to expend some effort and resources in training biodiversity management staff on this Guidance Note. This will lead to uniform data gathering and formatting that enables data sharing. The shared resources will further benefit the data collector by improving data quality. Equally, clearly developed data standards will aid national databases in adopting these standards, which in turn will improve access to data.

Objective

The following guidance provides recommended steps for EPFIs to follow to assist EPFI clients in gathering biodiversity data in such a way that will enable data sharing. It also guides the EPFI through the process of encouraging the project company to share biodiversity data and the mechanisms that will help the EPFI direct the project company through the process through execution.

2. GUIDANCE FOR EPFIS

EPFIs provide financing for projects that collect a multitude of biodiversity data. This data can be expensive to collect and is particularly valuable for future development project baseline assessments as well as for the conservation efforts, regulators and communities. Due to the low cost of making this data standardized and publicly accessible - and the collective local and global benefits of doing so,

including for the EPFI's clients, EP4 has incorporated biodiversity data sharing into its information sharing principles¹. This Guidance Note was compiled by a representative group of subject matter experts. This Guidance Note will assist the EPFI community to support clients through the process of formatting and sharing biodiversity data addressing attribution, confidentiality and data privacy issues.

How and when to encourage the client to collect and submit biodiversity data to the GBIF and/or national repositories

For all relevant² Advisory, Bridge Loan, PRCL and Project Finance transactions: the EPFI should evaluate whether or not biodiversity baseline data collection will be a necessary component of the environmental impact assessment at the earliest possible stages of a proposed Equator Principles transaction. If baseline data will be collected the EPFI should communicate to their client via email that the client is encouraged to publicly share baseline and monitoring biodiversity data using the *GUIDANCE NOTES FOR EPFI CLIENTS ON BIODIVERSITY DATA SHARING*. This can be included in the initial response to the banking team on all the related environmental and social terms of the transaction.

To help the client understand the terms and process for biodiversity data sharing, the team should explain that this implies using a standardized format for collecting biodiversity data and submitting it to a centralized biodiversity data gathering facility known as the Global Biodiversity Information Facility (GBIF). Sharing biodiversity data is not unlike sharing other forms of environmental data, such as data on greenhouse gas emissions, in that it is quantitative, georeferenced primary data. The EPFI should include a link to the GBIF.org website in their initial communication with the EPFI client.

The EPFI should inform the client that data can be delivered over a period of time to align with the projects development timeline. FAQs from clients will be collated by the EP Biodiversity Working Group as to support EPFIs, and to enable the future updating of this guidance.

Clients should also be informed that biodiversity data sharing improves their reputation and enhances the relationship with stakeholders and the conservation sector. Data sharing will also create an evidence base for informing ecosystem or natural resource management decision in the area of operations. Clients should be encouraged to communicate the benefits of their biodiversity data sharing with their stakeholders.

¹ Principle 10.

² Not all projects have biodiversity concerns or will undergo biodiversity data collection. Relevant here refers to those projects with IFC PS6 triggers and/or will be collecting biodiversity data during planning, construction and operations.

Clients currently in the monitoring phase of an Equator Principles transaction can also be encouraged to share preliminary biodiversity baseline data by reformatting the data using GBIF guidance, and/or by updating their monitoring data formatting to align with GBIF guidance. The EPFI should encourage the use of the Biodiversity Guidance Note for Clients and data format at the earliest stage of data collection, and commit to provide guidance in the implementation of the guidance note. See Annex A for an example email.

Monitoring biodiversity data sharing voluntary commitments

The EPFI is encouraged to receive formal confirmation from the client to participate in biodiversity data sharing using this guidance. The EPFI is encouraged to follow up with the company on its progress toward biodiversity data sharing during regular check in points at due diligence and monitoring stages.

If the EPFI is in a syndicate of banks but not leading the due diligence or monitoring process of the Equator Principles transaction, the EPFI can remind the environmental and social agent bank to include inquiries about biodiversity data sharing in their regular monitoring with the client.

If deemed appropriate by the EPFI, and beneficial to the consistency of managing a company's environmental and social commitments, the EPFI could add biodiversity data sharing commitments to the environmental and social action plan.

How to report on biodiversity data sharing for assurance purposes if needed

If the EPFI has an assurance process that requires reporting on EP4 clauses, the encouragement of biodiversity data sharing could be demonstrated to assurance providers for EP purposes by saving and demonstrating the note/email provided to the banking team that states that the client is strongly encouraged to share primary biodiversity data as well as the response from the client via the banking team or directly.

Alternatively, proof of encouragement could be demonstrated through the term sheet, loan agreement, environmental and social action plan, or scope of work of the environmental and social consultant or biodiversity consultant.

It should be noted that proof of encouragement to partake in biodiversity data sharing is not necessary to comply with the EP4 biodiversity data sharing voluntary commitment.

Annex: Example Email to client encouraging biodiversity data sharing

SUBJECT: Biodiversity Data Sharing Request

EMAIL ATTACHMENT: GUIDANCE NOTE FOR EPFI CLIENTS ON BIODIVERSITY DATA SHARING

Dear [insert recipients name],

As an Equator Principle Financial Institution, we use the Equator Principles framework to identify, assess and manage environmental and social risks associated with projects we finance. Per the Equator Principles Reporting Requirements, we kindly request that you consider sharing your project-related biodiversity data.

The intention of this request is to encourage standardized data collection and submission to a centralized database known as the Global Biodiversity Information Facility (GBIF). Sharing of biodiversity data is not unlike the sharing other forms of environmental data, such as greenhouse gas emissions, and data can be submitted over a period of time to align with project development and any privacy concerns.

Instructions on how to share your project's biodiversity data are found in the attached Guidance Note. Though it may seem quite detailed, rest assured that a tested system is in place to make sure data sharing quick and easy. As an EPFI, we commit to supporting you and to providing additional guidance as required. More information can also be found at GBIF.org.

EPFI members believe that biodiversity data sharing is a mutually beneficial action that will help maintain or improve our client's good reputations, enhance stakeholder relationships, and benefit global biodiversity management and decision making. We encourage you to communicate the benefits of biodiversity data sharing with your sector peers and colleagues.

Please respond to this email to confirm your willingness to participate in this biodiversity data sharing request. If you do not wish to participate, please share the reasons why. Please also share any questions you have about the EP4 Biodiversity Data Sharing process. Input from clients will be collated by the EP Biodiversity Working Group to inform future requests and guidance updates.

Sincerely,

[insert senders name and contact info]

ⁱ Biodiversity data sharing is an effort in part to support the right of access to environmental information to individuals and groups in vulnerable situations and in doing so aligns with the Escazú Agreement's emphasis

that it is "the right of every person of present and future generations to live in a healthy environment and to sustainable development."