

## IUCN-Holcim Independent Expert Panel

**The rational way forward*****Rationale and envisaged outputs of the Panel***

*Developed at first Panel Meeting (March 2008)  
Amended at 2<sup>nd</sup> and 3<sup>rd</sup> Panel Meetings (July & Sept 2008)*

**Background**

The following points 1-5 are defined parts of the Agreement and the results of discussions by the IUCN-Holcim Steering Committee. They were 'given' to the IEP and are not a product of its deliberations.

1. The **overall purpose** of the **IUCN-Holcim Agreement** is "to enable the Parties to build a lasting relationship to develop robust ecosystem conservation standards for the Holcim Group, contributing to sector-wide improvements in the cement and related sectors".
2. The **Strategic Objectives** of the Agreement are:
  - Review and assess the approach of the Holcim Group to biodiversity conservation management, establish a baseline, and develop a more comprehensive corporate biodiversity policy and strategy for the Holcim Group.
  - Explore, identify and develop joint initiatives of mutual interest and benefits, particularly those supporting sustainable livelihoods and biodiversity conservation.
  - Promote good practice by sharing the learning with the wider industry and conservation communities.
3. Within this Agreement, the **overall goal of the IEP** is "to contribute to the reduction of the cement sector's footprint on biodiversity and the enhancement of their positive contribution to biodiversity conservation".
4. The IEP's **specific objective** is to provide to the Holcim Group, under the overall facilitation and management of IUCN, independent scientific advice on Holcim's:
  - Existing biodiversity management tools
  - Additional biodiversity management tools, if and as may be necessary or useful
  - The development of its biodiversity conservation policy as may be agreed between Holcim and IUCN, on the basis of various assessments and reviews contemplated under the agreement.
5. The main **expected outputs of the IEP** discussed and agreed by the IUCN-Holcim Steering Committee are:
  - Review of existing documents and recommendations on ESIA's, Rehabilitation Plans and BAPs
  - Sample assessment of local implementation of these guidelines and report on best practices
  - Suggestions on comprehensive biodiversity policy
  - Suggestions on possible biodiversity related KPI

## IEP initial understanding of Holcim's business and its relationship to biodiversity and social issues

6. The cement sector is characterised by the following aspects that have a direct bearing on biodiversity and social issues:
  - The resource base is mostly constituted by limestone which, although globally widespread, can be locally characterised by sensitive karst landscapes and species-diverse plant communities;
  - The resource base is less sensitive than mining to quality issues. Therefore more flexibility in the placement of new quarries could be possible, but on the other hand, given the relatively low value of the resource and its bulk nature, transport distance is a limiting factor reducing flexibility of location as plants and quarries need to be situated as close as possible to local markets;
  - The cost of land represents a relatively small portion of total development costs;
  - The local character of production, marketing and sales can enhance positive social relationships or exacerbate social conflict;
  - Since the resource base for cement production is exploited for a very long time period - often in excess of 50, and up to 100 years - global climate change could in some locations have significant additional, possibly even overriding, effects on biodiversity and its distribution patterns and must be taken into account for conservation planning and rehabilitation purposes;
  - Shorter time frames often apply to aggregate quarries;
  - The long time frames of operation often mean that settlement patterns and socio-economic conditions around plant and quarry sites change dramatically over time thereby necessitating a change in approach to biodiversity and social needs;
  - The negative impacts of noise, vibration and dust imply that buffer zones can play an important role in social relationships thus offering additional scope for positive biodiversity outcomes.

### Scope and key rationales of IEP work

7. Since ESIA's are an important specific aspect of the IUCN-Holcim Agreement but the Panel does not possess expertise in all industrial environmental issues (pollution, emissions, energy, waste) the **thematic focus** of the IEP's work is defined as issues relating to :
  - Biodiversity (incl. ecosystems and ecosystem services)
  - Biodiversity-related social aspects (regional and local communities)

The IEP's work is thus not addressing issues of energy use and emissions on problems such as global climate change, but it might look at **indirect effects** of industrial environmental issues on biodiversity.
8. For any sites and quarries biodiversity and biodiversity-related social issues contain risks as well as opportunities. The IEP should therefore seek to provide guidance and recommendations on best practice for both:
  - Assessment of risks and measures to avoid, minimise, mitigate or offset them
  - Assessment of opportunities and measures to seize, enhance and maximise them

9. Biodiversity and biodiversity-related social risks and opportunities must be addressed throughout the full life cycle of a site and integrated into the Company's decision-making procedures. In order to be practical and useful to Holcim, specific planning documents and operational guidelines on biodiversity and biodiversity-related social issues should link into, and be integrated with the **typical commercial life cycle** of a Holcim plant/quarry – from initial opportunity assessment to closure and rehabilitation. Strategically, more risks can be avoided and more opportunities can be capitalised on early in the decision-making process when more alternatives are still available.
10. The recommendations and outputs of the IEP relating to the various life cycle phases should be logically connected to each other. Ultimately they should be rooted in a Holcim **Biodiversity Policy** and interlock with existing corporate policies on environmental and social issues. In order to provide consistent advice on individual documents like ESIA's, BAPs and Rehabilitation Plans, the framework of such a policy will be sketched out at an early stage of the IEP work.
11. Policies, directives and recommendations on biodiversity issues are only as good as the quality of their implementation on corporate, country and site levels. In view of Holcim's corporate structure and devolved management systems the IEP recognises that good and practical **advice on implementation** will constitute an important part of its assignment. This may include an analysis of the information provided to decision makers as well as on the skill mix, incentive structure, training and other relevant management factors at corporate and constituent companies' levels.

### Envisaged IEP outputs

12. The rationale for the Panel's work on various outputs is summarised in **Annex 1** and their relationship to each other shown in **Annex 2**. The list of initially identified outputs might undergo some changes as the Panel's work on individual documents is progressing. The list requires more discussion about the precise scope of each document, what rationalisations might be possible and how they interlock with each other.
13. Initial thoughts by the IEP on the respective scopes of the three main processes that precede project implementation are given in the following table (and will be refined in the course of the IEP's work):

	<b>Biodiversity and social components of key project phases</b>		
<b>Aspect</b>	<b>Opportunity Study</b>	<b>Feasibility Study</b>	<b>ESIA</b>
<i>Spatial scale</i>	Regional (within a country or between neighbouring countries)	Focus on site (and buffer zone)	Focus on site (and buffer zone)
<i>Method</i>	GIS based (desk study)	Remote sensing at more refined scale Possibly some ground truthing and verification of biodiversity info	Detailed field assessments
<i>Technical inputs</i>	Inputs mainly from IUCN Commissions and HQ drawing on existing relevant GIS databases and reports	Involvement of local expertise (IUCN Regional/ Country Office or member) Local conservation authorities	To be carried out by expert team with defined required skills Inputs and information from local conservation authorities and conservation NGOs

<i>Time scale</i>	Quick response (lead by IUCN HQ)	~ 1 month (input led by local IUCN unit)	~ 3 months or more (depending on complexity and if seasonality is an issue)
<i>Risk / opportunity mix</i>	Emphasis on risks from biodiversity and social issues	Exclusion of “nasty” surprises for the ESIA at later stage Evaluation of significance of risks	Considering all phases of development (construction, operation and closure) Evaluation and proposal of mitigation measures Identification of opportunities for biodiversity gains
<i>Strategic / tactical choices</i>	Prioritisation of sites (if several under consideration)	Evaluation of alternative technologies (mitigation options) or sites if significant risks are identified	Discussion of benefits and/or reduced impacts of alternative(s) Choice of appropriate local techniques
<i>Biodiversity scale</i>	Focus on ecosystems (and ecosystem functions) and on critical natural habitats	Focus on local habitat and species	Focus on individual critical species and habitats in more detail
<i>Social dimension</i>	Highlighting critical social sensitivities of the region	Focus on specific local human communities and the broader political-economic context	Evaluation of needs and opportunities for outreach to local communities
<i>Land use context &amp; Rehabilitation</i>	Identification of other land use developments in the region	Options for rehabilitation	Anticipated land use changes over time at local level Impacts upon surrounding land uses Proposal for rehabilitation
<i>Data requirements</i>	Access to good international databases on ecosystems, habitats and species	Identification of knowledge gaps	Targeted collection of data to close information gap
<i>Stakeholder engagement</i>	(Strict confidentiality respected at this stage)	Identification and analysis of stakeholders Informal sounding of stakeholders (under maintenance of required level of confidentiality)	Involvement of stakeholder through participatory processes
<i>Legal aspects</i>	Review of legal framework (and possible changes)	More detailed analysis of legal framework	Recommendation on measures to comply with all legal requirements
<i>Recommendations for next steps</i>	Issue to be especially examined in Feasibility Study	ToR and required skills for ESIA	Framework for Environmental Management Plan and/or BAP

14. Timing of the envisaged outputs is not yet fixed. Generally, they can only be properly drafted until all the site visits are completed (June 2009). However, in view of the importance of the Biodiversity and Social Policy Framework (into which all processes and documents must be anchored), the IEP endeavours to complete a first draft of this document within by the end of December. The priority sequence of the other documents is somewhat flexible and will, among other factors, also be guided by the needs of Holcim.

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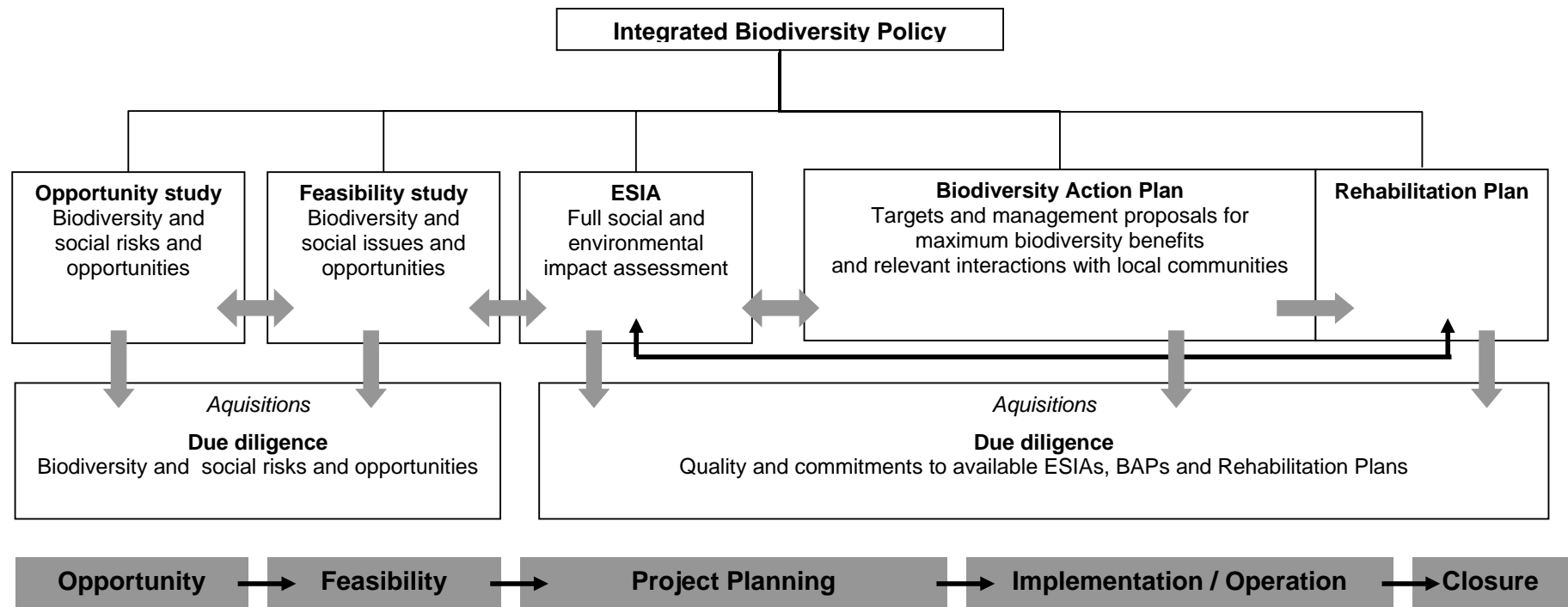
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## ANNEX 1: RATIONALE OF IEP WORK AND ENVISAGED OUTPUTS

Holcim process (Life cycle)	Biodiversity / social concerns	IEP work	Holcim input	IEP outputs (currently envisaged)
<b>Risk and Opportunity Study</b> (several sites in an area of interest)	Quick assessment of significant regional biodiversity risks and problems (rare/threatened ecosystems & species; protected areas etc) and of critical social sensitivities that could affect site developments in the area of interest.	In collaboration with relevant IUCN staff and Commissions development of an "early warning database system" for biodiversity and social risks through which IUCN can provide quick inputs into Holcim site evaluations and choice of priorities.  Design of a similar system for early spotting of social concerns (IUCN role to be identified)	IEP to gain understanding of relevant processes on corporate and national/ regional levels so that IUCN inputs can be designed for maximum effectiveness (and without compromising commercial confidentiality)	→ Guidelines on early risk assessment of biodiversity and social issues
<b>Feasibility Study</b> (usually one site only)	More detailed assessment of issues relating to local habitats and species and to specific local communities which are to be expected from a site development and identification of mitigation options to be explored in the ESIA.	Development of a standard system for such assessments based on desk studies and initial (limited) ground truthing.	IEP to gain understanding of this process, incl. corporate vs. national/ regional responsibilities, so that the system can be designed for maximum effectiveness and efficiency (and maintenance of desired level of confidentiality)	→ Guidelines on inclusion of biodiversity and social concerns in feasibility studies
<b>Due Diligence</b> (acquisition of existing sites and operations)	Assessment of actual and potential biodiversity risks	Development of standard assessment of biodiversity risks and opportunities based on guidelines for opportunity and feasibility studies	IEP to gain understanding of Holcim due diligence process	→ Guidelines on due diligence for biodiversity and biodiversity-related social concerns
<b>Project Planning</b>	Full Environmental and Social Impact Assessment with appropriate involvement of key stakeholders	Review of existing ESIA Guidelines; identification of possible improvements and amendments; assessment of quality of implementation	IEP to gain understanding of ESIA process and responsibilities between corporate, national and site levels.  IEP to have opportunity to review 2-3 ESIA's completed during past 3 years.  IEP to gain understanding of cases where ESIA's have not been accepted, and licence has been refused.	→ Short reports on evaluated ESIA's → Amendments to Guidelines → Report on good practice for ESIA
	Development of Biodiversity Action Plan based on recommendations of ESIA with measurable targets, covering in outline the life time of the site including rehabilitation	Review of existing BAPs (UK); identification of possible improvements and amendments; assessment of quality of implementation	IEP to gain understanding of BAP process in UK  IEP to have opportunity to review 2-3 BAPs.	→ Short reports on evaluated BAPs → Guidelines for BAPs → Report on good practice for

	measures	Development of Action Plan framework for all Holcim sites Criteria for the development of BAPs on existing sites		BAPs → Recommendations on criteria for setting priorities for BAPs on existing sites
	Action Plan for social activities with local communities with measurable targets	In principle this lies more within the responsibility of work stream 2 (and at Holcim is covered through the CSR Unit), but it needs to be discussed how this work is linked with the social work component of IEP	?	→ ?
<b>Implementation</b>	Ongoing implementation of recommendations in ESIA and BAP, and monitoring of results and indicators	Development of Monitoring & Evaluation system for assessing biodiversity and social targets (in collaboration with local IUCN member)  Development of KPI on site level that could be rolled up into national (and corporate) KPI	IEP to gain understanding of Holcim KPI system  IEP to have opportunity to review 2 or 3 Environmental Management Plans for biodiversity content	→ Guidelines on Monitoring and Evaluation (as part of the BAP?), incl. Baseline studies  → Recommendations on Key Performance Indicators relating to biodiversity and social issues
<b>Operation</b>				
<b>Rehabilitation(during operation and after closure)</b>	Development of Rehabilitation Plan in continuation of strategy and targets set in BPA	Review of existing selected rehabilitation plans and assessment of quality of their implementation	IEP to gain understanding on Holcim policy on site closure and policy on site disposal	→ Short reports on evaluated Rehabilitation Plans → Guidelines for Rehabilitation Plans → Report on good practice for Rehabilitation Plans
<b>Integrated corporate SD process</b>	Integrated Biodiversity and Social Policy	Production of policy document in close collaboration with other IUCN and Holcim experts	IEP to gain understanding of Holcim planning and cycles and systems	→ Strategic policy framework → Ultimately: draft policy document
<b>Data base of all sites and quarries</b>	Inclusion of key biodiversity and social parameters	Review of existing database and recommendations on further development and linkages with IUCN biodiversity databases (species, ecosystems, protected areas)		→ Recommendations and inputs from IEP members individually on on-going basis
<b>Population of database with information on all existing sites</b>		Development of criteria for priorities		→ Recommendation on priorities

**ANNEX 2: DOCUMENTS ON BIODIVERSITY AND SOCIAL ISSUES IN RELATIONSHIP TO HOLCIM PLANNING CYCLE**



*Holcim Planning Cycle*