



An Introduction to Nature Finance: Private Sector Finance Instruments

October 1, 2026

AGENDA

1 Nature Finance Technical Presentation

2 Panel Discussion

3 Q&A

SPEAKERS



Simone Utermarck
Senior Director, Sustainable
Finance
International Capital Markets
Association (ICMA)



Alexis Crusey
Head of Fundraising
Circulate Capital



Genevieve Connors
Manager, Environment
World Bank Group



Irina Likhachova
Global Lead for Nature Finance
World Bank Group

- 1 Nature Finance Overview
- 2 Private Sector Financing Instruments Most Suited to Finance Nature
- 3 Nature Finance Market Guidance
- 4 Market Examples

Defining Nature Finance



*"The direct drivers of change in nature with the largest global impact have been ... **changes in land and sea use; direct exploitation of organisms; climate change; pollution; and invasion of alien species.**"*

2019 IPBES Global Assessment Summary for Policymakers

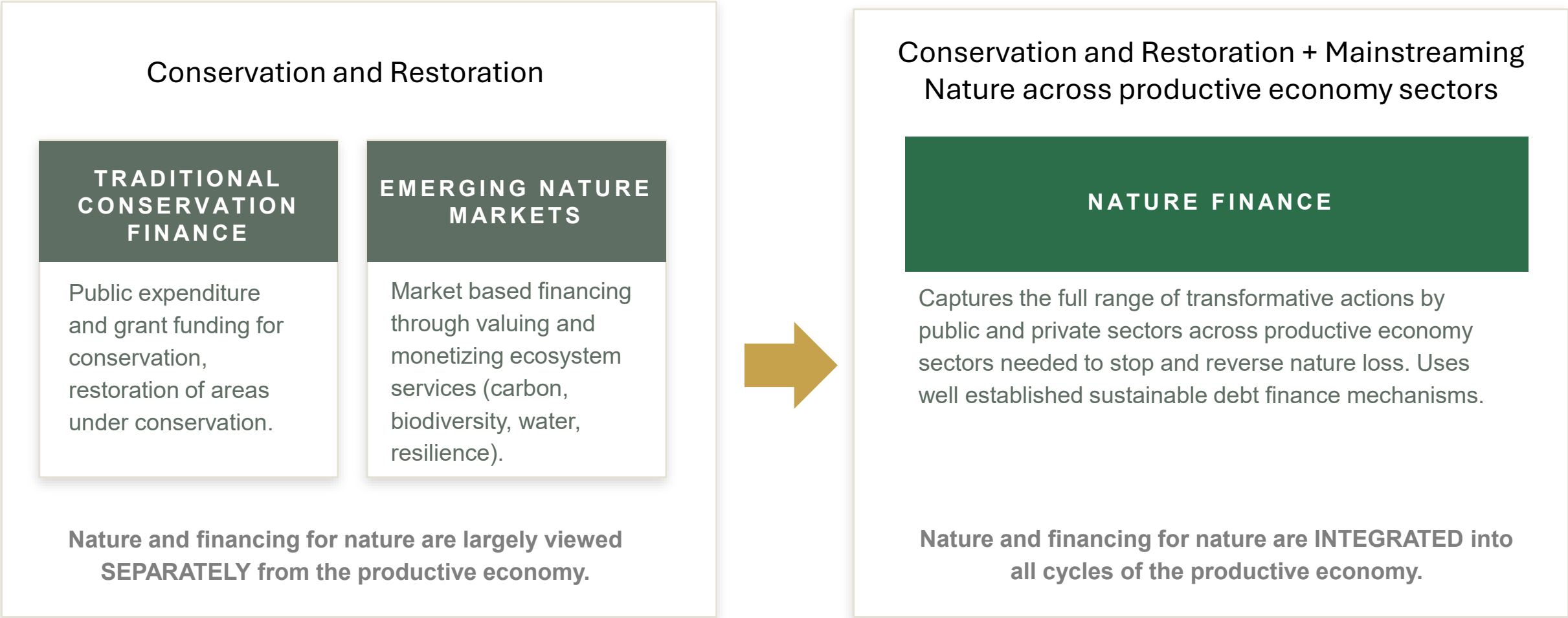
*"... biodiversity loss is **driven in large part by economic activity** ..."*

IPBES (2026) *Summary for Policymakers of the Methodological Assessment Report on the Impact and Dependence of Business on Biodiversity and Nature's Contributions to People.*

*"Businesses have contributed to **all five main direct drivers of biodiversity loss** identified in the IPBES Global Assessment of Biodiversity and Ecosystem Services."*

IPBES (2026) *Methodological Assessment Report on the Impact and Dependence of Business on Biodiversity and Nature's Contributions to People.*

NATURE FINANCE IS A RESPONSE TO ROOT CAUSES OF NATURE LOSS AND FINANCE GAP



EMBEDDING NATURE INTO THE PRODUCTIVE ECONOMY CAN ACHIEVE BETTER OUTCOMES FOR CONSERVATION AND RESTORATION

Traditional Conservation Finance & Nature Markets

Focuses on ecosystems separately from the productive economy, relies predominantly on public sector finance



Legislation and funding to designate coral reef as protected area



Restoration and conservation activities to generate biodiversity credits



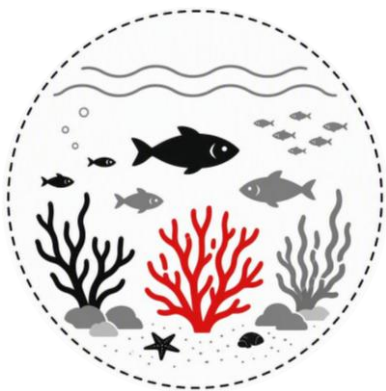
Polluted water runoff from urban areas, solid waste



Nutrient, chemical runoff from agriculture



Invasive species spread, pollution from shipping



- GBF Targets:**
- Target 2
 - Target 3
 - Target 19

Nature Finance

Brings productive economy into focus to address the root causes of nature degradation and to mobilize public and private capital



Legislation and funding to designate coral reef as a protected area



Restoration and conservation activities to generate biodiversity credits



Policy and investments to expand sewage infrastructure, urban NBS to reduce polluted water runoff, solid waste collection



Policy and investments into regenerative agriculture to reduce agrochemical use and runoff



Policy and investments into ballast water filter systems to reduce spread of invasive species, treating wastewater



- GBF Targets:**
- Target 2
 - Target 3
 - Target 6
 - Target 7
 - Target 10
 - Target 12
 - Target 19

NATURE FINANCE BRINGS ECONOMIC DEVELOPMENT AND JOBS FOCUS TO NATURE RESTORATION



Deforestation free supply chains:

- Sustainable timber plantations
- Agroforestry in productive buffer zones of protected forests
- Sustainable forestry and agroforestry production on degraded lands
- Establishing sustainable sourcing of non-timber forest products

Circular bioeconomy:

- Creating a market for sustainably-grown wood to substitute plastics, synthetics, construction materials and more
- Creating economic value and new businesses from bio waste

Economic value-add:

- Building processing and manufacturing capacity and infrastructure for nature-based industry value chains

MDBs AND CAPITAL MARKETS DEFINITION OF NATURE FINANCE



Extractive Practices that
increase business and
economic risk

NATURE FINANCE

Financing **TRANSFORMATION** of whole of
economy to nature-smart **PRACTICES and**
BUSINESS MODELS that stop and reverse nature
loss and contributes to the implementation of the
Global Biodiversity Framework



Regenerative Practices that
support businesses and
economies

Nature finance = financing projects activities that contribute to:

- a) Restoration and conservation of biodiversity or ecosystem services,
- b) Reduction of the direct drivers of biodiversity or ecosystem services loss across sectors,
- c) Integration of nature-based solutions across economic sectors,
- d) Policy, tools, or other activities that support/ enable the above activities.

EXAMPLES OF PRIVATE SECTOR NATURE FINANCE PROJECTS ACROSS INDUSTRIES



Food and Agriculture



Nespresso suppliers: reforesting coffee plantations with native trees to improve productivity, quality, soil, protect forests



Forestry, Paper, Pulp, Wood Products



BTG Pactual in Brazil: restoration of degraded land via 50% reforestation and 50% commercial timber



Textiles and Wear & Manufacturing



Sanko in Türkiye: expansion of recycled yarn capacity addresses overexploitation of natural resources



Water and Wastewater Utilities



Sabesp: improving sewage system and water supply to clean up the Pinheiros River and Tiête River in São Paulo and using NBS to reduce costs of water purification



Financial Institutions



Banco Bolivariano: biodiversity bond that finances projects across forestry and agriculture, sustainable production in freshwater, waste and plastics management, and tourism.



Chemicals



Indorama Ventures (Asia): PET recycling to manage and reduce plastic waste



Mining



Boston Metal pilot plant in Brazil: RE electrified process to extract valuable metals from mining waste



Transport



MSC Shipping: installation of filters on ballast water tanks to prevent spread of alien invasive species



Renewable energy

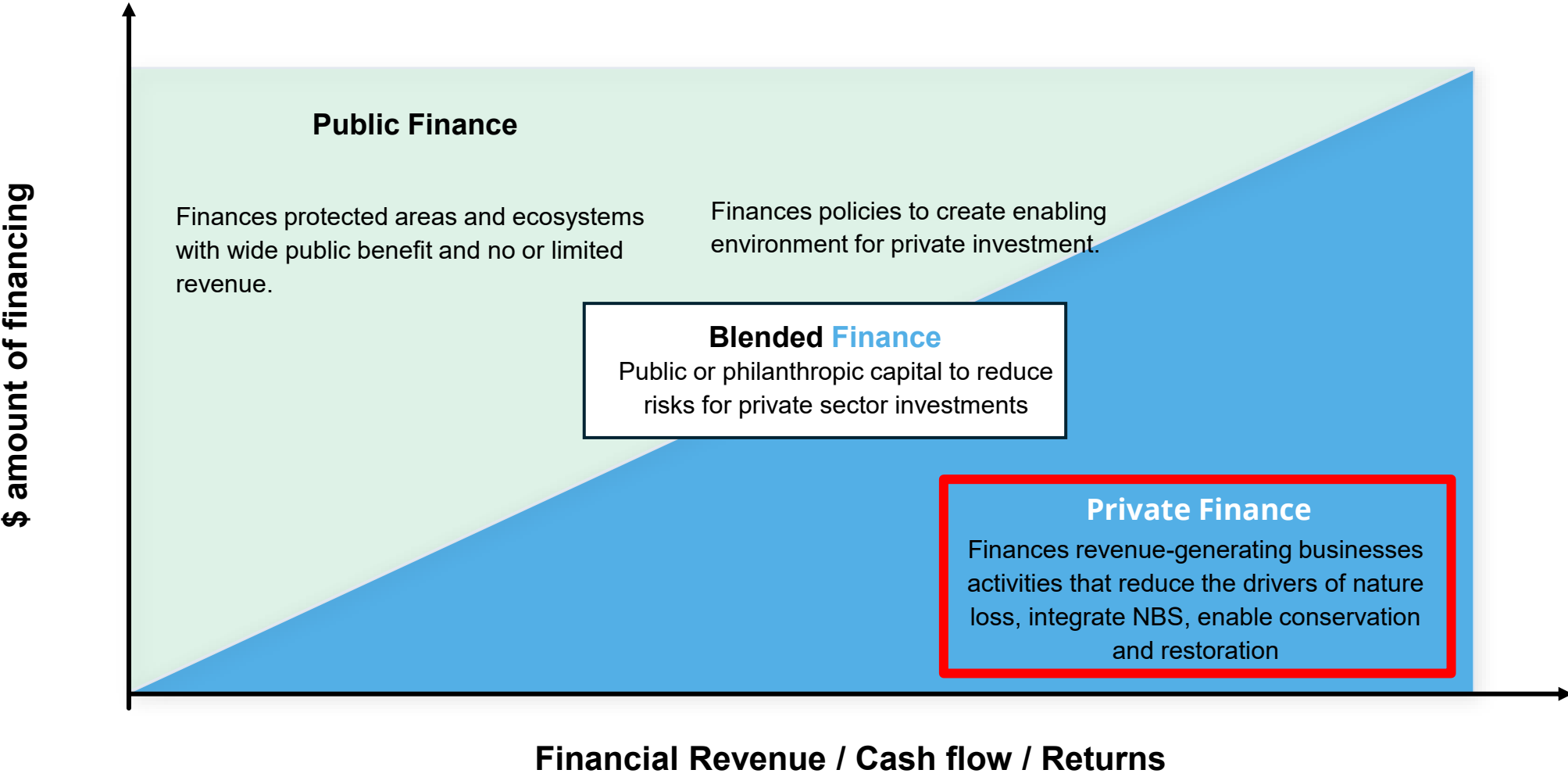


Nature-based solutions such as Agrivoltaics

Private Sector Financing Instruments



DETERMINING WHICH SOURCES OF FINANCE ARE MOST SUITABLE



MOST COMMON PRIVATE SECTOR FINANCIAL INSTRUMENTS

DEBT

LOANS

- Used by companies, banks or governments (*borrowers*) to borrow money from other companies, banks or governments (*lenders*).
- Loans can be provided for specific projects (*use of proceeds loans*), for general purposes, or for achievement of a specific outcome (*sustainability-linked loans or outcome-based loans*).
- Borrowers agree to pay back the loan amount (principle) and interest throughout the duration of the loan at pre agreed intervals.

BONDS

- Used by companies, banks or governments (*bond issuers*) to raise money by borrowing from investors (*bond holders*).
- Bonds can be issued to raise funds for specific projects (*use of proceeds bonds*), for general purposes, or for achievement of a specific outcome (*sustainability-linked bonds, outcome bonds*).
- In return, the bond issuer promises to pay back the investment (principle), with interest (coupon), over a certain period of time (*bond maturity*):
 - Investors receive interest payments from the issuers every year before bond maturity.
 - Repayment of principal is due at bond maturity

EQUITY

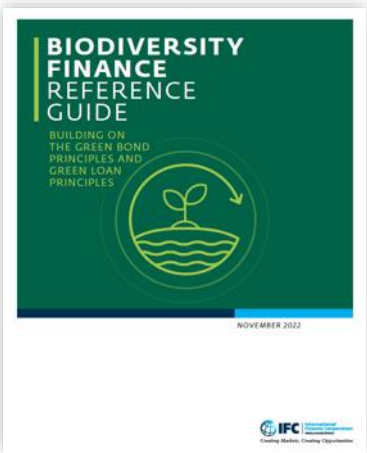
- Used by companies, banks seeking to raise capital by selling a portion of ownership (shares) to investors such as individuals, institutional funds, or other companies.
- There is no fixed monthly re-payment to investors.
- If companies succeed, investors receive a share of future profits (dividends) and may benefit from an increase in the value of their shares over time.
- Investors can sell their shares back to companies or other investors; depending on share prices they may or may not get their capital back and make a profit.

Use of proceeds: fixed interest rate.

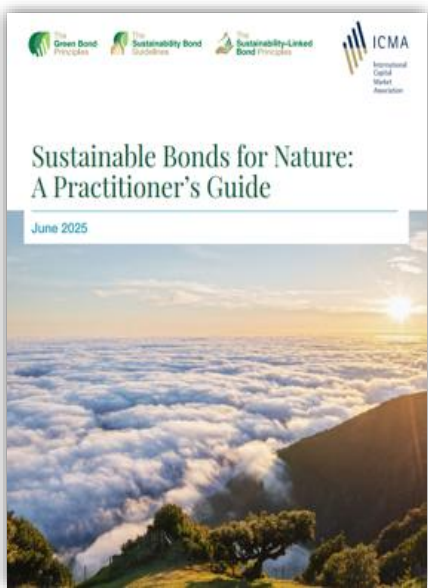
Sustainability Linked Finance or Outcome- Based Finance: interest rate can go up or down depending on whether an issuers achieves targeted outcomes.

What makes these instruments Nature Finance instruments are the types of activities that they finance that conserve and restore nature.

NATURE FINANCE MARKET GUIDANCE TO DEFINE ELIGIBLE ACTIVITIES



IFC Biodiversity Finance Reference Guide



ICMA Guide on Nature Bonds for entire market



MDB Common Principles for Tracking Nature Finance



MDB Common Nature Finance Taxonomy

2022

2024

2025

BBVA Colombia and IFC issue the world's first biodiversity bond in the financial sector

July 12, 2024

Bogotá, July 12th, 2024. BBVA and the International Finance Corporation (IFC), a member of the World Bank Group, issued a US\$15 million first tranche of the world's first biodiversity bond that will amount to US\$70 million, with the objective to finance projects that address the key drivers of biodiversity loss, particularly focused on reforestation, regeneration of natural forests on degraded lands, climate-smart and regenerative agriculture, restoration of wildlife habitats, among others.

Ecobank Issues \$450 Million Nature Bond to Back Biodiversity, Sustainable Agriculture Across Africa

Kenny Fisher | June 5, 2026

Pan-African banking group Ecobank announced the launch of a \$450 million Nature Bond – the world's first ICMA-aligned Nature Bond issued by a commercial bank – with proceeds aimed at supporting farmers, sustainable agriculture businesses and water systems in markets across Africa.

ICMA GUIDE ON NATURE-THEMED BONDS: *Sustainable Bonds for Nature – Practitioner's Guide (2025)*

- World Bank Group was a core contributor to the guide along with other partners.
- Defines a credible nature-themed bond or loan aligned with MDB approach
- Guidance for nature related use of proceeds:
 - Indicative nature projects for each of the 10 eligible project categories of the **Green Bond Principles**
 - Contribution to Global Biodiversity Framework targets
 - Impact reporting indicators for each category
- Targets the growth of nature-related investments in the \$7 tr sustainable finance debt market

Nature-themed projects contribute to:

- a) Restoration and conservation
- b) Addressing the direct drivers of nature loss
- c) Nature-based solutions across sectors
- d) Initiatives that support projects under (a) to (c) above



Renewable Energy



Energy Efficiency



Pollution Prevention and Control



Environmentally Sustainable Management of Living Natural Resources and Land Use



Terrestrial and Aquatic Biodiversity Conservation



Clean Transportation



Sustainable Water and Wastewater Management



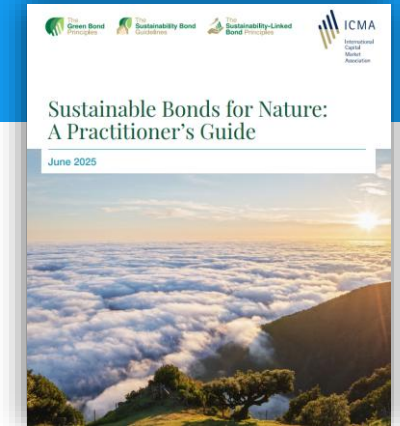
Climate Change Adaptation



Circular Economy Adapted Products, Production Technologies and Processes



Green Buildings



[Link to the Guide](#)

ICMA GUIDE ON NATURE-THEMED BONDS:

Sustainable Bonds for Nature – Practitioner's Guide (2025)

Illustrative Use of Proceeds Includes:

- 1) Green Bond Principles Project Category
- 2) Global Biodiversity Framework Targets
- 3) Impact Reporting Indicators

Green Bond Principles (GBP) Category Indicative nature-related projects ²⁸	GBF targets ²⁹	Impact Reporting Indicators
Pollution prevention and control		
Reduction of chemicals harmful to biodiversity Projects that prevent, reduce and/or substitute harmful chemicals to biodiversity in soil and water from sectors that include (but are not limited to) agriculture, forestry, fisheries, aquaculture, manufacturing, mining, construction (e.g. reduction in use of agrochemicals, alternative biological and mechanical pest-control methods, organic fertiliser, organic dyes in textiles, decommissioning of tailing dams).	T7, T10 T2, T11	Core indicators: • Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed) Other indicators: • Area cultivated by precision agriculture in km² • Increase in area under integrated pest management (ha and % of acreage farmed) • Reduction of chemicals, anti-microbials or pesticides per tonne of fish and in % • Reduction in chemical inputs in kg/ha and in % • Absolute or % reduction in local pollutants • Improvements in site-specific physical, chemical, and/or biological indicators of soil quality (including but not limited to: nutrient concentration (phosphorus, nitrate), pH level, reactive carbon, water hold capacity and soil organic matter) • Improvements in water quality indicators (e.g. temperature, pH, biochemical oxygen demand (BOD), chemical oxygen demand (COD), total nitrogen, total phosphorous, total suspended solids (TSS), or other potential pollutants)

NATURE BONDS ISSUED SINCE JUNE 2025

Six Nature Bonds  ~\$1.3 billion

Ecobank \$450M

Sustainable Agriculture & Natural Capital Bond

Togo; listed on LSE

Regenerative primary agriculture, agro-processing, and water supply and sanitation across 24 African countries.

Banco do Brasil \$500M

Nature Bond

Brazil

Productive recovery of degraded areas, soil restoration, higher agricultural productivity and reduced pressure for new land conversion.

Banco Bolivariano \$120M

Biodiversity Bond

Ecuador; IFC invested \$50M

Productive land use and agriculture; sustainable freshwater and marine production; waste and plastics; forestry; ecotourism.

Kajima Corporation \$63.6M

Nature Bond

Japan

Nature-aligned projects, including sustainable timber-based buildings and biodiversity-conscious development.

Nissui \$64.1M

Blue Nature Bond

Japan

Certified sustainable aquaculture businesses in Japan and Chile.

City of Nagoya \$69.4M

Green / Nature Bond

Japan (municipal)

Renewal of Higashiyama Zoo and Botanical Gardens for rare animal protection and breeding, alongside green municipal projects.

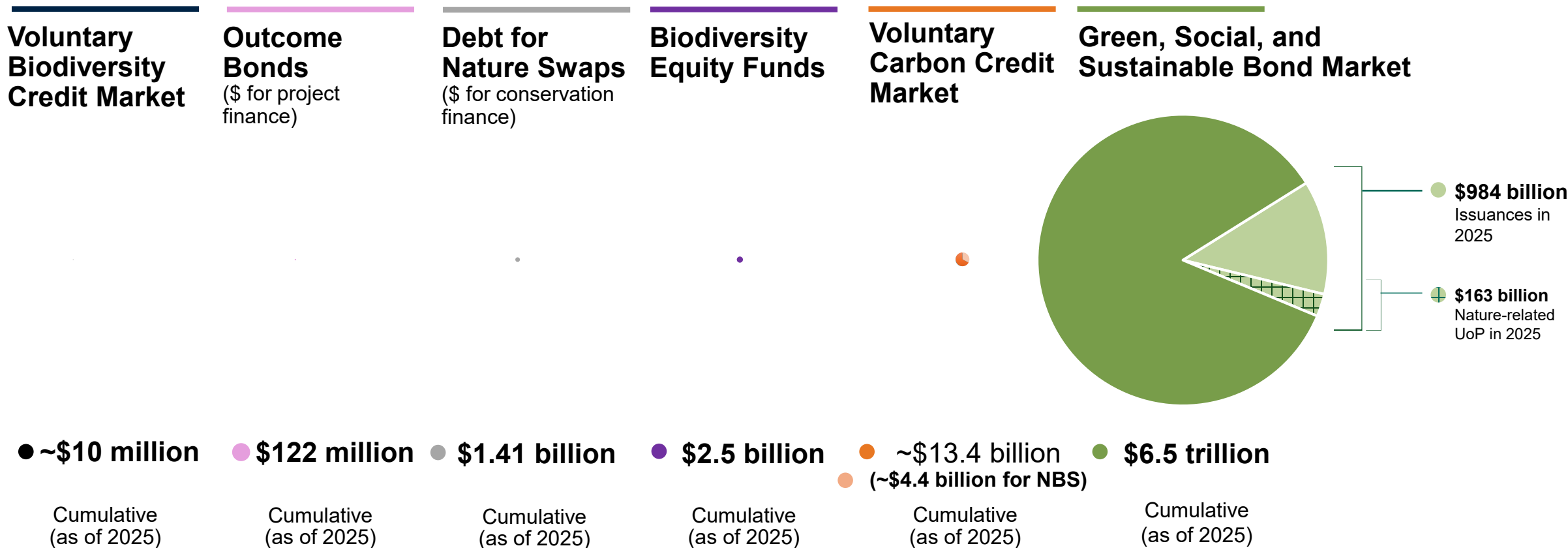
\$163 bn

of 2025's \$984 bn in sustainable debt issuances was for nature-related use of proceeds

The dedicated 'nature bond' sub-label is still rare, but nature-related use of proceeds is already a **notable share of the sustainable debt market** — an estimated \$163 bn in 2025 of total sustainable debt issuances or about 16.6%. The total cumulative size of the sustainable debt market is currently \$7.3 trillion.

FINANCING INSTRUMENTS FOR NATURE

Green, social, and sustainable finance market has the largest potential to meet annual financing gap for nature



Nature-related UoP is valued as \$163 billion, or 16.6% of issuances, in 2025. Nature-related categories include “terrestrial and aquatic biodiversity conservation” (2.77%), “pollution prevention and control” (4.39%), “sustainable water management” (5.37%), and “sustainable management of living natural resources” (4.07%).

*Due to data constraints, figures displayed are drawn from different timeframes and refer to different datasets.

MDB COMMON NATURE FINANCE TAXONOMY (2025)

- Developed by Multilateral Development Banks to provide a list of activities that qualify as nature finance.
- Covers a range of sectors, different ecosystem types.
- Aligned with ICMA guidance and a practical, most comprehensive resource for its implementation.

Activity Groups:

- (a) Restoration and conservation of biodiversity or ecosystem services;
- (b) Reduction of the direct drivers of biodiversity or ecosystem services loss;
- (c) Integration of nature-based solutions across economic sectors; and
- (d) Design and implementation of policy, tools, or other sectoral instruments enabling (a) to (c).

Sector	Sub-sector
1. FORESTRY, AGRICULTURE, FISHERIES, AND AQUACULTURE	Forestry
	Crops
	Livestock
	Fisheries and Aquaculture
2. EXTRACTIVES AND ENERGY	Mining
	Renewable Energy – Geothermal, Biomass, Hydro, Solar, Wind
3. TRANSPORTATION	Ports, Waterways, and Maritime Shipping
	Linear Infrastructure
4. WATER, SANITATION, AND WASTE MANAGEMENT	Waste Management
	Water Supply
	Irrigation and Drainage
	Sanitation
5. INDUSTRY, TRADE, AND SERVICES	Tourism
	Manufacturing, Trade, and Retail
6. FINANCIAL SECTOR	Financial Sector Actions and Mechanisms
7. CROSS-CUTTING THEMES	Renewable Natural Resources Asset Management
	Urban Development and Disaster Risk Management
	Green Buildings

MDB COMMON NATURE FINANCE TAXONOMY (2025)

STRUCTURE

I: Sector

II: Sub-Sector

III: Activity Group:

each sub-sector or theme is structured around the four activity groups outlined in the nature finance definition.

IV: Sub-Activity

Group: each qualifying activity is organized around sub-categories (such as direct drivers of nature loss).

Activity Group	Qualifying Activities
CROPS	
(a) Restoration and conservation of biodiversity or ecosystem services	Restoration 31. Restoring soil to improve its physical, chemical, and biological properties (e.g., structure; organic matter content; moisture retention). 32. Rehabilitating degraded agricultural lands with native species, naturalized species or threatened species ^{xiii} , or implementing regenerative agriculture or sustainable land or water management practices to enhance biodiversity or ecosystem services. 33. Restoring natural habitat in productive landscapes (prioritizing restoration with native species, and with naturalized or non-invasive alien species being less preferred options), or restoring soil and vegetation in areas under desertification processes. ^{xiv,xv} 34. Implementing agroforestry practices that help restore structure or composition of natural habitats, particularly if using native species. (See also additional consideration d)).
	Conservation 35. Conserving plant genetic resources for food and agricultural relatives , through ex-situ conservation (e.g., gene banks; seeds and seedling variety; farmer seed systems). 36. Protecting remaining natural habitat features or fragments. 37. Increasing natural pollinators or seed dispersers. 38. Strengthening the management effectiveness of protected in agricultural land in proximity to protected and conserved areas. 39. Allocating a portion of farmland as conservation area (e.g., (See also additional consideration a)).
(b) Reduction of the direct drivers of biodiversity or ecosystem services loss	Land use 40. Shifting to or production and trade of certified crops or commodities that confirm biodiversity benefits. (See also additional consideration a)). 41. Implementing sustainable agricultural practices (e.g., conserve native or heritage crops or agrobiodiversity). 42. Adopting diversified cropping systems (e.g., intercropping, crop rotation, etc.). 43. Intensifying production on existing agricultural lands by improving soil quality. (See also additional considerations a) to c)). ^{xviii,xix}

Activity Group	Qualifying Activities
FISHERIES AND AQUACULTURE	
a) Restoration and conservation of biodiversity or ecosystem services	FISHERIES Restoration 97. Restoring degraded natural marine or freshwater habitat (at seascape/catchment level), for example by: - Establishing artificial reefs (appropriately designed and sited).³² - Replanting or reseeding natural or artificial coral reefs, or restoring shellfish reefs (e.g., oyster reefs) to enhance habitat for species or improve water quality. - Restoring mangrove forests, wetlands, marshes, or other coastal habitats. - Restoring freshwater ecosystem connectivity and connectivity between habitats such as rivers, floodplains, ponds, and other perennial or seasonal wetlands to address barriers to fish mobility (e.g., retrofitting or removing dams; building fish ladders) or to restore seasonal water regimes. - Restoring nursery habitats and spawning grounds. - Re-stocking with native species while minimizing domestication, to help enhance ecosystem structure for accelerated restoration rates.
	Conservation 98. Maintaining and managing remaining natural freshwater features and conserving important areas for biodiversity. 99. Marine and freshwater habitat protection, restoration, or zoning (e.g., through the establishment of protected and conserved areas). ³³
b) Reduction of the direct drivers of biodiversity or ecosystem services loss	FISHERIES Overexploitation 100. Implementing and scaling sustainable fisheries management measures that curb overexploitation and foster long-term resilience of fish stocks . (See also activity group (d) and additional consideration e)). ³⁴ 101. Implementing rights-based and incentive-aligned approaches , for example by: - Allocating secure, transferable harvesting rights (e.g., individual transferable quotas; territorial use rights for fisheries; community quota systems) that align fishers' incentives with stock sustainability. - Developing co-management or community-based management that give users a formal role in rule-setting, monitoring, or enforcement. - Market-based incentives (e.g., eco-certification; preferential access to premium markets; results-based payments) that reward compliance with sustainability benchmarks. - Piloting habitat or stock credit schemes offering fishers tradable credits for verified improvements in stock biomass or habitat quality.

IFC PROJECT EXAMPLE: BBVA COLOMBIA BIODIVERSITY BOND

World's 1st Use of Proceeds Biodiversity Bond

Financial Instrument: **\$70 million** Use of Proceeds Biodiversity Bond issued by BBVA Colombia commercial bank

IFC Financing Amount: **\$35 million**

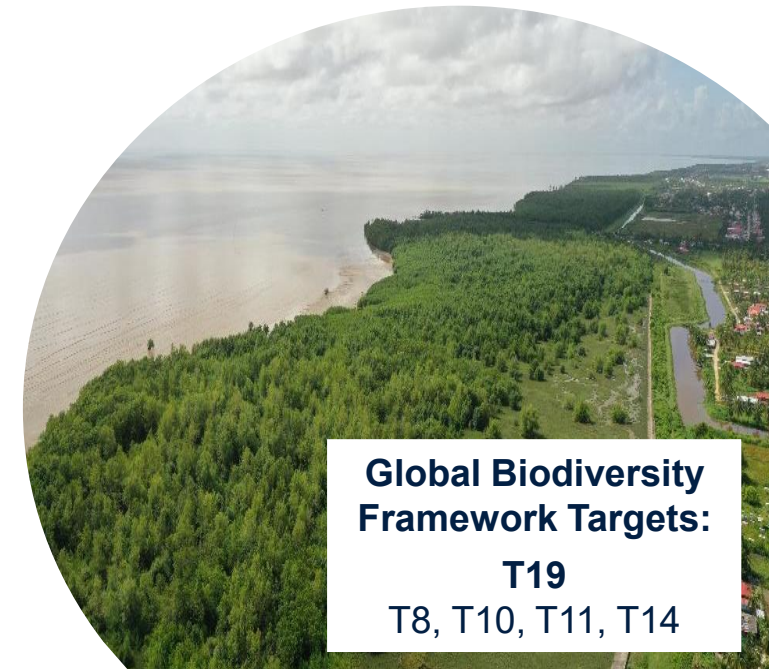
Project Description:

- **Financing to support BBVA's nature finance transactions** aligned with eligible activities articulated in the IFC Biodiversity Finance Reference Guide.
- IFC provided **advisory support and capacity building** to establish eligibility criteria and reporting indicators for projects that help protect, maintain, or improve biodiversity and ecosystem services, and promote sustainable management of natural resources.

Use of Proceeds:

- Projects that **address the key drivers of nature loss**, particularly focused on reforestation, regeneration of natural forests on degraded lands, climate-smart and regenerative agriculture, and restoration of wildlife habitats.

Drivers of Nature Loss Addressed:



Global Biodiversity Framework Targets:

T19
T8, T10, T11, T14

IFC PROJECT EXAMPLE: BACAO

Sustainable practices to improve cocoa production on degraded land

Financial Instrument: Equity

IFC Financing: \$10.5 million

Project Description:

- Development of **3,800 hectares of cacao plantations on degraded lands** and a post-harvest storage facility.
- Bacao is an agroforestry cacao company that uses regenerative, shade-grown and multi-strata cacao agroforestry systems, organic fertilizer and fertigation that **rehabilitate degraded lands** and benefit local communities.



Drivers of Nature Loss Addressed:



Resource over-
extraction



Land and sea
use change



Pollution



Invasive
Species

Global Biodiversity
Framework Targets:

T2, T10
T14, T19



Nature Finance In Practice

Panel Discussion

PANEL DISCUSSION



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Senior Director, Sustainable
Finance
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Alexis Crusey
Head of Fundraising
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ANY QUESTIONS?

