



Inter-American Development Bank

Selected activities in supporting countries on nature-positive development, in line with the MDB Joint Statement on Nature, People and Planet

The Inter-American Development Bank is committed to supporting sustainable, equitable development that mainstreams nature and biodiversity and generates funding for national nature-positive priorities. At COP 26, the IDB led an initiative among MDBs to develop the [MDB Joint Statement on Nature, People and Planet](#) which outlines areas of work for MDBs across five pillars: Leadership, Nature-positive investment, Fostering national and regional level synergies (for policy coherence and concessional finance), Valuing nature for decision-making, and Reporting.

This document seeks to outline selected IDB activities that are in line with the Joint Statement commitments.

Pillar 1: Leadership

The IDB is undertaking a series of actions internally to mainstream nature across the organization, and to mobilize IDB's financial instruments toward supporting countries in nature-positive activities.

The IDB has pledged [to triple its climate finance](#), with an important focus on nature, in the next decade.

The Biodiversity and Climate-Linked Mechanism for Ambition (IDB CLIMA): currently in the pilot phase, will provide the borrower with a discount when nature and climate objectives of selected loan projects are met. The discount is provided in the form of a grant, in the amount of 5% of the loan's principal. To be eligible, the loan project must also include financing to strengthen the capacity of national systems for environmental measurement, reporting and verification (MRV), and goals in this area must also be met to unlock the discount.

Within the [Amazonia Forever](#) framework we have set for ourselves an increased ambition for the Amazon and providing at least US\$ 5 billion in resources to the Amazon by 2030. The program pioneered large-scale work in Amazon biome, focusing on national as well as cross-border challenges and actions. Amazonia Forever has already achieved significant results in creating integrated narrative and increasing collaboration among key stakeholders and has mobilized significant funds for forest protection and conservation from IDB's own capital, multi-donor trust funds and the GCF, among others. During COP 28, IDB announced a new partnership with the Government of Sweden, to more than double Amazonia Forever resources to US\$800 million through a credit substitution guarantee by Sweden. A core element of the Amazonia Forever Program is the **Network of Ministers of Finance and Planning of the Amazon** countries established to scale up regional collaboration and strengthen the finance/ environment/nature nexus, with a particular focus on scaling up of financial ambition in the Amazon region and monitoring the progress of Amazonia Forever.



Biodiversity and nature will be important parts of the IDB's new institutional strategy, under construction, and IDB will approve its Biodiversity Mainstreaming Action Plan in 2024.

The IDB has begun integrating nature into its [country strategies](#). Since beginning this process, references to biodiversity and nature have increased 10-fold in these programming documents.

The IDB is beginning an analysis of the nature-dependency of its portfolio.

Pillar 2: Nature-positive investment

IDB has structured several new nature finance products, and is supporting countries in driving innovative finance for

Debt for nature conversions: The IDB has supported two debt for nature conversions, in [Ecuador](#) and [Barbados](#), with policy-based guarantees. It will continue to lead among MDBs on debt for nature conversions, working with co-guarantors and partners to deliver up to \$2 billion for conservation outcomes in the next 5 years. The IDB will also co-lead with the US Development Finance Corporation, a working group on credit enhancement for nature and climate outcomes.

Biodiversity credits: The IDB has supported the development of biodiversity credit markets through both direct support to [market players](#), and development of the enabling environment. In the Amazon, the IDB has supported the [Amazon Grid](#), which allows for block-chain enabled traceability of impacts and facilitates transactions. IDB Lab has also worked on a nature tokenization challenge to support entrepreneurs in this space. In Colombia and Peru, IDB has supported development of habitat banks policies, which enable a regulated market for offsets and serve as platforms for the development of voluntary certificates of additionality.

Early-stage investment. IDB Lab and NCL have collaborated in building the ecosystem of companies dedicated to nature-positive investing, through the Natura Tech initiative, which accelerates the adoption of new technologies for effective forestry and agroforestry, sustainable agriculture and bio-based value chains. This effort complements IDB Lab's large portfolio of more than 100 climate and nature tech companies invested directly and through venture funds.

Bonds: IDB has supported Uruguay's [KPI-linked sovereign bond](#), which includes indicators related to landscape management. IDB is also developing frameworks for Amazon bonds, species bonds, and other biodiversity related bond frameworks & taxonomies.

Asset classes: IDB and IDB Lab have supported the development of new asset classes for nature, including the [tokenization of natural capital](#) and ecosystem services flows, support for the creation of [the Intrinsic Exchange](#), and development of projects to trade on the exchange. These mechanisms create value from nature that can be shared with local communities, indigenous populations, and that can be invested in the restoration and conservation of the sites.

Conditional cash transfers: IDB is [developing mechanisms](#) to link social protection mechanisms like conditional cash transfer programs to climate and biodiversity outcomes.



Bioeconomy Financing and National Development Banks: IDB has developed materials to help national development Banks create financing lines for bioeconomy in [Peru](#) and [Ecuador](#), and is also piloting biodiversity risk tools to help them implement [TNFD](#) analyses.

Green Coalition of National development Banks for Amazon: The first ever [Green Coalition of 20 development banks](#) that operate in the Amazon region, launched by the IDB and BNDES, with 20 additional Amazon region public development banks (PDBs), and two additional multilateral institutions, the World Bank and CAF. The goal is to integrate collaboration between Amazon basin countries, PDBs and MDBs to deliver solutions where they are needed most and mobilize additional resources and technical assistance in the range of US\$10 to 20 billion by 2030.

Pillar 3: Fostering national and regional level synergies

The IDB is supporting several initiatives to advance upstream integration of nature into policies and planning and is mobilizing resources to finance national biodiversity priorities.

Rapid natural capital assessments and accounting: IDB is implementing a [Global Environment Facility project](#), executed by Stanford University's Natural Capital Project, that seeks to mainstream natural capital data and analysis into policy and investment decision-making in Chile, Ecuador, Belize, Uruguay, and Colombia. The Asian Development Bank is a partner, implementing in an additional 5 Asian countries.

Policy Coherence: The IDB has supported Chile's Natural Capital Committee, which brings together the Ministries of Finance, Economy, and Environment with the Central Bank and other actors to develop national strategies to integrate nature into policies and to develop financial mechanisms. IDB has supported the Committee's roadmap, a pilot, and trainings.

Natural Capital Lab Policy support: The IDB recently announced a new \$10M fund with the United States to support upstream planning for nature finance and policy in the countries of [the Americas Partnership for Prosperity](#), to be deployed in 2024.

Natural Capital Lab Policy Integration of Nature-Based Solutions: The IDB is creating toolkits and policy guides to support the incorporation of nature-based solutions into policy frameworks to encourage private investment, with [\\$5M CAN of support from the Government of Canada](#). Pilots are being developed in Mexico, Brazil, Colombia, and Guatemala on watershed management, cities, forests, and infrastructure.

Natural Capital Lab Policy Forest innovation: The IDB continues to support countries in developing innovative solutions to avoid deforestation or to reforest degraded areas through [24M euro in funding from the French government](#). Projects are under way to support traceability of sustainably produced products, provide finance to forest entrepreneurs, support restorative bioeconomy projects, and generate new agroforestry practices, among others.

Natural Capital Lab Policy Mangrove restoration: The IDB continues to deploy 12M pounds from the United Kingdom into projects in Colombia, Panama, Suriname, and Jamaica that restore and conserve mangrove ecosystems for the benefit of climate and livelihoods. The program is also developing a new [MRV](#) system for blue carbon, tailored to the needs of the region.



Conservation Trust Funds: IDB has supported the creation and governance of conservation trust funds in Chile, Ecuador, and Barbados.

Blue Economy: IDB supported Costa Rica in drafting its Blue Economy Recovery strategy, now a part of the [national development plan](#). This strategy includes outcomes for nature and people, and concrete financing targets and mechanisms.

Pillar 4: Valuing nature to guide decision-making

Valuation tools: IDB has developed the Integrated Economic-Environmental Model, which creates scenarios that value nature for a variety of decisions. It has been applied in a number of [policy](#) contexts, and is [open source](#). The IDB has supported a number of countries in creating national nature accounts.

Comprehensive application of natural capital valuation: The IDB has supported Colombia in exploring national capital accounts, gross ecosystem product accounting, and various economic valuations for policy planning purposes.

Valuations of Reefs and Mangroves: The IDB undertook an economic valuation of the [Mesoamerican reef](#) to inform the development of an insurance product that [insures](#) the reef as natural infrastructure. A follow-up study of the value of the mangroves and corals of the Dominican Republic is underway.

Pillar 5: Reporting

IDB, as co-chair of the MDB Working Group on Nature, has co-led efforts of MDBs to develop general principles for tracking nature-positive finance. These will be announced at COP 28.