



Green bonds in action series: Investing in a sustainable future

Sustainable ecosystems

Green bonds are financial instruments designed to raise funds for projects that deliver positive environmental impacts.

KEY FACTS AND TRENDS IN NATURE & BIODIVERSITY

Nature & Emissions

12-15%
Global GHG emissions
come from land use, land-use change, and deforestation¹. This includes peatland degradation and soil carbon loss.

Nature & Climate are Intertwined

Nature & Biodiversity contribute to climate change via emissions but are also vital to mitigation by acting as essential carbon sinks.



Climate Change is 1 of the 5 drivers of biodiversity loss.⁵

Biodiversity Loss

50% Global GDP depend on nature⁴



- Nature & biodiversity provide essential ecosystem services that our economies depend upon.
- Its loss can undermine ecosystem functioning and resilience, posing risks to food security, water systems, health, and the economy.
- One of the most transgressed planetary boundaries, it has no clear tipping point - meaning damage could be irreversible and nonlinear.

THE ROAD TO NET ZERO BY 2050

To reach Net Zero by 2050, approximately US\$300-400 billion annually by 2030² is needed to effectively **protect and restore ecosystems, conserve biodiversity and enhance carbon sequestration**. Solutions are needed beyond conservation and restoration, in areas driving nature loss like **pollution and overexploitation of natural resources** including water. In 2024, funding for nature-based solutions reached about US\$133 billion³, suggesting a funding gap of at least US\$167 billion.

REQUIRED

2030

Approx. **US\$300-400 billion**



STATUS

2024

Approx. **US\$133 billion**



Global Investment Shortfall

WHERE DO GREEN BONDS FIT IN?

Sustainable Ecosystems

12%



Allocation in our green bond universe

Eligible Projects Financed



- Biodiversity conservation infrastructure and monitoring systems
- Ecosystem protection and restoration
- Sustainable forest management including reforestation
- Sustainable agriculture projects
- Sustainable water and wastewater management
- Waste prevention, reduction, and recycling infrastructure



¹Source: United Nations Climate Change Introduction to Land Use | UNFCCC

²Source: The Wall Street Journal Safeguarding Natural Capital: How Banks Can Work with Indigenous Peoples - WSJ

³Source: United Nations news Global biodiversity agreement mobilises US\$200 billion boost for nature | UN News

⁴Source: Nature Risk Rising | World Economic Forum

⁵Source: Global assessment report on the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services | IPBES.

New Zealand - A commitment to the environment

New Zealand is at the forefront of environmental stewardship, with ambitious goals to reduce emissions by 50% by 2030 and achieve net-zero emissions by 2050, excluding biogenic methane. Their Green Bond Framework directs funds into projects that support both climate action and nature conservation, reinforcing the country’s commitment to the Aotearoa New Zealand Biodiversity Strategy, which aims to reverse biodiversity decline by 2050.

Biodiversity is a key focus for New Zealand, as many native species are under pressure from the ongoing impacts of invasive species, changes in land and sea use, direct exploitation, climate change, and pollution. With over 80% of native species found nowhere else in the world, the preservation of this unique biodiversity is crucial for maintaining the ecological balance and cultural identity of the country.

One significant initiative funded through this framework is the *Piako Green Corridor*, which aims to restore natural habitats, promote cultural recognition, enhance community employment, and build resilience against flooding. This project exemplifies New Zealand’s dedication to preserving its unique natural heritage while fostering local employment and cultural recognition.



Freshwater restoration: Piako green river corridor⁶

This project is working with iwi and other stakeholders to reconnect the Kopuatai wetland to the Firth of Thames; both are Ramsar sites of international ecological significance. The vision is of a planted native green corridor along the Piako River – from the peat bog of the Kopuatai wetland through mangrove forests and salt marshes to the Firth of Thames foreshore.

An additional objective is to increase biodiversity with riparian planting that will also provide shade for invertebrates and fish in drainage systems along the foreshore. Deep water refuges in the foreshore drain will provide a safe haven for freshwater fish during the low water levels in summer. Sediment traps ahead of drainage systems discharging into the Piako River will remove sediment and improve the river’s water quality.

Metric	Total project target
Number of native plants planted	252,800
Length (km) of riparian margin fenced	27
Area (ha) of riparian margin retired, planted and habitat created	25



Green bonds are one of the most appropriate debt instrument to accompany issuers committed to transition to a more sustainable environment. It supports the protection of ecosystems, restore natural habitats and promote sustainable land and resource use.

⁶New Zealand Debt Management - New Zealand Sovereign Green Bond Allocation and Impact Report 2024

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