World Bank Group’s contributions to scaling up finance for nature

**WBG invests in and catalyzes investment in nature and its sustainable use in client countries through:**

- Loans and grants for conservation and restoration of natural capital assets, such as forests, coasts, fisheries, and watersheds
- Financing establishment of sustainable value chains (e.g., timber, coffee), addressing cross-sectoral drivers of nature loss and integration of nature-based solutions that harness ecosystem services into planning and infrastructure
- Building a pipeline of bankable nature-based projects, through advisory work, project design, and co-financing (e.g., via blended finance, guarantees, and equity)
- Developing new financial instruments - pioneered thematic bonds, including green, blue, sukuk and wildlife conservation bonds connecting capital markets with projects
- Development of markets for ecosystem services (e.g., payments for ecosystem services), allowing landholders and communities sustainably managing watersheds, forests, and fisheries to generate cash flows
- Institution- and capacity-building, and creation of governance and benefit-sharing mechanisms for sustainable management of natural capital
- Scaling up of natural capital accounting, decision-support tools, and research that policymakers need to value nature and to reform economic and sector policy

**WBG promotes integration of nature considerations into financial markets through:**

- Development and dissemination of sustainability data, green finance taxonomies and analytics to support integration of nature into investment decisions, financial regulations, and risk assessments to align financial flows with the SDGs
- Provision of technical assistance to central banks, ministries of finance, financial regulators, and supervisors to assess risks and develop roadmaps for greening the financial sector
- Convening stakeholders and ensuring nature is integrated into work programs of green finance networks alongside climate change

**WBG supports creation of enabling conditions for investment in nature at scale through:**

- Development of markets for ecosystem services (e.g., payments for ecosystem services), allowing landholders and communities sustainably managing watersheds, forests, and fisheries to generate cash flows
- Institution- and capacity-building, and creation of governance and benefit-sharing mechanisms for sustainable management of natural capital
- Scaling up of natural capital accounting, decision-support tools, and research that policymakers need to value nature and to reform economic and sector policy

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Policy | Ecosystem Service | Transmission channel in CGE Model
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Afforestation & agroforestry development on barren lands | Carbon sequestration | Change in land use $\rightarrow$ change in total carbon stock $\rightarrow$ change in net emissions
| Erosion reduction | Improved nutrient retention translates $\rightarrow$ increased productivity in agriculture
| Crop pollination | Enhanced habitats $\rightarrow$ increased pollinator abundance $\rightarrow$ increased productivity of pollinator-dependent crops