Agenda

- **Opening Remarks** – Joan van Heijster, Coalition Co-Chair Sherpa Representative from The Netherlands, Policy Advisor International Financial Institutions at Ministry of Finance

- **Nature Investments Lessons Learned from 2022 Coalition Nature report** – Pekka Moren, Special Representative on Climate Action, Finland’s Finance Ministry

- **Scaling up Nature-related Investments** – Fiona Stewart, Lead Financial Sector Specialist, World Bank

- **TNFD’s final recommendations on nature-related issues** – Thomas Viegas, Partnerships Lead, TNFD

- **Sustainable debt and private sector perspective** – Slav Gatchev, Managing Director, Sustainable Debt, The Nature Conservancy
Nature loss & climate change are inter-related.

Neither crisis can be successfully resolved unless both are tackled together.
Types of nature-related risks

- Extraction of goods & services; disposal of waste
- Impacts
- Dependencies
- Flow of ecosystem services

Economic sectors

Ministries of Finance

Financing & Investment; economic policy and taxation

Financial institutions
Potential risk transmission channels

Biodiversity Risks
- Physical Risks
  - Loss of ecosystem services creating ad-hoc shocks (e.g., pandemics) or patterns (e.g., decreasing yields from lower agricultural productivity)
  - Interactions with other ecological issues (e.g., climate change)
- Transition Risks
  - Domestic policy and regulation
  - Changes in demand – including from international buyers
  - Changes in technology
  - Global regulation (e.g., maritime protected areas)
  - Loss of reputation stemming from biodiversity impacts
  - Lawsuits from communities harmed by projects
  - Fines from regulators

Risk Transmission Channels
- Local
  - Affecting multiple locations
  - Households
    - Loss of income and higher costs (from reduction in ecosystem productivity, weather disruption, health impacts and labor market frictions)
  - Businesses
    - Supply chain disruptions
    - Raw material price volatility
    - Stranded assets
    - Changing demand and costs
    - Legal liabilities
    - Relocation of activities
- National
  - Government
    - Lower tax revenues
    - Higher cost of borrowing
    - Greater need for green infrastructure to provide services in substitute of ecosystems
  - Finance
    - Credit risk
    - Market risk
    - Underwriting risk
    - Operational risk
    - Liquidity risk
    - Limited substitutability of essential ecosystem services
    - Lower resilience
    - Reduction in GDP
    - Productivity changes (e.g., agriculture, labor)
    - Sudden price changes (structural changes, inflation, and supply shocks)
    - Socioeconomic changes (changing consumption patterns, migration, conflict)
    - Labor market frictions (from physical and transition risk)
    - Impacts on international trade, exchange rates, capital flows

Contingent Liability Risks* for MoF
- Ex-ante Known Fiscal Costs
  - Sovereign guarantees (e.g., SOE, PPP)
  - On-lending
  - Expected critical infrastructure replacement and adaptation (to limit impacts on nature and dependencies on ecosystem services)
- Ex-ante Unknown Fiscal Costs
  - Public health emergencies
  - Extraordinary critical infrastructure replacement and adaptation
  - Compensation payments (e.g., sectors, workers)
  - Additional social security spending (i.e., unemployment benefits)
  - Disaster relief expenditures (i.e., shelter, provision of emergency payments)
  - Guarantees for financial sector
  - Firm bailouts
  - Insurance provision (if insurance companies cannot underwrite risks anymore)

Risk Materiality
- With or without legal obligation to act upon

Double materiality of risks
MoF response feedback effects
Potential policy actions for Ministries of Finance

- The roles of MoFs to manage nature-related risks differ across countries.
- However, it is important that in all countries, MoFs coordinate with relevant ministries on this agenda, as well as with the regulator, supervisor, and the central bank.
Actions for ‘greening finance’

- MoFs can take steps to mobilize finance for nature – both through greening finance and driving systemic change
- Targeted policy, regulation, and guidance can ensure systematic integration of nature risk and opportunities in financial decisions and align financial flows with nature targets.
Actions for ‘financing green’

- MoFs can develop and implement tools and incentives that contribute to the alignment of economic activity and financial flows with nature goals and nature-related risk reduction.
Scaling Nature Investments

Fiona Stewart, Lead Financial Sector Specialist, World Bank
Linking Nature Macro Models to Financial Sector

1. Central bank nature risk assessments
2. Credit rating country risk assessments
3. Financial instruments with performance payouts

Top 10 Risks

"Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period"

<table>
<thead>
<tr>
<th>2 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cost of living crisis</td>
<td>1. Failure to mitigate climate change</td>
</tr>
<tr>
<td>2. Natural disasters and extreme weather events</td>
<td>2. Failure of climate-change adaptation</td>
</tr>
<tr>
<td>3. Geoeconomic confrontation</td>
<td>3. Natural disasters and extreme weather events</td>
</tr>
<tr>
<td>4. Failure to mitigate climate change</td>
<td>4. Biodiversity loss and ecosystem collapse</td>
</tr>
<tr>
<td>5. Erosion of social cohesion and societal polarization</td>
<td>5. Large-scale involuntary migration</td>
</tr>
<tr>
<td>6. Large-scale environmental damage incidents</td>
<td>6. Natural resource crises</td>
</tr>
<tr>
<td>7. Failure of climate-change adaptation</td>
<td>7. Erosion of social cohesion and societal polarization</td>
</tr>
<tr>
<td>8. Widespread cybercrime and cyber insecurity</td>
<td>8. Large-scale involuntary migration</td>
</tr>
<tr>
<td>10. Large-scale involuntary migration</td>
<td>10. Large-scale environmental damage incidents</td>
</tr>
</tbody>
</table>

Risk categories:
- Economic
- Environmental
- Geopolitical
- Societal
- Technological

1. Nature risk assessments

- Founded on nature macro modeling
- A nature-risk exposure assessment for Malaysia was conducted together with Bank Negara Malaysia
  - An Exploration of Nature-Related Financial Risks in Malaysia
  - 54% of commercial lending from Malaysian banks is exposed to nature-related financial risks and 87% is exposed to sectors that strongly impact ecosystem services
- More countries in the pipeline going forward
- Leading the nature risk scenario working group Network for Greening Financial Sector (NGFS)
2. Credit Rating Agency (CRA) risk assessments etc.

- CRAs starting to incorporate natural assets and nature degradation into their country risk assessments – looking for more data and policy analysis from WB experts

- FTSE Russell – major global index provider with trillions of assets passively invested against their indices – adjusted Sovereign ESG methodology to incorporate WB analysis (income-bias / natural capital) - >$2billion shift funds allocated EMDEs with higher natural capital assets

- Natural capital and wealth data available via widely-used WB Sovereign ESG Data Portal
3. Performance-related instruments

- Sustainability-linked bonds (SLBs) pay out (interest rate) depends on issuer meeting key-performance indicators (KPIs)
- Uruguay issued 1st SLB with nature KPI (natural forest cover)
- WB Global Program on Sustainability (GPS) team devised **FAB framework for measuring ambition and feasibility** of sovereign KPI targets
## Nature financing instruments

<table>
<thead>
<tr>
<th>Type</th>
<th>Instrument</th>
<th>Detailed Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy</td>
<td>Fiscal and financial reform, taxes, fees, fines, penalties</td>
<td>MDB Concessional loans, MDB Non-Concessional loans, MDB Guarantees/risk transfers</td>
</tr>
<tr>
<td>Debt</td>
<td>Sustainability-linked Bonds (KPIs linked Bond)</td>
<td>Social, Green/SDG Bonds “Use of Proceeds” Bonds, Sustainability-linked loans, Debt for Climate and Nature (DFCN) Project Swap, DFCN programmatic swap, Asset-backed securities (ABS, green securitization)</td>
</tr>
<tr>
<td>Non-Debt</td>
<td>Grants</td>
<td>Insurance: Catastrophe bonds, Biodiversity offsets, Carbon offsets, Green commodity private equity fund, Natural Asset Companies (NACs, publicly traded equity)</td>
</tr>
</tbody>
</table>

### Debt Instruments
- Sustainability-linked Bonds (KPIs linked Bond)
- Social, Green/SDG Bonds “Use of Proceeds” Bonds
- Sustainability-linked loans
- Debt for Climate and Nature (DFCN) Project Swap
- DFCN programmatic swap
- Asset-backed securities (ABS, green securitization)

### Non-Debt Instruments
- Grants
- Insurance: Catastrophe bonds
- Biodiversity offsets
- Carbon offsets
- Green commodity private equity fund
- Natural Asset Companies (NACs, publicly traded equity)
- Private Sector Green Value-chain Initiatives

### Policy Instruments
- Fiscal and financial reform, taxes, fees, fines, penalties
- MDB Concessional loans
- MDB Non-Concessional loans
- MDB Guarantees/risk transfers
Replicating Rhinos

- CORAL BOND?
- MANGROVE BOND?
- BLUE WHALE BOND?
Monetization of nature?

How biodiversity credits can deliver benefits for business, nature and local communities

Dec 9, 2022

Coral reef insurance - protection is necessary and possible

Posted on September 30, 2022
The TNFD recommendations & additional guidance

The Coalition of Finance Ministers for Climate Action: Nature Investments workshop

Thomas Viegas,
TNFD Partnerships Lead

14 November 2023
The TNFD Recommendations and Additional Guidance

- The TNFD Recommendations
  Use of which constitutes adoption of the TNFD Recommendations

- Additional guidance
  Suggested by the TNFD and not required to prepare or make disclosure statements

Guidance for 6 high nature-impact / dependency sectors to be published in draft in November

Discussion paper on sector disclosure metrics

- Getting started with TNFD
- Identifying and assessing nature-related issues: The LEAP approach
- Sector guidance
- Biome guidance
- Scenario analysis
- Target setting
- Engagement with Indigenous Peoples, Local Communities and affected stakeholders
Approach to disclosure: Consistent with TCFD, ISSB, GRI & GBF

- **Highlights**
  - Same structure, language and approach as TCFD
  - Consistent with ISSB’s IFRS-S1 General Requirements and GRI requirements
  - Aligned with GBF as nature-related risks, dependencies and impacts all covered
  - The TNFD’s general requirements are designed to ensure consistency in the information disclosed by report preparers
### The recommended disclosures: Building, advancing and integrating

#### TNFD recommended disclosures

<table>
<thead>
<tr>
<th>Governance</th>
<th>Strategy</th>
<th>Risk &amp; Impact management</th>
<th>Metrics &amp; targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclose the organisation’s governance of nature-related dependencies, impacts, risks and opportunities.</td>
<td>Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation’s business model, strategy and financial planning where such information is material.</td>
<td>Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.</td>
<td>Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.</td>
</tr>
</tbody>
</table>

#### Recommended disclosures

- **A.** Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.
- **B.** Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.
- **C.** Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.
- **D.** Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.

#### Highlights

- **14 recommended disclosures.**
  - Same structure, language and approach as TCFD, and organised around four pillars.
- **All 11 TCFD recommended disclosures carried over**
  - Build on existing market practice, and encourage integrated (climate+nature) reporting
- **3 further disclosures added,** covering three important areas for nature:
  - Engagement
  - Sensitive locations
  - Value chains
Providing a focused & flexible set of ‘leading indicators’

**Highlights**

- Extensive input from knowledge partners
- Market user concerns about metrics in use today – time lags, consistency and comparability
- ‘Leading indicators’ approach necessary for disclosure – as with company financial accounts and national economic accounts
- For disclosure metrics, a three-tiered approach to provide comparability (for report users) and flexibility (for report preparers)
The recommended disclosures: Guidance for financial institutions

TNFD recommended disclosures

Governance
- Disclose the organisation’s governance of nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures
A. Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.
B. Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.
C. Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.

Strategy
- Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation’s business model, strategy and financial planning, where such information is material.

Recommended disclosures
A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.
B. Describe the effects nature-related dependencies, impacts, risks and opportunities have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.
C. Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.
D. Disclose the locations of assets and/or activities in the organisation’s direct operations and, where possible, upstream and downstream value chains that meet the criteria for priority locations.

Risk & Impact management
- Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures
A(i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.
A(ii) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chains.
B. Describe the organisation’s processes for managing nature-related dependencies, impacts, risks and opportunities.
C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes.

Metrics & targets
- Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.

Recommended disclosures
A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management processes.
B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.
C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.

Highlights
- Additional disclosure guidance for financial institutions for each recommended disclosure, where appropriate
- It can be used by banks, insurance companies, asset managers and owners, and development finance institutions
- Two draft core disclosure metrics proposed and open for consultation and feedback
Additional guidance – the LEAP approach

A quick, high-level preliminary scan of an internal and external data and reference sources to generate a hypothesis about the organisation’s potential nature-related dependencies, impacts, risks and opportunities to define the parameters for a LEAP assessment and to ensure managers and the assessment team are aligned on goals and timelines.

Scoping

Generate a working hypothesis

What are the organisation’s activities where there are links to the material nature-related dependencies, impacts, risks and opportunities?

Aligning on goals and resourcing

Over the current breadth of capacity skills and data within the organisation and given organisational goals, what are the necessary (practical) human and data considerations over time allocations required and agreed to understanding an assessment?

Locate

The Interface with nature

Scan of the business model and value chain:

What are the organisation’s activities related to nature?

What are the goals and impacts?

Where are we about operational changes?

Dependency and impact screening:

Where are links, value chain and direct operations are associated with potentially material high dependencies and impacts on nature?

Interface with nature:

Where and the sectors, partners and sensitivities will be impacted by material nature-sensitive impacts?

Identify and prioritise dependencies and impacts:

What are our dependencies and impacts on conservation, businesses, ecosystems?

Dependency and impact measurement:

What is the scale and scope of our dependencies and impacts on nature?

Risk and opportunity identification:

What are the corresponding risks and opportunities?

Risk and opportunity management:

What are the existing strategies, regulatory frameworks and associated regulations, for handling risks and opportunities?

Risk and opportunity measurement and prioritization:

What are the dependencies on our priorities?

Impact materiality assessment:

What are our impacts on nature?

Review and repeat

Evaluate Dependencies & Impacts

Risk and opportunity identification

What are the corresponding risks and opportunities?

Risk and opportunity management

What are the existing strategies, regulatory frameworks and associated regulations, for handling risks and opportunities?

Risk and opportunity measurement and prioritization

What are the dependencies on our priorities?

Impact materiality assessment

What are our impacts on nature?

Prepare To respond & report

Supports preparation of the following TNFD recommended disclosures

Strategy C

Risk and Impact Management A, B and C

Metrics and Targets C

Strategy B

Risk and Impact Management B

Metrics and Targets B

Strategy A

Risk and Impact Management A

Metrics and Targets A

Governance A

Corporate

Governance C

Governance C

Metrics and Targets C

Highlights

• Suggested guidance – not required to make TNFD disclosures

• It can also help organisations operating in jurisdictions where standards and regulation on nature are emerging e.g. EU’s CSRD

• Designed as a reference manual for an internal assessment team

• Extensive market feedback and pilot tested by over 240 institutions across sectors, geographies and biomes.
Additional guidance – Incorporation of pilot testing insights

Box 11: An asset manager’s Locate analysis for deforestation risk – Storebrand

Storebrand is one of the largest private asset managers in the Nordic region, with over NOK 1 trillion invested in more than 5,000 companies around the world.

Deforestation has been an early area of focus for Storebrand’s net-zero deforestation policy implemented in 2019 and a target of zero deforestation by 2025. As part of this commitment, Storebrand will not knowingly:

- Propose investors to engage with entities that have a high deforestation risk
- Propose transactions in which financial exposure is linked to areas with a high deforestation risk

This information allowed Storebrand to map protected and potential sourcing boundaries associated with all supply mills in the Pacific region, as shown in the map below.

Box 13: Identifying dependencies on ecosystem services to an asset-centric materiality analysis – AXA Climate

AXA Climate is part of the AXA Group, piloting the TNFD framework with AXA investment management.

For the pilot project, the group looked at the agriculture sector, given its dependency on ecosystem services, including provisioning (e.g. clean water, energy), regulating (e.g. climate, soil health, biodiversity), and cultural services (e.g. supporting livelihoods, promoting health). However, one growing, like any monoculture system, is highly vulnerable to one disease, pests, biodiversity loss, wildlife habitat degradation, and soil degradation. By assessing risk in cultivation as well as its supply chain, valuable insights can be gained into the company’s dependencies, impacts, and potential actions to effectively manage and mitigate risks.

For example, in the case of soy production industry company with a presence across Europe, using the ENCORE methodology and property analysis allows for mapping dependencies and impacts at each location based on business activity information. The analysis considers factors such as the availability, quality and accountability of ecosystem services, as well as the potential risks or vulnerabilities associated with their availability.

Case studies from Storebrand, Nestle, AXA, and more

Highlights

- Valuable and practical insights from corporates and financial institutions
- Examples of outputs generated (e.g. heatmaps)
- Tips on data sources used and constraints experienced
- Innovative ways to overcome value chain data dependencies
- Links to TNFD Tools Catalogue
Additional guidance – Sector guidance and Biome guidance

Highlights

- On Sector guidance:
  - Other real economy sector guidance documents on LEAP approach being prepared
  - Plan to start publishing draft sector guides in November for feedback and finalise in 2024

- On Biome Guidance:
  - Key knowledge development for market participants given place-based context for nature-related issues
  - Intended as a reference source to supplement LEAP assessment
  - Will be expanded in 2024 based on market interest
Additional guidance – Getting Started with the TNFD recommendations

Highlights

- Developed with input from a range of leading business and finance organisations (including UNEP FI, PRI, WBCSD, WEF and others)
- Key steps for an organisation to consider when getting started with the TNFD Recommendations
- Practical considerations when developing TNFD-aligned disclosures
- Insights from a 2023 Global Survey of organisations on adoption of the TNFD Recommendations

239 responses from companies and financial institutions across 11 sectors, headquartered in 36 countries.
Time to get started – TNFD Adopters campaign

Highlights

• Based on the extensive market engagement and global survey results, the TNFD and partners are rallying early TNFD Adopters

• Those organisations that are ready to start adopting the TNFD recommendations and reporting in their financial reporting package for either FY2024 or FY2025 outcomes

• Cohort of early adopters to be announced in January 2024 at the World Economic Forum in Davos
From Design to Delivery – Scaling Market Adoption

Robust understanding of the importance of nature to financial systems and business considerations by market participants across all sectors and regions.

Further adoption and greater maturity in nature-related risk and opportunity assessments and reporting following TNFD.

Companies begin to disclose based on the TNFD recommendations.

Business decisions contributing to nature positive outcomes aligned with the Kunming-Montreal Global Biodiversity Framework.

Disclosure becomes consistent and comparable as more companies disclose following TNFD, leading to greater transparency and accountability in understanding and managing nature-related risks and opportunities.

Nature is viewed as an important consideration in mainstream business and investment decisions by both report users and preparers.

Companies begin to undertake internal nature-related risk and opportunity assessments aligned with TNFD’s LEAP approach.

October 2021: Started work
March 2022: v0.1
June 2022: v0.2
November 2022: v0.3
March 2023: v0.4
September 2023: Final recommendations

Phase 1: Design and development
Phase 2: Scaling market adoption
Thank you for listening.

Find out more: https://tnfd.global/
Nature Bonds:
Unlocking funds for conservation + climate action
### About Us

- The Nature Conservancy (TNC) is the world’s largest non-governmental conservation organization, with approximately 5,000 employees working across 79 countries.

### WHY WORK WITH THE NATURE CONSERVANCY

<table>
<thead>
<tr>
<th>Feature</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating budget</td>
<td>$820M</td>
</tr>
<tr>
<td>Employees</td>
<td>5,000+</td>
</tr>
<tr>
<td>Scientists</td>
<td>600</td>
</tr>
<tr>
<td>Balance sheet</td>
<td>$8B</td>
</tr>
<tr>
<td>Members</td>
<td>1M</td>
</tr>
<tr>
<td>Credit rating</td>
<td>Aa2</td>
</tr>
<tr>
<td>University &amp; NGO partnerships</td>
<td>&gt;500</td>
</tr>
<tr>
<td>Acres protected</td>
<td>125M</td>
</tr>
<tr>
<td>Trustee network</td>
<td>&gt;1500</td>
</tr>
<tr>
<td>Marine conservation projects</td>
<td>100</td>
</tr>
<tr>
<td>Countries zones where TNC impacts conservation</td>
<td>79 countries</td>
</tr>
</tbody>
</table>
The Triple Planetary Crisis

**BIODIVERSITY LOSS**

- Biomass of wild animals down by **82%**
  - 1M at risk of extinction

**CLIMATE CRISIS**

- Disasters cost the global economy **$2.5 T** since 2000

**DEBT CRISIS**

- High debt burden high-interest rates

**CAUSES INCLUDE:**
- Agriculture + infrastructure
- Over-exploitation
- Pollution
- Invasive species
- Climate change

**THREATS INCLUDE:**
- Ecosystems will be upended and human civilization destabilized

**Biodiversity funding gap**
- **700B**

**NCS FUNDING GAP**
- **400BN**

**CO₂ levels are higher (and rising faster) than any time in the past two million years**

**Record-breaking floods, heat, droughts, and wildfires affect billions of people globally**

**Government is unable to invest in the country’s future, including biodiversity and climate change mitigation**

**COUNTRIES WITH FUNDING COST ABOVE 10%**
- **30**
Why Debt Conversions Matter

- Many at/beyond debt sustainability limits
- Countries shut out of global capital markets: looming maturities
- Debt service costs crowd out ability to invest in climate/biodiversity
- Insufficient ODA, private-sector flows
- NBS require long-term opex (vs. massive front-end capex)
### Conservation Outcomes

<table>
<thead>
<tr>
<th>Country</th>
<th>Oceans New Protections (ha)</th>
<th>Oceans Improved Management (ha)</th>
<th>Funds Unlocked for Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seychelles</td>
<td>43,221,700</td>
<td>135,000,000</td>
<td>$12.2M over 20 years</td>
</tr>
<tr>
<td>Belize</td>
<td>630,900</td>
<td>3,535,100</td>
<td>$180M over 20 years</td>
</tr>
<tr>
<td>Barbados</td>
<td>5,582,400</td>
<td>18,689,800</td>
<td>$50M over 15 years</td>
</tr>
<tr>
<td>Gabon</td>
<td>816,100</td>
<td>19,329,200</td>
<td>$163M over 15 years</td>
</tr>
<tr>
<td>Total to Date</td>
<td>50,251,100</td>
<td>176,554,100</td>
<td>$405.2 Million Unlocked for Conservation</td>
</tr>
</tbody>
</table>
### Our Track Record

**PILOT SCHEME: CLOSED 2016**
- **Deal size:** $21.6 M
- **Term:** 20 years
- **Creditors:** Bi-Lateral Debt / Paris Club
- **Instrument:** Private Loan + Grants
- **Financing:** Funded by TNC + Philanthropists
- **Debt Relief:** no change/increase in debt stock
- **Conservation Funding:** $12.2 M
- **Conservation Commitments:** MSP with <1% >30% ocean protection
- **Other Benefits:** 2018 $15 M Blue Bond; Impact Investors, World Bank & GEF

**INNOVATION:** Funded new loan vs. bilateral debt forgiveness

---

**LARGEST TRANSACTION: CLOSED 2021**
- **Deal size:** $364 M
- **Term:** 20 years
- **Creditors:** Eurobond (100%)
- **Instrument:** PRI DFC Combination of non-payment of an arbitral award + denial of justice + TNC SubDebt
- **Arranger:** Credit Suisse
- **Debt Relief:** $189 M principal reduction
- **Conservation Funding:** $180 M
- **Conservation Commitments:** MSP with 15.9% >30% ocean protection; 15% High Protection (Replenishment Zones); 15% Medium Protection (Multi-use Zones)
- **Other Benefits:** Belize’s credit rating was upgraded 4 notches to B-; 10 bps reduction of Debt: GDP

**INNOVATION:** Entire Eurobond refinanced (CAC), Capital markets issuance; Use of PRI

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**NON-DISTRESSED: CLOSED 2022**
- **Deal size:** $150 M
- **Term:** 15 years
- **Creditors:** Eurobond + LC Debt
- **Instrument:** Co-guarantee IADB + TNC
- **Arrangers:** Credit Suisse (50% US$) + CIBC (50% LC)
- **Debt Stock Neutral**
- **Conservation Funding:** $50 M
- **Conservation Commitments:** MSP with 0% >30% ocean protection; 15% as High Protection

**Other Benefits:** investor base diversification

**INNOVATION:** Use of Co-guarantee; Hurricane + Pandemic deferral clauses; Non-distressed debt re-financing

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**LATEST TRANSACTION: CLOSED 2023**
- **Deal size:** $500 M
- **Term:** 15 years
- **Creditors:** Eurobond (partial)
- **Instrument:** PRI DFC
  - Combination of non-payment of an arbitral award + denial of justice
  - **Arranger:** Bank of America (100% US$)
  - **Debt Stock Neutral**
  - **Conservation Funding:** $163 M
  - **Conservation Commitments:** MSP with Up to 30% ocean protection; 10% as High Protection; 15% as Medium Protection
  - **Other Benefits:** investor base diversification

**INNOVATION:** First modern debt conversion in Mainland Africa

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**Seychelles**
- **Deal size:** $21.6 M
- **Term:** 20 years
- **Creditors:** Bi-Lateral Debt / Paris Club
- **Instrument:** Private Loan + Grants
- **Financing:** Funded by TNC + Philanthropists
- **Debt Relief:** no change/increase in debt stock
- **Conservation Funding:** $12.2 M
- **Conservation Commitments:** MSP with <1% >30% ocean protection
- **Other Benefits:** 2018 $15 M Blue Bond; Impact Investors, World Bank & GEF

**INNOVATION:** Funded new loan vs. bilateral debt forgiveness

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**Belize**
- **Deal size:** $364 M
- **Term:** 20 years
- **Creditors:** Eurobond (100%)
- **Instrument:** PRI DFC Combination of non-payment of an arbitral award + denial of justice + TNC SubDebt
- **Arranger:** Credit Suisse
- **Debt Relief:** $189 M principal reduction
- **Conservation Funding:** $180 M
- **Conservation Commitments:** MSP with 15.9% >30% ocean protection; 15% High Protection (Replenishment Zones); 15% Medium Protection (Multi-use Zones)
- **Other Benefits:** Belize’s credit rating was upgraded 4 notches to B-; 10 bps reduction of Debt: GDP

**INNOVATION:** Entire Eurobond refinanced (CAC), Capital markets issuance; Use of PRI

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**Barbados**
- **Deal size:** $150 M
- **Term:** 15 years
- **Creditors:** Eurobond + LC Debt
- **Instrument:** Co-guarantee IADB + TNC
- **Arrangers:** Credit Suisse (50% US$) + CIBC (50% LC)
- **Debt Stock Neutral**
- **Conservation Funding:** $50 M
- **Conservation Commitments:** MSP with 0% >30% ocean protection; 15% as High Protection

**Other Benefits:** investor base diversification

**INNOVATION:** Use of Co-guarantee; Hurricane + Pandemic deferral clauses; Non-distressed debt re-financing

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**Gabon**
- **Deal size:** $500 M
- **Term:** 15 years
- **Creditors:** Eurobond (partial)
- **Instrument:** PRI DFC
  - Combination of non-payment of an arbitral award + denial of justice
  - **Arranger:** Bank of America (100% US$)
  - **Debt Stock Neutral**
  - **Conservation Funding:** $163 M
  - **Conservation Commitments:** MSP with Up to 30% ocean protection; 10% as High Protection; 15% as Medium Protection
  - **Other Benefits:** investor base diversification

**INNOVATION:** First modern debt conversion in Mainland Africa
Gabon Blue Loan and Blue Bond Structure

- **Blue Bond Investors**
  - Issuer SPV
    - Issues Notes, Loans Note Proceeds to SPV1, Receives SPV1 Certificate as Collateral
  - Reserves
    - (Debt Service Reserve Fund, DFC Policy, TNC)
- **Issuer SPV**
  - Lender SPV
    - Issues Blue Loan to Gabon; Pledges SPV1 Certificate to SPV2
  - Lender SPV
    - Issues Blue Loan to Gabon; Pledges SPV1 Certificate to SPV2
- **Lender SPV**
  - Note
  - USD Conservation Cashflows
  - CFA Equivalent in USD Fixed Amount for Conservation Cashflows
- **Note Holder Representative**
- **DFC**
  - (Political Risk Insurance Policy)
  - DFC
    - Financing
    - Repayment/Payment
    - Retirement
- **Eurobond Holders**
  - Repurchase Payment
  - Reserves
    - (Debt Service Reserve Fund, DFC Policy, TNC)
  - Endowment
  - TNC Advisory Services Cost Recovery
  - Fonds de Préservation de la Biodiversité au Gabon, Inc.
    - (Conservation Fund)
  - Program Activities

Issuer SPV = Gabon Blue Bond Master Trust, Series 1 (Sovereign Lender) (the “Lender”)
Lender SPV = Gabon Blue Bond Master Trust, Series 2 (Blue Bond Issuer) (the “Note Issuer”)