# MDB COMMON NATURE FINANCE TAXONOMY

*Version 1 – November 2025*

## (Annex 2 of the MDB Common Principles for Tracking Nature Finance)

This document was prepared by a group of multilateral development banks, composed of the African Development Bank Group, Asian Development Bank, Asian Infrastructure Investment Bank, Caribbean Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank Group, Islamic Development Bank, and World Bank Group. The findings, interpretations, and conclusions expressed in this work do not necessarily reflect the official views of the multilateral development banks' boards of executive directors or the governments they represent.

# MDB COMMON NATURE FINANCE TAXONOMY

*Version 1 – November 2025*

This Common Nature Finance Taxonomy was developed by Multilateral Development Banks (MDBs)[i] to identify nature finance in their portfolios. As defined by the MDB Common Principles for Tracking Nature Finance (Version 2, 2025), nature finance is finance contributing to the nature positive goal of halting and reversing nature loss and supporting the implementation of the Kunming-Montreal Global Biodiversity Framework (GBF) through one or more of the following 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).

This Taxonomy provides a standardized non-exhaustive reference list of activities that qualify as nature finance in sectors and cross-cutting themes with identified opportunities to contribute to the GBF goals and targets (see Table 1). In addition to covering a range of sectors, the Taxonomy covers different ecosystem types and regions, and is adapted to the development context in which MDBs operate.

The nature finance activities listed in the Taxonomy are intended to go beyond compliance with the environmental and social (E&S) risk management policies and standards of MDBs. Finance that is used to ensure compliance with these E&S policies and standards does not qualify as nature finance.[ii]

In addition, nature finance, where feasible, should aim to deliver positive and inclusive social benefits, promote equitable access and benefit sharing with communities, reward stewardship and value traditional knowledge. The conservation, restoration, and sustainable management and use of nature can provide crucial social benefits, particularly for those who rely most on biodiversity and ecosystem services for their livelihoods and well-being.

For a more detailed definition of nature finance and guidance on assessment, see the MDB Common Principles for Tracking Nature Finance.

i The MDBs involved are the African Development Bank; Asian Development Bank; Asian Infrastructure Investment Bank; Caribbean Development Bank; European Bank for Reconstruction and Development; European Investment Bank; Inter-American Development Bank Group, represented by the Inter-American Development Bank (IDB) and IDB Invest; Islamic Development Bank; and the World Bank Group, represented by the World Bank, International Finance Corporation, and Multilateral Investment Guarantee Agency.

ii Each MDB has their own specific E&S requirements and policies which they will apply to identify finance that does not qualify to be tracked as nature finance.

**Table 1. List of sector and theme tables in the Taxonomy**

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

## Using this Taxonomy

The Taxonomy is organized by sub-sector or theme. Each section includes:

- **Activity Group:** Each sub-sector or theme is structured around the four activity groups outlined in the nature finance definition, per the MDB Common Principles for Tracking Nature Finance:
    (a) Restoration and conservation of biodiversity or ecosystem services;
    (b) Reduction of the direct drivers of biodiversity or ecosystem services loss;[iii]
    (c) Integration of nature-based solutions[iv] across economic sectors; and
    (d) Design and implementation of policy, tools, or other sectoral instruments enabling (a) to (c).

iii The five direct man-made drivers of biodiversity and ecosystem services loss are land and sea use change, overexploitation, climate change, pollution, and invasive species (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services Loss, 2019). Activities that address climate change as a driver of nature loss are only eligible as nature finance if they have targeted localized benefits to biodiversity or ecosystem services, beyond addressing climate change as a global driver of nature loss. Therefore, the qualifying activities under this Taxonomy are primarily arranged under the following drivers of nature loss: land and sea use change, overexploitation, pollution, and invasive species.

iv As defined in the resolution of the Fifth Session of the United Nations Environment Assembly (UNEA-5, 2022), nature-based solutions are actions to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems which address social, economic and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services, resilience and biodiversity benefits.

- **Qualifying Activities:** Description of the activities within each activity group that can qualify as nature finance.
- **Additional Considerations:** Cross-cutting and sector-specific considerations that provide additional guidance for MDBs to consider when assessing potentially qualifying activities.
- **References:** Where relevant, references are included for further information. These include references outlining the scientific evidence base for how the activity contributes to the activity groups, and references to technical concepts and international standards.

The Taxonomy is designed for ex-ante assessment of financial commitments. Activities specified in project documents, client documents, or other relevant documents are to be cross-checked against the qualifying activities, as well as the cross-cutting and sector-specific additional considerations outlined in the Taxonomy.

The Taxonomy is not exhaustive and does not cover all sectors, nor all interventions that could be eligible as nature finance. Recognizing that nature finance tracking is a nascent field, MDBs may choose to track additional activities not listed in the Taxonomy where the objectives of the activity clearly align with one or more of the activity groups and there is a clear contextual basis for attributing nature finance. Any such activities will be assessed on a case-by-case basis by the respective MDB, while taking a conservative approach. Table 7A on Renewable Natural Resources Asset Management can also be consulted for relevant activities that span multiple sectors. Individual MDBs may develop more detailed technical guidance for specific sectors to support their screening, as needed.

To facilitate interoperability, the Taxonomy has been informed by other relevant taxonomies and initiatives, such as the International Finance Corporation Biodiversity Finance Reference Guide,[v] the Joint Report on Multilateral Development Banks' Climate Finance,[vi] and the International Capital Market Association Sustainable Bonds for Nature: A Practitioner's Guide,[vii] and others. While the Taxonomy is primarily aimed at MDBs, it can also inform the broader capital market and help screen public and private financial flows for qualifying nature investments.

The Taxonomy may be updated in the future based on lessons from the application of the Taxonomy among MDBs, as well as new evidence and knowledge about additional opportunities for economic sectors to contribute to nature.

## Additional considerations

This Taxonomy provides guidance on specific issues relevant to qualifying activities that MDBs should consider when identifying activities to be tracked as nature finance. General considerations that apply to all sectors and themes are listed below. Sector-specific considerations are listed in respective sub-sector or theme sections.

**Cross-cutting considerations (all sectors and themes)**

A) To qualify, activities in any of the four activity groups should not exacerbate the direct drivers of nature loss or impede the achievement of other environmental objectives.[viii]

B) Where activities relate to the obtaining or use of sustainability-linked certifications relevant to nature these should be internationally recognized and confirmed via audits.

C) Reforestation or restoration activities should not involve invasive species. Restoration should prioritize native species, with the use of naturalized or non-invasive alien species being less preferred options.

v International Finance Corporation (IFC). 2023. "Biodiversity Finance Reference Guide". Washington, DC: IFC.
vi Multilateral Development Banks (MDB). 2023. "Common Principles for Climate Mitigation Finance Tracking".
vii International Capital Market Association (ICMA). 2025. "Sustainable Bonds for Nature: A Practitioner's Guide". Zurich: ICMA.
viii The Taxonomy primarily focuses on the following drivers of nature loss: land and sea use change, overexploitation, pollution, and invasive species; climate change is considered in other MDB processes and tracking systems.

# 1. FORESTRY, AGRICULTURE, FISHERIES AND AQUACULTURE

## 1A. FORESTRY

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) To qualify, activities should not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss, and they should be designed to avoid significant conversion of natural habitat and other associated practices detrimental to biodiversity or ecosystem services (e.g., excessive fertilizer use; pesticide use; water or water abstraction). They should also go beyond business-as-usual practices in the sector and beyond compliance with MDB E&S risk management policies and standards.

b) Exotic monoculture plantations are generally excluded from qualifying as nature finance, unless it is demonstrated that they reduce the drivers of nature loss or produce targeted localized benefits to biodiversity and ecosystem services.

c) Sustainable intensification in productive forests should aim to ultimately reduce pressures on natural ecosystems (e.g., by increasing or maintaining yields and quality, and thus reducing pressures to expand the production area)[1]. *(See also additional consideration a))*. Investments in sustainable intensification are to be assessed on a case-by-case basis.

d) Alternative livelihoods can qualify as nature finance if they are aimed at reducing pressures on natural ecosystems (e.g., by providing alternative nutrition or income sources) and implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss. Measures to ensure the sustainability of the outcomes for nature over a longer time horizon could also be put in place (e.g., by integrating them into broader local government socio-economic development plans).

e) If natural climate solutions generate carbon credits, such credits have to meet internationally accepted quality certification standards for reducing emissions and producing carbon credits (post-2016 Paris Agreement framework) and sustaining economic opportunities and social benefits for local communities[2] while recognizing the need for safeguards to prevent potential negative social and ecological impacts.

f) See also the Renewable Natural Resources Asset Management section for qualifying activities related to conservation or restoration of natural forest ecosystems, including protected and conserved areas.

1 By increasing yields in existing productive forests, sustainable intensification can help free land for conservation. Where higher yields may pose a risk of driving further expansion of productive forestry by increasing the opportunity cost of conservation, additional land use planning, land use change regulations, or other policy measures could be considered.

2 Guizar-Coutiño A, Jones J P G, Balmford A, et al. 2022. "A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics". Conservation Biology: the Journal of the Society for Conservation Biology. 36 (6). e13970.

| Activity Group | Qualifying Activities |
|---|---|
| | **FORESTRY** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>1. **Restoring** degraded land or natural habitat (including at landscape level), for example by:<br>– **Rewilding** through creating and restoring habitats for wildlife.<br>– **Natural or assisted regeneration** of degraded forests, which can be complemented with enrichment planting with native species, to generate clear localized benefits to biodiversity (not including monoculture planting).[3]<br>– **Increasing connectivity** of fragmented forest landscapes (e.g., developing ecological corridors; live fences with native species).[4]<br>**Conservation**<br>2. **Protecting or maintaining natural habitat** features or fragments (including within forest concessions or other productive forests), for example by:<br>– Maintaining or managing **'set-asides'** of High Conservation Value (HCV) areas or High Carbon Stock areas following the High Carbon Stock Approach (HCSA) or establishing **protected and conserved areas.**[5]<br>– Establishing **'buffer zones'** with native species or of natural ecosystems (e.g., riparian buffers).[6]<br>– Establishing **conservation easements,**[7] servitudes, or right of ways.<br>– Creating **managed forest areas** that limit edge effect and habitat fragmentation. |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>3. Implementing management practices, varieties, technology, or infrastructure in **production forests** to increase or maintain yields or quality and ultimately improve habitat for biodiversity and reduce pressures on natural ecosystems *(see also additional considerations a) to c)),* for example by:<br>– **Using low-intensity logging or reduced-impact logging (RIL),** including by increased tree age class.<br>– **Implementing alternatives** to the use of resources from natural forests (e.g., woodlots for fuel and construction materials).<br>4. Shifting to or implementing **sustainable forest production and management that meets best practices and internationally accepted quality certification standards** to ensure ecological, economic, or social benefits.<br>5. Implementing **alternative livelihoods** and pathways aimed at reducing pressures on natural forests (e.g., scaling up regenerative models that cultivate or harvest native non-timber forest products (NTFPs) such as acai, nuts, or that diversify the productive landscape), including the development of sustainable tourism. *(See also additional consideration d)).*<br>6. **Rehabilitating degraded land for forestry production** through sustainable land and water management practices to enhance ecosystem services and prevent natural habitat conversion. *(See also additional considerations a) to d)).* |

3 Crouzeilles R, Curran M, Ferreira M S, et al. 2016. "A global meta-analysis on the ecological drivers of forest restoration success". Nature Communications. 7. 11666.
4 Conservation Evidence. 2025. "Create or maintain corridors between habitat patches" and "Retain forested corridors in logged areas". Webpage.
5 Leberger R, Rosa I M D, Guerra C A, et al. 2020. "Global patterns of forest loss across IUCN categories of protected areas". Biological Conservation. 241. 108299.
6 Conservation Evidence. 2025. "Retain riparian buffer strips during timber harvest". Webpage.
7 Conservation easements earmark land for biodiversity conservation on private land while allowing owners to retain certain private property rights; some of these may be directly related to biodiversity credits or mitigation banking.

| Activity Group | Qualifying Activities |
|---|---|
| | **FORESTRY** |
| | 7. Implementing **fire management/fire risk reduction programs** that directly reduce threats from uncontrolled fires, or manage fire regimes, where there is a demonstrated benefit to biodiversity.[8] |
| | **Pollution** |
| | 8. Efficient use of **fertilizer, increasing fertilizer use efficiency,** or reducing use of fertilizer, particularly in areas where run-off leads to downstream eutrophication through excess nitrogen and phosphorus. |
| | 9. Substitution or reduction in **pesticide use or other chemicals such as herbicides** through other effective pest-control methods (e.g., biological, mechanical, or cultural controls). |
| | 10. **Phytoremediation or bioremediation** of contaminated forest soils or adjacent waterways. |
| | 11. Reusing or recycling **sustainable forestry residues** to reduce waste (e.g., using woody biomass for biochar production or bio-energy generation). |
| | **Invasive species** |
| | 12. Implementing measures to **prevent, eradicate, contain, and manage invasive species** with the potential to negatively impact biodiversity or ecosystem services, particularly to reduce the risk of invasive species spreading to natural habitats. |
| | 13. Implementing measures to **reduce infestation of pests and invasive species** to lower the pressure on water resources or on land. |
| | 14. Implementing measures to **reduce the need for chemical controls**[9] of invasive species that could harm biodiversity (e.g., by using biological, cultural, mechanical, and physical control methods). |
| **c) Integration of nature-based solutions across economic sectors** | 15. Using **green infrastructure or combined green/grey solutions** that prevent **runoff of agrochemicals** and sediment into rivers (e.g., use of forest buffers; agricultural strips; swales). |
| | 16. Implementing **agroforestry** systems linked to sustainable agricultural practices (e.g., mixed tree and crop production; using native or naturalized species, appropriate for local climate conditions), where appropriate to the cropping system and species/habitats present.[10] |
| | 17. Investing in **watershed scale reforestation** to be used for filtration and to generate quantifiable water credits through increased infiltration and reduced runoff. |
| | 18. **Natural climate solutions** (NCS)[11] programs in forests (e.g., reducing emissions from deforestation and forest degradation in developing countries (REDD+) ventures) that generate clear localized benefits to biodiversity. *(See also additional consideration e)).* |

8 Eales J, Haddaway N R, Bernes C, et al. 2018. "What is the effect of prescribed burning in temperate and boreal forest on biodiversity, beyond pyrophilous and saproxylic species? A systematic review" Environ. Evid. 7. 19; Conservation Evidence. 2025. "Use prescribed fire: effects on mature trees". Webpage.

9 Chemical control could take different forms and under specific circumstances may be the most appropriate response, depending on context. If there is clear justification for using chemical controls to eradicate/control invasive species, this activity could still be qualifying as nature finance.

10 Torralba M, Fagerholm N, Burgess P J, et al. 2016. "Do European agroforestry systems enhance biodiversity and ecosystem services? A meta-analysis". Agric. Ecosyst. & Environ. 230. 150-161; Conservation Evidence. 2025. "Retain or plant native trees and shrubs amongst crops (agroforestry)". Webpage.

11 Griscom B W, Adams J, Ellis P W, et al. 2017. "Natural climate solutions." Proc. Natl. Acad. Sci. 114 (44) 11645-11650.

| Activity Group | Qualifying Activities |
|---|---|
| | **FORESTRY** |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Integrated spatial planning**<br>19. **Landscape-scale spatial planning** for forestry (e.g., to identify some areas for commercial plantations, while maintaining others for conservation or sustainable harvesting).<br>**Policy, laws and regulations**<br>20. **Environmental fiscal reform** in favour of fiscal measures **that incentivize sustainable forest management** practices that benefit biodiversity or ecosystem services (e.g., conservation tax credits).<br>21. **Policy development** to support sustainable and participatory forest management, conservation, or restoration.<br>22. Interventions aimed at **improving institutional capacity and governance** of forest resources.<br>23. **Land administration legal and regulatory framework reform** (e.g., formalization of land tenure for smallholders or Indigenous Peoples and Local Communities) to promote sustainable management of forest resources.<br>24. Developing and implementing **transparency, accountability, or certification frameworks in the forestry sector** (e.g., to improve timber traceability or scale up certification of NTFPs).<br>25. Support for implementation of commitments to international **forestry conventions and protocols.**<br>26. Establishment of **early-warning systems** to prevent and respond to forest-related threats, such as illegal deforestation or damaging forest fires.<br>27. Establishment of **forest monitoring and data management systems** providing policy-relevant information on biodiversity (e.g., remote-sensing measurement, reporting, and verification (MRV) that delivers alerts on forest cover change, carbon density, or biodiversity indicators).<br>**Research and capacity development**<br>28. Enhancing effectiveness and **sustainability of non-timber forest production** (e.g., training on sustainable harvest techniques; value addition, extension services; outreach connecting conservation to sustainable harvesting and trade).<br>**Other**<br>29. Investments in **supporting services** related to production forests that reduce impacts on nature (e.g., nurseries of native species).<br>30. **Value chain development** and interventions intended to reduce impacts of forest use on nature (e.g., investing in downstream value-chain projects that aim to shift demand to sustainable, certified timber). |

# 1B. CROPS

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) To qualify, activities should not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss, and they should be designed to avoid significant conversion of natural habitat and other associated practices detrimental to biodiversity or ecosystem services (e.g., excessive fertilizer use; pesticide use; water or water abstraction). They should also go beyond business-as-usual practices in the sector.

b) Yields per unit area should be expected to be maintained or increased without significant conversion of natural habitat to agricultural land uses (or in exceptional cases, if yields are decreased there is an associated reduction in overall demand, or there are unforeseen circumstances such as natural disasters).

c) Similarly to other sectors, sustainable intensification in crops should aim to ultimately reduce pressures on natural ecosystems, notably by avoiding expansion of the agricultural frontier.[12] *(See also additional consideration b)).* Investments in sustainable intensification are to be assessed on a case-by-case basis.

d) When naturalized species are used, they should be expected not to be invasive.

e) Irrigation measures should be designed to reduce water abstraction and maintain or improve environmental flows. See also the Irrigation and Drainage section.

f) See also the Irrigation and Drainage section for relevant activities related to water conservation or irrigation. See also the Manufacturing, Trade and Retail section for activities related to the processing in agriculture, fisheries, and forestry, and the associated activities related to sustainable water use, pollution prevention and reduction of plastic packaging, etc.

12 By increasing yields on existing farmland, sustainable intensification can help free land for conservation. Where higher yields pose a risk of driving further agricultural expansion by increasing the opportunity cost of conservation, additional land use planning, land use change regulations, or other policy measures should be considered to mitigate this risk.

| Activity Group | Qualifying Activities |
|---|---|
| | **CROPS** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>31. **Restoring soil** to improve its physical, chemical, and biological properties (e.g., structure; organic matter content; moisture retention).<br>32. Rehabilitating **degraded agricultural lands** with native species, naturalized species or threatened species[13], or implementing **regenerative agriculture or sustainable land or water management practices** to enhance biodiversity or ecosystem services.<br>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.[14,15]<br>34. Implementing **agroforestry practices** that help restore structure or composition of natural habitats, particularly if using native species. *(See also additional consideration d)).*<br><br>**Conservation**<br>35. **Conserving plant genetic resources for food and agriculture,** including crops, neglected and under-utilized crops, native species and crop wild relatives, through ex-situ conservation (e.g., gene banks; digital sequenced information) and in-situ conservation (e.g., by conserving or producing seeds and seedling variety; farmer seed systems).<br>36. Protecting remaining **natural habitat** features or fragments within agricultural land (e.g., ecological corridors; live fences; riparian forest).<br>37. Increasing natural **pollinators** or seed dispersers.<br>38. Strengthening the management effectiveness of **protected and conserved areas** (e.g., by creating buffer zones through tree crops or agroforestry in agricultural land in proximity to protected and conserved areas).[16]<br>39. Allocating a portion of farmland as **conservation area** (e.g., by establishing ecological corridors)[17] based on land use planning and farmer input. *(See also additional consideration a)).* |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>40. Shifting to or production and trade of **certified crops or commodities** in line with robust sustainability certifications which follow audit protocols that confirm biodiversity benefits. *(See also additional consideration a)).*<br>41. Implementing **sustainable agricultural practices** (e.g., conservation agriculture; agroecology; regenerative production models) that recover or maintain native or heritage crops or agrobiodiversity.<br>42. Adopting **diversified cropping systems** (e.g., intercropping; use of cover crops to improve resilience and soil quality; agroforestry; silvo-pastoral systems). |

13 For examples of activities where the restoration of degraded lands can provide localized benefits to biodiversity, see Conservation Evidence. 2025. "Actions to conserve biodiversity." Webpage.
14 Conservation Evidence. 2025. "Actions to conserve biodiversity – Restore create species-rich, semi-natural grassland." Webpage.
15 Gray C, Hill S, Newbold T, et al. 2016. "Local biodiversity is higher inside than outside terrestrial protected areas worldwide." Nature Communications. 7: 12306.
16 Evidence for effectiveness is not yet substantial, however this helps reduce edge effects and, in some contexts, reduce encroachment risks.
17 This may include agricultural practices that contribute to the protection of wildlife, especially threatened species (wildlife-friendly options), and businesses that promote wildlife-friendly practices to improve land management, establish corridors for wildlife movement.

| Activity Group | Qualifying Activities |
|---|---|
| | **CROPS** |
| | 43. **Intensifying production on existing agricultural lands** by improving practices, varieties, technology, or infrastructure to increase crop yields or quality. *(See also additional considerations a) to c)).*[18,19] |
| | 44. Improving **soil management,** for example by:<br>– Preventing or reducing soil erosion by reducing tillage; implementing conservation tillage or no-till practices; contour farming, terracing, wind breaks, grass strips, and cover crops where appropriate to the cropping system.<br>– Implementing measures to prevent soil pollution from over-use of agrochemicals, salinization, acidification, or chemical contamination (e.g., green manure; legume cultivation; soil testing; integrated pest management).<br>– Preventing loss of soil biodiversity, soil nutrients, or organic matter (e.g., integrated nutrient management; crop rotation; integrating perennial groundcovers; composting and mulching; use of inputs that do not damage soil biota). |
| | 45. **Alternative production practices** such as sustainable hydroponics or vertical farming to cultivate crops where it is expected to reduce pressure on land or prevent land conversion. *(See also additional considerations a) to c)).* |
| | 46. Measures to prevent and reduce **human-wildlife conflict** related to crop raiding and depredation. |
| | 47. Measures to **substitute meat-based proteins with plant-based protein alternatives** (e.g., promoting plant-based diets) or reformulating products to reduce demand for meat-based protein. |
| | **Overexploitation** |
| | 48. Implementing **efficient irrigation** aimed at promoting efficient water allocation and reducing water withdrawal or maintaining or improving environmental flows. *(See also additional consideration e) and the Irrigation and Drainage section).* |
| | 49. Implementing activities aimed at reducing total water consumption or withdrawal (e.g., through water recycling; sustainable reuse of greywater; water reuse through closed loops; rainwater harvesting). *(See also the Irrigation and Drainage section).* |
| | 50. Implementing **climate-smart techniques for water conservation** (e.g., 'Zai' or half-moons for water harvesting; plant pits with mulch; precision irrigation) or shifting to cultivation of native species with low water consumption to reduce overall demand for water. |
| | 51. Cultivating more **climate resilient crop varieties** adapted to local environmental conditions (e.g., heritage crop varieties or native species that can more readily adapt to variations in production cycle, water quality or quantity, and temperature, and thus require fewer inputs and resources with better consistency of yields). |
| | **Pollution** |
| | 52. **Preventing or reducing downstream eutrophication,** through reducing synthetic fertilizer use, promoting efficient fertilizer use or the use of biofertilizer or other organic solutions (e.g., compost).[20] |
| | 53. **Reducing the use of pesticides, herbicides, and other chemicals,** or promoting the use of biological solutions such as biocontrol using natural enemies of pest species. |

18 Yuan S, Linquist B, Wilson L, et al. 2021. "Sustainable intensification for a larger global rice bowl." Nature Communications. 12: 7163.
19 Beillouin D, Ben-Ari T, Malezieux E, et al. 2020. "Benefits of crop diversification for biodiversity and ecosystem services." bioRxiv.
20 Conservation Evidence. 2025. "Actions to conserve biodiversity –Reduce fertilizer, pesticide, or herbicide use generally." Webpage.

| Activity Group | Qualifying Activities |
|---|---|
| | **CROPS** |
| | 54. **Reusing or recycling crop field or processing residues** to reduce waste (e.g., reuse in animal feed; mulching to improve soil organic matter and reduce erosion; producing biochar).<br>55. **Implementing agroecological techniques for remediation** (e.g., building a reed bed as a discharge pond to remediate effluent from irrigation before it leaves the farm), particularly in water-stressed areas. *(See also the Irrigation and Drainage section).*<br><br>**Invasive species**<br>56. Implementing measures to **prevent, eradicate, contain, and manage invasive species** with the potential to negatively impact biodiversity or ecosystem services.<br>57. Implementing measures to **reduce the need for chemical control**[21] of invasive species that could harm biodiversity (e.g., by using biological, cultural, mechanical, and physical control methods). |
| **c) Integration of nature-based solutions across economic sectors** | 58. Using **green infrastructure or combined green/grey solutions** (e.g., establishing constructed wetlands on farms) to prevent runoff of agrochemicals or sediment into rivers, reservoirs, or coastal basins, to improve water quality.<br>59. Implementing **agroforestry systems** linked to sustainable agricultural practices (e.g., mixed tree and crop production; using native or naturalized species suitable for local climate conditions), where appropriate to the cropping system and species or habitats present.[22]<br>60. Creating **crop production systems** that are more climate-resilient and provide localized benefits to biodiversity or ecosystem services (e.g., by using drought-resistant seeds; using native shrubs as wind breaks or fire prevention). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Integrated spatial planning**<br>61. Conducting activities such as stakeholder engagement and planning to develop a joint vision of **sustainability in landscape;** land use mapping and planning; and landscape- or sector-scale monitoring schemes.<br>62. Implementing zoning by applying the results of **spatial planning to identify priority areas for biodiversity, ecological connectivity, and ecosystem services,** and designate appropriate management zones and levels of access.<br><br>**Policy, laws and regulations**<br>63. **Reforming agricultural and trade policies,** including subsidy schemes, to incentivize best practices in conserving and restoring biodiversity or ecosystem services in crop production, or reform of incentives that promote unsustainable agricultural practices.<br>64. Measures to **improve enforcement of environmental laws** and regulations, and sustainability standards. |

21 Chemical control could take different forms and under specific circumstances may be the most appropriate response, depending on context. If there is clear justification for using chemical controls to eradicate/control invasive species, this activity could still be qualifying as nature finance.

22 Torralba M, Fagerholm N, Burgess P J, et al. 2016. "Do European agroforestry systems enhance biodiversity and ecosystem services? A meta-analysis". Agriculture, Ecosystems & Environment. 230. 150-161; Conservation Evidence. 2025. "Retain or plant native trees and shrubs amongst crops (agroforestry)". Webpage.

| Activity Group | Qualifying Activities |
|---|---|
| | **CROPS** |
| | 65. Establishment of **regulatory frameworks** for bio-inputs, including for promotion of plant growth and development (e.g., through biofertilizers; biostimulant; organic fertilizers), biological control of pests (e.g., through bioinsecticides; biofungicides; bionematicides; bioherbicides; biocontrol with invertebrates), and conditioning and restoration of soils (e.g., through bioremediators; biorestorers; biotransformers) as a basis for development of bio-input markets. |
| | 66. **Policies** to conserve plant genetic resources for food and agriculture and scale up the cultivation and consumption of native species, including as part of public nutrition programs. |
| | **Research and capacity development** |
| | 67. Investing in **research and development of crops, technology, or production systems** that reduce pressure on biodiversity or ecosystem services, such as conversion of natural habitat or soil depletion (e.g., development of crops that are more resilient to climate extremes and change, and that help reduce water demand in water-stressed areas). |
| | 68. Investing in capacity to **test more sustainable agrochemicals** as a basis for regulation to prevent or reduce the use of agrochemicals that are harmful to biodiversity, to reduce soil and water contamination and avoid poisoning non-target species, or to prevent or mitigate other adverse impacts on biodiversity. |
| | 69. Increasing capacity for **development and testing of bio-inputs** as a basis for development of bio-input markets. |
| | **Other** |
| | 70. Designing, implementing, or improving **traceability mechanisms and technologies** to prevent deforestation and enable the monitoring of biodiversity benefits at the corporate level or along the supply chain; and shift towards sustainable sourcing among producers in a value chain (e.g., through the implementation of no-conversion policies[23]). |
| | 71. Strengthening **sustainability programs with a nature focus** in agricultural centres of excellence, sector or regional roundtables and initiatives, or establishing demonstration farms for conservation agriculture or cultivation of native or heritage crops. |
| | 72. Developing **agribusiness small and medium-sized enterprises (SMEs)** to scale up certified, regenerative, or diversified production models or to reduce the drivers of nature loss in conventional production models (e.g., no conversion of natural habitats; sustainable intensification). |
| | 73. Targeted support to improve **access to markets for certified or native or heritage crops.** |
| | 74. Developing and implementing **wildfire management plans.** |

23 "No conversion" policies refer to commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems. Accountability Framework. 2025. "No-conversion / Conversion-free / Zero conversion." Webpage.

# 1C. LIVESTOCK

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) To qualify, activities should not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss, and they should be designed to avoid significant conversion of natural habitat and other associated practices detrimental to biodiversity or ecosystem services (e.g., excessive fertilizer use; pesticide use; water or water abstraction). They should also go beyond business-as-usual practices in the sector.

b) Yields per unit area should be expected to be maintained or increased without conversion of natural habitat to agricultural land use (or in exceptional cases, if yields are decreased there is an associated reduction in overall demand or there are unforeseen circumstances such as natural disasters).

c) Similarly to other sectors, sustainable intensification in livestock should aim to ultimately reduce pressures on natural ecosystems, notably expansion of the agricultural frontier.[24] *(See also additional consideration b)).* Investments in sustainable intensification are to be assessed on a case-by-case basis.

d) Alternative livelihoods can qualify as nature finance if they are aimed at reducing pressures on natural ecosystems (e.g., by providing alternative nutrition or income sources) and implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss. Measures to ensure the sustainability of the outcomes for nature over a longer time horizon could also be put in place (e.g., by integrating them into broader local government socio-economic development plans).

e) If natural climate solutions generate carbon credits, such credits have to meet internationally accepted quality certification standards for reducing emissions and producing carbon credits (post-2016 Paris Agreement framework) and sustaining economic opportunities and social benefits for local communities[25] while recognizing the need for safeguards to prevent potential negative social and ecological impacts.

24 By increasing yields on existing farmland, sustainable intensification can help free land for conservation. Where higher yields pose a risk of driving further agricultural expansion by increasing the opportunity cost of conservation, additional land use planning, land use change regulations, or other policy measures should be considered to mitigate this risk.

25 Guizar-Coutiño A, Jones J P G, Balmford A, et al. 2022. "A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics". Conservation Biology: the Journal of the Society for Conservation Biology. 36 (6). e13970.

| Activity Group | Qualifying Activities |
|---|---|
| | **LIVESTOCK** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>75. **Restoring degraded lands or natural habitat within production system** at landscape level, for example by:<br>– Implementing farmer-managed natural regeneration.[26]<br>– Rehabilitating degraded lands with native species, combined or not with naturalized species, threatened species, or other species designed to enhance biodiversity or ecosystem services.[27]<br>– Restoring natural habitat in productive landscapes.[28, 29]<br>**Conservation**<br>76. **Protecting remaining natural habitat** features or fragments within agricultural land (e.g., through biodiversity corridors and live fences) and river easement protection or restoration.<br>77. **Maintaining or managing 'set-asides'** of High Conservation Value (HCV) areas or High Carbon Stock areas following the High Carbon Stock Approach (HCSA).<br>78. **Fencing off** restoration areas or degraded habitat of ecological importance (e.g., wetlands).<br>79. Preserving native livestock breeds and conserving **livestock genetic diversity** where possible, based on assessment of extinction risk. |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>80. Implementing management practices, varieties, technology or infrastructure to **increase or maintain livestock yields or quality to ultimately reduce pressures on ecosystems** (e.g., by restoring pasture or introducing tree shade to increase forage yields or milk production). *(See also additional considerations a) to c)).*<br>81. Implementing **conservation agriculture or agroecological practices** that promote sustainable pasture management and agrobiodiversity, or scaling up **regenerative** production models, for example by:<br>– Integrating native tree species into cattle pastures or agro-sylvo-pastoral systems.<br>– Promoting biodiversity-positive rangeland or grassland management, for example by adopting rotational grazing systems with planned rest periods to reduce soil degradation and support pollinator habitats.<br>– Implementing sustainable livestock practices, such as grass-fed cattle and free-range poultry, that enhance environmental outcomes (e.g., soil health; biodiversity; reduced reliance on external inputs).<br>– Revival of sustainable gentle capture, shearing, and release practices of wild species (e.g., vicuna). |

26 Farmer managed natural regeneration involves the systematic regrowth and management of trees and shrubs from felled tree stumps, sprouting root systems or seeds. The regrown trees and shrubs, which help restore soil structure and fertility, inhibit erosion and soil moisture evaporation, rehabilitate springs and the water table, and increase biodiversity. See for example: Barral M P, Benayas J M, Meli P, Maceira N O. 2015. "Quantifying the impacts of ecological restoration on biodiversity and ecosystem services in agroecosystems: A global meta-analysis." Agriculture, Ecosystems & Environment. 202: 223-231.

27 For examples of activities where the restoration of degraded lands can provide localized benefits to biodiversity, see Conservation Evidence. 2025. "Actions to conserve biodiversity." Webpage.

28 Conservation Evidence. 2025. "Actions to conserve biodiversity – Restore create species-rich, semi-natural grassland." Webpage.

29 Gray C, Hill S, Newbold T, et al. 2016. "Local biodiversity is higher inside than outside terrestrial protected areas worldwide." Nature Communications. 7: 12306.

| Activity Group | Qualifying Activities |
|---|---|
| | **LIVESTOCK** |
| | 82. Rehabilitating degraded land for livestock production through **sustainable land and water management practices** to enhance ecosystem functions and services and prevent conversion of natural habitat, where the rehabilitation of degraded pastures aims to ultimately reduce pressures on natural ecosystems (e.g., by reducing extensification pressures).<br>83. Sourcing or producing **livestock feed with reduced environmental impacts** *(see also the Crops, Irrigation and Drainage, and Sanitation sections),* for example by:<br>– Promoting high diversity of feed and fodder crops to support local wildlife and ecological balance, provided sustainable practices are used (e.g., organic fertilizers; efficient water use; native varieties). *(See also additional consideration a)).*<br>– Using feed not sourced from natural habitat conversion or use of alternative feed (e.g., black soldier fly larvae).<br>– Promoting forage cropping systems on long rotations.<br>84. Implementing **alternative livelihoods** and pathways aimed at reducing pressures on natural ecosystems (e.g., by replacing livestock production with alternative income sources; by reducing extensification pressures). *(See also additional consideration d)).*<br>85. Implementing wildlife-friendly fencing innovations (e.g., invisible fencing), particularly to support movement of migratory species.<br>86. **Reducing conflict between livestock and predators** or other wildlife over predation or competition for grazing areas or water resources.<br>87. **Preventing disease crossover** between livestock and wildlife, for example by:<br>– Protecting natural habitat.<br>– Identifying and managing risks at wildlife-livestock-human interfaces associated with disease spillover and emergence.<br>– Increasing animal hygiene and health standards for livestock.<br>– Improving farm biosecurity.<br>**Overexploitation**<br>88. Promoting **efficient water allocation in livestock production systems** (e.g., water recycling; sustainable reuse of greywater; water reuse through closed loops; rainwater harvesting).<br>89. Measures to **substitute illegal or unsustainable wildlife products** with sustainable meat-based protein alternatives.<br>**Pollution**<br>90. Applying **closed nutrient-cycle systems.**<br>91. Improving **manure management** to reduce runoff of nutrients.<br>**Invasive species**<br>92. Ensuring that livestock does not escape and establish feral populations, or measures to **prevent, eradicate, contain, and manage** feral populations of livestock. |

| Activity Group | Qualifying Activities |
|---|---|
| | **LIVESTOCK** |
| **c) Integration of nature-based solutions across economic sectors** | 93. Adopting **natural climate solutions** (NCS)[30] programs (e.g., implementing agro-sylvo-pastoral systems or REDD+ ventures) that generate clear localized benefits to biodiversity. *(See also additional consideration e)).*<br>94. Using **livestock as a biological control agent** for invasive plant species. |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Integrated spatial planning**<br>95. **Spatial planning** to conserve areas of biodiversity importance within farm systems and create biodiversity corridors across farms.<br>**Other**<br>96. Improving **product traceability** to address unsustainable and illegal supply chains that drive land use change (e.g., through the development, implementation, and promotion of certification standards). |

30 Griscom B W, Adams J, Ellis P W, et al. 2017. "Natural climate solutions." Proc. Natl. Acad. Sci. 114 (44) 11645-11650.

# 1D. FISHERIES AND AQUACULTURE

This section covers two distinct sub-sectors – management of wild fisheries and sustainable aquaculture. Qualifying activities are listed by sub-sector.

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) To qualify, activities should not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss, and they should be designed to avoid significant conversion of natural habitat and other associated practices detrimental to biodiversity or ecosystem services. They should also go beyond business-as-usual practices in the sector.

b) Alternative livelihoods can qualify as nature finance if they are aimed at reducing pressures on natural ecosystems (e.g., by providing alternative nutrition or income sources) and implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss. Measures to ensure the sustainability of the outcomes for nature over a longer time horizon could also be put in place (e.g., by integrating them into broader local government socio-economic development plans).

c) Sustainable aquaculture qualifies if it is expected to generate gains for biodiversity or ecosystem services, and if it is implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss. For example, it meets a credible third-party sustainability certification or it complies with best available E&S risk management policies and standards where certification is not feasible. Attention needs to be given to the risks associated with non-native species (e.g., non-native bivalves) and commercial-scale operations, as well as potential impacts on water quality, habitat loss, and others.

d) Fishing practices that increase bycatch or generate additional risks or impacts to aquatic environments or may contribute to overfishing, such as Fish Aggregating Devices (FADs), do not qualify under this Taxonomy.

e) To be effective, fisheries management interventions aimed at curbing overexploitation and fostering long-term resilience of fish stocks should be embedded in national fisheries management plans where possible, respect customary or Indigenous tenure (where applicable), and demonstrate consistency with precautionary, ecosystem-based and rights-based principles.

f) Effective management of marine protected areas (MPAs) requires effective enforcement. MPAs may also need to be implemented in a complementary way by combining different types of MPAs in a seascape), and in combination with conserved areas (e.g., locally managed marine areas; LMMAs) to enhance conservation outcomes.

g) If natural climate solutions generate carbon credits, such credits have to meet internationally accepted quality certification standards for reducing emissions and producing carbon credits (post-2016 Paris Agreement framework) and sustaining economic opportunities and social benefits for local communities[31] while recognizing the need for safeguards to prevent potential negative social and ecological impacts.

31 Guizar-Coutiño A, Jones J P G, Balmford A, et al. 2022. "A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics". *Conservation Biology: the Journal of the Society for Conservation Biology. 36 (6). e13970.*

| Activity Group | Qualifying Activities |
|---|---|
| | **FISHERIES AND AQUACULTURE** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | ***FISHERIES***<br><br>**Restoration**<br>97. **Restoring** degraded natural marine or freshwater habitat (at seascape/catchment level), for example by:<br>– Establishing artificial reefs (appropriately designed and sited).[32]<br>– 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.<br>– Restoring mangrove forests, wetlands, marshes, or other coastal habitats.<br>– 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.<br>– Restoring nursery habitats and spawning grounds.<br>– Re-stocking with native species while minimizing domestication, to help enhance ecosystem structure for accelerated restoration rates.<br><br>**Conservation**<br>98. Maintaining and managing remaining **natural freshwater features** and conserving important areas for biodiversity.<br>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***<br><br>**Overexploitation**<br>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]<br>101. Implementing **rights-based and incentive-aligned approaches,** for example by:<br>– 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.<br>– Developing co-management or community-based management that give users a formal role in rule-setting, monitoring, or enforcement.<br>– Market-based incentives (e.g., eco-certification; preferential access to premium markets; results-based payments) that reward compliance with sustainability benchmarks.<br>– Piloting habitat or stock credit schemes offering fishers tradable credits for verified improvements in stock biomass or habitat quality. |

32 Conservation Evidence. 2025. "Create artificial reefs". Webpage.
33 Conservation Evidence. 2025. "Designate a Marine Protected Area and prohibit all types of fishing". Webpage; Conservation Evidence. 2025. "Cease or prohibit all types of fishing in a marine protected area". Webpage.
34 Interventions are grouped into thematic clusters to align with the "FAO Code of Conduct for Responsible Fisheries" and best practice guidance on rights-based management.

| Activity Group | Qualifying Activities |
|---|---|
| | **FISHERIES AND AQUACULTURE** |
| | 102. Implementing **effort and spatial controls,** for example by:<br>– Establishing and enforcing MPAs (e.g., static MPAs that permanently safeguard critical habitats such as spawning grounds; dynamic MPAs where the boundaries shift in response to oceanographic conditions and species movements; multi-use MPAs that delineate zones for no-take cores, limited-gear fishing, or other low-impact activities; no-take reserves that prohibit extractive uses to allow ecosystem recovery). *(See also additional consideration f)).*<br>– Establishing and enforcing fishery closures whose spatial and temporal boundaries are guided by stock assessments, habitat linkages and ecosystem connectivity, with adaptive revisions as new monitoring data emerge.<br>– Applying (or calibrating) seasonal bans that coincide with spawning, nursery, or migration periods.<br>– Limiting fishing days, soak time or sets per vessel, supported by monitoring systems, electronic logbooks and observers.<br>103. Implementing **gear selectivity and bycatch mitigation,** for example by:<br>– Introducing or retrofitting selective gear that allows non-target species and juveniles to escape (e.g., turtle-excluder devices).[35]<br>– Deploying visual or acoustic deterrents that reduce interactions with seabirds, turtles, and marine mammals (e.g., streamer lines; high-visibility panels; pingers).<br>– Phasing out, restricting, or geographically banning gear with high collateral damage (e.g., bottom trawls; driftnets).<br>104. Implementing **capacity-reduction and catch-limit measures,** for example by:<br>– Establishing science-based total allowable catches, accompanied by individual vessel, fleet or community quotas.<br>– Conducting targeted buy-back or decommissioning schemes to retire excess vessels, licenses, or gear in over-capitalised fisheries.<br>– Establishing minimum landing sizes, slot limits, and maximum size protections to safeguard juveniles and large spawners.<br>– Adopting harvest-control rules linked to reference points (e.g., maximum sustainable yield; biomass-based triggers).<br>105. Implementing other **alternative livelihoods** and pathways aimed at reducing pressures on fisheries (e.g., ecotourism). *(See also additional consideration b)).*<br>*(See also activity group (d) for additional interventions related to governance, compliance, and other enabling measures).*<br><br>**Pollution**<br>106. Properly **disposing of nets** and other fishing gear (e.g., by recycling it) or actively **removing 'ghost' fishing gear** (e.g., abandoned, lost or otherwise discarded fishing gear (ALDFG)).<br>107. Supporting installation of **effluent treatment units** or **promoting water recycling** to reduce biochemical oxygen demand and nutrient discharge. *(See also the* Sanitation *and* Irrigation and Drainage *sections).*<br>108. Reducing pollution pressures from fisheries processing facilities by **reusing or recycling fishery discards and residues** to reduce waste (e.g., by establishing biorefineries for fish processing byproducts). |

35 Conservation Evidence. 2025. "Install exclusion devices on fishing gear: Tortoises, terrapins, side-necked & softshell turtles". Webpage.

| Activity Group | Qualifying Activities |
|---|---|
| | **FISHERIES AND AQUACULTURE** |
| | **Invasive species** |
| | 109. Implementing programs to **prevent, eradicate, contain, and manage freshwater or marine invasive species.** |
| | 110. Creating demand for **invasive species utilization** (e.g., promoting the consumption of lionfish) where such utilization supports the local control of invasive species, leading to reduced pressures or impacts on biodiversity. |
| | ***AQUACULTURE*** |
| | **Multiple drivers** |
| | 111. Implementing **sustainable aquaculture** to reduce its impact on freshwater or marine ecosystems *(see also additional consideration c)),* for example by:<br>– Shifting to or implementing sustainable aquaculture with a certification or integrated aquaculture that is expected to divert pressures from wild capture fisheries or enhance practices of existing operations. *(See also additional consideration c)).*<br>– Establishing regenerative or (restorative) aquaculture and production (e.g., native bivalves and seaweed aquaculture) with clear benefits to marine ecosystems.[36]<br>– Establishing artisanal/small-scale aquaculture as a source of nutrition or income aimed at reducing pressures on wild capture fisheries.<br>– Developing low-impact land-based aquaculture as an alternative to mangrove conversion.<br>– Using feed with reused fish waste byproducts (e.g., bones; skin; viscera). *(See also additional considerations).*<br>– Using fishmeal in aquafeed using circular economy principles (e.g., with insect meals and oils; use of plant-based protein sources; micro and macroalgae; other novel feed ingredients). *(See also additional considerations).*<br>– Deploying ecological approaches or technologies that reduce the use of harmful inputs (e.g., species diversification to reduce use of antibiotics or pesticides).<br>– Reducing pollution by implementing multi-species systems to minimize feed waste, or by reducing or recycling aquaculture discards and residues (e.g., by establishing biorefineries for fish processing byproducts).<br>– Avoiding disease transference from farmed to wild stocks.<br>– Promoting efficient water allocation in aquaculture systems (e.g., water recycling; reuse of greywater; rainwater harvesting). |

36 Theuerkauf S J, Barrett L T, Alleway H K, et al. 2022. "Habitat value of bivalve shellfish and seaweed aquaculture for fish and invertebrates: Pathways, synthesis and next steps". Rev. Aquac. 14. 54-72.

| Activity Group | Qualifying Activities |
|---|---|
| | **FISHERIES AND AQUACULTURE** |
| **c) Integration of nature-based solutions across economic sectors** | ***AQUACULTURE***<br>112. Propagating **native species** of epibenthic bivalves or seaweed to restore water quality, control erosion or reduce pollutants or inorganic nutrients.<br>113. Using **green infrastructure or combined green/grey solutions** that prevent pollution from processing facilities of capture fisheries or aquaculture.<br>114. **Natural climate solutions** (NCS)[37] programs (e.g., in seaweed or kelp aquaculture) that generate clear localized benefits to biodiversity. *(See also additional consideration g)).* |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>***FISHERIES***<br>**Integrated spatial planning**<br>115. Multi-stakeholder **marine spatial planning.**<br>116. **Monitoring of fish stocks,** monitoring the impacts of climate change on fisheries, and projecting sustainable harvest levels to inform management.<br>**Policy, laws and regulations**<br>117. Strengthening **monitoring, control and surveillance,** including by integrating port-state measures, trans-boundary intelligence sharing, compulsory electronic reporting, and risk-based inspection protocols.<br>118. Combating **illegal, unreported and unregulated fishing (IUU),** for example by:<br>– Implementing vessel monitoring systems.<br>– Registering vessels with no history of non-compliance.<br>– Taking actions against vessels that have been found to be engaged in IUU fishing and related activities (e.g., by listing these in IUU vessel lists of regional fisheries management organizations).<br>– Monitoring, control, and surveillance activities at sea, port state measures related to landings and transshipments.<br>– Deterrent sanctions.<br>119. **Modernizing legal frameworks** to recognize precautionary and ecosystem-based management principles and to provide swift enforcement mechanisms.<br>120. Strengthening **regional fisheries management organizations and arrangements** and other global and regional tools and mechanisms in support of sustainable fisheries. |

37 Griscom B W, Adams J, Ellis P W, et al. 2017. "Natural climate solutions." Proc. Natl. Acad. Sci. 114 (44) 11645-11650.

| Activity Group | Qualifying Activities |
|---|---|
| | **FISHERIES AND AQUACULTURE** |
| | **Research and capacity development** |
| | 121. Investing in **stock assessments, socioeconomic data collection and capacity-building** to support adaptive management and transparent decision-making. |
| | 122. Implementing **data collection and assessments,** including stock assessments for target species, bycatch, species population status, habitat condition, and resilience of marine socio-ecological systems. |
| | 123. Supporting the establishment or scale up of **digital catch documentation and traceability (CDT) systems,** interoperable with EU, US, or other seafood import requirements. |
| | **Other** |
| | 124. Supporting **fishery certification** processes that promote long-term health of species populations, and the function and resilience of ecosystems. |
| | 125. Promoting **innovation grants and fishery improvement projects** that test new selective technologies in local conditions. |
| | 126. Developing **circular-economy schemes for end-of-life gear** (e.g., nylon-to-textile recycling) and **mandating gear marking** for traceability. |
| | 127. Small- and medium-sized enterprise (SME) development or improvement of **access to markets for production under certification schemes** that include biodiversity-related sustainability criteria. |
| | ***AQUACULTURE*** |
| | 128. Supporting measures to **avoid and reduce negative interactions with threatened species and ecosystems** (e.g., spatio-temporal closures; depth restrictions; effort limits; gear swaps). |
| | 129. Developing, implementing and transferring **technologies** to enable **lower-impact aquaculture** (e.g., to improve efficiency of feeding and reduce losses from disease; use of alternative feeds with lower environmental footprint; aquaponics). |
| | 130. Supporting **aquaculture certification** processes that promote long-term health of species populations, and the function and resilience of ecosystems. |
| | 131. Developing **circular-economy schemes for end-of-life gear** (e.g., nylon-to-textile recycling) or aquaculture by-products (e.g., mussel shells). |

# 2. MINING AND ENERGY

## 2A. MINING

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Activities related to deep-sea mining (process of retrieving mineral deposits from the ocean floor) and phytomining (in which plants are grown to extract minerals from the soil) are outside the scope of this Taxonomy.

b) Alternative livelihoods can qualify as nature finance if they are aimed at reducing pressures on natural ecosystems (e.g., by providing alternative income sources to unlicensed artisanal and small-scale mining) and implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss.

| Activity Group | Qualifying Activities |
|---|---|
| | **MINING** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Pre-operation**<br>132. Site selection or 'set asides' above and beyond safeguard requirement to protect natural ecosystems.<br>**During operation**<br>133. **Conserving or restoring biodiversity on non-operation land** ('set asides') to enhance biodiversity or ecosystem services, beyond compliance with E&S risk management standards (i.e., offsets).<br>**After closure**<br>134. **Restoring biodiversity following mine closure,** including remediation of contaminated sites, beyond compliance with E&S risk management policies and standards (e.g., creating lakes with native flora and fauna out of retired quarries; placing topsoil to restore soil biodiversity). |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>135. Implementing mining techniques and technologies that **reduce the surface footprint of mining activities** (e.g., in-situ mining; in-place mining; block-cave/sub-cave mining), where appropriate and with stringent E&S risk management. |

| Activity Group | Qualifying Activities |
|---|---|
| | **MINING** |
| | 136. **Implementing mined waste management and tailings management solutions** (e.g., paste backfill tailings; dry stack tailings) that reduce land use beyond compliance with E&S risk management policies and standards.<br>137. **Deploying automation** (e.g., haulage systems and remote operation centers) to optimize land use and reduce the need for extensive infrastructure.<br>138. Implementing **technologies or management approaches** aimed at reducing mining impacts on nature (e.g., regional-scale tailings management programs; circularity/recycling programs).<br>139. **Planting or retention of native/indigenous species** in non-critical landscaping (e.g., around offices and camps) and preventing introduction of non-native plant and animal species.<br>140. **Implementing alternative livelihoods and pathways** (e.g., by scaling up non-timber forest products; ecotourism) for communities engaged in artisanal mining. *(See also additional consideration b)).*<br>141. As part of new mining development and operations, **remediating and rehabilitating dewatered closed or abandoned mines** (legacy mines) to reduce land use and prevent or reduce land subsidence and slumping to ensure that is integrated with the surrounding landscape.<br><br>**<u>Overexploitation</u>**<br>142. Implementing technologies or management approaches to **reduce water consumption or withdrawal in mining operations,** for example by:<br>– Water recycling.<br>– Sustainable reuse of greywater.<br>– Rainwater harvesting.<br>– Paste tailings, dry stack tailings.<br>– Biological processes.<br>– Dry or low-water milling and processing (e.g., dry grinding; air classifiers; specialized air jets; rollers and mills; electrostatic separation; microwave-assisted grinding; water-efficient separators).<br>143. Processing tailings residues and slag **to convert them into commercially viable materials** to reduce the need for virgin resource extraction, for example by:<br>– Repurposing sand tailings generated in the production of iron ore as a replacement for sand quarried from riverbeds and coastal areas.<br>– Using cement substitute or aggregate material in road construction or soil stabilization.<br>– Soil amendment for agricultural applications. |

| Activity Group | Qualifying Activities |
|---|---|
| | **MINING** |
| | **Pollution**<br>144. As part of new mining development and operations, **addressing legacy pollution** caused by abandoned mines that were not properly closed or rehabilitated (e.g., with water and soil contamination) and activities to return the land to a safe and stable physical state that is integrated with the surrounding landscape.<br>145. **Processing previously deemed uneconomical low-grade stockpiles or mined rock waste** to reduce leaching potential, waste generated, and pollution. |
| **c) Integration of nature-based solutions across economic sectors** | 146. Using **green infrastructure or combined green/grey solutions** with clear localized benefits to biodiversity, for example by:<br>– Constructing wetlands for water treatment.<br>– Integrating nature-based solutions for water retention in upper watershed in the mine design.<br>– Other nature-based solutions promoted by forest-smart mining.[38]<br>147. Using **nature-based remediation technologies** to reduce pollution, promote erosion control and enhance soil properties (e.g., bioaccumulation; bioremediation, including phytoremediation and mycoremediation; other biological treatments of soil, such as bioaugmentation, biostimulation, and biomining).<br>148. Bioleaching to **extract metals from their ores** with less chemical input (e.g., using fungi and bacteria). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Policy, laws and regulations**<br>149. Supporting the development of **laws and regulations** aimed at reducing impacts of mining on nature (e.g., to ensure adequate protection of endemic species and soil biodiversity; promote land degradation neutrality; remediation of contaminated sites) or creating frameworks that incentivize the use of nature-based solutions in mining operations.<br>150. Supporting development and enforcement of laws, regulations, and licensing systems, or formalization of property rights, to better regulate **artisanal and small-scale mining** and improve its environmental practices.<br>151. Implementing **regulatory requirements** for mining operations to go beyond compliance with E&S risk management policies and standards (e.g., enforcement of existing regulations; addressing illegal mining).<br>152. Promoting the use of **best available techniques** that reduce impacts of mining on nature.<br>**Research and capacity development**<br>153. Researching, testing, or training on **improved design and construction** approaches or technologies that reduce impacts of mining on nature and provide protection of soil biodiversity, and support land degradation neutrality and the remediation of contaminated sites, particularly through reducing land use change and pollution from exploration, extraction and waste.<br>154. Interventions aimed at improving governance of the resources. |

38 World Bank. 2021. "Forest-Smart Mining: Guidance to Applying Nature-Based Solutions in the Mining Sector." Washington, DC: World Bank.

| Activity Group | Qualifying Activities |
|---|---|
| | **MINING** |
| | 155. **Technical training and dissemination of environmental laws and regulations** among communities to reduce the impact of artisanal and small-scale mining, for example by:<br>– Safeguarding water sources.<br>– Reducing deforestation.<br>– Ending or reducing the use of mercury.<br>– Improving the management of mercury and other toxic substances when it is not possible to eliminate them.<br>**Other**<br>156. Developing and implementing **transparency and accountability frameworks** to make data on mining impacts on nature available in the public domain.<br>157. Adopting **responsible mining certification** which follows audit protocols that confirm biodiversity benefits.<br>158. Developing or using **tools that help to manage and better locate mining sites** in areas of high ecosystem intactness or biodiversity significance (e.g., Integrated Biodiversity Assessment Tool (IBAT)). |

## 2B. RENEWABLE ENERGY – GEOTHERMAL, BIOMASS, HYDRO, SOLAR, WIND

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Biomass for renewable energy production activities should be designed to prevent both direct and indirect conversion of natural habitat.

b) Activities applying fuel efficiency measures should be designed to decrease overall fuel consumption and to monitor any anticipated reduction.

c) If natural climate solutions generate carbon credits, such credits have to meet internationally accepted quality certification standards for reducing emissions and producing carbon credits (post-2016 Paris Agreement framework) and sustaining economic opportunities and social benefits for local communities[39] while recognizing the need for safeguards to prevent potential negative social and ecological impacts.

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE ENERGY** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | 159. **Protecting** natural habitat features or **enhancing or restoring degraded lands** within or in proximity to project boundaries (e.g., restoration of catchment areas or wildflower meadows on previously converted land). |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use / water use**<br>160. Improving **biomass product traceability** and supporting **sustainable biomass production** to help combat illegal/unsustainable supply chains (e.g., through the development, implementation, and promotion of certification standards).<br>161. Improving technology or infrastructure that enhance the efficiency of **bioenergy production from sustainable sources,** thus reducing pressures on land from minimized demand of biomass input.<br>162. Restoring freshwater ecosystem connectivity and maintaining or improving environmental flows by **retrofitting or removing dams,** fully or partially.<br>163. Implementing technologies or management approaches to **reduce water consumption or withdrawal** in solar installation operations, especially in water-stressed environments. |

39 Guizar-Coutiño A, Jones J P G, Balmford A, et al. 2022. "A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics". Conservation Biology: the Journal of the Society for Conservation Biology. 36 (6). e13970.

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE ENERGY** |
| | **Pollution**<br>164. Implementing **circular approaches to** renewable energy generation, especially to reduce pollution from waste generated through supply chains, where there are clear localized benefits to biodiversity or ecosystem services.<br>**Climate change**<br>165. Implementing **bio-energy programs** (power or heat) generated from solid biomass, biogases, liquid biofuels and organic wastes, where there are clear localized benefits to biodiversity or ecosystem services. |
| **c) Integration of nature-based solutions across economic sectors** | 166. Using **green infrastructure** or **combined green/grey solutions** with clear localized benefits to biodiversity, for example by:<br>– For **treating runoff** from irrigation, stormwater, greywater, or wastewater (e.g., through constructed wetlands).<br>– For cooling mic**roclimate around solar panel installation**[40] and enhancing their performance (e.g., seeding with native grasses and flowers; installing agrivoltaics).<br>167. **Natural climate solutions** (NCS)[41] programs in forests, mangroves, peatlands, wetlands, or other ecosystems that generate clear localized benefits to biodiversity. *(See also additional consideration c)).*<br>168. Supporting **community-based programs** to encourage and enable **more efficient use of traditional fuels** like wood, charcoal, dung, or agricultural waste in households or institutions (e.g., fuel-efficient stoves; farm-scale biogas digesters) where there are clear localized benefits to biodiversity or ecosystem services. |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.* |

40 Williams H, Hashad K, Wang H, Zhang M. 2023. "The potential for agrivoltaics to enhance solar farm cooling." Applied Energy. 332: 120478.
41 Griscom B W, Adams J, Ellis P W, et al. 2017. "Natural climate solutions." Proc. Natl. Acad. Sci. 114 (44) 11645-11650.

# 3. TRANSPORTATION

## 3A. PORTS, WATERWAYS, AND MARITIME SHIPPING

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

| Activity Group | Qualifying Activities |
|---|---|
| | **PORTS, WATERWAYS, AND MARITIME SHIPPING** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | 169. **Protecting natural habitat features or enhancing or restoring degraded lands** within or in proximity to project boundaries (e.g., targeted restoration of wetlands, mangroves, coral reefs, and estuarine habitats on previously converted land).<br>170. Establishing **artificial habitat restoration structures** or features (e.g., artificial reefs; oyster beds).<br>171. Supporting or co-managing **marine protected areas (MPAs) and conserved areas** (e.g., using protected or conserved areas to establish 'no anchoring' zones near coral reefs and breeding grounds). |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use / water use**<br>172. Implementing **technologies** or **management approaches** aimed at reducing impacts of port construction, port operations, and ship operations on local habitats, where the project relates to reconstruction or modification of existing ports.<br>**Pollution**<br>173. Installing or using **membrane bioreactor-type water treatment systems** or other water management technologies on ships, and enforcing their use for all blackwater and greywater purposes, where this results in exceeding the requirements of the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex IV.[42]<br>174. Installing or using **bilge water treatment systems** on ships and enforcing their use.<br>175. Installing or using **technology on ships** or requiring **ship speed reductions** to minimize noise and light pollution harmful to ocean species.<br>176. Installing or using **solid waste reception and processing facilities** at ports and terminals to prevent waste from being disposed of at sea, in line with MARPOL Annex I and V[43] requirements. |

42 MARPOL Annex IV – Regulations for the Prevention of Pollution by Sewage from Ships. For more information, see https://www.imo.org/.
43 MARPOL Annex I – Regulations for the Prevention of Pollution by Oil. MARPOL Annex V – Regulations for the Prevention of Pollution by Garbage from Ships. For more information, see https://www.imo.org/.

| Activity Group | Qualifying Activities |
|---|---|
| | **PORTS, WATERWAYS, AND MARITIME SHIPPING** |
| | 177. Investing in **hull biofouling prevention, management**, **technologies, and practices** (e.g., non-toxic, antifouling coatings; autonomous and robotic environmentally safe hull cleaning systems; facilities dedicated to capturing and properly disposing of biofouling waste).<br><br>**Invasive species**<br>178. Installing or using **ballast water treatment systems** on ships or in ports, with enforcement of their use, to prevent contamination with invasive species.<br>179. Investing in or using **hull cleaning services or facilities** for ships, to minimize the transfer of invasive species.<br>180. Building **port, customs, or other border control facilities** to prevent, search for and handle or treat invasive species, illegally-traded wildlife, or other prohibited activities harmful to nature (e.g., illegal, unreported, and unregulated (IUU) fishing under the Agreement on Port State Measures (PSMA)). |
| **c) Integration of nature-based solutions across economic sectors** | 181. Using nature-based **maritime green infrastructure** or **combined green/grey solutions** with clear localized benefits to biodiversity, for example by:<br>– Preventing runoff from stormwater, greywater, or wastewater (e.g., through constructed wetlands).<br>– Eco-friendly breakwaters, jetties, and piers designed to enhance marine biodiversity (e.g., living seawalls; bio-enhanced quay walls).<br>– Natural shoreline protection to prevent coastal erosion and facilitate sediment deposition (e.g., mangrove reforestation; seagrass restoration; coral reef rehabilitation). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Policy, laws and regulations**<br>182. Supporting new **policies and planning** or integration of **existing conventions** into national policies to prevent or reduce impacts on nature from port operations or ship navigation (e.g., International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC); MARPOL; Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); PSMA).<br><br>**Integrated spatial planning**<br>183. Initiating and leading marine spatial planning (MSP) initiatives to **integrate maritime traffic management** with conservation goals.<br><br>**Research and capacity development**<br>184. Developing capacity to improve **biodiversity monitoring and management** in port operations and ship navigation.<br><br>**Other sectoral instruments**<br>185. Deploying technology-based **mapping and analysis tools or alternative routing practice**s to protect biodiversity (e.g., by avoiding collision with marine mammals). |

# 3B. LINEAR INFRASTRUCTURE

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Activities listed below qualify only for:

   a. Brownfield projects that do not introduce significant new risks or impacts to biodiversity.

   b. Greenfield projects that do not introduce significant risks or impacts to biodiversity and are not reliant on offset/compensatory measures as part of compliance with MDB E&S risk management policies and standards. For example, in greenfield projects, investments could qualify as nature finance if they are not linked to adverse impacts or risks caused directly by the project and they generate benefits to biodiversity or ecosystem services beyond business-as-usual (e.g., by restoring previously degraded natural habitat or a previously fragmented migratory route).

| Activity Group | Qualifying Activities |
|---|---|
| | **LINEAR INFRASTRUCTURE** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>186. **Restoring degraded habitat** or measures to improve the state of nature associated with **roads, railways or bridge infrastructure.**<br>187. **Restoring degraded habitat** or measures to improve the state of nature in areas associated with **transmission lines.**<br>188. Restoring **connectivity** of natural habitat and facilitating safe movement of wildlife, including through wildlife corridors (e.g., overpasses and underpasses; eco-ducts; culverts; canopy bridges). *(See also additional consideration a)).*<br>189. Integrating **roadside or railside vegetation management** to benefit native species and reduce the use of herbicide application or mowing.<br>190. Improving **habitat management within transmission line corridors** to provide habitat for native species and to act as a potential wildlife corridor.<br>**Conservation**<br>191. **Creating protected and conserved areas** or improving effectiveness of protected and conserved area management (e.g., preparing management plans; capacity building; monitoring systems). |

| Activity Group | Qualifying Activities |
|---|---|
| | **LINEAR INFRASTRUCTURE** |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>192. Integrating **design features** using a landscape-level approach[44] (e.g., integrating sufficient and adequate drainage structures; roadside revegetation; use of bio-engineering measures for slope protection; toilets in trains that prevent the runoff of pollutants like oil, grease, greywater, and sewage).<br>193. Integrating **innovative animal and avian-friendly designs** (e.g., insulated covers; bird flight diverters; perch deterrents; underground placement) to reduce electrocution and collision risk. *(See also additional consideration a)).*<br>**Invasive species**<br>194. Implementing measures to **prevent, eradicate, contain, and manage invasive species** in roadside or railside vegetation management or within transmission line corridors. |
| **c) Integration of nature-based solutions across economic sectors** | 195. Using **green infrastructure or combined green/grey solutions** to provide infrastructure-type services with clear localized benefits to biodiversity, for example by:<br>– Stabilizing soil in and around infrastructure.<br>– Stabilizing slopes and controlling erosion (e.g., living smiles; wattle fences; vegetated gabions).<br>– Mitigating flood risk and improving drainage (e.g., permeable pavements; bioswales; green corridors).<br>– Treating runoff (e.g., subsurface gravel wetlands; surface constructed wetlands; street tree canopies). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Other sectoral instruments**<br>196. Installing or using technology or systems to monitor **use of wildlife crossings and collisions** with linear infrastructure**.**<br>197. Installing or using technology, systems or infrastructure to monitor **illegal activities associated with linear infrastructure** (e.g., illegal settlements; logging; poaching; waste disposal) and **enforcing rules and regulations** (e.g., at border crossings).<br>198. Developing or using tools that help to **manage and better locate linear infrastructure** to avoid areas of high ecosystem intactness or biodiversity significance (e.g., Integrated Biodiversity Assessment Tool (IBAT); Avian Sensitivity Tool for Energy Planning (AVISTEP)).<br>199. Developing **operations, maintenance contractual requirements and key performance indicators (KPIs)** to incorporate nature-friendly design measures and activities.<br>**Policies, laws and regulations**<br>200. Developing or revising **regulations, guidelines, manuals, and protocols** for linear infrastructure to incorporate nature- and biodiversity-friendly design measures. |

44 A landscape level approach in the context of linear infrastructure is a structured analytical method that informs decisions at multiple spatial scales following ecological principles so that impacts to biodiversity can be avoided as far as possible and opportunities for restoration or conservation can be enhanced.

# 4. WASTE MANAGEMENT, WATER, AND SANITATION

## 4A. WASTE MANAGEMENT

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Hazardous chemicals and waste are considered as such in line with international hazardous chemicals and wastes conventions including the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the Stockholm Convention on Persistent Organic Pollutants, and any associated national law. Qualifying activities should target toxic and hazardous chemicals and waste that have significant negative impacts on biodiversity and that represent a direct driver of nature loss.

b) Removal of toxic and hazardous pollutants from the environment and their safe neutralization and disposal are preferred over measures that reduce exposure to these pollutants or provide temporary solutions.

c) Management of substances that deplete the ozone layer are outside the scope of the Taxonomy. Measures that reduce air pollution are also outside of scope of the Taxonomy and are expected to be covered primarily by climate finance tracking.

d) See also the Manufacturing, Trade and Retail section of the Taxonomy for related activities (e.g., reducing plastic use).

| Activity Group | Qualifying Activities |
|---|---|
| | **WASTE MANAGEMENT** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | 201. **Landfill restoration** to seal landfills and promote vegetation growth to repurpose the land for future use. |

| Activity Group | Qualifying Activities |
|---|---|
| | **WASTE MANAGEMENT** |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>202. Measures to **prevent and reduce waste going to landfill** to reduce pressures and impacts on biodiversity *(see also the* Manufacturing, Trade and Retail *section)*, for example by:<br>– Using **large-scale composting** or anaerobic digestion of organic waste.<br>– Using technologies to **increase recovery of recyclable** materials (plastics and other materials).<br>**Pollution**<br>203. Establishing **sanitary landfills**[45] to prevent pollution from entering the environment.<br>204. Substitution of conventional household products with **ocean and water-friendly alternatives** (e.g., biodegradable and phosphate-free products such as detergent, shampoos, soaps, deodorants, cleaners, microbead-free toothpaste; non-plastic packaging). *(See also the* Manufacturing, Trade and Retail *section).*<br>205. Establishing or operating **waste or leachate treatment plants** to reduce pollutants harmful to nature.<br>206. **Collecting, sorting, and recycling of plastics** to increase the recovery of recyclable materials and prevent waste from entering the environment.<br>207. **Collecting, sorting, recycling, or disposal** of **other waste** (e.g., paper and cardboard; ferrous and non-ferrous metals; glass) to increase the recovery of materials and prevent waste from entering the environment and having adverse impacts on nature.<br>208. **Remediation of non-conforming landfills and abandoned or illegal waste dumps.**<br>209. **Collection, storage, and treatment of toxic and hazardous chemicals and waste** *(see also additional consideration a) and the* Manufacturing, Trade and Retail *section),* for example by**:**<br>– Collection and safe storage of toxic and hazardous chemicals and waste to remove them from the environment or to prevent them from entering the environment.<br>– Reduction/mitigation of mobility and toxicity in environmental media (soil, air, and water) through treatment of toxic and hazardous chemicals or their disposal/removal from the environment (e.g., stabilization and solidification of mercury and its permanent disposal in specialized facilities; incineration of high-concentration polychlorinated biphenyls PCBs).<br>210. **Remediating contaminated sites and areas,**[46] for example by:<br>– Decontamination or remediation of soils, groundwater and freshwater in the polluted area, either in-situ or ex-situ, using physical, chemical, or biological methods.<br>– Remediation of hazardous sites causing contamination to areas of concern for nature. |

45 As part of compliance with MDB E&S risk management policies and standards, such landfill would have to align with Good International Industry Practice (GIIP) related to waste management facilities. For example, see: International Finance Corporation (IFC). 2007. "Environmental, Health, and Safety Guidelines for Waste Management Facilities".

46 Adapted from the European Union Taxonomy for Sustainable Activities. For more information, see https://ec.europa.eu/sustainable-finance-taxonomy/.

| Activity Group | Qualifying Activities |
|---|---|
| | **WASTE MANAGEMENT** |
| | – Clean-up of oil spills and other types of pollutants on or in soil, sediments, surface water, etc.<br>– Material abatement of hazardous substances, mixtures, or products that release toxic and hazardous chemicals into the environment or where there is a high risk of release (e.g., abatement of improperly stored asbestos-containing debris).<br>– Clean-up of hazardous pollution after disasters from natural hazards, such as flooding or earthquake.<br>– Containment operations, hydraulic barriers, or active and passive barriers intended to limit or prevent migration of pollutants in the environment. |
| **c) Integration of nature-based solutions across economic sectors** | 211. Using **green infrastructure or combined green/grey solutions** with clear localized benefits to biodiversity (e.g., constructed wetlands for treating runoff from irrigation, stormwater, greywater, or wastewater). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Pollution prevention and management**<br>212. **Preparing, planning, monitoring, and follow-up of site decontamination or remediation activities** (e.g., assessment and designation of such sites; monitoring and control of remediation measures).<br>213. Developing **frameworks for sustainable waste management or circular economy**, including policy making and the development of regulations for land use planning and sustainable industrial zone development.<br>214. Implementing **Extended Producer Responsibility (EPR)** policies and regulatory frameworks to enable sustainable waste management aimed at reducing pressures on nature, for example through:<br>– Integrating circular economy principles into sector planning through product stewardship, eco-design standards, or material traceability.<br>– Promoting multi-stakeholder platforms to engage producers, recyclers, informal waste actors, and regulators in system-wide EPR planning and accountability.<br>**Research and capacity development**<br>215. Supporting **research and innovation in technology aimed at recycling single-use plastic or electronic waste** as part of larger-scale recycling efforts.<br>216. **Training related to waste industry** and **employment programs** including formalization programs for informal recyclers. |

# 4B. WATER SUPPLY

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) If natural climate solutions generate carbon credits, such credits have to meet internationally accepted quality certification standards for reducing emissions and producing carbon credits (post-2016 Paris Agreement framework) and sustaining economic opportunities and social benefits for local communities[47] while recognizing the need for safeguards to prevent potential negative social and ecological impacts.

| Activity Group | Qualifying Activities |
|---|---|
| | **WATER SUPPLY** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | 217. **Protecting and restoring surface and groundwater-dependent ecosystems**, including to protect specialized native species that are particularly vulnerable to changes in groundwater regimes and other threats.<br>218. Protecting, restoring or creating wetlands to support **removal of organic or other pollutants** harmful to biodiversity from wastewater. |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use / water use**<br>219. Implementing measures that achieve **conservation, greater efficiency, and sustainable water use** where there are clear localized benefits to biodiversity or ecosystem services, for example by:<br>– Deploying approaches to reduce water leakage in distribution systems.<br>– Deploying approaches to reduce levels of contamination in wetlands or other freshwater bodies.<br>– Expanding or rehabilitating water infrastructures (including for treatment, storage, and sustainable supply) that delivers water saving per unit of service (e.g., reducing physical water loss by reducing Non-Revenue Water).<br>– Developing more sustainable desalination plants that help protect groundwater depletion and wetlands and avoid hypersaline pollution of the environment (e.g., ISO standard 23446[48]).<br>– Using Managed Aquifer Recharge (MAR) of groundwater systems (e.g., through rainwater harvesting; increasing recharge through rivers or other aquifers; redirecting drainage pipes; using treated wastewater).<br>220. Improving **upstream watershed activities** linked to improved land management, agricultural practices, and sanitation to reduce sediment flow and contamination. |

47 Guizar-Coutiño A, Jones J P G, Balmford A, et al. 2022. "A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics". Conservation Biology: the Journal of the Society for Conservation Biology. 36 (6). e13970.

48 International Organization for Standardization (ISO). 2021. "ISO 23446:2021 – Marine technology — Product water quality of seawater reverse osmosis (RO) desalination — Guidelines for municipal water supply". ISO.

| Activity Group | Qualifying Activities |
|---|---|
| | **WATER SUPPLY** |
| **c) Integration of nature-based solutions across economic sectors** | 221. Using **green infrastructure** or **combined green/grey solutions** with clear localized benefits to biodiversity, for example by:<br>– **Improving water availability** and on-farm biodiversity, and promoting the recharge of aquifers (e.g., constructing wetlands at the farm or small-catchment scale).<br>– **Reducing risks of floods, drought, erosion, and sewage-system inundation**, and improving water absorption (e.g., through planting native vegetation; establishing buffer strips).<br>– Addressing groundwater contamination through **phytoremediation,** where it goes beyond compliance with E&S risk management policies and standards.<br>– **Natural climate solutions** (NCS)[49] programs in watersheds, wetlands, riparian zones, or other ecosystems that generate clear benefits to biodiversity *(see also additional consideration a)).* |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Policy, laws and regulations**<br>222. Improving **catchment management planning and regulation** of water abstraction with consideration of biodiversity and ecosystem services.<br>**Research and capacity development**<br>223. Completing **detailed water budget assessments** at multiple scales (e.g., aquifer, catchment, or watershed scale) and incorporating mapping of water sources to prevent overextraction and ensure that withdrawals do not exceed natural recharge.<br>**Other sectoral instruments**<br>224. Intervening at the **demand-side** (e.g., through creating awareness; tariff reforms) to achieve conservation, greater efficiency, and more sustainable water use. |

49 Griscom B W, Adams J, Ellis P W, et al. 2017. "Natural climate solutions." Proc. Natl. Acad. Sci. 114 (44) 11645-11650.

# 4C. IRRIGATION AND DRAINAGE

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Irrigation measures should be designed to reduce water abstraction and maintain or improve environmental flows.

| Activity Group | Qualifying Activities |
|---|---|
| | **IRRIGATION AND DRAINAGE** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>225. **Restoring degraded natural freshwater habitat** including at landscape level, for example by:<br>– Removing or modifying dam or weir to restore ecosystem connectivity.<br>– Restoring degraded floodplains or wetlands including restoring or creating traditional water meadows and bogs; restoring or creating pools in wetlands and wet grasslands.<br>– Re-wiggling or re-meandering of rivers to restore natural hydrological regimes of freshwater ecosystems or water basins.<br>226. **Reforesting** riparian and delta environments with native species.<br>**Conservation**<br>227. **Maintaining/managing remaining natural freshwater features** and conserving important areas for biodiversity.<br>228. Maintaining traditional **water meadows,** including management for breeding or wintering migratory waders and waterfowl.[50] |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Overexploitation**<br>229. Improving **efficiency of irrigation**, promoting efficient water allocation, climate-smart techniques, water recycling, sustainable reuse of greywater, rainwater harvesting, and other activities aimed at reducing water consumption or withdrawal and maintaining environmental flows.<br>230. Implementing **supplemental irrigation**, **drip irrigation**, levelling, and other approaches and technologies that reduce the risk of large crop failures, and are aimed at reducing water consumption or withdrawal and maintaining environmental flows.<br>**Pollution**<br>231. Designing drainage systems to properly direct and **capture chemical runoff** harmful to biodiversity.<br>**Invasive species**<br>232. Implementing programs to **prevent, eradicate, contain, and manage freshwater or riparian invasive species.** |

50 Conservation Evidence. 2025. "Water meadows". Webpage.

| Activity Group | Qualifying Activities |
|---|---|
| | **IRRIGATION AND DRAINAGE** |
| **c) Integration of nature-based solutions across economicsectors** | 233. Using **green infrastructure or combined green/grey solutions** with clear localized benefits to biodiversity, for example by:<br>– Treating runoff from irrigation, stormwater, greywater, or wastewater (e.g., constructed wetlands).<br>– Optimizing opportunities for slow conveyance and infiltration of rainwater (e.g., wetlands; swales; filter strips).<br>– Managing storm flows (e.g., accumulation of deadwood in rivers). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Policy, laws and regulations**<br>234. Supporting policies or financial instruments that incentivize **irrigation alignment** with environmental flows.<br>235. Supporting policies to **reduce water demand** by increasing use efficiency, or by limiting adverse impacts of improper drainage systems or stormwater management.<br>**Monitoring, institution and capacity building**<br>236. **Monitoring water resource use** to enhance its efficiency, allocation, and sustainability and maintain environmental flow, or monitoring of water-use impacts on biodiversity.<br>237. **On- and off-farm capacity-building** to enhance water resource use efficiency, allocation, and sustainability, and to maintain environmental flows (e.g., training water user organizations on sustainable irrigation and biodiversity-friendly water use practices).<br>**Other sectoral instruments**<br>238. Developing more **efficient technologies** for water capture, storage and utilization. |

# 4D. SANITATION

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Sanitation measures should be designed to reduce waste and pollutants entering ecosystems compared to business-as-usual.

b) Releases of treated water or solid waste should align with catchment e-flow requirements in terms of quantity, quality, and timing.

| Activity Group | Qualifying Activities |
|---|---|
| | **SANITATION** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | 239. Protecting, maintaining, and restoring **natural habitat features** to maintain or improve water quality or quantity (e.g., through watershed management; protection of water catchment areas). |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Pollution**<br>240. Constructing **household or collective sanitary solutions** to reduce open defecation and associated pollution entering the environment, for example by:<br>– Water, sanitation, and hygiene (WASH) facilities.<br>– Latrines; toilets with septic tanks; provision of condominial solutions.<br>– Small wastewater treatment systems, including facilities with ecological solutions to remove wastewater pollutants.<br>241. Establishing and operating **centralized, small-scale decentralized, or industrial wastewater treatment facilities to eliminate or substantially reduce pollutants harmful to biodiversity** from discharge of wastewater through treatment approaches (e.g., sedimentation; activated sludge; stabilization pond systems; biological nutrient removal) or physicochemical processes (e.g., ultraviolet disinfection; advanced oxidation) to remove hormones and pathogens.<br>242. Establishing or improving the **sustainability and effectiveness of systems that treat and dispose of - or reuse treated sludge** collected from -on-site sanitation systems, including through pre-treatment such as drying.<br>243. **Collecting and transporting wastewater** (with or without stormwater) to treatment facilities including through pipes, sewers, drains, pumps, and collector sewers (e.g., to reduce discharge into marine ecosystems; to support circular approaches, such as biogas or nutrient recovery).<br>244. **Reuse of treated wastewater** for irrigation, cleaning, or industrial purposes, to achieve more efficient water use and allocation, reduce demand for freshwater and where feasible support groundwater recharge. |

| Activity Group | Qualifying Activities |
|---|---|
| | **SANITATION** |
| **c) Integration of nature-based solutions across economic sectors** | 245. Using **green infrastructure or combined green/grey solutions** with clear localized benefits to biodiversity, including the treatment of wastewater and removal of contaminants (e.g., bacteria; heavy metals; excessive nutrients like nitrogen and phosphorus) harmful to biodiversity, for example by:<br>– Creating or restoring natural or constructed wetlands; wastewater treatment ponds; soil infiltration systems; grassed swales or bioswales.<br>– Integrating native plant species into treatment systems for ecosystem resilience. |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>246. Developing or implementing **integrated wastewater or sanitation management plans** (e.g., citywide inclusive sanitation plans) to reduce wastewater pollution entering the environment. |

# 5. INDUSTRY, TRADE, AND SERVICES

## 5A. TOURISM

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Sustainable tourism[51] can contribute to nature goals by implementing sustainable practices that reduce the sector's contributions to the drivers of nature loss, and by creating revenue streams that support conservation and restoration-related activities, notably through nature-based tourism[52] and ecotourism.[53]

b) Sustainable tourism (e.g., nature-based tourism or ecotourism) ventures should meet established standards for best practices.

c) Eligible activities under activity group (a) should take place in the same country(ies) as the tourism operation and where possible seek to promote the integrity of ecosystems that tourism relies on.

51 Sustainable tourism refers to tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment, and host communities. For more information, see https://www.untourism.int/sustainable-development. Sustainable tourism can empower local communities by creating incentives for the protection of biodiversity, and facilitate private sector investment in tourism projects that enhance the conservation and sustainable use of natural assets, while promoting socioeconomic benefits such as employment.

52 Nature-based tourism refers to forms of tourism that use natural resources in a wild or undeveloped form; nature-based tourism is travel for the purpose of enjoying undeveloped natural areas or wildlife. For more information, see Leung Y, Spenceley A, Hvenegaard G, et al. 2018. "Tourism and visitor management in protected areas: Guidelines for sustainability". Best Practice Protected Area Guidelines Series No. 27. IUCN.

53 Ecotourism refers to responsible travel to natural areas that conserves the environment; socially and economically sustains the well-being of the local people; and creates knowledge and understanding through interpretation and education. For more information, see Leung Y, Spenceley A, Hvenegaard G, et al. 2018. "Tourism and visitor management in protected areas: Guidelines for sustainability". Best Practice Protected Area Guidelines Series No. 27. IUCN.

| Activity Group | Qualifying Activities |
|---|---|
| | **TOURISM** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>247. **Restoring degraded terrestrial, coastal, or marine ecosystems or natural habitat features** using native species (e.g., restoration as part of a tourism management plan; delineation of tourism zones; impact assessments or equivalent instruments).<br>**Conservation**<br>248. **Protecting or conserving terrestrial, coastal, or marine natural habitat** features or native species (e.g., turtle nesting sites on tourist beaches; coral reefs and mangroves at tourism destinations).<br>249. Developing sustainable **tourism products and activities** (i.e., those that are revenue generating, educational, community-based) which **enhance landscape/seascape management** or **establish new terrestrial or marine protected or conserved areas** with appropriate legal or other effective means to ensure sustainability or permanence.<br>250. Establishing **collaborative management partnerships or sustainable tourism concessions** to finance the enhanced management of biodiversity or the effective management of protected and conserved areas.<br>251. **Regulating tourist numbers** in areas of high biodiversity importance or in ecologically-sensitive habitats to prevent or reduce impacts on biodiversity (e.g., establishing daily caps; selling entrance permits; restricting access; diverting tourists to other areas). |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Overexploitation**<br>252. Implementing measures which **minimize the impacts of tourism on nature**, for example by:<br>– Using natural, non-threatened and locally-sourced materials including in the supply chain (e.g., through partnerships with local trade associations).<br>– Implementing product procurement criteria to ensure appropriate nature-based activities and products, or engaging upstream and downstream suppliers[54] which strengthen local tourism value chains and encourage or require an approach that benefits biodiversity or ecosystem services.<br>– Implementing sustainable practices that reduce resource consumption and the sector's contributions to the drivers of nature loss (e.g., to achieve conservation, greater efficiency, and sustainable use of water in tourism facilities), with clear localized benefits to biodiversity.<br>– Preventing overharvesting of natural resources and measures to reduce the collection, use, or purchase of threatened or protected plant and animal species as food for visitors or as souvenirs, including illegally or unsustainably traded wildlife and forest products.<br>– Preventing wildlife mortality (e.g., speed controls on visitors and other vehicles; appropriate measures for safe removal of wildlife such as snakes; deterrents to prevent bird collision with windows).<br>– Providing economic alternatives for local communities living in protected or conserved areas or in buffer zones, moving them away from unsustainable consumptive practices and reducing encroachment on protected areas. |

54 World Travel and Tourism Council. 2022. "Nature Positive Travel & Tourism – Toolbox".

| Activity Group | Qualifying Activities |
|---|---|
| | **TOURISM** |
| | **Pollution**<br>253. **Reducing waste and developing circular economy solutions in tourism facilities** to reduce their impacts on nature (e.g., redistribution of food surplus for animal feed; biomaterial processing; composting and anaerobic digestion of waste; reducing plastic waste generated by tourism facilities).<br>254. **Reducing the use of chemicals** harmful to biodiversity (e.g., implementing BioSolutions to replace chemical pest management approaches; promoting the use of cleaning products with reduced impact on ecosystems).<br>255. **Reducing light or noise pollution** impacts on sensitive species through dedicated protocols, technologies or policies.<br>**Invasive species**<br>256. Deploying measures and technologies to **prevent, eradicate, contain, and manage invasive species** (e.g., biosecurity protocols; tourism ventures that implement tourist activities that prevent or reduce the spread of invasive species; shoe disinfection; education and awareness on invasive species introduced or spread by tourists; avoiding known or potentially invasive species in landscaping or aquascaping). *(See also activity group (d)).* (*See also the* Ports, Waterways, and Maritime Shipping *section*); |
| **c) Integration of nature-based solutions across economic sectors** | 257. **Integrating native vegetation in tourist infrastructure** (e.g., native grasslands) or restoring natural ecosystems (e.g., coral reefs; sand dunes) for greater value proposition to customers.<br>258. Using **green infrastructure or combined green/grey solutions** with clear localized benefits to biodiversity (e.g., through mangrove, reef, or seagrass restoration) in tourist areas to reduce risks, achieve operational improvements, or reduce costs associated with coastal erosion and flooding, deposits of algae and seaweed. |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>259. **Integrated land use, coastal or marine planning** to conserve biodiversity and protect natural assets in tourist regions.<br>260. Developing **policies and strategic plans for sustainable tourism**, particularly nature-based tourism, to incorporate biodiversity or ecosystem services (e.g., in line with the Convention on Biological Diversity (CBD) Guidelines on Biodiversity and Tourism Development; World Travel and Tourism Council (WTTC) Zero Tolerance Policy on Illegal Wildlife Trade).[55]<br>261. Introducing or strengthening **laws and regulations on tourism concessions or supporting conservation objectives** (e.g., designation and enforcement of terrestrial and marine protected areas).<br>262. Introducing or enforcing **environmental standards** for the tourism sector including ecotourism (e.g., revising tourism, environmental or land-use legislation to explicitly integrate biodiversity conservation objectives; regulating tourism activities in sensitive areas; ensuring enforcement though clear governance and institutional mandates).<br>263. Adopting **certifications or environmental standards** to ensure best practices are met with regards to reducing the sector's contributions to the drivers of nature loss. |

55 World Travel and Tourism Council. 2022. "Nature Positive Travel & Tourism – Toolbox".

| Activity Group | Qualifying Activities |
|---|---|
| | **TOURISM** |
| | 264. Strengthening **governance** (e.g., via community collaborative partnerships), **benefit-sharing mechanisms**, **public-private partnerships** and coordination to make tourism more sustainable. |
| | 265. Strengthening **monitoring mechanisms** to measure the impacts of tourism on nature and to promote conservation and biodiversity-related research (e.g., through participative programs). |
| | 266. Establishing or strengthening **sustainable financing mechanisms** for nature (e.g., tourist entrance fees; tourism leasing fees; resale of sustainable merchandise from conservation areas; payment of copyrights for use of images or names) to create incentives for communities to reduce pressures on ecosystems and promote their conservation, and to address human-wildlife conflict. |
| | 267. **Training and capacity building** for tourism professionals to address tourism-related risks to biodiversity or ecosystem services (e.g., design and construction of trails and animal viewing spots; managing tourism-carrying capacities; sustainable tourism planning and development; safety and security in tourism activities; preventing tourism-related illegal wildlife trade). |
| | 268. **Awareness raising, behaviour change, education, innovation and outreach** on biodiversity conservation through tourism development (e.g., customer education on how to practice responsible and sustainable tourism; guidance on respecting local nature in-situ rather than collecting animals and plants as souvenirs[56]; supporting nature-focused start-ups; promoting local and regional dialogues in accordance with the conservation objectives of an area). |

56 World Travel and Tourism Council. 2022. "Nature Positive Travel & Tourism – Toolbox".

# 5B. MANUFACTURING, TRADE, AND RETAIL

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Activities related to research and development of materials, products, and manufacturing processes aimed at reducing the direct drivers of nature loss can qualify if they are expected to achieve a material reduction in these drivers and go beyond business-as-usual practices.

b) Activities related to "deforestation- or conversion-free" qualify only if they go beyond compliance with E&S risk management policies and standards.

c) Manufacturing of certain technologies, products, or materials can be instrumental in achieving the nature-positive goal of halting and reversing nature loss, and the successful implementation of the GBF. Since there is currently limited guidance on what such technologies, products, and materials across value chains are, and how to ascertain their contributions and their trade-offs, these are to be assessed on a case-by-case basis. Such activities can qualify as nature finance if they are instrumental in enabling other activities in this Taxonomy and implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss. See also Ellen McArthur Foundation publications,[57] as well the International Council of Management Associations (ICMA) guidance on green enabling activities[58] (to build on climate finance experience) for the types of considerations that go into identifying qualifying enabling technologies, products, or materials. Additional details on such activities are expected to be included in a future version of the Taxonomy as knowledge and evidence in this area develop further.

| Activity Group | Qualifying Activities |
|---|---|
| | **MANUFACTURING, TRADE, AND RETAIL** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>269. **Rehabilitation of degraded industrial sites** by restoring vegetation, creating buffers, and implementing other measures that benefit biodiversity or ecosystem services. |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Overexploitation**<br>270. **Sustainable sourcing of materials** with certification that follows audit protocols which explicitly incorporate nature-relevant criteria.<br>271. **Reducing water use in manufacturing**, including through recycling process water (e.g., reusing solvent). |

57 Ellen MacArthur Foundation. 2021. "The Nature Imperative: How the circular economy tackles biodiversity loss." Ellen MacArthur Foundation.
58 International Capital Market Association (ICMA). 2024. "Green Enabling Projects – Guidance document." Zurich, Switzerland: ICMA.

| Activity Group | Qualifying Activities |
|---|---|
| | **MANUFACTURING, TRADE, AND RETAIL** |
| | 272. Using or increasing the use of **post-industrial or post-consumer recycled materials** in manufacturing to displace the use of virgin materials (e.g., recycled metals in devices).<br>273. Replacing conventional materials with substantial nature footprints (e.g., steel; concrete; aluminum; plastics) in sourcing and product design with or using **biodegradable or compostable materials**.<br>**Pollution**<br>274. **Deploying recycling technologies and processes** (e.g., chemical recycling to depolymerize plastics) and building recycling facilities, including on-site recycling systems, to process manufacturing scraps and defective products, or to increase recycled content of manufactured products.<br>275. **Reducing plastic use in product design and manufacture** and using recycled plastics for residual material needs.<br>276. **Substituting plastic packaging** that impacts marine, freshwater, and terrestrial biodiversity with sustainable, compostable and biodegradable materials.<br>277. **Reducing or eliminating the use of hazardous chemicals** in production processes and materials (e.g., through phasing out their production; reengineering products toward materials that are not toxic).<br>278. Establishing **take-back or repair programs** (e.g., partnerships with reverse logistics providers) for used electronics and packaging where extension in product lifetime, reduction in virgin inputs, and/or reduction in landfilling can be shown.<br>279. Manufacturing or retail of **ocean and water-friendly household products** (e.g., biodegradable and phosphate-free products such as detergent, shampoos, soaps, deodorants, cleaners, microbead-free toothpaste; non-plastic packaging). *(See also the Waste Management section).*<br>280. Valorization or **repurposing of industrial byproducts** into inputs or products.<br>281. **Reducing or eliminating microplastic**s in production (e.g., in categories such as cosmetics and painting). |
| **c) Integration of nature-based solutions across economic sectors** | |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Policy, laws and regulations**<br>282. Developing, strengthening, and implementing policies, laws, or regulations that **enable, incentivize, and/or enforce greater efficiency, circularity, and sustainability in manufacturing** (e.g., Extended Producer Responsibility (EPR) schemes; waste import/export restrictions; landfill bans; waste reduction targets). |

| Activity Group | Qualifying Activities |
|---|---|
| | **MANUFACTURING, TRADE, AND RETAIL** |
| | **Research and capacity development** |
| | 283. Researching and developing **materials, products, and manufacturing processes that reduce the direct drivers** of nature loss (e.g., through greater recyclability, repairability, modularity, and circularity; lower toxicity, waste, and resource intensity (e.g., greater efficiency); the creation of products with benefits to nature; the replacement of high-impact materials). |
| | **Other** |
| | 284. Manufacturing, trade, and retail of products that are instrumental in enabling the implementation of other activities in this Taxonomy that **promote restoration and conservation of biodiversity or ecosystem services**, make a substantial contribution to the reduction of the direct drivers of nature loss, or integrate nature-based solutions across economic sectors (e.g., manufacturing of organic fertilizer to reduce synthetic fertilizer use and reduce downstream eutrophication; manufacturing of alternative proteins to reduce pressure on land or water and prevent land conversion). *(See also additional considerations a) and c)).* |
| | 285. Designing, implementing, using or improving **traceability mechanisms, data, and technologies** to prevent deforestation and monitor biodiversity benefits at the corporate level or along the supply chain. |

# 6. FINANCIAL SECTOR

## 6A. FINANCIAL SECTOR ACTIONS AND MECHANISMS

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) The activities listed in activity group (d) seek to primarily address *financial barriers* or binding constraints (e.g., lack of access to finance; financial sector policy or lending regulations; high cost of financing) that keep sectors locked into unsustainable pathways and result in under-investment in nature. Actions that address *non-financial barriers* (e.g., real sector policies and regulations; structural, institutional, and operational barriers) to greater investment in nature are covered in other sections of the Taxonomy.

b) Resource mobilization is not a goal in itself; activities should be expected to contribute to the goal of halting and reversing nature loss to qualify.

c) A wide range of financial instruments could be used to finance or facilitate investment (e.g., via guarantees) in qualifying activities. See other sections of the Taxonomy to confirm the eligibility of such underlying activities.

d) Assessments of nature-related issues should follow a robust methodological framework and inform decision making with the intent to benefit biodiversity or ecosystem services.

e) Policy frameworks for the financial sector should include a precautionary policy which identifies and commits to phase out financing for harmful business activities (e.g., deforestation) that contribute to significant nature-related risks.

f) Attention needs to be given when assessing environmental, social and governance (ESG)/sustainable finance-related interventions. Only those that specifically benefit nature qualify.

g) To qualify, incentive-based financing should contribute to nature conservation or restoration, address the direct drivers of nature loss, or integrate nature-based solutions across sectors.

| Activity Group | Qualifying Activities |
|---|---|
| | **FINANCIAL SECTOR** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | 286. **Investments made by financial intermediaries in qualifying projects, activities, and practices aligned with this Taxonomy**, regardless of the financial instrument or mechanism used. |
| **c) Integration of nature-based solutions across economic sectors** | |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>287. **Integrating nature-related risks**[59] **and opportunities into financial decision-making,** for example by:<br>– Developing comprehensive **policy frameworks or strategies for the financial sector,** to align them with the objectives of the Global Biodiversity Framework or National Biodiversity Strategies and Action Plans (NBSAPs), while encouraging synergies with other sustainability objectives (e.g., climate goals).<br>– Establishing, promoting, and implementing **disclosure regulations and reporting standards for nature-related risks.**<br>– Reforming the investment policy and governance arrangements of **pension funds and insurance companies** to include nature finance considerations and nature-related financial risk management.<br>– Establishing regulatory requirements and supervisory guidance on nature-related financial risk management, governance, and strategy in the financial sector, to strengthen the resilience of the financial system against nature-related risks and promote nature financing.<br>– Fostering collaboration with **financial industry associations** (e.g., Network for Greening the Financial System (NGFS); sustainable commodity roundtables) to accelerate adoption of best practices in this sector. |

59 In this content, risks refer to the physical and transition risks caused by loss and degradation of nature, and any economic and financial risks stemming from those. For more details, see Central Banks and Supervisors Network for Greening the Financial System (NGFS). 2023. "Nature-related Financial Risks: a Conceptual Framework to guide Action by Central Banks and Supervisors".

| Activity Group | Qualifying Activities |
|---|---|
| | **FINANCIAL SECTOR** |
| | 288. **Introducing targets for National Development Finance Institutions** (NDFIs), such as development banks and guarantee funds, on their levels of nature finance, and the incorporation of nature-related aspects in their corporate strategies, governance, risk management, and disclosures.<br>289. Fostering development of **regulatory or supervisory frameworks for investment in nature,** for example by:<br>– Development or adoption of **sustainable finance taxonomies** that cover nature.<br>– Establishment or implementation of **frameworks or directives for the issuance of thematic instruments** (e.g., sustainability-linked green/blue/pollution bonds and loans) or **labelled funds**, or parametric **insurance** policies supporting investments in nature.<br>– **Regulatory reforms incentivizing banks** to increase nature-related lending (e.g., by modifying or standardizing lending criteria to increase access to credit for sustainable value chains or nature-based businesses).<br>– Fostering development of **standardized investment models or lending criteria** for nature-related investments.<br>290. Development of **thematic instruments, mechanisms, or financing approaches that de-risk or promote investment in nature or reduce transaction costs** for (private) investors, for example by:<br>– Integrating nature finance in **taxonomies and bond labels** that facilitate the issuance or establishment of labelled funds, thematic instruments, and blended or de-risking instruments (e.g., green/blue/pollution bonds and loans; guarantees).<br>– Establishment of **commercial and non-commercial guarantees** that facilitate investment in activities aligned with this Taxonomy. Non-commercial guarantees are especially important for cross-border investments in developing countries where guarantees protect investors against the risks of transfer restriction (including inconvertibility), expropriation, war and civil disturbance, breach of contract, and non-honoring of financial obligations.<br>– **Establishment of early-stage investment vehicles** (e.g., via equity, convertible debt, or blended finance) to back or grow companies or community-based enterprises developing nature-based business models or nature-based technologies.<br>291. **Fostering nature-aligned venture capital or impact funds** that integrate nature key performance indicators (KPIs) and screening tools to provide early-stage financing, encourage access to markets, and grow nature-based business models. |

| Activity Group | Qualifying Activities |
|---|---|
| | **FINANCIAL SECTOR** |
| | 292. Development of **instruments, mechanisms, or financing approaches that enhance access to finance or diversify the investor base** for nature-based projects or other qualifying investments, or that **enhance financial sustainability** of such projects or investments, for example by:<br>– Conceding or transfer of **natural capital assets** to private entities, including SMEs or community enterprises to diversify/attract new financing sources and enhance their financial sustainability (e.g., co-management agreements for protected and conserved areas; concessions in protected areas; establishment of Public-Private Partnerships (PPPs); issuance of licenses and permits (e.g., licenses for sustainable timber operators) resulting in private investment).<br>– **Commercialization of natural resources** held by state-owned enterprises (SOEs), allowing private contractors to invest in or sustainably monetize these resources (e.g., sale of stumpage).<br>293. **Support via technical assistance in structuring and/or provision of de-risking products to performance-linked instruments**, including sustainability-linked finance and outcome bonds, linking financing costs to nature outcomes, for example by:<br>– **Creation of conservation trust funds**, including endowment or sinking funds to create long-term financing mechanisms for nature.<br>– **Facilitation of debt-for nature swaps** to address public financing gaps.<br>– **Establishment of environmental markets** (e.g., water markets; payment for ecosystem services schemes) to address financing gaps for underlying investments in nature by creating cashflows or allowing the monetization of the benefits of such investments.<br>294. **Parametric insurance policies or funds for natural assets** (e.g., forests; coral reefs; fisheries; other coastal ecosystems) **or insurance and reinsurance** schemes against climate change and natural disasters, where payouts benefit biodiversity or ecosystem services.<br>295. **Assessment and promotion of international standards and best practices**, including:<br>– The Recommendations of the Financial Action Task Force Against Money Laundering and Countering the Financing of Terrorism (FATF-AML/CFT).<br>– Basel Committee on Banking Supervision Core Principles for effective banking supervision linked to environmental and related financial crimes, and the Organization of Economic Co-Operation and Development (OECD) corporate governance standards.<br>– Promotion of a risk-based approach to anti-money laundering and countering the financing of terrorism (AML/CFT) supervisory and law enforcement activities for environmental crimes, and related financial crimes.<br>– Capacity building for relevant stakeholders.<br>– Contributing to policy development in AML/CFT linked to environmental crimes.<br>296. **Adaption of consumer** protection frameworks to address greenwashing risks in the retail banking sector.<br>297. **Incentive-based financing** directed to the achievement of material, quantitative, pre-determined, ambitious, monitorable, and verifiable nature-related objectives through key performance indicators (KPIs). *(See also additional consideration g)).* |

# 7. CROSS-CUTTING THEMES

## 7A. RENEWABLE NATURAL RESOURCES ASSET MANAGEMENT

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Adoption of laws and regulations for – or facilitation of – transfer of natural capital assets to private entities and community enterprises must be expected to generate clear benefits to biodiversity or ecosystem services in order to qualify as nature finance.

b) Alternative livelihoods can qualify as nature finance if they are aimed at reducing pressures on natural ecosystems and implemented in a sustainable manner that does not introduce significant adverse environmental risks and impacts that exacerbate the direct drivers of nature loss. Measures to ensure the sustainability of the outcomes for nature over a longer time horizon could also be put in place (e.g., by integrating them into broader local government socio-economic development plans).

c) If natural climate solutions generate carbon credits, such credits have to meet internationally accepted quality certification standards for reducing emissions and producing carbon credits (post-2016 Paris Agreement framework) and sustaining economic opportunities and social benefits for local communities[60] while recognizing the need for safeguards to prevent potential negative social and ecological impacts.

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE NATURAL RESOURCES ASSET MANAGEMENT** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>298. **Restoring**[61] **and protecting degraded terrestrial, inland water, coastal or marine ecosystems** to enhance biodiversity or ecosystem services, ecological integrity, or connectivity.<br>299. **Rewilding** through reintroducing native species or creating and restoring habitats for wildlife (e.g., developing biodiversity corridors; restoring riverbanks). |

60 Guizar-Coutiño A, Jones J P G, Balmford A, et al. 2022. "A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics". Conservation Biology: the Journal of the Society for Conservation Biology. 36 (6). e13970.

61 Ecosystem restoration encompasses a continuum of practices and goals, depending on local conditions and societal choice. Restorative practices can enhance ecological health actively or passively (enabling natural regeneration), or through a combination of both. For more information, see Gann G D, McDonald T, Walder B, et al. 2019. "International principles and standards for the practice of ecological restoration. Second edition". Restor. Ecol. 27. 1-46.

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE NATURAL RESOURCES ASSET MANAGEMENT** |
| | **Conservation**<br>300. Supporting establishment of **protected and conserved areas** (including other effective area-based conservation measures; OECMs) in terrestrial, inland water, coastal and marine ecosystems, especially areas of particular importance for biodiversity or ecosystem services.<br>301. Supporting **effective protected and conserved area management** (e.g., strengthening patrolling; improving management capabilities; infrastructure improvements; increasing revenues of management authorities through visitor fees; establishing collaborative management partnerships for improved protected area management).<br>302. **Species-specific conservation**, including removing barriers to movement of species (e.g., fencing removal).<br>303. Managing **human-wildlife conflict** to reduce retaliatory killing of native species and build local community support for conservation.<br>304. Activities to **maintain or restore genetic diversity** within and between populations of native, wild and domesticated species.<br>305. **Conservation easements, servitudes, or right of way** promoting conservation on private land.<br>306. Conservation or restoration activities to **create biodiversity credits** (e.g., mitigation banking).<br>307. Managing **wildlife health** and preventing spillover of diseases to wildlife (e.g., protecting natural habitat; surveillance programs; building veterinary capacity; One Health approaches to manage risks at wildlife-livestock-human interfaces).[62] |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Overexploitation**<br>308. Implementing **alternative livelihoods** and scaling up **green jobs** (e.g., in community-based or small and medium-sized enterprises (SMEs)) and pathways aimed at reducing pressures on natural ecosystems (e.g., to reduce incursions on protected and conserved areas). *(See also additional consideration b)).*<br>309. Preventing **overharvesting of natural resources** including addressing illegal or unsustainable trade or use of wildlife and forest products (e.g., species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)), for example by:<br>– Implementing site-based patrolling or anti-poaching interventions, including at protected and conserved areas.<br>– Engaging and involving communities in conservation.<br>– Wildlife and forest law enforcement and criminal justice, including cross-sector and cross-border collaboration.<br>– Consumer demand reduction and behavior change campaigns.<br>310. Managing **wildlife health** and preventing spillover of diseases to wildlife through trade or use (e.g., regulating wildlife farming and trade; increasing sanitary and health standards for farmed or traded wildlife).<br>**Invasive species**<br>311. Developing and implementing programs and biosecurity frameworks to **prevent, eradicate, contain, and manage invasive species** with the potential to negatively impact biodiversity or ecosystem services.<br>312. Implementing measures to **prevent, eradicate, contain, and manage exotic species.** |

62 See also relevant actions to mainstream biodiversity and health interlinkages into GBF implementation in: Convention on Biological Diversity, Conference of the Parties. 2024. "Global Action Plan on Biodiversity and Health" (CBD/COP/DEC/16/19).

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE NATURAL RESOURCES ASSET MANAGEMENT** |
| **c) Integration of nature-based solutions across economic sectors** | 313. **Natural climate solutions** (NCS)[63] programs in forests, mangroves, peatlands, wetlands, or other ecosystems that generate clear localized benefits to biodiversity. *(See also additional consideration c)).*<br>314. Conserving or rehabilitating **mangroves, coral reefs, or seagrass** to reduce flooding and soil erosion, increase coastal resilience, and sequester carbon.<br>315. Conserving or rehabilitating **coastal salt marshes or mudflats** to filter harmful pollutants and provide critical habitat for marine and coastal species.<br>316. Physically or naturally **reinforcing the coastline** through additional coastal structures or vegetation.<br>317. Implementing **nature-based watershed management practices** to decrease run-off, sedimentation, and siltation; increase recharge and flood control; and provide habitat to wildlife (e.g., by conserving or re-establishing wetlands, natural flood plains, or vegetation in upstream areas and riverbanks).<br>318. Using **natural infrastructure to reduce water temperatures** of used water discharged into waterways. |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | **Integrated spatial planning**<br>319. Supporting **integrated spatial planning and management** that incorporates biodiversity or ecosystem services, Strategic Environmental Assessments (SEA), and landscape- or seascape-scale cumulative impact assessments.<br>**Policy, laws and regulations**<br>320. Measures enhancing the **integration of biodiversity or ecosystem services considerations in policy** and the use of biodiversity or ecosystem services in decision-making.<br>321. Developing and implementing **policies, laws and regulations** aimed at reducing sectoral impacts on nature, for example by:<br>– Establishing or strengthening environmental management standards for water, land or resource use across sectors.<br>– Establishing requirements for spatial planning.<br>– Application of best available practices in mitigation, impact monitoring and data-sharing, resource-use reduction, and circularity.<br>322. **Land administration legal and regulatory framework reform** (e.g., formalization of land tenure for smallholders or Indigenous Peoples and Local Communities), user rights reform, or user conflict resolution to enable improved conservation, restoration, or management of biodiversity or ecosystem services.<br>323. **Environmental fiscal reform** (e.g., repurposing of harmful subsidies; taxing chemical pesticides) and **establishment of fiscal measures** (e.g., conservation tax credits) that incentivize sustainable practices in sectors such as agriculture, forestry, fisheries, and water resource management.<br>324. **Establishing or strengthening of environmental markets** and market-based instruments supporting nature, for example through:<br>– Payment for ecosystem services mechanisms or environmental compensation markets (e.g., mitigation banking; biodiversity credits; carbon credits) where they are expected to explicitly target natural climate solutions. |

63 Griscom B W, Adams J, Ellis P W, et al. 2017. "Natural climate solutions." Proc. Natl. Acad. Sci. 114 (44) 11645-11650.

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE NATURAL RESOURCES ASSET MANAGEMENT** |
| | 325. Carbon markets regulations or infrastructure (e.g., monitoring, reporting and verification (MRV) capacity; establishment of carbon registries) that explicitly target natural climate solutions. *(See also additional consideration c)).* |
| | 326. Adopting laws and regulations for – or facilitation of – **transfer of natural capital assets to private entities or community enterprises** to enable conservation, restoration or sustainable management of these assets *(see also additional consideration a))*, for example through:<br>– Commercialization of state-owned enterprises.<br>– Issuance of licenses and permits.<br>– Establishment of co-management agreements for protected and conserved areas.<br>– Public-private partnerships with tax incentives for private landowners to establish and manage privately managed protected and conserved areas adjacent to existing protected areas. |
| | 327. Developing and implementing **transparency, accountability or certification** frameworks (e.g., to improve commodity traceability and public availability of data on impacts on nature). |
| | 328. Establishing or strengthening **green public procurement frameworks that explicitly incorporate nature criteria** and direct public spending toward goods and services that reduce the drivers of nature loss, for example by:<br>– Developing and implementing procurement policies and technical specifications that include nature-related performance standards such as use of sustainably sourced and certified raw materials (e.g., Forest Stewardship Council (FSC)-certified timber), or exclusion of products linked to deforestation, overfishing, land degradation, or hazardous chemical release, in favor of those that are aligned with circular economy principles.<br>– Integrating environmental criteria into public tendering, scoring, and supplier evaluation processes.<br>– Integrating environmental criteria into grants, vouchers, cash transfers and other forms of public spending or purchases. |
| | **Monitoring, institution and capacity building** |
| | 329. Assessing and **monitoring biodiversity or ecosystem services**, including identification and listing of Key Biodiversity Areas and ecosystem health (e.g., soil moisture levels; river flows). |
| | 330. Developing and supporting **planning tools and associated data for better decision-making** related to biodiversity and ecosystem services. |
| | 331. Establishing **or strengthening institutions** (e.g., national, subnational, local; government and non-government) charged with developing, monitoring, or enforcing environmental policies and regulations, or with environmental assessment and monitoring. |
| | 332. Enhancing **national and subnational cross-sectoral coordination**, or **trans-boundary and regional cooperation** on environmental policy or law enforcement (e.g., to support groundwater conservation; transboundary landscape restoration; management of migratory species or illegally-traded species). |
| | 333. Capacity building to support **adoption of sustainable practices or compliance with environmental laws and regulations among private sector** actors. |

| Activity Group | Qualifying Activities |
|---|---|
| | **RENEWABLE NATURAL RESOURCES ASSET MANAGEMENT** |
| | 334. Institutional capacity building to support procurement officers in **evaluating and enforcing biodiversity-related criteria**.<br>335. Strengthening **natural resource governance**.<br>336. Implementing **behavior change interventions, including education, capacity building, awareness-raising, and outreach,** to support conservation and increased efficiency and sustainability in the use of resources (e.g., through targeted support for more sustainable substitutions or practices such as water conservation, recycling, and improved sanitation practices).<br>337. **Piloting, incubating, and growing new nature-based and sustainable business models or technologies**, for example by:<br>– Supporting innovation ecosystems that support startups; community-based enterprises or SMEs aimed at scaling nature-positive solutions, such as restoration and conservation of nature or sustainable land use; AI/ecological monitoring tools; and capacity-building to improve restoration technologies.<br>– Supporting incubators, accelerators, challenge funds, and digital infrastructure that enable early-stage solutions to scale.<br>– Supporting nature-focused innovation challenges, research, prize funds, or public-private research and development platforms.<br><br>**<u>Technology, research and development</u>**<br>338. Developing and deploying of **digital public infrastructure (DPI) and interoperable open data systems** to support spatial planning, environmental monitoring, market-based instruments (e.g., biodiversity or carbon credits where they are expected to explicitly target natural climate solutions), and cross-sector coordination, ensuring inclusive access.<br>339. Supporting and implementing **research promoting enhanced or more efficient management of natural resources,** or **sector-relevant research** with potential to **reduce negative and enhance positive impacts on nature** (e.g., research into novel technologies and designs; improved construction and management approaches; impacts and effectiveness of mitigation; data collection; management; mapping and analysis techniques; or nature-based solutions).<br>340. Adopting **practices or technologies in supply chain management** that promote or enhance compliance with no-conversion policies or are expected to have other clear localized benefits for biodiversity.<br>341. Provision of **services for restoration** (e.g., deploying drones to plant mangroves; providing monitoring services to enforce fishing quotas or support rewilding). |

# 7B. URBAN DEVELOPMENT AND DISASTER RISK MANAGEMENT

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

**Sector-specific considerations:**

a) Planning measures should be consistent with national plans for biodiversity conservation including National Biodiversity Strategies and Action Plans (NBSAPs).

b) Nature-based solutions should not expand or promote expansion into areas of high biodiversity value where there is a risk of leading to significant conversion of natural habitat through nature-based solution related interventions.

| Activity Group | Qualifying Activities |
|---|---|
| | **URBAN DEVELOPMENT AND DISASTER RISK MANAGEMENT** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>342. Restoring and protecting **natural habitat features in urban settings** (e.g., urban wetlands; urban forests; coastal and riverine ecosystems; urban and peri-urban protected and conserved areas).<br>**Conservation**<br>343. Planting **native trees and vegetation**, conserving riparian buffers, managing verges and lawns for biodiversity, and making public space improvements that benefit biodiversity or ecosystem services.<br>344. Creating **green corridors**, especially in areas where connectivity between non-built patches is very low, to enhance ecological function and enable ecologically-appropriate movement of species through highly-modified landscapes.<br>345. **Protecting natural areas** in or around cities through policy or physical measures. |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Land use**<br>346. Integrating **sustainability considerations in urban development** or re-development to reduce impacts on biodiversity or ecosystem services, (e.g., through denser and more compact development; mixed land-uses; transit-oriented design).<br>347. Supporting **effective management** of urban wetlands, parks and other natural areas to manage public access and prevent degradation.<br>**Pollution**<br>348. Designing **urban drainage systems that prevent plastic, solid waste, and runoff of pollutants harmful to biodiversity** into freshwater and marine habitats.<br>349. Using **flood mitigation measures** that prevent plastic, solid waste, or pollutants runoff.<br>350. Improving **Municipal Solid Waste Management** (MSWM) with clear localized benefits to biodiversity. *(See also the Waste Management section)*. |

| Activity Group | Qualifying Activities |
|---|---|
| | **URBAN DEVELOPMENT AND DISASTER RISK MANAGEMENT** |
| **c) Integration of nature-based solutions across economic sectors** | 351. **Creating or rehabilitating urban forests using native plants, or developing open green spaces**, including parks and unpaved/biologically active areas in an urban setting, to conserve and restore urban biodiversity, reduce heat island effects and air pollution, improve resilience to climate extremes, assist water retention, and provide multiple human health benefits.<br>352. **Creating bioretention areas** using shallow vegetated depressions (e.g., bioswales; rain gardens; detention ponds; permeable pavements; constructed wetlands) to reduce flood risks (e.g., by intercepting, infiltrating, and reducing the velocity of stormwater flow).<br>353. **Conserving or rehabilitating river floodplains**, to help reduce flood risks and create multifunctional spaces for both wildlife and human recreation.<br>354. **Conserving, rehabilitating or creating inland wetlands**, to deliver a range of ecosystem services, including carbon sequestration, drought control, water purification and provision of habitat for wildlife.<br>355. **Conserving or rehabilitating coastal salt marshes or mudflats**, to filter pollutants harmful to biodiversity, provide critical habitat for marine and coastal species, and sequester carbon.<br>356. **Conserving or rehabilitating mangrove forests**, to provide barriers against coastal hazards (e.g., floods; waves; tides; erosion), and to support healthy coastal fisheries.<br>357. **Planting native trees** that support biodiversity in urban or peri-urban environments, without displacing natural habitat such as native grasslands.<br>358. Scaling nature-based solutions to **reduce the risks of landslides and erosion** in inland ecosystems, with clear localized benefits for biodiversity. |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Integrated spatial planning**<br>359. Developing **city-level biodiversity planning.**<br>360. Undertaking **land and administration activities** to increase the area of land dedicated to ecosystem services and biodiversity conservation, or to prevent expansion into areas of significant conservation value.<br>361. Developing **integrated solid waste management** plans that reduce threats to biodiversity.<br>362. Developing, designing and operating **recycling facilities or landfills** where there are clear localized benefits to biodiversity or ecosystem services.<br>**Policy, laws and regulations**<br>363. Enforcing or improving the enforcement of more robust **building regulations**, designed to reduce the impacts of construction on biodiversity or ecosystem services.<br>**Research and capacity development**<br>364. Exchanging knowledge and building capacity to support **waste prevention.**<br>**Other sectoral instruments**<br>365. Supporting **urban livelihoods** and poverty reduction to reduce exploitation of natural areas and reduce threats to biodiversity. |

# 7C. GREEN BUILDINGS

**Additional considerations:**

Refer to cross-cutting considerations A) to C) (see page 4).

| Activity Group | Qualifying Activities |
|---|---|
| | **GREEN BUILDINGS** |
| **a) Restoration and conservation of biodiversity or ecosystem services** | **Restoration**<br>366. **Restoring degraded sites** in areas associated with new construction or renovation (e.g., gardens; water features; vacant lots). |
| **b) Reduction of the direct drivers of biodiversity or ecosystem services loss** | **Overexploitation**<br>367. **Attaining internationally or nationally accepted green building certifications** (e.g., Leadership in Energy and Environmental Design (LEED); Building Research Establishment Environmental Assessment Method (BREEAM); Excellence in Design for Greater Efficiencies (EDGE)) that have explicit nature criteria or indicate at least 20 percent water use reduction for those types of buildings in which water consumption is material (e.g., housing; offices; hotels; hospitals).<br>368. Applying technologies and designing buildings to achieve **a material reduction in the total use of materials in construction** such as intensity of use of materials on a per unit basis (e.g., replacing conventional bricks with hollow bricks; modular design; prefabrication).<br>369. **Using sustainably produced renewable bio-based alternatives** to substantially replace and reduce the use of conventional construction materials like cement, steel, aluminium, and glass (e.g., by replacing cement with certified wood; replacing traditional concrete with granulated blast-furnace slag).<br>**Pollution**<br>370. Increasing use of or using **recycled materials in construction** or renovation to achieve a material reduction in the use of new or virgin materials (e.g., reusing secondary construction materials from demolition in the production of new construction materials; procuring recycled cement, glass, steel, and other materials).<br>371. Using materials, technologies, or systems to **reduce or eliminate hazardous materials** in construction.<br>**Invasive species**<br>372. **Landscaping or aquascaping** with native species. |

| Activity Group | Qualifying Activities |
|---|---|
| | **GREEN BUILDINGS** |
| **c) Integration of nature-based solutions across economic sectors** | 373. Integrating **natural, green, or blue infrastructure** to improve resource efficiency or resilience and provide clear localized biodiversity benefits such as ensuring connectivity between other blue/green infrastructure or natural areas (e.g., green roofs and facades; permeable surfaces; rain gardens; bioswales; canals; ponds; pollinator-friendly natural features such as urban farming). |
| **d) Policy, tools, or other sectoral instruments enabling (a) to (c) above** | *See this table for general qualifying activities under this activity group.*<br>**Policy, laws and regulations**<br>374. Introducing, developing, strengthening, or supporting **policies, laws, and regulations** that enable, incentivize, or enforce nature-friendly construction (e.g., national or municipal green building standards with nature criteria; urban zoning with wildlife corridor mandates; Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) regulations).<br>**Research and capacity development**<br>375. Researching and developing **materials, products, and construction processes** that reduce the direct drivers of biodiversity or ecosystem services loss in construction and the built environment.<br>**Other sectoral tools**<br>376. Adopting **measures to prevent wildlife fatalities** (e.g., deterrents to prevent migrating birds colliding with windows or wires; lighting that does not attract insects or turtles; staff training on the safe removal of wildlife such as snakes). |