

6. Nature and biodiversity



Nature

Nature and biodiversity underpin sustainable economic development and the well-being of the planet and its humans. The [Taskforce for Nature-related Financial Disclosures](#) (TNFD) estimates that more than half the world's economic output – US\$ 44 trillion (€41.2 trillion) – is highly or moderately dependent on nature.

The widespread decline of biodiversity poses significant risks to the economy, the financial sector and the well-being of current and future generations. In line with the commitments of the [joint MDB Statement](#) on Nature, People and Planet signed at COP26, the EBRD has continued to further prioritise nature considerations. Key developments in 2022 include:

- 1. Leadership and safeguards:** The EBRD is exploring opportunities to develop net biodiversity gains in projects with high potential for ecosystem recovery. It is working with the GEF on programmes to support this type of work in the infrastructure sector.
- 2. Finance:** The EBRD is working with other multilateral development banks (MDBs) on evaluating options for tracking nature-related finance and a nature-related taxonomy.
- 3. Regional synergies:** Together with the European Investment Bank, the Union for the Mediterranean and several bilateral development agencies, the EBRD launched the [Blue Mediterranean Partnership](#) at COP27. It replicates the Bank's experience in the Baltic Sea through the [Northern Dimension Environmental Partnership](#) in reversing marine environmental degradation.
- 4. Valuing nature:** The EBRD, together with other MDBs, is developing methodologies to assess the value of nature and nature-related risks and opportunities to guide decision-making. The Bank is also rolling out a pilot project to apply the recommendations of the TNFD framework.
- 5. Better data and reporting:** The Bank is working on establishing common metrics and standards for the publication of biodiversity data in projects, together with the Inter-American Development Bank and l'Agence Française de Développement.

The Biodiversity Working Group, launched at COP27, has also been a forum for collaboration with other MDBs. Its activities build on those of the Biodiversity and Nature Informal Working Group, which has served as a forum for discussion on biodiversity protection for 15 years.

The EBRD sent a high-level delegation to the 15th Conference of the Parties of the Convention on Biological Diversity in Montreal, Canada. At the meeting, 196 parties agreed [the Kunming-Montreal Global Biodiversity Framework](#), which aims to “halt and reverse” biodiversity loss by the end of the decade. Targets include:

- conserving 30 per cent of the world's land and 30 per cent of the oceans by 2030
- restoring 30 per cent of degraded terrestrial, inland water and coastal and marine ecosystems by 2030
- developed countries mobilising US\$ 30 billion annually in financial flows for nature for developing countries by 2030, including an interim target of at least US\$ 20 billion per year by 2025.

The EBRD is also committed to supporting the implementation of the Global Biodiversity Framework and the strategy for [resource mobilisation](#). Through its projects and activities, the Bank will scale up biodiversity finance in partnership with the GEF and others to help corporate clients monitor, assess and disclose nature-related risks. It will also develop schemes to support biodiversity markets in ramping up investment.

Case study: Ayla Oasis regeneration project



An EBRD-supported project to regenerate Jordan's Ayla Oasis reached full implementation in 2022. Previously a mined, heavily polluted stretch of land between Jordan and Israel, its development is a crucial step in unlocking the tourism potential of the Aqaba region on the Red Sea.

A key feature of Ayla Village, the hub of the oasis, is the development of a 750,000 m² man-made lagoon, creating 17 km of new coastline. Two coral nurseries and 166 reef balls – artificial reef modules to form reef habitat – were installed in the lagoon, supporting the rehabilitation of the reef ecosystems and extending the population of endemic fish species.

An environmental impact assessment concluded that the project would have no negative impacts on biodiversity, and an environmental management system put in place measures to mitigate potential environmental impacts over the long term.

Blue economy

Oceans cover more than 70 per cent of the planet’s surface. They regulate the balance of the environment, provide food and energy, and enable trade and links between countries and people.

Yet the ocean emergency has seen marine species declining and pollution creating vast coastal dead zones. Nearly 80 per cent of the world’s wastewater is discharged untreated into the sea, while at least 8 million tonnes of plastic enters the oceans each year. Rising sea levels, ocean heating, ocean acidification and GHG concentrations have all reached record levels.

The EBRD is committed to addressing this emergency and, in 2022, scaled up its support of the blue economy. The Bank’s main achievement was the launch, at COP27, of the Blue Mediterranean Partnership (BMP). Led by the EU and donor countries, this new financing instrument brings together international donors and financial institutions to support blue economy investments in the Mediterranean basin.

The EBRD will use its experience as fund manager of the [Northern Dimension Environmental Partnership](#) (NDEP) as a blueprint for the BMP. The new fund aims to bring together international donors, beneficiary countries, interested financial institutions and philanthropic organisations to support policy reforms and attract funding for projects, initially in Egypt, Jordan and Morocco. Projects will target all blue economy sectors with a view to reducing threats to marine ecosystems and biodiversity. They will be accompanied by policy dialogue and reforms to strengthen legal and regulatory frameworks to protect the marine environment. The key target for 2023 will be to operationalise the BMP and secure pledges from donors and beneficiary countries.

Other highlights of the EBRD’s support for the blue economy in 2022 included:

- The Bank joined the Clean Oceans Initiative (COI) at the One Ocean Summit organised by French President Emmanuel Macron. The EBRD’s participation, along with other financial institutions, will support investments in marine pollution prevention, with a focus on plastics. The COI has raised its investment target from an initial €2.5 billion to €4 billion by 2025.
- The EBRD participated in the UN Ocean Conference, with the theme of promoting science-based innovative solutions to support global ocean action. World leaders attending the conference unanimously adopted the Lisbon Declaration to address the ocean emergency of habitat loss, ocean acidification and ecosystem degradation.
- The EBRD believes it can play a crucial role in supporting the financing solutions needed to drive this transformation. As a signatory to the Sustainable Blue Economy Finance Principles since 2020, the EBRD’s Performance Requirements allow the Bank to identify projects that are actively contributing to the sustainable blue economy within its GET framework.

NDEP

The EBRD has valuable experience in promoting systemic environmental remediation in the Baltic and Barents Seas as the fund manager of the Northern Dimension Environmental Partnership (NDEP).

Established in 2002, the NDEP is a €348 million multi-donor fund that addresses environmental, nuclear safety and climate change challenges in eastern Europe. It has supported 23 wastewater treatment facilities with a total value of €1.3 billion.

Through the fund, donors, international financial institutions and recipient countries have succeeded in rehabilitating the Baltic Sea ecosystem, as recognised by the Helsinki Convention.

The Russian city of Saint Petersburg has also increased its level of wastewater treatment from about 50 per cent to 98 per cent, resulting in a 60 per cent drop in phosphorous and a 20 per cent drop in nitrogen concentrations in the Gulf of Finland, effectively reversing eutrophication.

