

Financing Nature-Positive Agriculture: What Public Development Banks Can Do

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**Agri-PDB
Platform**

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Agenda



Why biodiversity matters for PDBs (IFAD)



What it means for PDBs to invest in biodiversity (IFAD)



PKSF Bangladesh Presentation



KfW Development Bank Presentation



Q&A and wrap-up

Agenda



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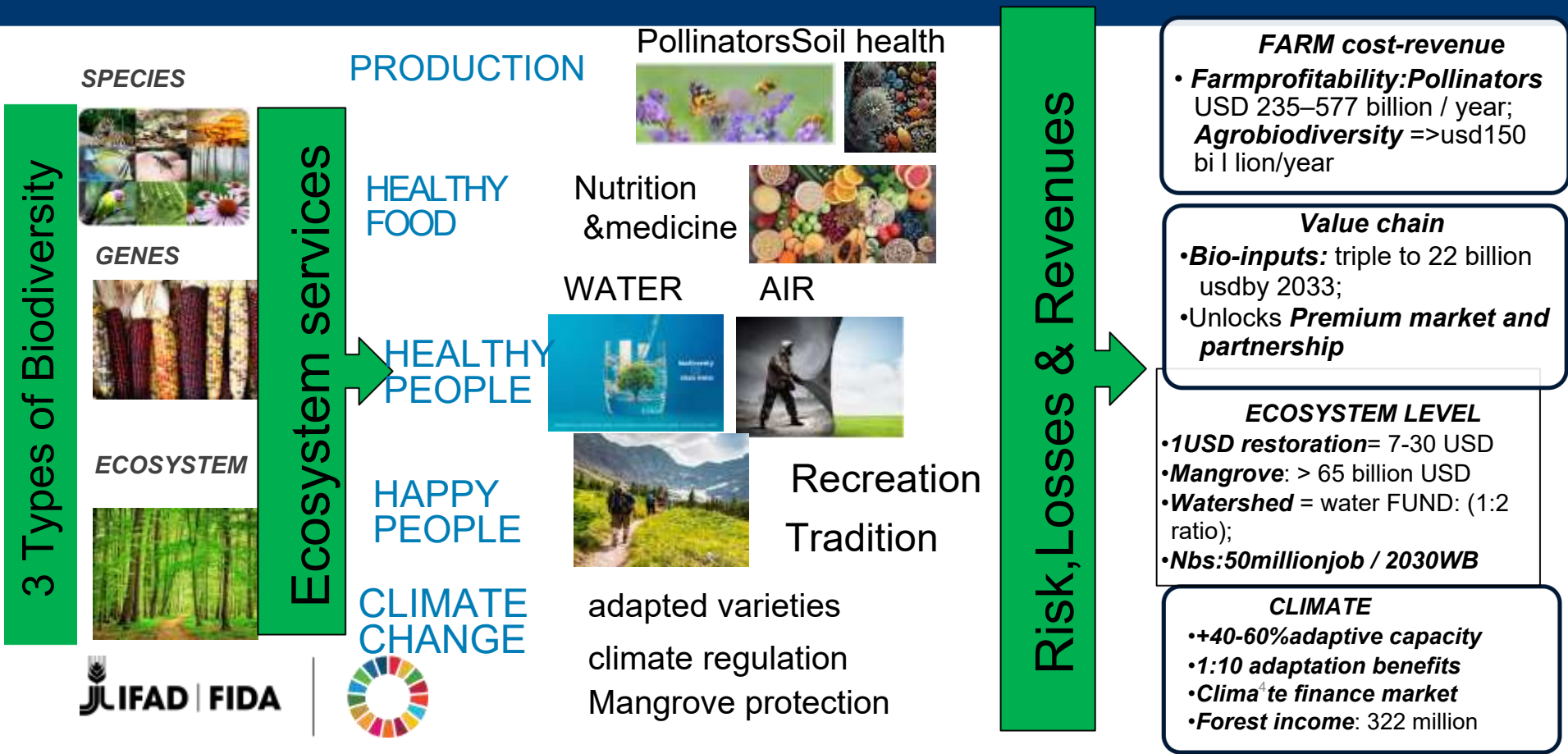


KfW Development Bank Presentation

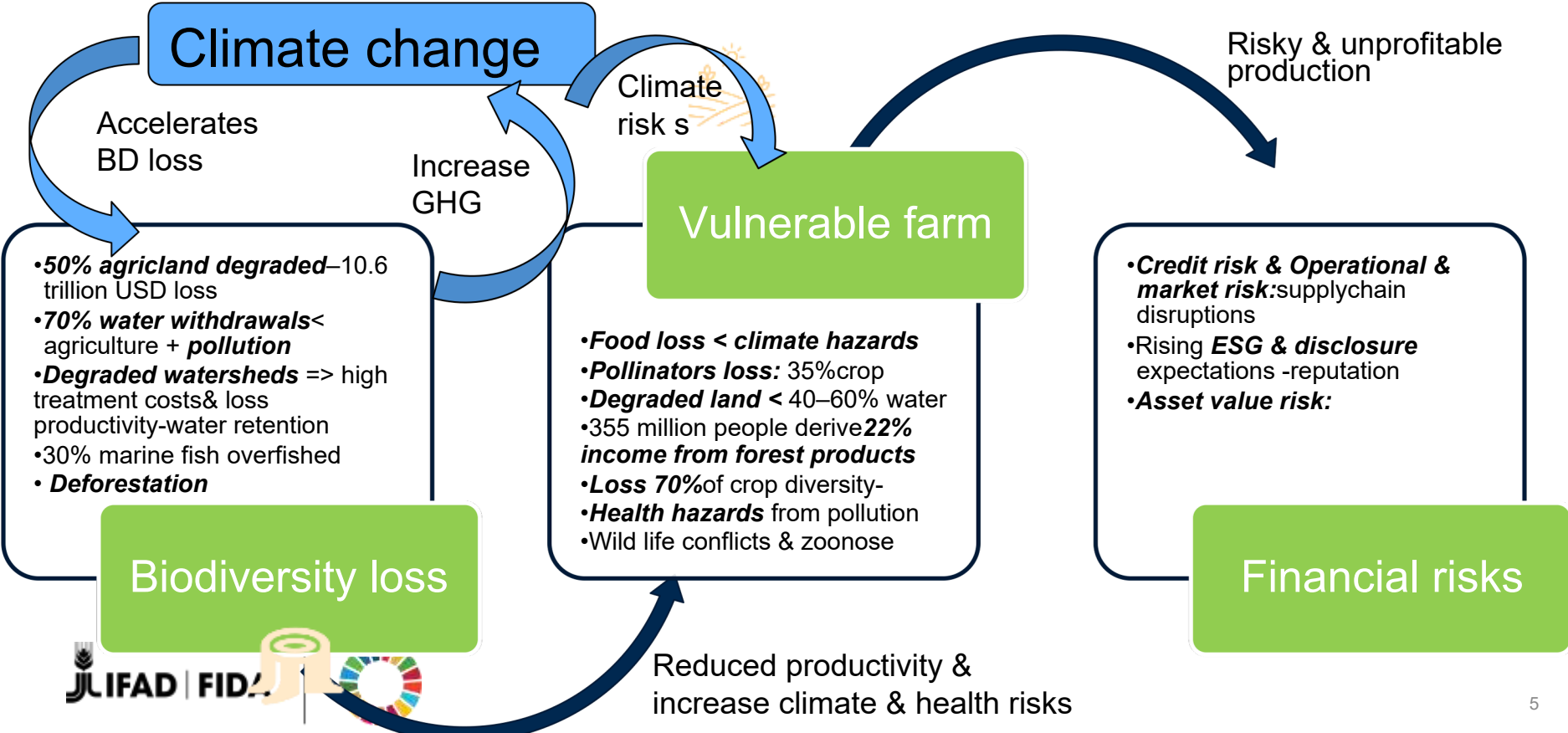


Q&A and wrap-up

WHAT IS BIODIVERSITY – WHY IT MATTERS?



Biodiversity – climate -food system nexus



Agenda



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Q&A and wrap-up

Levels of biodiversity integration for PDBs



Foundation

***Greening finance -
reducing harm to
biodiversity***

Incentives for banks

- Eligibility for IFI co-financing
- Alignment with regulatory frameworks (e.g., TNFD)
- Reputation and positioning



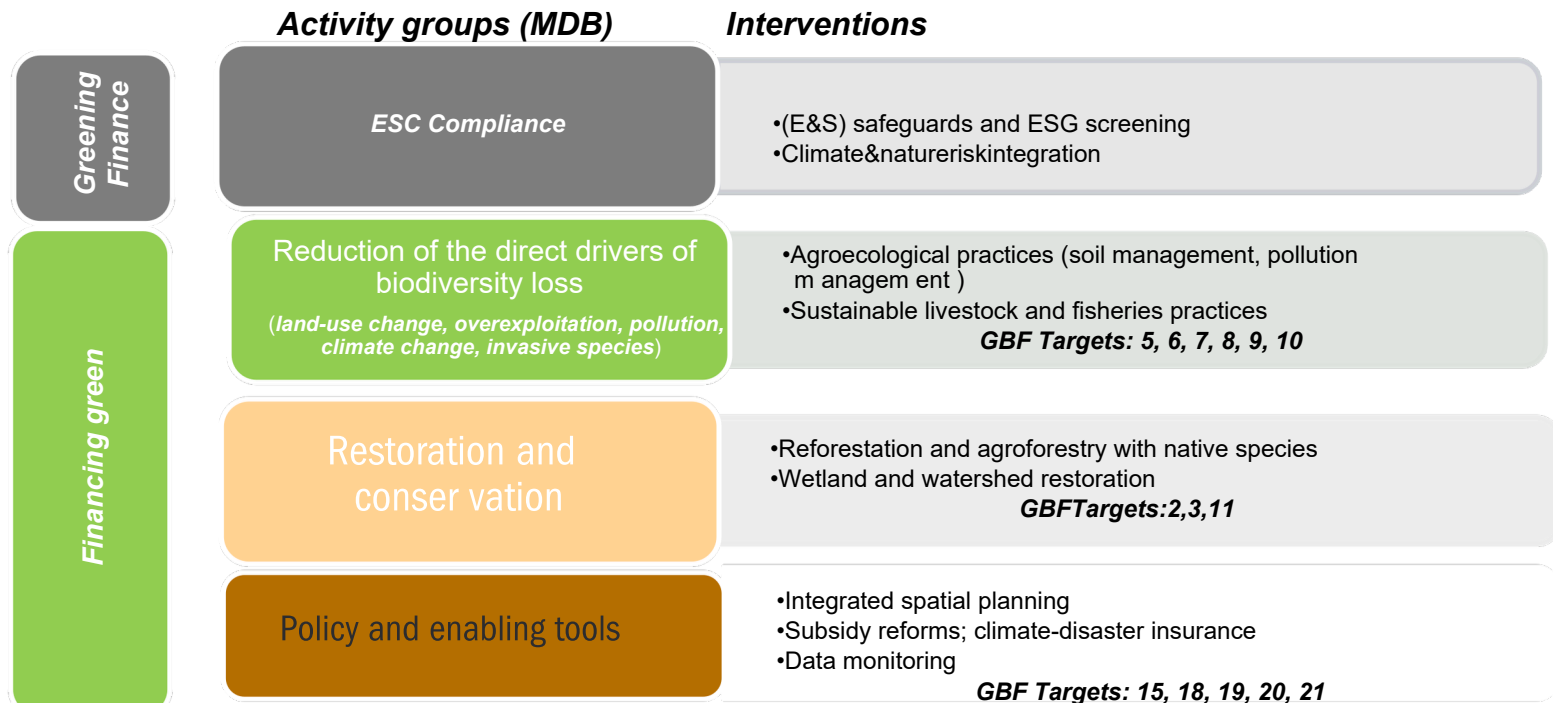
Advanced

***Financing Green -scale
nature-positive
investment***

- New lending opportunities (retail)
- Lower client risk
- Access to GEF/GCF funds
- New products & markets
- Support to national targets and



What do we mean by Nature Finance activities?



Greening finance -reducing harm to biodiversity

Processes to reduce harm

- **Exclusion Lists & Minimum Conditions**
- **Spatial Screening Before Lending**
- **Managing Risk Through Intermediaries**
- **Improve Monitoring, MRV & Transparency**
- **Strengthen Safeguards & ESMS**

Legend: ■ **Easier to introduce** ■ **Moderate effort** ■ **Requires deeper institutional change**



SECAP biodiversity conservation screening questions*

Would the project potentially involve or lead to:

1. Conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?
2. Activities involving habitats that are legally protected, officially proposed for protection or recognized as protected by traditional local communities and/or authoritative sources (e.g. national park, The Nature Conservancy, indigenous community conserved area, etc.)?

Financing green –Overcoming barriers to scale nature-positive investment

Biodiversity investment opportunities & needs

- **Sustainable agriculture & value chains**
 - Agroecological inputs, certifications, traceability
- **Restoration, conservation, watershed management**
 - Tree planting, land rehab, inputs, governance
- **Nature-smart services & technologies**
 - Bio-inputs, irrigation efficiency, biodigesters

Constraints for farmers / SMEs

- High upfront investment costs
- Delayed / uncertain returns
- Limited collateral / small scale
- Technology adoption & knowledge gaps
- Uncertain land tenure

Constraints for banks / financial institutions

- High perceived risk & uncertain returns
- Small ticket sizes → high transaction costs
- Lack of pipeline / bankable projects
- Limited data
- Difficulty monitoring outcomes (MRV, traceability)

Co-investments to overcome

- **De-risk & blend**
 - Tailored financial products (AE working capital, grants/blended finance/long tenors for restoration)
- **Build pipeline & scale**
 - Aggregation (cooperatives, value chains)
 - Partnerships with agribusiness & off-takers
- **Strengthen capacity & delivery**
 - TA bundled with finance
- **Data, systems & infrastructure**
- **Enabling package**
 - Producer organisations
 - Land tenure

Financing green –Overcoming barriers to scale nature-positive investment

Case study on working with partners: BNDES –IFAD (working with)

Finance:~R\$300M+ (IFAD, BNDES, GCF, public funds)

Focus:climate-resilient family farming, agroforestry, water security

Blended capital:concessional finance + guarantees to de-risk lending

BUILD:aggregate smallholders; develop scalable agroecology models

BLEND:combine IFAD + GCF + national finance; introduce risk-sharing instruments

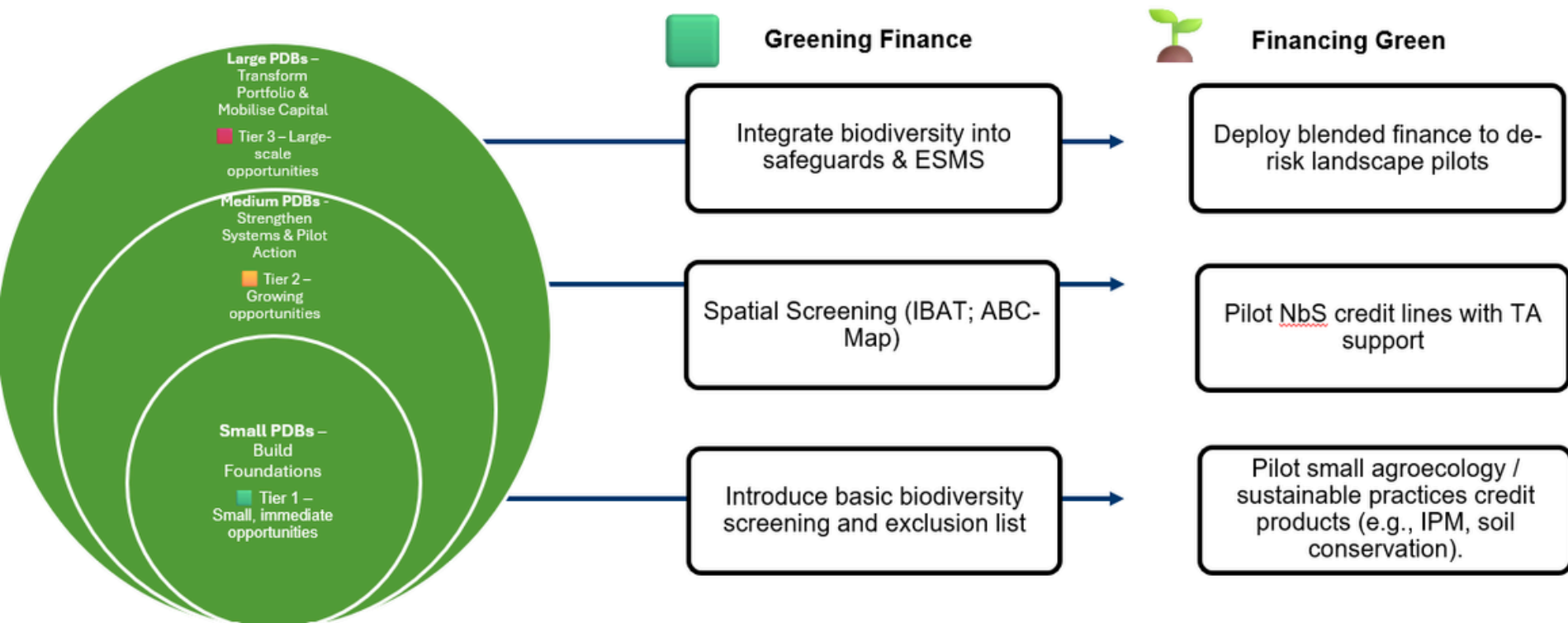
BUNDLE:finance + TA + water infrastructure + extension; coordinate public & local actors

Expected impact: 85,000 hectares of land restored, 75,000 households reached



Recap

Key opportunities for Public Development Banks – Tiered approach



References

Source / Report

WWF – “Public Development Banks and Biodiversity”

WWF International – “Banking on Nature-Positive” (2024)

IFAD – “Family Farming 2.0: A Paradigm Shift for Investment”

MDBs – “Common Principles for Tracking Nature-Positive Finance”

Kunming–Montreal Global Biodiversity Framework (GBF 2022)

Agence Française de Développement (AFD) – Nature & Biodiversity 2023 Report

Brief Description & Link

[Analysis of how PDBs can align finance with the post-2020 biodiversity agenda.](#)

[Report exploring how public and commercial banks can shift toward nature-positive finance.](#)

[Policy framework on investing in sustainable, inclusive family farming.](#)

[Guidance for tracking and reporting “nature-positive” financial flows across multilateral development banks.](#)

[Global agreement setting biodiversity conservation and restoration targets.](#)

[Example of a development bank’s biodiversity finance commitments and tracking methods.](#)