



REFORM OR PERISH

Putting biodiversity and the rights of Indigenous Peoples and Local Communities at the heart of deep reforms of the IMF and World Bank

Avaaz Position Paper

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AVAAZ

Index

Why are you here?

Open letter to the participants of the 2023 Annual Meetings of the IMF and the World Bank Group, for a purpose-driven reality check 03

Getting the quantitative and qualitative ambition as right as possible 03

Can Bretton Woods be saved? And should it be saved at all? 04

Addressing urgently two major blindspots: biodiversity and Indigenous Peoples and Local Communities should be at the heart of the reform conversation 05

Recommendations 06

Recommendations for the Bretton Woods Institutions, International Financial Institutions (IFIs), and the UN system 06

Recommendations for the IMF on biodiversity and IPLCs 07

Recommendations for the World Bank on biodiversity and IPLCs 08

1. Absent presences: you may not have realized it yet, but biodiversity and IPLCs are at the heart of the global financial reform 09

1.1. Duh! Biodiversity is central for macroeconomic stability and development finance 09

1.2. Working with – and not against – the leaders on the ground: changing the relationship between IFIs and IPLCs 10

2. Biodiversity and IPLCs are still seen as outsiders but the tables are slowly turning: a quick overview of 2023 summits 13

3. A swarm of debt swaps? The need for a joint IMF-WB task force 17

Avaaz 2022-2023 publications on global finance 20

Why are you here?

Open letter to the participants of the 2023 Annual Meetings of the IMF and the World Bank Group, for a purpose-driven reality check

Dear delegates,

It has been a little more than a year now that the reform of the global financial system has gained new momentum and is now on top of the international agenda. After rather strong language in the decisions of climate COP27 and biodiversity COP15, there are now several threads and processes addressing the transformation that are needed on debt, aid, and tax cooperation. The [High-level Meetings on the 78th session of the UN General Assembly](#)¹ have confirmed that these topics have reached the highest political levels, and we are probably at the beginning of an intense sequence that may lead us to late 2025 at least.

We are still at the beginning of this global conversation, and in many aspects the summits that took place this year looked like an observatory round for governments, international financial institutions (IFIs), and civil society. An observatory round, and sometimes a face off, with some [hard truths](#)² about the injustice of the global economic system finally being told openly by political leaders, from developing countries in particular. A change of tone and attitude is perceptible on the side of the wealthiest countries and the IFIs, especially the International Monetary Fund (IMF) and the World Bank (WB), where the G7 are still in a position of strength; there seems to be more listening, and even some contrition, in the attitudes and discourses.

While these theatrics are necessary and have some meaning on their own, they should not overshadow the substance of what is being discussed, nor the magnitude of the challenges at stake. At the beginning of such a crucial political sequence, the initial framing matters a lot. We need to get the quantitative and qualitative definition of ambition right. Or at least as right as possible: the size and complexity of the challenges, and the pace at which the world is changing, call for a lot of humility and for building adaptive capacity at the onset.

Getting the quantitative and qualitative ambition as right as possible

Estimating the funding needed to achieve the Sustainable Development Goals (SDGs) by 2030 is not straightforward, because the issues covered by the SDGs are intertwined in many ways and data is often lacking. The [latest estimates](#)³ by the United Nations Conference on Trade and Development (UNCTAD) give a range of US\$6.9-7.6 trillion annually by 2030. For the sake of the argument, let's say we round up to a range of US\$5-10 trillion annually. This means that we need to gear between 5 and 10% of the world GDP towards sustainable development. More concretely, it means that reorienting only 5 to 10% of what the global economy produces annually would enable the eradication of poverty, closing the gender gap, stopping the destruction of biodiversity, containing climate change and adapting to it - and all the other positive outcomes contained in the SDGs. In our view, given the latest evidence, this is the order of magnitude where we should start to define ambition quantitatively.

When it comes to qualitative definition, the threads are really numerous, and some aspects require lots of technical precision. This calls for humility, again, but also for a form of zooming out to identify some families of topics, some pillars, to organize the conversation and find ways to anchor the quest for economic and ecological justice at the heart of the global conversation on financial reform. These last months, our team has been exchanging with a wide range of actors to try and identify these groupings, and put them in a language that is more common (and thus understandable by many more people) than the technical lexicon of expert circles.

We came up with five items: get the cash flowing now; clean up public spending; bring debt justice; make taxes fair; and get the money to where it's the most useful. A short description of each point, as well as additional points on what we think the money should be used for, can be found in [this briefing](#)⁴ that we sent to all heads of state or government who traveled to the UN General Assembly this September.

There is a world to discuss for each of these items. As pointed out by Mia Mottley, Prime Minister of Barbados, during

1 Avaaz. (2023). *Of Mouths And Money. The Global Financial Reform Is On The Table - Now Let's Define What (And Who) Is On The Menu*. A word from Avaaz after the High-level Meetings of the 78th session of the UN General Assembly (September 2023) - and looking ahead. Available at: https://drive.google.com/file/d/1vYTF1xjT1LdsdHKN7IG76cWy9kOX8vGm/view?usp=share_link (Accessed: October 6, 2023)

2 Ruto, W., Mahamat, M.F., Adesina, A., Verkooijen, P. (2023). *If You Want Our Countries to Address Climate Change, First Pause Our Debts*. The New York Times, Oct. 8, 2023. Available at: <https://www.nytimes.com/2023/10/08/opinion/climate-change-africa-debt.html?smid=nytcore-ios-share> (Accessed: October 9, 2023)

3 UN Conference on Trade and Development (UNCTAD). (2023). *The costs of achieving the SDGs*. Available at: <https://unctad.org/sdg-costing/about> (Accessed: October 6, 2023)

4 Avaaz. (2023). *Your voice, our hope. Recommendations from the Avaaz movement, ahead of the 78th session of the United Nations General Assembly, on behalf of its 70 million people from around the world*. Available at: https://drive.google.com/file/d/1JeA5G8_QVYXug5HugDSX6DqMdZpDdhul/view (Accessed: October 6, 2023)

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the 2023 Climate Ambition Summit, all of the ideas on the table have to become much more granular in the months and years to come. We must admit that we are still perplexed as to where the ambition stands for now, both quantitatively and qualitatively. We are very far from understanding where the trillions could come from. The announcements and prospects are still in the billions, and the gap is still filled by some forms of magical thinking, counting on the spontaneous mobilization of private trillions – while governments are, by the [estimates of IMF itself](#)⁵, still spending trillions indeed on fossil fuels subsidies (US\$ 7 trillion in 2022) and other sectors that are harmful to the biosphere.

The handful of proposals that are trying to propose a systemic view of the reforms still contain major gaps, both in the numbers and the topics to cover. Theatrics and punchlines will only take us so far. We believe the global conversation must urgently start fleshing out a vision that is more credible, complete, at the scale of the challenges at stake. In light of the above, incremental steps to reform seem insufficient at best.

This concerns civil society organizations (CSOs) too. In all honesty, we feel that most proposals coming from CSOs that have direct access to the high-level actors and fora are often more timid and tame than what is coming out from some governments. This is highly problematic, especially at this observation stage. If the bar is not raised higher by those who are supposed to be a form of counter-power, it is no surprise that governments themselves remain so incremental in their proposals.

Can Bretton Woods be saved? And should it be saved at all?

The gap between the elitist circles and what would be an ambition at scale is even more striking when we look at the tone and asks stemming from more grassroots organizations. For decades now, the global financial system, with the IMF and World Bank at its pinnacle, has been an agent of death for many people around the world. We know this can be shocking for a lot of the actors working inside this sphere, but it suffices to have a look at some of the counter-summits organized in Marrakech

(have a look [here](#)⁶ or [here](#)⁷) to get a sense of how deeply controversial these institutions are in many parts of the world. It is sometimes easier for experts to brush this off as the contingent excesses of angry crowds rather than confront this inconvenient truth. But whoever has lived in or has personal links with a country that has suffered from austerity policies and structural adjustment feels this anger in their flesh.

The reforms are needed because many, many more people will perish or live miserable lives if we don't deeply transform the economy. Call it the exit of capitalism, of productivity, of extractivism, of the paradigm of unlimited growth, and call the new system whatever you want. What matters is that we put an end to the organized unlimited looting and wasting of natural resources for the benefit of the few, while the many are given crumbs and are brainwashed into thinking that it's for their own good, and while those who have the courage to stand against this folly are beaten up and murdered by the thousands.

But the reforms are also a matter of survival for the IMF and World Bank themselves. Their main shareholders know it and this is why they appear to be listening. The world is fast becoming multipolar and the hegemony of the richest countries is increasingly contested at all levels. As Secretary-General Guterres has said; “[inequality starts at the top](#)⁸: in global institutions,” and one of the many inequalities is the quota system used by the IMF that is determined in large part by a weighted GDP index, which places developing countries – especially the poorest – at disadvantage in terms of voting rights and available financing

We have to be honest here. While we have engaged with Bretton Woods and are still putting proposals on the table, we are ourselves wondering whether we are not asking the impossible from them. Whether we should not drop them and create new foundations altogether, with new institutions that fit the challenges of this century and its geopolitical reality. Or whether the scale of the necessary transformations would not lead to this anyway, from within, if the reforms were to go beyond technical tweaks.

6 The Reclaim Our Future. (2023). *A Peoples' Conference on the IMF-WBG*. Available at: <https://reclaimourfutureconference.iboninternational.org/conference-programme/> (Accessed: October 6, 2023)

7 Fight Inequality Alliance. (2023). *Speaking truth to Power in Marrakech*. Available at: <https://www.fightinequality.org/speaking-truth-power-marrakech> (Accessed: October 6, 2023)

8 Nichols, M. (2020). *U.N. chief to world leaders: 'Inequality starts at the top'*. Reuters, July 18th, 2020. Available at: <https://www.reuters.com/article/us-un-rights-guterres-idUSKCN24J0LL> (Accessed: October 6, 2023)

5 International Monetary Fund (IMF). (2023). *Fossil Fuel Subsidies Surged to Record \$7 Trillion*. Available at: <https://www.imf.org/en/Blogs/Articles/2023/08/24/fossil-fuel-subsidies-surged-to-record-7-trillion> (Accessed: October 6, 2023)

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Addressing urgently two major blindspots: biodiversity and Indigenous Peoples and Local Communities should be at the heart of the reform conversation

That being said, there are urgent topics that can be included right now in the global conversation. The evolution road-map that is expected to be adopted in Marrakech still leaves aside many crucial elements, including the fight against inequalities, [as pointed out](#)⁹ by a network of CSOs. In this paper, we are presenting proposals to address related additional issues, namely the need for the IMF and the World Bank to seriously up their game on biodiversity and on how they consider the role of Indigenous Peoples and Local Communities (IPLCs).

The Development Committee has proposed [a new ambition](#)¹⁰ for the World Bank: “to create a world free of poverty on a livable planet”. The planet is livable because it is *living*. The goals of the Paris Agreement will not be achieved without the goals of the Kunming-Montreal Global Biodiversity Framework, adopted last December at COP15 of the Convention on Biological Diversity. The report of the Development Committee puts biodiversity at the last position of its list of eight challenges for the World Bank to focus on in the coming years, and mentions the term only three times (climate is mentioned 34 times). This shows, at least, how the systemic dependence of the world economy on biodiversity, highlighted again by a series of reports and findings these last years (see a synthesis [here](#)¹¹, released for last year’s Annual Meetings), is still poorly understood within the World Bank Group. At the IMF, the topic is even more at an emerging phase – biodiversity is not even considered as a qualifying challenge, for instance, in its Resilience and Sustainability Trust (RST).

IPLCs are incontestable leaders on climate and biodiversity action on the ground. [Studies of land use change](#)¹² over the

long term (last 12,000 years) show that it is “the appropriation, colonization, and intensification of use in lands inhabited and used by prior societies” that is the cause of most of the contemporary global ecological havoc, and confirm that “empowering the environmental stewardship of Indigenous Peoples and Local Communities will be critical to conserving biodiversity across the planet.” Contrary to the dominant economic model, the cultures and social organization of IPLCs are, for the most part, not extractivist. The result is that ecosystems fare better on their territories, especially when their land rights are respected. Yet, only a very small fraction of climate and biodiversity finance has reached them so far, even when the funds are supposed to support their tenure rights. Improving the relationship between IPLCs and IFIs is a topic that is largely omitted in the “reform” conversation.

We believe that the recommendations we are proposing in the present paper are a way for both the World Bank and the IMF to start correcting these two major blindspots. For reasons we explain below, addressing these issues would be a transformative journey in itself. We would be happy to get in touch and pursue the conversation. Please write to us at advocacy@avaaz.org, we would be pleased to hear from you.

Given the stakes at play, we believe it is paramount that we allow ourselves and each other to speak frankly about what hurts and the transformations we need. We hope that the city of Marrakech, which is showing an example of resilience by still welcoming us all despite the recent tragedy it faced, will inspire a caring and emboldened spirit in all of our hearts.

With hope and determination,

The Avaaz Community

9 Eurodad. (2023). *Civil Society calls for rethink of World Bank's Evolution Roadmap as part of wider reforms to highly unequal global financial architecture*. July 5th, 2023. Available at: <https://www.eurodad.org/civil-society-calls-for-rethink-of-world-banks-evolution-roadmap> (Accessed: October 6, 2023)

10 International Monetary Fund and the World Bank Group. (2023). *Ending Poverty on a Livable Planet: Report to Governors on World Bank Evolution Attached is the document titled “Ending Poverty on a Livable Planet: Report to Governors on World Bank Evolution,” for the October 12, 2023 Development Committee Meeting*. Available at: <https://www.devcommittee.org/content/dam/sites/devcommittee/doc/documents/2023/Final%20Updated%20Evolution%20Paper%20DC2023-0003.pdf> (Accessed: October 6, 2023)

11 Avaaz. (2023). “It’s the Ecology, Bretton Woods” On why ecological economics should be front and center at the International Monetary Fund and the World Bank Group. Available at: <https://avaazimages.avaaz.org/Economic%20Case%20Biodiversity.pdf> (Accessed: October 6, 2023)

12 Ellis, E., Gauthier, N., Goldewijk, K. (2021). *People have shaped most of terrestrial nature for at least 12,000 years*. April 19th, 2021. Available at: <https://www.pnas.org/doi/10.1073/pnas.2023483118> (Accessed: October 6, 2023)

Recommendations

Recommendations for the Bretton Woods Institutions, International Financial Institutions (IFIs), and the UN system

In the past year, the global financial reform movement has gained momentum even beyond the conversations siloed within Bretton Woods, marking a significant shift in international priorities. This movement was underscored by the strong language used in the decisions of climate COP27 and biodiversity COP15. These events highlighted the urgent need for transformation in debt, aid, and tax cooperation. The High-level Meetings of the 78th session of the UN General Assembly confirmed the elevation of these issues to the highest political levels, signaling the beginning of an intense sequence that may extend into late 2025. Given where the global conversation stands, here are **five urgent tasks** for the coming months:

- **Establishing ambitious goals.** The complexity of the challenges at hand necessitates a humble yet ambitious approach. Defining ambition quantitatively and qualitatively is essential. The latest estimates of the funding required to achieve the Sustainable Development Goals (SDGs) by 2030 can be rounded up to US\$5-10 trillion annually, which means allocating 5-10% of the world GDP toward sustainable development. The conversation on ambition should be organized around key pillars:
 - **Immediate Cash Flow.** Urgently allocate resources to critical areas.
 - **Transparent Public Spending.** Ensure accountability and efficiency in public expenditure (including on harmful subsidies).
 - **Debt Justice:** Address unfair debt burdens on developing nations.
 - **Equitable Taxation.** Implement fair tax systems globally.
 - **New Institutions.** Existing institutions do not match the world of today. They either must evolve or be replaced by institutions that will be representative, equitable, and inclusive.
- **Effective resource allocation.** Direct funds to where they are most impactful, addressing poverty in its different forms, gender inequality, climate change, and biodiversity loss. The conversation must become more concrete and precise about what the financial resources must be used for in priority. There needs to be much more transparency and accountability at all levels: too often, it is very hard or impossible to track how much of pledged money was indeed distributed, and then how much of it indeed reached communities in need.
- **Bridging gaps and overcoming inertia.** Acknowledging the urgency, it is essential to move beyond theatrics and incremental steps. Existing proposals lack granularity, and it is imperative to bridge the gap between billions in commitments and the required trillions. The focus should shift from magical thinking to substantive, credible solutions. Civil society organizations (CSOs) must challenge the status quo, pushing for bolder proposals and holding governments accountable, and not be the promoters and enablers of marginal tweaks.
- **Addressing urgent blindspots on biodiversity and Indigenous Peoples and Local Communities.** Biodiversity and the rights of Indigenous Peoples and Local Communities (IPLCs) are vital yet overlooked aspects of the reform conversation. The economic dependence on biodiversity is poorly understood within major institutions, leaving critical gaps in addressing its conservation and sustainable use, which also has dire consequences on pandemic prevention. Empowering IPLCs, respecting their land rights, and incorporating their knowledge into financial reforms can lead to transformative outcomes.
- **A call for candid conversations and collaboration.** Frank dialogue is essential for transformative change. It's imperative that stakeholders engage in open conversations about the necessary reforms and challenges faced. We invite all actors, from governments to CSOs, to collaborate and contribute to this ongoing dialogue. Together, we can build a just and sustainable global financial system that serves everyone, leaving no one behind. But for this, we need to be able to speak about, and hear about, what hurts us and others.

Recommendations

Recommendations for the IMF on biodiversity and IPLCs

- **A new allocation of SDRs for biodiversity.** Immediately, the IMF must consider a new, extraordinary general allocation of SDR to support the incorporation of biodiversity into the IMF's operational mandate and set of tools and instruments. This should include options for earmarking SDR allocations for IPLCs in recognition of their role in the conservation and sustainable use of biodiversity. The IMF's Board of Governors can make this decision.
- **Making biodiversity a qualifying challenge under the RST.** Immediately, the IMF must adopt biodiversity-sensitive criteria and actions - including provisions for IPLC as effective environmental stewards - as a qualifying challenge under the Resilience and Sustainability Trust. This is a decision that the Executive Directors could easily put forth and adopt. The Finance Ministers that they represent in their home countries must support this.
- **Reforming the DSA framework.** Incorporate the use of the United Nations Multidimensional Vulnerability Index¹³ to facilitate the identification of external as well as endogenous factors for Debt Sustainability Assessment (DSA). The expanded 2021 index includes indicators such as exposure to ecosystem pressure, trade openness, and migration, that would allow the IMF to identify additional vulnerabilities in public policy and structural factors that are not necessarily apparent or measurable under the current surveillance procedures.
- **Establishing a joint IMF-WB task force on debt swap, debt relief and debt clearing¹⁴ to identify rapid-action options for debt swaps to reach scale and to mitigate country risk.** This task force could support the Global Sovereign Debt Roundtable. To promote transparency in debt swaps and open dialogue on the positive macroeconomic impacts of investments in natural capital, functional ecosystems and improved ecological goods and services, Avaaz suggests that the IMF convene the ratings agencies in the Global Sovereign Debt Roundtable in addition to participating creditors and borrowing countries. Such a task force should also evaluate and make recommendations that encourage partnerships with IPLC on transparency, and conservation efficiency and efficacy.
- **Building partnerships.** Redirected debt service for nature conservation, improved ecosystem goods and services and/or climate action should be seen as a positive factor for macroeconomic and financial stability. By using its significant modeling capacity and data, the IMF should produce macroeconomic scenarios that include natural capital, climate action and ecosystem goods and services flows in country-level assessments and Debt Sustainability Assessment (DSA). These modeling exercises can be carried out through partnerships: UNCTAD has programmed meetings with the IMF on debt management and debt sustainability through its Debt Management and Financial Analysis System (DMFAS) Program¹⁵; these should be used to explore and innovate solutions. For Article IV policy framework reviews, rights-based approaches and IPLC engagement on debt should be achieved through partnerships with the UN Permanent Forum on Indigenous Issues (UNPFII) and other relevant bodies.

13 United Nations (2021) *Possible Development and Uses of Multi-Dimensional Vulnerability Indices. Analysis and Recommendations*. Available at: https://www.un.org/ohrls/sites/www.un.org/ohrls/files/multidimensional_vulnerability_indices_report-w.pdf (Accessed: August 16, 2023)

14 We refer to "debt clearing" as the mutual clearing between sovereign debt and ecological debt between countries, generally between the Global North and the Global South. See the following papers for more background: Avaaz. (2022). *The Ecological Debt: Save Biodiversity, Save The Economy*. Available [here](#) (Accessed: October 5, 2023); Avaaz. (2023). *Debt+Debt. The Argentine Case: A Post-Pandemic Proposal for Settling Sovereign and Ecological Debts and Pursuing a Fair and Equitable Transition in Argentina*. Available [here](#) (Accessed: October 5, 2023).

15 UN Conference on Trade and Development (UNCTAD). (2023). *The Programme of the Debt Management and Financial Analysis System*. Retrieved from: <https://unctad.org/dmf-fas/>. (Accessed: October 4, 2023).

Recommendations

Recommendations for the World Bank on biodiversity and IPLCs

- **Committing to implementing green finance using a rights-based approach.** The World Bank leadership should commit publicly to follow the recommendations for international development finance institutions made by the Special Rapporteur on the rights of Indigenous Peoples outlined in the [UN report on Green Financing](#)¹⁶, paragraph 78, and adopt and fund a human rights policy. This is aligned with the [recommendations of 74 Civil Society organizations](#)¹⁷ on the World Bank's evolution roadmap.
- **Making the respect of human rights binding in the Environmental and Social framework.** The World Bank Environmental and Social Framework (ESF) adopted in 2016, has important flaws regarding the rights of IPLCs, and is not compliant with international human rights standards on consultation and free, prior and informed consent and in the establishment of grievance mechanisms. Additionally, the current framework grants borrowers the flexibility to apply local laws and regulations as benchmarks for projects, which may not meet the desired threshold of compliance, and which should be subject to capacity development efforts aimed at establishing minimum standards of compliance. The respect of human rights in the ESF should be binding and not aspirational. The ESF needs urgent updating by setting a clear set of binding rules based on rights-based approaches and reflecting internationally agreed-upon norms and standards.
- **Ensuring direct access to finance to IPLCs by redesigning financing mechanisms.** Simplify application and reporting procedures as well as explore the need of removing unnecessary intermediaries. Opportunities for scaling direct funding for IPLC women must be at the core of this too. World Bank experts should explore and report on a list of tools and mechanisms prior to the 2024 IMF/WB Spring Meetings. The World Bank should establish collaboration with UNDP, the [UNPFII](#), and other international institutions and NGOs which have been working and making progress on this issue.
- **Allocate a share of the additional \$100 billion lending for biodiversity and IPLCs, with direct access modalities for IPLCs.** The recently created Global Biodiversity Framework Fund (GBFF) under the Global Environmental Facility (GEF) has an aspirational [target of 20%](#)¹⁸ for the direct access to funding by IPLCs. The World Bank must catch up and [do even better](#)¹⁹ and create a fixed funding target (not an “aspirational” one) for the direct funding of IPLCs. A share of the additional funding must also be earmarked for biodiversity.
- **Full alignment with the Kunming-Montreal Global Biodiversity Framework.** Committing to stopping financing harmful projects that deplete biodiversity and violate the rights of IPLCs, and aiming for aligning all projects with the Kunming-Montreal Global Biodiversity Framework.

16 Office of the United Nations High Commissioner for Human Rights (OHCHR) (2023). *A/HRC/54/31: Green financing - a just transition to protect the rights of Indigenous Peoples - Report of the Special Rapporteur on the human rights of Indigenous Peoples, José Francisco Calí Tzay*. July 21th, 2023. Available at: <https://www.ohchr.org/en/documents/thematic-reports/ahr5431-green-financing-just-transition-protect-rights-indigenous> (Accessed: October 9, 2023)

17 Eurodad. (2023). *Civil Society calls for rethink of World Bank's Evolution Roadmap as part of wider reforms to highly unequal global financial architecture*. July 5th, 2023. Available at: https://www.eurodad.org/civil_society_calls_for_rethink_of_world_banks_evolution_roadmap (Accessed: October 6, 2023)

18 Avaaz. (2023). *Mixed bag: Avaaz applauds GEF Assembly for ratifying GBF Fund, warns that it is not enough to operationalize the Fund and urges more action and direct funding for Indigenous peoples*. August 24th, 2023. Available at: <https://secure.avaaz.org/page/en/media/pressreleases/1083.html> (Accessed: October 6, 2023)

19 Bell, E. (2023). *The new Global Biodiversity Framework Fund needs to prioritize Indigenous-led conservation*. One Earth, August 25th, 2023. Available at: <https://www.oneearth.org/new-global-biodiversity-framework-fund-needs-to-prioritize-indigenous-led-conservation/> (Accessed: October 6, 2023)

1. Absent presences: you may not have realized it yet, but biodiversity and IPLCs are at the heart of the global financial reform

1.1. Duh! Biodiversity is central for macroeconomic stability and development finance

There is now ample evidence that biodiversity loss and climate change have caused severe disruption to economic activity [around the globe](#)²⁰, affecting growth, prices and employment,

and negatively impacting macroeconomic conditions and the performance of financial institutions. While the risks of having negative impacts on the economy and the financial system due to climate change (climate related financial risks) are now widely acknowledged, interest in risks related to biodiversity loss for the financial and the corporate sector have only recently started generating interest and concern.

Studies and reports have multiplied in recent years, stressing for instance that [55% of global GDP](#)²¹ depends on “high functioning biodiversity and ecosystem services”. Even rating agencies, which are not known to be the most environmentalist of organizations, have released analyses on the topic. [Moody's](#)²², for instance, estimates that \$1.9 trillion is at stake as biodiversity loss intensifies “nature related risks” and provides a further warning about the devastating ramifications in the economy of a depleted biodiversity. For an overview of these studies (including recent [modeling methods at the World Bank](#)²³), see “[It's the Ecology, Bretton Woods](#)”²⁴ the report Avaaz released for the 2022 Annual Meetings of the IMF and World Bank Group.

If you step back for a minute, there is nothing surprising in the fact that our economies extensively depend on the living fabric of our world, which is the source of most of our commodities and raw materials. The increasing [frequency of pandemics](#)

[ics](#)²⁵ since the 20th century is also directly linked to our impacts on biodiversity. That prominent financial actors are starting to actively worry now, because the damages to the biosphere have become so dire that it creates existential risks to many sectors (and people), says a lot about the hubris and blindness that has dominated economic paradigms so far.

In other words, we took for granted and plundered what should have been cherished and sustained. We now see public and private actors making this an explicit matter of concern. This year alone, the central banks of [Georgia](#)²⁶ and [Mexico](#)²⁷ have published detailed country-based studies on the risks to financial stability posed by increasing natural capital loss, as well as the impact of the banking sector on ecosystem services. As we describe in the next section, there are indications that it is a buzzing topic for private finance and venture capital as well.

What we see at the moment is that neither governments nor campaigners from civil society are sufficiently connecting the dots between the global financial reform and biodiversity. Even when they address topics such as the prevention of pandemics, they tend to connect the issue with climate change rather than more obviously to biodiversity loss.

These different approaches and examples of analysis of the interrelationships between biodiversity loss and financial stability indicate a clear path forward for the IMF to include the review of biodiversity and natural capital policies (including mainstreaming across the financial institutions of National Biodiversity Strategic Action Plans -NBSAPs- and national biodiversity finance plans) in their country reviews under Article IV. For the World Bank Group, building upon its recent own new modeling approaches, this opens prospects for fundamentally changing the rationale at the heart of its practices and projects, to support investments in sustaining biodiversity instead of plundering it.

20 Network for Greening the Financial System (NGFS) (2021). *Biodiversity and financial stability: exploring the case for action*. https://www.ngfs.net/sites/default/files/medias/documents/biodiversity_and_financial_stability_exploring_the_case_for_action.pdf (Accessed: October 6, 2023)

21 Rettsa, A., Schelske, O., Wilke, B., Rutherford, G., deJong, R., (2020). *Biodiversity and ecosystem services: a business case for re/insurance*. Swiss Re Institute. Available at: <https://www.swissre.com/dam/jcr:a7fe3dca-c4d6-403b-961c-9fab1b2f0455/swiss-re-institute-expertise-publication-biodiversity-and-ecosystem-services.pdf> (Accessed October 9th, 2023)

22 Quinson, T. (2022). *Moody's \$1.9 Trillion Warning Over Biodiversity*. Bloomberg, US edition, September 28th, 2022. Available at: <https://www.bloomberg.com/news/articles/2022-09-28/moodys-1-9-trillion-warning-over-biodiversity-green-insight> (Accessed October 9th, 2023)

23 Johnson, J.A., Ruta, G., Baldos, U., Cervigni, R. et al. (2021). *The Economic Case for Nature: A Global Earth-Economy Model to Assess Development Policy Pathways*. The World Bank Group, June 2021. Available at: [https://tfnf.global/knowledge-bank/the-economic-case-for-nature-a-global-earth-economy-model-to-assess-development-policy-pathways/#:-:text=World%20Bank%20\(June%202021\),services%20that%20are%20largely%20underpriced.](https://tfnf.global/knowledge-bank/the-economic-case-for-nature-a-global-earth-economy-model-to-assess-development-policy-pathways/#:-:text=World%20Bank%20(June%202021),services%20that%20are%20largely%20underpriced.) (Accessed October 9th, 2023)

24 Avaaz. (2023). “*It's the Ecology, Bretton Woods*” *On why ecological economics should be front and center at the International Monetary Fund and the World Bank Group*. Available at: <https://avaazimages.avaaz.org/Economic%20Case%20Biodiversity.pdf> (Accessed: October 6, 2023)

25 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). *Escaping the 'Era of Pandemics': Experts Warn Worse Crises to Come Options Offered to Reduce Risk*. October 19th, 2020. Available at: <https://www.ipbes.net/pandemics-marquee> (Accessed: October 9, 2023)

26 National Bank of Georgia. (2023). *Working paper 02/2023. Biodiversity-related Financial Risks - why it matters and how can we measure them?* Available at: https://nbg.gov.ge/fm/პუბლიკაციები/კვლევითი_ნაშრომები/კვლევითი_ნაშრომები/brfi-nbg-2023.pdf (Accessed September 29, 2023)

27 Banxico. (2023). *Dependencies and impacts of the Mexican banking sector on ecosystem services*. Available at: <https://www.banxico.org.mx/publicaciones-y-prensa/seminarios/financiamiento-a-las-comunidades-para-la-conservacion/7BA955B369-AD4D-FDF9-A984-D84812F9BB42%7D.pdf> (Accessed September 29, 2023).

1. Absent presences: you may not have realized it yet, but biodiversity and IPLCs are at the heart of the global financial reform

1.2. Working with – and not against – the leaders on the ground: changing the relationship between IFIs and IPLCs

The leadership of Indigenous Peoples and Local Communities (IPLCs) in climate and biodiversity action is increasingly well established scientifically and it was, for instance, well documented in the latest official climate and biodiversity reports (IPCC and IPBES). For example, [IPLCs manage territories and unique ecosystems that host 80% of forest biodiversity and that represent a major buffer to the climate disorder](#)²⁸. Other reports by major international institutions (from the UN to WRI) have also documented this in recent years, highlighting for instance that [supporting tenure rights for IPLCs is a very cost-effective climate and biodiversity solution](#)²⁹.

Yet, at the same time, evidence also shows that IPLCs have received less than 1% of climate funding during the last decade³⁰. Worse, despite an important pledge made during UNFCCC COP26, research published before COP27 showed that only 7% of the global funding intended for IPLCs actually reached communities on the ground³¹. A number of initiatives to support IPLCs with seed funding (such as the Small Grants Programme and the indigenous grants scheme of the UNDP Climate Promise) do not get the funding scale that is needed to meet both the investment demand and potential from IPLCs.

This is due to, *e.g.*, the dominant models of international project design, sometimes tense relationships between IPLCs and central governments, centuries-old prejudices casting IPLCs as incapable of handling finance or managing investments (despite their consistent results on the ground), to the lack of representation of IPLCs in global debates on financing which prevents the global audience, and especially the community of international financial institutions (IFIs), to better know the numerous successful cases of projects led by IPLCs worldwide and how to improve cooperation.

The question here is not about fetishizing money. IPLCs have been doing this work on the ground without much financial support and despite facing ferocious threats for centuries. Rather, the key question is how to better allocate international funds so that they further support the leadership of IPLCs in devising and deploying sustainability solutions across their lands and territories. In some cases, this could mean that more funding is needed for these communities; but more generally, it is about spending better, for the better, and in particular so that investments support the recognition and respect of the rights of IPLCs.

In recent years, IPLCs have developed several proposals of guidelines and standards³², and some actors in IFIs have tried new approaches too. The World Bank has made progress on its procedures regarding IPLCs, by including in its environmental and social framework the requirement of free, prior and informed consent in projects affecting IPLC territories, natural resources or cultural heritage, or that would require involuntary resettlement. The World Bank framework also requires that grievance mechanisms take into account the availability of judicial recourse and customary dispute settlement mechanisms among IPLCs. On its website, the World Bank highlights that “it works with indigenous peoples and governments to ensure that global development programs reflect the voices and aspirations of these communities”³³.

However, as the [Special Rapporteur on the human rights of Indigenous Peoples](#)³⁴ points out, there are flaws regarding the rights of IPLCs in the World Bank framework, such as:

- a lack of compliance with international human rights standards on consultation and free, prior and informed consent;
- a failure to consider impacts outside the immediate project area;

28 See a short summary: Zapata, J., & Grouwels, S. (2022). *Climate Finance Needs Rethinking to Reach Indigenous Peoples on the Ground*. IISD-SDG Knowledge Hub. Available at: <https://sdg.iisd.org/commentary/guest-articles/climate-finance-needs-rethinking-to-reach-indigenous-peoples-on-the-ground/> (Accessed: October 6, 2023)

29 Ding, H., Veit, P., Gray, E., Reyter, K., et al (2016). *Climate Benefits, Tenure Costs: The Economic Case For Securing Indigenous Land Rights in the Amazon*. Available at: <https://www.wri.org/research/climate-benefits-tenure-costs> (Accessed: October 6, 2023)

30 Hatcher, J., Owen, M., Yin, D. (2021). *Falling Short. Donor funding for Indigenous Peoples and local communities to secure tenure rights and manage forests in tropical countries (2011-2020)*. Rainforest Foundation Norway. Available at: <https://www.regnskog.no/en/news/falling-short> (Accessed: October 6, 2023)

31 Cannon, J. (2022). *Small share of land rights pledge went to Indigenous groups: Progress report*. Mongabay, November 7th, 2022. Available at: <https://news.mongabay.com/2022/11/small-share-of-land-rights-pledge-went-to-indigenous-groups-progress-report/> (Accessed: October 6, 2023)

32 World's Indigenous Peoples. (2022). Principles & Guidelines for Direct Access Funding for Indigenous Peoples' Climate Action, Biodiversity Conservation and Fighting Desertification for a Sustainable Planet. Available at: <https://assets.theshape.io/86ce9525-f5f2-4e97-81ba-54e8ce933da7/dev/O1375808-c4d4-412c-80a5-8a516e835976/Indigenous%20peoples%20-%20principles%20%26%20guidelines%20for%20direct%20access%20funding.pdf> (Accessed: October 6, 2023). See also a presentation of the Shandia Vision [here](#)

33 World Bank (WB). (2023). *Indigenous People*. World Bank Website. Available at: <https://www.bancomundial.org/es/topic/indigenouspeoples/1> (Accessed: October 9 2023).

34 Office of the United Nations High Commissioner for Human Rights (OHCHR) (2023). *A/ HRC/54/31: Green financing - a just transition to protect the rights of Indigenous Peoples - Report of the Special Rapporteur on the human rights of Indigenous Peoples*, José Francisco Calí Tzay, July 21th, 2023. Available at: <https://www.ohchr.org/en/documents/thematic/reports/ahrc5431-green-financing-just-transition-protect-rights-indigenous> (Accessed: October 9, 2023).

1. Absent presences: you may not have realized it yet, but biodiversity and IPLCs are at the heart of the global financial reform

- limiting remedies to monetary compensation;
- and the absence of engagement, dialogue and consultation with IPLCs regarding the establishment of grievance mechanisms, as required by principle 31 of the Guiding Principles on Business and Human Rights.

This points to the issue of safeguards, both on their merits and limits. Safeguards are used by the multilateral financial institutions to mitigate risks and improve the environmental and social performance of projects financed through loans and concessional financing. While all the multilateral institutions have some type of safeguard system in place, the major references are the International Finance Corporation (IFC) and the World Bank. *IFC's Sustainability Framework*³⁵ includes performance standards that cover issues such as environmental and social risks, cultural heritage, indigenous peoples, labor conditions, etc., as well as a transparency framework. *The World Bank safeguard policies*³⁶ are embedded in the Bank's sustainable poverty reduction focus and are designed to prevent and mitigate potential impacts in areas such as natural habitats, forests, cultural property, gender and indigenous peoples.

*IMF safeguards*³⁷ are a bit different from the multilateral banks, as its mandate and in-country counterparts are related to macroeconomic issues rather than project finance. IMF safeguards address issues such as limits and conditions on loans, measures to address audits, reporting issues, arrears, and safeguard assessments of central banks. The findings of safeguard assessments are not public and are not shared with the Executive Board of the IMF. The Board does however receive a summary of recommendations and findings. This is an area of opportunity for the IMF, especially when direct budget support is considered for countries. World Bank or IFC safeguards and transparency could be useful for the IMF to ensure that engagement on climate, biodiversity and IPLC policies and direct financial access issues is carried out in an adequate framework with clear responsibilities and technical backstopping.

While safeguards are important, they are of limited value in practice without deeper changes in project culture and procedure. For instance, despite what we are describing about the World Bank, many of the projects it supports actually violate the rights of IPLCs (see Box 1 for selected examples in the last five years only).

Beyond the question of increased financial support and direct access of IPLCs to funding, there is a deeper relational issue between IFIs and IPLCs that should be addressed. During an official side-event of the Summit for a New Global Financing Pact on IPLCs and global finance, *participants identified the following five recommendations*³⁸:

- **Changing the role of actors and who leads in development strategies:** enable the rights of IPLCs through supportive governmental policies.
- **Changing how we invest:** review and redesign investment categories and fiduciary contracts to reflect IPLCs' vision of what is needed.
- **Changing how we measure impact:** reform the global financial architecture to include policy and legal milestones related to rights and roles of IPLCs.
- **Changing the governance of projects:** create equitable governance structures to help bridge the trust gap between IPLCs and IFIs and support self-governance as a sound investment practice.
- **Changing how we discuss these issues:** facilitate technical discussions, inter-cultural exchange and policy dialogues between IFIs and IPLCs.

The World Bank and the IMF have the responsibility and necessary leadership to make this happen.

35 International Finance Corporation (IFC). (2012). *Performance standards on environmental and social sustainability*. January 1st, 2012. Available at: <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standards-en.pdf> (Accessed October 2, 2023).

36 World Bank (WB). (2017). *The World Bank environmental and social framework*. Available at: <https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf>. (Accessed October 2, 2023).

37 International Monetary Fund (IMF). (2023). *Factsheet: Protecting IMF resources: Safeguard assessments of central banks*. Available at: <https://www.imf.org/en/About/Factsheets/Sheets/2023/Protecting-IMF-resources-safeguards-assessments-of-central-banks#:~:text=The%20safeguards%20assessments%20policy%20was,central%20banks%20completed%20to%20date> (Accessed October 2, 2023).

38 Avaaz. (2023). *Indigenous Peoples and Global Finance: Five key reforms to enable sustainability solutions and advance justice*. Available at: https://avaazimages.avaaz.org/Avaaz_NFP%20Summit_Global%20finance_5%20Reforms%20for%20indigenous%20peoples.pdf. (Accessed October 3, 2023)

1. Absent presences: you may not have realized it yet, but biodiversity and IPLCs are at the heart of the global financial reform

Box 1: IPLCs' rights violation by projects supported by the World Bank in the last five years – a sample

There have been several cases in the last 5 years around the world, where the rights of IPLCs are violated by projects financed by the World Bank. Dams, roads and expansion of crop areas in tropical forests are some of the projects that have been financed in recent years by the World Bank in Latin America, Africa, the Middle East and Southeast Asia, sparking local criticism and resistance.

According to journalist Hassan Chamoun (2019) "A group of activists and protesters calling themselves the Save Bisri Valley campaign have been organizing and confronting the construction of a dam in Lebanon's Bisri Valley. [The Bisri Dam is a project mainly financed by a loan from the World Bank](#)"³⁹.

In Guatemala, the organization Oxfam stated that "the private sector branch of the World Bank (IFC) was negligent in preventing harm to indigenous communities. "This is due to an independent investigation." The Oxfam president himself said that "the CAO (Compliance Advisor Ombudsman) investigation substantiated allegations by communities that they have suffered violence, intimidation and repression since the project began, and that significant impacts continue to exist. Furthermore, he demonstrates that the IFC failed in its duties and obligations to ensure that its investments 'do no harm,' especially in poor and vulnerable communities isolated by years of violence during the Guatemalan civil war". According to the Oxfam report, "in 2015, communities in Santa Cruz Barillas filed a complaint with the CAO, the IFC's watchdog, alleging significant social and human rights impacts, including conflict related to the project (at least one person, community activist Andrés Francisco Miguel was murdered and many others injured and imprisoned)". Finally ([also according to Oxfam](#)) "in March 2020, the IFC announced a series of unprecedented reforms on some issues championed by civil society and US Congresswoman Maxine Waters, including those related to transparency and accountability in lending of financial intermediaries"⁴⁰.

In the Democratic Republic of the Congo, palm plantations are one of the drivers of deforestation in the Congolese rainforests, the second largest rainforest in the world after the Amazon. According to an investigation by Gloria Pallarés, published in the Spanish newspaper [El País](#) (2021), (...) "the company Socfin, from Luxembourg, is accused of land grabbing and logging of community forests. Socfin benefits from funds from France (Proparco) and the World Bank"⁴¹.

In another case in Guatemala, journalist Regina Pérez [reported in October 2022](#) that (...) "thousands of residents from 33 communities protested in front of the Presidential House (...) to demand the approval of a regulation that allows the disbursement of economic

compensation to which the State of Guatemala committed itself" (...) for the impact of the Chixoy Hydroelectric Plant. (...) "to build the hydroelectric plant, which was financed with funds from the World Bank and the Inter-American Development Bank (IDB), 33 communities were displaced. (...) The hydroelectric plant flooded approximately two thousand hectares of agricultural land, causing the disappearance of 23 villages, 471 homes, ten public buildings and 45 archaeological sites, according to a lawsuit that the communities presented to the Inter-American Commission on Human Rights (IACHR) and that was admitted in 2021"⁴².

These cases are similar to the Agua Zarca dam on the Gualcarque River in Honduras, which was denounced for years by the indigenous activist of the Lenca people, Berta Cáceres, (winner of the Goldman Prize) [who was murdered in 2015](#)⁴³.

In Bolivia, a road financed by the World Bank runs through one of the last dry forests in the world. The journalist Lloret Céspedes (2022) says about it: "This area of eastern Bolivia is a region little known in the world, but of great ecological importance. It covers more than 24 million hectares, almost all of it is in Bolivia and, to a lesser extent, in Paraguay and Brazil. It is the largest tropical dry forest in South America and one of the best preserved in the world. However, the construction of a new highway, financed with a loan from the World Bank and built by the China State Construction Engineering Corporation (CSCEC) - the largest construction company in the world - [raises fears for its future](#)"⁴⁴.

According to a note on the Global Voices blog (2023), "In Kampong Thom province, Cambodia, the government ended a community forestry program and remaining trees are being removed to create a World Bank project village. On the other hand, farmers had their land taken away - and their protests were put down by force - to make way for an earlier version of the project. Both projects are part of the World Bank's vision to give land and opportunities to poor people in rural Cambodia. Instead, they left the former occupants in ruins, [without farms or community forests](#)"⁴⁵.

39 Hassan C. (2019). *Within the Lebanese campaign to stop the dam project financed by the World Bank*. Global voices, April 24th, 2019. Available at: <https://es.globalvoices.org/2019/04/24/dentro-de-campa%C3%B1a-libanesa-para-detener-proyecto-de-represa-financiada-por-banco-mundial/> (Accessed October 9, 2023)

40 Oxfam International. (2020). *The IFC is accused of negligence for failing to prevent harm to indigenous communities in Guatemala*. June 18th, 2020. Available at: <https://www.oxfam.org/es/notas-prensa/la-ifc-tildada-de-negligente-por-no-prevenir-los-danos-las-comunidades-indigenas-en> (Accessed October 9, 2023)

41 Pallarés, G. (2021). *The colonial network of oil palm plantations. Democratic Republic of Congo*. El País, December 2nd, 2021. Available at: <https://elpais.com/planeta-futuro/2021-12-03/rep%C3%BAblica-democr%C3%A1tica-del-congo-la-red-colonial-de-las-plantaciones-de-aceite-de-palma.html> (Accessed October 9, 2023)

42 Pérez R. (2022). *Communities affected by the Chixoy dam in Guatemala, waiting for the State to comply with reparation measures*. Blog DesInformemos, Noviembre 12th, 2022. Available at: <https://desinformemos.org/comunidades-afectadas-por-represa-chixoy-en-guatemala-a-la-espera-de-que-el-estado-cumpla-medidas-de-reparacion/> (Accessed October 9, 2023)

43 Martins, A. (2015). *Honduras: Berta Cáceres, the activist who twisted the hand of the World Bank and China, is killed*. BBC News World. April 24th, 2015. Available at: https://www.bbc.com/mundo/noticias/2015/04/150423_honduras_berta_caceres_am (Accessed October 9, 2023)

44 Lloret Céspedes, R. (2022). *Controversial road will cross the dry Chiquitano forest*. Chinese Dialogue Blog, January 14, 2022. Available at: <https://dialogochino.net/es/infraestructura-es/50290-en-bolivia-una-polemica-carretera-atravesara-uno-de-los-biomas-mejor-conservados-del-mundo/> (Accessed October 9, 2023)

45 VOD News. (2023). *Problems with land transfer from the World Bank in Cambodia*. Global Voices Blog, January 5th, 2023. Available at: <https://es.globalvoices.org/2023/01/05/problemas-con-cesion-de-tierras-del-banco-mundial-en-cambodia/> (Accessed October 9, 2023)

2. Biodiversity and IPLCs are still seen as outsiders but the tables are slowly turning: a quick overview of 2023 summits

The overwhelming majority of international political summits this year sent clear signals on the need to reform the global financial system. As the short summaries of their outcomes suggest in Table 1, the language has remained quite vague and most aspects of what the “reform” should look like and achieve remain to be clarified (as we mentioned in the open letter and recommendations of the present document).

On biodiversity and IPLCs, what we saw is that even if they are still not systematically at the center of the discussions, and still poorly understood by the actors working on finance, they are definitely topics on the rise. Both the G7 and the BRICS used strong language to welcome the “historic” adoption of the Kunming-Montreal Global Biodiversity Framework (KMGBF). The G7, in particular, made rather ambitious commitments, in line with the KMGBF, and especially on financing, including the alignment of their international development assistance with the KMGBF, and a call to Multilateral Development Banks (MDBs) to play their part as well.

The GEF Assembly enacted the launch of the Global Biodiversity Framework Fund (GBFF), which will contain a real innovation: 20% of its fund should be distributed to IPLCs, following some forms of direct access. While this target is

“aspirational”, this creates a first, and the momentum around this issue is likely to keep rising. The UNFCCC COP28 Presidency, for instance, has commissioned a report [on direct access to funding for IPLCs](#)⁴⁶ that will be launched during COP28.

In the buzzing activity of Climate Week NYC, we also saw that both biodiversity and IPLCs were attracting more attention. A couple years back, when we were discussing these topics with actors who are mono-thematically concentrated on “climate”, we could see that they were struggling to connect the dots, especially when it came to financing. Now, even the “finance” and “tech” crowds often appear interested. It is positive to see this increased interest, and at the same time this potentially opens the door to a lot of false solutions and perverse outcomes.

As we discuss in the next section about debt swaps, the IFIs should step up here, both because they risk being outpaced by a number of developments, but also because the conversation on news instruments needs to be channeled carefully towards concrete and reliable solutions, and not left to the initiative of venture capitalists.

⁴⁶ The National News (2023). *Cop28 presidency to ensure indigenous voices are heard at global talks*. Sep 27th, 2023. Available at: <https://www.thenationalnews.com/climate/cop28/2023/09/27/cop28-presidency-to-ensure-indigenous-communities-are-represented-at-global-talks/> (Accessed October 9, 2023)

Table 1: Selected outcomes on biodiversity, IPLCs, and the global financial reform of the political summits that took place in 2023 since the IMF-WB Spring Meetings

Event	Date	Selected outcomes on biodiversity, IPLCs, and the global financial reform
G7 Hiroshima Summit	May 10-21	<p>Comments on the G7 annual summit (G7 Hiroshima Leaders Communiqué) focused mostly on their common position against Russia on the Ukraine war. The G7 countries, the largest historical emitters of CO₂ (and thus the most responsible for climate change), did not set concrete goals for themselves, but called on all Parties to commit at UNFCCC COP28 to peak global GHG emissions immediately and by no later than 2025.</p> <p>Concerning the reform of the financial system, the text stresses the need to enhance representation and the voice of developing countries in decision-making on global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions. Leaders also committed to “promote the evolution of the Multilateral Development Banks (MDBs)” and “key reforms to the WBG’s mission and operational model along with financial reforms that can add up to \$50 billion of financing capacity over the coming decade”.</p> <p>On the biodiversity front there were important commitments that are worth mentioning, starting with the G7 welcoming the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) and their commitment to “its swift and full implementation”. In this regard, G7 members that are parties to the Convention on Biological Diversity (CBD) committed to: “revise, update and submit their National Biodiversity Strategies and Action Plans (NBSAPs) aligned with the GBF and its goals and targets”. The communiqué also contains the commitment to identify incentives, including subsidies, harmful to biodiversity by 2025, and redirect or eliminate them while scaling up positive incentives for the conservation and sustainable use of biodiversity by 2030 “at the latest, taking initial steps with no delay.” They also commit to “substantially increase their national and international funding for nature by 2025, ensuring that their international development assistance aligns with the GBF”.</p> <p>Despite the MDBs addressing timidly the biodiversity crisis, the G7 called on the MDBs to increase support for biodiversity “including through leveraging financial resources from all sources and deploying a full suite of instruments”. To implement the GBF, they committed to “substantially and progressively increasing the level of financial resources from all sources, and to align all relevant fiscal and financial flows with the GBF, calling on others to do the same”. In this sense, they committed to supporting the establishment of the GBF Fund, including through sharing knowledge and creating information networks among the G7. Along the same lines, the G7 stressed their commitment “to (achieve) the target of effectively conserving and managing at least 30 percent of terrestrial and inland water areas, and at least 30 percent of marine and coastal areas by 2030 (30 by 30), nationally and globally”.</p> <p>Interestingly, the G7 called on China to engage on areas such as “the climate and biodiversity crisis and the conservation of natural resources in the framework of the Paris and Kunming-Montreal Agreements, addressing vulnerable countries’ debt sustainability and financing needs, global health and macroeconomic stability”.</p>
Summit for a New Global Financing Pact	June 22-23	<p>The Paris Summit was meant to create a shared vision and roadmap for the global reform. Its main political outcome, The Paris Pact for People and the Planet (4P) helped identify a list of short term changes that seemed the most feasible. It lacked ambition but still did not receive very strong support from other countries, with no other G7 countries supporting it for instance.</p> <p>Biodiversity and climate were addressed jointly during the summit, as part of planetary commons. Despite an official side event⁴⁷ on IPLCs on the agenda, the outcomes of the summit did not contain a single reference to IPLCs.</p>
Amazon Summit	August 8-9	<p>The summit failed to deliver on a common goal to protect the Amazon (see the Amazonia declaration). However, Colombia strengthened its leadership by calling for a common goal of protecting 80% of the Amazon by 2025. On IPLCs: safeguards for indigenous rights are mentioned in the final declaration, as well as the call for demarcation and legal protection of their territories.</p>

47 Avaaz. (2023). *Indigenous Peoples and Global Finance: Five key reforms to enable sustainability solutions and advance justice*. Available at: https://avaazimages.avaaz.org/Avaaz_NFP%20Summit_Global%20finance_5%20Reforms%20for%20indigenous%20peoples.pdf. (Accessed October 3, 2023)

Event	Date	Selected outcomes on biodiversity, IPLCs, and the global financial reform
15th BRICS Summit	August 22-24	The rights of IPLCs were barely included in the final declaration of the summit. Reference is made to the importance of indigenous knowledge in the prevention of catastrophic events (such as fires) and in the promotion of culture and sports. With regard to biodiversity, the mentions were more specific: Recognizing (...) “the importance of implementing the SDGs in an integrated and holistic manner, including by eradicating poverty and combating climate change, while promoting sustainable land use and water management, the conservation of biological diversity and the sustainable use of its components and biodiversity and the fair and equitable sharing of benefits arising from the utilization of genetic resources”. BRICS leaders also welcomed (...) “the historic adoption of the Kunming-Montreal Global Biodiversity Framework (KMGBF) at the 15th Conference of the Parties to the Convention on Biological Diversity (CBD COP-15) in December 2022”. They therefore committed “to implement all the global goals and targets of the KMGBF, in accordance with the principles of common but differentiated responsibilities and national circumstances, priorities and capacities, in order to achieve its mission of halting and reversing biodiversity loss and the vision of living in harmony with nature.”
GEF Assembly	August 22-26	<p>During the 7th GEF Assembly held in Vancouver (Canada), the first commitments to the new Global Biodiversity Framework Fund (GBFF) were made, but the amount pledged and number of donors was not enough to operationalize the fund, and with the 65th GEF Council meeting set to take place on October 10, 2023, the GBFF is still around USD 40 million shy. Progress was also made in earmarking an aspirational 20% share of the new for Indigenous Peoples (IPs), however Avaaz pointed out at the time⁴⁸ that new pledges should be used to encourage additional funding and to turn any ‘aspirational’ amount of funding for Indigenous Peoples into a firm target. Avaaz further urged the Global Environment Facility (GEF) Council to take immediate action to allocate these earmarked funds and empower Indigenous Peoples to continue conserving biodiversity, reducing ecological degradation, and contributing to the goals of the Kunming-Montreal Global Biodiversity Framework as full and equal partners.</p> <p>Avaaz also noted that IMF staff research⁴⁹ has explored expanded scenarios for SDRs including as Special Drawing Rights issuance for “systemically important global institutions” – a criterion that certainly applies to the GEF. As the GEF trust fund uses SDRs as a unit of account, it makes sense to explore the possibility of additional mobilization of unallocated SDRs to rapidly and significantly capitalize the GBFF and to pilot direct access mechanisms for IPLC. This is an area of convergence between the GEF, IMF and the World Bank and should be explored by the Development Committee and the Executive Board as an incentive to redistribute SDRs. Finally, GEF has provided foundational funding⁵⁰ to establish the Taskforce on Nature-related Financial Disclosure through UNEP and WWF, contributing to building bridges between finance and biodiversity.</p>
Africa Climate Summit	August 4-8	The Nairobi declaration contained a united call from African leaders to reform the global financial architecture and they also stressed the urgent need for debt relief and for resources to be used to tackle the effects of climate change on the African continent. The declaration also confirmed the strong support of African countries to the creation of new taxes to fund climate action. The declaration contains three mentions of biodiversity, and most notably the commitment of leaders to finalize and implement the draft African Union Biodiversity Strategy and Action Plan. On the question of IPLCs, the leaders committed to embrace indigenous knowledge and citizen science in both climate adaptation strategies and early warning systems and to support smallholder farmers, indigenous peoples, and local communities in the green economic transition given their key role in ecosystem stewardship.
Finance in Common Summit (FICS)	September 4-6	FICS brings together all the Public Development Banks, all the Multilateral Development Banks (MDBs), all the regional member associations of the Public Development Banks that are part of the World Federation of Development Finance Institutions (WFDI) and the members of the International Development Finance Club (IDFC). The final declaration did not mention indigenous peoples, but it did mention vulnerable populations: “Participants shared a common sense of urgency and expressed their willingness to do more to protect the most vulnerable populations and preserve the commons”. Participants also committed to “align financing with the SDGs, the Paris Agreement and the Global Framework for Biodiversity.”
43rd ASEAN Summit	September 4-7	The 43rd ASEAN Summit took place in Jakarta on Sept 5th, 2023. As part of their commitments as a region on climate, the ASEAN countries stated in their declaration their adoption of 1) the ASEAN Joint Statement on Climate Change to the 28th Session of Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP 28); 2) the ASEAN Blue Economy Framework and 3) the ASEAN Declaration on Sustainable Resilience. There is also a recognition of the need to increase investment in addressing climate change and other environmental issues but no clear commitments.

48 Avaaz. (2023). *Avaaz position paper for the 7th GEF Assembly*. Available at: https://avaaz.org/position_paper_7GEF_EN. (Accessed October 2, 2023).

49 International Monetary Fund (IMF). (2018). *Considerations on the Role of the SDR*. April 11th, 2018. Available at: <https://www.imf.org/en/Publications/Policy-Papers/Issues/2018/04/11/pp030618consideration-of-the-role-the-sdr> (Accessed: October 2, 2023)

50 Global Environment Facility (GEF). (2023). *Project database. Establishing the Taskforce on Nature-related Financial Disclosures*. Available at: <https://www.thegef.org/projects-operations/projects/10755>. (Accessed October 2, 2023).

Event	Date	Selected outcomes on biodiversity, IPLCs, and the global financial reform
2023 G20 New Delhi summit	September 9-10	<p>The G20 agenda in New Delhi included climate change, economic development and the debt burden in low-income countries. The important takeaways on biodiversity and climate change are:</p> <ol style="list-style-type: none"> 1) The support to the G20 ambition to reduce land degradation by 50% by 2040 on a voluntary basis; 2) The commitment to restore by 2030 at least 30% of all degraded ecosystems and scaling up efforts to achieve land degradation neutrality in line with the KMGBF; 3) The scaling up of efforts to protect, conserve and sustainably manage forests and combat deforestation, in line with internationally agreed timelines, highlighting the contributions of these actions for sustainable development and taking into account the social and economic challenges of local communities and indigenous peoples. <p>Interestingly, in the context of forests the G20 leaders expressed their commitment to fight discriminatory green economic policies, consistent with WTO rules and multilateral environmental agreements and their commitment to mobilize new and additional finance for forests from all sources, including concessional and innovative financing, in particular for developing countries.</p> <p>The G20 committed to pursue reforms for better, bigger and more effective Multilateral Development Banks (MDBs), underscoring the need for enhancing representation and voice of developing countries in decision-making in global international economic and financial institutions and committing to evolve and strengthen MDBs to address the global challenges of the 21st century with a continued focus on addressing the development needs of low- and middle-income countries.</p>
G77 and China Summit, La Havana, Cuba	September 15-16	<p>The Summit of Heads of States and Governments of the Group of 77 (G77) and China adopted the Havana Declaration, a document focused mainly on cooperation in science, technology and technology among countries in the South and on triangular cooperation. The group mentioned the urgent need for a comprehensive reform of the international financial architecture and an increased representation of developing countries in the global decisions and policy-making bodies. The need to promote traditional, local, afro-descendant and indigenous knowledge and capacities was acknowledged in the document.</p>
High-level Meetings of the 78th session of the UN General Assembly	September 18-26	<p>The financial reform was omnipresent during the meetings and speeches of the UNGA high-level week. Sustainable development too, with the SDG Summit and 2023 Climate Ambition Summit. For an overview of what happened, see here⁵¹.</p> <p>On IPLCs, a notable outcome was the release of the United Nations Human Rights report⁵² on green financing by the United Nations Special Rapporteur which was discussed during the UN's Human Rights Council in September. The report confirms what Avaaz has been voicing: Indigenous peoples are largely being excluded from global spending to fight climate change with governments doing little to ensure that Indigenous-led projects are getting funding and Indigenous peoples have been excluded from the decisions on green energy projects, being perceived as "vulnerable" population rather than as rights holders. Therefore, the report stresses the need to shift to green finance using a human rights approach.</p> <p>On the sidelines, during the ClimateWeek NYC, both biodiversity and IPLCs were a hot topic⁵³. The Kunming-Montreal Global Biodiversity Framework (and its commitment to protect 30% of land and oceans by 2030) was discussed in several events; several initiatives for/by the private sector were launched (the Taskforce for Nature-related Financial Disclosure, Nature Action 100, Forest Investor Club). The need to better connect financial flows to the needs of IPLCs was also discussed.</p> <p>Avaaz organized two events at the People's Forum in NYC:</p> <ul style="list-style-type: none"> - Indigenous People and Global Finance: Pathways to Sustainability and Justice - Women Leading Climate Action And Environmental Protection Towards A Livable Planet

51 Avaaz. (2023). *Of Mouths And Money. The Global Financial Reform Is On The Table - Now Let's Define What (And Who) Is On The Menu. A word from Avaaz after the High-level Meetings of the 78th session of the UN General Assembly (September 2023) - and looking ahead.* Available at: https://drive.google.com/file/d/1vyTF1xjTILdsdhkN7IG76cWy9kOX8vGm/view?usp=share_link (Accessed: October 6, 2023)

52 Office of the United Nations High Commissioner for Human Rights (OHCHR) (2023). *A/HRC/54/31: Green financing - a just transition to protect the rights of Indigenous Peoples - Report of the Special Rapporteur on the human rights of Indigenous Peoples, José Francisco Calí Tzay.* July 21th, 2023. Available at: <https://www.ohchr.org/en/documents/thematic-reports/ahrc5431-green-financing-just-transition-protect-rights-indigenous> (Accessed: October 9, 2023)

53 Fleming, P. (2023). *Wall Street urged to back Indigenous peoples as protectors of forests and oceans.* Reuters, October 5th, 2023. Available at: <https://www.reuters.com/sustainability/land-use-biodiversity/wall-street-urged-back-indigenous-peoples-protectors-forests-oceans-2023-10-05/> (Accessed: October 9, 2023).

3. A swarm of debt swaps? The need for a joint IMF-WB task force

Given the increase in global debt levels and the number of countries [in or approaching debt distress](#)⁵⁴, there has been renewed interest in debt-for-nature or debt-for-climate action swaps. So far this year, Avaaz has made [recommendations to the IMF](#)⁵⁵ during the Spring meetings, a [V20 policy paper](#)⁵⁶ called for debt restructuring including shock resilient debt and a new round of swaps, and one of the outcomes of the Paris Summit was a [three-pager](#)⁵⁷ on the lessons learnt and following steps for debt swaps.

This last document proposes high-level principles for debt swaps operations, stressing the crucial role – and we also argue the responsibility – of the IFIs (IMF, IaBD, WB etc) and NGOs in helping countries to assess the potential risks and opportunities for debt swaps on their sovereign debt issued to private creditors. Similar to other recommendations for innovative use of debt instruments – such as the case [for land restoration](#)⁵⁸ – it also explores opportunities for thematic diversification of debt swaps to address issues in other sectors such as health and education. Organisms within the UN system such as UNCTAD have also emitted [recommendations](#)⁵⁹ to revalue debt swaps in light of the increasing debt loads, unmet financial commitments by developed countries, and the failure to make substantial progress on SDG achievement, while NGOs like [Latindadd](#)⁶⁰ have already identified important lessons and caveats from recent experiences like the Galapagos debt-swap (see Box 2 below).

Both [debt levels](#)⁶¹ and creditor interest for developing new rounds of [debt swaps are growing](#)⁶², and new mechanisms

that link debt sustainability to development assistance and investments in the environment are needed. An increasing number of countries has expressed interest in exploring the development of innovative debt swaps. Barbados, during the address by Prime Minister Mottley to the 2023 Climate Ambition Summit, announced a debt swap for climate action supported by the IDB, the European Development Bank and the Green Climate Fund. PM Mottley celebrated the fact that co-operation between multilateral financial institutions is possible, and called for an urgent convening of the World Bank and the multilateral development banks to deepen cooperation and eliminate hierarchies in the financial architecture. Cape Verde has concluded negotiations with Portugal to swap debt for a green and energy transition and the development of [a blue economy strategy and actions](#)⁶³. Gabon has reached agreement to refinance its external debt, with some caveats as addressed below. Ecuador and Credit Suisse executed the largest debt swap to date, that will support increased conservation ambition in the Galapagos Islands (see Box 2 for a more detailed look at the pros and cons).

In an approach that departs from a bilateral negotiation to a multi-country approach, Colombian President Gustavo Petro announced at the Finance in Common Summit in September 2023 that “[Colombia, France, Kenya and Ghana are collaborating on a proposal to exchange foreign debt for climate change actions](#)⁶⁴”. The proposal entails using Special Drawing Rights to pay creditors and applying the resources currently earmarked for debt service to support climate action in what Petro described as a Marshall Plan for debt. The innovative approach to using SDRs for debt relief [goes beyond existing proposals](#)⁶⁵ for utilizing SDRs to increase lending capacity of the multilateral development banks and to achieve the sustainable development goals. This type of regional and multi-country approach contributes to the issue of scaling-up of debt swaps that has been noted by [Avaaz](#)⁶⁶, as country-by-country cases – whilst growing in overall amounts – are still plagued by high transaction costs and complicated negotiations.

54 UN Conference on Trade and Development (UNCTAD). (2023). *A world of debt: A growing burden to prosperity*. Available at: <https://unctad.org/publication/world-of-debt> (Accessed October 3, 2023).

55 Avaaz. (2023). *Out of Oblivion: Why biodiversity must be at the heart of all IMF policies*. Available at: <https://avaazimages.avaaz.org/Avaaaz%202023%20-%20IMF%20spring%20meetings%20-%20biodiversity.pdf> (Accessed October 3, 2023).

56 Vulnerable Twenty Group (V20). (2023). *Accra Marrakech Agenda*. April 16th, 2023. Available at: https://www.v-20.org/wp-content/uploads/2023/04/AMA-Agenda_April-16-compressed.pdf (Accessed October 3, 2023).

57 Ministère de l'Europe et des Affaires Étrangères (2023). *Debt swaps – lessons learnt and way forward*. Sommet pour Un Nouveau Pacte financier Mondial, June 2023. Available at: <https://nouveau-pacte-financier.org/pdf/debt-swaps-lessons-learnt-and-way-forward.pdf> (Accessed October 6, 2023).

58 UNCCD. (2023). *Debt for Land Restoration Swaps*. Retrieved from: https://www.unccd.int/sites/default/files/2022-05/220509_UNCCD_Debt_for_Land_Restoration_Report.pdf (Accessed October 3, 2023).

59 UN Conference on Trade and Development (UNCTAD). (2022). *Policy Brief No. 104. Tackling debt and climate challenges in tandem: A policy agenda*. Retrieved from: https://unctad.org/system/files/official-document/presspb2022d12_en.pdf (Accessed: October 2, 2023).

60 Latin American Network for Economic and Social Justice (Latindadd). (2023). *Galapagos deal: an ignominious legacy*. May 25th, 2023. Available at: <https://www.latindadd.org/2023/05/25/galapagos-deal-an-ignominious-legacy/> (Accessed: October 9th, 2023).

61 International Monetary Fund. (2023). *Global debt is returning to its rising trend*. Available at: <https://www.imf.org/en/Blogs/Articles/2023/09/13/global-debt-is-returning-to-its-rising-trend>. (Accessed October 2, 2023).

62 Banque de France. (2023). *Debt for nature swaps: a two fold solution for environmental and debt sustainability in developing countries?* Bulletin de la Banque de France, 244/2. January-February 2023. Available at: https://publications.banque-france.fr/sites/default/files/medias/documents/823003_bdf244_2-en_version_finale.pdf (Accessed: April 7, 2023).

63 Government of Portugal. (2023). *Portugal supports Cape Verde's green and energy transition*. Press release, June 20th, 2023. Available at: <https://www.portugal.gov.pt/en/gc23/communication/news-item?i=portugal-supports-cape-verdes-green-and-energy-transition>. (Accessed October 2, 2023).

64 Cambio. (2023). *Francia, Kenia y Ghana se suman a propuesta de Petro sobre trueque: deuda externa por acción climática*. September 6, 2023. Available at: <https://cambio.com.co/medio-ambiente/francia-kenia-y-ghana-se-suman-propuesta-de-petro-sobre-trueque-deuda-externa-por> (Accessed October 2, 2023).

65 UN Conference on Trade and Development (UNCTAD). (2022). *Policy Brief No. 104. Tackling debt and climate challenges in tandem: A policy agenda*. Retrieved from: https://unctad.org/system/files/official-document/presspb2022d12_en.pdf (Accessed: October 2, 2023).

66 Avaaz. (2023). *Out of Oblivion: Why biodiversity must be at the heart of all IMF policies*. Available at: <https://avaazimages.avaaz.org/Avaaaz%202023%20-%20IMF%20spring%20meetings%20-%20biodiversity.pdf>. (Accessed October 2, 2023).

3. A swarm of debt swaps? The need for a joint IMF-WB task force

Notwithstanding the increased interest in debt swaps, there are red lights that merit attention. In the case of the \$500M swap in Gabon mentioned above facilitated by The Nature Conservancy (TNC) and Bank of America, TNC has announced that it will drop the “blue bonds” label⁶⁷, as this term was used to overstate the environmental impact of the swap. The \$500M of bonds issued to finance the deal were described by the bank as “blue” whereas in reality the capital raised was used to help Gabon refinance general purpose debt rather than being repurposed for sea conservation. This highlights the need for much more transparency on debt swaps⁶⁸, an issue that Avaaz has flagged by proposing the creation of civic observatories to accompany and monitor debt swap operations.

Transparency is also needed in the credit ratings agencies, as ratings generally respond to investors' interests, not country interests. This is expressed in the need for “risk mitigation” strategies in debt swaps, in which the risks are to the investors, not the country. Swapped debt for nature or climate action is sometimes reflected as anticipating potential default, resulting in downward adjustments in the credit ratings and associated effects of restricted market access and making capital more expensive for countries, and sometimes is reflected as a positive factor: i.e. contradictory and unpredictable.

As Avaaz proposed in its document prepared for last year's annual meeting,⁶⁹ the IMF could convene a future Statistical Forum to explore biodiversity and natural capital assessment methodologies and their interrelation with debt sustainability, credit ratings and overall contribution to macroeconomic stability and growth. This would enable the IMF to engage with sovereign debt rating agencies to explore how future swaps can be structured to be ratings-neutral or positive. Furthermore, Avaaz suggests that the recently convened Global Sovereign Debt Roundtable⁷⁰, chaired by the IMF, WB and the G20 presidency, should include the ratings agencies in addition to participating creditors and borrowing countries.

Redirected debt service for nature conservation, improved ecosystem goods and services and/or climate action should be seen as a positive factor for macroeconomic and financial stability. This is an area where IMF and WB can help by convening dialogue with rating agencies and institutional investors, and by using their significant modeling capacity and data to produce macroeconomic scenarios that include natural capital, climate action and ecosystem goods and services flows in country-level assessments and Debt Sustainability Assessment (DSA). These modeling exercises can be carried out through partnerships: UNCTAD and UNITAR have programmed meetings with the IMF on debt management and debt sustainability; these should be used to explore and innovate solutions.

67 Bryan, K. (2023). ‘Sustainable’ debt pioneer ditches controversial ‘blue bond’ label. Financial Times, September 23th, 2023. Available at: <https://www.ft.com/content/68bcb820-c4af-42b7-84b7-ca2682af60ad> (Accessed: October 9, 2023)

68 Avaaz. (2022). Debt x Debt. The Argentine case: A post-pandemic proposal for settling sovereign and ecological debts and pursuing a fair and equitable transition in Argentina. Available at: https://drive.google.com/file/d/1O37mHo8q_425HYYTeIvpzEvxyWxXP_m/view (Accessed: October 3, 2023)

69 Avaaz. (2022). The ecological debt: Save biodiversity, save the economy. Available at: https://avaazimages.avaaz.org/Avaaz_biodiversity_and_debt_justice.pdf. (Accessed: October 3, 2023)

70 International Monetary Fund. (2023). The Global Sovereign Debt Roundtable: FAQ. March 31th, 2023. Available at: <https://www.imf.org/en/About/FAQ/gsd-roundtable>. (Accessed: October 4, 2023)

3. A swarm of debt swaps? The need for a joint IMF-WB task force

Box 2: Debt for Nature swap in Ecuador

“Our currency is biodiversity”⁷¹.

Gustavo Manrique Miranda,

Minister of Foreign Affairs of Ecuador.

On May 9, 2022, the Ecuadorian government announced on its official website: (...) “a debt swap, becoming the country with the largest nature conservation swap in the world. It generates a savings of US\$1.1 billion in debt for the country and with it, US\$450 million will be invested for the protection of the Galapagos Islands.”⁷²

This operation was supported by the Inter-American Development Bank (IDB) and the U.S. Development Finance Corporation (DFC), and consists of granting an IDB guarantee of US\$85 million and DFC political risk insurance for US\$656 million to Ecuador for the purchase of existing public debt on better terms, as reported by the specialized website [Green Finance for Latin America and the Caribbean](#).⁷³

According to the Ecuadorian government, the money obtained from the swap (...) “will strengthen the Galapagos Marine Reserve and the new Brotherhood Marine Reserve, which together total 198,000 square kilometers, prioritizing monitoring, control and patrolling, which will ensure the integrity of key marine ecosystems of the archipelago, including critically endangered migratory species such as whale and hammerhead sharks, sea turtles, among others. The resources will also support Ecuador’s work to monitor ocean health, promote sustainable fisheries and strengthen climate resilience.”⁷⁴

Describing the swap process, the [World Economic Forum](#) described that (...) “this loan is backed by insurance from the Development Finance Corporation and a guarantee from the Inter-American Development Bank, with structuring and technical advice from Credit Suisse

for the financial implementation of the transaction. In addition, global conservation experts such as the Ocean Finance Company and Pew Bertarelli Ocean Legacy played an important role in proposing and monitoring the overall structure of the transaction and overseeing compliance with environmental and social commitments. Thanks to this transaction, nearly US\$450 million, which was previously earmarked for debt service payments, will be directed to the Galapagos Life Fund, a fund that will finance conservation projects in the Galapagos Marine Reserve and the Hermandad Marine Reserve, which together cover 198,000 square kilometers of protected area. In addition, it generates savings of US\$1.121 billion in debt.”⁷⁵

Caveats

However, some critical voices have been raised, warning about the lack of transparency in an already unique and complex process, the possible loss of sovereignty due to the presence of foreign agencies in the design of the Galapagos conservation fund, and the comparatively high interest rates in relation to other loans. Among the critical observations that were expressed, for example is the following: “more than 260 civil society firms expressed their concern and rejection of this operation, which is far from being an exemplary case of mobilization of funds for environmental conservation, and raised the alert about similar operations that may occur in the future in other countries. (...) In this joint position, the organizations and specialists exhort international financial institutions, regional banks, creditor and borrower countries to base debt-for-nature swaps on the pillars of transparency, sovereignty and equity, where the public interest is prioritized over the private interest”.⁷⁶

71 Galeano, D. (2023). *Debt for nature swap: what it is and how it will help protect the Galapagos Islands*. Página 12, May 16th, 2023. Available at: <https://www.pagina12.com.ar/549879-canje-de-deuda-por-naturaleza-en-que-consiste-y-como-ayudara> (Accessed: October 4, 2023)

72 Ministry of Environment, Water and Ecological Transition of Ecuador. (2023). *Ecuador announces the world’s largest debt for nature swap to protect the Galapagos Islands*. Official website, Boletín N° 057. May 9th, 2023. Retrieved from: <https://www.ambiente.gob.ec/ecuador-anuncia-el-canje-de-deuda-por-naturaleza-mas-grande-del-mundo-para-proteger-las-islas-galapagos/> (Accessed: October 4, 2023)

73 Green Finance for Latin America and the Caribbean (GFL). (2023). *Ecuador announces world’s largest debt for nature swap to protect Galapagos Islands*. September 05, 2023. Available at: <https://greenfinancelac.org/es/recursos/novedades/ecuador-anuncia-el-canje-de-deuda-por-naturaleza-mas-grande-del-mundo-para-proteger-las-islas-galapagos/#:~:text=El%20gobierno%20ecuatoriano%20anunci%C3%B3%20el,protecci%C3%B3n%20de%20las%20islas%20Gal%C3%A1pagos.> (Accessed: October 4, 2023)

74 Ministry of Environment, Water and Ecological Transition of Ecuador. (2023). *Ecuador announces the world’s largest debt for nature swap to protect the Galapagos Islands*. Official website, Boletín N° 057. May 9th, 2023. Available at: <https://www.ambiente.gob.ec/ecuador-anuncia-el-canje-de-deuda-por-naturaleza-mas-grande-del-mundo-para-proteger-las-islas-galapagos/> (Accessed: October 9, 2023)

75 World Economic Forum. (2023). *This is the historic debt-for-conservation swap of Ecuador and the world*. June 12, 2023. Available at: <https://es.weforum.org/agenda/2023/06/este-es-el-historico-canje-de-deuda-por-conservacion-de-ecuador-y-del-mundo/> (Accessed: October 9, 2023)

76 Latin American Network for Economic and Social Justice (Latindadd). (2023). *Alert on risks in debt swap in Galapagos Islands*. Latindadd Blog, June 9, 2023. Available at: <https://www.latindadd.org/2023/06/09/alertan-riesgos-en-canje-de-deuda-en-islas-galapagos/> (Accessed: October 9, 2023)

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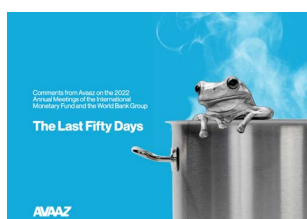
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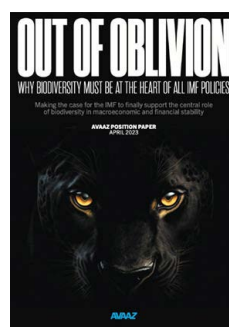


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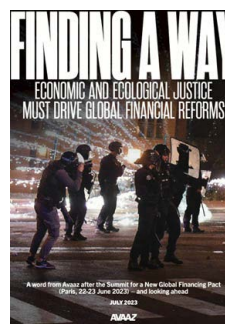
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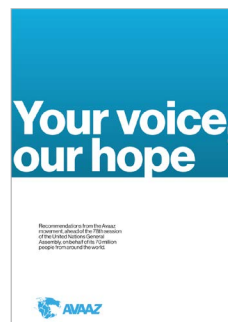
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REFORM OR PERISH

Putting biodiversity and the rights of Indigenous Peoples and Local Communities at the heart of deep reforms of the IMF and World Bank

Avaaz Position Paper

2023 Annual Meetings of the IMF and World Bank Group,
Marrakech, Morocco (9-15 October)