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## UN-Initiated and Bank-Led Working Group Formed to Encourage Banks to Achieve Biodiversity Targets

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On May 4, 2023, the United Nations **announced the formation** of a 35-member bank-led working group to promote nature- and biodiversity-related target setting that is aligned with the Kunming-Montreal Global Biodiversity Framework (GBF) adopted at COP15 last year, as well as to implement other climate-related market standards such as the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The Co-Leads of the Working Group are UBS, Crédit Agricole S.A. and First Abu Dhabi Bank, and all working group members are signatories to the **Principles of Responsible Banking (PRB)**.

In a statement setting out the mandate of the working group, the UN stated that the global decline of nature “at an alarming and unprecedented” rate presents a significant risk to businesses, and particularly to those in the financial sector given that the majority of the world’s GDP—as much as \$58 trillion—relies on nature in some way. Banks participating in the working group will focus on how banking activities affect the natural world by analyzing resources that are currently available and determining what is needed to close the biodiversity financing gap. The banks will also suggest measures to encourage the development of environmentally friendly business. Additionally, the working group will take into account the rights of indigenous peoples and local communities as it develops nature targets and practices. Existing climate mitigation and net-zero targets also will be integrated into the plans for addressing biodiversity loss.

The PRB builds on the existing **Guidance on Biodiversity Target-Setting**, which encourages the banking sector to take action to achieve biodiversity targets using a systematic approach. The guidance is supported by stakeholders that focus on the environment, including the

Science Based Targets Network (SBTN), TNFD, UNEP World Conservation Monitoring Centre (UNEP-WCMC), and the Finance for Biodiversity Foundation. The working group will seek to promote alignment and consistency with existing frameworks, such as the PRB Biodiversity Community and UNEP FI-led TNFD projects. It will also offer high-level recommendations on how financial institutions can align their portfolios with PRB targets and GBF goals.

The guidance created by the working group will seek to effectively tackle “the loss of biodiversity and nature to apply a holistic and systemic approach to set and achieve nature targets,” said the UN.

**Taking the Temperature:** In January we [reported](#) on the GBF reached at the conclusion of COP15, which amplified the importance of nature and biodiversity concerns and established them as a permanent feature of the sustainability discussion. This has informed [recent EU policy initiatives](#), which include biodiversity considerations as part of the EU’s goal to achieve carbon neutrality by 2050. It is also notable that the [European Green Deal](#) also includes an aim to promote biodiversity in line with the EU’s Biodiversity Strategy for 2030.

As we [discussed previously](#), nearly 200 countries have adopted the [Kunming-Montreal Global Biodiversity Framework](#) and are working to achieve the goals set out by that regime, which includes four goals for 2050 and 23 targets for 2030, creating “an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050.”

The establishment of the PRB is one more step in this direction to address climate change and loss of biodiversity. The 35 signatories constitute about half of the world’s global assets and hail from 24 countries, indicating that the banking industry is taking forward-looking steps to address the biodiversity financing gap and other issues facing nature, joining, [as we have noted in the past](#), other sectors, including the insurance industry.