



Nature and Adaptation Finance

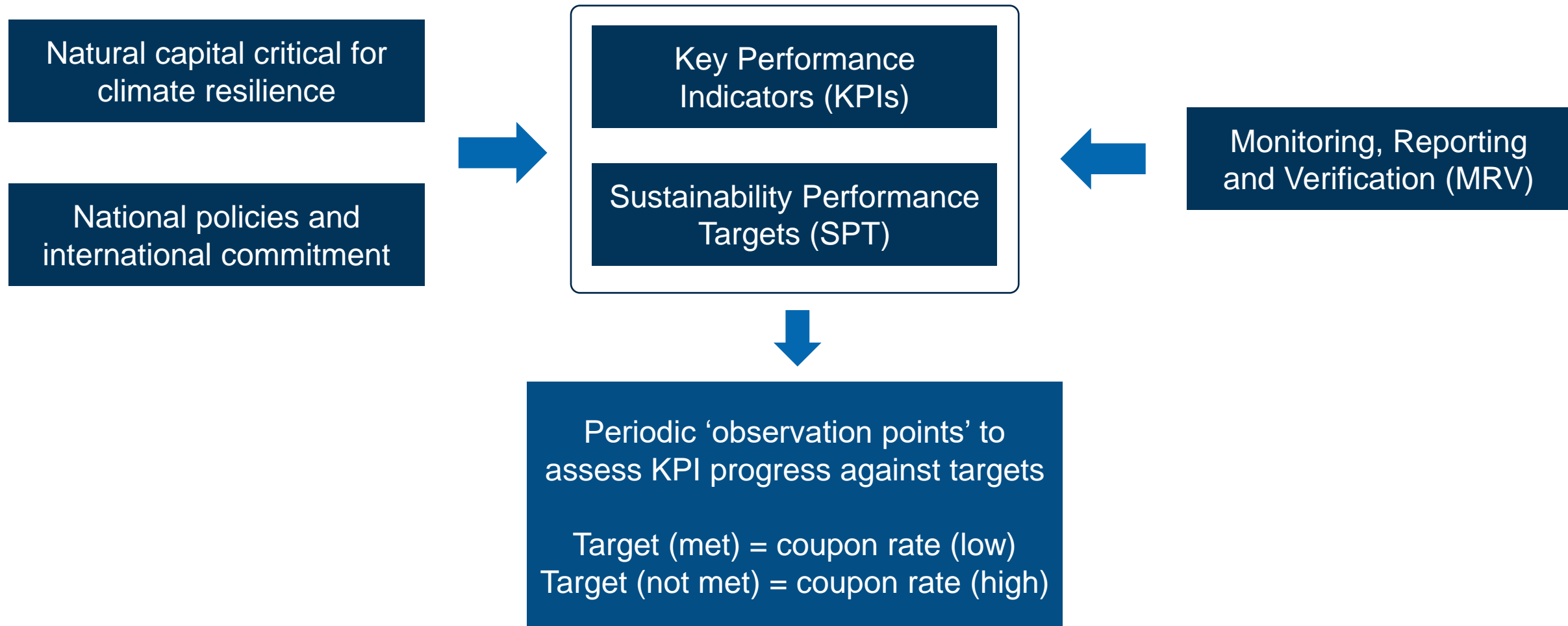
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Key Messages



1. Several financing mechanisms have been innovated and deployed for nature and adaptation finance
2. The most appropriate mechanism depends on the local context

Sovereign Sustainability Linked Bond



Case Study - Uruguay



In 2022, Uruguay issued a US\$1.5 billion SSLB maturing in 2034 with symmetrical step-ups and step-downs of 15 basis points per KPI

SPTs	KPIs	Rationale
SPT 1.1: 50% reduction in GHG SPT 1.2: 52% reduction in GHG	KPI 1: aggregate gross GHG emissions (CO2 equivalent) per real GDP unit vs. 1990	NDC-aligned, linked to material economy-wide performance on GHG emissions
SPT 2.1: Maintain 100% of natural forest area vs. 2012 SPT 2.2: 3% increase in nature forest area vs. 2012	KPI 2: Maintenance of forest area vs. 2012 (%)	NDC and adaptation aligned

Nature Conservation Bond

