

A person, likely from an indigenous community, is shown from the back, standing in a shallow river. They are holding a large, conical fishing net that is dripping with water. The person is wearing a green skirt and has traditional markings on their arms and legs. The background is a lush, green tropical forest with banana trees and other vegetation.

UN
environment
programme

finance
initiative

Nature-Related Finance and Indigenous Peoples

Advancing equity to halt and
reverse nature loss

April 2025

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Cover image: [Indigenous man fishing in river stream of the Amazon](#)

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IIED is an international policy and research organisation working with partners globally to build a fairer, more sustainable world. Together, we challenge the destructive economic models, unjust power dynamics, entrenched mindsets and protectionist laws that perpetuate poverty, suppress rights and hinder progress towards a thriving world. We explore solutions to complex economic, social and environmental crises, using research, action and influencing to tackle the root causes of climate change, nature loss and inequality.

The quotes throughout the document are from Indigenous Peoples engaged with UNEP FI at COP16, Cali, Colombia, November 2024

Summary

This briefing provides an overview of the interlinkages between the financial sector, nature and Indigenous Peoples. It summarizes UNEP FI's views of the outcomes and recommendations of sessions on these themes within the Finance & Biodiversity Pavilion at CBD COP16 in Cali, and is prepared for use by UNEP FI members and others in the financial system engaged in nature-related activities willing to reorient their approach and learn more on engaging with Indigenous Peoples, Afro-Descendent Peoples and local communities.

A major outcome of COP16 was the enhanced representation of Indigenous Peoples and traditional knowledge and the formation of a permanent subsidiary group for Indigenous Peoples, recognising the work on Indigenous knowledge, innovations and practices as part of the long-standing Working Group on Article 8j within the Convention on Biological Diversity. COP16 highlighted the importance of strengthening the collaboration and just partnerships between the financial sector and Indigenous Peoples and local communities in orders to reach the goal of the Kunming-Montreal Global Biodiversity Framework (KM-GBF) to halt and reverse nature loss by 2030.

This concept note aims to promote learning to the financial sector on Indigenous Peoples, Afro-Descendant Peoples and local communities in the interest of building an equitable and sustainable future. It focuses on topics relevant to finance such as Indigenous rights and leadership, Free, Prior and Informed Consent (FPIC) and safeguards, and moving towards “just partnerships”.

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Introduction

Indigenous Peoples¹ are on the frontline of protecting and maintaining the world's biodiversity. Indigenous Peoples have consistently demonstrated long-standing stewardship of nature. Research highlights that the lands and territories of Indigenous Peoples and of local communities embodying traditional lifestyles are often as or more ecologically intact than protected areas managed by national governments (Garnett *et al.*, 2018; Sze, 2021; WWF *et al.*, 2021). The sustainable practices employed by Indigenous Peoples are rooted in millennia of traditional knowledge, making their approaches particularly resilient and adaptable to climate and biodiversity challenges (Brondízio *et al.*, 2021; Pironon *et al.*, 2024). For example, identified below are seven ways Indigenous Peoples contribute to global sustainability.

1. **Stewardship of territories:** Indigenous Peoples and local communities have long practiced stewardship of biodiverse regions through methods like rotational farming, sacred taboos, and seasonal restrictions, often achieving outcomes that are more effective and sustainable than conventional approaches. For instance, the Ainu people of Japan view their land as spiritually interconnected, guiding resource use in ways that have preserved biodiversity over time. These practices not only sustain ecosystems but also offer valuable models for long-term, resilient land management (Garnett *et al.*, 2018; WWF *et al.*, 2021).
2. **Conservation and restoration leadership:** Indigenous Peoples and local communities actively restore ecosystems, such as the Yawanawá of Brazil reforesting degraded Amazonian lands while preserving their sacred cultural landscapes. Yawanawá's efforts have led to tangible results, including the revitalization of soil fertility, water cycles, and biodiversity, which have been recognized by global conservation organizations as key examples of effective restoration. (Sze, 2021; Brondízio *et al.*, 2021)
3. **Knowledge of Indigenous Peoples:** Indigenous Peoples' ecological knowledge is an applied Indigenous science that helps identify and track changes in biodiversity. The Inter-Governmental Policy Platform on Biodiversity and Ecosystem Services (IPBES) has adopted a methodology based on the co-production of knowledge between western science and Indigenous ways of knowing and being (IPBES, 2022). For example, the Māori understanding of kaitiakitanga (guardianship), complements scientific research, enhancing environmental monitoring and long-term planning.

¹ We refer to Indigenous Peoples in the plural to recognize the diversity and distinctiveness of the many Indigenous groups around the world and recognize their unique status and rights under international law, recognizing their right to self-determination. Each group has its own unique culture, language, history, governance systems, spiritual traditions, and ways of life. This plural form is a way to honor and acknowledge their heterogeneity.

4. **Indigenous nature finance and natural capital accounting:** Indigenous co-owned businesses have become important vehicles for advancing economic reconciliation, for example in Canada, by using a rights-based approach to nature finance that acknowledges the inherent rights of Indigenous Peoples to their lands, territories, resources, and data sovereignty (i.e. in line with the CARE Principles). Indigenous knowledge systems provide valuable inputs to nature accounting frameworks, enabling context-specific, ground-truth data that can inform valuation and obligation-setting in innovative mechanisms, including biodiversity credit markets and nature-based solutions where they overlap with Indigenous territories. For example, the Sarayaku people in the Ecuadorian Amazon have applied principles of self-determination to guide the financial success of the Kawsay Sacha initiative (IUCN, 2018).
5. **Advocacy for environmental justice:** Environmental human rights defenders often resist harmful practices, like land grabs or deforestation, and unlawful nature resource exploration activities, and advocate for justice. The Ogiek of Kenya, for instance, have fought legal battles to reclaim ancestral forest lands.
6. **Policy contributions across scales:** Indigenous representatives and advocates influence governance from local councils to global treaties. The Sámi people, for example, advocate for Arctic conservation policies that respect their reindeer herding traditions. Similarly, Indigenous nations in Ecuador led the negotiations of the Rights of Nature in the constitutional reform of Ecuador in 2007.
7. **Relational worldviews and holistic approaches:** Many Indigenous cultures, like the Andean and Amazonian Peoples' concept of Pacha Mama (Mother Earth), emphasize rights-based economic models for harmony between humans and nature, challenging exploitative models and promoting sustainability. Indigenous worldviews have also been foundational in shaping the international legal movement for the Rights of Nature, influencing legal frameworks such as Ecuador's constitutional recognition of nature's rights and legal precedents in New Zealand and Colombia that grant personhood to rivers and ecosystems.

When the rights of Indigenous Peoples are recognized, secured, and protected, rates of deforestation tend to be lower and carbon stocks tend to be higher than in forests managed by other actors. This stewardship is essential for sustaining the ecosystems that underpin global food systems, water cycles, and carbon storage capacities. Research by Garnett *et al.*, (2018) underscores the critical role Indigenous lands play in conservation, with these territories overlapping significantly with global biodiversity priorities. For the financial sector, engaging with Indigenous-led conservation is both a rights-based obligation and a pragmatic strategy to de-risk investments and enhance the long-term sustainability of projects. Engaging with Indigenous Peoples is also part of the responsibility to respect human rights that all businesses have under international law, as stated in the UN Guiding Principles on Business and Human Rights (UN Human Rights Council, 2011).

“it is now about finding practical paths toward sustainability and regeneration, grounded in the experiences of Indigenous communities”

WarĩNkwĩ Flores, Kinray Hub

The financial sector has historically engaged with Indigenous Peoples mainly as “affected populations” or “beneficiaries” in projects through the lens of compliance with environmental and social safeguards, with limited recognition of their leadership, shareholder-ship, their rights, or their critical but undervalued successes in nature stewardship. The Kunming-Montreal Global Biodiversity Framework (KM-GBF) Target 19 highlights that a fair proportion of the USD 200 billion in new finance for nature annually must reach those who are defending, conserving and stewarding biodiversity. Funding for Indigenous Peoples and local communities’ tenure rights and forest guardianship stands at just USD 270 million per year—0.04% of total annual climate finance (Rainforest Foundation Norway). Any nature-related projects should have a rights-based design, implementation, and valuation, applying high-integrity principles and building on learnings from climate finance in the design of new instruments and markets, where and if relevant. For example, the Biodiversity Credit Alliance (BCA), International Advisory Panel on Biodiversity Credits (IAPB) and World Economic Forum (WEF) produced the High-Level Principles to Guide the Biodiversity Credit Market, providing robust integrity principles of a biodiversity credit market, which were both consulted by the Communities Advisory Panel and include emphasizes several key principles to ensure meaningful engagement with Indigenous Peoples and local communities, including Free, Prior and Informed Consent (FPIC), involvement in governance, the ‘do no harm’ principle and benefit sharing.

Indigenous Peoples have important and unique rights linked to biodiversity that are recognized by international law, but are not always viewed as obligatory or upheld in practice. The KM-GBF challenges the financial sector to partner in a just and mutual way with Indigenous Peoples (which rights are recognized in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and other international instruments) as well as Afro-Descendant and other types of local or tribal communities (with different UN recognition, e.g., ILO Convention 169 regarding tribal communities and UNDROP related to the rights of peasants) to further the ability of all actors to halt and reverse nature loss by 2030. For further explanation of these declarations and terms, see Annex 1. Key terms and abbreviations.

While basic principles can guide individual efforts, systematically improving engagement between communities and investors in financial systems, wider changes are required. These include national legislation for ongoing FPIC, self-determination and dedicated efforts to include Indigenous Peoples and local communities in a formal role in the accreditation and design of nature markets and to facilitate the meaningful participation in decisions regarding issues affecting them.

It is vital that Indigenous Peoples, Afro-Descendant Peoples, and local communities participate in the decisions related to biodiversity credit markets, for example, and the design of such projects, in addition to benefiting both through monetary and non-monetary benefits, including decisions whether such markets are relevant or should be developed at all. Their importance in climate and nature solutions alongside their need to access resources (e.g., legal and technical) to maintain their right to self-sovereignty are critical in the path to a just transition.

While this paper focuses on the private financial sector specifically, State commitments under GBF Targets must not be outsourced to the private sector, nor to philanthropic or market-based mechanisms. This paper does not advocate for reliance on the financial sector to meet KM-GBF targets but rather seeks to inform private sector investors.

“We need to make sure that the funds flow to the right people—those who hold biodiversity in their day-to-day lives”

Patita Nkamunu, Earth Acre

Patita describes how Earth Acre ensures that 70% of the revenues from carbon and biodiversity credits go directly to landowners. This not only incentivizes conservation but also creates sustainable livelihoods for communities that are home to a significant portion of Africa’s wildlife.



Why are Indigenous rights and shareholding important for the financial sector?

Nature finance intersects with Indigenous rights and shareholding in several critical ways. Biodiversity and ecosystem services are inherently place- or area-based, necessitating context-specific knowledge and approaches. Markets for biodiversity credits, nature-based solutions, and sustainable agricultural production often overlap with Indigenous territories. Additionally, Indigenous-led climate mitigation and adaptation projects, as well as nature-based technology offer scalable solutions for addressing global challenges. Recognizing and investing in these contributions is vital for aligning financial flows with the goals of the Paris Agreement and the KM-GBF.

A key message for investors is that engaging fully with Indigenous Peoples and local communities on just terms as knowledgeable rights- and shareholders is the only means to identify, manage, and mitigate environmental, social, legal and financial risks. More thorough engagement with Indigenous Peoples and local communities, demonstrated through a harmonized risk taxonomy for investors in nature markets, consistently points to the need to go beyond current safeguards to an approach that fully respects the rights recognized in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and implementing the principle mechanisms enshrined in the UN Guiding Principles on Business and Human Rights (UNGPs). Engaging with Indigenous Peoples ultimately leads to reduced risk and better financial and environmental outcomes for both external investors and communities themselves through more just partnerships (BCA, 2023a).

The Taskforce on Nature-related Financial Disclosures (TNFD) has developed guidance on engagement with Indigenous Peoples, local communities, and affected stakeholders, with a view to identifying nature-related dependencies, impacts, risks, and opportunities (TNFD, 2024). While this guidance references international frameworks such as the UN Guiding Principles on Business and Human Rights, it is important to recognize the limitations of industry-led processes in areas requiring authoritative Indigenous leadership. Other key reference points that can guide financial sector engagement can be found in the Resource Annex.

“There’s a courageousness required from funders to invest directly in Indigenous communities... Indigenous people are ready and waiting—we just need funders to be brave enough to meet us there”

Erica McCreedy, The North Australian Indigenous Land and Sea Management Alliance Limited

Erica stresses that Indigenous Peoples not only need the resources to look after their lands but must also be in the driver’s seat, making decisions about the allocation and governance of financial resources. She urges funders to build authentic partnerships that are transparent and trust-based, allowing Indigenous communities to direct nature finance at local and regional levels.

Investors can play a vital role in recognising Indigenous Peoples as leaders in their territories and communities, and champions on behalf of the natural world, who have yielded biodiversity benefits often beyond those of state agencies set up for conservation purposes. Investors must recognize the rights, power and agency that Indigenous Peoples and local communities already hold and factor this appropriately into relevant transactions. This includes recognising that consent is ongoing—communities must retain the right to withdraw or cancel agreements.

Further, investors can respond to the gaps identified by Indigenous Peoples themselves, rather than preconceived ideas of lack of capacity or community engagement. Investors cannot realize or sustain significant Return on Investment (ROI) without engaging Indigenous Peoples and local communities. This approach will require better understanding the contexts, ambitions, and perspectives of Indigenous Peoples and local communities. Furthermore, while individual investors can improve outcomes, more systematic changes are needed in terms of rights and benefits for successful biodiversity conservation and implementation of the KM-GBF.



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At the COP

Landmark decisions on genetic resources and Indigenous representation

At CBD COP16, historic agreements were reached on equitable benefit-sharing from digital sequence information (DSI)—genetic codes shared digitally and widely used in industries like pharmaceuticals and cosmetics. A new fund, the Cali Fund, potentially generating up to USD 1 billion annually, aims to ensure fair distribution of profits generated from DSI, benefiting communities, marking a meaningful step toward equitable benefit-sharing. Half of this fund is designated to reach Indigenous communities, acknowledging their role in conserving biodiversity and the genetic biodiversity it contains. Despite promising agreements, significant challenges persist in achieving equitable benefit-sharing for DSI. While several characteristics of the fund are still under discussion, the Cali Fund was formally launched in February 2025.

Additionally, at COP16 a new permanent subsidiary body was established under the Convention on Biological Diversity to advance the implementation of Article 8(j) and other provisions related to Indigenous Peoples and local communities, including people of African descent. This body provides a direct platform for their participation, strengthens their role in decision-making, and recognizes their essential contributions to the KM-GBF (CBD, 2024)

In February 2025, COP16 reconvened in Rome to resume critical discussions on unfinished negotiations such as resource mobilisation, financial mechanism and monitoring and planning. It was agreed that the current financial mechanism that is managed by the Global Environment Facility (GEF) would be thoroughly evaluated, and the results of this evaluation would be used to determine if the permanent arrangement for the global fund should remain under the management of the GEF or if a new, dedicated fund should be established. The agreements



on resource mobilisation and financial mechanism also calls on enhancing the provision of timely and accessible financial support to Indigenous Peoples and local communities. Additionally, the agreed-upon text calls upon the private sector, financial institutions to increase their contributions to the Global Biodiversity Framework Fund (GBFF), and points to the need for blended finance in order to face the biodiversity financing gap (CBD, 2025). Notably for the topic of this paper, the agreed text calls for a human-rights based approach in developing or scaling nature finance mechanisms.

In the Finance and Biodiversity Pavilion and beyond

Beyond the official COP processes, a number of topics were discussed across the blue and green zones in Cali that are relevant to banks, investors, and insurers related to Indigenous Peoples and nature:

Rights-based approach: A rights-based approach to nature finance recognizes the inherent rights of Indigenous Peoples to their lands, territories, and resources. A human rights-based approach (HRBA) to biodiversity is one that furthers the realization of human rights through biodiversity actions, by avoiding harm to human rights, taking action based on principles of human rights, and achieving improved human rights outcomes (Forest Peoples, 2024). The Rights of Nature approach to environmental markets safeguards nature's right to self-generate, self-regulate, and metabolize (IEG, 2024). This framework aligns financial mechanisms with international human rights standards including the UNDRIP (and the African Charter on Human and Peoples' Rights) for projects affecting Indigenous Peoples (United Nations, 2007). Reports from the International Work Group for Indigenous Affairs (IWGIA) highlight the importance of securing land tenure to meet biodiversity goals (IWGIA, 2020). Embedding these rights into nature finance is essential to upholding Indigenous sovereignty, ensuring compliance with international commitments, and securing sustainable outcomes that respect Indigenous Peoples and local communities.

Indigenous Peoples' knowledge: Indigenous and traditional knowledge systems are invaluable for sustainable ecosystem management and climate resilience. These systems, as emphasized in studies and agreements from the Food and Agriculture Organization (FAO, 2019) and the Convention on Biological Diversity (CBD, 2020), provide insights into biodiversity conservation, water management, and regenerative practices and regional governance. Academic contributions, such as those by Brondízio *et al.*, (2021), highlight the global relevance of locally rooted Indigenous knowledge in biodiversity and sustainability initiatives. Nature finance initiatives must create mechanisms to integrate Indigenous science alongside other scientific approaches while safeguarding intellectual property rights (including FAIR and CARE principles). Collaborative governance structures can ensure that Indigenous voices guide project design, implementation and valuation, providing contextual and culturally relevant and effective outcomes.

Environmental defenders: Indigenous Peoples often act as environmental human rights defenders, protecting critical ecosystems from exploitation and degradation. Reports from Global Witness (2021) and Human Rights Watch (2021) highlight the significant threats they face, including violence, criminalization, and displacement. Academic

research also underscores the disproportionate risks faced by Indigenous defenders, with studies linking land tenure security to reduced deforestation rates (Blackman & Veit, 2018; Sze, 2021). Nature finance must prioritize the protection of environmental defenders through grievance mechanisms to provide avenues to halt and prevent threats, and funding mechanisms that strengthen community resilience, provide legal and security support, and advocate for policy reforms. Recognizing the indispensable role of Indigenous defenders in fostering social justice and achieving global biodiversity and climate goals is critical to fostering ethical and effective nature finance.

Data privacy, governance, and monitoring, reporting and verification: Robust monitoring, reporting and verification (MRV) systems are essential for nature finance, but they must uphold data privacy and sovereignty. Indigenous Peoples often express concerns about the misuse or commodification of data related to their territories. For example, the commercialization of Indigenous data in the absence of sufficient rights-based frameworks and compliance mechanisms poses serious challenges to upholding Indigenous Peoples' rights and the rights of nature. These challenges include ensuring ongoing FPIC, enabling data retirement (the right to have data removed from databases), and preventing the hyper-commodification and potential environmental harm associated with large-scale genetic resource exploitation—often referred to as biopiracy or biological pollution. Technologies such as blockchain can enhance data security and build trust, as noted by the Global Canopy Programme (2020). Recent findings by Zanjani *et al.*, (2023) emphasize the importance of “territories of life” as a foundation for global environmental sustainability, advocating for data systems that respect Indigenous governance. This approach ensures accountability while respecting Indigenous knowledge and privacy.

Global agreements and scientific frameworks increasingly recognize the invaluable contributions of Indigenous Peoples, highlighting the need for their full participation in decision-making and fair compensation for their ecological and genomic knowledge. However, Indigenous Peoples are often marginalized in research and technology development, and data interpretation, frequently relegated to low-level roles or tokenized in processes like FPIC, community engagement, and capacity building. Indigenous data often remains marginalized or unrecognized in contemporary environmental data collection. Data sovereignty for Indigenous Peoples has the potential to shift this dynamic, much like how data governance frameworks have been successfully used to protect and empower other groups, industries, and sectors in society. Recommendations can be found for integrating Indigenous data governance frameworks to support Indigenous data sovereignty, at every stage of the data lifecycle in the report by Jennings *et al.*, (2025).

Direct access and de-risking: Direct access to finance enables Indigenous communities to lead conservation and restoration efforts. However, barriers such as bureaucratic hurdles and gaps in financial and administrative capacity can limit access. While Indigenous communities are key leaders in conservation, support in strengthening specific capacities may be necessary to navigate complex funding processes effectively. The GEF Small Grants Programme and examples from Forest Stewardship Council (FSC, 2020) demonstrate how insurance mechanisms and grant-based funding can overcome these barriers. Studies like Pironon *et al.*, (2024) underscore the global distribution of plant resources managed by Indigenous Peoples, reinforcing the need for direct investment in

their stewardship. Capacity-building programs and simplified application processes can enhance accessibility, ensuring equitable distribution of resources within communities.

De-risking finance must be a bilateral process that considers both investors and Indigenous Peoples, ensuring transparency in financial discussions. This includes clear, open dialogue on key financial concepts such as land ownership, debt structures, equity investments, net versus gross revenue sharing, asset sales, and long-term contracts. When engaging in joint projects, it is essential to establish a shared asset model where both Indigenous Peoples and investors have equitable stakes, fostering mutual benefits and long-term sustainability.

COP16: Just Partnerships for Delivering Target 19

At COP16 in Colombia, UNEP FI hosted an event in the Finance & Biodiversity Pavilion for UNEP FI members and other financial actors, titled *Just Partnerships for Delivering Target 19* on promoting equitable collaboration between the financial sector and Indigenous Peoples, Afro-Descendant Peoples, and local communities.

The event aimed to foster learning and dialogue on building mutual partnerships to achieve a nature-positive future. Discussions centred on the critical role of Indigenous rights and leadership in advancing biodiversity goals, highlighting mechanisms such as FPIC (Free, Prior, and Informed Consent) and safeguards to ensure high integrity in finance flows.

A key focus was on KM-GBF Target 19, which mandates that a significant portion of the USD 200 billion annual financial commitment for nature should directly benefit communities stewarding biodiversity. The event also explored innovative instruments to channel funding to Indigenous-led conservation strategies and mechanisms, including those financed through biodiversity credits and their potential to drive inclusive and sustainable finance models.

The day-long event provided a rich platform to explore the intersections of finance, Indigenous leadership, and the stewardship of biodiversity. Participants examined how financial mechanisms—ranging from philanthropic funding to market-based instruments like biodiversity credits—could better channel resources equitably to these communities. The importance of traditional governance systems, Indigenous leadership, and cultural approaches to conservation was emphasized as vital for sustainable finance.

Another focal point was the rights-based approach, where safeguarding principles like FPIC were underscored as non-negotiable for equitable partnerships. Participants reflected on lessons from existing biodiversity credit projects and explored strategies for scaling these initiatives in alignment with high-integrity standards. The agenda also addressed practical pathways to ensure that financial flows reach nature's stewards directly, alongside discussions on de-risking mechanisms, capacity building, and the role of governments, certifiers, and international organizations in facilitating these processes. The event concluded with reflections on co-creating a future where finance supports Indigenous Peoples and local communities in achieving biodiversity and climate goals.



Conclusion

The financial sector has a pivotal role to play in aligning investments with Indigenous rights, knowledge, and leadership. By adopting a rights-based approach, integrating traditional knowledge, protecting environmental human rights defenders, ensuring data sovereignty, and improving direct access to finance, stakeholders can foster more equitable and impactful partnerships.

Addressing the biodiversity crisis necessitates more than mere financial commitments and goodwill. It requires trust, respect, and equitable partnerships with Indigenous Peoples and local communities, who are at the forefront of safeguarding the planet's biodiversity. Financial systems that have historically undermined nature must undergo transformation, and global leaders must engage in meaningful collaboration, listening to and working alongside Indigenous Peoples on an equal footing, to secure a sustainable future for both people and the planet.

"We have to think long-term, not just about immediate effects. The longer the plan, the better it will be for the communities, for the women, and for everyone involved. It's about building a future, not just quick fixes."

Jose Gualinga from the Kichwa People of Sarayaku

Philanthropic finance plays a crucial role in de-risking opportunities for nature-based finance, but the key is ensuring that capital reaches those who can promote meaningful change. By fostering partnerships that respect and amplify the agency of Indigenous Peoples, stakeholders can contribute to halting and reversing nature loss while creating value that benefits both communities and investors, enabling a just transition. These inclusive and rights-based approaches are essential for addressing the intertwined challenges of biodiversity loss, climate change, and social equity.

Ultimately, the success of nature finance depends on embracing the leadership and respecting their rights to self-determination and agency of those who have been safeguarding the planet for generations. This is not just a pathway to achieving the KM-GBF and other global targets but also a foundation for a resilient and equitable future for all.

While this paper examines the role of the private financial sector, it underscores that State obligations under GBF Targets cannot be absolved by delegating it to private actors, philanthropy, or market-based solutions. Instead, it seeks to provide insights for private sector investors.

UNEP FI will continue engaging in this topic more broadly throughout its programs with private finance sector membership, embedding it as a cross-cutting topic across both nature finance and internal governance. This includes mainstreaming considerations of Indigenous Peoples' rights and leadership, and just partnerships within guidance, capacity-building, and convening efforts. By fostering deeper understanding and more accountable action, UNEP FI aims to support financial institutions in aligning with rights-based approaches and contributing meaningfully to the goals of the KM-GBF.

Annex

1. Key terms and abbreviations

Afro-Descendant Peoples: Afro-Descendant Peoples living outside Africa in the Latin America and Caribbean (LAC) region have distinct territories with important nature and biodiversity values and shared experiences of marginalization and discrimination.

African Charter on Human and Peoples' Rights: The African Charter on Human and Peoples' Rights (also known as the Banjul Charter) is a regional human rights treaty adopted by the Organization of African Unity (OAU) in 1981 and enforced by the African Union (AU). It establishes civil, political, economic, social, and cultural rights while emphasizing collective rights, such as the right to development and self-determination. The Charter also recognizes the responsibilities of individuals within their communities. It is monitored by the African Commission on Human and Peoples' Rights (ACHPR) and the African Court on Human and Peoples' Rights.

CBD COP16: Convention on Biological Diversity Conference of the Parties 16. The 2024 United Nations Biodiversity Conference of the Parties (COP16) to the UN Convention on Biological Diversity (CBD) was a conference that was held from 21 October to 1 November 2024 in Cali, Colombia. The monitoring framework agreed at the previous conference should allow the progress of the countries towards national goals and targets under the Kunming-Montreal Global Biodiversity Framework to be evaluated.

Decent Work Agenda: The ILO, which has engaged with these issues since the 1920s, uses its Decent Work Agenda—emphasizing gender equality and non-discrimination—as a framework to empower indigenous and tribal peoples. By promoting access to decent work, the convention supports indigenous men and women in becoming key agents of change in poverty reduction, sustainable development, and climate action.

Do No Harm Principle: The *Do No Harm* principle in nature means that any financial, policy, or project-related activity should avoid causing significant adverse impacts on biodiversity, ecosystems, or the rights and wellbeing of Indigenous Peoples and local communities. It emphasizes precaution, equity, and environmental integrity—ensuring that interventions contribute positively to nature and do not undermine conservation or restoration efforts.

FPIC: Free, Prior and Informed Consent. FPIC allows Indigenous Peoples to have the right to self-determination and self-governance in national and local government decision-making processes over projects that concern their lives and resources. This right is recognized in international instruments such as the UNDRIP and C 169 mentioned above.

Indigenous Peoples: Indigenous Peoples as those whose social, cultural, and economic conditions distinguish them from other sections of the national community, and who are regulated wholly or partially by their own customs or traditions or by special laws or regulations (ILO).

International Labour Organization (ILO) Convention 169: Adopted in 1989, the Indigenous and Tribal Peoples Convention, No. 169, is the only international treaty exclusively focused on the rights of indigenous and tribal peoples.

Indigenous rights-holdership: Indigenous rights-holdership is grounded in the understanding that “The Land is at the center of everything” and “The Land is alive and has agency.” This worldview fundamentally informs how Indigenous Peoples approach environmental stewardship and the financing mechanisms that support it. Rights-holdership recognizes the inherent authority of Indigenous Peoples to make decisions affecting their territories— independent of external legal or financial structures. Acknowledging this form of rights-holdership is essential for: (a) Upholding Indigenous sovereignty and self-determination; (b) Respecting the deep cultural and spiritual relationship between Indigenous Peoples and their territories; (c) Validating Indigenous knowledge systems in environmental governance; and (d) Providing a more durable foundation for long-term environmental protection than conventional financial mechanisms alone.

Indigenous shareholdership: Indigenous shareholdership refers to the ownership of financial stakes or equity by Indigenous Peoples in nature- and climate-related projects or enterprises that operate on or affect their territories. As highlighted in recent conservation finance analyses, many Indigenous Peoples and local communities face systemic social, economic, and political marginalization. Shareholdership presents one pathway to addressing this imbalance by: (a) Ensuring a formal share in the economic benefits generated by environmental initiatives; (b) Aligning financial incentives with sustainable land and resource management; (c) Mitigating economic exclusion and inequity; and (d) Establishing legal avenues for Indigenous influence over business decisions that impact their lands and livelihoods.

KM-GBF: The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted during the fifteenth meeting of the Conference of the Parties (COP 15) following a four year consultation and negotiation process. This historic Framework, which supports the achievement of the Sustainable Development Goals and builds on the Convention’s previous Strategic Plans, sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050.

Local Communities embodying traditional lifestyles: Local Communities may not identify as Indigenous but maintain close ties to their lands and resources. They typically: Reside in and derive livelihoods from specific territories; Possess traditional knowledge and cultural practices tied to their environment.

UN Declaration on the Rights of Indigenous Peoples (UNDRIP): Adopted by the UN General Assembly on 13 September 2007, UNDRIP represents the most comprehensive international statement on the rights of indigenous peoples. It emphasizes collective rights, marking a significant advance in international human rights law. The declaration reflects over two decades of collaborative efforts involving more than 100 indigenous

organizations, culminating in a commitment by the global community to protect both individual and collective rights of indigenous peoples.

UN Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP): Adopted by the UN General Assembly in December 2018. The UNDROP recognizes the rights of peasants to land, natural resources, and food sovereignty. The Declaration lays down a series of rights for peasants and has often been seen as complementing the UN Declaration on the Rights of Indigenous Peoples.

UN Guiding Principles on Business and Human Rights (UNGPs): Established in 2011, the UNGPs consist of 31 principles designed to implement the UN's "Protect, Respect, and Remedy" framework concerning human rights in the context of business activities. Developed by Special Representative John Ruggie, these principles set the first global standard for preventing and addressing human rights abuses linked to business operations. The UNGPs continue to serve as the leading framework for improving standards and practices related to business and human rights worldwide.

2. Note on governance and terminology: Indigenous Peoples, Local Communities, and Afro-Descendant Peoples

Indigenous Peoples have unique governance structures that often operate autonomously or semi-autonomously within broader nation-states. Rooted in cultural, social, and historical contexts, Indigenous Peoples as an expression of their right to self-determination, have the right to autonomy or self-government in matters relating to their internal affairs. This relates to their right to maintain and strengthen their own institutions, maintain and develop their own procedures for decision-making, determine their own development priorities, and maintain their own judicial systems or customs, in accordance with international human rights standards (Article 5, 18, 23, 34 UNDRIP). Key aspects of Indigenous governance include:

- **Self-determination:** The right to determine their political status and pursue economic, social, and cultural development.
- **Autonomy:** Indigenous groups often have their own governance systems, including decision-making processes, legal systems, and customary laws. Their right to autonomy or self government includes the exercise control over lands, territories and natural resources, maintain their own authorities and institutions and ways for financing their autonomous functions and rights to their own development (A/74/149)
- **Land and resource management:** Governance and management of lands and resources integral to their cultural and spiritual identity.

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