

December 14, 2023

An open letter to the banking sector on their role in stopping and reversing the biodiversity crisis

We, the undersigned 98 organizations, are writing to express our concerns about the [accelerating rate of biodiversity loss and ecosystem collapse](#) and the unacceptably slow rate at which banks are addressing their role in halting and reversing the [biodiversity crisis](#).

Actors in the international banking sector are driving this [crisis](#) by funding initiatives that promote changes in land use, deforestation, overexploitation of resources, pollution, climate change, and violations of Indigenous rights and territories. In 2019, the world's largest banks invested more than [USD 2.6 trillion](#) in sectors¹ that are the primary drivers of biodiversity destruction, and indirectly financed harmful sectors via intermediaries.

On the first anniversary of the adoption of the [Kunming-Montreal Global Biodiversity Framework \(GBF\)](#) **we call upon all banks to produce and publish a [transition plan that is aligned with the goals and targets of the GBF](#) and the [Paris Agreement](#), by October 2024.**

Amidst a dangerous decline in nature threatening the survival of one million species and impacting the lives of billions of people, the GBF aims to halt and reverse biodiversity loss. The framework establishes global targets for 2030 and beyond to conserve, restore, and sustainably use biodiversity and to respond to the [Global Assessment Report of Biodiversity and Ecosystem Services](#) which highlighted the role of financial actors in causing and addressing biodiversity loss.

The international banking sector's [policies](#) and practices overall are [failing to monitor and measure](#) the impact of their financing on driving systemic, negative biodiversity impacts. Actors in the global banking sector are not doing enough to assess, disclose, avoid, reduce, or mitigate negative impacts on biodiversity as established in [GBF target 15](#). Nor is the banking sector sufficiently addressing threats of climate change by directing financial flows toward low greenhouse gas emissions and climate-resilient development in line with [Article 2 of the Paris Agreement](#). The current system permits voluntary self-reporting and fails to offer proper regulatory and redress mechanisms, which are essential to ensure accountability of banking impacts on biodiversity and human rights.

In December 2022, 65 and 51 civil society organizations signed open letters to [commercial](#) and [public](#) banks, respectively, to impress the importance of the banking sector's role in halting and reversing biodiversity loss. **The recommendations in those open letters still stand unaddressed.** Continuing business as usual will result in devastating consequences for people and the planet.

Building upon the [five key principles for banks to halt and reverse biodiversity loss](#) effectively and equitably, all banks must have a transition plan in line with the GBF and Paris Agreement that:

¹ e.g., oil and gas, large hydropower, mining, large-scale wood biomass, infrastructure, and industrial agriculture

- Prioritizes the end of financial services to actors whose supply chains or operations within any part of their business are profoundly linked to conversion of natural ecosystems, heavy climate impact, or violation of Indigenous peoples' rights.
- Ensures the implementation of robust environmental and human rights due diligence that eliminates harmful financing, including, at a minimum in [No Go Areas](#), and exclusion areas. Policies and procedures should adhere to the [United Nations \(UN\) Guiding Principles on Business and Human Rights](#). The rights of Indigenous peoples, women, and local communities should be respected and prioritized, while banks should also ensure that policies and procedures protect and prioritize the human rights of impacted communities. Any bank policy scope should apply to the "[corporate group](#)" as defined by the Accountability Framework Initiative.
- Ensures that climate goals and strategies are complementary to and do not conflict with biodiversity targets.

Indigenous peoples play a critical role in protecting the world's remaining biodiversity hotspots—although Indigenous peoples constitute [six percent of the world's population](#), they [safeguard 80% of the world's biodiversity](#). Research shows that lands managed by Indigenous peoples yield the same or better biodiversity outcomes than protected areas. Nature and [biodiversity decrease](#) at a [slower rate](#) on Indigenous lands, and yet, these areas are facing increasing threats and pressures from harmful development.

Protecting biodiversity cannot be separated from the protection of the rights of Indigenous peoples. To yield better biodiversity outcomes and as a critical condition to achieving these positive outcomes, banks must establish or strengthen, and implement policies and procedures that respect and uphold the rights of Indigenous peoples as prescribed by the [UN Declaration of the Rights of Indigenous Peoples](#). This includes the right to free, prior, and informed consent (FPIC).

Meaningful actions by actors in the banking sector to halt and reverse biodiversity loss and climate change requires robust solutions and commitments. They must center upon a human rights-based approach and the elimination of deforestation in all banking activities and associated intermediaries.

With urgent, concrete, effective, and operational timebound actions, banks can play a key role in halting and reversing the loss of biodiversity and ecosystems that we all depend on. We welcome a conversation with you to discuss this matter in the coming weeks. For questions and feedback please contact Eryn Schornick at eschornick@foe.org.

Sincerely,

Accountability Counsel
Accountability Sustainable Monitoring Indonesia (AsM Law Office)
Adéquations

Africa Child Care Nation (ACCN)
Akar Global Inisiatif
AMAN Maluku
Amazon Watch
Animals Asia Foundation
Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE)
AXIAL Naturaleza & Cultura
Bank Climate Advocates
Bank Information Center
Bank.Green
BankTrack
Biodiversity Conservation Center (Russia)
Blue Dalian
Both ENDS
CAFOD
Canopy
Center for Biological Diversity
Climate Action Rhode Island-350
Club Humanitaire sans Frontières
Coalition of African Animal Welfare Organisations (CAAWO)
Coastal Plain Conservation Group
Colectivo VientoSur
Community Empowerment and Social Justice Network (CEMSOJ)
Compassion in World Farming
Crude Accountability
Cultural Survival
DamSense
Democracy Watch
Dogwood Alliance
Earth Action, Inc.
Earth Day.org
Environmental Action Germany /Deutsche Umwelthilfe (DUH)
Environmental Paper Network
Ethical Farming Ireland
Fórum Nacional de Proteção e Defesa Animal
Fair Finance International
Fair Finance Pakistan
Family Farm Defenders
Feedback
Forests & Finance
Forests of the World
Forum Ökologie & Papier
Friends of the Earth US
Gender Action
Global Witness

Great Lakes and Wetlands Association
Green Advocates International (Liberia)
Housing and Land Rights Network - Habitat International Coalition
Instituto Maíra
International Accountability Project
International Rivers
Latinoamérica Sustentable
Lawyers' Association for Human Rights of Nepalese Indigenous Peoples (LAHURNIP)
LemBAH, Indonesia
LBH ANGSANA, Indonesia
LINGO (Leave it in the Ground Initiative)
Lumière Synergie pour le Développement
Mekong Watch
Mighty Earth
Milieudefensie (FOE Netherlands)
National Wildlife Federation
Nature Nova Scotia
Oceanic Preservation Society
Organisatie van Inheemse Volken in Suriname, OIS
Peace Point Development Foundation-PPDF
Pivot Point
Planet Tracker
Positive Money Europe
Positive Money UK
Profundo
Protect Our Woods
Rainforest Action Network
Recourse
Red por la Superación del Modelo Forestal
Rettet den Regenwald (Germany)
Rivers without Boundaries
Seeding Sovereignty
Sierra Club
Sinergia Animal
Snow Alliance
Soil Mates Farm
Solutions for Our Climate (SFOC)
Stand.earth
Sustainable Development Institute (SDI)
Sustainable Holistic Development Foundation (SUHODE)
Switch It Green
Tebtebba Foundation
The Takagi Fund for Citizen Science, Japan
TIAA-Divest!
Trend Asia

University of Lincoln

Urgewald

Women's Earth and Climate Action Network

Women's Environment and Development Organization (WEDO)

350Brooklyn