



TOPICS:

ESG risk

SOURCE

International Capital Market Association

ICMA: Sustainable Bonds for Nature - A Practitioner's Guide

- This Practitioner's Guide, issued by the International Capital Market Association (ICMA), provides **voluntary guidance for market participants seeking to structure credible nature-themed bonds** aligned with the Green, Social, Sustainability, and Sustainability-Linked Bond Principles.
- The Guide outlines **how nature-themed bonds**, particularly green and sustainability bonds, **can channel resources towards conservation, restoration, sustainable use of natural ecosystems, and nature-based solutions (NbS)**. It identifies core components necessary for such issuances: use of proceeds (UoP), project evaluation, management of proceeds, and both allocation and impact reporting. Issuers are encouraged to go beyond "business as usual," with clearly defined environmental objectives spanning biodiversity conservation, pollution control, and climate adaptation, among others.
- A key element is the comprehensive appendix, which

- offers **a taxonomy of indicative nature-related projects** mapped to GBF (Kunming-Montreal Global Biodiversity Framework) targets and impact indicators across all GBP project categories. This includes detailed metrics for projects in renewable energy, water and waste management, sustainable agriculture and aquaculture, biodiversity conservation, and climate adaptation.
- The Guide also explores **the integration of nature-related key performance indicators (KPIs) in Sustainability-Linked Bonds (SLBs)**, allowing issuers to embed biodiversity targets directly into financial structures. It offers examples and guidance on selecting KPIs and setting ambitious sustainability performance targets (SPTs), aligned with national biodiversity strategies, SDGs, or science-based methodologies.

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