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Banks & Biodiversity Initiative

Calling on the Financial Sector to Prohibit Harmful Financing to Critical Ecosystems

The biodiversity and climate crisis have shown the urgency of protecting the world's critical ecosystems and the Indigenous Peoples who safeguard them. An emerging international trend is the use of No Go areas as a means to protect critical ecosystems for the planet, biodiversity, climate, and people.

About the Banks & Biodiversity Initiative

Endorsed by over 100 civil society organizations, academics, and scientists, **the Banks & Biodiversity Initiative aims to hold banks accountable for their impacts on biodiversity.** It advocates that financiers prohibit harmful financing in eight proposed No Go areas. They include (1) internationally-recognized areas, (2) nationally and sub-nationally recognized areas, (3) habitats with threatened and endemic species and Key Biodiversity Areas, (4) intact primary and vulnerable secondary forests, (5) free flowing rivers, (6) protected and at-risk marine and coastal ecosystems, (7) areas where the Free, Prior, & Informed Consent (FPIC) of Indigenous Peoples and local communities have not been obtained, and (8) iconic, transboundary ecosystems.

Alongside host country governments, public and private financiers play a pivotal role in achieving the Kunming Montreal Global Biodiversity Framework. Target 14 calls for progressively aligning public and private financial flows with the Framework's goals. Target 15 addresses financial institutions' responsibility to assess and disclose biodiversity-related risk and impacts across portfolios, with the aim of reducing negative impacts. Target 19 compliments these objectives by calling for at least $200 billion annually in biodiversity finance by 2030, including $30 billion in international finance to developing countries.

Yet mobilizing more money to protect biodiversity is only part of the solution. **Financial institutions must also address the harm caused by their lending and investment activities**, particularly those threatening critical ecosystems, Indigenous territories, and community rights. Civil society—including those such as the Banks & Biodiversity Initiative—continue to call upon financial institutions to translate these commitments into concrete financing policies and implementation, including safeguards and exclusions for environmentally and socially harmful activities. Without restricting harmful financial flows alongside promoting positive investment, the financial sector risks undermining the very biodiversity goals it is expected to support.

Why financial institutions should adopt No Go areas

- **Existing bank policies fall short of protecting critical biodiversity areas**, with significant gaps, exceptions, and inconsistent protections for vulnerable ecosystems and Indigenous territories.
- **Financial institutions should prohibit direct and indirect financing of harmful activities** in —or that may negatively affect—critical ecosystems and Indigenous territories, consistent with the Banks & Biodiversity Initiative's eight proposed No Go areas.
- **Offsets, mitigation measures, and conditional financing arrangements** must not serve as loopholes that permit environmentally harmful projects to proceed in critical ecosystems where damage may be irreversible.
- **Financial institutions should adopt measurable, time-bound biodiversity commitments**, supported by portfolio-wide impact assessments, public disclosure, and effective oversight to halt and reverse biodiversity loss.
- **Financial institutions must redirect financing away from activities that drive biodiversity loss**—including harmful activities in high-impact sectors such as fossil fuels—and toward sustainable development, community based conservation, and ecosystem restoration that respect Indigenous Peoples' and communities' rights.

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Establishing No Go areas: An emerging international trend in the financial sector

Although significant gaps remain in bank policies protecting critical ecosystems and Indigenous territories, **several financial institutions have adopted measures reflecting elements of the Banks & Biodiversity Initiative's proposed No Go areas**. Examples include:

- Among Multilateral Development Banks (MDBs), ten out of thirteen banks have developed protections for internationally and nationally recognized areas, such as World Heritage sites. The U.S. Development Finance Corporation includes protections for International Union for Conservation of Nature (IUCN) category areas IA-VI.

- Some private banks also include some protections for international or nationally recognized areas. To name a few, BNP Paribas, Citi, and Santander include exclusion policies on oil & gas projects in the Arctic, while Scotiabank includes protections specifically for the Arctic National Wildlife Refuge. Going further, BNP Paribas extends its exclusion policy for projects in the Amazon.

- Among MDBs assessed, the European Investment Bank and U.S. Development Finance Corporation have policies which explicitly protect some primary forests.

- Some private banks also include protections for areas recognized for their contributions to global biodiversity. For example, BNP Paribas excludes project funding for select sectors biodiverse areas, including IUCN I-IV, Ramsar Sites, United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage sites, among others. Santander excludes financing to any activities in Ramsar Sites, World Heritage Sites, or IUCN category areas I-IV.

- Four out of thirteen MDBs assessed include some protections for free-flowing rivers. As an example, the Asian Development Bank and U.S. Development Finance Corporation have policies which partially protect free-flowing rivers.

- While most MDBs assessed have language regarding Indigenous Peoples, the use of FPIC isn't typically required, or if so, under certain circumstances. Notably, Asian Development Bank requires FPIC for circumstances involving adverse impacts on Indigenous lands and resources, relocation of Indigenous Peoples, and significant impacts on Indigenous Peoples cultural heritage.

International recognition of No Go areas

International frameworks and national regulations demonstrate growing recognition of No Go area-based biodiversity protections, although their scope and application vary.

- With discussions beginning in 1998, UNESCO World Heritage Convention has promoted the adoption of its 'no-go' commitment as best practice, responding to threats posed by extractive activities to UNESCO World Heritage sites. As of February 2026, more than 50 World Heritage 'no-go' commitments and safeguards have been endorsed by corporate entities.

- In a joint statement, the UN Environment's Principles for Sustainable Insurance Initiative (PSI) released the first insurance industry statement to protect World Heritage Sites in 2018. The statement was supported by leading insurers, insurance associations, and key stakeholders around the world.

- China's Ecological Red Lines (ERLs) have established protections for biodiversity, ecologically sensitive areas, and ecosystem integrity. Serving as a key part of China's long-term goal of safeguarding its ecological security, ERLs are identified and delineated based on scientific assessments, approved by the State Council, and implemented by provincial governments.

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