



Unlocking finance for nature: learning from experience in driving climate action

Summary

We are destroying our natural environment at an alarming rate, exacerbating the existential and interconnected challenges of climate change and nature loss.ⁱ There is widespread recognition that an actionable set of global goals for nature¹ is needed to catalyse and align national, local and private sector action, and reverse this trend.

The G20ⁱⁱ and G7ⁱⁱⁱ have committed to “halting and reversing biodiversity loss by 2030” – also described as an ambition to become “nature positive” – and driving a nature positive economic transition to achieve this commitment.²

Becoming nature positive and achieving global nature goals as agreed at the Convention on Biological Diversity (CBD), Conference of Parties 15 (COP15) will require financing. Public finance is critical, but alone is insufficient for the scale of the task. Private finance has the resource and potential to support these nature goals – by both shifting finance away from harmful activities and directing it towards nature positive ones – especially if they are considered alongside, rather than separate to, climate goals. It should be possible to create the incentives to unlock private financing for nature: as has been pointed out by multiple experts “natural capital underpins all economic activities and human well-being.”^{iv,v} Additionally, the transition to nature-positive business models is estimated to generate opportunities worth US \$10.1 trillion in annual business value and could create 395 million jobs by 2030.^{vi}

To enable the private finance sector to support these global goals, a set of policy frameworks and tools at an international and national level are needed, which set clear direction for a nature positive and net zero economic

transition, create the right incentives, and make it possible for the private sector to measure and report on nature impacts. Such foundational “building blocks” strengthen national level fiscal and regulatory action and play a critical role in allowing the financial sector to develop appropriate investment strategies, find profitable opportunities, and overcome risks – with respect to climate and nature financing.

Meaningful progress has been made on foundational building blocks to tackle climate change whereas the equivalent foundations for nature are lacking, insufficient, or nascent. However, this divergence in progress to address the climate and nature crises is not justified by the science, which shows that they must be tackled together.

This paper calls on policymakers to mature the foundational policy frameworks and tools to unlock private nature financing. It presents the set of foundational building blocks

that are critical to unlocking private nature financing, learning from climate financing efforts, such as measurable global and national targets for nature, nature scenarios and sectoral transition pathways, and company level metrics.

By adopting these frameworks, policymakers can take advantage of the opportunities presented by integrating nature into the fast-emerging climate policy and regulatory framework: holistic thinking at an international, national and company level will lead to more effective mitigation, adaptation and nature solutions and financing opportunities. As well as unlocking more nature finance, these foundational building blocks will help to align economic activity with nature positive goals, and speed up progress towards achieving a net zero, and nature positive global economy.

We recommend that policymakers establish the following foundational building blocks for nature:

1. An ambitious post-2020 Global Biodiversity Framework (GBF) which includes a global nature positive goal, broken down into a set of measurable global targets and a clause calling for the alignment of financial flows to the framework.
2. Measurable, legally binding, national nature goals which are aligned with the GBF.
3. Globally agreed scenarios and sectoral pathways for key economic sectors, to achieve the Paris Agreement and the GBF, authored by suitable international authorities.
4. The full alignment of multilateral and development finance with the goals of the Paris Agreement and the GBF.
5. Clear targets, metrics and standards, consistent with the agreed global goals of the GBF, but actionable and monitorable at company level.
6. Integrated national sectoral pathways and scenarios to achieve national goals on climate and nature, to which the private sector can align.
7. Credible National Biodiversity Strategies and Action Plans (NBSAPs) to reach measurable, legally binding national level nature goals consistent with the GBF, and translated into national economic policies, backed by financing plans. They should be developed in an integrated manner with national climate and adaptation plans.



Foundational building blocks have put climate financing efforts ahead of nature

Experience from promoting the net zero transition has shown that relying on voluntary action by the private sector is not enough to shift mainstream financial flows away from environmentally harmful activities and towards environmentally positive financial flows.

There is a scientific consensus that “limiting global warming to ensure a habitable climate and protecting For example, while the majority of the 75 largest asset managers globally had publicly endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in 2020, only 19% reported in line with the framework.^{vii} Only 30% of companies who had disclosed a net zero target in 2021 had credible plans to reach those targets.^{viii} Indeed, Mark Carney, co-Chair of the voluntary initiative, The Glasgow Financial Alliance for Net Zero (GFANZ), has urged governments to accelerate the process of establishing guidelines for company transition plans, recognising the barriers in scaling up voluntary initiatives.^{ix}

The only way to unlock private finance at scale is for governments to align regulation, public spending and legislation with net zero and nature positive goals, creating a suite of incentives for the private sector to act.^x

Governments have a range of domestic policy instruments at their disposal – particularly regulatory reform and fiscal policy reform – to align private finance with net zero and nature positive goals.^{xi}

Regulatory Reforms include:

- Financial Sector legislation and regulation, such as mandatory disclosure of climate and nature risks, transition plans, and establishing green taxonomies, to mitigate the significant financial and price instability caused by biodiversity loss and global warming.^{xii}
- Real economy, sector specific regulations, such as the proposed Euro 7 standards for vehicles proposed by the European Commission^{xiii} and the Climate Change Levy in the United Kingdom (UK).^{xiv}

Fiscal Policy Reforms include:

- Aligning tax rates with user and polluter pays principles, such as the carbon tax introduced in South Africa in 2018 that covers 37.3% of national greenhouse gas (GHG) emissions,^{xv} and the National Carbon Trading Market in China that targets emissions from the power sector.^{xvi}
- Public finance to support environmentally positive outcomes such as redirecting environmentally damaging subsidies, public spending on low carbon infrastructure, risk sharing mechanisms including blended finance, and mechanisms to support innovation and investment in net zero or nature positive outcomes.

However, the progress made by such policy interventions to unlock private finance is much further ahead for net zero than

it is for nature.³ While a climate financing gap remains, total global climate finance flows increased from US \$365 billion in 2013/2014 to US \$632 billion in 2019/2020 of which US \$310 billion was private finance and US \$321 billion was public finance.^{xvii 4} Indeed, in 2021 it was estimated that over US \$130 trillion of private capital could be committed to support a transition to a net zero economy, as a result of initiatives like GFANZ.^{xviii} Financial flows supporting nature goals are paltry by comparison. The estimated annual private sector financial flows for biodiversity and natural assets amounted to US \$25.6 billion in 2022, while annual public flows during the same year were US \$127.9 billion.^{xix 5}

This discrepancy can somewhat be explained by the fact that a more mature set of foundational policy frameworks, tools and building blocks have been developed for climate than for nature.

While not fully matured or perfect, the existence of these building blocks for climate at an international and strategic level have increased the pressure for governments to put in place national climate related regulatory and fiscal measures, and are critical to incentivise change in financial markets, which are global in nature.

Developing a similarly mature foundational framework for nature should therefore increase the volume and efficacy of national legislative interventions to unlock nature financing also. The critical elements of these building blocks and how they have been applied to climate financing are set out in Table 1.

Table 1: The foundational framework which plays an important role in climate financing efforts

| Foundational Building Block | Importance in unlocking finance as illustrated by the net zero experience |
|--|--|
| A global goal | <p>The Paris Agreement's goal to keep global warming to 1.5 degrees has ensured that international financing, national governments and the private sector have all been working off the same goal.</p> <p>Article 2.1(c) of the Paris Agreement on aligning financial flows with 1.5 degree galvanised both public and private sector initiatives.</p> |
| Legislated national targets consistent with the global goal | <p>The Paris Agreement has been backed up by Nationally Determined Contributions (NDCs), in theory creating a mechanism to link national policy interventions to the global goal.</p> <p>While NDCs do not fully add up to the global ambition,^{xx} nine G20 jurisdictions have enshrined their net-zero commitments into law; and ten have established routine review cycles that can provide accountability,^{xxi} offering the private sector clear signals of national ambition and likely policy action.</p> |
| Globally agreed scenarios and pathways | <p>Scenarios are used by central banks, regulators, financial institutions and corporates to assess the risks and financial impacts of climate change, in turn informing their strategy and sustainability disclosures.</p> <p>Commonly used scenarios include^{xxii} those provided by the Intergovernmental Panel on Climate Change (IPCC),^{xxiii} the Network for Greening the Financial System (NGFS)^{xxiv} and the International Energy Agency (IEA).</p> <p>The IEA's Net Zero by 2050 roadmap^{xxv} and other sectoral transition pathways have helped financial firms and corporates develop transition plans for their activities in different sectors, in line with the global climate goal.^{xxvi}</p> |
| Aligned international public finance flows and incentives | <p>The International Financial Institutions (IFIs), and other Development Finance Institutions (DFIs), partly create the 'rules of the game' within which national governments operate, and can incentivise the economic transition in multiple ways.</p> <p>This includes incentivising good environmental governance through their programmes and financial support mechanisms, financing things which private markets cannot finance by themselves, and de-risking projects.</p> <p>At COP27, global leaders, including the Barbados Prime Minister Mia Mottley^{xxvii} and the US Climate Envoy John Kerry,^{xxviii} advocated for reforms to IFIs to allow them to unlock private finance. Their views are echoed in a recent G20 declaration.ⁱⁱ</p> |
| Actionable private sector targets and metrics | <p>For the private sector to practically act on the 1.5 degree goal, it has had to be broken down into targets and metrics that can be acted on, and reported on, at a company level.</p> <p>The standardisation of these company-level targets and metrics allow company accountability and comparability – critical to support investment and financing decisions.^{xxix}</p> <p>Over 4000 companies have chosen to work with the Science Based Targets Initiative (SBTi) to set a clearly defined target and path to reduce emissions in line with the Paris Agreement, and the Biden Administration has proposed to require federal contractors to submit science-based emissions reduction targets in line with the SBTi.^{xxx}</p> |
| Sectoral pathways to reach national targets | <p>Mirroring the role of globally agreed scenarios and pathways, country specific pathways allow companies to benchmark their transition plans based on the location of their operations and remain aligned with globally agreed pathways to reach global goals.</p> <p>69% respondents in an Organization for Economic Cooperation and Development (OECD) industry survey of financial institutions stated that the lack of such pathways is a key obstacle to identifying companies committed to a Paris-aligned transition trajectory, and thus making transition-aligned investment decisions.^{xxxi}</p> |
| National strategies and economic policies to hit national targets | <p>Overarching national government strategies and legislative commitments, such as the updated German Climate Law (2021)^{xxxi} or the UK Climate Change Act (2008),^{xxxii} often build confidence among investors and industry about the direction of travel and coordinate action across government departments. They can also lay the groundwork for the specific regulatory and fiscal policy interventions which support climate and nature financing, such as:</p> <ul style="list-style-type: none"> • Financial Sector legislation and regulation (e.g. sustainability disclosures) • Sector specific regulations (e.g. energy efficiency regulations) • Carbon pricing mechanisms (e.g. cap and trade) • Strategic use of public finance (e.g. blended finance solutions, redirecting subsidies) |

While nature and climate have largely been tackled in silos, science dictates that they must be tackled together

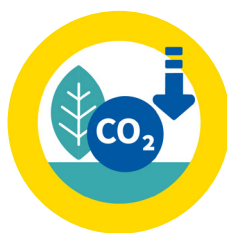
The difference in the maturity of policy frameworks to support climate and nature financing is not justified by the science, nor does it lead to efficient solutions.

There is a scientific consensus that “limiting global warming to ensure a habitable climate and protecting biodiversity are mutually supporting goals, and their achievement is essential for sustainably and equitably providing benefits to people”.^{xxxiv} In other words, nature loss poses as large an economic, financial, and societal risk as climate change,^{xxxiv} and the economic transition must be both net zero and nature positive, or it will be neither.^{xxxiii} There are strong interlinkages between the delivery of climate and nature outcomes, but climate and nature related policy have tended to be developed in silos.

Integrating nature and climate in public and private decision making is an efficient way of unlocking finance for both goals because:



Nature loss and climate change drive each other. Nature loss is a key driver of climate change with agriculture, forestry and other land use accounting for 23% of global GHG emissions.^{xxxv} Climate change drives between 11-16% of all biodiversity loss now and is one of the fastest growing drivers of biodiversity loss.^{xxxvi}



Nature is necessary to mitigate climate change, but can also be harmed by climate mitigation efforts without guardrails. Land and ocean absorb over half of the anthropogenic CO2 emissions per year^{xxxvii} and all IPCC scenarios that limit climate change to 1.5°C rely heavily on nature. Furthermore, climate mitigation efforts have the potential to damage nature, for example the need for raw materials for electric vehicle batteries can lead to the extraction of minerals from high-conservation value forest ecosystems in central Africa.^{xxxviii}



Nature supports adaptation and resilience, reducing the physical and financial risks caused by climate change.^{xxxix} Nature-based solutions provide alternatives to often expensive ‘hard’ climate-adaptive infrastructure that protects communities from flooding, storm surges, and soil and coastal erosion. This reduces the cost of adaptation, while also guarding against the physical, economic and financial damage caused by climate change, creating incentives to finance such adaptation.

By integrating decision making on climate and nature, public and private finance can avoid financing climate solutions which exacerbate the nature crisis and can instead finance efficient nature-based climate solutions for mitigation and adaptation, simultaneously delivering co-benefits related to nature positive goals themselves. Therefore, the foundational building blocks that have been identified as critical for climate financing efforts should be rapidly matured for nature, integrating climate and nature building blocks where appropriate.

A foundational framework should be matured to support nature financing


















Some progress has been made to develop financial instruments to finance biodiversity conservation and restoration.


On a national level these include the Payments for Environmental Services Program in Costa Rica that has invested more than US \$524 million since 1996;^{xi} the proposed US \$700 million debt swap in Gabon to finance marine conservation;^{xii} and the world's first Sovereign Blue Bond issued by the government of Seychelles, which raised US \$15 million in 2018.^{xiii} On an international scale, a total of US \$5 billion has

been pledged during the period 2008-2020 to multilateral climate funds that support efforts to reduce emissions from deforestation and degradation plus conservation (REDD+).^{xiii}

However, just as a foundational framework has played a key role in climate financing (see Table 1), the lack of an equally mature framework for nature is restricting national and international nature financing efforts. While some building blocks have started to be established for nature, they are currently less developed or impactful than their climate counterparts. Figure 1 shows the building blocks that currently exist for climate versus nature, indicating their relative maturity, and showing where building blocks integrating climate and nature would be appropriate.




Figure 1: The status of foundational building blocks to unlock private climate and nature finance

| Building blocks to unlock private finance for nature | Net Zero | Integrated Action | Nature Positive |
|---|--|---|---|
| A global goal |  Paris Agreement | |  CBD COP 15 |
| Legislated national targets consistent with the global goal |  Nationally Determined Contributions | |  Individual country targets |
| Globally agreed scenarios & pathways |  IEA, NGFS, IPCC scenarios Sectoral pathways |  Integrated Scenarios (TNFD) |  IPBES |
| Aligned international public finance flows and incentives |  Use all powers to pursue climate goals |  Integrated development finance strategy |  Use all powers to pursue nature goals |
| Actionable private sector targets and metrics |  SBTi | |  SBTN |
| Sectoral pathway to reach national targets |  National decarbonisation pathways |  Integrated national decarbonisation and nature pathways | Unknown, but not needed if integrated scenarios created |
| National strategies and economic policies to hit national targets |  National net zero strategies |  Alignment of net zero, nature and adaptation strategies |  National Biodiversity Strategies and Action Plans |



Domestic regulatory and fiscal policy interventions to unlock private finance

- Financial Sector legislation and regulation
- Sector specific regulations
- Carbon Pricing mechanism
- Strategic use of public finances

 **Teal:** Element established
 **Orange:** Element in progress, but inadequate
 **Purple:** Element is non-existent or almost non-existent

Governments can strengthen the foundational framework for nature which underpins effective national level legislative, regulatory and public financing efforts to unlock nature financing. **Below is a summary of the status of each foundational building block for nature and what is needed to mature it.**

1 A global goal:

The Aichi Targets, the predecessor to post-2020 Global Biodiversity Framework (GBF), failed in part because the targets were hard to measure and compare across jurisdictions.^{xliv, xlv} More than 1,100 companies are calling on the Parties to the GBF at CBD COP15 to learn from this shortcoming and commit to a pledge to reverse biodiversity loss by 2030, equivalent to the 1.5 degrees pledge agreed in Paris. This high-level global goal should be broken down into a set of measurable global targets reflecting the complexity of natural ecosystems.^{xlvi 5} This will allow companies to translate these goals into actionable metrics at a company level (another foundational building block). Additionally, Parties to the GBF should agree a clause in the post-2020 GBF calling for the alignment of public and private financial flows with the goals and targets of the framework, as an equivalent to Article 2.1c of the Paris Agreement,^{xlvii} as called for by the G7 Ministers responsible for Climate and Environment^{xlviii} and by financial institutions.^{xlix}

2 Legislated national targets consistent with the global goal:

National level legislation on nature conservation and restoration exists in many jurisdictions, but barring notable exceptions like the EU 2020 biodiversity targets,^l they are usually not clearly linked to the Aichi Targets and fall short of ambition. Of the reporting Parties to the CBD, most national strategies did not add up to the Aichi Biodiversity Targets and only a tenth of the national targets that are similar to an Aichi Biodiversity Target are on track to be met.^{li} The GBF should seek strong commitment from Parties to set binding and clear national targets, which are consistent with global goals.

3 Globally agreed scenarios and pathways:

The Taskforce on Nature-related Financial Disclosures (TNFD) notes that there are current limitations in replicating the approach taken for climate related scenarios to create nature-related scenarios. Some limitations, such as the lack of global targets for nature and a single agreed metric for nature loss, could be addressed at CBD COP15. Other limitations are a lack of consensus about the science of nature risk, data and modelling limitations, and the location specificity of nature-related impacts. Nonetheless, TNFD is working towards providing guidance to financial institutions on using scenarios that integrate considerations of climate and nature.^{lii} IPBES also provide a foundation for integrated scenario analysis to achieve multiple SDGs.^{liii} A globally consistent approach is needed to integrate nature and climate scenario analysis and be widely used as references. Alongside that, internationally mandated

expert organisations should develop integrated climate and nature reduction pathways per sector. The FAIRR initiative, an investor network representing US \$69 trillion in assets under management, have called upon the UN's Food and Agriculture Organisation (FAO) to develop a global roadmap for Agriculture, Forestry and Other Land Use (AFOLU) sector to mitigate climate change and biodiversity loss.^{liv} Such pathways are also needed for other key resource-dependent sectors, including materials & construction, apparel, extractives, and dependent downstream sectors (e.g. retailers).

4 Aligned international public finance flows and incentives:

At COP26, MDBs acknowledged the importance of halting biodiversity loss and committed to “step up nature financing and efforts to mobilise or leverage private finance for investments in nature.”^{lv} Similarly, Public Development Banks have also committed to account for and manage direct and indirect climate, biodiversity, environmental and social risks and opportunities.^{lvi} However, MDBs contribute significantly less to biodiversity finance than to climate and therefore policymakers, including the UK Government Department for Energy, Food and Rural Affairs (DEFRA), have called on MDBs and other IFIs to make concrete international biodiversity finance pledges, ahead of COP15, and to commit to align their portfolios with the GBF, as they have agreed to do with the Paris Agreement.^{lvii} MDBs and other IFIs have a range of levers at their disposal to address nature loss including increasing the provision of concessional finance to de-risk private investments,^{lviii} accounting for nature-related risks in their investments and loans;^{lix} investing in capacity building^{lx} and adaptation in developing countries;^{lxi, lxii} and financing the offloading of stranded assets.^{lxiii}

5 Actionable private sector targets and metrics:

A number of independent initiatives are developing private sector tools to enable institutions to understand their risks and dependencies on nature (e.g. Exploring Natural Capital Opportunities, Risks and Exposure - ENCORE) and report on a consistent set of metrics (e.g. TNFD). Methodologies have been created for companies to set targets on nature (e.g. Science Based Targets Network, SBTN) and to rank and compare institutions on aspects of nature progress. These initiatives are supporting action at the company level. However, in the absence of an agreed set of global goals for nature they cannot ensure consistency with each other, or ensure full coverage between them. Once agreed, global goals for nature need to be broken down, in a globally standardised way, into sectoral and location-specific targets which can further inform company-level targets and metrics with appropriate levels of ambition. Establishing these company level metrics is substantially more complex for nature than it is for climate, given the multiple aspects of how the natural world provides value (e.g. freshwater, marine, land, biodiversity) but it is critical that companies and financial institutions are clear on what is required of them to align with a nature-positive global pathway.⁶

6 Sectoral pathways to reach national targets:

In the absence of a clear global target, to our knowledge, no national sectoral pathways for the transition to a nature positive economy have been developed to date. Once a global target for nature has been determined, integrated national sectoral pathways which align with the national goals for climate and nature would provide baselines for company action within jurisdictions. Pathways at a national level are particularly important for nature, given the high localised aspects of nature dependencies and impacts. Pathways should be underpinned by National Ecosystem Assessments, which enable the assessment of natural capital related risks and opportunities in the national context as well as the delivery of the global goals.^{lxiv} For instance, the UK National Ecosystem Assessment Follow-on (UK NEAFO) quantitatively values the contribution of ecosystem services to different sectors of the economy, which can be used as an input into the development of sectoral pathways.^{lxv}

7 National strategies and economic policies to hit national targets:

In 2020, 85% of the Parties to the CBD had submitted their National Biodiversity Strategies and Action Plans (NBSAPs – domestic action plans to hit the Aichi Biodiversity Targets). However there was limited commitment from national governments to deliver on the targets and thus, they were not effectively translated into economic and financial sector policies and implementation mechanisms^{lxvi} and their implementation was underfunded. Financial institutions have urged world governments to strengthen NBSAPs to ensure successful implementation of the GBF.^{lxvii} To achieve this, first, NBSAPs should be backed by National Biodiversity Finance Plans, to ensure that ambition is supported by finance.^{lxviii} Second, governments should consider and revise NBSAPs holistically with the National Adaptation Plans and National Net Zero Strategies, given the deep interconnections between climate mitigation, adaptation, and nature.

Conclusion

Financial institutions and businesses have called for urgent government action to address the nature crisis, including through a high ambition CBD COP15 agreement.^{lxviii}

Governments can create the right incentives to unlock private finance for nature at scale through regulatory and fiscal policies. However, efforts to finance climate mitigation have shown that given the global nature of private finance, and of the climate and nature crises, effective national level action is underpinned by a set of key foundational policy frameworks and tools. While progress has been made on such foundations for climate, the building blocks for nature are much further behind.

This paper has highlighted seven such building blocks required to unlock nature finance. These are:

1. A globally agreed nature positive goal at CBD COP15, also broken down into a set of measurable global targets reflecting the multiple aspects of nature and including a clause calling for the alignment of financial flows to the framework, as an equivalent to Article 2.1c of the Paris Agreement
2. A set of measurable, legally binding, national nature goals which are aligned with the GBF.
3. The establishment of globally agreed scenarios and sectoral pathways for key economic sectors, to achieve the Paris Agreement and the GBF, by suitable international authorities.

4. The full alignment of multilateral and development finance with the goals of the Paris Agreement and GBF and the use of all the instruments and levers within their armoury to support the transition at pace – at an international and national level.
5. The establishment of clear targets, metrics and standards, consistent with the the agreed global goals of the GBF, but actionable and monitorable at company level.
6. The development of integrated national sectoral pathways and scenarios to achieve national goals on climate and nature, to which the private sector can align.
7. Credible NBSAPs to reach measurable, legally binding national level nature goals consistent with the GBF. NBSAPs should be translated into national level regulatory and fiscal policies, backed by financing plans, and developed in an integrated manner with national climate and adaptation plans – together creating incentives for private investment in a net zero and nature positive transition.

By learning from and building on the framework that is playing an important role in achieving climate goals, and taking advantage of the opportunities presented by integrating nature into the fast-emerging climate policy and regulatory framework, governments can start to unlock private nature financing at scale. This will help to align economic activity with nature positive goals, and speed up progress towards achieving a net zero, and nature positive global economy.

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Endnotes

¹ This paper uses the term nature to refer to the ensemble of living organisms on Earth and the functions of the biosphere. The biosphere is all the planet’s ecosystems, including both the collection of organisms on Earth and the space that they occupy on part of the Earth’s crust (the lithosphere), in the oceans (the hydrosphere), and the atmosphere. Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Glossary.

² In this paragraph, the quoted estimates for investment in nature are the total amount of private and public investment in Nature-based Solutions. The estimates for climate investment include “primary investment into productive assets at the project level to capture new money targeting climate-specific outcomes, excluding secondary transactions” (such as guarantees, insurance, or fiscal incentives) to avoid double-counting (CPI, 2021). As the framework for classifying green or sustainable investments is lacking, it is not possible to perfectly distinguish between investments in nature and those for climate. These estimates aim to provide an indication of the limited amount of investment that is allocated to nature.

³ The Climate Policy Initiative, who published the data, disclosed that limited data availability prevents a full accounting of domestic government expenditures and of private sector investments.

⁴ These estimates are approximate because financial flows into nature assets are not reported or tracked consistently.

⁵ A global agreement on indicators that are quantitative, consistent and comparable across countries could help achieve greater transparency and measurability between global and national targets. The targets could cover the categories: state of biodiversity; the pressures on biodiversity; and responses to address pressures (OECD, 2019).

⁶ These building blocks are not intended to cover everything all the analytical tools and data that the private sector would need in order to act on its nature targets and metrics. For example, in its 2022 Statement on Nature Related Financial Risk, NGFS has also called for central banks, financial supervisors, and financial institutions to build a scientifically-grounded analytical framework to assess the interactions between nature and the economy. The building blocks are intended to signpost the foundational elements which will catalyse further critical action by policymakers and the private sectors to unlock finance for nature.

Glossary

| | |
|-----------------|---|
| AFOLU | Agriculture, Forestry and Other Land Use |
| CBD | Convention on Biological Diversity |
| COP | Conference of Parties |
| DEFRA | Department for Energy, Food and Rural Affairs |
| DFI | Development Finance Institutions |
| ENCORE | Exploring Natural Capital Opportunities, Risks and Exposure |
| EU | European Union |
| FAO | Food and Agriculture Organisation |
| G20 | Group of Twenty |
| G7 | Group of Seven |
| GBF | Global Biodiversity Framework |
| GDP | Gross Domestic Product |
| GFANZ | The Glasgow Financial Alliance for Net Zero |
| GHG | Greenhouse Gas |
| IEA | International Energy Agency |
| IFI | International Financial Institution |
| IPCC | Intergovernmental Panel on Climate Change |
| MDB | Multilateral Development Bank |
| NBSAP | National Biodiversity Strategies and Action Plans |
| NDCs | Nationally Determined Contributions |
| NGFS | Network for Greening the Financial System |
| OECD | Organization for Economic Cooperation and Development |
| REDD+ | Reduce Emissions from Deforestation and Degradation plus Conservation |
| SBTi | Science Based Targets initiative |
| SBTN | Science Based Targets Network |
| TCFD | Task Force on Climate-related Financial Disclosures |
| TNFD | Taskforce on Nature-related Financial Disclosures |
| UK | United Kingdom |
| UK NEAFO | United Kingdom National Ecosystem Assessment Follow-on |
| USA (US) | United States of America (United States) |
| WEF | World Economic Forum |
| WWF | World Wildlife Fund |