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Executive summary

# Finance for Nature Positive Building a Working Model

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# About the “Finance for Nature Positive” discussion paper

Led by the Finance for Biodiversity (FfB) Foundation and UNEP FI, this discussion paper intends to solicit feedback from the financial sector on a proposed **Finance for Nature Positive** working model. The working model is built to provide guidance for financial institutions aiming to contribute to the Nature Positive global goal, in line with the mission of the Global Biodiversity Framework (GBF). By fostering consensus on definitions and good practices, it aims to support the development of strategies for improving the state of nature. The effort intends to lead to a workable framework, which should not only create a lighthouse of ambition for the financial sector but also shed light on immediate and applicable actions that the private financial sector can take today.

## About Finance for Biodiversity Foundation | [financeforbiodiversity.org](https://financeforbiodiversity.org)

The FfB Foundation is an observer of the Convention on Biological Diversity and part of the Resource Mobilisation Advisory Committee. The FfB Foundation, established in March 2021, is a non-profit organisation dedicated to fostering a call to action among financial institutions worldwide with 177 signatories of the Finance for Biodiversity Pledge. With 75 active member financial institutions across 28 countries, the Foundation facilitates knowledge sharing and collaboration on biodiversity actions through its working groups.

## About UNEP FI | [unepfi.org](https://unepfi.org)

UNEP Finance Initiative brings together a large network of banks, insurers and investors that collectively catalyses action across the financial system to deliver more sustainable global economies. For more than 30 years the initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda. It has established the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance (ESG) challenges. Convened by a Geneva, Switzerland-based secretariat, more than 500 banks and insurers with assets exceeding USD 100 trillion work together to facilitate the implementation of UNEP FI's Principles for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis and the initiative helps them to apply the industry frameworks and develop practical guidance and tools to position their businesses for the transition to a sustainable and inclusive economy.

## Supported by the Netherlands Enterprise Agency | [rvo.nl](https://rvo.nl)

The Netherlands Enterprise Agency (RVO) helps entrepreneurs and organisations to invest, develop and expand their businesses and projects both in the Netherlands and abroad. It is a government agency which is part of the Dutch Ministry of Economic Affairs.

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touch**

### Responses and ideas?

Please fill out the [questionnaire](#) or reach out to:

[natacha.boric@financeforbiodiversity.org](mailto:natacha.boric@financeforbiodiversity.org) and

[jessica.smith@un.org](mailto:jessica.smith@un.org)

# Acknowledgements

The discussion paper “Finance for Nature Positive: building a working model” was coordinated by the Finance for Biodiversity (FfB) Foundation and UNEP FI on behalf of our memberships.

## The lead authors and coordinators of this paper are:

- Natacha Boric, FfB Foundation
- Jessica Smith, UNEP FI

## The contributing authors of this paper are:

- Julen Gonzalez-Redin and Anita de Horde, FfB Foundation
- Oualid Rokneddine, UNEP FI

The report was developed with the support of the Netherlands Enterprise Agency (RVO). It builds on the insights collected during two member workshops and two stakeholder workshops, as well as other consultations, reaching representatives from more than 100 institutions in total. A subgroup on “definitions and frameworks” of the FfB Foundation’s working group on Positive Impact also supported the development of the report, co-chaired by Hadrien Gaudin-Hamama (Mirova).

## Reviewers

In addition to participation in consultations, the following reviewers have contributed to the process by providing valuable written feedback:

### Members

- Julia Bertuzzi, Abeille Assurances
- Leslie Kaplin & Laure Perronnin, Astanor Ventures
- Asa Mossberg, AP2
- Camille Maclet, BNP Paribas
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- Leo Murphy, Climate AM
- Clinton Adas, HSBC GAM
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- Hadrien Gaudin-Hamama, Mirova
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### Experts and stakeholders

- Jean-Noël Roulleau, Agence Française de Développement
- Vince van’t Hoff, Foundation for Sustainable Development (FSD)
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# Executive summary

Led by UNEP FI and the Finance for Biodiversity Foundation, this discussion paper intends to solicit feedback from the financial sector on a proposed Finance for Nature Positive working model, including definitions and associated practices. It aims to help operationalise the “Nature Positive” concept for the private financial sector. Published as a discussion paper alongside a questionnaire available at [surveymonkey.com/r/FinanceforNaturePositive](https://surveymonkey.com/r/FinanceforNaturePositive), the working model should serve to advance consensus towards a common understanding on how private finance can meaningfully contribute to the nature positive goal.

The effort intends to lead to a workable framework that addresses both positive impact and management and mitigation of negative impacts on nature. It is meant to be relevant to private sector finance and in line with the mission of the Global Biodiversity Framework (GBF) to halt and reverse biodiversity loss (avoiding harm), towards the recovery of nature (generating gains). The framework should not only create a lighthouse of ambition for the financial sector but also shed light on immediate and applicable actions that the private financial sector can take today. The co-authors hope to nourish wider debates on aligning financial flows for the implementation of the GBF.

## Nature Positive: Fostering common understanding

According to the Nature Positive Initiative (NPI), “Nature Positive” is a global societal goal. It proposes a definition anchored in the mission of the GBF to “halt and reverse biodiversity loss by 2030 on a 2020 baseline, and achieve full recovery by 2050”. In other words, it calls for a clear path towards more nature in the world, with thriving ecosystems, species, and genetic diversity. The NPI emphasises that the mitigation and conservation hierarchies are central to the definition (see the [website](#) for a full definition and more details).

Achieving the Nature Positive goal requires achieving nature positive outcomes, which are improvements in the state-of-nature, including the provisioning of ecosystem services. Positive outcomes are achieved at site- and/or landscape-levels, and are quantifiable in terms of state-of-nature improvement relative to a static baseline. Using 2020 as a baseline is recommended by the NPI, and implied at the global policy level by the GBF. The Nature Positive goal is commonly illustrated by an upward trajectory along biodiversity indicators, from 2020 to 2050. Overall, positive outcomes from individual actions should be contextualised towards the collective objective of generating more nature in 2030 than in 2020.

The discussion paper presents the growing diversity of references and research available around the concept of Nature Positive which are supporting a better understanding for the finance sector. These references enable the identification of key concepts, such as the mitigation and conservation hierarchies, the importance of risk management and social safeguards, measuring positive outcomes for nature in relation to a baseline ambitious

enough to lead to nature recovery. They provide common principles to be integrated into a practical vision of Finance for Nature Positive, as much as they alert us to open questions.

## **Nature Finance: Definitions from the World Bank Group**

The working model developed by the Finance for Biodiversity (FfB) Foundation and UNEP FI toward a Finance for Nature Positive builds from the definitions proposed by the World Bank Group (WBG) in its [Note on Nature Finance Tracking Methodology](#).

The definitions used in the Finance for Nature Positive working model of are as follows:

- **Nature Impact Mitigation Finance** is finance for activities undertaken to address adverse impacts on nature in accordance with the Work Bank Group’s Environmental and Social Framework (ESF) and IFC and MIGA Performance Standards (PS).
- **Nature Finance** is defined as finance contributing to the nature positive goal of halting and reversing nature loss and supporting the implementation of the Global Biodiversity Framework.
- **Nature Positive Finance** is finance that is expected to deliver measurable positive outcomes for biodiversity or ecosystem services, relative to business-as-usual; and
- **Nature Mainstreaming Finance** is finance that is expected to enable a broader economic transition toward practices aligned with delivering the nature positive goal.

## **Finance for Nature Positive: Building a working model**

The FfB Foundation and UNEP FI have developed a Finance for Nature Positive working model for review and feedback. This model aims to operationalise the definitions and to guide practices in the private finance sector to contribute to GBF implementation. It constitutes a first step—or lighthouse—towards a more complete framework. By fostering consensus on definitions and good practices, the working moel aims to support the development of strategies toward the improvement of the state of nature, and facilitate opportunities selection.

The Finance for Nature Positive working model builds on the definitions of the World Bank Group, including Nature Impact Mitigation Finance, Nature Mainstreaming, and Finance for Nature Positive. It underlines the improvement of the state of nature above the 2020 baseline as an overarching goal, in accordance with the recommendations of the Nature Positive Initiative. Financial institutions are called to monitor their contributions to the GBF as they aim to avoid nature deterioration and biodiversity loss (by phasing-out activities with adverse impacts and reducing drivers of loss), generate biodiversity gains, and transform value chains (by supporting system scale changes).

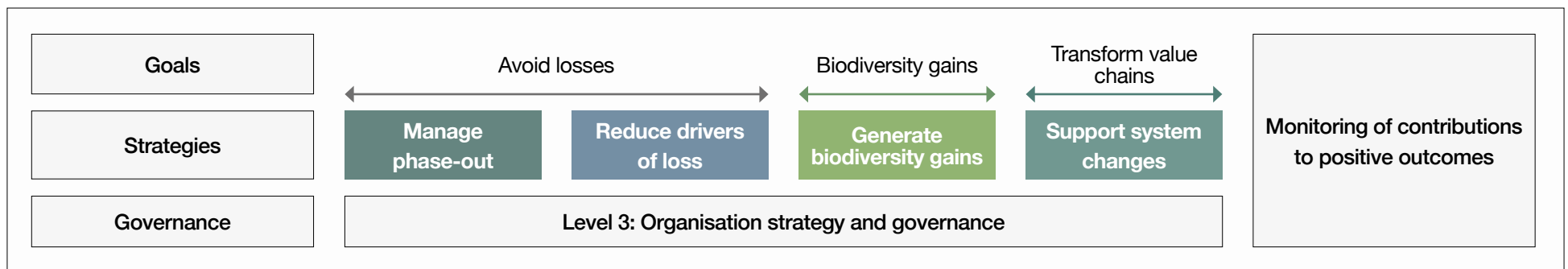
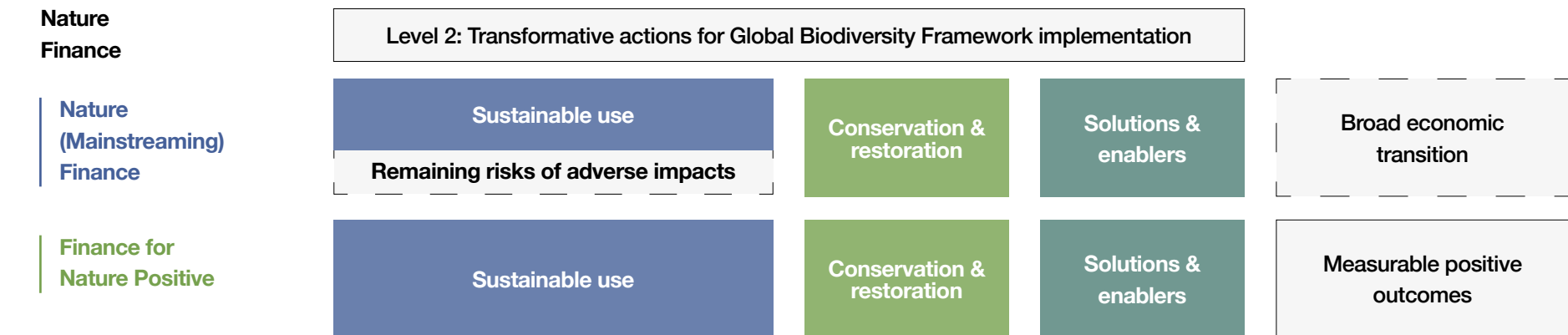
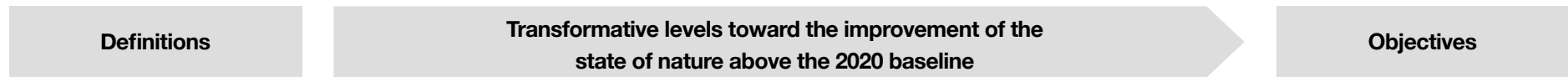
The working model is structured into three “transformative levels” for financial institutions:

- Compliance with the mitigation hierarchy;
- Transformative actions for the implementation of the GBF;
- Organisation strategy and governance.

The categories of opportunities presented for financial institutions are the following:

- Sustainable use;
- Conservation and restoration;
- Solutions and enablers.

## "Finance for Nature Positive" working model





## Strategies to shift financial portfolios away from negative impacts

Managing a financial portfolio with the aim to contribute to the Nature Positive outcomes involves a multifaceted approach that prioritises nature-impact alongside financial returns.

The proposed strategies to achieve specific goals towards the implementation of the GBF are the following:

- Accelerated phase-out;
- Reduce drivers of loss
- Generate biodiversity gains;
- Support system changes to transform value chains.

The strategies are presented in a sequence following the mitigation hierarchy. Such parallel is made to recommend that financial institutions prioritise understanding and reducing the existing negative impacts of their portfolios. Avoiding biodiversity losses is of the most pressing urgency by 2030. However, the overall economic transformation towards the Nature Positive goal already requires supporting biodiversity conservation and restoration, as well as the solutions transforming value chains. Thus, it is not necessary to wait to start to restore nature until all negative impacts have been reduced to the greatest extent possible, as long as a plan is in place and underway for the “phasing out” and “reducing drivers of loss” strategies.

Financial institutions can refer to the PRB Nature Target Setting guidance (UNEP FI, 2023) and the Target Setting Framework on Nature for Investors (FfB Foundation, 2024) to set their targets on reduction of impact drivers. Further guidance can be expected on targets for positive impact. All in all, the strategies presented in the visual must be supported by a transition plan at the institutional level supported by the board.

## Good practices recommendations

Inspired by existing impact finance frameworks, the FfB Foundation and UNEP FI recommend the following set of good practices within the Finance for Nature Positive working model:

- Assume an active role on the generation of positive outcomes;
- Ensure traceability of funds to outcomes;
- Monitor contributions to positive outcomes;
- Set targets and develop organisation strategies approved by the board.

## Market needs to be answered

This section identifies three key fields of work, including further research, policy developments and multi-stakeholder collaborations, in order to answer the needs of the financial sector to meaningfully contribute to the global Nature Positive goal.

The identified market needs are the following:

- Measurement, disclosure, and data;
- Reducing barriers to nature conservation and restoration finance;
- Policy and sectoral transformation pathways.

## **Alignment of financial flows with the GBF**

This discussion paper aims to nourish wider debates on aligning financial flows for the implementation of the GBF. The current Finance for Nature Positive working model implies that:

- The financial sector can play a pivotal role in driving biodiversity conservation and sustainable development, ultimately contributing to a more resilient and nature-positive future. Financial institutions contribute to GBF implementation by supporting transformative actions and monitoring contributions to nature positive outcomes.
- The alignment of financial flows requires the reduction of harmful financial flows and the increase of financial flows generating positive outcomes for nature. Financial institutions should set targets and develop strategies both to avoid losses and to generate gains.
- Financial institutions express the importance of sustainable taxonomies including biodiversity, to guide their analysis of market opportunities and help with the exercise of tracking financial flows aligned with the mission of the GBF.

The private finance sector calls for clear policy pathways from governments on GBF implementation, building on their National Biodiversity Strategies and Actions Plans (NBSAPs). These policies should focus on the transformation of underlying economic activities in order to genuinely mobilise private resources at the scale and speed required.. Beyond the COP, FfB and UNEP FI will continue working with their members and partners to further develop the concepts in this paper into a framework for Finance for Nature Positive.

