Business for Nature’s recommendations for governments on how to include the role of business and finance in updated National Biodiversity Strategies and Action Plans (NBSAPs)

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For the first time in the CBD history, the Kunming-Montreal Global Biodiversity Framework (GBF) strongly recognizes the role of non-state actors, including businesses and financial institutions, in delivering the Convention’s objectives. We strongly welcome this, as one of the shortcomings of the Aichi targets was the lack of engagement of these key stakeholders, which contributed to its failed implementation.

Business and finance actors therefore have the responsibility to **start acting now** to assess, commit, transform and disclose as laid out in Target 15.

Section C of the GBF states: “this is a framework for all - for the whole of government and the whole of society” and that its success requires “action and cooperation by all levels of government and by all actors of society”. Parties committed to “catalyzing implementation of the framework through mobilization of broad public support at all levels” and, in section K, to “raising awareness among all sectors and actors of the need for urgent action to implement the framework, while enabling their active engagement in the implementation and monitoring of progress towards the achievement of its goals and targets”.

These commitments by Parties must now be translated into National Biodiversity Strategies and Action Plans (NBSAPs) to formalize the role of non-state actors and enable meaningful and constructive contributions, including from business and finance, to the implementation of the Framework. **Decision X/21 para 1(e) and (g)** states that “Parties are invited to involve businesses in any revision and implementation of NBSAPs and encourage the establishment of an ongoing business-government dialogue that contributes to the monitoring and reporting on commitments and actions”.

NBSAPs are expected to be updated to reflect the GBF prior to COP16, which is scheduled to take place in the fourth quarter of 2024.

**In order to embed in updated NBSAPs what will be expected from business and finance, Business for Nature proposes eight recommendations:**

1. **Recognize the importance of business and finance actors**
2. **Include a baseline analysis of the national situation on business, finance and biodiversity**
3. **Develop clear business strategies, sectoral action plans, with a monitoring mechanism**
4. **Propose a coordination mechanism between the business and finance community and government**
5. **Define a clear roadmap for the implementation of Target 15**
6. **Define a clear roadmap for the implementation of Target 18**
7. **Include a robust finance transition plan**
8. **Develop a mechanism to integrate non-state actors’ commitments and actions into the NBSAPs**
ABOUT
This document provides recommendations to governments on how to ensure updated NBSAPs include how businesses and financial institutions will be encouraged, enabled or required to contribute to the implementation of the Framework. It includes specific recommendations to Parties on how to specify the roles and responsibilities of business and finance for implementation of the GBF. This will ensure businesses and financial institutions plan and take actions to fully contribute to the implementation of the goals and targets, alongside Parties and other non-state actors.

While these recommendations help clarify the role of business and finance in updated NBSAPs, Business for Nature recognizes that all stakeholders in society have a role to play. Our particular focus on the business perspective should not be to the exclusion of other stakeholders, nor to imply a special role for business, as the framework is a framework for all.

Business and finance actors should however not wait and start acting now by assessing, committing, transforming and disclosing as describe here.

This is a first version and additional details could be developed as required.

GUIDING PRINCIPLES FOR PARTIES
We encourage Parties to adhere to the following principles when updating their NBSAPs:

- **Early action**: Encourage business and finance to start acting now, without waiting for national strategies to be in place. Business for Nature high-level action steps could help guide businesses and financial institutions.

- **Open-ended process**: The development of NBSAPs and the business and sectoral action plans within them is an iterative process whereby countries will need to periodically assess and improve their strategies according to new opportunities and evolving priorities.

- **High ambition**: Achieving the 2030 mission to halt and reverse biodiversity loss requires a systematic transformation of our economies and societies. This is the time to align NBSAPs with the mission of the GBF and put nature at the center of national decision making and long-term planning.

- **Participatory approach**: The early involvement of the business and finance community, among other non-state actors, is essential. This will ensure that businesses and financial institutions contribute meaningfully to government strategy, so the implementation process becomes part of their own strategic and operational plans.

- **Forward-looking partnerships**: Leading companies and financial organizations are already taking actions to transform their business models and operations to incorporate nature-positive decision making at all levels. They demonstrate that ambitious action is possible and makes economic sense and should therefore build on this leadership to scale and accelerate corporate action.
RECOMMENDATIONS WHEN UPDATING NBSAPs

RECOMMENDATION 1
Recognize the importance of business and finance actors
Addressing the biodiversity crisis requires an all-of-society approach, and the private sector has a critical role to play. Businesses and financial organizations will be expected to reduce negative and increase positive impacts on nature in line with the GBF’s mission to halt and reverse biodiversity loss by 2030. Businesses must be required to redefine their strategies and transform their operations to make meaningful contributions to a nature-positive future.

This could be done by including in the introduction of updated NBSAPs a section on the importance of the full participation of the business and finance community, among other stakeholders, in the implementation of the GBF’s goals and targets. Annex 1 offers a draft of what this section could look like.

RECOMMENDATION 2
Include a baseline analysis of the national situation on business, finance and biodiversity
Understanding the country’s context-specific situation in terms of business and biodiversity is the first step to ensure the effective contribution of this sector in meeting national targets. Companies that have direct operations or value chains in a national territory have different impacts and dependencies on that country’s biodiversity. This variation must be considered in the NBSAPs.

This baseline analysis would include a review of existing regulations, laws, policies and programs relevant to business, finance, and biodiversity in the country. It should:

1. Assess existing policy gaps to generate the actions needed, including legislation and incentives;
2. Identify existing policies not aligned with nature-positive outcomes;
3. Assess and strengthen the coherence of business- and finance-related policies to avoid conflicting objectives;
4. Estimate the gaps in company performance against the goals and targets and the specific national context: this could be done by analyzing the biodiversity-related activities of a sample of companies active in the country.

This baseline would help set the level of policy action needed to achieve national targets and therefore guide the development of the rest of the NBSAPs. It would also help identify specific challenges, and the skills, capacity and financial means needed to address them. Thirdly, the analysis will help surface helpful examples of progress and good practices in terms of business commitments and actions on nature, for governments to build on.

RECOMMENDATION 3
Develop clear business strategies, sectoral action plans, with a monitoring mechanism
Using the baseline analysis, we invite governments to develop business strategies and action plans for key economic and productive sectors that lay out how national targets will be translated for business and financial institutions and clearly set expectations. If there is not enough time to develop these plans in this round of NBSAP updates, a commitment to develop them should be included in the NBSAPs, with a clear timeline.

These plans or roadmaps should include specific activities to address the policy gaps identified in the baseline, as well as progressive targets towards 2030 with a ratchet mechanism. Priority should be given to avoiding or minimizing pressures on nature, according to the IPBES drivers of nature loss, and according to the mitigation hierarchy (avoid – minimize – restore – offset), to reverse the loss of nature by 2030. Complementary actions to increase positive impacts - including protecting, restoring and regenerating nature - are also needed.

Business strategies and sectoral action plans should be developed in a collaborative and transparent way through multi-stakeholder engagement led by governments and implemented collectively by all actors. They should be supported by the wider system of finance and incentives and include clear indicators and metrics to monitor progress.
RECOMMENDATION 4
Propose a coordination mechanism between the business and finance community and government

The early involvement of the business community in the design and update of the NBSAPs and in the development of the business and sectoral action plans is essential. Parties should engage business groups and other stakeholders immediately, to raise awareness of the adoption of the new GBF and to clarify what governments expect of companies to support the implementation.

NBSAPs should establish or strengthen a coordination mechanism with businesses and finance to enable the effective implementation of the established national targets and the delivery of the plans and roadmaps mentioned in Recommendation 3 above. This mechanism would monitor progress on implementation and guide decisions on corrective actions, as referenced in Recommendation 8.

Such a mechanism could for instance be a national business and biodiversity platform that enables ongoing public-private cooperation and dialogue, to which representatives from other stakeholder groups could be invited as observers to ensure transparency and maintain ambition.

RECOMMENDATION 5
Define a clear roadmap for the implementation of Target 15

While most goals and targets are relevant for business and financial institutions, Target 15 explicitly calls out the role of business and financial institutions. The business and finance community expects governments to set out the details of its implementation. The updated NBSAPs must at the very least recognize the importance of Target 15, and outline commitments by countries to enable all businesses to assess and disclose risks, impacts and dependencies on biodiversity, with requirements for all large businesses and financial institutions to do so along their value chains and portfolios.

Long-term clarity is essential for the business community to be able to plan its response to evolving regulations. The adoption of Target 15 sends a strong signal and businesses expect the updated NBSAPs to outline how governments will implement this Target.

We therefore encourage governments to do the following as they update their NBSAPs:

• Include a baseline of existing reporting requirements together with an assessment of steps to take to close gaps and achieve Target 15.

• Propose a clear definition of “large as well as transnational business and financial institutions” to provide full clarity on the scope of the target and ensure the right organizations can prepare for the requirements. As much as possible, this definition should be harmonized between countries to facilitate implementation for multi-national businesses and financial institutions.

• Provide a high-level roadmap and timeline for the adoption of enabling measures and requirements on assessment and disclosure. The more detailed this roadmap is, the more businesses will be able to anticipate and prepare, making the implementation less costly, faster and more effective.

• Foresee early implementation: assessment and disclosure are the first steps toward business action and must be implemented before 2030. Assessment frameworks are already available, with more guidance published in 2023 (most notably by the Taskforce on Nature-related Financial Disclosure) so there is no reason to delay. A clear timeline and process will help businesses get ready and facilitate their compliance when measures are adopted by governments.

• Propose measures to build capacity in the business and finance community to implement Target 15, particularly for small and medium-sized businesses to secure their broad participation.

• Signpost resources for businesses to start preparing. This will encourage businesses to use frameworks to assess, making compliance easier.

Business for Nature is currently drafting detailed recommendations for governments on how to implement Target 15, which will be shared in due course.
**RECOMMENDATION 6**

**Define a clear roadmap for the implementation of Target 18**

Target 18 is essential in transforming economic systems and incentivizing positive business action on nature, and the updated NBSAPs need to set a roadmap on how governments will drive its implementation. This must include specific steps to meet the 2025 deadline to identify harmful subsidies. Collaboration between businesses and governments to establish pathways to phase out harmful subsidies will be essential, including through pilot projects, and should be mentioned in the NBSAPs.

*Business for Nature is currently drafting detailed recommendations for governments on how to implement Targets 15 and 18, that will be shared in due course.*

**RECOMMENDATION 7**

**Include a robust finance transition plan**

Goal D and Target 14 of the GBF sets a strong commitment to align public and private financial flows with the Framework’s other goals and targets. This alignment is central to successful implementation and requires both ‘financing green’ and ‘greening finance’ to increase nature-positive financial flows while reducing those that harm biodiversity.

To give effect to Goal D and Target 14, NBSAPs should include steps to:

- Require financial institutions to publish plans on how they will reduce their negative biodiversity impact and increase their positive impact.
- Integrate nature-related risks next to climate-related risks in regulatory frameworks for financial institutions (e.g. in regulatory requirements relating to prudential or institutional governance standards).
- Enable central banks and financial supervisors to play a role in shaping private finance sector action. For example, the Dutch central bank, which has quantitatively mapped the physical and transition risks of domestic biodiversity loss, estimates that 36% of Dutch financial institutions are highly dependent on at least one ecosystem service.
- Create economic incentives for businesses and the finance sector to incorporate nature into decision-making, such as aligning economic incentives with sustainable practices.

**RECOMMENDATION 8**

**Develop a mechanism to integrate non-state actors’ commitments and actions into the NBSAPs, national monitoring and reporting**

The success of the GBF will depend on its robust implementation and the use of monitoring mechanisms that apply to all stakeholders, including companies. In addition to raising awareness and incentivizing action by business and finance, the NBSAPs must enable the collection and monitoring of commitments and progress.

This could mean creating a multi-stakeholder and multi-sectoral platform where credible commitments and joint action plans are collected to form an integral part of the NBSAPs. This would help provide important insight into actions by business and finance, as well as paint a complete picture of the state of national GBF implementation, beyond the contributions of the Parties themselves.

When combined with robust monitoring and accountability mechanisms, such platforms can not only support effective implementation but also ensure that corporate leadership is rewarded and replicated, while holding laggards to account, thereby avoiding greenwashing.

National platforms could be developed in alignment with the CBD Action Agenda.

*The eight recommendations above could be inserted in the most relevant chapters of current NBSAP drafts or compiled into a specific “Business and finance chapter”.*
ANNEX 1

NBSAP introduction on the role of business

This introduction could be used and adapted to national contexts by Parties to clarify in their NBSAPs introduction why they will engage businesses.

Why business and finance must be made co-responsible of the implementation of the GBF goals and targets

The Kunming-Montreal Global Biodiversity Framework (GBF) calls for action and cooperation from all parts of society in halting and reversing nature loss by 2030. Key to its successful implementation will be the collaboration between government and the private sector, with businesses and financial institutions expected to reduce negative and increase positive impacts on nature in line with the GBF’s mission to halt and reverse biodiversity loss by 2030.

This comes at a time when businesses increasingly recognize that their continued success and resilience are inextricably linked to the health of the planet. All sectors are directly or indirectly dependent on vital ecosystem services such as crop pollination, coastal protection, water supply, timber production or carbon storage. Beyond the imperative to reduce their exposure to nature-related risks, many companies and financial institutions have also become aware of the commercial opportunities that nature-positive business models can create1, in line with shifting expectations from consumers and regulators. The transition to a nature-positive economy will require the transformation not just of individual organizations, but of entire value chains, sectors and socio-economic systems.

Many of the targets of the GBF send a strong signal to the business and finance community that their contribution will be required. Translating the GBF’s global goals and targets into national targets will include the adoption of policies and regulations that will have direct consequences on the operations of companies and financial institutions.

This includes but is not limited to Target 15 which will require all large and transnational businesses and financial institutions to get ready to assess and disclose their risks, dependencies and impacts on biodiversity, as governments will require them to do so at the latest by 2030. The reform of environmentally harmful subsidies (EHS) in Target 18, and several other targets including those around use, harvest and trade of wild species (Target 5), reducing pollution (Target 7), sustainable use of productive areas (Target 10), mainstreaming and aligning financial flows (Target 14), sustainable consumption (Target 16), and increasing private investment in nature restoration (Target 19) also put business action at the center of the GBF’s implementation.

The GBF significantly raises governments’ expectations of businesses and financial institutions in addressing the biodiversity crisis. Many existing tools, guidance and frameworks already exist to assist these businesses in preparing for and implementing upcoming regulations such as the Science Based Target Network (SBTN), the Natural Capital Protocol, and the Taskforce on Nature-related Financial Disclosures (TNFD). The High Level Business Actions, developed by several organizations help show how these different tools and methodologies fit together.

Through the implementation of the GBF, governments will need to quickly and effectively mobilize and enable corporate action through concrete sector roadmaps and participation mechanisms as part of the NBSAP - and in so doing, make companies and financial institutions jointly responsible for the delivery of the GBF’s goals and targets.

ANNEX 2

See potential organizations that could help governments engaging businesses at national level

www.businessfornature.org/nbsap-recommendations-annex
According to the CBD, this includes all governments, indigenous peoples and local communities, international organizations, non-governmental organizations, women, youth, business and finance community, the scientific community, academia, faith-based organizations.

Business for Nature developed high-level actions for business and financial institutions to take now, without waiting for further public policies to be developed and adopted. We encourage all companies to follow these recommendations.

I.e. Incoherent policies such as encouraging sustainable fishing from the Ministry of Environment while subsidizing unsustainable fishing practices from the Ministry of Agriculture.

According to the CBD, the sectors with the most significant impacts on biodiversity include agriculture, forestry, fisheries, fisheries and aquaculture, tourism, energy and mining, infrastructure, manufacturing and processing, and finance.

The Capitals Coalition offer a free online business training course on valuing nature and people to inform business decision-making. The We Value Nature campaign shaped a series of training resources:
- We Value Nature: Business Training on Natural Capital and Biodiversity
- We Value Nature Module 1
- We Value Nature: Module 2 – A First Natural Capital Assessment
- We Value Nature: Module 1 Adapted for the Food & Beverage Sector
- We Value Nature: Module 2 Adapted for the Food & Beverage Sector

See the Finance for Biodiversity foundation letter on the implementation of the GBF