

SOLUTIONS PAPER,
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Standardising and strengthening accountability for biodiversity finance

BACKGROUND

The world is losing nature and biodiversity to the extent of endangering our socio-economic security and well-being. Several countries are trapped in vicious cycles of escalating nature loss and climate shocks that are eroding their economic bases, threatening agriculture, industry and financial services, undermining creditworthiness, and diminishing standards of living. Actions with intent, speed, and scale are needed to avoid tragedy to humanity.

This diagnosis is shared by the G7, which has set up coalitions such as the 2021 [G7 2030 Nature Compact](#) and the 2023 [G7ANPE](#) (Alliance for Nature Positive Economies). The EU's 2025 [Bioeconomy Strategy](#), and legislations such as the 2023 European Deforestation Regulation ([EUDR](#)) and the 2024 Corporate Sustainability Due Diligence Directive ([CSDDD](#)), promote the recognition and integration of the value of nature in economic decision-making. G7 countries have national initiatives too. For example, Japan's 2024 [Transition Strategies](#) toward Nature Positive Economy encourages creating corporate value through natural capital, while Canada's [international climate finance](#) allocates at least 20% to projects with nature-based solutions and biodiversity co-benefits.

Globally, the UN Convention on Biological Diversity (CBD COP15) adopted the Kunming-Montreal Global Biodiversity Framework in 2022, with the aim to conserve at least 30% of the world's land and oceans by 2030, and biodiversity finance targets to increase public expenditure, redirect harmful flows, and mobilise private and international finance

UN Climate COPs also have goals for nature finance. For instance, COP26's [International Sustainability Standards Board \(ISSB\)](#) has prioritised developing standards for 'Biodiversity, Ecosystems and Ecosystem Services' ([BEES](#)) to enable investors to compare companies exposed to nature loss with "nature-positive" alternatives. COP30's Tropical Forests Forever Facility ([TFFF](#)) is an innovative mechanism to finance rainforests as global public goods, and the 2024 G20 High-Level Principles on [Bioeconomy](#) led to the COP30 [Bioeconomy Challenge](#).

Most trade and sustainable development chapters of new trade agreements include commitments to enhance the global bioeconomy. There is growing appreciation among finance ministers, central bankers, financial institutions, and investors that loss of nature goes beyond environmental risks to cross-border financial and systemic economic risks (IPBES 2026). Initiatives such as the Global Reporting Initiative ([GRI](#)) and the Taskforce on Nature-related Financial Disclosures ([TNFD](#)) are helping [structure](#) voluntary corporate financial reporting on nature-related risks and opportunities.

In this paper, the T7 offers recommendations for the G7 leadership to move towards establishing the business case for investing in nature by accounting for the full economic value of natural capital and integrating this value at every level of decision-making. Finance for nature can be unlocked by a multipronged approach that includes long-term systems transformation delivered through short-term tangible actions.

Theme 1: Systemic measures to shift mindsets and behaviours of stakeholders towards finance for nature as an opportunity, not a cost

- 1.1 The G7 should support ongoing efforts to chart a comprehensive roadmap to recognise nature as investable economic capital and infrastructure.
- 1.2 The G7 should support efforts to translate nature-related investments into financially-material and credit-relevant outcomes by including the materiality of nature loss and abundance in portfolios.
- 1.3 The G7 should help create a level playing field by encouraging policies and regulations that disincentivise investments in nature-harmful operations and value chains while incentivising investments in nature.

Theme 2: Enhance public investment in nature to provide a positive signal to the market

- 2.1 G7 leaders should help demonstrate the full value and materiality of investing in nature. For instance, investing in restoring degraded lands could deliver co-benefits to national budgets and investment plans by lowering future costs of natural disasters, improving supply chain resilience, and providing livelihoods for communities.
- 2.2 The G7, as committed in the G7 2030 Nature Compact, should establish a trajectory towards an operational “do no significant harm to biodiversity” standard for public finance through interoperable taxonomies that define thresholds (common targets, minimum safeguards, shared categories), eligibility criteria for public finance, subsidies and guarantees, more aligned ODA, and export credit support.
- 2.3 The G7 should encourage MDBs to mainstream nature finance in their operations and promote convergence of MDB biodiversity finance reporting, drawing on advanced methodologies with a focus on transparency and comparability, rather than uniformity.

Theme 3: Demonstrate global thought and action leadership for nature

- 3.1 The G7 should promote public and private investment in global common goods related to nature and resilience beyond their own countries and coalitions, for instance, by financing nature of critical importance to the world, such as tropical forests through the TFFF.
- 3.2 The G7 should support, in coordination with multilateral groups such as the G20 and BRICS, the development of shared and minimum common language, frameworks, and standards which public and private financial institutions and corporates worldwide can use to assess, manage, and report on the impacts of their economic activities on nature and biodiversity. This will strengthen efforts such as those of the GRI, TNFD and IFRS/ISSB on nature-related risks and opportunities ([ref](#)).
- 3.3 G7 should support the bioeconomy agenda, which provides a comprehensive growth and development framework, strengthen the resilience and competitiveness of their own economies, and build strategic partnerships beyond the G7, such as with the G20.

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Think 7 (T7) is the official G7 engagement group bringing together leading think tanks and research centres to provide practical, evidence-based recommendations to G7 decision-makers. In 2026, IDDRI and the European Council on Foreign Relations (ECFR) jointly coordinate the T7 process for the French G7 Presidency.

More information about the T7: <https://www.iddri.org/en/reseau/think-7>

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The logo for IDDRI, consisting of the letters 'IDDRI' in a bold, sans-serif font. The 'I', 'D', and 'D' are red, while the 'R', 'I', and 'I' are black.