

Aligning finance with nature's recovery: how can professional bodies accelerate action?

Aligning business and financial models with nature recovery goals is an urgent global priority. However, enacting such a shift has proved challenging, and both public and private finance is still flowing overwhelmingly into economic activities that damage nature, rather than into those that protect it. With nature being lost faster than at any time in human history, this is creating mounting risks for businesses, economies and stability in the finance system.

Reversing this trend is critical to putting nature back on a path to recovery, and for enabling sustainable long-term growth and economic resilience. These issues are rising up the agenda for members of the Sustainable Finance Education Charter (SFEC) – a coalition of professional bodies working to build capacity in sustainable finance across the accounting, actuarial, audit, banking, insurance, investment and treasury sectors.

Building on the global nature policy architecture

In February 2025, the resumed UN Biodiversity Conference in Rome (COP16.2) marked another milestone in global efforts to reverse nature loss. The conference brought together the signatories to the **Kunming-Montreal Global Biodiversity Framework (GBF)**, under which the world's governments committed to a series of global goals (supported by 23 targets) to reverse nature loss by 2030.

Finance is critical to success of the GBF, and for the first time, countries agreed in Rome to set up a permanent independent financial mechanism by 2030, to replace the existing Global Environment Facility (GEF) fund. They also agreed a 'finance roadmap' to develop the new mechanism and mobilise the previously pledged US\$200bn (£150bn) per year of funding from public and private sources to help close the biodiversity 'funding gap'. SFEC members and other stakeholders, such as **Carbon Brief**, have highlighted the implications of these developments for sustainable finance.

Ahead of the Rome meeting, the UK also published its much anticipated **National Biodiversity Strategy and Action Plan (NBSAP)**. NBSAP's are the main mechanism through which countries set out how they will achieve their commitments under the GBF (they are the nature equivalent of Nationally Defined Contributions, or NDCs, under the Paris Agreement, though NBSAPs are voluntary).

The UK's NBSAP commits to achieving all 23 GBF targets, many of which have significant implications for finance-related professions. For example, the UK has committed to:

Please note

All text in bold is a hyperlink and can be clicked on to access the relevant webpage.

- UK Target 14: fully integrating biodiversity into national policies, regulations, planning and development processes and, where appropriate, national accounting, and progressively aligning all relevant public and private activities, and fiscal and financial flows with GBF goals and targets.
- UK Target 15: introducing measures to encourage and enable business, and in particular to ensure that large and transnational companies and financial institutions, disclose their risks, dependencies and impacts on biodiversity.
- UK Target 16: ensuring that people are encouraged and enabled to make sustainable consumption choices, including by establishing supportive policy, legislative or regulatory frameworks, improving education and access to relevant and accurate information and alternatives
- UK Target 18: identifying by 2025, and eliminating, phasing out or reforming by 2030, incentives, including subsidies, harmful for biodiversity, while contributing to the global target to reduce them by at least \$500 billion per year by 2030.
- UK Target 19: contributing to increasing the level of financial resources from all sources (including domestic, international, public and private resources) to implement NBSAPs and contribute to the global targets for mobilising at least \$200 billion per year by 2030.

- UK Target 20: strengthening capacity-building and development, access to and transfer of technology, and promote development of and access to innovation and technical and scientific cooperation.
- UK Target 21: ensure that the best available data, information and knowledge are accessible to decision makers, practitioners and the public, and to strengthen communication, awareness-raising, education.

The UK NBSAP is a step forward, and offers a pathway to combat rapid nature loss and improved economic and business resilience. The UK government must now build on this foundation with robust economic and fiscal policy reforms, planning, and funding to ensure effective implementation. SFEC members can play a key role in supporting this effort and holding the government to account.

Growth, but the right kind

Despite progress in Rome, businesses continue to be affected by geopolitical and economic challenges. Governments are increasingly focused on regaining growth, productivity and competitiveness, exemplified by initiatives like the **EU Omnibus proposal** (which aims to deliver an ‘unprecedented simplification effort’ to sustainability reporting and due diligence rules to avoid ‘excessive regulatory burdens’ on businesses).

The European Commission stresses the ‘need to get the balance right’ and, whilst some welcomed the reduced scope and extended deadlines, others warn the proposals (if enacted) could hinder transparency by reducing data available to market participants, undermining EU climate and green finance targets. The proposals are clearly a significant retreat from the bloc’s original sustainability ambitions – but are they striking the right balance?

What is beyond doubt is that the underlying natural system on which our economies and financial stability depend is highly stressed and in decline. Physical risks from climate change and nature loss are intensifying and compounding each other, increasingly disrupting business and their supply chains, for example through water and resource shortages, flooding, soil erosion and other impacts.

Evidence suggests **the world economy is already 'locked into' a 19% hit to GDP until 2050 from climate change** due to emissions already in the atmosphere. Continue further down our current growth path and economic damage will multiply further. The Institute and Faculty of Actuaries (IFOA), an SFEC member body, warns of a **50% loss in global GDP between 2070 and 2090 unless immediate policy action is taken**. The University of Oxford estimates that in the continued **nature degradation could cause a 12% loss to GDP**.

We need to change course, transitioning quickly to a net zero, nature positive socially just economy.

For growth to be sustained over the long-term, we need the right kind of growth - growth that is based on scaling investment in economic activity that protects and restores nature, avoiding further lock-in to high-carbon, environmentally damaging investments.

Sustainable (or green) economic sectors are already amongst the fastest growing, also yield the greatest productivity gains per £ invested. In the UK, the sector grew 10.1% between 2023 and 2024, and now generates £83.1 billion in GVA, according to **recent research by the Confederation of British Industry (CBI)**, with each full-time role generating £105,500 in economic value – 38% above the national average.

Many businesses are already taking steps to manage these risks and tap into growing markets for sustainable goods and services, despite geo-political headwinds. But there are still many barriers. Governments must step up, ensuring that regulation and incentives drive private sector innovation and investment where it creates long-term value. They must also put in place measures to manage the potential adverse impacts on sectors that experience decline.

SFEC’s recent nature-related materials

Whilst policy continues to evolve, it is imperative for UK business and the finance sector to address these issues proactively. Viewing nature-related risks and opportunities as a business resilience imperative, rather than a compliance or reporting exercise can help businesses enhance their long-term viability. The SFEC is committed to equipping its members to get started.

SFEC bodies have issued a range of resources to support their members in integrating nature into financial decision-making, including:

1. Climate Finance Risk Forum (CFRF) nature risk guidance, including **Nature-related Risk: Handbook for Financial Institutions and Nature-related Risk: Technical Data Guidance for Financial Institutions**. These documents provide comprehensive guidance on quantifying nature risks and integrating them with climate risk management.
2. Global Accounting Alliance (GAA) nature guide **Why Nature Matters to Accountants: A Guide to Building Resilience and Value Through Nature-Positive Action**. Developed by ICAEW for the GAA to help accountants understand the importance of nature and provides practical tools for embedding nature into decision-making processes. ICAEW has also created a summarised version of the guide (available [here](#)).
3. Association of Chartered Certified Accountants (ACCA) has report **Empowering Business: Navigating Nature-Related Reporting**. This report outlines the core principles of nature-related reporting and emphasizes the role of accountants in driving meaningful action to tackle sustainability challenges.

SFEC members are encouraged to use and promote these resources with their members and wider networks. Key messages include the importance of integrating nature-related risks into financial decision-making, the benefits of proactive nature-related reporting, and the need for continuous learning and adaptation to build capacity and collaboration across the professional bodies.

Potential next steps on nature for the SFEC

SFEC professional bodies are continuing to explore further ways to build capacity across its members and to help accelerate action in embedding nature into financial decision-making. Future activities could include:

- Hosting collaborative workshops: Organizing events that bring together professionals from different sectors to share best practices and innovative solutions.
- Enhancing availability and access to data/tools: Expanding online platforms with interactive tools and resources to support continuous learning and application of nature-positive practices.
- Developing advanced training programs: Integrating nature and biodiversity into training materials and accredited finance education and courses.
- Engaging in Policy Advocacy: Working closely with governments and regulators to shape policies that promote sustainable finance and nature conservation.

About the SFEC

The Sustainable Finance Education Charter (SFEC) is the UK's main policy mechanism to improve sustainability-related skills and expertise to support green and sustainable finance policy delivery. The Charter is a partnership between 14 leading global professional bodies with more than 1 million members, Department for Energy Security and Net Zero (DESNZ), and the UK's Green Finance Institute.

Find out more

This article is published jointly by the professional bodies represented in the SFEC.

For more information about the SFEC and its initiatives, please browse the SFEC webpages or contact the authors.

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