

MAINSTREAMING BIODIVERSITY INTO THE FINANCIAL SECTOR

Positioning Natural Capital Accounting as decision-useful evidence for private and blended finance

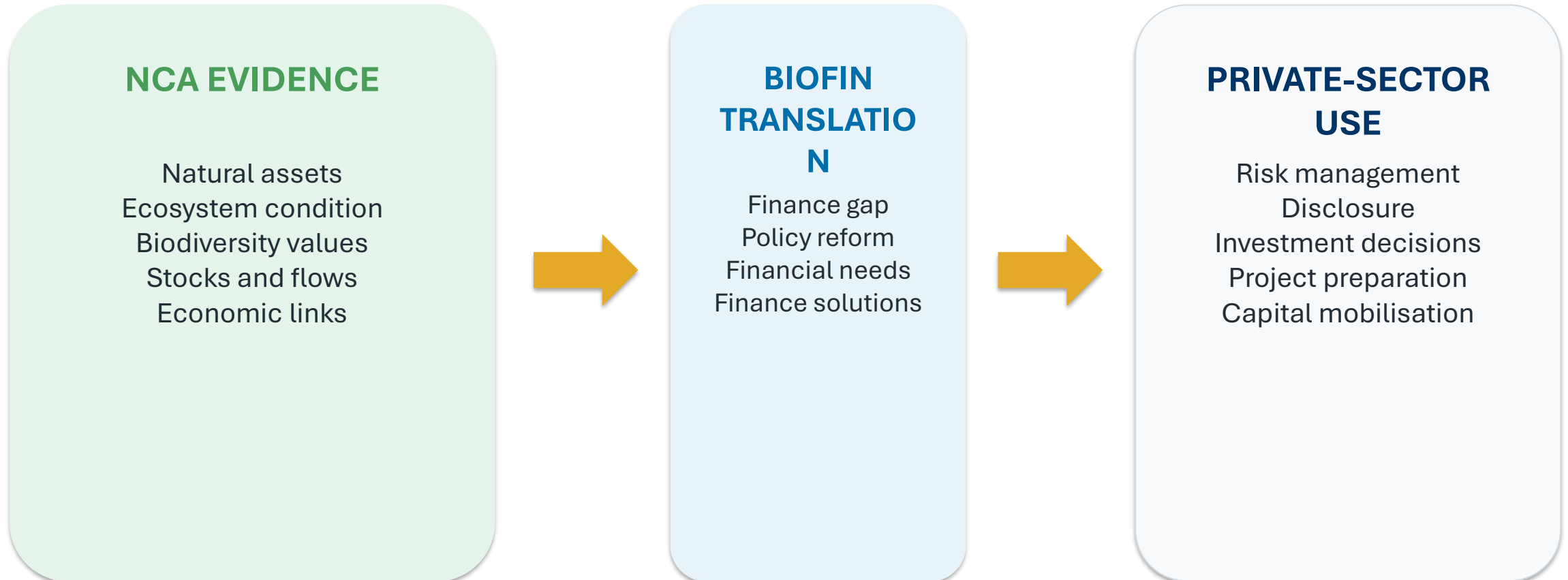
National Natural Capital Accounting Forum 2026

Session 4.2: Mainstreaming NCA into the Private Sector
15 September 2026 • Statistics South Africa, Pretoria

BIOFIN → BFP FINDINGS → FINANCING GAP → BLENDED & PRIVATE FINANCE → NCA-INFORMED DECISIONS

Framing through NCA

Session 4.2 asks how NCA can be taken up by non-government and private-sector actors to inform decisions and investment.



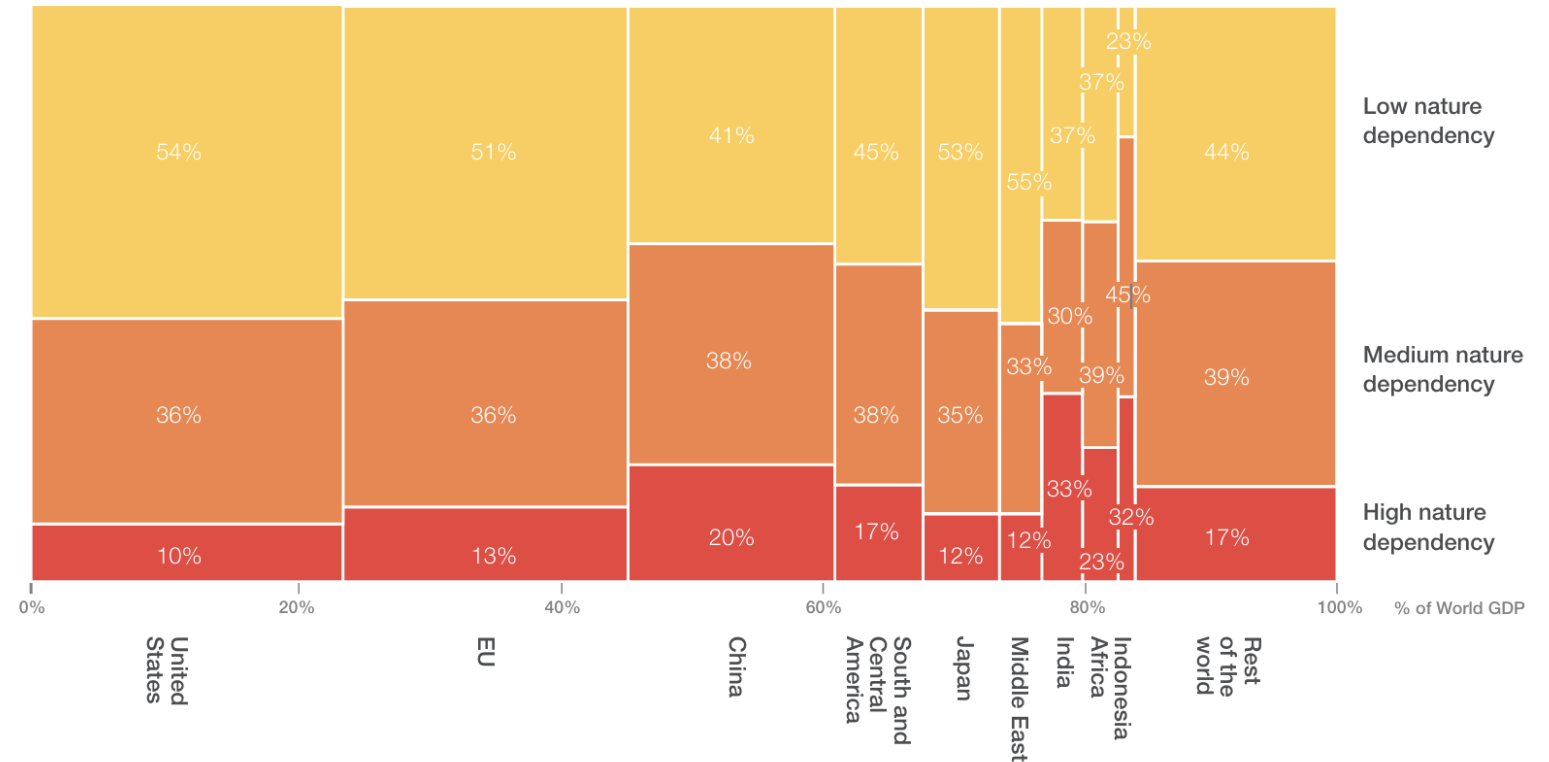
Economies are highly dependent on nature and its services

We are 100% dependent on nature. Countries around the world are now assessing the extent to which their economies are moderately to highly dependent on nature.

WEF (2020) Nature risk rising: why the crisis engulfing nature matters for business and the economy



Distribution of nature dependency classification by region



Source: PwC

Nature as the backdrop of our economy

\$44
trillion

of global GDP, is moderately or highly dependent on nature - namely over 50% (WEF)

\$2.7
trillion

annual decline in global GDP could be caused by ecosystem collapse by 2030 (World Bank)

\$202
million

in losses daily caused by weather, climate or water hazard-related Disasters over the last 50 years (WMO)

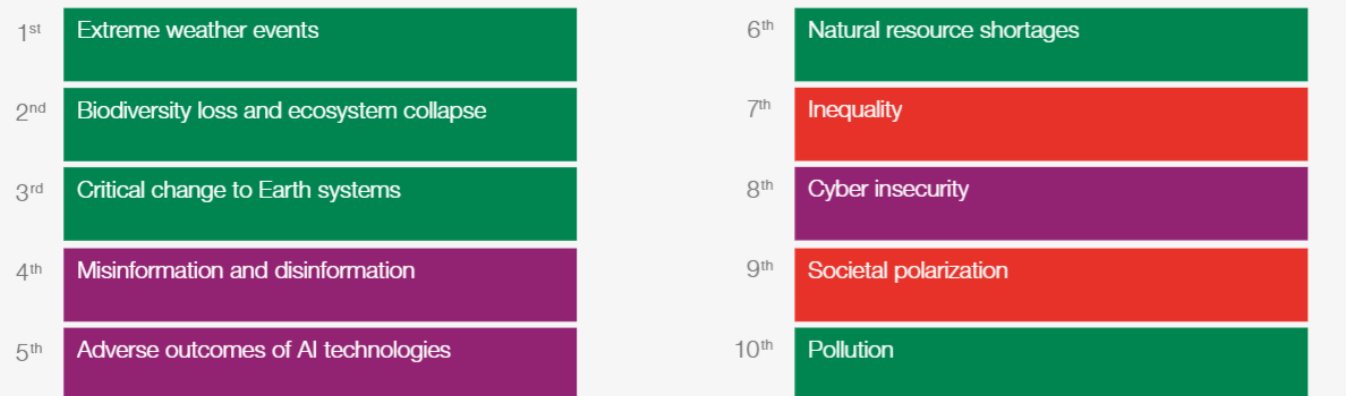




Nature loss is a systemic economic risk

Global risks ranked by severity, long term (10 years)

"Please estimate the likely impact (severity) of the following risks over a 10-year period."



Risks Perception Survey

Risk categories

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

MEGATRENDS



Changing global order



Changing security paradigm



Accelerating climate change and environmental degradation



Accelerating technological change



Increasing demographic imbalances



Widening inequalities



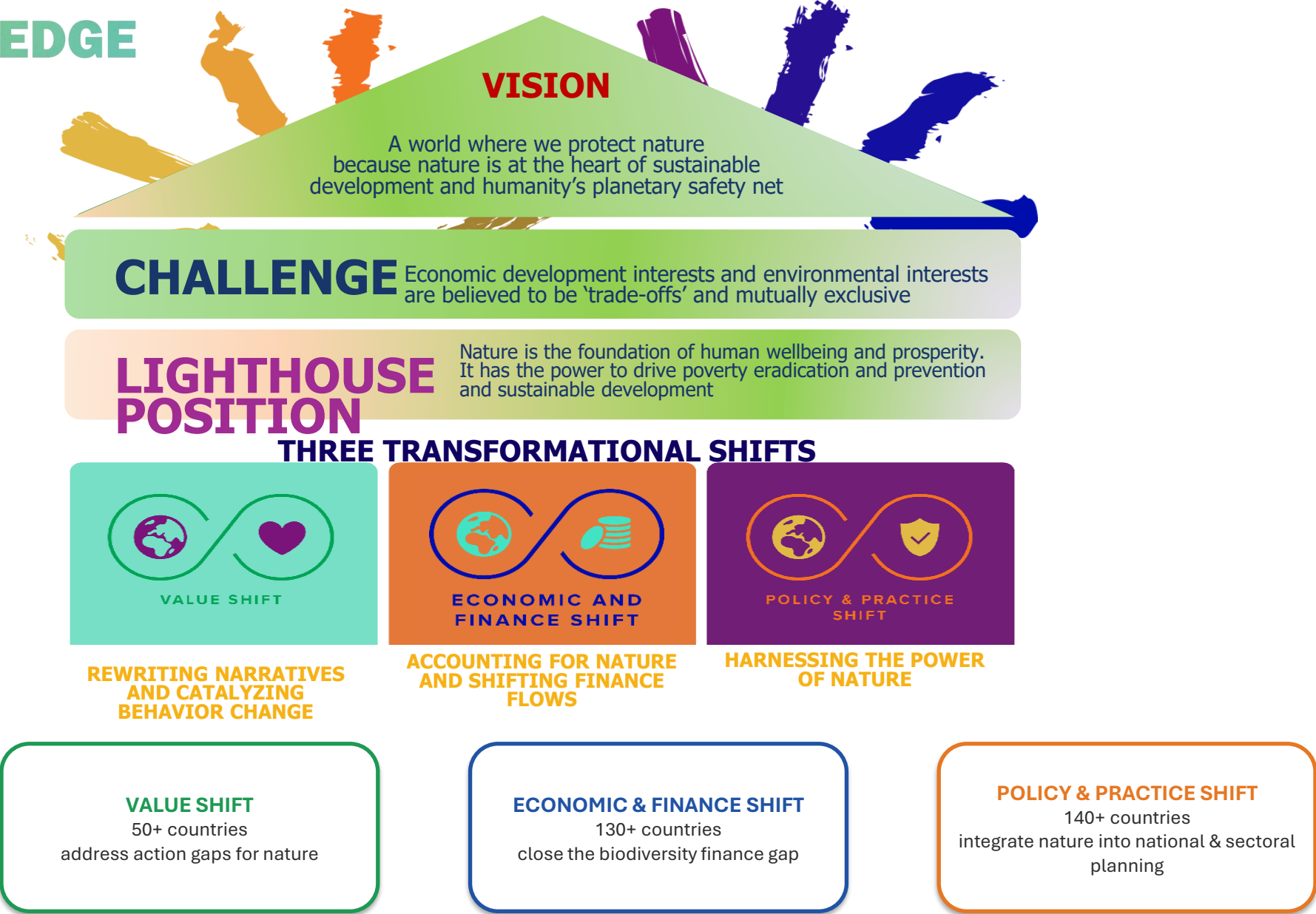
Threats to democracy

Source: World Economic Forum (2026); European Commission (2025)



NATURE PLEDGE STRATEGY

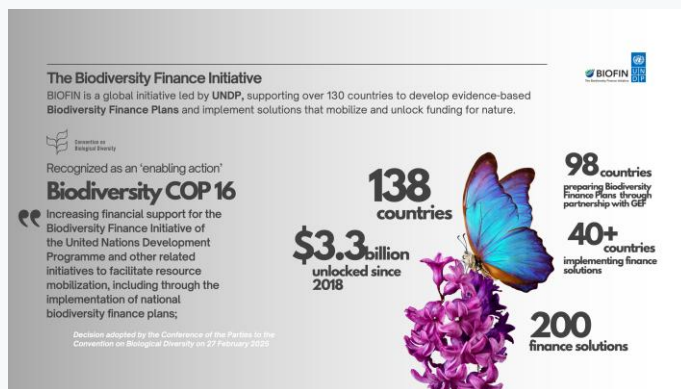
UNDP GLOBAL NATURE PLEDGE: THREE TRANSFORMATIONAL SHIFTS



For this discussion, the key bridge is the Economic & Finance Shift: accounting for nature and shifting finance flows.

BIOFIN in brief: a global platform for biodiversity finance

A short orientation for participants less familiar with the UNDP-led Biodiversity Finance Initiative.



Global initiative led by UNDP supporting countries to develop evidence-based Biodiversity Finance Plans and implement finance solutions that mobilise funding for nature.

130+

countries supported

40+

countries implementing finance solutions

\$3.3bn

unlocked since 2018

200

finance solutions

BIOFIN's niche is practical: moving from “nature needs funding” to prioritised, institutionally anchored finance solutions.

BIOFIN
The Biodiversity Finance Initiative

Biodiversity Finance Plans in Action

Design Stage

138 Partner Countries

Implementing

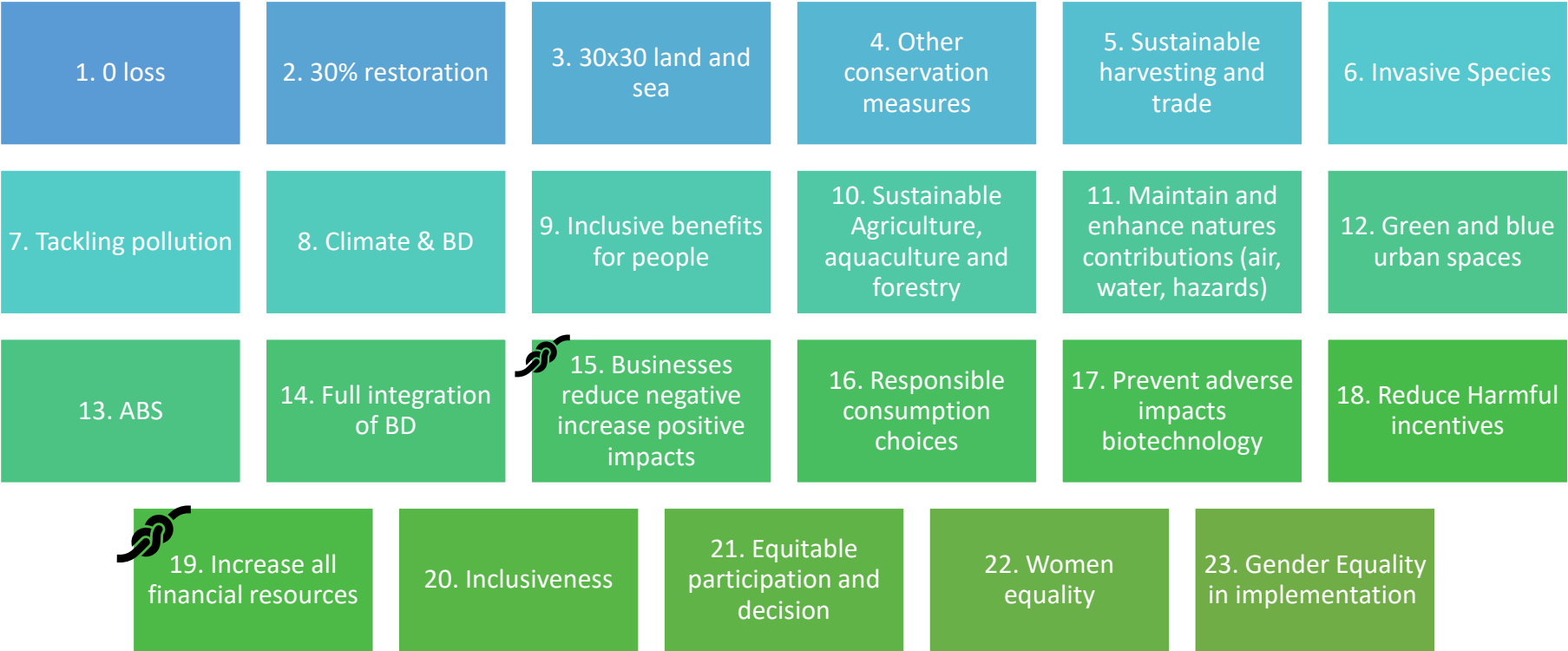
Argentina	Kyrgyzstan
Belize	Madagascar
Bhutan	Malawi
Botswana	Malaysia
Brazil	Maldives
Cambodia	Mexico
China	Mongolia
Colombia	Mozambique
Comoros	Namibia
Costa Rica	Nepal
Cuba	Niger
DRC	Peru
Ecuador	Philippines
Egypt	Rwanda
Ethiopia	South Africa
Fiji	Sri Lanka
Gabon	Tanzania
Georgia	Thailand
Ghana	Ukraine
Guatemala	Ukraine
India	Uzbekistan
Kazakhstan	Viet Nam
Kenya	Zambia

- **Early Implementation (6)**

Comoros	Kenya
DRC	Maldives
Ethiopia	Namibia

Kenya
Maldives
Namibia

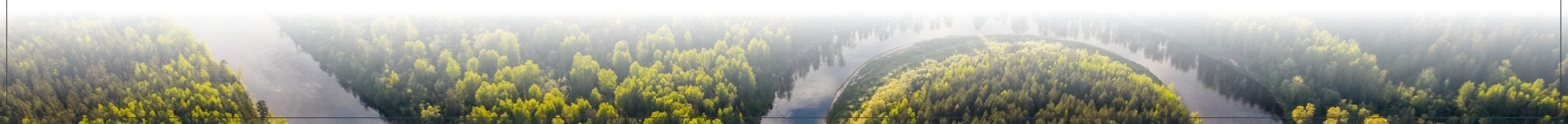
All 23 Global Biodiversity Framework targets require financial resources to be implemented by 2030



Convention on
Biological Diversity



Explicit links to finance



South Africa's business case for nature and nature finance

South Africa's natural capital is a strategic economic asset, and the financial risks of leaving it unpriced are escalating.

95,000+

known species; among the most biodiverse nations on Earth

Top 10

globally for plant species richness; 3rd for marine species endemism

3

global biodiversity hotspots hosted within South Africa

31

Ramsar wetlands of international importance

THE ECONOMIC OPPORTUNITY

ZAR 700bn (~USD 44bn)

Reported sustainable finance portfolio of South Africa's largest banks (BASA)

1 : 5

For every job dedicated to biodiversity conservation, approximately five jobs depend on the utilisation of those biodiversity assets.

THE COST OF INACTION

- SARB's 2024 Climate Risk Stress Test already revealed significant exposure of bank loan books to physical and transition risks.
- A 2023 AFD study found 50% of national output is generated by sectors highly dependent on ecosystem services, with over 30% of production heavily reliant on water provision.



Current finance for nature vs investment needed

Figure 16: Private finance flows to nature-based solutions in 2023 (billion US\$)

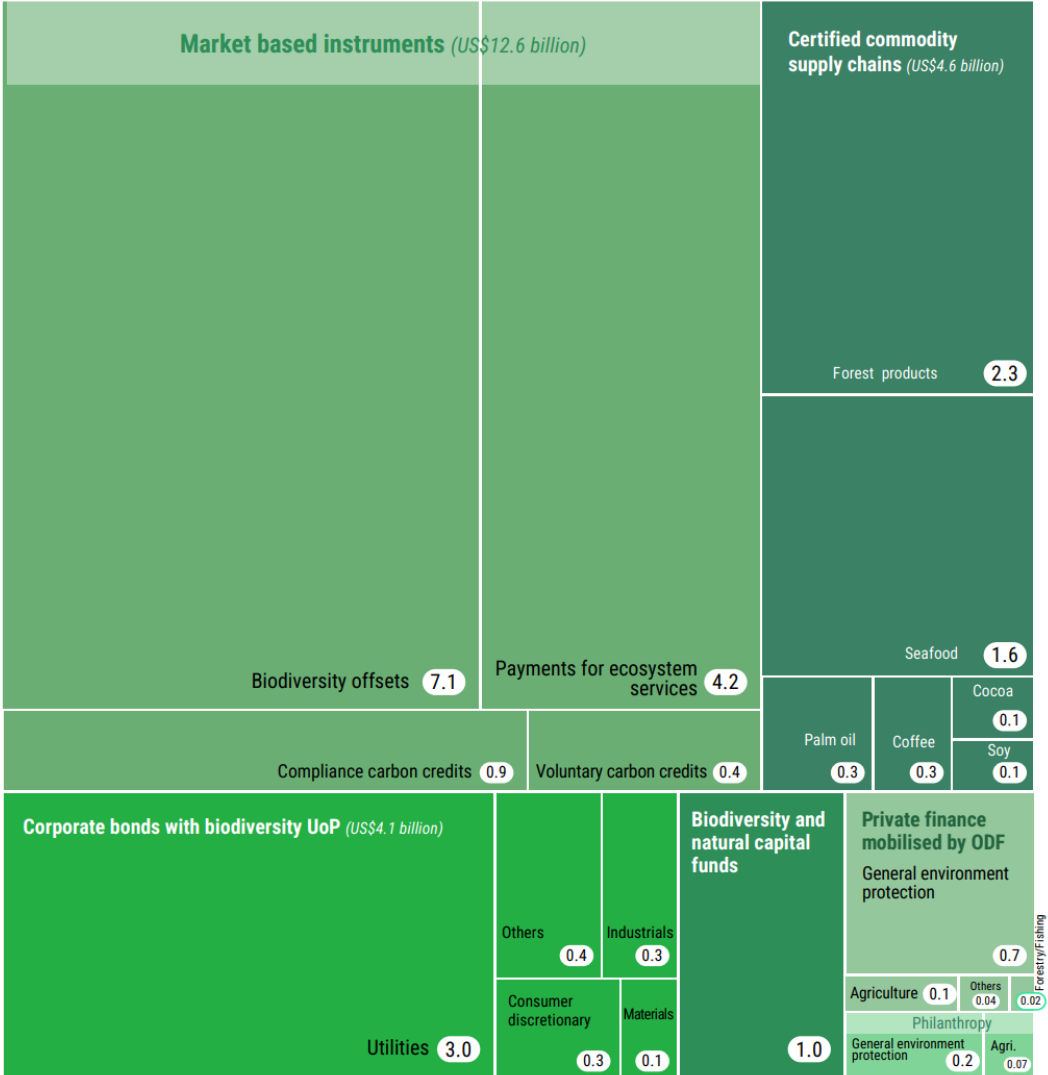
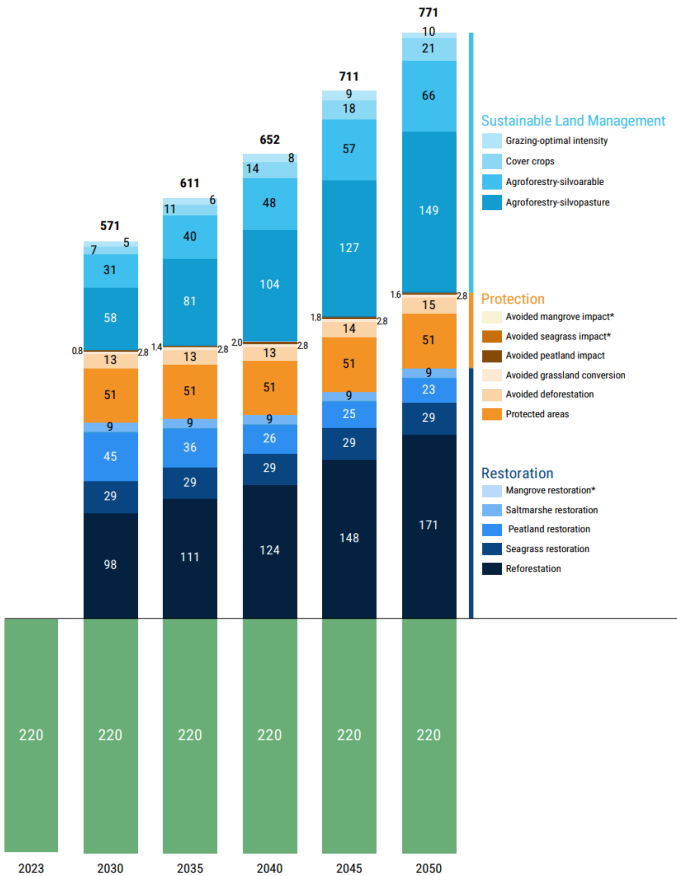


Figure 23: Annual investment needs in NbS to reach Rio targets, 2030-2050 (billion US\$)

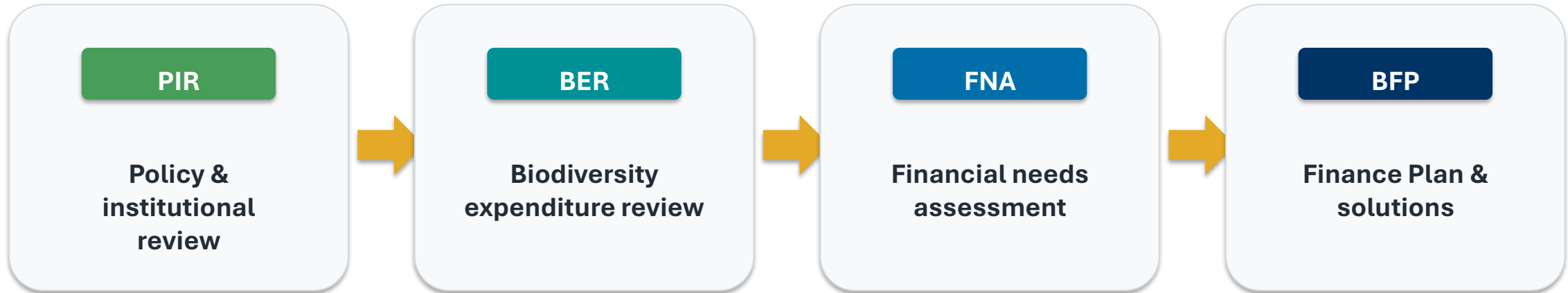


Source: UNEPFI (2026)



The Biodiversity Finance Plan is where the financing gap in nature finance becomes visible

The BFP connects policy priorities, expenditure, financial needs and finance solutions.



Key message: the BFP is not only a report. It is a prioritisation tool for shifting from public-budget pressure to a portfolio of public, blended and private finance solutions.

South Africa's findings: public finance alone cannot close the gap

The evidence points to a financing challenge that requires a broader capital mix.

R15.22bn/yr

average biodiversity-related
expenditure, 2016–2024

0.8–1.0%

share of national budget
attributed to biodiversity

10

priority finance solutions
identified

The pressure

Biodiversity priorities expand
while public budgets and ODA
remain constrained.

The implication

Use public finance strategically
to crowd in private and
development capital.

This is the rationale for DBSA blended finance and mainstreaming biodiversity into private/financial-sector systems.

POLICY-CAPITAL DISCONNECT

Institutional Editorial

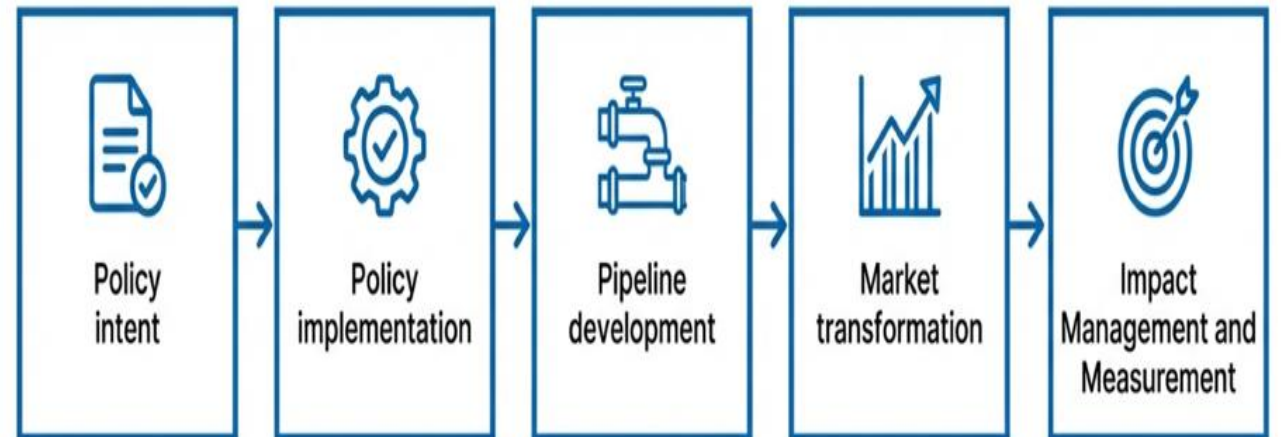
The Challenge: The Policy–Capital Disconnect



Inter Tight

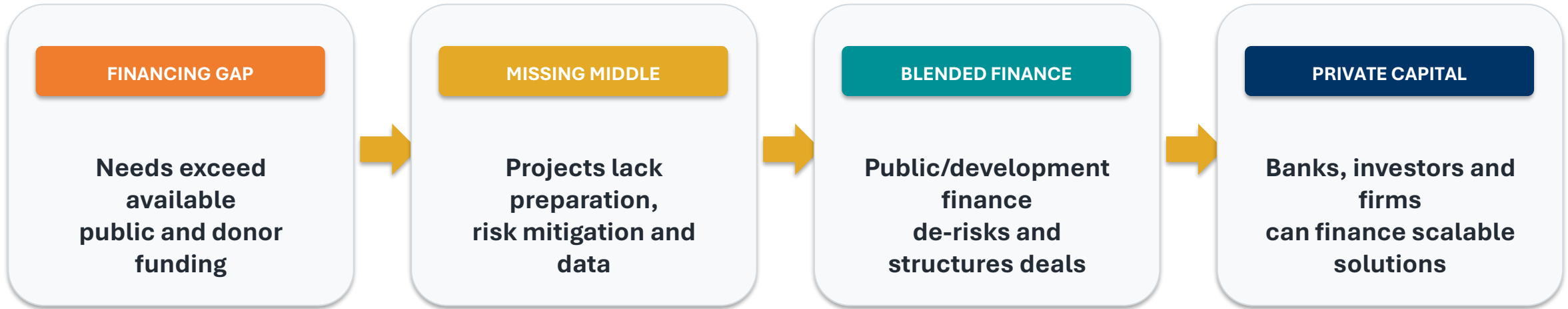
The Solution: The Policy to Capital Continuum

A seamless linkage from upstream policy design to downstream capital deployment.



From financing nature gap to blended and private-sector finance

The financing gap is not only a funding shortfall; it is also a pipeline, risk and information challenge.



NCA strengthens this pathway by improving the evidence base for where risks, dependencies and investment opportunities are material.

Finance solution: Mainstreaming biodiversity in the finance sector

The new BIOFIN solution builds the enabling environment for private-sector uptake.



FINANCE SOLUTION

Mainstream Biodiversity in the Finance Sector

A UNDP BIOFIN finance solution that systematically integrates nature and biodiversity considerations into South Africa's financial sector policies, instruments and frameworks, in alignment with the NBSAP 2026–2036 and South Africa's NDCs.

OUTCOME 1

Biodiversity in Key Financial Processes

Work with SARB, the SFI, SFC, the JSE, CIPC and FSCA to integrate nature-related risks and opportunities into financial stability frameworks, taxonomies, disclosure guidance and market mechanisms.

- Nature in financial stability
- Sustainable Finance Initiative – Integrating nature across working groups
- JSE guidance for listed companies (disclosures, bond listing rules)
- Nature-Related Disclosure regulation and ISSB adoption

OUTCOME 2

Scaled Capacity for Nature-Risk Assessment

Equip financial institutions and listed company actors with the knowledge and tools to implement nature-risk frameworks: from asset managers to SMEs, accountants and future finance professionals.

- Asset managers & asset owners (TNFD)
- Professional accountancy training (e.g. SAICA)
- Professional and academic curricula on nature finance (e.g., UCT)
- SMEs (Nature Intelligence toolkit)

Two mutually reinforcing outcomes

1. Biodiversity in key financial processes

Financial stability, sustainable-finance frameworks, taxonomies, JSE guidance and disclosure.

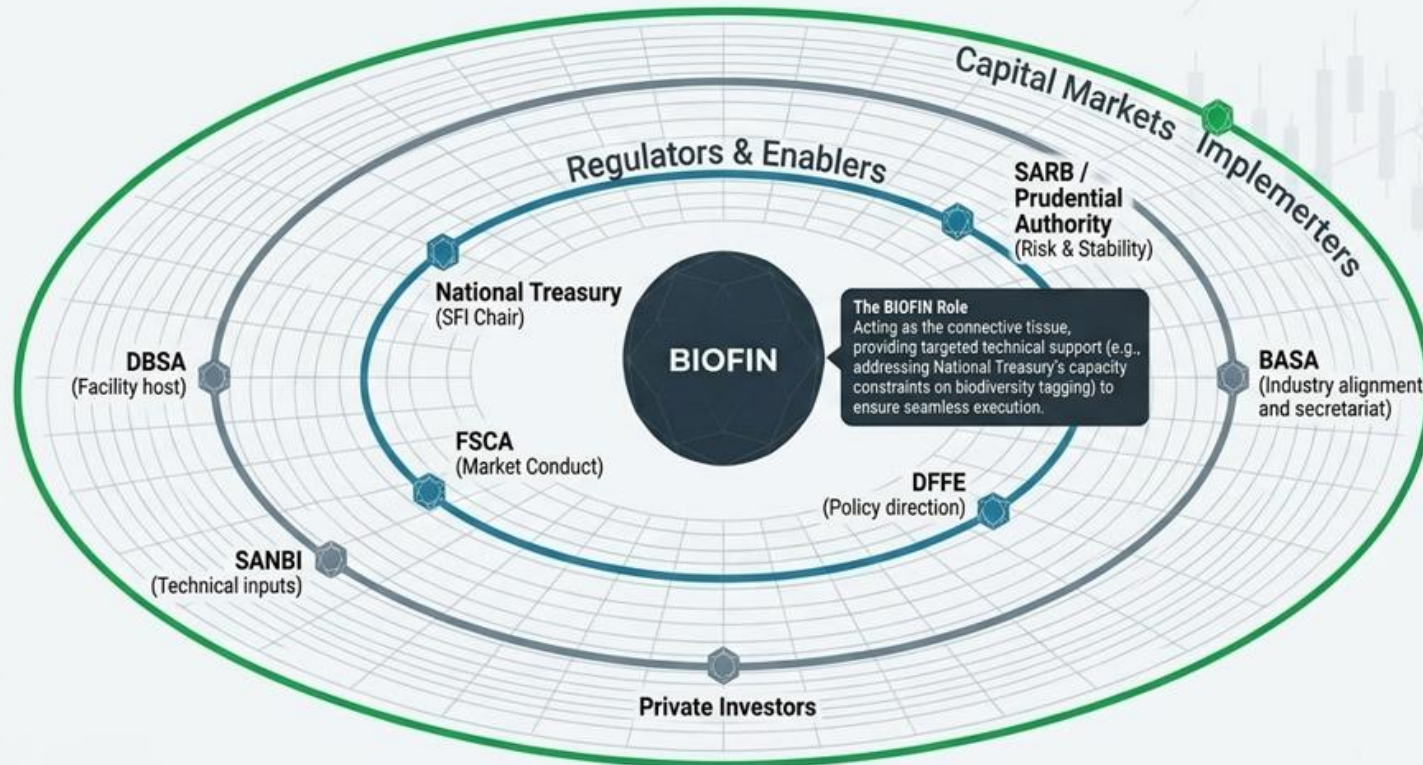
2. Scaled capacity for nature-risk assessment

Financial institutions, listed companies, asset managers, accountants, SMEs and future finance professionals.

NCA link: provides credible natural-capital evidence to strengthen risk, disclosure and investment practice.

STRUCTURING NATURE: THE BLUEPRINT FOR BIODIVERSITY FINANCE in the FINANCIAL SECTOR

The Stakeholder Ecosystem Map





Blended Finance for Nature

When it comes to nature, blended finance is context-specific



Enabling environment (public and private)

Demand side (of finance)

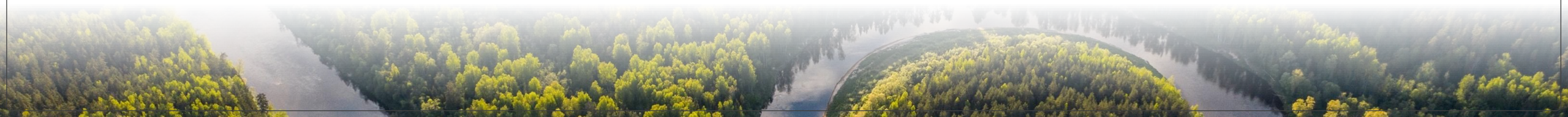
- Income and non-income generating biodiversity activities
- Technical Assistance and pipeline development needs
- Ticket size



Supply side (of finance)

- MDBs and DFIs
- Local financial institutions and existing schemes
- Other debt instruments (bonds)
- Impact funds and other investment vehicles

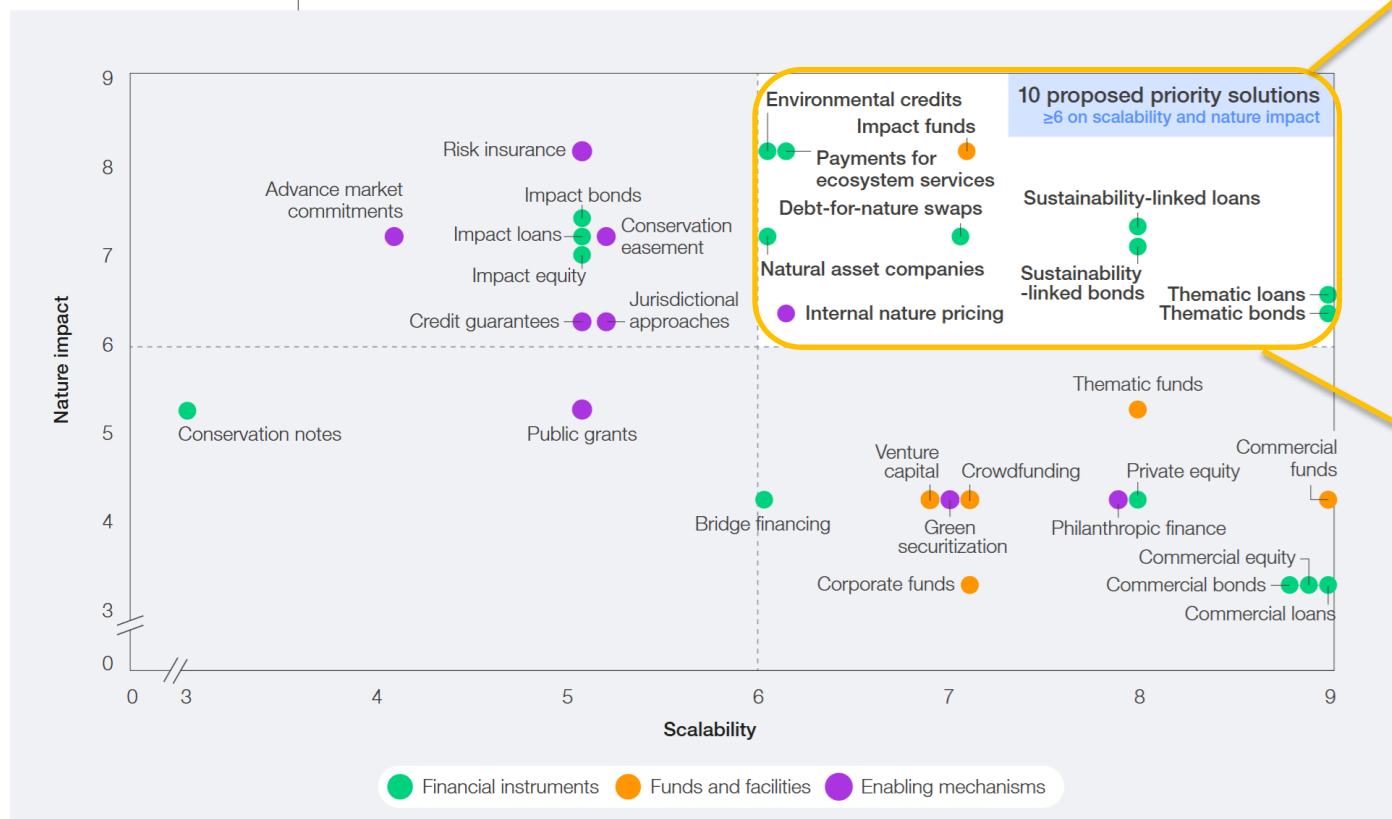
Landscapes, Threats and Underlying Drivers





Emerging financial instruments and finance solutions for nature

FIGURE 2 | 10 priority solutions, based on impact and scalability



Priority solutions /scoring criteria

- 1 Sustainability-linked bonds
- 2 Thematic bonds
- 3 Sustainability-linked loans
- 4 Thematic loans
- 5 Natural asset companies (NACs)
- 6 Environmental credits
- 7 Debt-for-nature swaps (DNS)
- 8 Payments for ecosystem services (PES)
- 9 Impact funds
- 10 Internal nature pricing (INP)

Expansion of
Finance Solution
Toolkit

Source: WEF (2025)

TNFD work created foundation use nature-related information

Capacity building and institutional engagement are preparing financial actors to use nature-related information.

Key Progress on TNFD: Maturing Corporate Risk and Disclosure

Phase 1: Foundational Capacity

Delivery of the GIBS Train-the-Trainer (TTT) programme.

Strategic capacity-building with the South African Institute of Chartered Accountants (SAICA) and BASA.

Phase 2: Institutional Engagement

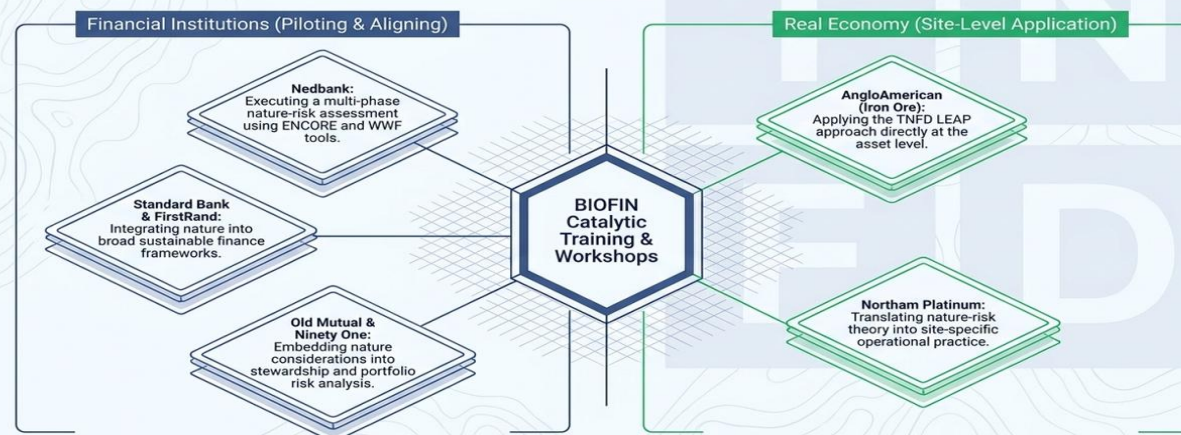
Direct policy and technical engagement with the South African Reserve Bank (SARB) to integrate nature-related risks into supervisory frameworks.

Phase 3: Market Execution

Standard Bank & FirstRand: Integrating nature risks into broader sustainable finance frameworks.

Nedbank: Advancing multi-phase nature-risk assessments utilising ENCORE and the WWF Water Risk Filter to analyse portfolio ecosystem dependencies.

Proof of Market Adoption: TNFD & Nature-Related Risk



South Africa progress pathway

1

Foundational capacity

GIBS Train-the-Trainer; SAICA and BASA engagement

2

Institutional engagement

SARB and regulatory conversations

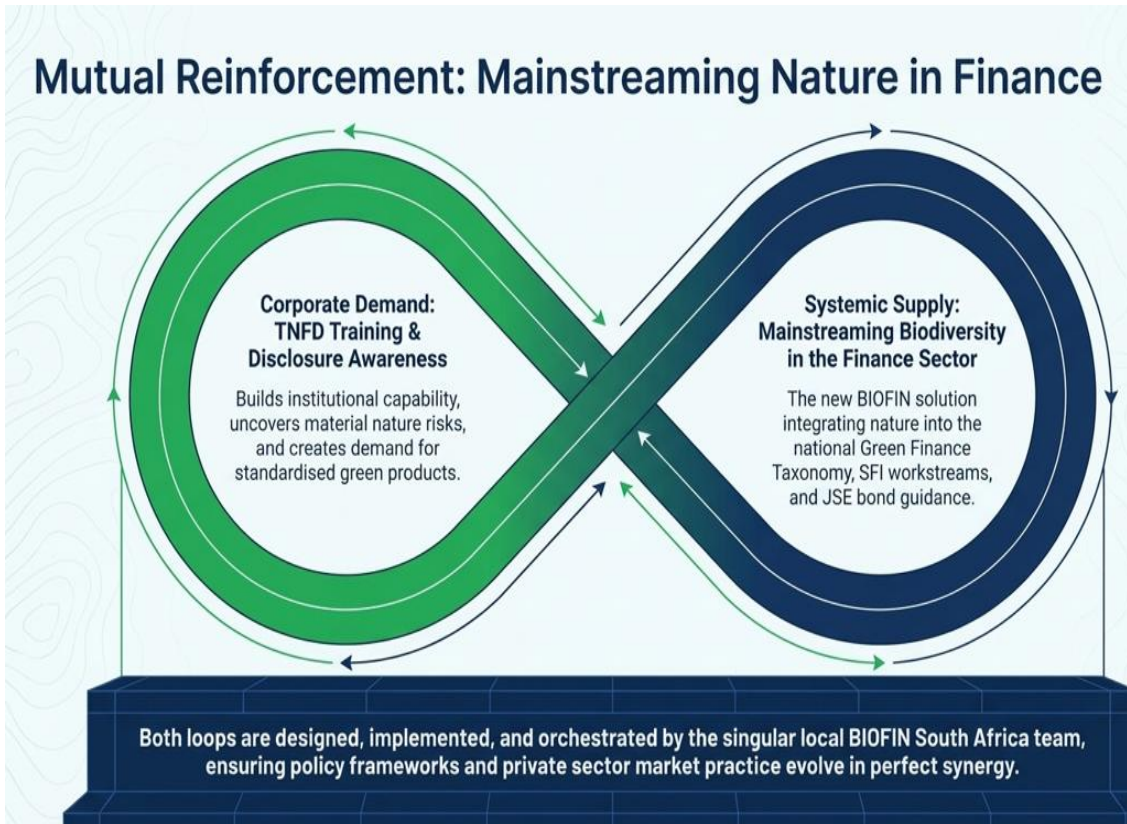
3

Market execution

Financial institutions piloting and aligning nature-risk approaches

BIOFIN and TNFD are separate projects, but mutually reinforcing on the ground

Together they create both demand and supply for nature-informed finance.



How they reinforce each other

- TNFD builds organisational capability to identify nature risks and opportunities.
- BIOFIN turns the policy and finance evidence into practical finance solutions.
- NCA strengthens the common evidence base for both risk analysis and investment decisions.
- The local BIOFIN team helps align policy frameworks and private-sector practice.

Where NCA fits in private-sector finance

NCA can help financial actors move from general nature awareness to decision-useful intelligence.

SCREEN

Sectors and geographies with high ecosystem-service dependence

ASSESS

Nature-related risks, dependencies, impacts and opportunities

STRUCTURE

Finance products, blended finance windows and biodiversity-market mechanisms

DISCLOSE

Comparable reporting, market guidance and accountability

MEASURE

Baselines and outcomes for nature-positive investments

What success would look like for NCA uptake in finance

Moving from accounts and reports to recurring decision processes.

1

Decision-useful NCA products

Spatial, sector and ecosystem-service information formatted for finance use cases.

2

Finance-sector integration

Nature included in financial stability, taxonomy, JSE guidance and disclosure processes.

3

Investable biodiversity pipelines

DBSA and partners use better evidence to prioritise and prepare projects.

4

Measurement and accountability

Natural-capital evidence strengthens baselines, outcome tracking and integrity.

Partnership proposition: Stats SA + DFFE + SANBI + National Treasury + SARB/FSCA + DBSA + BASA/SAICA/JSE + BIOFIN

Closing message

**Natural Capital Accounting helps make nature visible.
BIOFIN helps make it financeable.
Together, they can shift capital towards nature-positive
outcomes.**

MEASURE NATURE → UNDERSTAND RISK → STRUCTURE FINANCE → MOBILISE CAPITAL

Thank you



THANK YOU

www.biofin.org

