TECHNICAL BRIEF

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MAINSTREAMING BIODIVERSITY INTO BUSINESS FOR THE KMGBF: LESSONS FROM THE IPBES BUSINESS AND BIODIVERSITY ASSESSMENT

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Why this matters

Ecosystems that underpin food security, climate regulation, water quality, and human health are deteriorating at an unprecedented rate, driven by habitat destruction, pollution, overexploitation, invasive species, and climate change[1]. At the same time, **biodiversity-harmful financial flows driven by current socio-economic systems continue to outpace nature protection by around 30 to 1**.[2] The Kunming-Montreal Global Biodiversity Framework (KMGBF) recognises that halting biodiversity loss will require changes beyond protected areas and conservation policy alone.

The IPBES Business and Biodiversity Assessment reminds us that **all businesses both depend on and impact biodiversity.** Certain economic activities within sectors such as agriculture, fisheries, infrastructure, extractive industries and finance remain important drivers of biodiversity loss, making biodiversity mainstreaming central to implementing the KMGBF.

In this brief, **biodiversity mainstreaming into business refers both to actions taken by businesses and financial institutions to assess, disclose and address their biodiversity-related impacts, dependencies and risks, and to the broader governance, policy and financial frameworks that shape and enable such action**. It is therefore not only a business responsibility but also a governance and implementation issue for Parties.

As Parties are deep in the implementation phase of the KMGBF, biodiversity mainstreaming is becoming a central test of whether the Framework can effectively transform economic systems and address the direct and indirect drivers of biodiversity loss.

While reporting frameworks, corporate commitments, and pilot initiatives are rapidly expanding, measurable reductions in direct drivers of biodiversity loss remain limited, as reflected in Parties' 7th National Reports to the CBD. **For many Parties, the central question is therefore increasingly not whether biodiversity should be mainstreamed into business, but how these efforts can contribute to measurable implementation under the KMGBF.**

Drawing on findings from the IPBES Business and Biodiversity Assessment, this brief examines where implementation gaps persist and which governance levers may help Parties strengthen implementation, improve coherence, and translate commitments into concrete outcomes.

1 https://www.cbd.int/gbf
2 https://www.cbd.int/gbf/goals

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Key Messages

1. **Biodiversity mainstreaming into business is not only a business responsibility, but also a governance and implementation issue for Parties.** Efforts under Targets 14 and 15 depend on both private sector action and enabling policy, regulatory and financial frameworks.

2. **While progress is emerging, implementation gaps remain in translating commitments into measurable outcomes.** Reporting frameworks, pilot initiatives and corporate commitments are expanding, but measurable reductions in direct drivers of biodiversity loss remain limited.

3. **Policy coherence across biodiversity, climate, development, and financial objectives together with stronger financial integration and technical capacity remains a recurring implementation challenge.** For many Parties, biodiversity mainstreaming requires stronger coordination across sectors and improved capacity to assess progress and support implementation.

4. **Strengthening governance levers may help improve implementation under the KMGBF.** Addressing implementation gaps may help Parties improve coherence and translate biodiversity-related commitments into more concrete outcomes.

5. **Effective implementation requires stronger links across KMGBF targets.** Implementation under Targets 14, 15, 16 and 18 remains closely interconnected for many Parties.

1. What does biodiversity mainstreaming mean under the KMGBF?

The UN Convention on Biological Diversity defines biodiversity mainstreaming as "**ensuring that biodiversity, and the services it provides, are appropriately and adequately factored into policies and practices that rely on and have an impact on it**." Under the KMGBF, this implies integrating biodiversity considerations across public policies, economic sectors, and financial systems to address both the direct and indirect drivers of biodiversity loss.

This brief focuses on biodiversity mainstreaming in businesses, particularly at the intersection of **Target 14**, which calls for biodiversity integration into public policies, planning and financial flows, and **Target 15**, which encourages businesses and financial institutions to assess, disclose and progressively reduce biodiversity-related risks, dependencies and impacts. Its effectiveness is also shaped by broader implementation under **Target 16** on sustainable consumption and **Target 18** on harmful incentives.

In practice, biodiversity mainstreaming into business may involve integrating biodiversity considerations into **sectoral policies, financial systems, supply chains, procurement and investment decisions, environmental-economic accounting, and monitoring and accountability frameworks**.

2. Main implementation gaps

Across Parties, recurring implementation barriers remain visible. These include:

- **Fragmented governance:** Biodiversity remains unevenly integrated across ministries, institutions and sectoral decision-making.

- **Persistent harmful incentives:** Subsidies, financial incentives and market structures continue to support biodiversity-negative activities.

- **Limited uptake of existing biodiversity assessment approaches:** While a growing range of indicators, assessment methods and decision-support tools is available, their integration into business management, accounting systems, investment decisions and public planning remains uneven.

- **Reporting disconnected from outcomes:** Disclosure mechanisms may improve transparency without necessarily reducing pressures on biodiversity.

- **Limited financial sector integration:** Nature-related risks and opportunities remain insufficiently embedded in financial decision-making, supervision and broader financial governance. As a result, biodiversity considerations are often weakly reflected in corporate and financial decisions.

- **Uneven technical and financial capacity:** Implementation capacity differs significantly across countries, public administrations, sectors and businesses.

- **Supply-chain opacity:** Tracing biodiversity impacts across imported commodities and global value chains remains difficult.

Taken together, these gaps suggest that biodiversity mainstreaming efforts often remain procedural rather than transformative.

3. What enables measurable implementation?

a. Align governance and regulatory systems

A major implementation barrier is fragmented governance. Biodiversity objectives often remain inadequately integrated across ministries responsible for agriculture, finance, trade, infrastructure, fisheries, energy and industrial development. As a result, biodiversity strategies may coexist with sectoral policies, subsidies or trade incentives that continue to drive ecosystem degradation, limiting implementation and weakening policy coherence.

Strengthening implementation may therefore require stronger institutional coordination. Parties may increasingly need mechanisms that:

- Ensure biodiversity and ecosystem services are reflected across government, including financial ministries and development planning agencies.

- Integrate natural capital accounts within national accounting systems.

- Align biodiversity and development priorities.

- Reduce policy fragmentation and help align public and private financial flows with biodiversity objectives.

- Strengthen cross-sector accountability.

- Improve legal clarity and predictability.

- Reform harmful incentives and strengthen; biodiversity-positive incentives under Target 18.

- Public procurement can be one of several policy levers available to governments to help align market demand with biodiversity objectives.

Sectoral regulation can also play a stronger role, particularly in high-impact sectors where biodiversity pressures remain concentrated.

Ultimately, **implementation often depends** less on isolated biodiversity commitments than on whether **governance systems remain coherent across sectors**. This reflects the whole-of-government and whole-of-society approach embedded in all targets of the KMGBF, although implementation remains challenging across Parties.

b. Improve measurement, reporting and decision-making

A persistent implementation challenge is not the absence of biodiversity indicators or assessment methods, but their effective uptake and integration into decision-making systems. Another challenge concerns the assessment of business dependencies on biodiversity and ecosystem services, which often remain less understood and less systematically integrated into decision-making than biodiversity-related impacts.

Unlike climate-related metrics, biodiversity assessments often need to account for location-specific and multi-dimensional realities. **While a growing range of indicators and decision-support tools is available and can already be used to inform action, data gaps, methodological fragmentation and limited integration into business management, accounting systems and public planning continue to constrain implementation.**

As a result, biodiversity risks, impacts and dependencies remain insufficiently integrated into financial and investment decisions, procurement, fiscal systems, spatial planning and supply-chain oversight, and are often still treated as environmental externalities rather than embedded in economic and institutional systems.

Target 15 can help improve transparency. However, disclosure alone does not necessarily translate into implementation. **A recurring challenge is that reporting systems often remain disconnected from operational and planning decisions.** As reporting frameworks expand, a growing challenge is not only whether companies disclose biodiversity-related information, but whether reporting systems generate comparable, decision-relevant and ecologically meaningful data that can inform planning, investment decisions, financial supervision and regulatory action.

In this context, Parties may increasingly need:

- Clarity on sector-specific biodiversity indicators.
- Stronger environmental-economic accounting systems.
- Improved traceability in high-risk supply chains.
- Stronger biodiversity-related monitoring frameworks.
- Better integration between reporting systems and planning decisions.
- Indicators measuring reductions in biodiversity pressures rather than reporting outputs alone.

This may be particularly relevant in sectors linked to land conversion, natural resource extraction, and imported biodiversity pressures. Environmental-economic accounting may become more useful where it informs fiscal policy, national planning and development decisions.

c. Shift incentives and support systemic transformation

Voluntary commitments alone are unlikely to drive change at the scale required. In many sectors, biodiversity loss remains linked to broader structural drivers, including harmful subsidies, short-term economic incentives, fragmented supply chains, transition costs, uneven technical capacity, and social or political resistance to behavioural change.

These challenges are particularly visible in politically sensitive reforms such as pesticide reduction, land-use restrictions, ecosystem restoration, fisheries management, infrastructure constraints, and shifts in production and consumption patterns.

The IPBES Business and Biodiversity Assessment suggests that **implementation often requires more than incremental adjustments and may depend on broader systemic change and the development of credible transition pathways across sectors.** Parties may increasingly need stronger economic and regulatory signals to ensure that business commitments translate into measurable action and reduced biodiversity pressures. Potential policy levers include:

- Stronger integration of biodiversity-related risks, impacts and dependencies into financial decision-making, financial institutions and the allocation of financial flows.
- Subsidy reform under Target 18.
- Creation of enabling policy frameworks to mobilise private and public finance for biodiversity objectives.
- Biodiversity-positive fiscal incentives.
- Sector transition pathways.
- Support mechanisms for Small and Medium-sized Enterprises (SMEs) and smaller businesses.

Support for SMEs remains particularly important. Many smaller businesses lack the technical, financial, and operational capacity to engage with complex biodiversity requirements. Effective but **simplified reporting systems, technical support, and collective sector-based approaches may help reduce these barriers.**

4. What negotiators may increasingly need to assess

A growing challenge for negotiators will be distinguishing **procedural progress from effective implementation**. Procedural indicators of progress may include:

- Commitments announced.
- Disclosure frameworks adopted.
- Pilot initiatives launched.
- Reporting systems established.

However, **stronger implementation signals may include:**

- Biodiversity integrated into financial and sectoral regulation and planning.
- Reduction of harmful incentives and increase of positive incentives.
- Stronger procurement and fiscal alignment.
- Financial flows redirected toward biodiversity-positive activities.
- Measurable reductions in biodiversity pressures.

This may also require stronger links across KMGBF targets. For example, subsidy reform under Target 18 may influence whether business incentives change under Target 15, while integration into planning and sectoral regulation under Target 14 can shape whether biodiversity objectives translate into operational decisions. Demand-side measures under Target 16 may also affect business incentives and supply-chain pressures. For these reasons implementation under these targets remains closely interconnected for many Parties.

Conclusion

Biodiversity mainstreaming under the KMGBF is not primarily a corporate reporting challenge. It is a broader implementation and governance challenge that depends on whether Parties can create an enabling environment aligning economic incentives, financial flows, regulation and accountability with biodiversity objectives.

While the KMGBF provides the global targets and policy direction, the IPBES Business and Biodiversity Assessment helps identify key implementation gaps and possible pathways for action. Its findings suggest that **measurable implementation will depend less on multiplying commitments than on whether governance systems can support broader systemic change across production systems, financial flows, supply chains and decision-making structures**.

For negotiators, the central question is therefore no longer whether biodiversity should be mainstreamed into business, but whether **current implementation pathways are sufficient to reduce biodiversity pressures at scale. Without broader systemic change and especially an enabling environment**, biodiversity mainstreaming risks generating stronger reporting systems, but limited biodiversity outcomes.

References

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