POLICY BRIEF

From Frameworks to Practice

Operationalising nature-related impact and dependency assessment for financial institutions

Financial institutions (FIs) are increasingly expected to assess and disclose their impacts and dependencies on nature. Yet current frameworks often clarify what should be measured without showing clearly how to do it in practice. Based on master's thesis research conducted at the Institute for Environmental Studies (IVM), Vrije Universiteit Amsterdam, with support from the Finance for Biodiversity Foundation, this brief identifies implementation gaps and practical considerations for FIs, standard setters and protocol developers.

Why this matters

$ Nature-negative private finance flows remained around US$5-6 trillion per year between 2020 and 2023.

FI FIs influence nature through lending, investment, insurance and stewardship across value chains.

! Better measurement supports disclosure, risk management, targets and capital allocation.

Purpose: to translate the thesis findings into practical, research-based considerations that can support discussion on future nature-related measurement guidance.

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Framework foundations

What current frameworks already help institutions do.

What existing frameworks already provide

T TNFD

Taskforce on Nature-related Financial Disclosures. Helps institutions identify, assess and disclose nature-related dependencies, impacts, risks and opportunities. The LEAP approach and four-pillar architecture structure assessment and disclosure.

B PBAF

Partnership for Biodiversity Accounting Financials. Offers detailed biodiversity-accounting guidance for FIs, including requirements on attribution, baselines, transparency, limitations and asset-class application.

G GHG Protocol

Greenhouse Gas Protocol. Provides mature accounting principles - relevance, completeness, consistency, transparency and accuracy - and clear boundary-setting for climate measurement.

P PCAF

Partnership for Carbon Accounting Financials. Shows how climate accounting can be operationalised for FIs through attribution rules, asset-class guidance, data-quality hierarchies and reporting transparency.

How to read this page

The thesis finds that these frameworks already provide important foundations. The challenge is not the absence of guidance, but the gap between high-level guidance and implementation-ready measurement pathways for different FI types, asset classes and use cases.

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Where implementation breaks down

Three recurring gaps emerged from the comparative analysis.

Implementation gaps

1 Methodological foundations

- Scopes, boundaries and baselines are not consistently defined.
- Attribution to financed activities remains difficult.
- Frameworks prescribe methods differently, creating duplication and fragmentation.

2 Measurement capabilities

- Location-specific and asset-level data are often incomplete or costly.
- Supply-chain traceability remains weak, especially for indirect impacts.
- Metrics, tools, modelled outputs and proxy assumptions are difficult to compare.

3 Decision-useful outputs

- Outputs are often designed for disclosure rather than portfolio decisions.
- FIs need guidance by institution type, asset class and use case.
- Results must be translated for non-technical decision-makers and linked to real decisions.

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Stakeholder insights and climate lessons

Stakeholders want both comparability and flexibility.

What stakeholders emphasised

Stakeholder input pointed to a practical design tension: a shared architecture is needed for comparability, but guidance must remain modular enough for different FI types, asset classes, use cases and ecological contexts.

C Common measurement core + tailored modules.

S Selective standardisation before standardising every metric.

A Aggregation clarity from site and company data to portfolio assessment.

✓ Transparent data, assumptions, proxies, model choices and uncertainty.

Lessons from climate frameworks

What can transfer

- Four-pillar disclosure architecture.
- Attribution logic for financial exposures.
- Asset-class guidance for portfolios.
- Data-quality tiers for proxies and uncertainty.

What cannot simply be copied

- Single-metric logic: nature is not one CO2e-style number.
- Low spatial sensitivity.
- Oversimplified aggregation across sites, companies and portfolios.
- Direct climate-to-nature replication.

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Recommendations for a Nature Measurement Protocol

Research-based suggestions, not formal standards.

Three recommendations

1 Core conceptual and structural foundation

Establish common definitions, baselines, scopes and boundaries, a transparent disclosure structure, and a shared logic for assessing impacts, dependencies, risks and opportunities; align with the Global Biodiversity Framework (GBF), TNFD and related frameworks.

2 Tiered guidance on metrics and transparency

Provide starter and advanced options; clarify when to use pressure-based, state-of-nature and dependency metrics; require disclosure of assumptions, data quality, proxies and uncertainty; strengthen comparability while preserving flexibility.

3 Decision-useful pathways

Show how measurement results should feed into risk management, portfolio review, stewardship, lending and investment decisions, target setting and capital allocation. Include modular guidance for different FI types, asset classes and use cases.

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Practical action points

How to start using the findings while the measurement landscape continues to evolve.

For financial institutions

1. Start with high-impact sectors, material drivers and the most relevant portfolio exposures.
2. Build on existing frameworks such as TNFD and PBAF rather than waiting for perfect standards, metrics or tools.
3. Use tiered metrics and document assumptions, limitations, proxies and data quality.
4. Improve internal nature-related data governance, traceability and location-specific information where possible.
5. Link measurement outputs to real decisions, targets, stewardship and engagement actions.

For protocol developers and coalitions

1. Harmonise the core architecture across frameworks while avoiding duplication of existing guidance.
2. Preserve flexibility for different institution types, asset classes, use cases and ecological contexts.
3. Define minimum disclosure, traceability and transparency expectations.
4. Support interoperability with the GBF, NBSAPs and NBFPs, among others.
5. Support public data infrastructure, geospatial information and communication to non-technical decision-makers.

✓ **Key message**

Do not wait for perfect data or a perfect framework. Progress comes from a common measurement core, transparent assumptions, flexible methods where nature requires them, and outputs that support real financial decisions.

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About this brief

Research basis, sources and positioning.

About the research

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This brief draws on a structured analysis of the Taskforce on Nature-related Financial Disclosures (TNFD), Partnership for Biodiversity Accounting Financials (PBAF), Partnership for Carbon Accounting Financials (PCAF), and Greenhouse Gas (GHG) Protocol. It combines that analysis with structured stakeholder input from financial institutions and expert dialogues in 2026.

Key sources and links

Gómez Chatham (2026); Convention on Biological Diversity - Global Biodiversity Framework; Taskforce on Nature-related Financial Disclosures; Partnership for Biodiversity Accounting Financials; Partnership for Carbon Accounting Financials; Greenhouse Gas Protocol; UNEP State of Finance for Nature.

The brief also reflects FfB-PBAF considerations on nature-related impact and dependency assessment while remaining a VU-IVM research output.

Positioning note

This brief provides research-based considerations. It is not formal institutional guidance and does not represent the official views or endorsement of the Finance for Biodiversity Foundation, PBAF, their members, or other organisations referenced. The Finance for Biodiversity Foundation and PBAF are acknowledged through the contributing authors and source material, but this version is prepared as a VU-IVM research output.

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