

Terms of Reference for the G7-Alliance on Nature Positive Economies

1. Objective and Scope of the G7-Alliance on Nature Positive Economies

- 1) G7 leaders committed to a global mission to halt and reverse biodiversity loss, and to become “Nature Positive” in the G7 2030 Nature Compact, as an annex to the communiqué at the G7 Summit in the UK in June 2021.
- 2) In addition, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted by Parties at CBD/COP15 in December 2022. It included the importance of integrating biodiversity and its multiple values within and across all levels of government and across all sectors of society especially in Targets 14-16. As this will be the first G7 Ministerial meeting after the adoption of the GBF we need to now rapidly move to mobilization to maintain global ambition on biodiversity and help drive swift, efficient and effective implementation of the framework.
- 3) In the G7 2030 Nature Compact, we recognized our unique role and acknowledged the negative and unsustainable impact our economic activity can have on nature and wildlife, abroad as well as at home, and the necessity of global system-wide change not only for becoming net zero but also for becoming nature positive for the benefit of both people and the planet. In the Compact, we also committed to working collaboratively with stakeholders and partners to drive global system change that works for all.
- 4) Becoming “Nature Positive” requires the shift of our economies to Nature Positive Economies (NPEs) where nature is mainstreamed and its diverse values are incorporated and enhanced. The G7-Alliance on Nature Positive Economies (G7ANPE) serves as a forum to share knowledge and create information networks on a voluntary basis in collaboration with the private sector and the civil society, and will be a contribution by G7 members to lead discussions and actions towards transitioning to NPEs, involving whole of governments and societies.
- 5) The G7ANPE including Pillars 1 and 2 will contribute to the achievement of relevant global objectives, including those under the GBF, the Paris Agreement and the 2030 Agenda for Sustainable Development and its Sustainable Development Goals.
- 6) The remit of the G7ANPE will cover all forms of mainstreaming nature in economies, including both public and private sector action. The focus of the G7ANPE in any given year will be determined by the G7 Presidency, in consultation with the members of the G7, identifying the most important gaps and opportunities to establish activities, which may change over time according to need.
- 7) As a first step towards its overall purpose, in the inaugural year (2023) the G7ANPE will focus on two specific themes: first, sharing experiences on business opportunities and second, enhancing information disclosure with businesses, including in connection with the Task Force on Nature-related Financial Disclosures (TNFD) or other relevant international organizations and work. To achieve that, G7ANPE members will first share their understanding on the definition of “nature positive”. There are two thematic pillars as follows.

Pillar1: Sharing Information on Business Opportunities

- 8) The objective of Pillar 1 is to develop and share case studies of the technologies and public and private innovations, including business models, that can support Nature Positive Economies. This objective stems from a strong need from private companies for deployment and diffusion of nature positive technologies, innovations and approaches, including computational systems and robotics, using existing technologies, financing and business models in innovative nature positive ways.
- 9) Initially, we focus on nature-based solutions and nature-positive technologies, innovations and financing and business models that generate private and public benefits, for example that have co-benefits with addressing not only biodiversity loss, but also climate change, pollution prevention, and circular economy, as well as those solving social issues. Adding values in addition to nature conservation, restoration and sustainable use reduces financial risk of new technologies and business models, which can motivate actions and increase private and public resource mobilization for nature. At the same time, technologies and business models that have multiple benefits can achieve synergies among those areas and prevent trade-offs. Detailed information of technologies and business models dealt under Pillar 1 will be compiled.
- 10) The G7ANPE will organize an international workshop of private sector representatives, and other organizations with relevant expertise, including financial institutions, for information exchange, discussions, and potential cooperation. We aim to identify technologies and business models that reduce biodiversity loss or create biodiversity gains from business activities, contribute to restoration, conservation and sustainable use of biodiversity in order to diffuse them on a global scale.

Pillar2: Enhancing Information Disclosure

- 11) Recognizing the importance of facilitating or encouraging disclosures of nature-related risks, dependencies, and impacts, by businesses and financial institutions in various ways, progress has been made by some jurisdictions, who have mandated nature-related disclosures, and by numerous groups to better understand underlying data needs and develop voluntary disclosures or reporting frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD), the Capitals Coalition, the Natural Capital Protocol, the International Standards of Accounting and Report, the International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI), the UN Global Compact, the System of Environmental Economic Accounting, the Network for Greening of the Financial System and efforts by the private sector.
- 12) Pillar 2 aims to share perspectives on which elements of information related to nature and business activities would be reflected in disclosures in order to be consistent and interoperable with the policies of each government, and on issues concerning disclosures including the challenges facing firms.
- 13) Outputs of the G7ANPE will be shared externally under the consent of the G7SOM. Outputs may be shared with the TNFD, or other disclosure-related or reporting-related new frameworks released in 2023.

2. Participation

- 14) The G7ANPE is inclusive in nature and open to ambitious countries, businesses, research institutes, international organizations with relevant expertise, and other relevant stakeholders and partners. Participation in the G7ANPE indicates their support to the implementation of the G7 2030 Nature Compact.
- 15) Relevant stakeholders and partners may be invited to participate as appropriate to achieve the objectives of the G7ANPE.

3. Governance and next steps

- 16) After the endorsement of these Terms of Reference, the G7ANPE will be established.
- 17) For Pillar 1,
 - a) Japan Business Federation (Keidanren) will serve as an organizer in 2023 as the Business 7 Presidency and a representative of business and financial sector in Japan.
 - b) The first workshop will be held in Q3-Q4 of 2023. Details will be circulated later.
 - c) The B7 Presidency will serve as an organizer of the workshop in each year on a rotating basis unless the G7 presidency decides otherwise.
 - d) As an outcome of the workshop in 2023, a report of compiled case studies will be presented in a CBD-COP16 side-event.
 - e) At the G7 Presidency's discretion, after 2024, under a rotating organizer of an industry representative organization in each year's G7 presidency, we will hold a workshop or side-event of the CBD-COP in collaboration with G7 members, if necessary, utilizing existing frameworks, and focusing on the topics identified by the relevant presidency.
- 18) For Pillar 2,
 - a) Ministry of the Environment of Japan will serve as an organizer in 2023 as G7 presidency. For maximum success, the Ministry will welcome participations from other ministries concerning economic issues.
 - b) The first workshop will be held in May 2023. Details will be circulated later.
 - c) The result of discussions in the workshop under Pillar 2 will be informed to the TNFD or other new frameworks released in 2023.
- 19) After 2024, consecutive G7 presidencies may wish to continue projects under these two pillars as one of the presidency's activities. The presidency in each year may choose to cease efforts on these themes and/or add other themes or pillars, based on the interests of G7 members and according to needs, timeliness, and feasibility. Some of the possible topics are listed at the end of this document.
- 20) The G7ANPE members acknowledge that not all nature positive economy programs and initiatives are covered by existing two pillars and are encouraged to engage in and share information on additional nature positive economy activities.

Examples of Possible Topics after 2024 * Neither exhaustive nor conclusive.

- Natural capital accounting
- Environmental-economic statistics
- Measurement methodologies of impacts by business activities
- Financial mechanisms
- Public policies for Nature Positive Economies
- Initiatives or experiences of financial sectors
- Sustainable value chains
- Creation of nature positive business environment
- Innovative accounting practices
- Information needed for consumers to implement GBF Target 15 b) and Target 16