PHOTO BY: DENISSE BALDUZZI

Impact as a New Asset Class - Part V

CFOs play a pivotal role in redefining nature as a strategic asset, integrating regenerative finance principles and nature-positive investments into corporate strategies. By embedding nature-linked financial instruments and leveraging systemic approaches like polycapital thinking, businesses can move beyond compliance toward long-term value creation. This evolution positions financial leaders as architects of a regenerative economy, where capital flows drive resilience and ecological restoration.

BY YVES CARNAZZOLA • MARCH 6, 2025

CFOs as Architects of Regenerative Finance in the Financial Shift from Nature as a Cost to Nature as an Asset

The resumption of the UN Biodiversity Conference in Rome marked a critical turning point for global biodiversity finance. Negotiators reached key agreements to accelerate funding, aiming to close the $700 billion annual biodiversity finance gap by 2030. At the heart of this effort is the Resource Mobilisation Strategy, which lays out concrete steps to realign financial flows toward a nature-positive economy. The Monitoring Framework introduces key accountability measures—such as Target 15 on nature-related disclosures and Target 18 on eliminating harmful subsidies—ensuring greater transparency in corporate and financial sector contributions.

A major milestone was the launch of the Cali Fund, designed to mobilize private-sector investments from industries such as pharmaceuticals, biotechnology, and cosmetics to support biodiversity protection and Indigenous-led conservation efforts. After intense negotiations, parties also agreed on a way forward for resource mobilization, with a target of securing at least $200 billion annually by 2030.

As biodiversity finance takes center stage, CFOs must move beyond viewing nature as a cost and begin embedding it as a strategic asset—integrating it into corporate balance sheets to drive both resilience and long-term value creation.

The financial sector has the potential to drive a fundamental shift in nature finance, moving from passive compliance to active opportunity. If private capital is mobilized effectively, green bonds, sustainability-linked loans, and blended finance mechanisms could position nature as a driver of financial growth rather than a liability to be managed. By embedding, for example biodiversity-linked financial instruments into their capital structures, CFOs and corporate leaders can not only meet evolving regulations and enhance investor confidence but also secure preferential financing terms, unlock new revenue streams from ecosystem services, and establish leadership in a nature-positive economy.

Those who act early could gain a competitive edge, ensuring their businesses are not merely resilient to biodiversity risks but actively benefiting from the shift toward regenerative finance.

Shifting Natural Capital to a Balance Sheet Asset

For decades, corporate finance has prioritized financial capital alone, failing to account for dependencies on natural, social, and human capital. Yet, more than half of global GDP relies on nature, a fact long ignored in financial decision-making. As biodiversity loss, climate risks, and resource depletion escalate, businesses face rising costs, supply chain disruptions, stranded assets, and regulatory pressures. Failing to integrate natural capital into financial planning leaves companies vulnerable to declining investor confidence and restricted access to capital markets.

A shift is needed from seeing nature as a cost to recognizing it as a strategic asset that enhances long-term financial and ecological resilience. However, this transition must be carefully managed—valuing nature in financial systems must not lead to commodification. The risk of reducing ecosystems to speculative assets could undermine conservation efforts, reinforcing extractive models instead of promoting regeneration.

To address this, nature finance must be grounded in polycapital thinking and polycentric governance. Polycapital ensures that financial, ecological, social, and human capital are valued equally, preventing a narrow, monetary-centric approach to investing in nature. Polycentric governance distributes decision-making across governments, Indigenous communities, scientists, and financial institutions, ensuring that biodiversity finance supports long-term ecological resilience rather than short-term profit motives.

CFOs are at the center of this transformation

By integrating nature-linked financial instruments—such as green bonds, sustainability-linked finance, and impact-linked securities—into corporate strategies, they can embed nature-positive investments into business models in ways that enhance market positioning, investor confidence, and financial performance. Moving beyond risk mitigation, this approach positions nature as a source of long-term value creation rather than an external cost.

This shift requires a transition from operational expenditures (OpEx) to capital assets (CapEx)—embedding ecosystem services into corporate financial structures while maintaining them as public goods rather than financialized commodities. Healthy ecosystems provide essential financial and ecological benefits, forming the foundation of a regenerative bioeconomy and a sustainable circular economy.

By aligning financial strategies with ecological and economic sustainability, companies move beyond short-term profitability to build long-term value(s) that benefit investors, stakeholders, and planetary health. Those who act early will not only future-proof their businesses but also lead financial markets toward a model where economic growth and ecological regeneration reinforce one another.

Why Corporations Could Lead the Way in Issuing Natural Capital Green Bonds

Natural Capital Green Bonds offer CFOs a powerful mechanism to mobilize investment into biodiversity finance while ensuring that nature remains a shared ecological asset rather than a market-driven commodity. By structuring financial flows around measurable ecological outcomes and long-term stewardship rather than speculative trading, these bonds safeguard nature from excessive financialization. As nature-related financial disclosure requirements evolve and regulatory frameworks tighten, companies that issue these bonds early will be well-positioned to access preferential financing, strengthen investor confidence, and unlock new revenue streams linked to ecosystem services.

Unlike conventional green bonds, Natural Capital Green Bonds go beyond carbon mitigation, embedding biodiversity and ecosystem health into the financial structure itself. By aligning debt issuance with nature-positive outcomes, these instruments allow businesses to transform ecosystem restoration from a cost into a financial asset, supporting long-term resilience and corporate value creation.

To scale biodiversity finance, blended finance mechanisms and systemic investment approaches are essential. Nature-Backed Green Bonds integrate public guarantees, concessional funding, and impact-driven risk-sharing models, making biodiversity investments more attractive to institutional capital. Unlike fragmented sustainability initiatives, these bonds embed nature-positive finance into long-term corporate strategies, positioning ecosystems as tangible financial assets within structured investment frameworks.

For example, regenerative agriculture projects financed through Natural Capital Green Bonds can integrate biochar, delivering both climate and biodiversity benefits. Beyond carbon capture, biochar enhances soil fertility, water retention, and crop yields, shifting agriculture from reducing negative externalities to actively generating nature-positive outcomes. Similar financial models apply to blue carbon investments, watershed restoration, and biodiversity offset projects, all of which provide tangible financial and ecosystem benefits.

Outcome-based financing models ensure that investors receive measurable, impact-driven returns while issuers maintain a stable cost of capital. Unlike traditional debt structures, where sustainability targets can lead to higher costs, Natural Capital Green Bonds allow companies to secure competitive financing without increasing their weighted average cost of capital (WACC). Investors gain access to financially viable, high-impact projects, while businesses secure sustainability-linked capital that enhances resilience and long-term market competitiveness.

By integrating Natural Capital Green Bonds into financial planning, companies go beyond risk mitigation to actively shaping new revenue models, where nature is not just an externality but a core financial asset. This regenerative finance approach does not just ensure compliance with emerging regulations—it positions businesses at the forefront of a transformative economic shift, where financial prosperity and ecological regeneration are inextricably linked.

CFOs as Regenerative Finance Architects?

As financial and ecological systems become increasingly interdependent, CFOs are not only financial stewards but also key architects of a new regenerative economy. Businesses that integrate nature-positive finance today will secure their future while driving systemic transformation, demonstrating that financial prosperity and ecological regeneration are mutually reinforcing. Leading this transition will not only strengthen corporate resilience but also redefine financial markets toward long-term sustainability. The next era of finance will be built on regeneration, resilience, and shared value—where businesses thrive not despite nature, but in harmony with it.

Yves Carnazzola
CEO