

# Unlocking High-Impact Nature Investments

## Actionable Strategies

### WORKSHOP REPORT 2

19th May 2025  
London



## Executive Summary

23 leaders from finance, government, NGOs, and multilateral organizations gathered in London on 19 May 2025 to address the central challenge: **how to generate a capital continuum for nature investment at scale?** This report captures their conclusions.

With impact investing **now representing approximately \$1.6 trillion (equivalent to Australia's GDP) and harmful subsidies amounting to nearly \$7 trillion**, the workshop focused on practical mechanisms to mobilize capital away from nature negative uses and towards positive actions for the protection, restoration of biodiversity and sustainable use of natural capital.

The workshop surfaced several working examples of nature finance initiatives already delivering impact at scale—from mangrove restoration projects in Southeast Asia to biodiversity credit markets in Latin America.

A shortlist of priority actions was co-developed to better align financial performance with ecological impact and enhance investor confidence.

### Key insights

- **Strong frameworks are essential**

Participants emphasized the importance of endorsing a small set of science-based, globally aligned standards for measuring, verifying, and reporting nature impacts and dependencies on ecosystem services.

- **Revenue models must be investable**

Innovative financing structures—such as nature-linked bonds, blended finance, and credit-based mechanisms (e.g., biodiversity or ecosystem service credits)—were highlighted as critical to attracting mainstream capital.

- **Take a nexus approach**

Interconnected challenges of biodiversity loss, water, food, health, and climate change require integrated solutions. Landscape approaches enable large-scale nature investments by bundling projects like regenerative farming and sustainable forestry for institutional investors.

- **Collaboration is non-negotiable**

The workshop underscored the need for co-development models that align investors, project developers, Indigenous communities, and other local stakeholders from the outset.

- **Policy alignment is a catalyst**

Fiscal reform and regulatory clarity, especially regarding the phase-out of harmful subsidies and price points for nature products, are necessary to level the playing field for nature-positive investments.

- **A coherent narrative matters**

Stakeholders emphasized the power of compelling storytelling and landscape-scale visions to mobilize support.

## Outcomes and next steps

A set of **targeted action priorities** has emerged to accelerate the flow of capital into nature-based solutions. These focus on improving investor alignment, strengthening market infrastructure, and demonstrating viability through blended finance approaches.

- + Align storytelling and terminology for investors expectations.** This includes articulating clear revenue drivers, risk-return profiles, and the cost of inaction, helping to position nature as a legitimate and compelling investment domain. A significant effort is needed to align language and establish training and learning systems for investors and developers.
- + Involve buyers early in project development.** Their participation helps define market requirements, clarify demand signals, and ensure that project design meets real-world procurement and impact needs.
- + Create a market platform registry.** This would support transparency and learning. Such a platform could track successful nature investments, highlight active buyer interest, and identify emerging demand for biodiversity, carbon, and water-related outcomes.
- + Deploy concessional capital to support nature investments.** This is essential for building investors' confidence. These examples help test models, de-risk early phases, and lay the groundwork for private sector participation at scale.
- + Develop a strong case for developing a capital continuum.** These should integrate different sources of capital—from grants to institutional equity—and provide a structured pathway to scale and replicability.

Key enablers include demonstration deals, blended finance to de-risk investments, government support, standardized practices, compelling storytelling, and regional coordination.

A structured “capital escalator” is essential to channel early-stage funding into institutional capital. Critical tools include biodiversity valuation models, impact KPIs, and platforms that match buyers and projects.

Ultimately, repositioning nature as a long-term, investable asset class—not a philanthropic cause—is vital to accelerating capital flow into regenerative, scalable solutions.

**“Nature is not too complex - we became too simple”**  
- **Caroline van Leenders**

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## Nature as an Emerging Investment Case

The question of whether **nature is ready for institutional capital** was quickly reframed to focus on **investor readiness**.

While there is **extensive ecological and economic knowledge** available, most investors remain hesitant to engage. This is not due to lack of intellectual capacity, but rather a **lack of financial frameworks, regulatory clarity, and access to investment opportunities**.

Importantly, **institutional time horizons** (10–30+ years) **are well-aligned** with the long-term value creation inherent in nature-based investments. Yet, investor interest remains limited in scope. Many clients are beginning to ask about nature-aligned strategies, but this interest often stalls due to a predominant focus on **divestment from harmful activities**, rather than **active investment in nature-positive solutions**.

**Reducing pressure on ecosystems**—through **divestment from harmful activities** and the **reform of nature-negative subsidies**—is a vital complement to scaling nature-positive investment. An estimated **\$7 trillion per year** is still directed toward activities that degrade biodiversity, including **\$1.7 trillion in environmentally harmful subsidies** across sectors such as fossil fuels, agriculture, and fisheries (**UNEP, State of Finance for Nature 2023**). Redirecting even a portion of these flows could help close the nature finance gap and accelerate systemic solutions. This highlights the need for a **dual strategy**: scaling investment in nature while actively phasing out nature-negative financial drivers.

Current subsidies often support companies that harm biodiversity, highlighting a fundamental mispricing and valuation gap in nature-related investments. Improved modeling approaches are necessary to better assess the future value of these investments and reward companies addressing environmental risks. To support this dual strategy, **transition planning for nature is essential**—enabling companies and financial institutions to identify, disclose, and act upon nature-related dependencies, impacts, risks, and opportunities over time, as recommended by the TNFD, and to start investing in nature positive actions.

With over **50% of global GDP directly dependent on healthy ecosystems** (World Economic Forum, *New Nature Economy Report, 2020*), the economic rationale for investing in nature is not only environmental—it is foundational to long-term prosperity.

## Key Success Factors to Accelerate Investments

To mobilize capital for systemic nature finance, **blended finance approaches are essential**. Public and catalytic capital is still required to de-risk nature investments and unlock private sector participation.

The workshop highlighted a diverse set of **successful nature finance initiatives**, demonstrating that capital can be mobilized effectively when environmental outcomes are paired with financial and social returns. These ranged from **climate funds with biodiversity co-benefits to urban restoration projects**, **debt-for-nature swaps**, and **corporate-backed carbon finance**.

Examples such as sustainable agriculture, sustainable forestry or water projects showcased how investments can be designed to deliver clear ecological impact, local engagement, and scalable returns. Innovative models like water funds or bond facilities, and repayable grants from DFIs helped demonstrate practical pathways for capital deployment.

Looking at all these examples participants identified several key factors that contribute to the success of nature investments:

- **Government enabling** for projects is vital (policy, permitting, co-financing) and overall project viability.
- **Improving project design, quality, and capital engagement** is crucial for success, based on **business models** that facilitate the expansion of results and the creation of sustainable ecosystems. Better documenting and providing templates around operating business models can foster innovation and attract investment.
- **Green Infrastructure for scale**: Building project pipelines, standardizing practices, and consolidating fragmented markets (e.g. biodiversity credits) to attract institutional capital.

- **Co-benefits and partnerships:** Framing nature finance within broader themes – such as health, water, security, food systems, and climate resilience – can unlock cross-sector funding and increase investor alignment.
- **A coherent narrative matters.** Stakeholders emphasized the power of compelling storytelling and **landscape-scale visions** to mobilize support. Fragmentation in the biodiversity finance market must be addressed to provide institutional investors with scale, liquidity, and confidence.  
**Effective storytelling:** Communicating both the **financial case and the emotional/ethic appeal** of nature investments is essential to shift investors mindsets and unlock mandates.
- **Regional coordination.** Local projects and institutional capital requires building a financial infrastructure tailored to regional needs. Development finance institutions (DFIs) and regional platforms can facilitate connections among investors.
- **Philanthropic funding** plays a crucial role in securing corporate licenses to operate while delivering community benefits. Corporations are increasingly addressing supply chain challenges through CSR investments in nature funds, recognizing the significance of sustainable sourcing and the strong storytelling potential.
- **Aligning corporate operations with nature impact** is essential. Corporate philanthropy plays a very useful role in supporting learning, scalability, and nature risk testing, thereby enhancing overall investment impact.

## Key Needs to Build Investable, Scalable Nature Finance Pathways

The workshop identified several critical building blocks for unlocking scalable investment in nature. At the center of this was the concept of **“capital escalator”**: a progressive pathway that channels early-stage grants and concessional capital into more structured financing, including impact investments, development finance institutions (DFIs), and ultimately, institutional capital. This progression is essential to bridge the funding gap between small, often fragmented nature projects and the investment mandates of large-scale capital providers.

**Only 17% of current nature finance flows come from private sources**, with the remaining 83% driven by public and philanthropic capital ([UNEP, State of Finance for Nature 2023](#)). This highlights the pressing need for blended finance models that can de-risk early-stage investments and crowd in private capital.

To facilitate the capital flow, it is essential to establish robust regulatory frameworks, including initiatives like Biodiversity Net Gain and mandatory carbon markets. Meanwhile, **science-based measurement tools**—such as biodiversity calculators, gold-standard carbon registries, and ecosystem service valuation models—are necessary to establish trust and comparability in the market. Without standardized ways to value these services, markets will continue to underprice or ignore nature’s real economic contribution.

Another key need is the creation of a **comprehensive, accessible database** that catalogs successful projects, including identifying market demands and lessons learned. This would serve as a vital reference for investors seeking de-risked, replicable models. Larger, **landscape-scale initiatives** were seen as crucial to achieving scale, reducing transaction costs, and aligning with institutional ticket sizes.

Engaging buyers in development discussions is crucial, as it allows for a better understanding of their needs and the potential pricing of co-benefits, which can significantly enhance biodiversity markets. Furthermore, **the formation of new buyer coalitions is recommended**, with a particular focus on understanding the challenges faced by early-stage projects. Transitioning from cost-based to value-based models for nature investments is essential, as is the need to share due diligence costs between buyers and investors to optimize resources effectively.

Due diligence and transaction costs for nature-based projects can consume significant amounts of project budgets, often deterring institutional investment. Shared services and pre-approved pipelines can address this bottleneck.



**Demonstration transactions that utilize public or philanthropic capital can play a pivotal role** in validating these concepts and encouraging further investment. Moreover, improved storytelling and the establishment of key performance indicators (KPIs) are necessary for effective communication of the benefits and impacts of nature finance initiatives. Lastly, the workshop suggested exploring innovative funding mechanisms, such as using insurance savings to finance green infrastructure and considering sustainability-linked sovereign debt deals in the Global South, alongside mechanisms for addressing loss and damage.

## Emerging Solutions: Enabling Capital Flow into Nature

One key challenge identified was the **short duration of project and grant-based funding**, which often runs on 2–3 year cycles—insufficient to match the long-term nature of ecosystem regeneration and climate adaptation. While **institutional investors typically operate on longer time horizons (private markets investments are often 10+ years)**, their engagement in nature remains limited due to **perceived risks, lack of track record, uncertain revenue models, and insufficiently de-risked opportunities**.

The mobilization of significant private capital must be positioned not as a philanthropic cause but as a new investment domain – requiring:

- **Greater interdisciplinary collaboration**, bridging humanitarian actors, financial institutions, and technical experts.
- **More coherent communication of objectives**, especially across the public-private divide.
- **Integration of local knowledge with global capital markets**, to design solutions that are both context-aware and investment-ready.

**Nature-Based Solutions (NBS)** are increasingly pursued for their ability to reduce disaster risks, enhance water security, and safeguard food systems under pressure from climate and ecological stress. Nature is also emerging as a strategic frontier for investment—positioned beyond traditional sustainability, with potential to deliver long-term resilience and diversified returns.



Work is being done to develop the concept of bioregional finance facilities, BIOFIN regional platforms which support knowledge exchange and landscape finance structures. Yet scalable implementation requires the creation of market platforms that efficiently link investors with credible projects alongside the development of initiatives that deliver both environmental and societal co-benefits. Establishing key performance indicators (KPIs) that balance global standards with local relevance is critical for transparency and impact measurement.

Promising examples include catalytic funds designed to support underserved communities and nature-linked financial products that de-risk early-stage investment. The use of development finance institutions, digital technologies, and AI was identified as essential to improve project screening and data-driven decision-making. Ultimately, aligning financial performance with clear, compelling impact storytelling is seen as a key driver of broader investor participation.

## Reflections - practical actions to accelerate nature investments

Accelerating capital flows into nature requires **coordinated action across several critical fronts**. One priority is the **facilitation of structured collaboration** between investors and project developers, which can be achieved through dedicated matchmaking platforms and working sessions. These formats support technical problem-solving, address bottlenecks in deal structuring, and help transform early-stage concepts into **investable, scalable projects**.

Improving how **nature's value is communicated** is equally essential. Framing nature investments around tangible outcomes—such as **health, climate resilience, food security, and asset protection**—can help shift perception from philanthropic support to **strategic capital allocation**. Establishing a **shared narrative** and clarifying how value is generated and captured across stakeholders are key to building investor confidence.

Quantifying the **financial risks of nature loss** and the **cost of inaction** further strengthens the investment case. Advancing the **valuation of ecosystem services**, through science-based and credible methodologies, is essential to improve **financial modeling and credibility** of nature-based investments. Embedding these valuations into **national accounting systems** and **investment screening processes** can help normalize nature as an **asset class**.

**Early alignment between buyers and project developers** is another key lever. Engaging off-takers—such as corporations seeking biodiversity, water, or carbon credits—early in the project cycle improves **market visibility**, enhances **pricing structures**, and supports **revenue predictability**. Simultaneously, **supporting risk managers in identifying and quantifying nature-related risks** will be crucial as voluntary and regulatory initiatives such as the **Taskforce on Nature-related Financial Disclosures (TNFD)** continue to gain traction.

There is also a need to **focus on scalable, revenue-generating sectors** with high environmental and societal returns. **Regenerative agriculture** and **sustainable forestry** offer biodiversity and climate benefits while stabilizing rural livelihoods. **Continuous cover forestry** enables long-term yield and carbon storage without clear-cutting. Other promising sectors include **algae cultivation** and **bivalve aquaculture**, which support food security, water purification, and climate resilience with **low ecological impact**.

According to the UN Decade on Ecosystem Restoration, **restoring just 15% of degraded ecosystems could prevent up to 60% of expected species extinctions and sequester up to 30% of cumulative CO<sub>2</sub> increases since pre-industrial times** (UNEP, 2021). These figures underscore the **immense potential and urgency** of aligning **financial performance** with **ecological regeneration**.

## Resources

[ASN Bank - Make Nature Count](#)

[BIOFIN](#)

[Bioregional Financing Facilities](#)

[Blended Finance for Nature](#)

[Ecosystem Services Partnership](#)

[Framework for finance for Nature Positive \(UNEP-FI and F4Bf\)](#)

[Guidance for transition plans for nature](#)

[Partnership for Biodiversity Accounting Financials Standard](#)

[Strategies to scale up payments for ecosystem services](#)

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## Top Messages to Accelerate Nature Investments



### Design clear capital continuum pathways.

Create structured financing models that connect philanthropic, impact, development, and institutional capital. A well-defined capital escalator enables scaling by matching risk appetite and return expectations across investor types.



### Create collaborative platforms for co-creation.

Establish spaces where buyers, investors, project developers, and technical experts **can align** early. These platforms reduce transaction costs, improve project quality, and accelerate the development of bankable opportunities.



### Tell a compelling, evidence-based story.

Communicate the value of nature investments by clearly articulating both the **financial risk of inaction** and the **long-term return potential**. Use credible data to frame nature as a strategic, investable asset class rather than a philanthropic cause.

To engage with this group, please get in touch at [info@landscapelab.org](mailto:info@landscapelab.org)