

Enabling investments in nature-based solutions

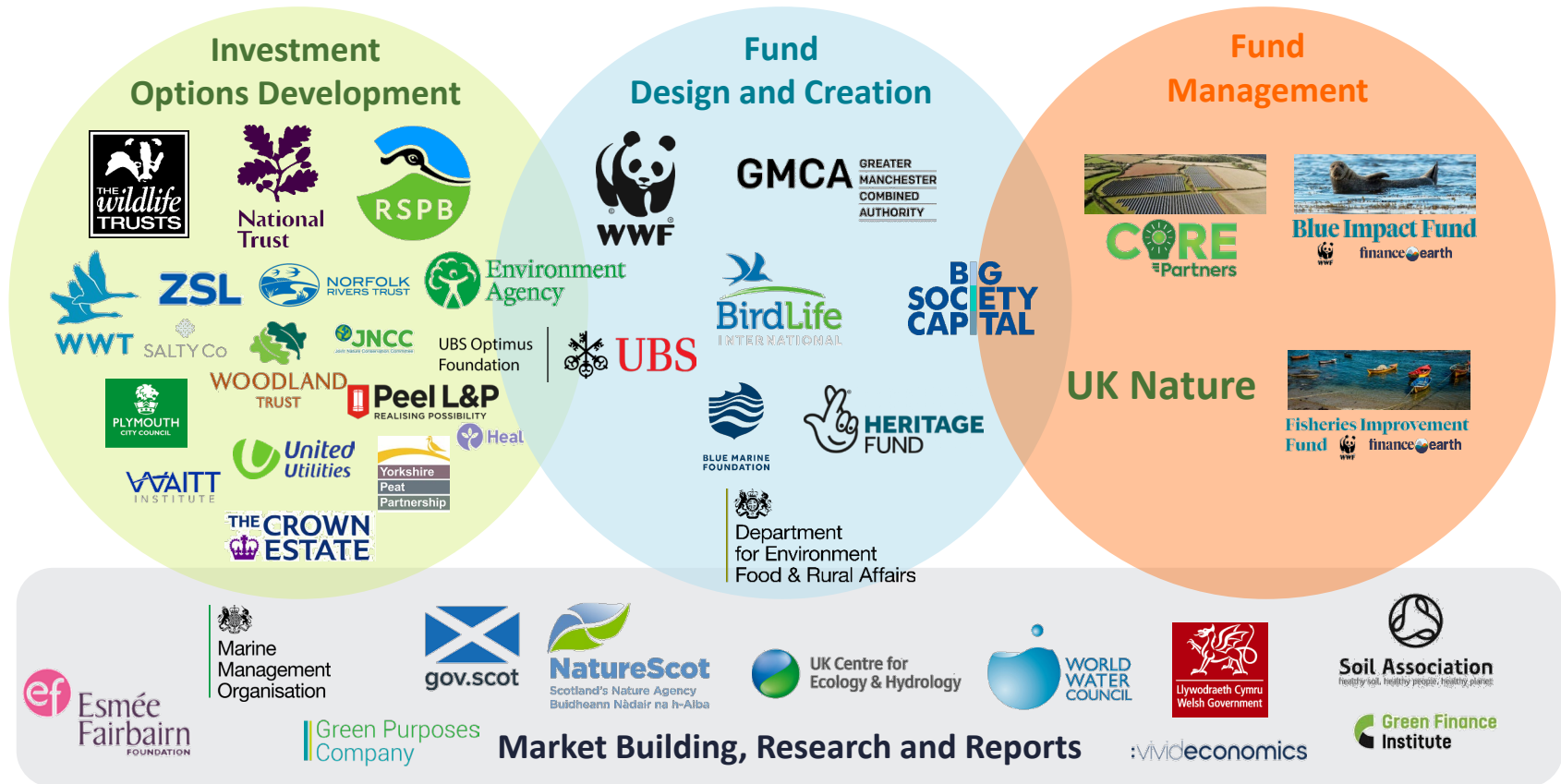
*Global workshop on funding and financing
transboundary water cooperation and
basin development, Geneva*

December 2023



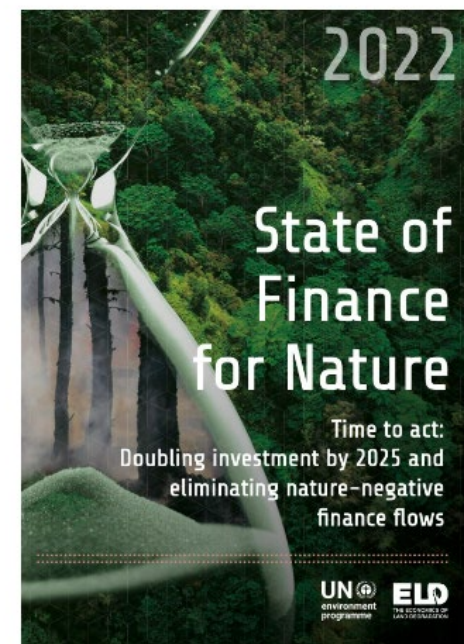
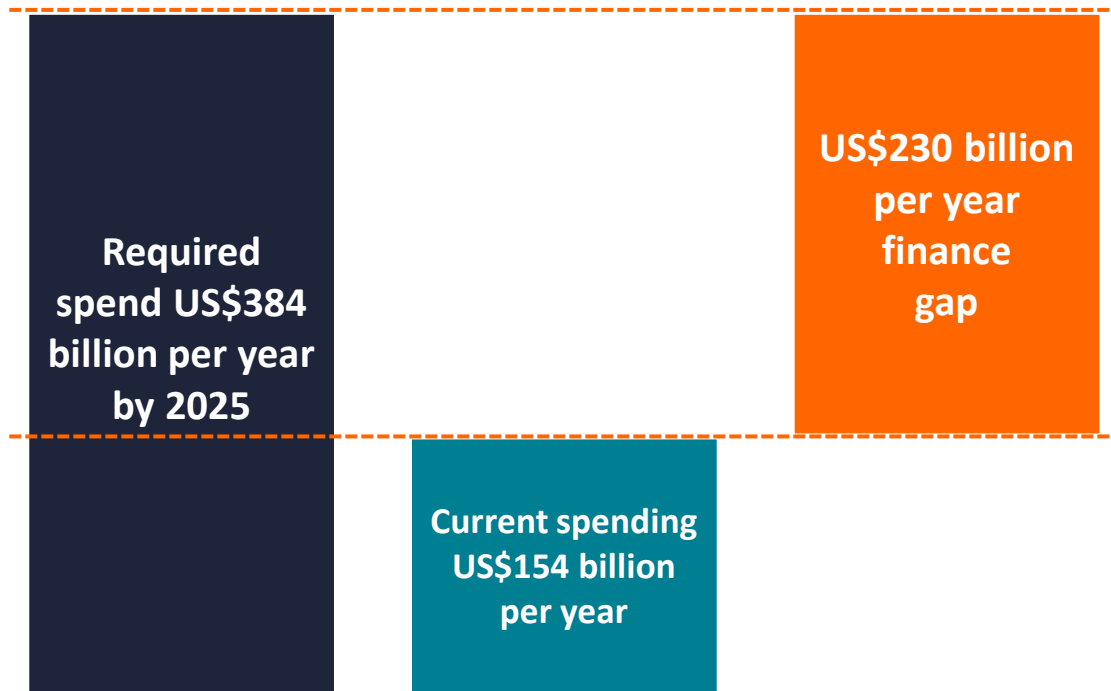
Expert Practical Delivery Since 2016

Finance Earth helps create projects – and the investment vehicles to fund them – that balance positive outcomes for nature, communities and investors.

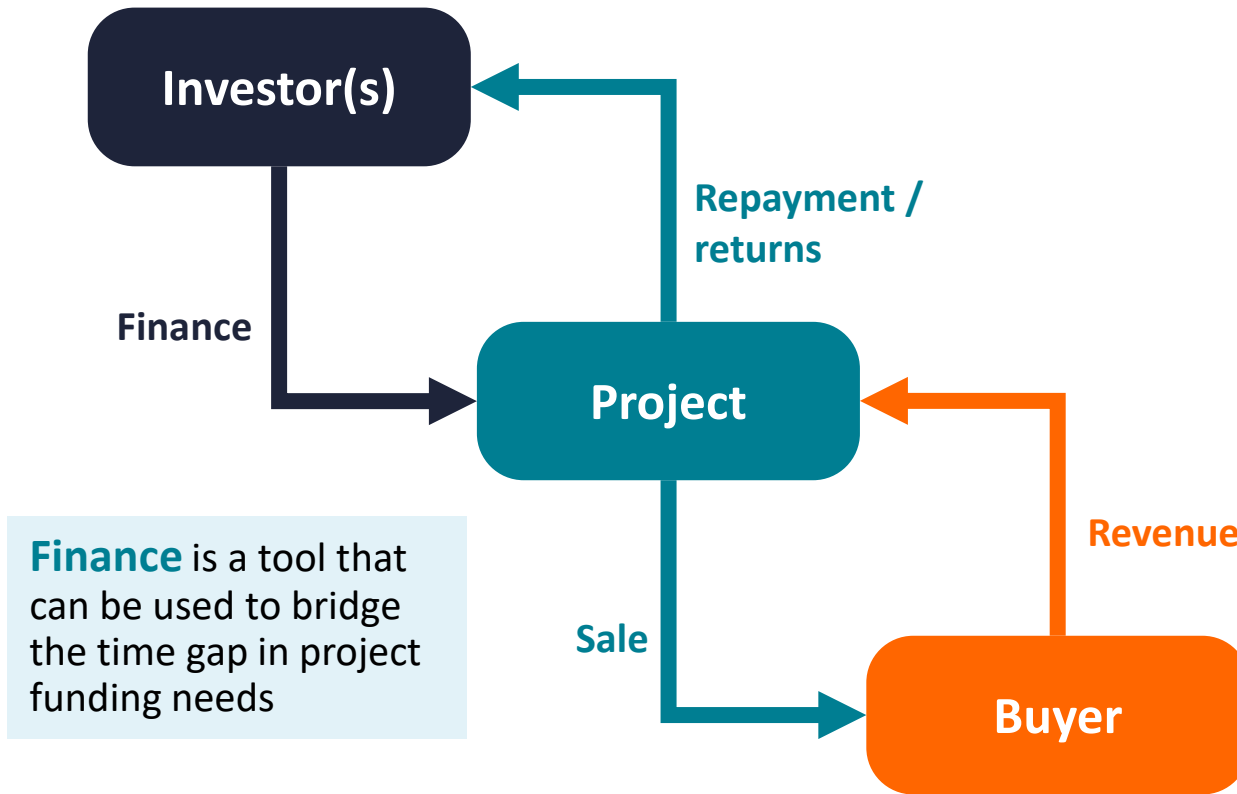


Why is Investment Needed?

To limit global warming to below 1.5°C and halt biodiversity loss we need to more than double annual investment into Nature-based Solutions by 2025. Public and donative funding can't do this alone – private investment is essential. ⁽¹⁾



Revenue vs Finance



Revenue is a cashflow that can be generated through:

- the **sale of a product or ecosystem service**
- the **reduction of a cost**

Example revenue streams:



Carbon credits



Biodiversity credits



User fees



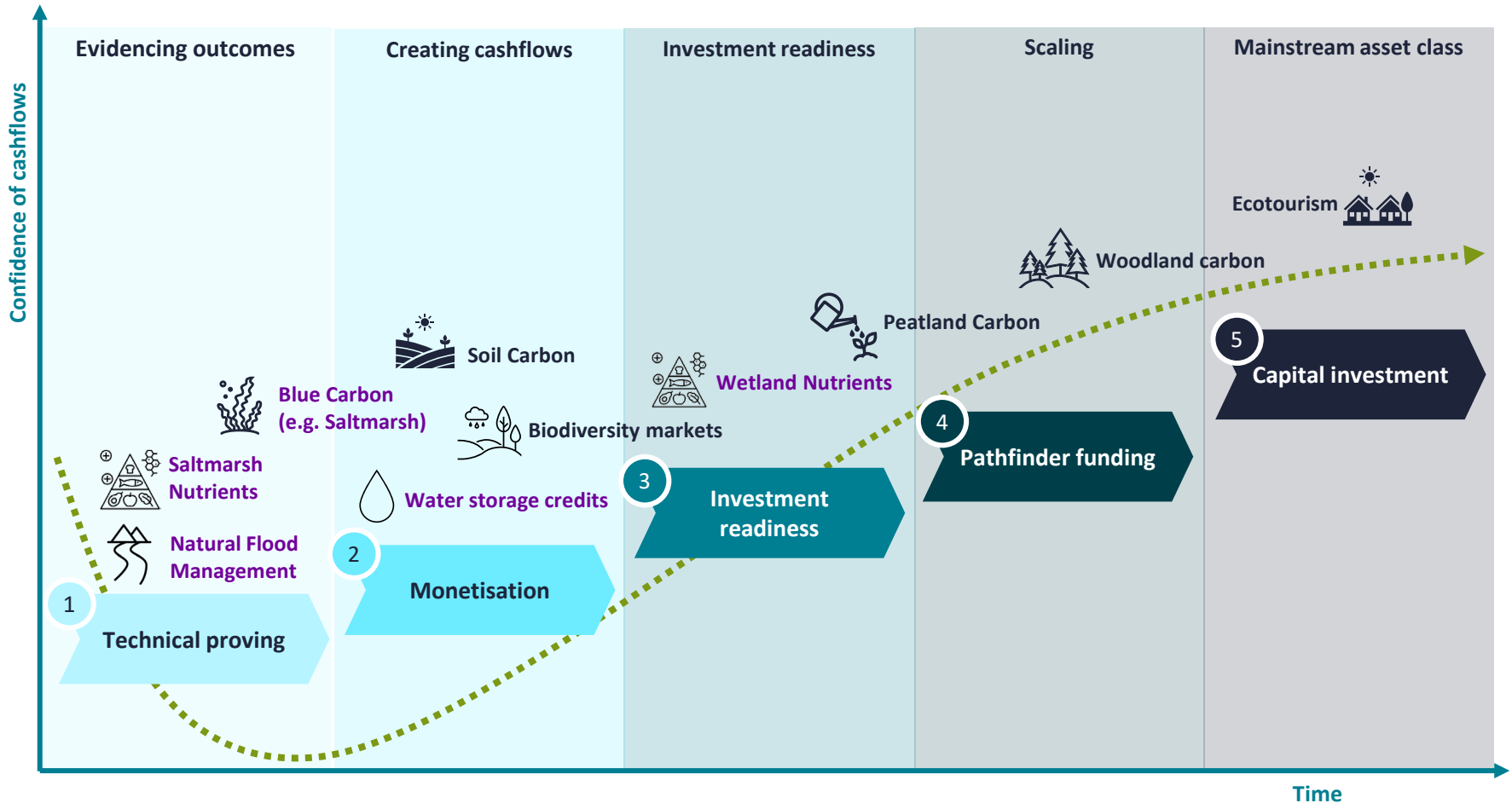
Taxes & tariffs



Share in cost savings

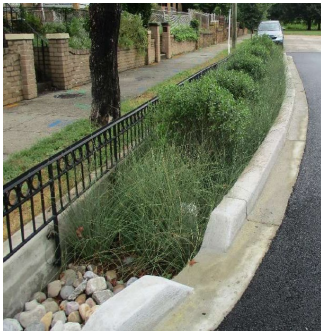
Natural Capital Market Development

We aim to mobilise private capital into nature at scale by helping to develop and establish markets for ecosystem services generated from nature-based solutions.



NbS for Water Security - examples

Finance Earth reviewed the global track record of investments into nature-based solutions for water security on behalf of the World Water Council to identify scalable and replicable business models. Our report was presented at the World Water Forum 2023 in Dakar.



Sustainable Drainage Systems (SuDS): US\$25M DC Water Bond (2016)



Afforestation: US\$4M Forest Resilience Bond (2015)



Sustainable agriculture: US\$4M Nairobi Water Fund (2015)



Managed Aquifer Recharge - US\$927M Sustainable Water Impact Fund (2020)



Wetland creation: US\$20M Petersen Ranch Mitigation Bank (2012)



Natural Flood Management: Netherlands' US\$2.1BN* Sovereign Green Bond (2019)

Investing in NbS for Water – key learnings

- **NbS can be complementary to grey infrastructure** rather than competitive with – another tool in toolkit
- **NbS generate multiple potential revenue streams**, with no single dominant market – location specific
 - Payments for Ecosystem Services (PES) e.g. credits for carbon, biodiversity, nutrients, water storage
 - Tariffs + taxes
 - Cost savings for beneficiaries
- **PES typically rely on local/national regulations or voluntary corporate actions** to stimulate demand
- **Multiple barriers remain to investment at scale**: technical, financial, legal, regulatory risks
- **Financial mechanisms can mitigate/share/transfer some of these risks to unlock investment at scale**



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**Enabling investment
into conservation, climate
and communities.**



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