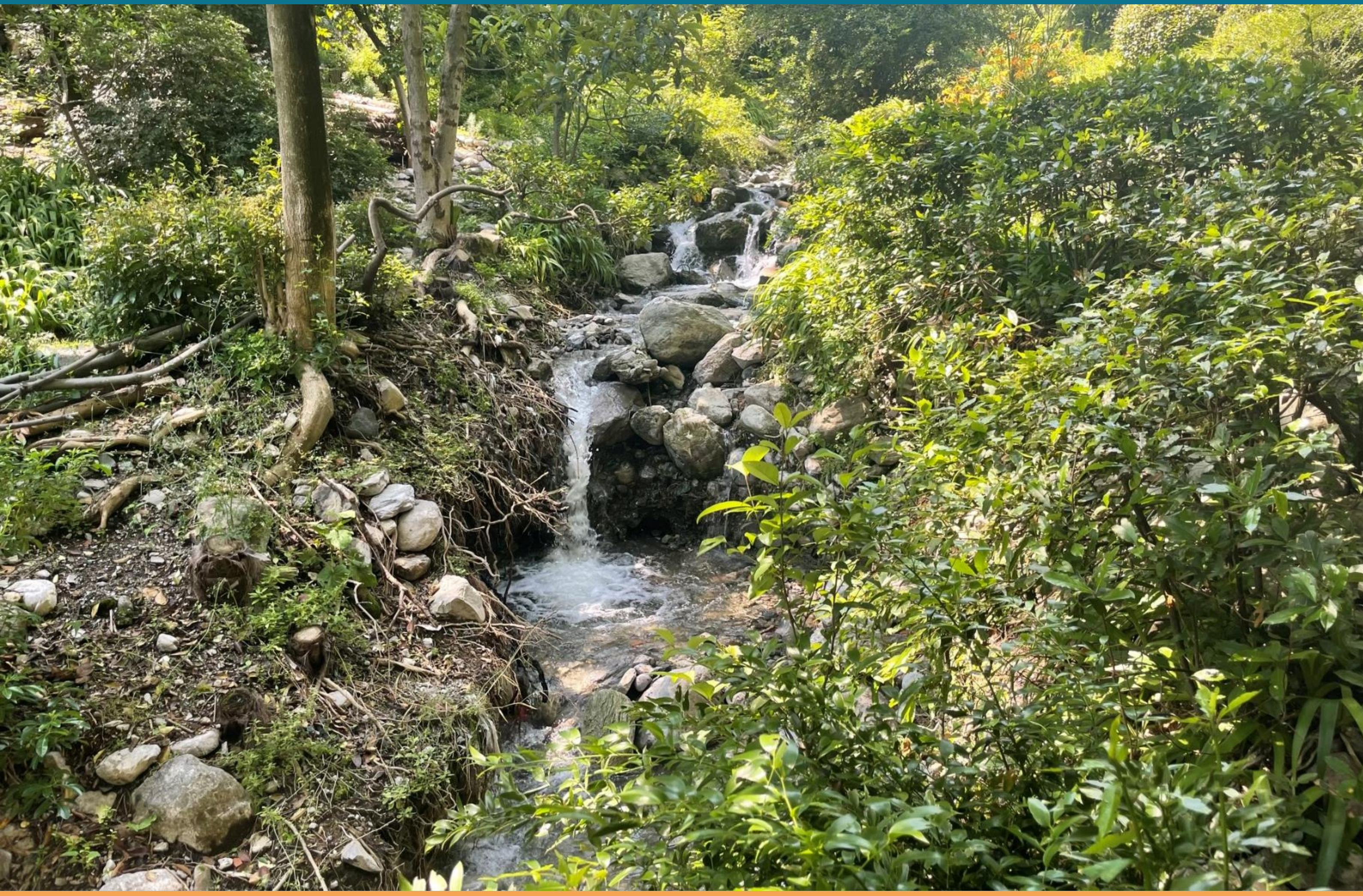
Supplement to Deliverable 4.1: Investment landscape collation and needs assessment

Milestone 4.1



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Authors: UNEP-WCMC

Suggested citation: UNEP-WCMC (2025). Supplement to Deliverable 4.1: Investment landscape collation and needs assessment. Milestone 4.1. NetworkNature EU HORIZON-CL6-2022-BIODIV-01, Project ID 101082213. UN Environment Programme World Conservation Monitoring Centre. Cambridge, UK.

Acknowledgements: Thank you to all the experts from UNEP-WCMC, NetworkNature and the European Commission who kindly provided review, input and guidance on this document.

This document was made possible by the generous support of the European Union's Research Executive Agency under Grant No. 101082213 and UK Research and Innovation under the UK government's Horizon Europe funding guarantee.

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Project Details

Project full title	Horizon Europe NetworkNaturePLUS
Project acronym	NN+
Project start	August 2023
Duration	48 months
Project coordinator	Daniela Rizzi (ICLEI)
Milestone title	Supplement to Deliverable 4.1: Investment landscape collation and needs assessment
Milestone n°	MS4.1 Investment landscape collation and needs assessment
Dissemination	Designed – Public
WP responsible	WP4 (UNEP-WCMC)
Due date	July 2025

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Investment landscape collation and needs assessment

Introduction

This supplement presents the findings of NetworkNature Milestone 4.1 *Investment landscape collation and needs assessment*. It outlines the steps that were taken to understand the current investment landscape and needs, to inform Deliverable 4.1 *A Guide to the Nature-based Solutions (NbS) Finance Landscape in Europe* (from now on, referred to as Deliverable 4.1).

It explores how literature review, targeted outreach and engagement at NbS events were used to assess the needs for Deliverable 4.1. Each section focuses on specific actions that UNEP-WCMC, in collaboration with partner organisations, delivered to ensure the final output meets high standards of quality and is relevant to the intended audience.

Several NetworkNature partners and deliverables fed into the development of this document, including Deliverable 6.1.1 *NbS Policy Screening and Analysis of Needs and Gaps for 2024-2030*. Inputs from Task Force 3 (TF3) members have been key to conducting the needs and gaps assessment, and various aspects of Deliverable 4.1 have been presented and discussed at TF3 meetings.

I. Project screening

An excel spreadsheet with a list of 300 NbS projects across Europe was collated and shared by partner organisations. These received funding from programmes including: BiodivERsA, Horizon 2020, Seventh Framework Programme (FP7), Interreg, and LIFE (EU's funding instrument for the environment and climate action) over the years 2011-2021.

These projects were selected as a result of a mapping exercise (Task 3.1.1) carried out by Biodiversa+ in March 2024. Each project came with information including a description of its goals and activities, the societal challenges it aimed to address, and its environment typology.

Based on information present in this database, UNEP-WCMC screened for projects with a link to funding and financing NbS. Projects whose societal challenge was listed as "new economic opportunities" were specifically considered. Additionally, projects whose descriptions contained the words "finance", "investment", "business", "private" or "market" were also included for further analysis.

After this first round of screening, projects were differentiated into those with a clear link to NbS finance and those where further checks were needed to determine their relevance. Regarding the latter group, publications and other resources available online were consulted to assess whether the project was relevant to Deliverable 4.1. Selected projects, particularly those without a strong online presence, were then targeted for outreach to ask for relevant publications, insights and lessons learned related to NbS business and finance models. Contact people were identified, emailed, and invited to discuss their project findings on a call if preferred.

The final selection included 21 projects, which were supplemented with additional ones suggested by partner organisations and the European Commission that were not captured by the original Biodiversa+ database. In total, 42 projects were included for further analysis. Out of these, 10 were screened out due to their lack of relevant published resources at the time of contact. The remaining 32 projects were included in the literature review (Section III) and are listed in Table 1.

The selected projects represent a range of thematic approaches and objectives linked to NbS finance. For example, some present insights on transformational change towards a nature-based economy, such as GoNaturePositive! and WeValueNature. Others focus on the NbS finance landscape and opportunities for scaling up, sometimes focusing on specific private finance sector actors (e.g. insurances, investors). These include Invest4Nature and NATURANCE.

Projects like CLEVER Cities and Connecting Nature take a targeted supply sector approach, focusing on specific ecosystems and/or private sector stakeholders. Some of these projects also produce insights on stakeholder engagement and on the skills base needed to develop NbS across different sectors (e.g. MERLIN and CONEXUS).

Table 1 - Final screening of NbS-related projects that received funding from the EU and were considered relevant to Deliverable 4.1.

Project Name	
BIO-CAPITAL	MERCES
BIOFIN-EU	MERLIN
CANAPE	NAIAD
Carbon Farming	NATURANCE
CIRCHIVE	Nature3B
CLEVER Cities	Nature4Cities
CONEXUS	NATURVATION
Connecting Nature	NbS EduWorld
ECO KARST	NICE
FABulous Farmers	PONDERFUL
GoNaturePositive!	REGREEN
GrowGreen	REST-COAST
Invest4Nature	SUPERB
LIFE IP Peatlands and People	SUSTAIN
LIFE SORIA FORESTADAPT	WaterLANDS
LIFE@Urban Roofs	We Value Nature

II. Outline preparation

In parallel to project screening, a draft outline was prepared based on the objectives and target audience defined in the NetworkNature Grant Agreement.

This draft outline provided details on the structure that Deliverable 4.1 would follow, the information it would contain in each chapter, and the NbS-related EU projects and relevant references that would be considered and integrated in the final text.

The outline was then shared with project partners, Task Force 3 and the European Commission for consultation and revision. Their feedback was integrated into the final version of the outline for Deliverable 4.1. Reviews resulted in the following five chapters of Deliverable 4.1 being agreed:

- Chapter I: Nature-based Solutions (NbS) and NbS Finance
- Chapter II: The Business Case for NbS Finance
- Chapter III: NbS Finance Models
- Chapter IV: Skillset for Advancing NbS Finance
- Chapter V: Recommendations and Way Forward

III. Literature review

A literature review was conducted, including available resources from the selected EC-funded NbS-related projects with links to business and finance models, and a broader range of publications on this topic. A total of 152 documents were selected for review, including academic papers, grey literature and project deliverables. In particular, 87 documents related to NbS-related projects that received funding from the EU were shortlisted. An additional 65 documents published by other organisations, such as academic journals, development banks, and financial institutions were also selected, based on the authors' prior knowledge of key publications in this space.

All the shortlisted documents were logged into a spreadsheet to track the progress of the literature review. All resources were categorised based on their relevance to one or more of the chapters in the outline. They were then reviewed by the UNEP-WCMC team. Relevant insights from each document were noted in the Excel document and on a separate document. Based on information present on available resources, sectors with particular relevance to NbS finance were selected. Table 2 presents an indication of the literature review spreadsheet.

Table 2 Structure of literature review process and spreadsheet

Title	Organisation / project	Date	Chapter relevance	Reviewer	Comment
Title 1	Project 1	2024	Ch. 1	Name 1	Context on NbS finance
Title 2	Project 2	2024	Ch. 2 and 3	Name 2	Insight on NbS risk valuation
Title 3	Project 3	2024	Ch. 4	Name 1	Information on skills gaps
Title 4	Project 4	2024	Ch. 3	Name 3	Case studies across sectors A, B and C

Some key insights from the literature review process included:

1. There are many European projects, such as Connecting Nature, CONEXUS, NATURVATION and SUSTAIN, that contribute knowledge on NbS business and finance models. Not all are tailored specifically to private finance stakeholders.

2. Many resources identified in the review focus on the barriers to scale up private finance for NbS. However, fewer resources outline clear entry points and recommendations of actions for private financial institutions and businesses.

3. Fewer resources define how different business sectors and financial institutions can engage with NbS, from both a risk- and opportunity-side perspective. Public sector actors – governments, Non-governmental Organisations (NGOs) and public funders – were more often the target of recommendations.

4. There are several publications that outline NbS case studies and their success in attracting funding and/or financing from the private sector. However, these case studies do not always include details on the NbS business model, the kind of funding and financing they relied on, and the driver behind private sector involvement.

5. There terms “financing” and “funding” are sometimes used interchangeably.

6. Many resources focus on finance for NbS in specific ecosystems, such as urban, forest or agricultural landscapes. These three ecosystems appear to show the highest potential for upscaling finance for NbS due to more established regulatory drivers and revenue-generating models.

IV. Event participation

UNEP-WCMC also participated in and helped run a series of online and in-person events to present on the NetworkNature project, gather feedback from a diverse range of stakeholders, and inform the content of Deliverable 4.1. Participation in the following events were particularly key to conducting the collation and needs assessment:

- Event #1: An online workshop on *Integrating Biodiversity and Nature-based Solutions in Business Decision Making Processes*, organised by NetworkNature (December 4th, 2024).

- Event #2: An online *Nature Finance Workshop*, organised by the Global Centre on Biodiversity (GCBC) for Climate (February 5th, 2025).

- Event #3: An online participation to the GCBC Research Symposium organised by the Global Centre on Biodiversity for Climate (March 4th, 2025).

- Event #4: An in-person session on *Scaling up Investments in Nature-based Solutions* during the Nature Action Dialogues event, organised by UNEP-WCMC (March 25th, 2025).

- Event #5: An in-person session on *Unlocking Investment for Nature-Based Climate Solutions: Bridging Finance, Policy and Governance for Scaled Impact* during the Cities Mission Conference, organised by the European Commission and the Mission Platform (May 7th, 2025).

- Event #6: In-person participation in the *Insights for Multilevel Action* event during the Daring Cities 2025 Bonn Dialogues, organised by ICLEI (June 18th, 2025).

These events allowed the authors to engage with financial institutions, businesses, NGOs, and policymakers to understand their different perspectives on NbS finance, the finance landscape and relevant needs / gaps. It also provided UNEP-WCMC with additional knowledge on business and finance models for NbS, as well as the skills needed to advance NbS finance.

Some of the key points that came from these events include:

1. All events emphasised that the majority of nature's benefits are currently seen as having no market value, which limits the possible contribution of private sector finance to support the scaling up of NbS. However, there are approaches and innovations that aim to rethink how nature can be further included in business and financial decision-making.

2. During Event #1, attendees pointed out that scaling private support can be broader than simply focusing on revenue-generating activities and account for the whole range of NbS benefits for society and the economy (e.g. environmental risk reduction, cost-efficiency).

3. Events #2 and #3 emphasised that private financial institutions generally do not find risk-return ratios for NbS as appealing as typical market rates. NbS investments are still often confined to financial institutions' concessional activities. More research from a variety of stakeholders (e.g. central banks, academic community) is needed to better articulate and communicate the economic benefits that NbS interventions generate not only for the private sector, but the economy at large. Guidance materials on these topics also need to be targeted towards this audience, using terminology that they understand and that resonate with them.

4. Events #4 and #5 focused on financial institutions' entry points to providing finance for NbS. For instance, an asset manager can structure funds and facilities that link commercial finance to nature projects on the ground. A commercial bank can provide targeted sustainability-linked finance to its clients (e.g. NbS insetting for supply chains) and finance NbS through instruments such as green bonds. Finally, development banks can embed NbS considerations into conventional infrastructure projects. They could also support the piloting of innovative financing models that help to preserve nature and support a sustainable economic development pathway (e.g. green bonds).

5. All events underlined that governments have a role in introducing policy and regulatory frameworks that encourage sustainable private sector participation in financing NbS, while also continuing to support the development of NbS through public funds, especially when these solutions address public goods and services (e.g. clean water). The strategic deployment of public and philanthropic funds to attract commercial finance for high-impact NbS projects, and help develop some NbS finance track record, was also proposed during events.

NetworkNature is a resource for the Nature-based Solutions (NbS) community, creating opportunities for local, regional and international cooperation to maximise the impact and spread of Nature-based Solutions. It maintains and adds to a diverse and science-based repository of evidence on NbS, strengthen partnerships and foster new relationships around a clear, strategic framework for action.

Funded by the European Union

This project has received funding from the European Union's Research Executive agency under grant No. 101082213. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission. Neither the European Union nor the granting authority can be held responsible for them.

UK Research and Innovation

This work is also funded by UK Research and Innovation (UKRI) under the UK government's Horizon Europe funding guarantee [grant number 10064784]