



WEDNESDAYS OF FINANCE

Innovative Finance for Climate,
People & Nature



HOW BIODIVERSITY DRIVES FINANCE

May 13, 2026

3-4.00PM GMT / 9-10.00am EST

Audience Reminders

> Use Zoom chat for comments, reactions and links.

> Use Zoom Q&A to ask a question.

> Recording and slides will be shared after the webinar on nabsaclimate.org.

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Agenda

- 9:00-9:07 EST
SETTING THE STAGE - Zoe Jafflin, IUCN and Fernande Abanda, Inter Pares
- 9:07-9:20 EST
FINANCE 101: BIODIVERSITY FINANCE - John Tobin-de la Puente, Cornell University
- 9:20-9:45 EST
PANEL DISCUSSION - Qiulin Liu, IUCN (Moderator) and panellists
- 9:45-9:55 EST
Q&A SEGMENT
- 9:55-10:00 EST
FEEDBACK & CLOSING REMARKS - Zoe Jafflin, IUCN

Who We Are



→ Email: nabsa@iucn.org
Site web: nabsaclimate.org

Financed by:



12

Ecosystems

30

Countries

20

Projects

\$315

million CAD
portfolio

What is the Land & Natural Resource Management Task force?

One shared goal: restoring land, sustainably and equitably.

- Women's Climate Change Adaptation Project in Protected Areas in Congo and Chad (ELLESadAPT)
- Gender Transformative Climate Adaptation
- Climate Adaptation and Protected Areas (CAPA)
- Scaling Urban Nature-based Solutions for Climate Adaptation in Sub-Saharan Africa (SUNCASA)
- Locally led Indigenous Nature-based Solutions for Climate Change Adaptation in Zimbabwe (LINCZ)
- Natur'ELLES
- Women for Forests
- Nature-based climate adaptation in the Guinean forests of West Africa
- Feminist Climate Action in West Africa
- Nature Positive Food Systems
- Lake Chad Basin Conservation Project



Fernande Abanda

Chair

ACF-AO project

Inter Pares



Finance 101: Biodiversity finance products

9:07– 9:20 EST / 15:07 – 15:20 CET

Author of:

- *Little Book on Investing in Nature*
- *Little Book of Nature Business*



**Dr. John Tobin-de la
Puente**

Professor of Practice
Cornell University



How Biodiversity Drives Finance

NAbSA's Wednesdays of Finance - Les Mercredise de la finance de NAbSA

John Tobin-de la Puente

Dyson School of Applied Economics and Management
Cornell S.C. Johnson College of Business / CALS

May 13, 2026

Topics for Today



Why financial mechanisms for biodiversity?



Closing the global biodiversity financing gap



Non-market biodiversity financing mechanisms



Structured biodiversity financing mechanisms



Market biodiversity financing mechanisms



Why
**Financial
Mechanisms**
for Biodiversity?



The Defining Questions of Biodiversity Finance:

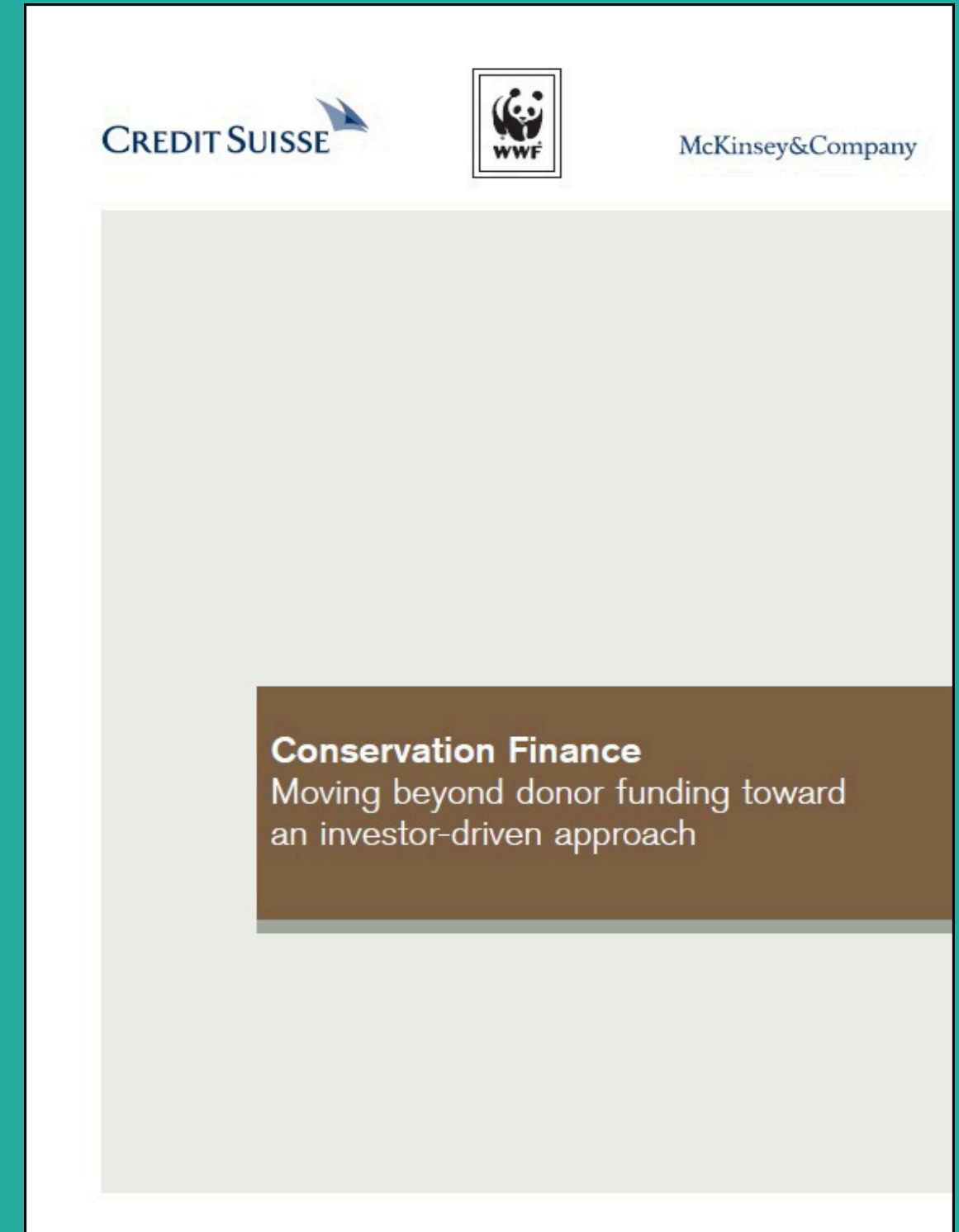
1. How much do we spend on biodiversity conservation globally?
2. How much *should* we be spending on global biodiversity conservation?
3. If there is a difference between actual spend and existing needs, how do we fill this global **biodiversity financing gap?**

Some Early Efforts

Conservation Finance: A Collaboration

Joint report by Credit Suisse, WWF, and McKinsey

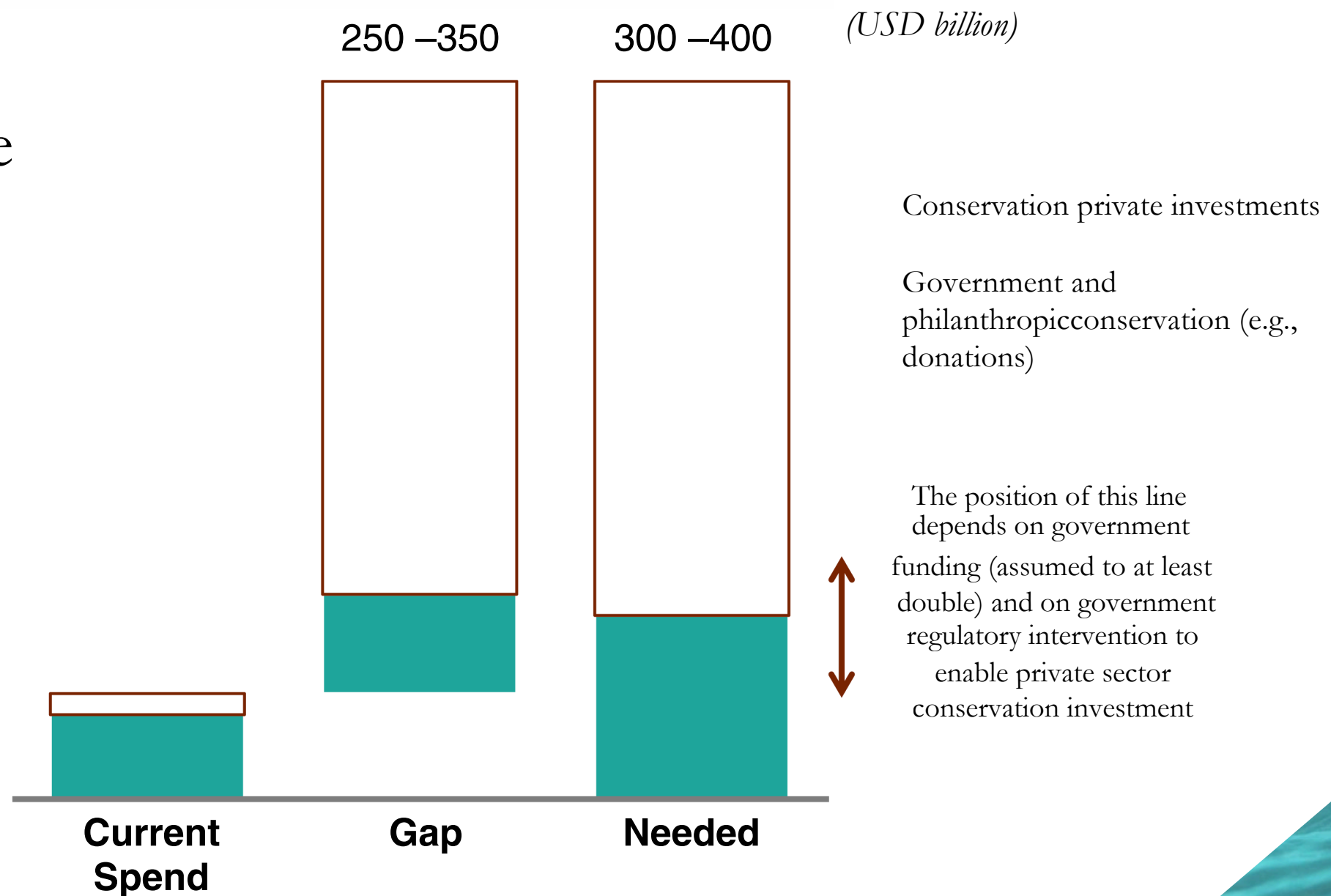
- Significant *unmet demand for funding* of conservation – to meet global need private sector investment needs to be scaled up at least 20-30 times to USD 200-300 billion per year.
- Substantial demand from potential investors, but there are few available financial products for investment.
- Scaling up of private finance poses *a number of challenges* on both project and investment sides, including a lack of communication between conservation professionals and finance experts.

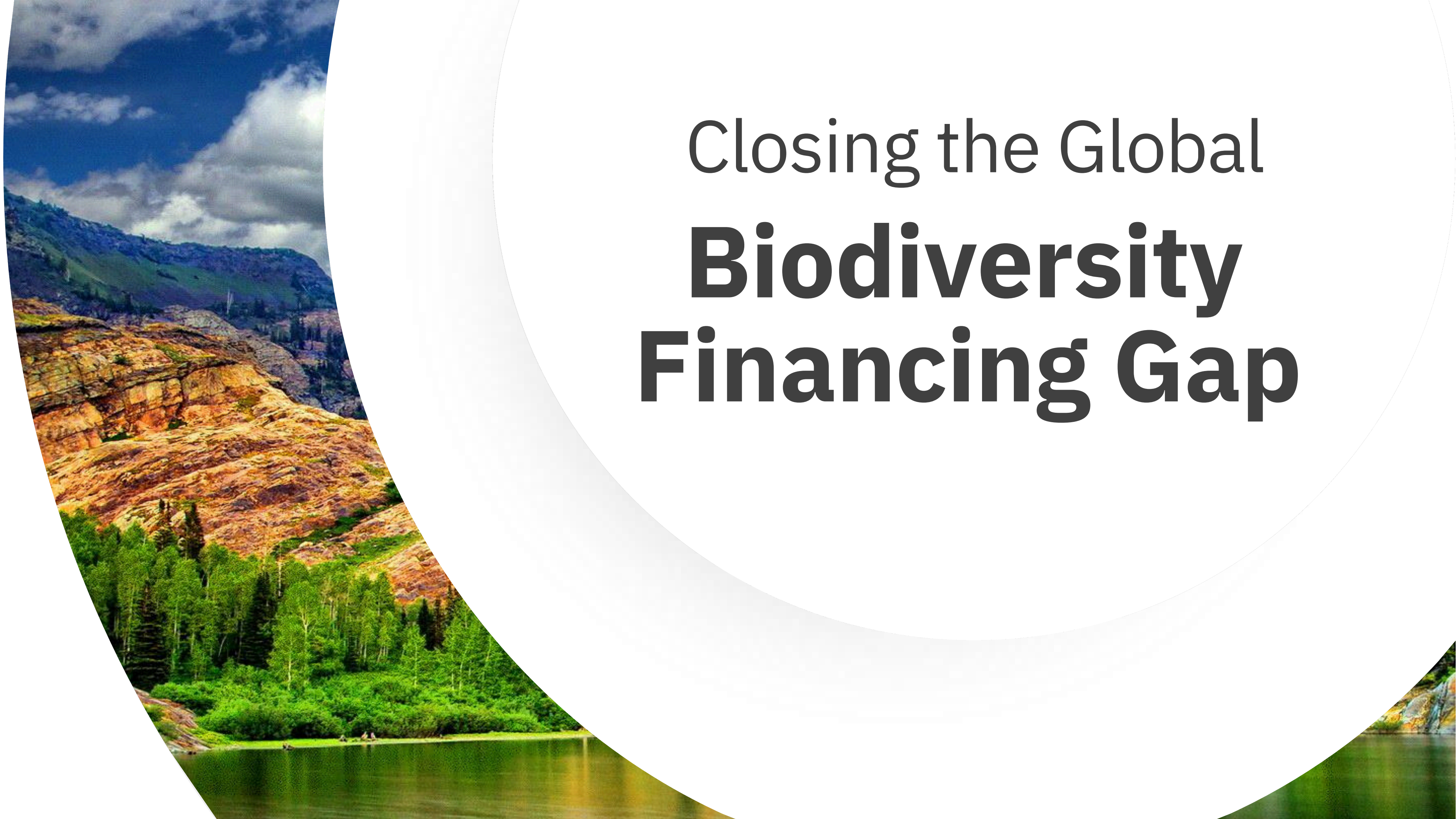


Conservation Finance: The Biodiversity Financing Gap

Report produced by CreditSuisse, WWF, and McKinsey (2014)

“ ... sufficient capital available if main investor segments allocated 1% of new/reinvested capital to nature conservation... ”





Closing the Global **Biodiversity Financing Gap**

Recent Work to Update the Biodiversity Financing Gap

- This report explores the **economic case for protecting nature**.
- It estimates **how much we are currently spending and how much more we need to spend** on biodiversity conservation.
- Focuses on **seven public and private mechanisms that increase capital flows for biodiversity conservation** and **two mechanisms that decrease the overall need to spend on biodiversity conservation** (harmful subsidies reform; investment risk management).
- Describes **mechanisms with the potential to unlock the funding** needed to close the **global biodiversity financing gap** by 2030.
- Closing this gap **relies on government policies** to reform harmful subsidies, reduce investment risk by private investors, and support new financial innovations to increase capital flows towards biodiversity protection.



Global Biodiversity Financing - Current

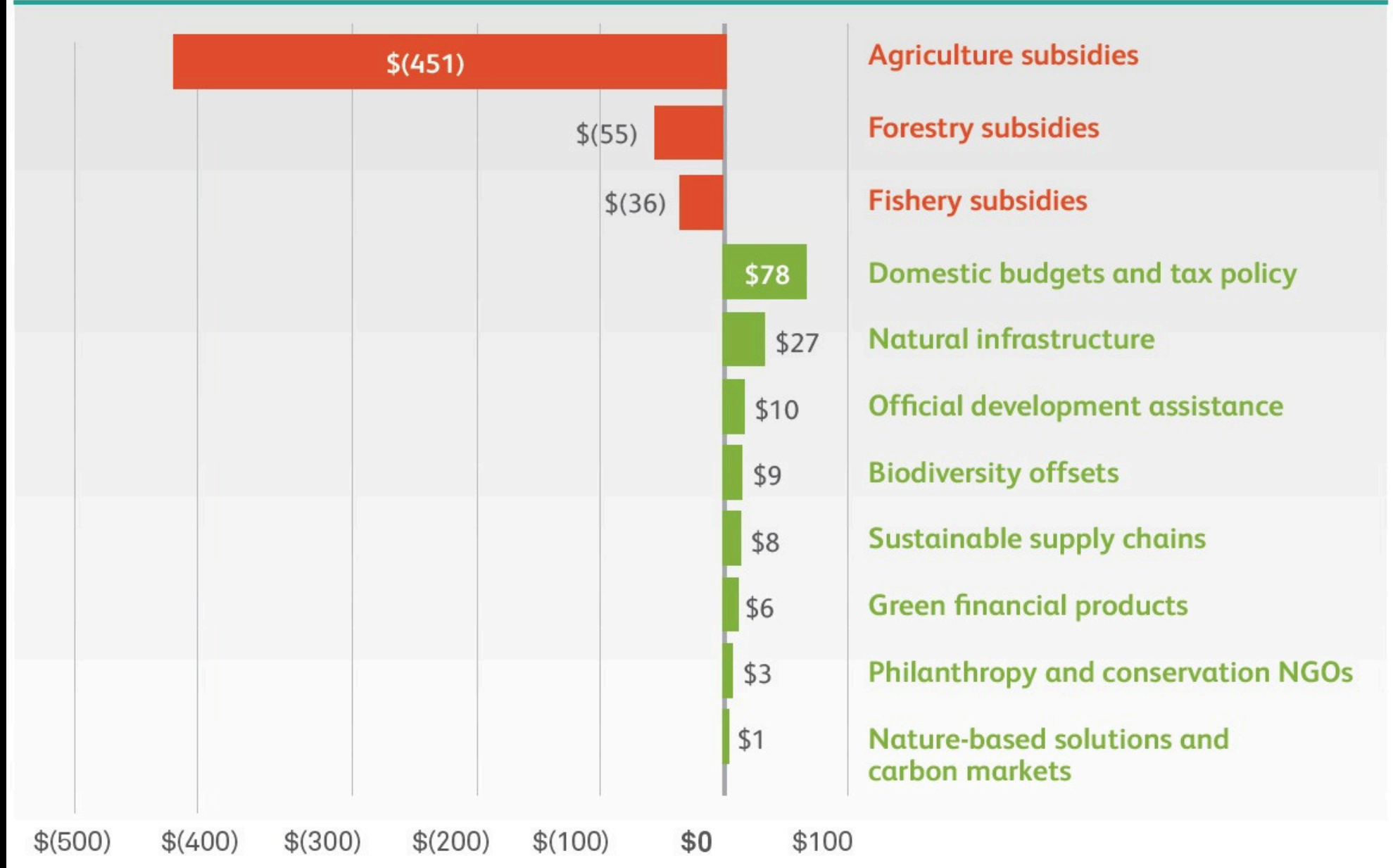
Existing annual financial flow toward biodiversity conservation is estimated at **US\$124–143 billion per year** as of 2019 (0.12–0.14% of global GDP). Presently, biodiversity conservation funding continues to be dominated by the public sector, with direct domestic government spending and fiscal policies alone representing 54-60% of the total annual biodiversity conservation flows.

Global annual production subsidies from the agricultural, fisheries, and forestry sectors potentially harmful to biodiversity in 2019 were estimated to be US\$ 274–542 billion; that is, at least four times larger than the total positive current financing flows into biodiversity conservation in 2019.

A key message is that, in addition to scaling up biodiversity finance mechanisms, it will be critically important to accelerate the reform of subsidies harmful to biodiversity over the next 10 years.

Such mechanisms activate cash flows generated by the sustainable management of an ecosystem, which are in part retained locally to enable its conservation while the remainder is returned to investors.

FIGURE 2. Harmful subsidies and global financial flows towards biodiversity conservation. (upper estimates, in 2019 US\$ billion per year)



Closing the Global Biodiversity Financing Gap

Such mechanisms activate cash flows generated by the sustainable management of an ecosystem, which are in part retained locally to enable its conservation while the remainder is returned to investors.

These estimates, and the resource mobilization challenge they represent by 2030, may appear inordinately large. However, the financial resources that will be needed to close the biodiversity financing gap are comparable in magnitude to the capital committed to global climate-related investments of US\$ 579 billion in 2017–2018, as estimated by Buchner and colleagues in 2019. For context, this amount is less than the worldspendsonsoftdrinksin a year.

Even when factoring in the maximum estimate of increased funding flows toward biodiversity conservation of US\$ 446– 633 billion per year, the 2030 global biodiversity financing gap will not be closed unless there are significant efforts to scale up the reform of subsidies harmful to biodiversity and improve investment risk management practices by the financial sector.

Financial and Policy Mechanisms	2019 US\$ billion / year	2030 US\$ billion / year
A. Mechanisms that decrease the overall need for funding to be spent on biodiversity conservation		
Harmful subsidy reform (agriculture, fisheries, and forestry sectors)	(542.0) – (273.9)	(268.1) – 0*
Investment risk management	N/A	
B. Mechanisms that increase capital flows into biodiversity conservation		
Biodiversity offsets	6.3 – 9.2	162.0 – 168.0
Domestic budgets and tax policy	74.6 – 77.7	102.9 – 155.4
Natural infrastructure	26.9	104.7 – 138.6
Green financial products	3.8 – 6.3	30.9 – 92.5
Nature-based solutions and carbon markets	0.8 – 1.4	24.9 – 39.9
Official development assistance (ODA)	4.0 – 9.7	8.0 – 19.4
Sustainable supply chains	5.5 – 8.2	12.3 – 18.7
Philanthropy and conservation NGOs	1.7 – 3.5	Not Estimated**
Total Positive Financial Flows	123.6 – 142.9	445.7 – 632.5



Non-Market

Biodiversity

Financing Mechanisms

Closing the Global Biodiversity Financing Gap

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Structured

Biodiversity

Financing Mechanisms

Agriculture Lending Incentives

- Programs that reduce cost of lending to farmers who adopt sustainable practices
- Designed de-risk green lending
- Nascent segment for sustainability, with potential to scale in the US

Term Sheet	
Payor	Various governmental bodies, some private actors
Payee	Various farmers and landowners
Investees	Various projects
Amount	Varies
Purpose	Support soil and biodiversity conservation projects
Duration	Program-specific
Governing law	[Jurisdiction]
Transaction Fees	[X%]

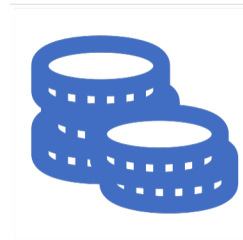
Regenerative Agriculture Fund



Launched in 2022 with initial \$100m investment from Unilever, AXA, and Tikehau Capital, with target size of \$1bn



Private equity impact fund to provide financing for growth-stage agribusiness and technology



Performance fee structure split: 50% for environmental impact outcomes and 50% for typical financial returns

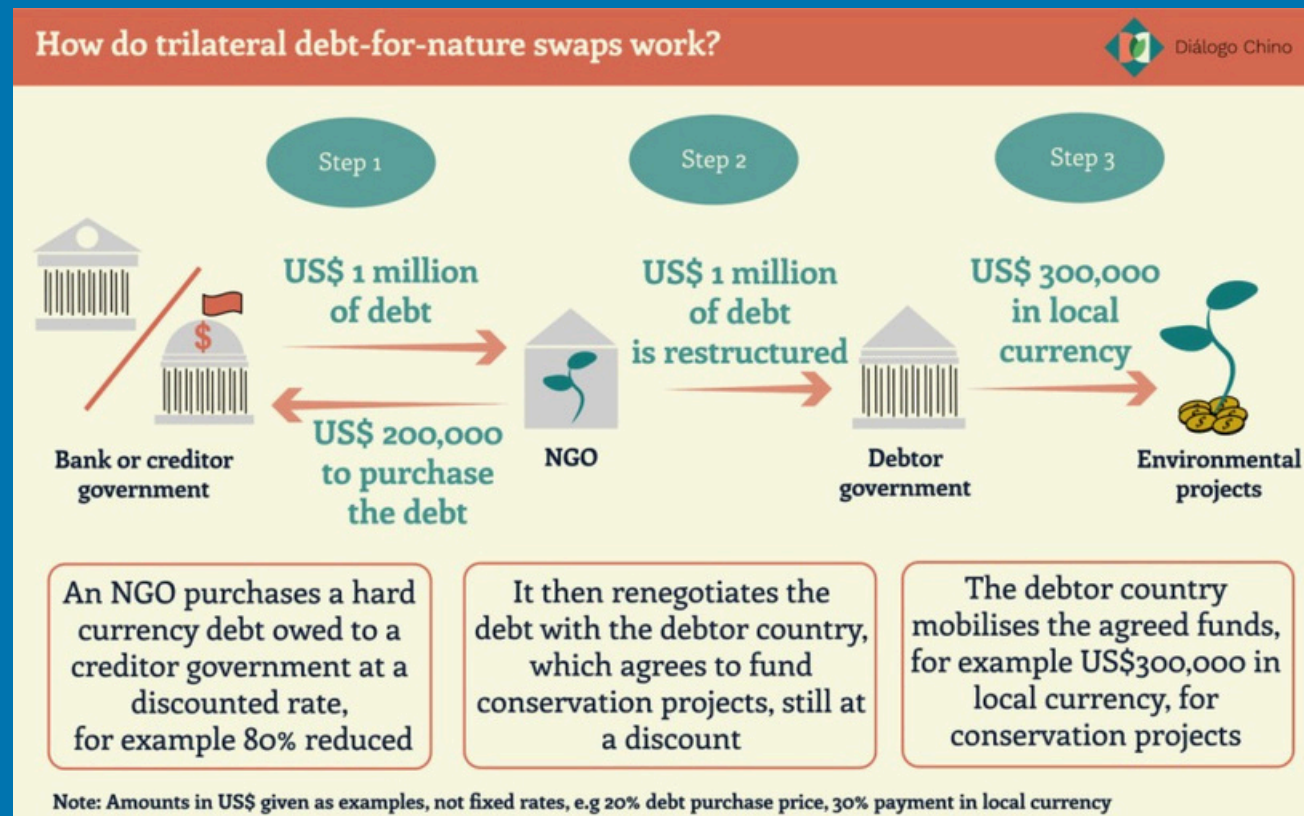


Fund purpose to promote biodiversity and climate change mitigation through accelerating technology for regenerative agriculture transition



Debt-for-Nature Swaps

A highly structured financial mechanism



- A mutually beneficial transaction between a conservation organization and developing countries whereby resources are mobilized for conservation while the debt burden of developing country is reduced.

- Emerged during Latin American debt crisis of the 1980s, when NGOs purchased and then cancelled Bolivian debt in exchange for Bolivia establishing new conservation areas and committing on their protection.



- Two types of debt swaps: commercial or trilateral (debt owed to lenders) and bilateral (debt owed to governments)

- “The transaction is made possible by the willingness of a creditor(s) to forgive the totality or part of the credit rights or to similarly sell the debt outstanding to a third party (typically a conservation organization) at a price lower than the face value.” (UNDP)

Carbon Credit Markets

Useful beyond the
emissions trading markets



- An alternative to command-and-control mechanisms for the environment
- The notion of emissions trading started with the trading of SO_x and NO_x, resulting from amendments to the Clean Air Act in 1990.
- The concept was later adopted in the climate change arena, and various systems have been put in place.
- The European Union put in place the EU ETS (emissions trading system) in 2005, though design flaws led to mixed success.
- The US was close to establishing a trading system in 2009-2010. China's system is getting off the ground.
- Other regional systems have been established in California and the US Northeast.



Polluters are required to hold permits in amount equal to their emissions



Market

Biodiversity

Financing Mechanisms

Sustainability-Linked Bonds (SLBs)

- Bond tied to predetermined sustainability performance targets with penalties such as increased coupon rate for non-compliance
- Focus on outcomes rather than use of proceeds provides flexibility for borrowers
- First \$1.5bn SLB issued by Enel in 2019

Term Sheet

Issuer	ABC Organization
Under writer	XZY Bank
Am ount	\$XX million
Purpose	[Support programs]
Interest rate	X% per year
Governing law	[Jurisdiction]
Term (to maturity)	X years
Transaction Fees	X% volume

Sustainability-Linked Loans (SLLs)

- Structured loan such that interest rate is adjusted based on borrower's performance against pre-defined sustainability KPIs
- First SLL in 2017 for €1bn through Philips
- Total global SLL market size reached \$750bn in 2024

Term Sheet	
Borrower	ABC Inc.
Lender	XZY Bank
Amount	\$XX million
Purpose	Support resilient and sustainable practices in farming
Interest rate	X% per year, plus (or minus) incentive payments relating to performance
Governing law	[Jurisdiction]
Term (to maturity)	X years
Transaction Fees	Negotiable

CAM Biodiversity Fund

- Biodiversity funds raised > \$1bn by 2024, result of collaboration between HSBC and Pollination Group
- Focus on *real asset investments* for regenerative and sustainable agroforestry.
- Nature-based carbon fund focused on *generating carbon credits* from large scale conservation and land restoration to promote biodiversity
- Restore Fund: blends strategies from HSBC funds to support biodiversity projects and carbon removal across 2 million hectares globally

Climate Asset
Management

A partnership of  HSBC |  POLLINATION

Green Private Equity Funds

- Private (though sometimes public) equity funds that use ESG screens and sustainability KPIs for investment selection into green projects
- Green investing originated out of wider impact investing movement in the 1990s
- \$3.1 trillion in green asset investments globally in 2020, though data are sparse

Term Sheet

General Partner	Fund manager
Limited partners	Investors
Investees	Green enterprises
Amount	\$XX million
Purpose	Support early-stage enterprises with investments in exchange
Interest rate	X% per year
Governing law	Jurisdiction
Term	Varies
Transaction Fees	Negotiable

Environmental Impact Bonds

- Contractual arrangement with pay-for-performance programs that align producer incentives to achieve sustainable outcomes to investor returns
- Originated in 2016 with DC Water
- Emerging product with capacity to scale but big challenges to overcome

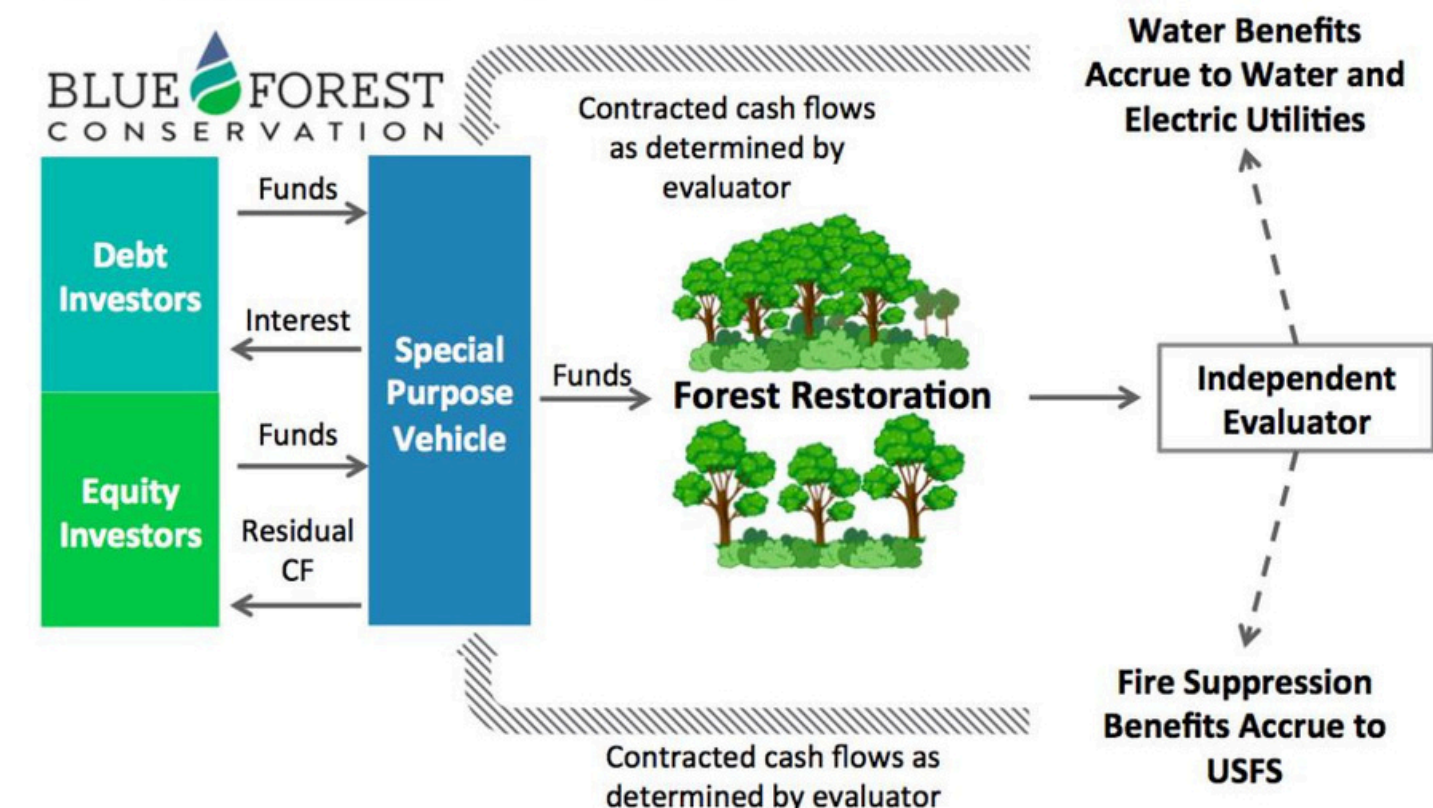
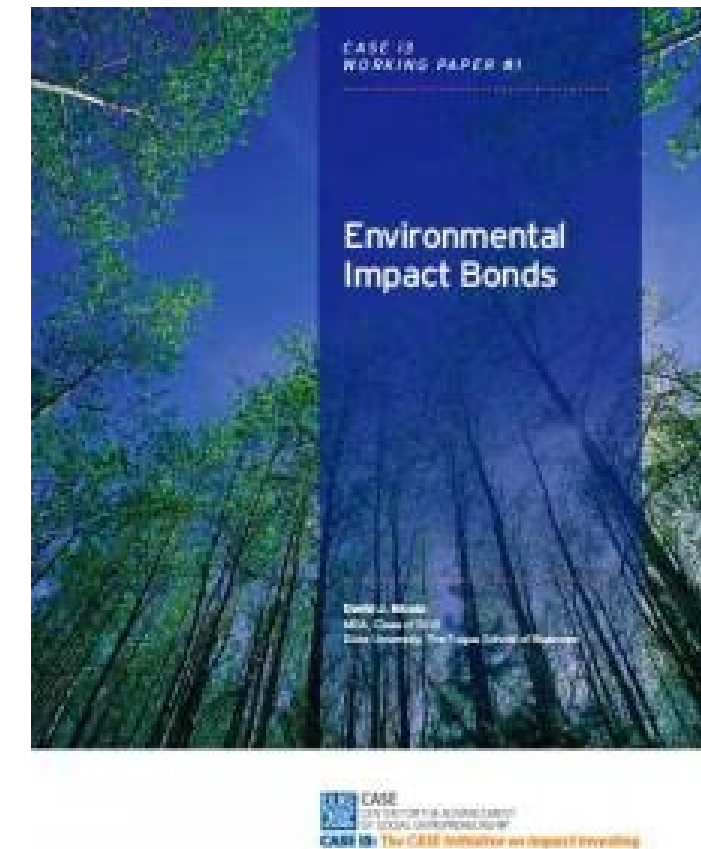
Term Sheet

Beneficiary	Governmental entities
Investor	Various risk investors
Amount	\$XX million
Purpose	Support risky, novel environmental and social outcomes
Service provider	Various
Governing law	Jurisdiction
Term	Varies
Returns to investors	Varies

Environmental Impact Bonds (EIBs)

+ Some highlights

- Only a small number of SIBs have been completed and various organizations are working on the first few EIBs now—however, the model's potential has attracted considerable attention.
- In essence, these instruments are forms of public-private partnerships that service providers, private investors, project managers, and interested governments that do not have the necessary funds.
- An interesting recent examples include the DC Water and Sewer Authority, Calvert Foundation, and Goldman Sachs EIB to manage storm water runoff.



Green Bonds

+ A hugely successful market

Green bonds are debt instruments that allow issuers to finance investments in green infrastructure and other environmentally appropriate capital expenditures.







Green bonds got their start in 2007 with an issue by The World Bank and the European Investment Bank.

Much of the initial demand came from Scandinavian pension funds and similar institutions.

Cumulative GSS+ issuance as of mid-2025 stood at \$6 trillion.



Green bond market score card 2020

2020	Percent change from prior year
Size of market USD290bn	 9%
Number of issuers 634	 14%
Number of instruments: 1696	 -9%
Average size of instrument USD171m	 19%
Number of countries 55	 6%
Number of currencies 34	 0%

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Speakers



Dr. Qiulin Liu

Programme Officer on
Climate Change
IUCN
(Moderator)



**Dr. John Tobin-de la
Peunte**

Professor of Practice
Cornell University



Ana Lucía Orozco Rubio

Regional Technical Advisor
for LAC
BIOFIN, UNDP



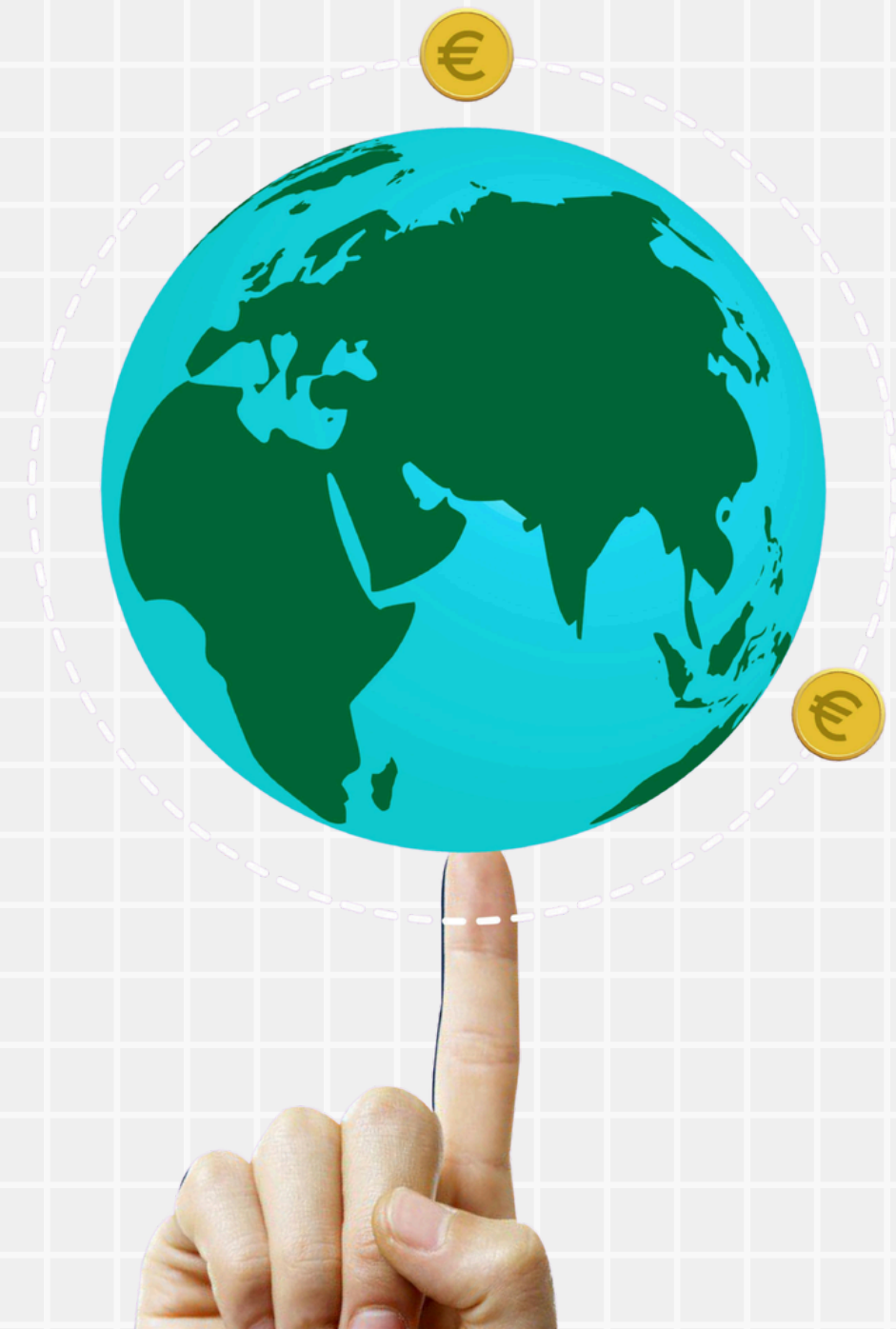
Alonso Martinez

Environmental Finance
Analyst for LAC region
BIOFIN, UNDP



Q&A with participants

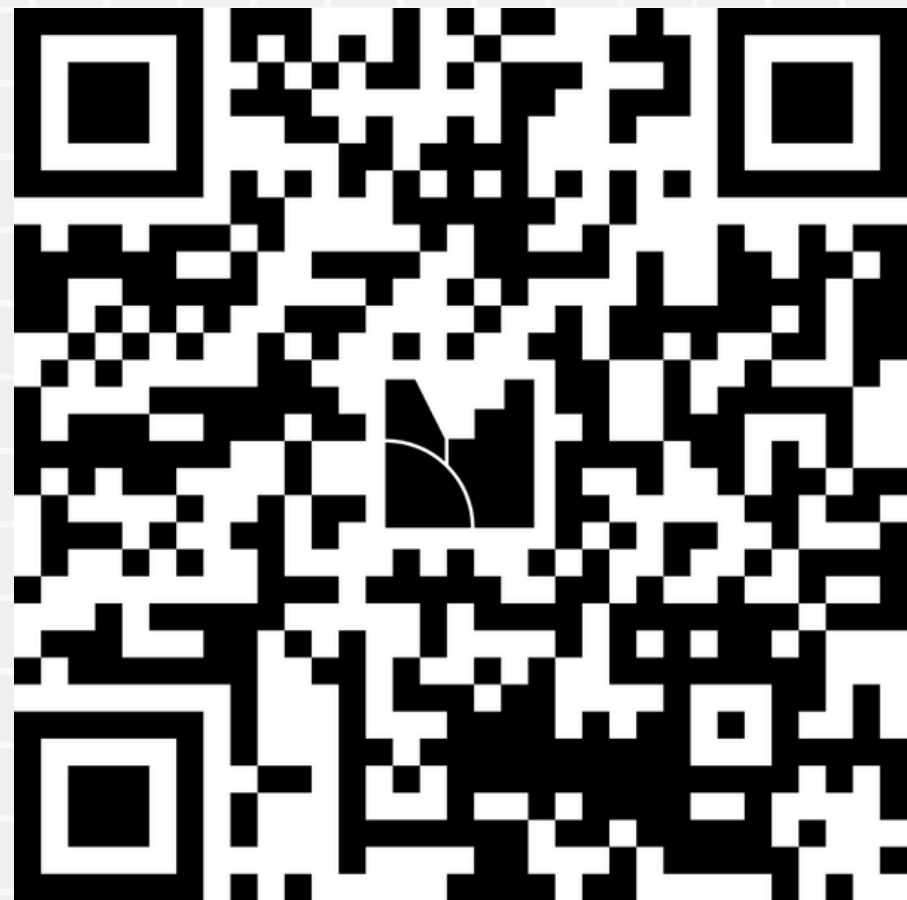
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Actionable Finance: Turning Investments into Inclusive Outcomes: Explore how climate and biodiversity investments can deliver real, gender-responsive, and inclusive nature-based solutions from real case studies and testimonials.





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Thank you!

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