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Scaling nature finance now:

The opportunity for investors in Brazil and beyond



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Scaling nature finance now

“Simply put, climate strategies that don’t include nature are incomplete.”

Destruction of the planet’s great biomes is driving us deeper into an avoidable climate crisis.

Forests, grasslands, plants and soils today store more than **twice** the amount of carbon contained in all known oil, gas and coal reserves. Yet, unsustainable use of these lands is too often turning vital natural carbon sinks into some of the largest sources of carbon emissions.

To stabilize our planet, decarbonizing our energy, transport and industrial systems is both absolutely necessary – and not enough. Without urgently prioritizing the protection, restoration and sustainable management of nature, the climate equation needed for net-zero doesn’t balance. Simply put, climate strategies that don’t include nature are incomplete.

In 2021, over 100 countries committed to end deforestation by 2030. At COP28, nature was placed at the heart of the Global Stocktake. Almost every country called for an end to deforestation, and 160 governments set out a roadmap for integrating nature and food systems in addressing climate change.

But current levels of finance to achieve these goals remain **insufficient**. By 2030 Annual investment into Nature-based Solutions must almost triple globally from USD\$200bn to USD\$542bn.

Public money is being spent **inefficiently**, with **trillions** of dollars in environmentally-destructive subsidies only making these crises worse.

And the investments mobilized for nature have been **unfairly** skewed. Only twenty-percent of today’s nature finance flows to developing countries, such as Indonesia, Ghana and Colombia. This is despite developing economies offering **ninety-percent** of the nature investment opportunity this decade.

Now, a new investment prospectus for nature is coming into view. Markets like Brazil, set to host COP30, hold both enormous potential for private investment and new models for investing that other biodiversity-rich markets can adapt and replicate.

This report shows how a mass of bankable and investable opportunities are now available and accelerating in Brazil. As the below pages underline, nowhere has higher potential to sequester carbon using Nature-based Solutions.

Many of these projects are increasingly proving profitable and productive. From transitioning to sustainable agriculture, to restoring forests and regenerating degraded land, some projects have boosted farmers’ earnings by up to **four times** per hectare per year, delivering investors better risk-adjusted market returns, and strengthening countries’ food security, all while mitigating carbon emissions and strengthening climate resilience.

Brazil is poised for the next phase of growth. Supportive government policy under Brazil’s Ecological Transition Plan is helping. Investments and lending in Brazil’s agriculture transition have been accelerating. New analysis of publicly reported deal flow by Capital for Climate shows that there was at least USD\$1.67bn of capital allocated to Nature-based Solutions in the country in the last 12 months.

“The next 24 months must prove pivotal for financing a nature, food and land transition every bit as consequential as the energy transition that is now underway.”

To fully unlock this opportunity of global significance, three things must happen, urgently.

First, we need to **stimulate and scale demand** for deforestation free commodities and nature based solutions.

Second, public funds are not enough so we must **scale private finance** which today represents only 18% of nature finance, just one-sixth of that going to clean energy systems today. A major injection of catalytic capital – investments that accept a higher share of risk or concessionary returns compared to conventional capital – is required.

Third, we need **better alignment between climate and nature policymaking** at both international and national levels. The Autumn deadline for hundreds of nations to submit their biodiversity strategies at COP16 in Colombia, followed by the February deadline for 200 countries to submit their updated national climate plans under the Paris Agreement, makes this a prime moment to do just this.

With COP29’s focus on financing the transition and Brazil’s leadership of COP30, the next 24 months must prove pivotal for financing a nature, food and land transition every bit as consequential as the energy transition that is now underway. It is within our reach to do so.



H.E. Ms. Razan Al Mubarak,
UN Climate Change
High-Level Champion,
COP28



Dr Mahmoud Mohieldin,
UN Climate Change
High-Level Champion,
COP27

Executive summary

The inescapable imperative:

Mitigating climate change and halting and reversing biodiversity loss is not an option but a precondition for a successful and resilient economy. Achieving a secure future is possible only by aligning finance and investment now to protect, restore and sustainably manage nature.

The growing investment opportunity:

Investing in nature and sustainable agriculture practices can deliver significant, mutually reinforcing benefits for businesses, investors and society. Ecologically 'megadiverse' countries around the world carry particular global significance, with a generational opportunity to deliver a thriving 'bioeconomy' across these regions.

- Mitigate climate change, safeguard nature and build resilience.
- Generate strong risk-adjusted returns for investors.
- Accelerate sustainable development for countries and people.
- Enhance food security.

Accelerating market momentum:

The good news is that the pipeline of investable Nature-based Solutions (NbS) is growing around the world. In Brazil – the largest potential market for NbS – financing is beginning to flow at a greater scale, and projects are increasingly proving profitable for businesses, communities and investors, while enhancing food security.

- At least USD\$1.67bn of capital allocated to Nature-based Solutions in the country in the last 12 months (August 2023–August 2024).
- High velocity of fund formation since the start of the year demonstrates future momentum.
- Investors targeting double-digit returns, underlining commercial opportunity in the market.
- Investments are flowing to a wide range of NbS, with agriculture-focused solutions a priority.
- Wide range of case studies highlight growing impact, returns and potential for scale.

Five success factors for market development:

Developments in the Brazilian market offer exciting investment opportunities today, as well as models and learnings that other biodiversity-rich markets in the region and beyond can adapt and replicate. Drawing on a wide range of experience and case studies, partners point to five success factors for the NbS market:

1. Showcasing and growing the project pipeline, by value and volume.
2. Lowering the cost of capital through innovative financial mechanisms.
3. Recognizing community engagement and support as a precondition for success.
4. Harnessing nature tech to improve traceability, certification and integrity.
5. Connecting the investment ecosystem.

Three shifts to unlock scale:

But to fully unlock this significant investment opportunity, in Brazil and other high-potential biodiversity-rich markets around the world, structural changes are needed to create the enabling conditions for success. Through conversations with expert partners from across the industry, we have identified three priority shifts that are needed, urgently:

- I. Increase demand for deforestation-free commodities and Nature-based Solutions.
- II. Deploy 'catalytic' capital to unlock more private capital.
- III. Integrate climate and nature policy at the international and national level.

01

The opportunity and the imperative

Investing in nature and sustainable agriculture practices can deliver significant, mutually reinforcing benefits for businesses, investors and society.

These benefits are compelling, offering the potential to simultaneously:

- Mitigate climate change, safeguard nature and build resilience
- Generate strong risk adjusted returns for investors
- Accelerate sustainable development for countries and people
- Enhance food security.

With limited time to act and constrained public finances, governments across the globe are increasingly recognizing the need and opportunity to deliver on national climate, nature and development goals *at the same time*. The number of material and credible national policy announcements focused on nature and land use **doubled** between 2022 and 2023.¹ This marks a significant shift for major economies such as China, the EU, and Brazil.

Policy momentum on nature



The landmark **Global Biodiversity Framework** adopted by 196 countries at the close of 2022 is spurring new national policies, as governments work to develop National Biodiversity Strategies and Action Plans (NBSAPs).



COP28 set a precedent for the integration of nature in addressing climate change, including food systems. Nature was placed at the heart of the Global Stocktake, with a strong call for zero deforestation by 2030 in the **UAE Consensus**.



The **EU Deforestation Regulation (EUDR)** requires any company selling commodities in the EU to prove that the products do not originate from recently deforested land or have contributed to forest degradation.



During the Brazilian presidency the G20 agreed on ten **High Level Principles on Bioeconomy**, promoting a common understanding of the relationship between society, the economy and biodiversity.²

Despite this momentum, a significant financing gap remains. UNEP data shows annual investment into Nature-based Solutions (NbS) needs to almost triple globally from USD\$200bn to USD\$542bn by 2030 to secure the stable climate and healthy ecosystems people, businesses and economies require to prosper.³

Looking ahead, NbS presents a generational investment opportunity.

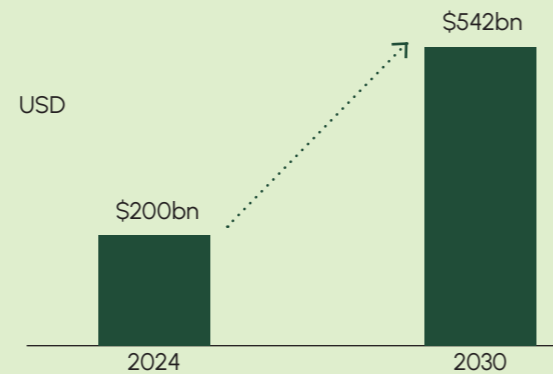
Mitigating climate change and reversing biodiversity loss is not an option but a precondition for a resilient economy. Nature-based Solutions provide an effective, capital-efficient, and large-scale solution to both. Increasingly stringent nature-related legislation, intensifying reputational scrutiny and customer demand for certified sustainable commodities will further strengthen the conditions for investors to generate strong risk-adjusted returns from nature financing. Such nature strategies will also be key for financial institutions to deliver on their own net-zero commitments and anticipate growing regulatory focus by central banks on biodiversity loss.⁴

The scale of this opportunity is immense. Embracing nature-positive transitions in key socio-economic systems could unlock USD\$10.1tn in business opportunities by 2030.⁵ Yet currently, only 18% of finance for Nature-based Solutions comes from private capital, equivalent to just 1/6 of the private capital going to clean energy systems today.⁶

That dynamic is now starting to shift, with financial institutions, supply chain companies, policymakers and civil society groups increasingly working together to support the deployment of private sector investment into nature. As this report shows, NbS are investable today and will become a key component of any climate-related portfolio in the near future.

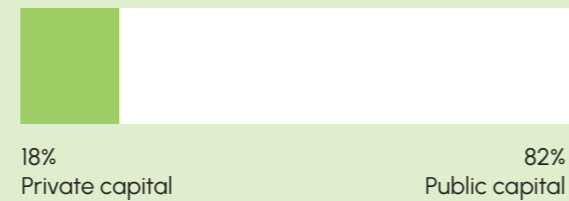
The finance gap

UNEP data shows annual NbS investment needs to almost triple globally



Source: UNEP, State of Finance for Nature 2023, December 2023.

Private/Public finance ratio



Source: UNEP, State of Finance for Nature 2023, December 2023.

Nature finance

'Nature finance' refers to finance activities that help conserve, restore or sustainably manage nature, and that align financial flows with the goals of the Global Biodiversity Framework and Paris Agreement.⁷

As with climate finance, there are two sides to nature finance. The first is 'greening finance', which involves transforming processes and systems to accurately reflect the value of nature and improve the management of material nature-related financial risks. For example, increasing efforts by banks and investors to eliminate

commodity-driven deforestation from their portfolios. The second is 'financing green', meaning positive investments into nature, including the strategic allocation of capital to funds and enterprises developing Nature-based Solutions (NbS).

The two work hand in hand: it will be impossible to effectively manage nature-related risks at a portfolio level if we don't accelerate investments into real-economy Nature-based Solutions. This report is focused on 'financing green', exploring the growing opportunity to invest in NbS.

Nature-based Solutions (NbS)

Aligning with the International Union for Conservation of Nature (IUCN), United Nations Environment Programme (UNEP) and United Nations Environment Assembly (UNEA), we define NbS in a broad, pragmatic way. NbS are actions to protect, restore and sustainably manage natural ecosystems, with the aim of tackling climate change and/or biodiversity loss while enhancing ecosystem conditions, resilience and human well-being.⁸

This report focuses on terrestrial Nature-based Solutions.⁹ This includes activities commonly associated with NbS such as sustainable forest management and ecosystem

restoration, as well as projects focused on transitioning agricultural supply chains, such as sustainable livestock management, agroforestry and regenerative agriculture.

The latter recognizes that with more than half of the earth's habitable lands currently used for agriculture,¹⁰ transforming global food systems to become regenerative will be critical to meeting climate and nature goals while sustainably nourishing a growing global population. Investment in NbS will be key to this transition, funding the development of new agricultural processes that restore habitats, protect clean drinking water, and increase biodiversity.

Nature-based Solutions: protecting, restoring and sustainably managing land to meet global climate and biodiversity goals



Regenerative agriculture



Sustainable livestock management



Restoration of degraded pasture



Ecosystem restoration



Forest bioeconomy



Sustainable forest management

The opportunity

1 Mitigate climate change, safeguard nature and build resilience:

30%

of mitigation potential

Our land and oceans are invaluable carbon sinks – currently absorbing half of man-made carbon emissions. By investing in nature, this capacity can be enhanced, leading to a virtuous cycle. Forests and land alone can deliver up to 30% of the world's climate mitigation potential until 2050.¹⁹ Investing in nature is also a cost-effective way to enhance physical and economic resilience to climate change – with mangroves proven to be an excellent flood defense,²⁰ or forests in Brazil demonstrably improving water and food security for local communities.²¹

2 Generate strong risk-adjusted returns for investors:

USD\$21bn

of investable projects on Capital for Climates NbS platform to date

Nature-based Solutions are investable today, and the pipeline of investable projects is growing. **Capital for Climate** has mapped over USD\$21bn of investable projects to date,¹¹ and investors on the platform are already making strong returns in NbS within agriculture and forestry.¹² In parallel, Agroforestry systems have been shown to generate between USD\$300 and USD\$1,500 per hectare annually, significantly outperforming extensive cattle ranching, which yields USD\$50 to USD\$100/ha/year.¹³ While the NbS market has been spearheaded by specialist investors, as returns potential grows major international financial institutions such as HSBC, NATIXIS, Schroders and Lombard Odier are moving into the market.¹⁴ NbS also provide a strong tool for diversifying portfolios, given low correlation with broader market trends.¹⁵

3 Accelerate sustainable development for countries and people:

15-25%

ROI over 10 years

UNEP estimates every dollar invested in nature-related sustainable development goals can generate USD\$20 of economic returns.¹⁶ For farmers, BCG suggests switching to regenerative agricultural practices can generate a 15-25% 10-year return on investment, after a 3-5 year transition period.¹⁷ Designed well, NbS empower local communities and Indigenous Peoples, who are critical to success (see section 2).¹⁸

4 Enhance food security:

USD\$4tn

in wider benefits

Food demand is expected to grow by 50% by 2050.²² Our supply of food is highly dependent on a stable climate and natural world. The World Bank estimates that transitioning the agrifood system offers a huge, untapped, opportunity: halving emissions by 2030 would require around 50% of the amount (USD\$260bn) spent annually on environmentally harmful subsidies and yet deliver more than USD\$4tn in benefits, including improvements in human health, as well as enhancing food and nutrition security.²³

The imperative

1 Deepening climate crisis:

USD\$5tn

amplification in climate-related risks

2023 was the hottest year on record, and evidence to date suggests a very high probability that 2024 will be hotter still.²⁴ Another year of deadly floods, wildfires and unbearable heat waves has made the growing cost of climate change plain to see. Biodiversity loss is deepening the crisis and, without action, could amplify climate-related economic risks costing businesses, economies and supply chains by **USD\$5tn by 2050**.²⁵

2 Collapsing ecosystems:

70%

decline in wildlife populations since 1970

1/5 of the world's countries are at risk of their ecosystems collapsing,²⁶ 64% of rainforests have already been destroyed or degraded in the industrial era.²⁷ Wildlife populations – mammals, birds and fish – have declined by almost 70% since 1970.²⁸ These trends severely threaten food provision, water security and regulation of air quality that are vital to maintaining healthy communities and stable economies.

3 Failing food systems:

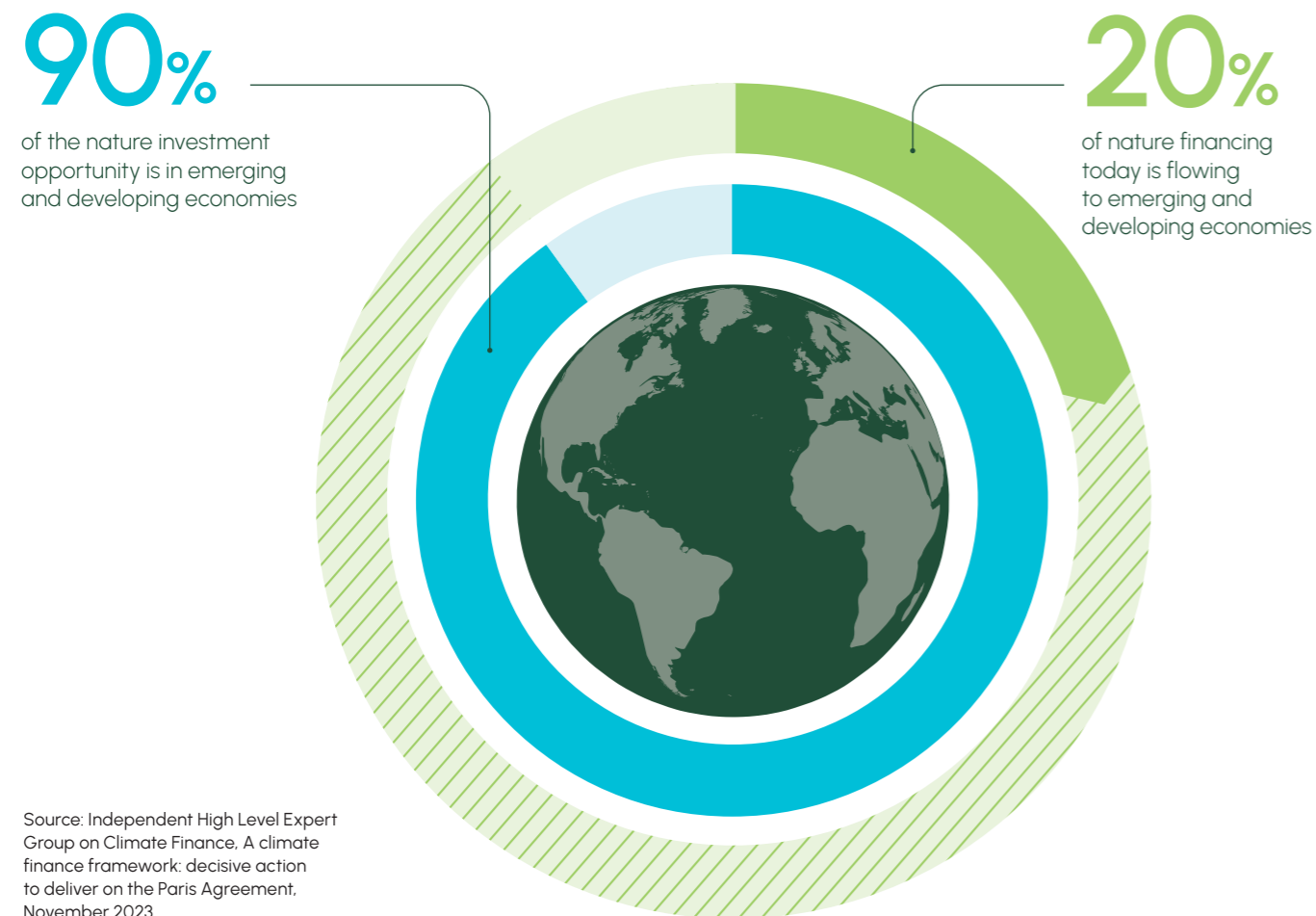
1/3

of global GHG emissions

Food systems are one of the largest contributors to the climate and nature crises, responsible for a third of global GHG emissions,²⁹ 70% of freshwater use³⁰ and 80% of biodiversity loss.³¹ At the same time, hundreds of millions of people are hungry and billions of people suffer from malnutrition, unable to access nutritious, affordable, diverse and sustainably-produced food.³² Climate change and biodiversity loss are compounding the challenge: major crop yields are predicted to fall by 3-7% for every 1°C degree increase in temperature³³ The World Bank finds more than 75% of crops rely on pollinators, many of which are disappearing.

Brazil: a major market poised for nature investment boom

Emerging and developing economies account for an estimated 90% of the investment opportunity in protecting and restoring nature from 2020-2030, but they receive only around 20% of the financing today.³⁴ And the vast majority of that financing is domestic.



Source: Independent High Level Expert Group on Climate Finance. A climate finance framework: decisive action to deliver on the Paris Agreement, November 2023.

This presents a huge, as yet untapped, opportunity in emerging and developing economies to unlock capital and attract Foreign Direct Investment for projects that can offer commercial returns, reduce emissions and increase biodiversity while empowering local communities and Indigenous Peoples.

As the largest potential market for NbS investment on the planet, Brazil can act as an emerging model for countries in the region and the world to follow. WEF estimates that the Cerrado region alone could provide up to USD\$72bn a year for Brazil's economy, by boosting sustainable production and creating value from natural habitats.³⁵

Three key factors are making NbS in Brazil increasingly attractive to domestic and international investors.

1. Large and diverse investment potential

Brazil has the greatest potential in the world to abate or sequester carbon using natural climate solutions. McKinsey estimates a total abatement potential of 1.2-1.9 GtCO₂e/year, through measures to avoid deforestation, restore natural ecosystems and transition to regenerative agricultural practices.³⁶ To put that into context: it's significantly more than the total emissions of major economies such as Japan (1.06 GtCO₂)³⁷, and represents twice the annual emissions produced by the aviation sector globally (c. 800 MtCO₂).³⁸

Brazil will also play a crucial role in meeting rising global food demand. A 35% growth in demand for Brazilian beef is anticipated in the next two decades, underlining the imperative and the opportunity to transition to regenerative agricultural practices. The country currently has over 100 million hectares of degraded pastures available to restore for agricultural and livestock expansion – sufficient to meet the anticipated increase in production until 2040 without cutting a single tree.³⁹ There are also significant opportunities to implement agroforestry systems to restore native vegetation: 9 million hectares in the Amazon biome and 4 million in the Cerrado.⁴⁰

2. Maturing financial markets

Brazil has an increasingly mature and sophisticated financial market. This solid foundation positions the country well to attract and manage large-scale NbS investments.

- Brazil offers various structured investment vehicles that provide routes for international capital investment in NbS. Examples include: **Fundo de Investimento em Participação (FIP)**, **Fundo de Investimento em Direitos Creditórios (FIDC)**, and **Investment Funds in Agro-Industrial Production Chains (FIAGRO)**, which build on 25 years of development of alternative assets and more than 10 years of sustainability focused products.
- New innovative financial mechanisms are also being developed to foster finance flows to NbS, such as: Payment for Ecosystem Services, farm loan products, nature bonds, grants for technical and financial assistance and other schemes, such as offtake agreements, barter schemes, alternative guarantees and finance for certification efforts (see section 2).⁴¹
- The derivatives market in Brazil has daily trading volumes around USD\$7bn, with its liquidity and depth helping manage risks associated with large-scale investments.⁴²

3. Increasingly supportive government policy

Brazilian government policies are beginning to drive investment to protect, restore and sustainably manage nature, with the aim of transitioning the food system and developing a thriving 'bioeconomy' in the country and beyond.⁴³

Through the Ecological Transformation Plan and the Pasture Recovery Program, both launched in 2023, Ministries are aligning the Government agenda around public policies, private investments and structural partnerships which aim to:

- **Recover 40 million ha** of degraded pasturelands by 2035
- Achieve **zero deforestation in Amazon** by 2030 (PPCDAM)
- Incentivize livestock farming and sustainable grain production with **reduced pressure on critical deforestation areas in Cerrado** by 2027 (PPCERRADO)
- **Restore 12 million ha** of native vegetation by 2030

Meanwhile, earlier this year, the Brazilian Development Bank (BNDES) and GFANZ established the Brazil Climate & Ecological Transformation Investment Platform, a first-of-its-kind bespoke country transition platform to advance Brazil's ambitious green growth agenda as set out in the Ecological Transformation Plan (ETP). Under the oversight of the Brazilian Government, the Platform will create a cross-sector capital mobilization platform that will foster public-private collaboration to achieve the right blend of public and private finance to support the Government's priority projects in line with their climate transition plans, which include Nature-based Solutions.

The Brazilian government is also increasingly working beyond the country to build momentum for investments into nature. Brazil has placed the bioeconomy on the G20 agenda as part of its Presidency, with the aim of promoting a common understanding on the relationship between nature, society, the economy, and biodiversity.⁴⁴ Brazil has also launched the Ecological Transition Pact in August led by its three State Powers promoting the importance of investments in nature. At the same time, The Tropical Forest Forever Facility (TFFF) and The Tropical Forests Mechanism (TFM) are being championed by the Brazilian government, with the aim of rewarding tropical forest countries for protecting their natural capital with explicit payments for conservation and restoration.⁴⁵

These targeted government policies aim to help spur and unlock further private sector investment from domestic and international investors.

What is the 'bioeconomy'?

The 'bioeconomy' is commonly used to describe the process of converting renewable biological resources into different outputs. As such, the term is used to reflect and better understand the two-way interaction between nature and society – indicating both society's dependence on nature, and the impacts of human activities on biodiversity.⁴⁶

For example, in Brazil, the 'New Economy for the Brazilian Amazon' report states that the bioeconomy in the Amazon should evolve in harmony with the forest and the rivers, ensuring it adjusts to the biome's biocapacity. Notably, the bioeconomy is increasingly coupled with agrifood system transformation.⁴⁷

The bioeconomy should therefore be understood as an emerging and prominent field, offering various transformation pathways for countries depending on the socio-economic and ecological context. While the pathways may differ, the bioeconomy can be framed around three thematic areas⁴⁸:

1. Research, development and innovation (biotechnology)
2. Sustainable use of biodiversity (bioresources)
3. Bioeconomy as an enabler of sustainable development (bioecology)

Brazil is promoting the bioeconomy topic at the G20 to build a common understanding and definition of high-level principles on the issue, and has defined three work streams which correspond to the areas above.⁴⁹

02

The Brazilian market – accelerating now

Accelerating financial flows

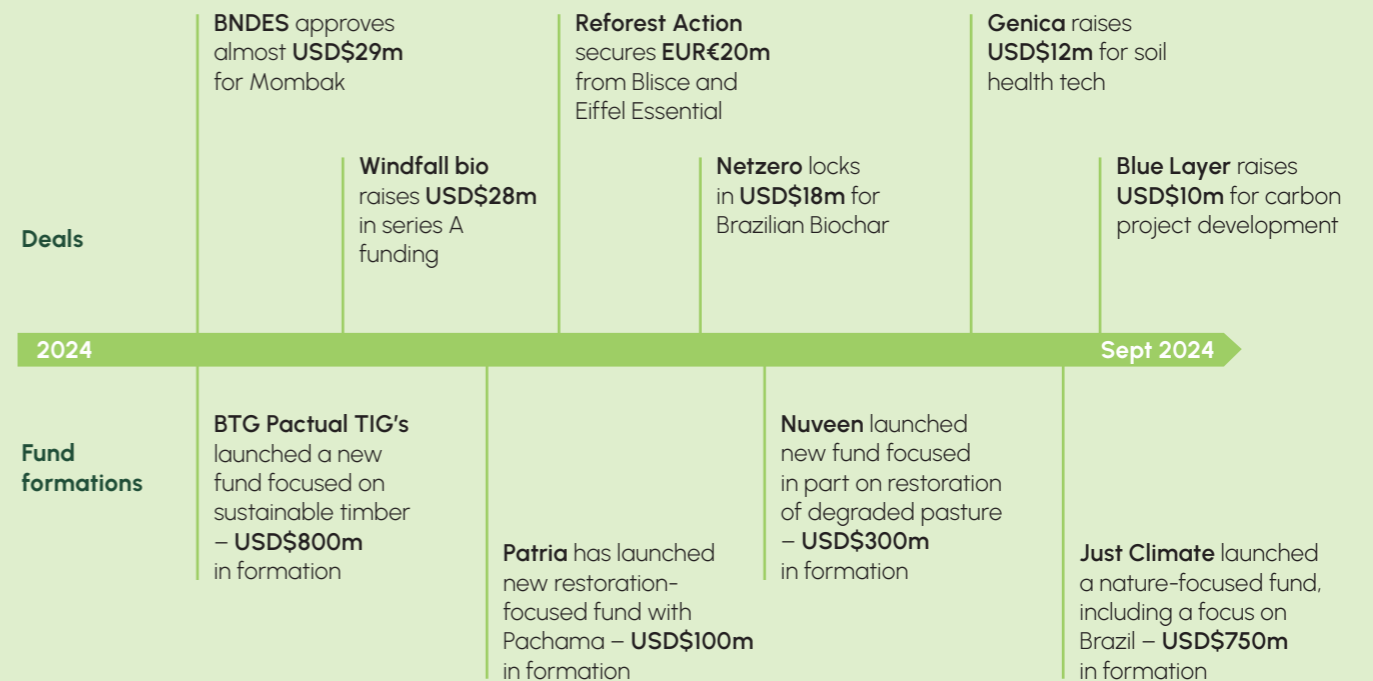
Finance for Nature-based Solutions in Brazil has grown significantly in recent years.

Capital for Climate **NbS Investment Intelligence Platform** tracks publicly reported deal flow for NbS in Brazil and other key regions. New analysis of their database shows that there has been at least USD\$1.67bn of capital allocated to Nature-based Solutions in the country in the last 12 months (August 2023–August 2024). This number likely underestimates the total financial flows during the period, as it only captures those deals which have been publicly reported.

As well as new capital allocations and deals, there is a growing velocity of fund formation in the country, with a notable range of major and specialist investors launching new funds dedicated to Nature-based Solutions since the start of the year.

Signals of momentum:

Deal flow and fund formation in Brazil in 2024



Source: Capital for Climate, 2024.

This underlines the momentum and growth trajectory of the market, as the new funds search for opportunities to deploy capital to a range of NbS projects in the coming months and years.

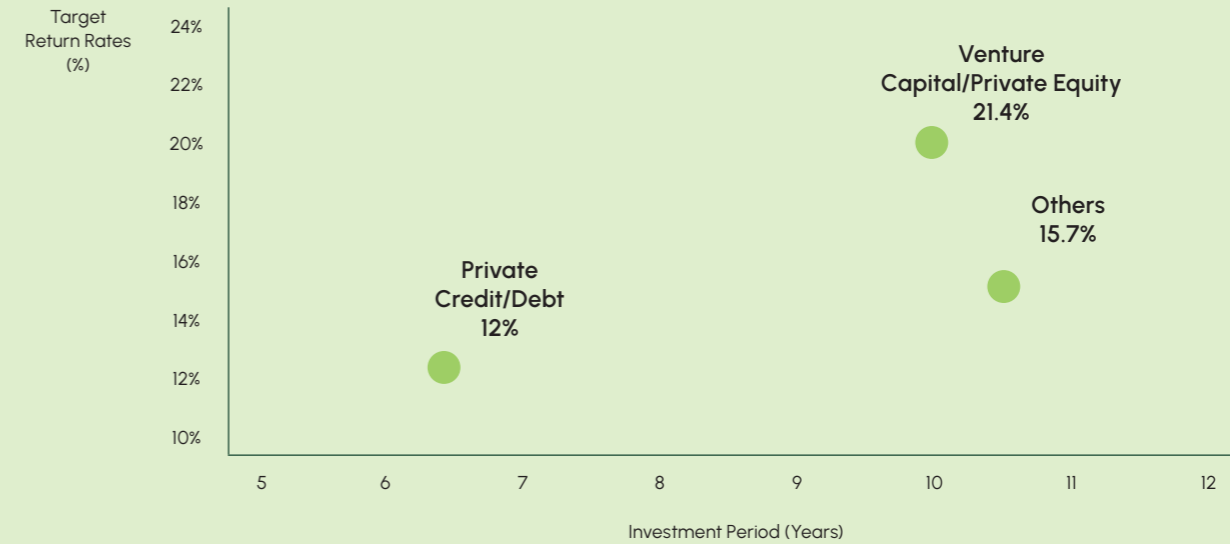
To provide deeper insight into this evolving market, Capital for Climate, in partnership with Deloitte, undertook a detailed survey of key stakeholders in the Brazilian market throughout 2024. This included in-depth interviews with decision makers and local opinion leaders, as well as an online survey completed by 43 institutions and enterprises in Brazil.

Initial findings from the survey reveal three key insights:

1. Investors targeting returns on NbS that are in line with other asset classes, underlining commercial appeal of the market.
2. Only a third of projects covered in the survey rely on blended finance or philanthropic grants as a funding mechanism, showing that investors view many investments as possible on a commercial returns basis.
3. Investments flowing to a wide range of NbS, with food system transformation a clear priority.



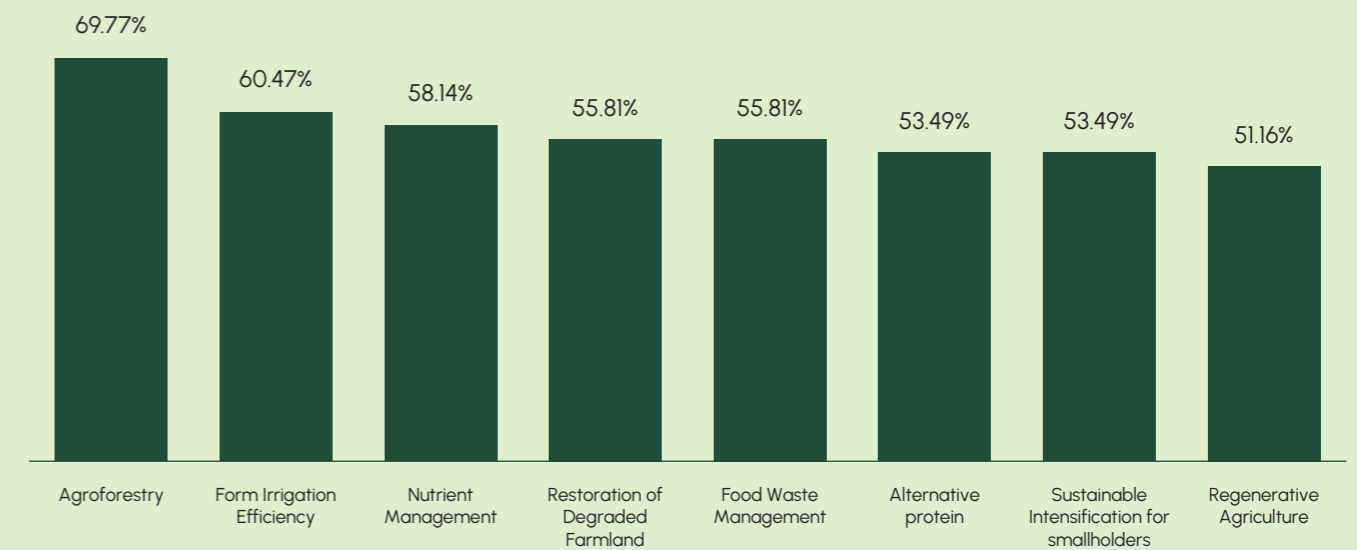
Brazil market survey: NbS investment profile



Source: Capital for Climate & Deloitte, NbS Risk Capital Value Chain Report, 2024.

- Private Equity and Venture Capital funds report an average holding period of 10.4 years, and target return rates of 21.4%
- Private Credit/Debt has lower average maturity of 6.6 years and 12.0% average interest rate
- These returns targeted for NbS projects compare favorably with an average return of 12.7% for Private Equity and Venture Capital in Brazil between 1994 and 2022.⁵⁰

Brazil market survey: NbS project priorities



Source: Capital for Climate & Deloitte, NbS Risk Capital Value Chain Report, 2024.

“**There is acceleration, it’s becoming more attractive, there are new investors and projects coming into the market all the time.**”

Daniel Brandão,
Partner and Nature-based Solutions Director
at Vox Capital

“**In the last two years, a consensus has been created in the public and private sectors in Brazil that the green economy is a generational opportunity for our country. An irreversible path is set, one that will demand and spur immense amounts of investment. I hope international investors do not miss the opportunity this ecological transition presents.**”

José Pugas,
Partner & Head of ESG at JGP

“**We have not only these opportunities on the ground, but also the financial infrastructure to support them, plus a good legal framework and a huge commitment of both authorities and the private sector.**”

Joaquim Levy,
Chair GFANZ Brazil

“**Brazil is prepared to receive international capital in a very organized, regulated, and transparent manner, aligned with international standards.**”

Marina Procknor,
Partner, Mattos Filho

“**We have the tools, we have the capacities, we have available land. We have everything that’s necessary here. Let’s balance benefits and risks, and you will see that Brazil is the place to invest right now.**”

Marcello Brito,
Executive Secretary,
Amazon States Consortium

“**Deeply understanding nature-based solutions and bridging the gap between science and financial considerations is essential to guiding economic agents toward decarbonization. In this regard, Brazil is uniquely positioned to lead this movement on a global scale.**”

Tiago Gomes,
Partner at Fama re.capital

Industry developing innovative finance mechanisms

The signatories of the ‘Innovative Finance for the Amazon, Chaco, and Cerrado’ (IFACC) initiative have committed to the IFACC Declaration, with the ambitious goal of securing USD\$10bn in financial commitments

and USD\$1bn in disbursements by 2025. These funds target soy, cattle production, and bioeconomy projects that are free from deforestation and land conversion in South America.

Bank	Catalytic funds	Value chain companies	Securitization companies
Asset manager	Facilities and operators		

The initiative aims to support sustainable agricultural growth while protecting key biomes.

By December 2023, eleven financial products had already disbursed USD\$240m in alignment with IFACC’s framework and objectives. The 11 IFACC-aligned products have distinct characteristics, reflecting the variety of signatory organizations and the diversity of agriculture financing needs. In terms of geographic coverage, six of these products are focused on the Cerrado biome, four on the Amazon and one covers both biomes.

By August 2024, IFACC had grown to include 21 signatories, encompassing financial institutions and agribusiness value chain companies. And while this is only a fraction of the total potential opportunity, it represents substantial growth of innovative finance models available to support the agricultural transition in the region, from a starting point of close to zero in 2022.

Drawing on expertise from across the value chain, the financial products are designed in a targeted way to help transform beef, soy and bioeconomy production models.

Innovative financial mechanisms

- Farm Loan Products
- Farmland Investment Funds
- Capital Market Offerings
- Corporate Debt Instruments
- Carbon-Based Structures
- Other Innovative Mechanisms

Case examples: Nature finance in action in Brazil

Numbers and trends tell only part of the story.

On the ground, new project investments and partnerships are demonstrating tangible success, showcasing the ability to generate both economic growth and meaningful returns while:

- Improving farming practices
- Mitigating climate change
- Halting biodiversity loss, protecting forests and restoring degraded land
- Enhancing climate adaptation and resilience
- Facilitating a just transition
- Empowering indigenous peoples

Below are a handful of examples showcasing some of the promising investable Nature-based Solutions in the market today, and the innovative financing mechanisms driving them. The volume and value of NbS projects and deals are increasing, so while each project remains relatively small as the market continues to evolve, their growth potential is evident. Together, these examples offer a snapshot of what is possible and highlight the opportunity ahead.



Case study



INOCAS

Scaling a sustainable, impactful alternative to palm oil

Impact

Palm oil is the largest vegetable oil market in the world and is one of the main causes of deforestation of tropical forests. INOCAS has identified an opportunity for the production of oils from the macaúba plant to provide a sustainable, impactful alternative to palm oil farming. They're on a mission to prove the scalable potential of this market:

- Reduce pressure on existing forests and other important ecosystem hotspots
- Use land to act as an effective carbon sink
- Integrate cultivation with livestock farming to maximize land use

The company establishes partnerships with family farmers to plant macaúba in systems combined with pastures and crops, seeking to diversify production in a sustainable manner. INOCAS provides technical assistance, investments and assumes costs related to planting, while farmers contribute land and labor. At harvest, the division of the fruits is shared between the company and the producer.

It offers complementarity to Brazilian cattle grazing, with research showing that grass in pasture can grow better in the light shade of the palm – benefiting both INOCAS and local cattle farmers. After harvest, INOCAS makes full use of macaúba fruits, producing pulp and almond oils, cakes used in animal feed, endocarp granules and carbon credits generated by planting.

As of 1H24, INOCAS' projects have sequestered 76,703 tons of CO₂e and planted 3,031 hectares – around half the size of Manhattan – of macaúba. The projects have positively impacted 301 smallholder farmers, increasing income and diversifying production.

Growth trajectory

The project is starting to attract investors, receiving a follow-on investment of R10m (~USD\$1.8m) in June 2024 from the Fundo de Biodiversidade da Amazônia (ABF), a blended finance vehicle managed by the UK consultancy Impact Earth.

In partnership with the **20x20 Initiative**, **World Resources Institute** (WRI), **Instituto Agronômico de Campinas** (IAC), **Universidade Federal de Viçosa** (UFV), **Althelia** and **Natura**, the company is carrying out new prospecting to identify the best regions and strategies aimed at expanding the project to 30,000 hectares by 2030. The partnership with Natura demonstrates the potential use of macaúba in cosmetics.

See sources and learn more at [INOCAS website](#), [Capital for Climate investment page](#), [Climate Ventures](#) and [CIF report](#) on sustainable macaúba-based silvopastoral systems.

Case study



Mombak

Combining science, finance, and technology to demonstrate the value of high-quality reforestation

Impact

Launched in 2022, Mombak is developing large-scale native, biodiverse reforestation projects in the Amazon – aiming to store carbon while creating new habitats for a diverse set of plants and animals to thrive. The strategy is to purchase or lease deforested land, then maximize land restoration, carbon capture, and local socio-economic development through the process of reforestation of native, biodiverse forests.

Mombak is taking a proactive approach to ensuring its carbon credit activities are high-quality and credible. The company has adopted a technical methodology including satellite imagery analysis, drone imaging, and bioacoustics sensors, enhancing accuracy and efficiency. Mombak carbon removal is set to be certified under the **VERRA Standard**, with co-benefits certified by **The Climate Community and Biodiversity Alliance**. **Conservation International** designs, supports and tracks Mombak's impacts. Environmental and social risks are mitigated by **IFC Performance Standards**, while **AXA** ensures institutional-grade governance.

Growth trajectory

The company is gathering interest from investors around the world, and has already raised more than USD\$100m from investors and offtakers for developing current and future projects. Without disclosing precise figures, the startup reports that it has closed deals selling each ton of carbon for 'above USD\$50', while the average market price ranges between USD\$3 and USD\$15 – demonstrating the projects' potential for profit and economic returns of investment.

Mombak has also had significant corporate interest. In November 2023, Microsoft entered into a carbon removal purchase agreement with Mombak, agreeing to purchase up to 1.5 million tons of carbon removal credits by 2032. This marks Microsoft's largest nature-based carbon removal agreement to date and its first multi-year contract in Brazil.

See sources and learn more at the **Mombak website**, **Microsoft press release**, and **Capital for Climate investment page**.

Case study

Reverte program

Unlocking 'patient finance' for farmers to deliver a win-win-win

Impact

The Reverte lending program in the Cerrado aims to enable farmers and ranchers to make the investments that are needed to bring degraded pastureland back into cultivation.

Following years of beef production, up to 18 million hectares of soil have been degraded in the Cerrado. The degraded soil either lies barren or is used as pasture with low productivity. Reverte aims to reverse this to unlock a triple win: higher productivity, more conservation and returns on investment for the farmers.

They integrate different tools and approaches, with financing to support new seed varieties adapted to local conditions and soils, agronomic practices that enhance soil conditions and digital tools to allow farmers to control and monitor the improvement in soil and agricultural conditions.

Recognizing the systemic nature of the challenges farmers face in transitioning agricultural production methods, the effort is driven by cross-sector partnership. Bringing together diverse expertise and capabilities from The Nature Conservancy, Syngenta Group, the major bank Itaú BBA and Embrapa, a Brazilian public agricultural research institute.

To finance this progress, Syngenta has been working with Banco Itaú BBA to structure loans in a way that help farmers overcome initial set up and transition costs, distributing

loans with up to a 10-year maturity, in some cases including a three-year grace period. Providing '*patient capital*' for farmers at attractive interest rates in this way can be critical to overcoming initial cash flow challenges, and ultimately unlocking greater returns following the transition to new production processes. Itaú is the lender of record to the farmer, with Syngenta sharing a material portion of the lending risk.

To date R1.6bn has been lent through this program, equivalent to USD\$282m.

Growth trajectory

This innovative financing arrangement has directly resulted in over 100,000 hectares of degraded pasture land brought back into cultivation, helping to reduce the pressure of agricultural expansion over separate areas of native vegetation.

Syngenta have committed to fund Reverte with a "significant portion" of the USD\$2bn investment they are set to invest in sustainable solutions. The program hopes to scale over tenfold in the coming years, reaching 1,000,000 hectares and is committed to exploring other innovative financial solutions that can continue to unlock funding.

See sources and learn more at the **Reverte program website**, **Syngenta's sustainability page**, and **IFACC's 2023 Market Report**.



Case study

Terra Do Meio Network

Market aggregators unlocking localization at scale

Impact

The Terra do Meio Network is an Indigenous Peoples and Local Communities alliance in a critical region of the Amazon rainforest. The Network aims to unlock the power of local knowledge at scale by developing a 'market aggregator' for an association of trading hubs across the region. The hubs operate on a voice and vote model with clear price and purchase guarantees.

The Network has developed equitable and sustainable value chains for 'socio-bioeconomy' products that protect and value natural ecosystems and in recent years has consistently generated over R1,000,000 annual revenues from trading these products.

With 17 trading hubs, the Network covers a wide range of territories and peoples, including 10 indigenous lands and 5 conservation units. They trade with over 20 buyers including major retailers such as Natura and Lush, selling a range of major commodities including Rubber, Brazil Nuts and Cassava to name just a few.

As of early 2024, the network estimated it has established 20 socio-bioeconomy products and services and directly benefited 5,000 Inhabitants and ~600 families.

To learn more visit [The Nature Conservancy website](#), [The Health In Harmony website](#), and the [Instituto Socioambiental YouTube Channel](#).

Growth trajectory

The network has established itself as a socio-bioeconomy hub for traders, local organizations and associations of IPLCs that has been steadily gaining scale. It is set to further expand its reach and impact in the coming years, by increasing dialogue with the federal government and introducing new funding models such as payments for Territorial Services.

Case study

Podáali – The Brazilian Amazon Indigenous Fund

A new fund created by and for Indigenous People

Impact

Established in 2020, Podáali is an innovative community fund created, designed and managed by Indigenous Peoples. It was developed after more than two decades of cross community discussions, led by the **Coordination of Indigenous Organizations of the Brazilian Amazon (COIAB)**, which represents 160 different Indigenous groups.

It aims to channel finance directly to Indigenous Peoples in order to provide long-term protection of Indigenous forests and lands as well as the climate services they provide.

By making these direct connections, it "provides a bridge between traditional knowledge and new technologies to optimize the agroforestry systems used by Indigenous Peoples which not only allow them to preserve the forest, but also to create resources for their communities" says Valéria Paye, the Executive Director of the Podáali Fund.

Growth trajectory

Although in the early stages of development, the fund is supported by major partners including The Nature Conservancy, and has secured an initial injection of more than USD\$3m from the Tenure Facility.

The scope of the fund underlines its potential for impact. It covers more than 400 thousand Indigenous People, on around 100 million hectares (23% of the entire Brazilian Amazon) and has contact with more than 114 groups of Indigenous People in voluntary isolation.

See sources and learn more at the [Podáali website](#), the [Tenure Facility website](#), and the [Margaret A. Cargill Philanthropies website](#).

Empowering Indigenous Peoples

Empowering the people that protect nature is critical for effectively protecting nature.

Indigenous Peoples are essential to meeting our climate goals, and direct access to finance for Indigenous Peoples is a powerful way to enable effective nature and climate action. While representing a mere 5% of the global population, Indigenous Peoples' lands include more than one-third of the world's intact forest landscapes.⁵¹

But less than 1% of total climate finance is currently reaching Indigenous Peoples. Indigenous Peoples are also among the most vulnerable communities on the planet, with poverty rates typically two to three times higher than the global average.

Genuinely valuing and integrating the ecological knowledge of Indigenous Peoples will lead to a more just and effective approach to conserving the planet's biodiversity. Indigenous-led funds like the Terra do Meio network have proven to be an effective vehicle to build financial flows to Indigenous Peoples and protect nature. As the market for Nature-based Solutions grows, such approaches must be prioritized and scaled.

Case study

The Responsible Commodities Facility (RCF)

Incentivizing deforestation- and conversion-free production

Impact

The Responsible Commodities Facility (RCF) is an initiative that creates financial incentives for farmers to protect native vegetation – ultimately helping to meet the growing international demand for zero-deforestation supply chains.

Farmers can access loans with significantly discounted interest rates (up to 20%) if they demonstrate adherence to a set of criteria. The criteria is pegged to the Brazilian Forest Code (see box), and also requires that the financed cultivation area must have been cleared before January 1, 2020. Farmers must demonstrate that no conversion of additional areas of native vegetation occurs in the area during the term of the Facility.

The RCF is targeted at areas of high risk of deforestation, so that its impacts have the maximum additionality. The impacts of the RCF are monitored and independently verified by different parties, to ensure consistency, independence and transparency of results.

So far, the program has funded farmers who together conserve 11,300 hectares of surplus legal reserve. The program has conserved carbon stocks of 21m tons CO₂e, all while it is supporting the production of deforestation and conversion-free soy (having produced 42,000 tons of DCF soy on its first main crop season).

Growth trajectory

The scheme has won backing from a number of major international food companies – including Tesco, Sainsbury's, Waitrose, Santander, Rabobank, and the Agri3Fund. With this buy in, it expects to grow the number of hectares under protection tenfold by 2025.

See sources and learn more at the [SIM website](#) and [IFACC 2023 Market Report](#).

What is the Brazilian Forest Code?

The Brazilian Forest Code is a legal framework that regulates the use and conservation of forests in Brazil. It sets guidelines for land use, requiring property owners to maintain a certain percentage of their land as forested areas, known as Legal Reserves.

The code aims to protect native vegetation, promote sustainable land practices, and restore degraded lands. It plays a crucial role in balancing economic development with environmental conservation in the country.⁵²

Learnings: Five success factors

The success of these solutions has been made possible through radical collaboration across the investment chain – local communities and farmers, project developers, corporate customers, and investors – to reduce project risks and overcome barriers that have previously held up projects and investments.

We invited partners to reflect on what we have collectively learned as the NbS market has developed in Brazil. Five lessons emerged that can help inform and accelerate progress on nature finance in Brazil and around the globe.

1 Showcasing and growing the project pipeline, by value and volume

Lack of adequate, investible project pipelines has often been cited as a key barrier in holding back nature investment. But a new reality is rapidly emerging. Capital for Climate has mapped an NbS pipeline of >USD\$21bn within 318 distinct investable opportunities, primarily in Brazil and also across LATAM and Sub-Saharan Africa. They are actively working to showcase and grow more opportunities, including via their **NbS Investment Intelligence Platform** that provides investors with up-to-date insights on investment theses, new investable opportunities and ecosystem players; as well as virtual and in-person roadshows, summits and showcases. Another example is 'pipeline partnerships', with partners scouting for opportunities, for example with the UN Climate Change High-Level Champions' Regional Platform for Climate Projects.⁵³

2 Lowering the cost of capital through innovative financial mechanisms

Nature-based Solutions can require significant upfront investments and take years to fully mature. This can create cash flow issues and limit financing opportunities for new projects, challenges which are compounded in developing markets like Brazil, where interest rates are relatively high and exchange rate risks can disincentivize international investors. Recent examples underline the importance of targeted efforts to overcome these challenges with new financial mechanisms. IFACC signatories have disbursed USD\$240m in tailored financial instruments that help de-risk projects and reduce the cost of capital, lifting new projects off the ground. At the same time, the Inter-American Development Bank is working with the Brazil Ministry of Finance to provide products to protect against variations in the Brazilian exchange rate and attract Foreign Direct Investment.⁵⁴ Much more can and must be done in this area (see Section 3).

3 Recognizing community engagement and support as a precondition for success

The case examples featured here show the opportunities to foster socioeconomic development in local communities – alongside delivering environmental and social impact and investment opportunities. The experience of these projects also shows that engaging local communities is critical for success. For example, INOCAS had to overcome an initial lack of interest from local farmers and resulting low participation rates that jeopardized overall project success. Through identifying and engaging with early adopters, the project team built a critical mass of farmers interested in taking part and were able to effectively deliver the project.

4 Harnessing nature tech to improve traceability, certification and integrity

New technologies offer significant opportunities to more rapidly identify and assess viable nature-based investments and measure and monitor their outcomes for people and the planet.⁵⁵ This is critical to both agreeing on impact metrics, and reporting against them. For instance, the recently launched **Resilient Planet Data Hub** identifies the potential for investors to use data to map viable projects, understand commercial returns and estimate benefits to society – much as Mombak are doing as they aim to use science and technology to develop the highest quality carbon removal credits.

5 Connecting the investment ecosystem

As market gaps are being closed and replicable models created, scaling investment means bringing together all parts of the investment chain. In May 2024, Capital for Climate's Brazil Nature-based Solutions Investment Summit brought together 26 investable NbS opportunities from the platform's vetted pipeline of ~150 Brazilian funds, project developers and enterprises with 111 domestic and international investors, and a range of leading market stakeholders. In aggregate, the 26 presented opportunities were estimated to represent USD\$1.2bn in investable opportunity. To date, Capital for Climate reports that USD\$80m in deals are already in process from the Summit alone, which will be delivered again in May 2025. Critical to this effort is building links between international investors who have a focus on Nature-based Solutions and their prospective counterparties of highly qualified Brazilian General Partners who are knowledgeable and active in the market.

03

Unlocking the next phase of growth in Brazil and beyond



The momentum in the Brazilian NbS market is clear, with the volume, value and scale of projects and deals set to grow further. These financial flows can play a crucial role in supporting the development of a thriving bioeconomy in the region.

Solutions exist and projects are being delivered at increasing scale. Based on the rising deal flow, new innovative financial mechanisms coming to market and the growing number of successful projects, Capital for Climate and IFACC believe that since 2020 the NbS market has been progressing through the 'pilot' stage of a classic 'S curve' of market development.

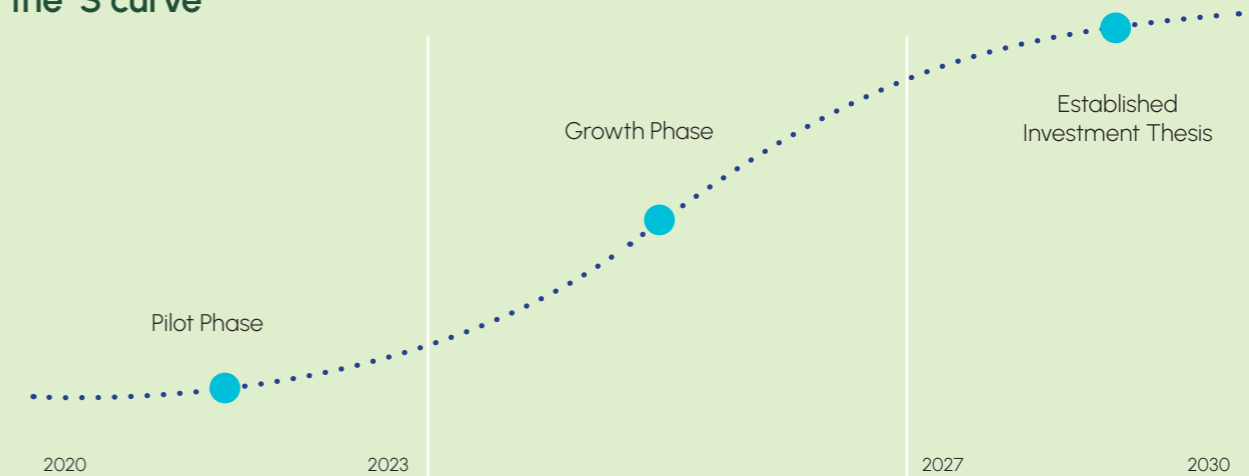
Many new business models are in early stages of their evolution, testing new approaches, product offerings and structures.

"We are just at the tip of the iceberg now in Brazil, there is space for significant growth."

Pedro Moura Costa,
Founder and CEO at Sustainable Investment Management

But to fully unlock this significant investment opportunity, in Brazil and other high potential biodiversity-rich markets around the world, structural changes are needed to create the enabling conditions for success.

Market development: the 'S curve'



N.B. This graph is illustrative only.

Through conversations with expert partners from across the industry, we have identified three priority shifts that are urgently needed.

On the following pages, we outline why each change is necessary, where we are seeing momentum, and what must happen next to unlock further progress.

I. Increase demand for deforestation-free commodities and Nature-based Solutions

II. Deploy 'catalytic' capital to unlock more private capital

III. Integrate climate and nature policy at the international and national level

I. Increase demand for deforestation-free commodities and Nature-based Solutions

Clear and consistent demand signals are crucial to provide investors and entrepreneurs with the confidence to invest in and develop Nature-based Solutions, which can take many years to mature.

Major food companies must increase demand for deforestation- and conversion-free commodities to give farmers the certainty needed to commit to the agricultural transition. Momentum has been building towards deforestation-free commodities for years, and these important steps must be implemented and expanded on:

- Over 300 companies are aligning their policies with the **Accountability Framework Initiative**, a practical roadmap for addressing deforestation in supply chains. Meanwhile, 21 major companies in the Consumer Goods Forum, with a collective market value of more than USD\$1.8tn, are using their collective influence to accelerate efforts to remove deforestation from across their suppliers' entire supply base through the **The Forest Positive Coalition of Action**.
- **The First Movers Coalition for Food** launched at COP28 aims to harness the power of 20 major food companies by creating a combined procurement commitment of up to USD\$20bn sustainably produced and low-emission agricultural commodities.
- **The COP28 Action Agenda on Regenerative Landscapes** aims to aggregate, accelerate and amplify efforts to transition large agricultural landscapes to regenerative landscapes by 2030 by brokering partnerships across the food and agriculture value chain. It follows a place-based

management approach that involves collaboration of stakeholders in a landscape to advance shared sustainability goals and build resilience.

- **The Glasgow Financial Alliance for Net Zero (GFANZ)** will be releasing a consultation paper with guidance on how to integrate nature into net-zero transition plans at COP16 in October. TNFD will be launching a complementary report at the same time. Recognizing that there is no net-zero without Nature, and with this guidance in place, the demand for nature-based solutions will continue to grow as business and financial institutions execute on their transition plans.

And even as the global community seeks to agree and implement robust standards for carbon credits, international companies must also increase the number of 'offtake agreements'⁵⁶ on offer for the highest integrity carbon removal projects, an essential indication of demand and willingness to pay for effective nature conservation and restoration projects at scale.⁵⁷

Private financial institutions must also increase demand by advancing progress towards deforestation-free portfolios, while also actively looking at financing opportunities and incentives to drive investment in credible high-integrity Nature-based Solutions.



II. Deploy 'catalytic' capital to unlock more private capital

A targeted injection of 'catalytic capital' can de-risk and accelerate the flow of private investment to Nature-based Solutions, particularly in developing economies.

The sums needed are not out of reach: IFACC estimates that USD\$2bn dollars of catalytic capital by 2030 is needed to help unlock the growth phase of the agriculture transition in Brazil.⁵⁸ By deploying catalytic capital, governments, Multilateral Development Banks (MDBs) and philanthropists can crowd in many multiples (3-5 x) more in private finance.⁵⁹

This means that USD\$2bn of catalytic capital in Brazil could help unlock close to USD\$6bn-USD\$8bn of capital for Nature-based Solutions by 2030. This capital will directly fund impactful, investible projects. And, at the same time, it will support a critical mass of projects that can together help establish the investment thesis for the next tranche of investment flows to Nature-based Solutions in Brazil and beyond.

Theory is one step closer to reality: the Gordon and Betty Moore Foundation's Environmental Conservation Program has announced its intent to advance a new catalytic capital fund focused on the Amazon, Chaco and Cerrado. If other backers can be secured, the fund has the potential to disburse USD\$500m by 2030 and leverage USD\$2.5bn in commercial capital, delivering a positive impact on 1.25 million hectares.

Private financial institutions must support these efforts by increasing their own investments into Nature-based Solutions while also helping catalytic capital providers to design effective delivery models.



What is catalytic capital?

Catalytic capital refers to debt, equity or other investments that accept disproportionate risk and/or concessionary returns compared to conventional capital.⁶⁰ By design, it serves to de-risk projects, unlocking and enabling the next stage of market-rate capital to come in.

Catalytic capital can play a particularly important role in helping to manage the *uncertainty factor* – which can often be a more relevant factor than known risks for Nature-based Solutions.

It is called 'catalytic' capital due to its importance in unlocking growth at all the key stages of a project's lifecycle:

Proof-of-concept:

Catalytic capital can be used to validate the feasibility and potential impact of innovative NbS approaches. By supporting early R&D and technical assistance, catalytic capital can build a foundation for future growth.

Proof of scale:

Catalytic capital can supply growth capital to expand pilot projects, conduct further testing in diverse environments, and attract larger-scale investors.

Scale-up:

Catalytic capital can facilitate the widespread adoption and integration of NbS into mainstream practices and policies by offering bridge financing or mezzanine funding to support the transition to large-scale operations, including significant infrastructure investments, partnership development, and policy advocacy.

Catalytic capital is usually drawn from sources such as philanthropy, government, Development Finance Institutions (DFIs), Multilateral Development Banks (MDBs), and risk-based funds. It can take various forms, including:

- Grants
- Patient/longer-tenor investments
- First loss, mezzanine capital
- Funds to pay for insurance
- Guarantee facilities for risks such as currency
- Funds for early research and development (R&D) and technical assistance

Catalytic capital must be designed to unlock rather than crowd out commercial finance solutions. For instance, it must be deployed for limited time periods and in a highly targeted way, ensuring it is clearly additional and supporting the development of robust business models.⁶¹

III. Integrate climate and nature policy at the international and national level

We are now entering a critical period when governments will be required to submit new, more ambitious national climate and biodiversity plans at two upcoming UN milestones, both hosted in ecologically 'mega-diverse' countries: CBD COP16, the biannual biodiversity summit in Colombia (2024), and UNFCCC COP30 in Brazil (2025).

Governments must use this opportunity to *accelerate and integrate* policy development, delivery and monitoring processes. This will break down unnecessary silos to unlock win-wins and drive efficiencies that save time and public resources.⁶²

To support such efforts the **Climate Nature Coordination Platform** was launched at the Bonn Climate Change Conference. This aims to ensure land and nature are at the heart of enhanced NDCs during the critical months ahead of COP29, onto COP30, and towards achieving 2030 climate goals.

Overview of international policy processes for climate change mitigation, adaptation, and biodiversity

Convention



United Nations
Framework Convention on
Climate Change



Convention on
Biological Diversity

Framework

Paris Agreement

Global Biodiversity
Framework (GBF)

National Strategies

Nationally Determined
Contributions (NDCs)

National Biodiversity
Strategy and Action
Plan (NBSAPs)

Source: WWF, Breaking Silos: Enhancing synergies across NDCs and NBSAPs, December 2023.

“We are in a climate emergency and are entering into a critical period on the road to COP30 in Brazil. Nature, deforestation, and food systems are moving center stage as governments around the world seek to deliver on joint climate, biodiversity and sustainable development goals. We need to work urgently to stop deforestation.”



Patricia Espinosa.
CEO and Founding Partner
of onepoint5, former Executive
Secretary of the UNFCCC and
Chair of GFANZ Latin America

As governments work to develop National Biodiversity Strategies and Action Plans (NBSAPs) and fully integrate nature into their Nationally Determined Contributions (NDCs), two cross cutting issues must be top of the agenda:

1. Halt and reverse deforestation and land conversion globally by 2030 at the very latest;
2. Redirect the trillions of dollars currently allocated to harmful subsidies that are making the climate and nature crisis worse into Nature-based Solutions.

Private financial institutions must support this process by making nature an integral component of their own climate transition plans while also using their influence to advocate for policies that support a successful transition to a resilient, net-zero and nature positive economy, in alignment with the leadership practices of Race to Zero.

Non-state actors are advancing nature positive for climate action and food systems transformation

Nature positive for climate action: A global campaign championed by Razan Al Mubarak (COP28 UN High-level Champion) and Manuel Pulgar-Vidal (CBD Action Agenda Champion for Nature and People). It is focused on mobilizing businesses and financial institutions to embed nature as a critical part of their net-zero commitments and action through adoption of nature-related targets and disclosure, deforestation policies, increasing investments in Nature-based Solutions and putting nature in climate transition plans. Over 400 businesses and financial institutions are advancing this call to action. To learn more click [here](#).

Food systems call to action: Launched at COP28, the Call to Action mobilizes collective efforts around a shared vision of food systems that deliver significant, measurable progress for people, nature, and climate by 2030. Through this shared agenda, we aim to scale action, raise ambition, and unlock the potential of food systems as one of the main solutions for people, nature, and climate. Over 200 non-state actors have endorsed this call to action. To learn more click [here](#).

Now is the crucial moment to scale nature finance globally

Looking forward

The good news is that the pipeline of investable Nature-based Solutions is growing. Financing is beginning to flow at a greater scale, and projects are increasingly proving profitable for business, communities and investors, while enhancing food security.

The next year will see major milestones in the international and national policy landscape, and for corporate and financial delivery towards net-zero and nature positive. Now is the moment to scale nature finance, in Brazil and beyond.

Key resources for investors

Platforms to find and develop investment opportunities:

A range of initiatives have developed platforms and resources to help connect investors with NbS investment opportunities in Brazil and beyond:

- The Capital for Climate NbS Investment Intelligence Platform
- The IFACC Knowledge Hub
- The Nature Investment Lab

Further reading:

There a wealth of reports available that offer insights into development of the NbS market, including:

- State of Finance for Nature 2023 – UNEP
- Toolbox on Financing Nature-Based Solutions – Climate Policy Initiative
- Financing Nature: A Transformative Action Agenda – Center for Global Commons
- Financing a Sustainable Global Bioeconomy – Climate Policy Initiative
- Finance for a Sustainable Bioeconomy report
- Brazil's New Green Economy – Systemiq
- Deforestation-Free Finance Sector Roadmap – Deforestation Free Finance
- Finance Sector Deforestation Action Initiative Progress Report – FSDA
- Finance for a forest-positive future – IFACC
- Mobilizing Capital to Scale Responsible Expansion of Crop & Livestock in Brazil – IFACC
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