

# Investing in Nature Restoration Building and sustainable future

## EIB Biodiversity *Funding*

Stephen Hart

European Investment Bank

2. June 2026

# Natural Capital Financing Facility 2015-2022

## Rewilding Europe Capital - EU

1.4m loan to SPV

Rural pro nature SMEs



## Athens Resilient City NBS

EUR 5m loan for municipality

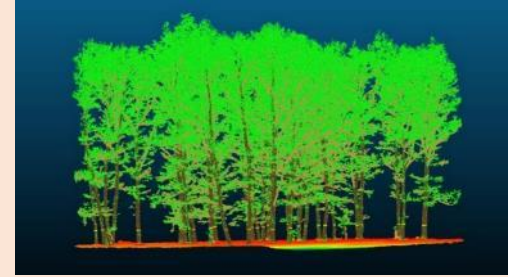
Urban Green Infrastructure



## SLB Forestry - Romania

9.5m secured loan for corporate

Close-to-nature forestry



## Alzette River Renaturing - Lux

9m loan for State Water Fund

River restoration



### Sustainable Finance

## CDC Biodiversite - France

EUR 5m loan, part contingent

Habitat banking/biodiv. credits



## Ginkgo Fund III - EU

EUR 15m loan to equity fund

Brownfield development w. NBS



## SLM Silva Fund - Ireland

EUR 7.4m for equity fund

CFF forestry portfolio



## SPGE Wastewater - Belgium

EUR 4.5m loan to a utility

Beyond compliance....



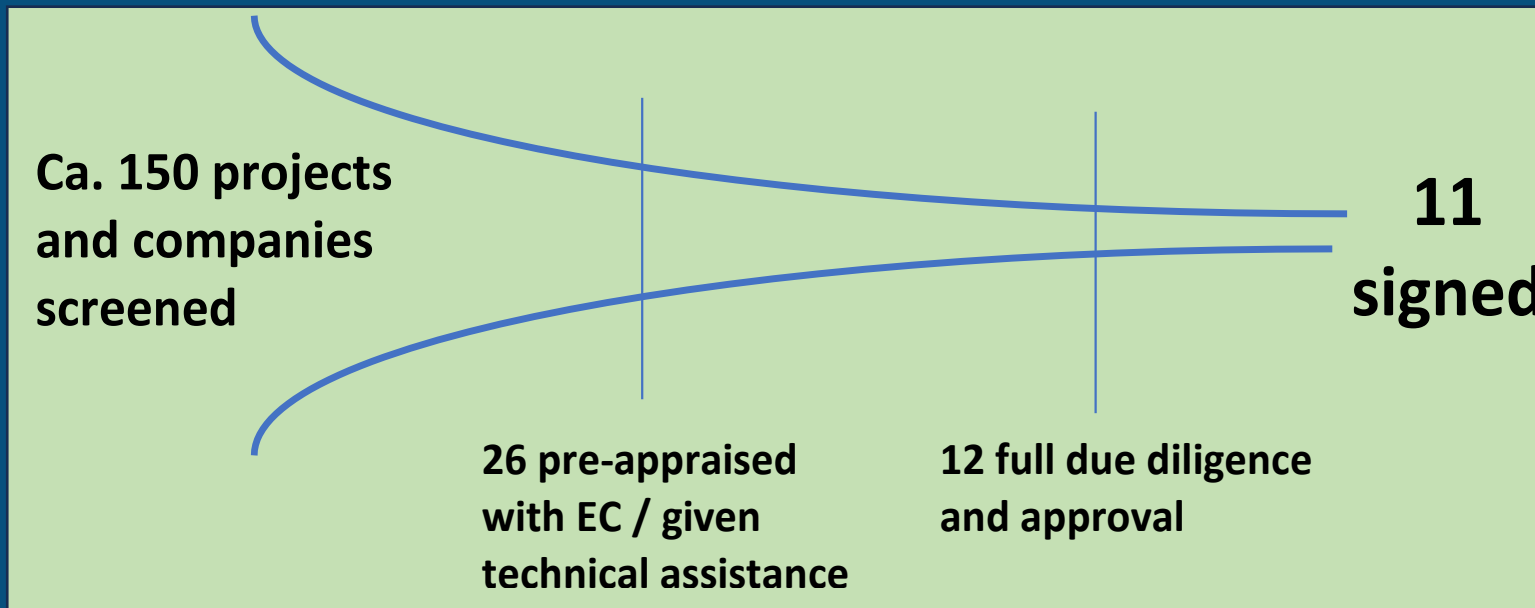
First dedicated financial instrument for biodiversity and nature-based climate adaptation  
biodiversity + climate, diversity of products

# Natural Capital Financing Facility 2015-2022

The NCFF was a market based instrument

-> *standard risk assessment, management and pricing*

Project size  
typically  
< 1m



Avg. EIB financing size < 7.5m

- small project sizes
- land acquisition ineligibility
- no track record/risk/absence of revenue
- governance/alignment of interest issues for emerging funds

Viability of the overall instrument a challenge

# Investing in nature-based solutions

## State-of-play and way forward for public and private financial measures in Europe

- EU and national funds predominant  
*private funding/finance negligible, but curious, projects small, some front-runner banks*
- Agriculture has major dedicated NBS funding  
*but effectiveness questioned*
- No one-size-fits-all approach to financial instruments for NBS  
*Need to tailor to need/legal environment; often illiquid*
- Need for a policy driven financing continuum



European  
Investment Bank



European  
Commission

150 +  
Reviewed  
Reports

110  
Survey  
Responses

58  
Interviews

Database of  
1,364 projects

Language!  
Funding vs  
Financing

Lessons of the  
Natural  
Capital  
Financing  
Facility

# Markets not (yet) a force for scaling nature investment



*Removing '**barriers**' will not change fundamental market features (awareness, training, **derisking** not sufficient for scaling private action )*

- **'Public good' attributes (non-excludable/-rivalrous), mix of public and private benefits**
- **Externalities from other markets that are supported with (harmful) subsidies**
- **Difficult to value, to monetize**

→ **Scaling of private action requires regulation, markets for public goods\*, grants for private action**

*markets have limits!*



**“Give me some space!”**

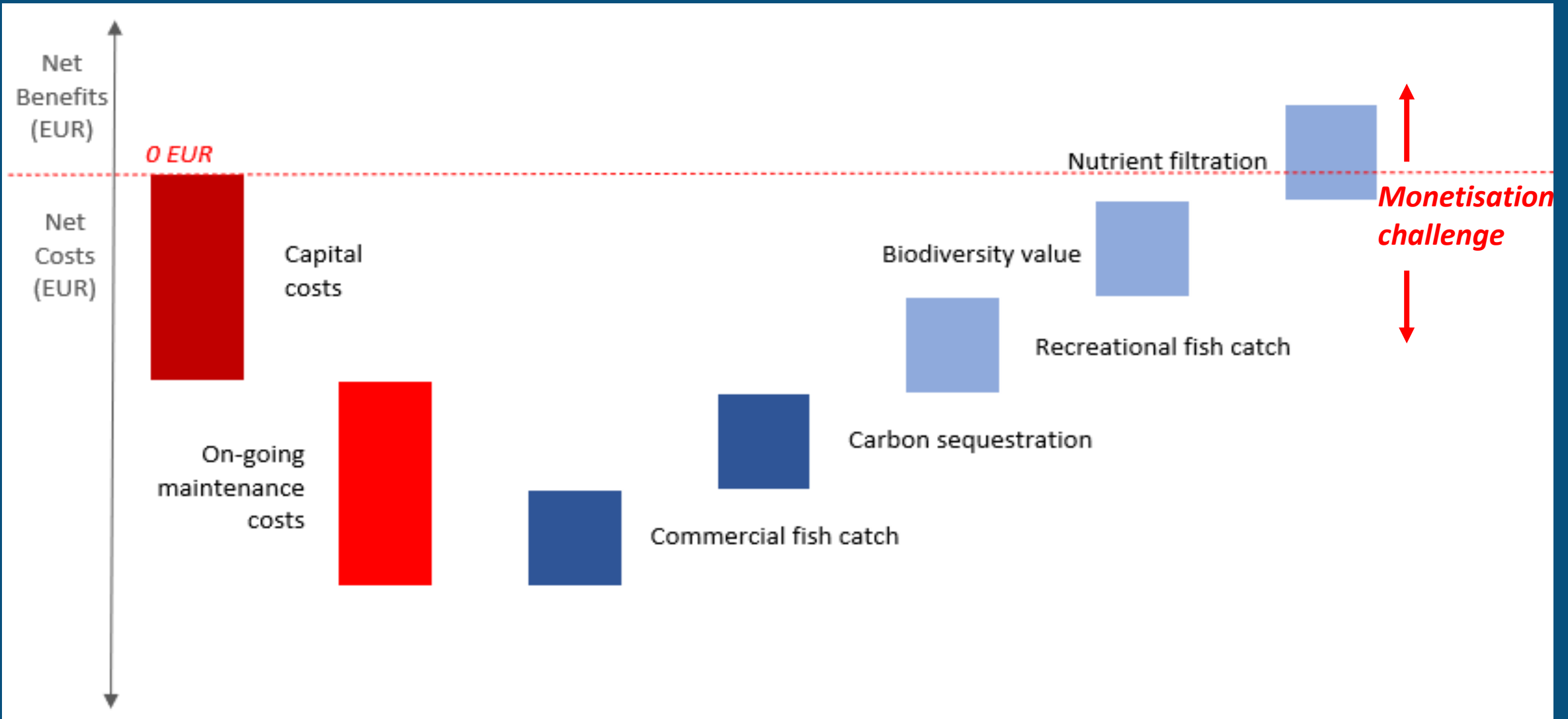
### **Land acquisition**

- often unavoidable for ecological coherence, permanence
- often the main cost item, with future agri subsidies priced in
- used to capture gains, control use and revenues, as collateral
- easements with positive obligations not used widely in EU

### **Common challenges**

- fragmentation
- intransparent/speculative investment strategy
- perceptions of land-grabbing
- non-eligibility/perceived non-additionality of land acquisition/conservation

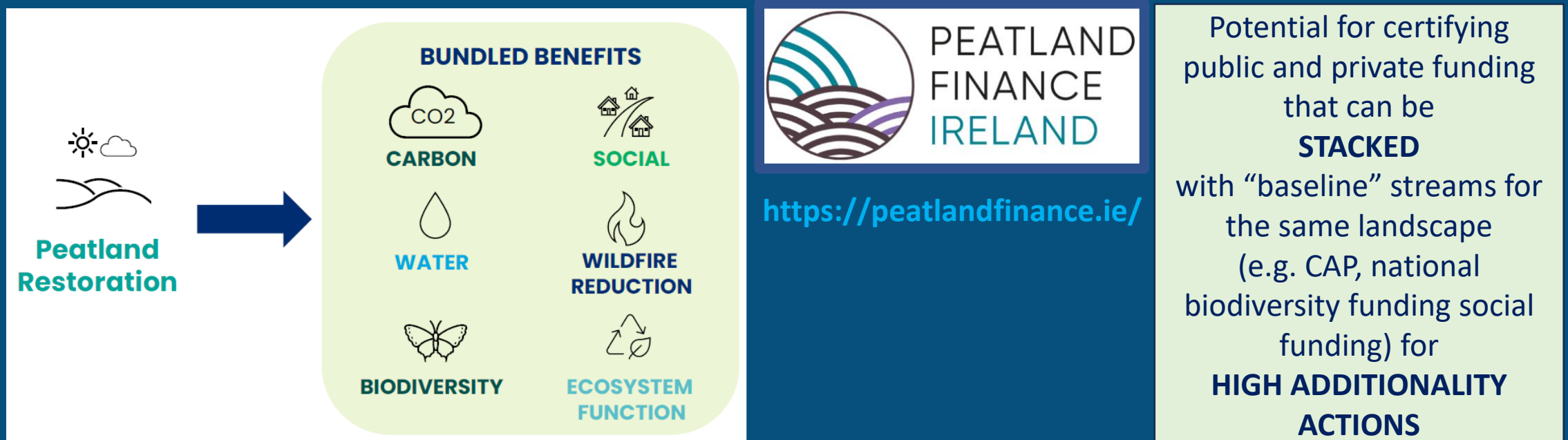




***Cui bono?***

***Benefits → Beneficiaries → FUNDING → PROJECT HOLDERS ← Enablers***

# Irish Peatland Standard, bundled ecosystem certificate – EIB Advisory



- Mutually reinforcing metrics, certified as a whole (“BUNDLED”)
- Alignment with CSRD principles and evolving CRCF, various other standards
- Range of peat/organic soils (including grasslands) and scalable implementation pathways
- Immediate water and CO<sub>2</sub> impact

# Riga Peatland Restoration and Solar Park – EIB Advisory

Degraded peatlands are prevalent in the Baltics, where prolonged peat extraction for fuel has left behind barren landscapes.

SIA Rigas Mezi, the municipal forest management company of Riga City (LV), is developing a project to transform degraded peatlands in the proximity of Riga.

This includes restoration and the installation of large-scale solar PV parks within the framework of a land use master plan built on multiple criteria.


Restoring these habitats will reestablish their ecosystems, arresting CO2 emissions and attracting biodiversity.

Renewable energy generation from PV will make a significant contribution to Riga's and Latvia's net zero plans.






**SCALING BIODIVERSITY  
MARKETS**  
**A MARKET STUDY**



Nature Restoration Law Funding  
Opportunities and Instruments

AA 012215-002

**Working Draft Report**



**Draft Final Report**

*Framework agreement to support EIB advisory services (EIBAS)  
activities inside and outside EU-27  
Lot 1: Environment*

**EU Water Sector Investment Needs and Gaps  
Assessment**

AA-012336-001  
Contract CC17441



*This technical assistance (TA) operation is funded from the European Union through the InvestEU  
Advisory Hub*

Project level voluntary CSR/Philanthropy

Project level voluntary markets (e.g. carbon/water/biodiversity)  
based on impact, including certificates or credits)

Project level ecosystem service beneficiaries paying for maintaining ability  
of ecosystem to provide benefits or for actual value of benefits, *including*  
potential regulated revenue eg environmental resource cost, LINKED  
(direct correlation between funding and cost or benefits of actions)

Supply chains, based on standards, solidarity, brand, perceptions,  
strategy, risk reduction; MECHANISM to distribute funding to supply  
chain actors. Mark-up or redistribution of profits, “spend for resilience”.

Ecosystem type level obligated parties (industries impacting or using),  
DELINKED (no direct correlation between funding levied and specific actions)

Policy-driven local and national budgets (from general taxes) for income  
support or performance, including potential regulated carbon markets

Policy-driven EU funding (eg CAP) for income support or for performance

Direct revenues = “upside”

Ecosystem  
restoration and  
management  
funding needs

**The Stack, including obligated / regulated and voluntary funding sources**

## Non-Commercial Ecosystems

Ecosystems for which restoration does not result in significant financial return

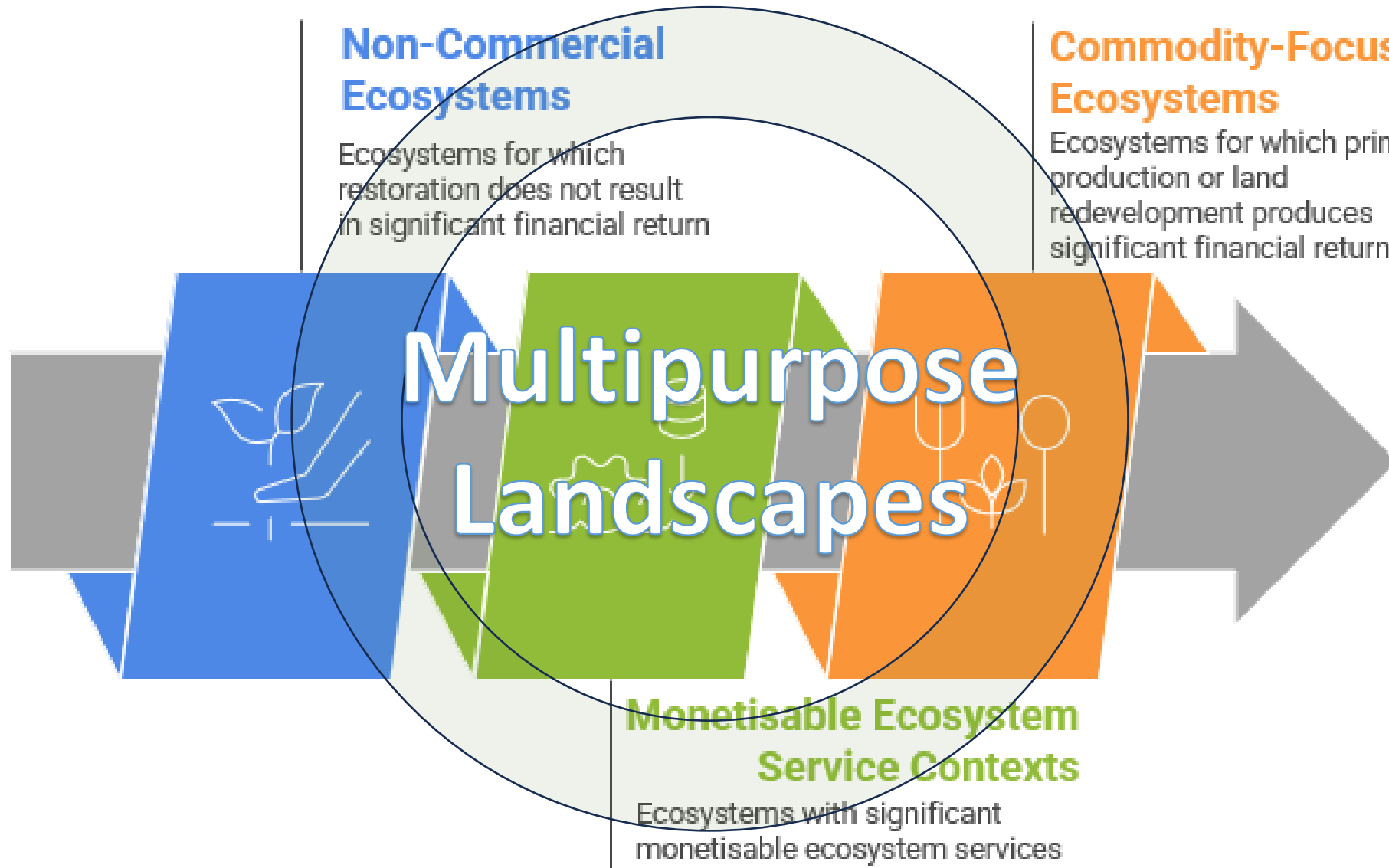
## Commodity-Focused Ecosystems

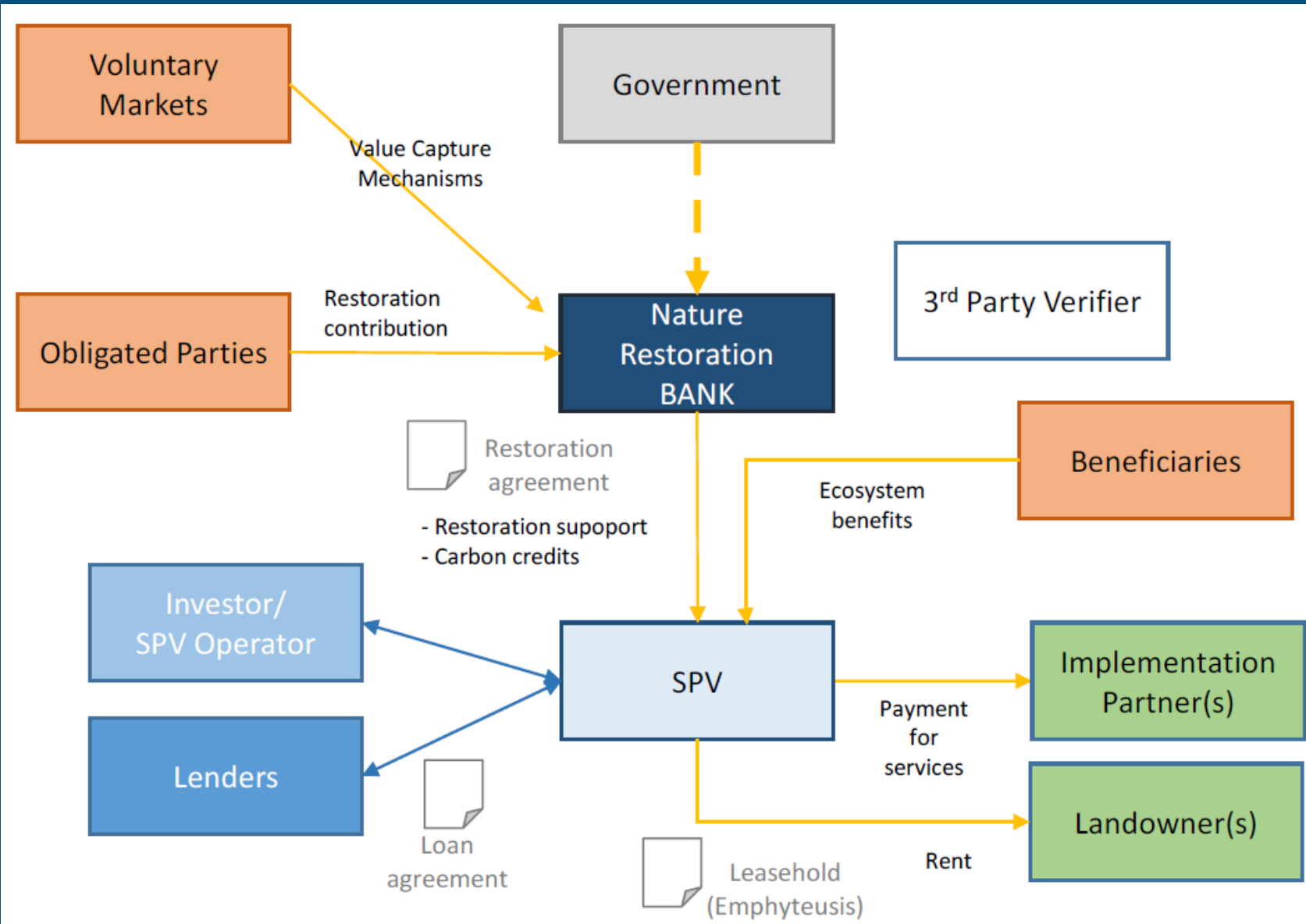
Ecosystems for which primary production or land redevelopment produces significant financial return



## Monetisable Ecosystem Service Contexts

Ecosystems with significant monetisable ecosystem services





***The players: aggregators, developers, implementers, land managers, national/regional entities***

# Market Study on Private Capital Mobilisation for Biodiversity Financing

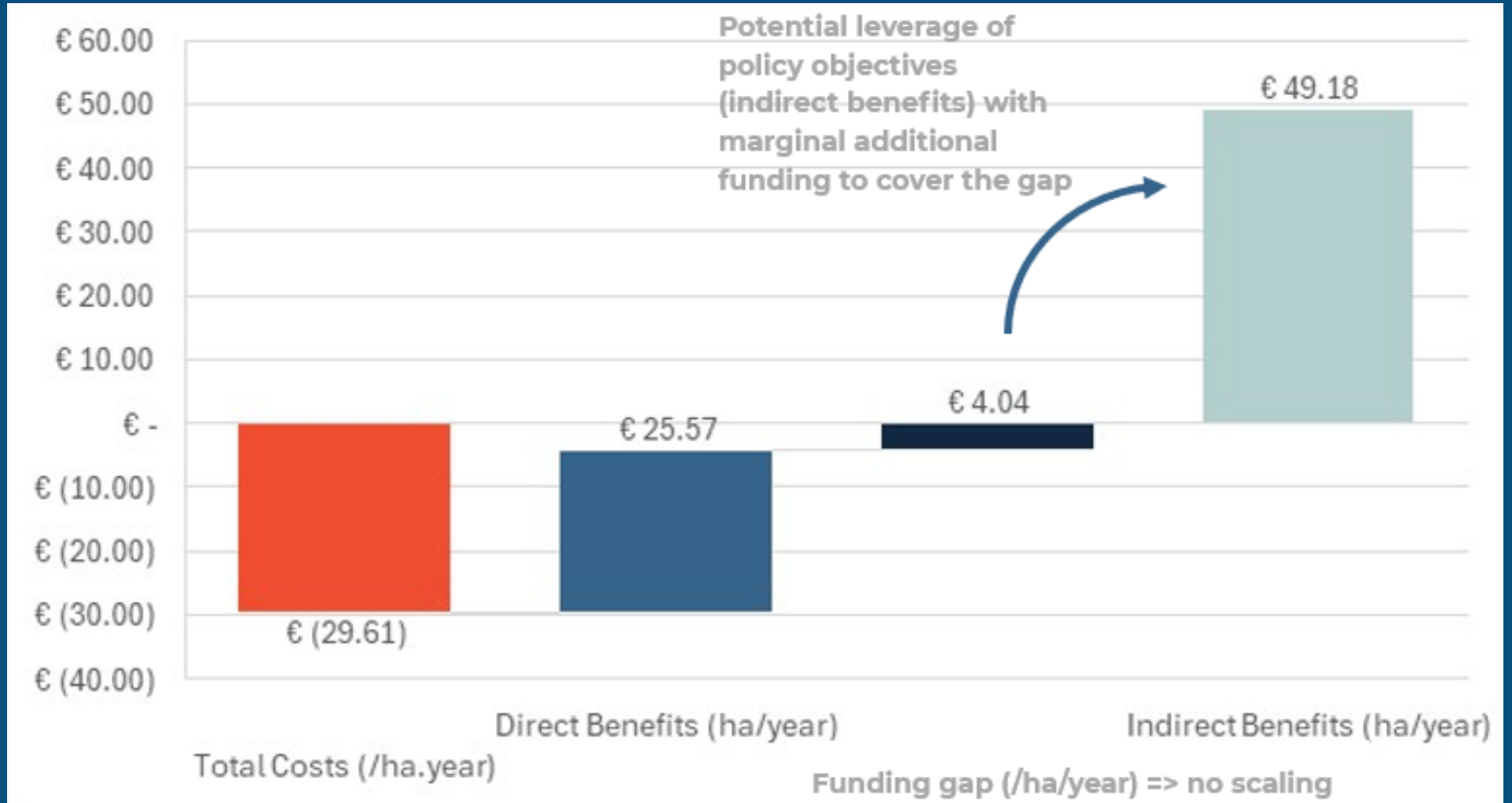
- With CDC Biodiversite, France with advanced regulation
- Survey of nature-motivated corporates and financial institutions – exploring biodiversity credits
- **Poor understanding of how credits/certificates work technically/strategically**
- **Global desire for better/more uniform definition, including accounting treatment**
- **Current credits/frameworks do not sufficiently address green-washing concerns**
- **Credit metrics do not match nature-related risk/footprint/accounting methodologies**
  - **Modelled approaches v. baseline/impact measurement, time mismatch**
  - **Flexibility v. robustness**
- **Desire for more formalised/regulated driver for private funding, incentives**
- **Credits not in themselves a capital driver, potentially a catalyst if more standardised**
- **Ask for linkages to (EU/NRR) public policy framework, relevance to corporate targets/policies**
- **Is market aggregation of credits feasible/meaningful? Key actors: developers, owners, corps.**
- **Pricing/price discovery/transparency, eg for mandatory purchase? Link with CRCF?**

# STUDY: NRL Funding Opportunities and Instruments

- The nature of the Nature Restoration Regulation: activities and outcomes
- Exploring representative actions across the NRR ecosystems
- 10 Type Projects examining economics and financial viability
- Generating new funding + creating private sector demand for restoration
- Lessons from other sectors, eg. the energy sector, and other geographies
- Deploying funding efficiently: leverage / stacking (*blended funding, not financing*)
- Scalable restoration and funding paradigms
- Project holders, aggregators, developers, national entities
- Synergies/overlaps with other funding/policies/directives
- Proposals for new funding and financing instruments (for the next EU MFF)

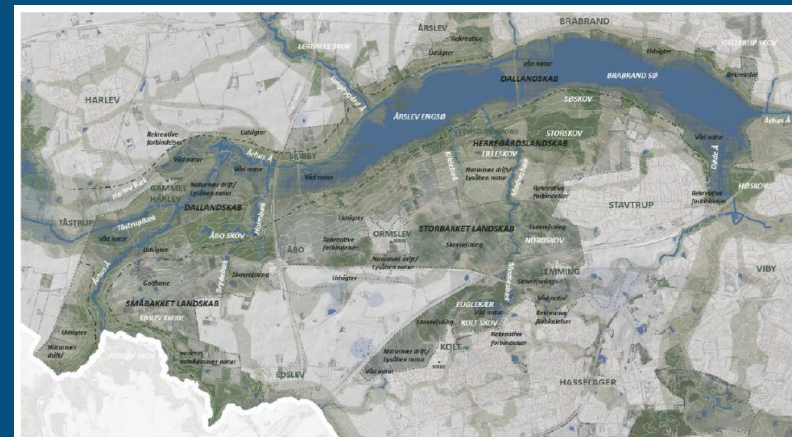
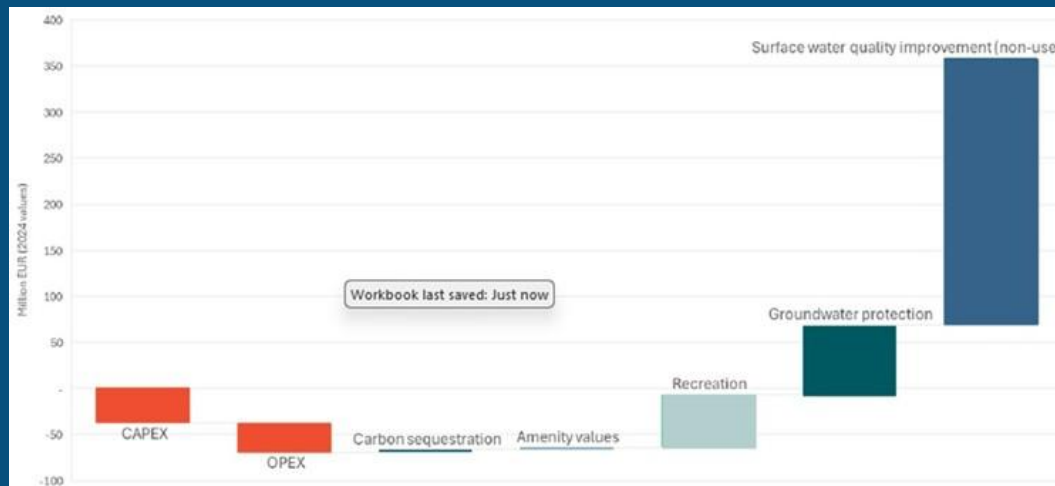
# NRR Study Type Project: Mediterranean Forest

A slow growth landscape that is nevertheless able to produce commodities to some degree, but not profitably

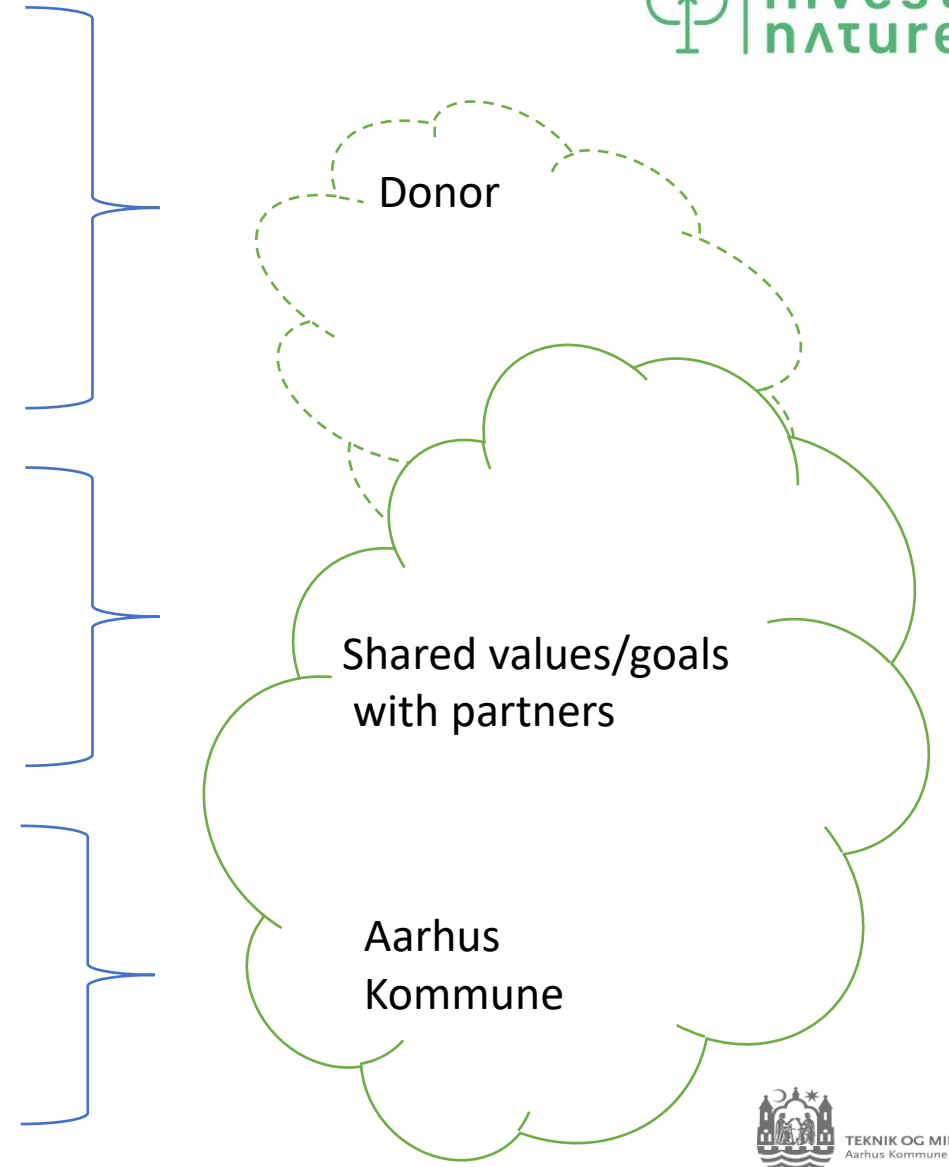
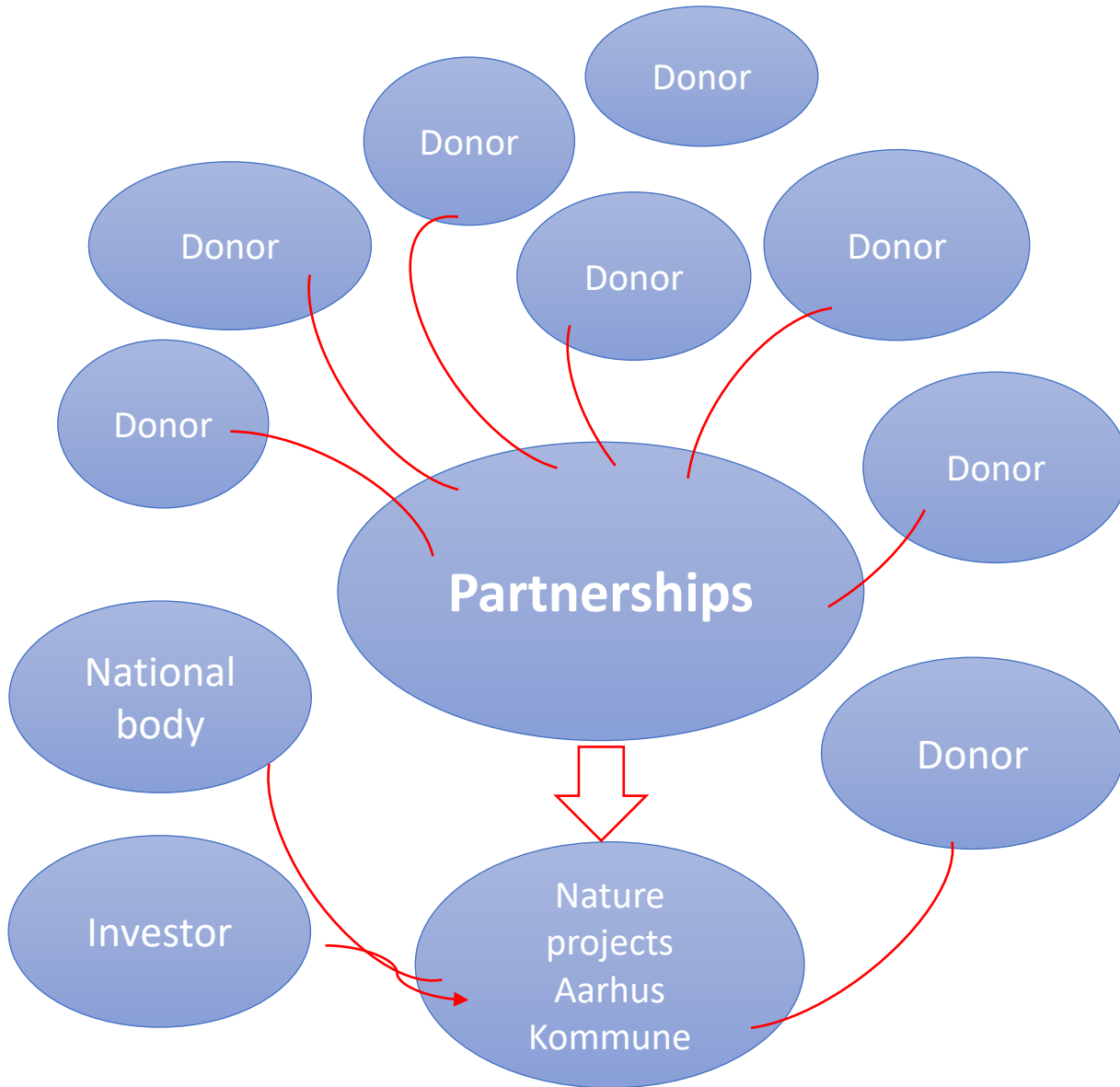


# NRR Study Type Project: Aarhus Water and Nature Parks

- Benefits from groundwater protection, flood risk reduction, recreation, carbon sequestration.
- Identification of landscapes providing multiple benefits has enabled strong cross-political support and public acceptance for their designation for restricted use.
- Designation ensures that land parcels can only be transacted at the fair price for agricultural land, effectively reducing acquisition practise through “inverted” land value capture.
- Institutional model and partnerships translating benefits into sustained and stacked co-funding.
- Land acquisition readiness fund facilitates smooth implementation of the strategy.
- Ultimate target is the designation of 8000 ha out of total municipal area of 44000 ha.



Aarhus River Valley Nature- & Water Park © Aarhus Municipality



## STUDY: NRL Study – Some key findings

- **Voluntary markets will not fill the funding gap, need regulation to**
  - > Create new funding streams, based around polluter pays principle  
*LINKED / DELINKED from specific footprint, lessons from other sectors*
  - > Create demand/obligation for private capital to deploy capital into nature
- **Need stacking of multiple sources of funding with the same actions/landscapes**
  - > Need interoperability of standards
  - > Need framework to make payment for ecosystem services easier
  - > The potential of multi-purpose landscapes in terms of consensus and cash flows
  - > Landscape approaches are promising, need time and resources
- **Specific financial challenges**
  - > Restoration cannot scale without an approach to land/opportunity cost
  - > Readiness to acquire and develop/permit large/connected sites
  - > Scaling the financing of land-use change/development without collateral
  - > Low-credit rating of off-takers of carbon/ecosystems

# NRR Take Aways - Instruments

## New blending paradigms

- > Shift of focus from balance sheet derisking to revenue stabilisation
- > Consider redeployment of portion of major EU subsidies towards this
- > Reverse auctions, price floors / contract for difference

## Credit systems (Nature Credits, CRCF)

- > Potential to shift actions to those who are more capable/to better sites
- > Need realism in managing outcome risks
- > Emerging water/general resilience agenda

## Instrument to support the scale-builders (aggregators, developers), eg. under ECF

- > Linkages to bioeconomy and enabling tech
- > Flexible product range (including risky debt)
- > Steamlined blending

## The institutional setup up and landscapes

- > Advising (new) national entities channeling funding, stacking with local funding
- > Assisting landscape projects and ecosystems services with common data/monitoring

**Thank you for listening**

**Stephen Hart  
Financial Advisor  
European Investment Bank  
s.hart@eib.org**