FOREST TRENDS

The Nature Conservancy

# Gaining Ground

## State of Private Investment in Nature 2026

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## About Forest Trends' Ecosystem Marketplace

Forest Trends Association is a 501(c)(3) organization founded in 1999. Forest Trends works to conserve forests and other ecosystems through the creation and wide adoption of a broad range of environmental finance, markets, and other payment and incentive mechanisms. Forest Trends does so by 1) providing transparent information on ecosystem values, finance, and markets through knowledge acquisition, analysis, and dissemination; 2) convening diverse coalitions, partners, and communities of practice to promote environmental values and advance development of new markets and payment mechanisms; and 3) demonstrating successful tools, standards, and models of innovative finance for conservation.

Ecosystem Marketplace, an initiative of the non-profit organization Forest Trends, is the leading global source of information on environmental finance, markets, and payments for ecosystem services. As a web-based service, Ecosystem Marketplace publishes newsletters, breaking news, original feature articles, and annual reports about market-based approaches to valuing and financing ecosystem services. We believe that transparency is a hallmark of robust markets and that by providing accessible and trustworthy information on prices, regulation, science, and other market-relevant issues, we can contribute to market growth, catalyze new thinking, and spur the development of new markets and the policies and infrastructure needed to support them. Ecosystem Marketplace is financially supported by a diverse set of organizations including multilateral and bilateral government agencies, private foundations, and corporations involved in banking, investment, and various ecosystem services.

## About The Nature Conservancy

The Nature Conservancy (TNC) is a global conservation organization dedicated to conserving the lands and waters on which all life depends. Guided by science, we create innovative, on-the-ground solutions to our world's toughest challenges so that nature and people can thrive together. We are tackling climate change, conserving lands, waters, and oceans at an unprecedented scale, providing food and water sustainably and helping make cities more resilient. TNC is working to make a lasting difference around the world in 83 countries and territories (39 by direct conservation impact and 44 through partners) through a collaborative approach that engages local communities, governments, the private sector, and other partners.

## About NatureVest

NatureVest is the impact investing and nature finance team of TNC. The team designs and executes innovative financial products and provides advisory services that align private capital with measurable conservation outcomes. Since its founding in 2014, NatureVest has helped mobilize over $4 billion in committed capital for projects that address climate change, biodiversity loss, and community resilience. Across more than 25 countries, these projects have collectively avoided or sequestered 5.1 million metric tons of $CO_2e$, improved management on over 8 million acres of land, and protected 172,000 square miles of ocean.

# Acknowledgements

We gratefully acknowledge the following members of the Advisory Group who supported this report:

- Ricardo Bayon; Partner; Encourage Capital
- Paul Bodnar; Director of Sustainable Finance, Industry and Diplomacy; Bezos Earth Fund
- David Brand; Managing Director; Arborcrest Investments
- Ben Gordon; Chief Executive Officer, Fractal Agriculture
- Kwan-Yin Graw; Associate, Client Advisory; Capricorn Investment Group
- Charlotte Kaiser; Senior Advisor, BTG Pactual Timberland Investment Group
- Claudia Leon; Assistant Director, Catalytic Investing; Prime Coalition
- Mike McCreless; Founder and Executive Director, Impact Frontiers
- Camilla Seth; Managing Director, The Finance Hub
- David Tepper; Chief Executive Officer; The Earth Partners

THE FINANCE HUB

GORDON AND BETTY MOORE FOUNDATION

This report is funded in part by the Gordon and Betty Moore Foundation through The Finance Hub, which was created to advance sustainable finance.

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valuing the environment

Many thanks to this report's funders: the Gordon and Betty Moore Foundation through The Finance Hub, which was created to advance sustainable finance, and GreenCollar.

We would also like to share our deep gratitude to the following individuals who provided key insights: Ekat Alexandrova (TNC); Marcos Gambi (TNC); Vivian Melody (TNC); Andy Cawley (TNC); Michael Jenkins (Forest Trends); Lucy Almond (Nature4Climate/World Economic Forum); Giulia Carbone (World Business Council for Sustainable Development); Peter Corke (Kwaxala); Grace Baylis (Fractal), Adam Davis (Ecosystem Investment Partners); Ben Guillon (NetEarth); Edit Kiss (Capital Continuum Management); Valentin Olivry (Sorenson Impact Institute); Tripurari Prasad (Climate Asset Management); Ben Simonds (Climate Advisers); Elaine Irvin (Climate Advisers); Jen Stebbing (Sotora Global); Cakey Worthington (Aurora Sustainable Lands); Phil Drew (Brunswick Group); Thomas Eisenhauer (RRG); and Pedro Moura Costa (Sustainable Investment Management).

Finally, we express our thanks to our 70 survey respondents who generously provided their time to share data and insights.

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# Foreword

*Jennifer Morris and Michael Jenkins*

Nature underpins the global economy–supporting food systems, water security, energy production, and community resilience. Sustainable agriculture, sustainable forestry, nature-based climate solutions, and ecosystem restoration and protection have been around for a long time, often originating from indigenous knowledge and technology. For too long, private investment in nature has been sidelined and treated as a niche experiment by dominant economic systems rather than a powerful engine for global progress. When we break down barriers to create clear, durable pathways for institutional capital, nature becomes what it truly is, a quantifiable asset and a cornerstone of resilient economies.

This report, *Gaining Ground: State of Private Investment in Nature, 2026*, tells a different story—one that surprised us. It reveals a market that has expanded rapidly over the past decade, both in scale and sophistication, despite increasingly tumultuous times in the world. Uncertainty and unpredictability of the sort we're facing with climate change makes some want to double down on the status quo because it feels safer, when in fact, we need flexible solutions, like investment in nature, to help us adapt and thrive. More than $60 billion has been deployed since 2016, when Forest Trends published the *State of Private Investment in Conservation 2016*, with annual investment now exceeding $14 billion in 2025. Just as importantly, nature is no longer

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sitting off to the side. It's moving into the heart of mainstream investment strategies. And as investors step in, they're bringing what has been needed for years: capital, rigor, and the scale and expectations that define mature markets. We want to see this trend continue; nature investments have the power to support our resilience in the face of chaos and instability over the long term, whether social or climatic.

*This shift matters.* It reveals that institutional investors want to pursue investment in nature, but they require structures they recognize, revenue models they understand, and risk frameworks they can underwrite. The data shows that capital is responding accordingly.

Sustainable agriculture and forestry lead the investment landscape, not just because they are essential for the planet, but because they deliver steady returns and help buffer against economic volatility. And now we're seeing newer structures for investing in nature gaining traction, building on that same foundational model. By combining traditional revenues with additional nature-based value streams, the diversified revenue sources can make investing in nature both resilient and compelling.

At the same time, the profile of investors is evolving. A broader set of capital providers is entering the market, including institutions that are engaging through more established investment mandates and structures. Yet this does not come at the expense of outcomes. On the contrary, many investors are finding that strong environmental performance and financial returns are closely aligned, reinforcing the investment case for nature.

The report shows the path forward is coming into sharper focus. Where capital is already flowing at scale, certain conditions are in place: clear revenue models, strong underlying demand, and increasing confidence in how outcomes are measured and verified. These are not accidental, but are the result of policy frameworks, market development, and sustained efforts to turn the benefits nature provides into real, measurable financial value.

Looking ahead, continued progress will depend on strengthening these enablers. Clearer policy signals, including more consistent standards, create stronger market demand—particularly from corporates and governments. This will be critical to expanding the opportunity set and unlocking deeper pools of institutional capital. As with other markets, confidence follows clarity.

There are strong reasons for optimism. There is a fundamental shift happening in how nature is understood, not just as something to protect, but as the infrastructure that underpins productivity, resilience, and long-term value. As this mindset takes hold, it's opening the door to new capital flows, including from investors who might never have seen nature as part of their portfolio.

This report captures a market in motion. What was once viewed as emerging is increasingly becoming established. While there are still real challenges left to solve, the direction of travel is unmistakable: nature is moving into the mainstream of global finance. Our hope is that this report helps clarify not only where the field stands today, but what it will take to unlock its full potential in the years ahead.

# Executive Summary

## Introduction

In 2016, Forest Trends and TNC published a landmark *State of Private Investment in Conservation* report tracking the emerging field of nature investing, defined as private capital committed for sustainable food and fiber production, habitat protection, or clean water that aim to achieve conservation impact while also delivering a financial return.

This report represents an update of that seminal report, one decade later. Much has recently been written about nature capital, which is rapidly emerging as a broad investment theme. However, the space lacks comprehensive, longitudinal analysis grounded in data collection across the full spectrum of return-seeking capital providers and nature investment categories. This report aims to offer that broader view.

The nature investment landscape has matured significantly in recent years, driven by a new appreciation of nature-related risks, macroeconomic forces, policy signals, and the perpetual search by investors for innovation. The launch of the European Union's Sustainable Finance Disclosure Regulation (SFDR) and the voluntary Taskforce on Nature-related Finance Disclosures (TNFD) in 2021, and the adoption of the Kunming-Montreal Global Biodiversity Framework at COP15 (2022), established that nature-related risk (ranging from physical/operational risk to reputational, regulatory, and market risk) would be measured, disclosed, and, eventually, priced. At the same time, corporate commitments on deforestation, climate, and biodiversity have added demand-side momentum. High-quality, large-scale projects have demonstrated an ability to attract credible institutional buyers.

This investment theme is not developing in a stable environment. Geopolitical and macroeconomic volatility in recent years have introduced friction into deal timelines, capital raising, and exit planning. For nature investment specifically, where time horizons are long, macroeconomic headwinds have a disproportionate effect on investor appetite and fund economics.

Nevertheless, investment in nature has benefited from broader trends in the real assets space, particularly increasing investor interest in timberland and farmland thanks to their resilience to inflation and macro volatility. Timber and agriculture strategies continue to be core to nature investment (as they were in our 2016 report).

## Scope

This report quantifies private investment in nature between 2016 and 2025, covering 1,731 nature-related financial transactions and planned allocation announcements, and supplemented by a survey of 70 nature investors. We have applied the "return-seeking" criterion strictly in defining "finance." Both commercial and concessional capital are included. Public and philanthropic grant funding are not—although they may appear in some of the blended finance structures of deals tracked in this report and are noted in those cases.

Our scope includes investments that directly channel capital to nature, in the sense of sustainable working lands production (e.g., forestry, agriculture, fiber) as well as investments in conservation or restoration of natural ecosystems and nature-based climate solutions. We also include enabling and commercialization technologies facilitating investments in the prior categories and with a business model directly dependent on one or more of them—a category not tracked in the 2016 report. The dataset includes private equity (including venture capital), private debt, blended finance, and concessional development finance where private capital is part of the deal.

We employ a six-category taxonomy which reflects how capital allocators organize nature finance strategies, and key differences in company/fund revenue models: sustainable agriculture, sustainable forestry, nature-based climate solutions, ecosystem restoration and

conservation, mixed landscape portfolios, and enabling and commercialization technologies.

An overview of our methodology can be found at the end of the Executive Summary.

# Key findings

## Investment Landscape

**Private investment in nature has grown 5X over the past decade, and the data captured in this report reflects a market that has expanded in both scale and complexity.**

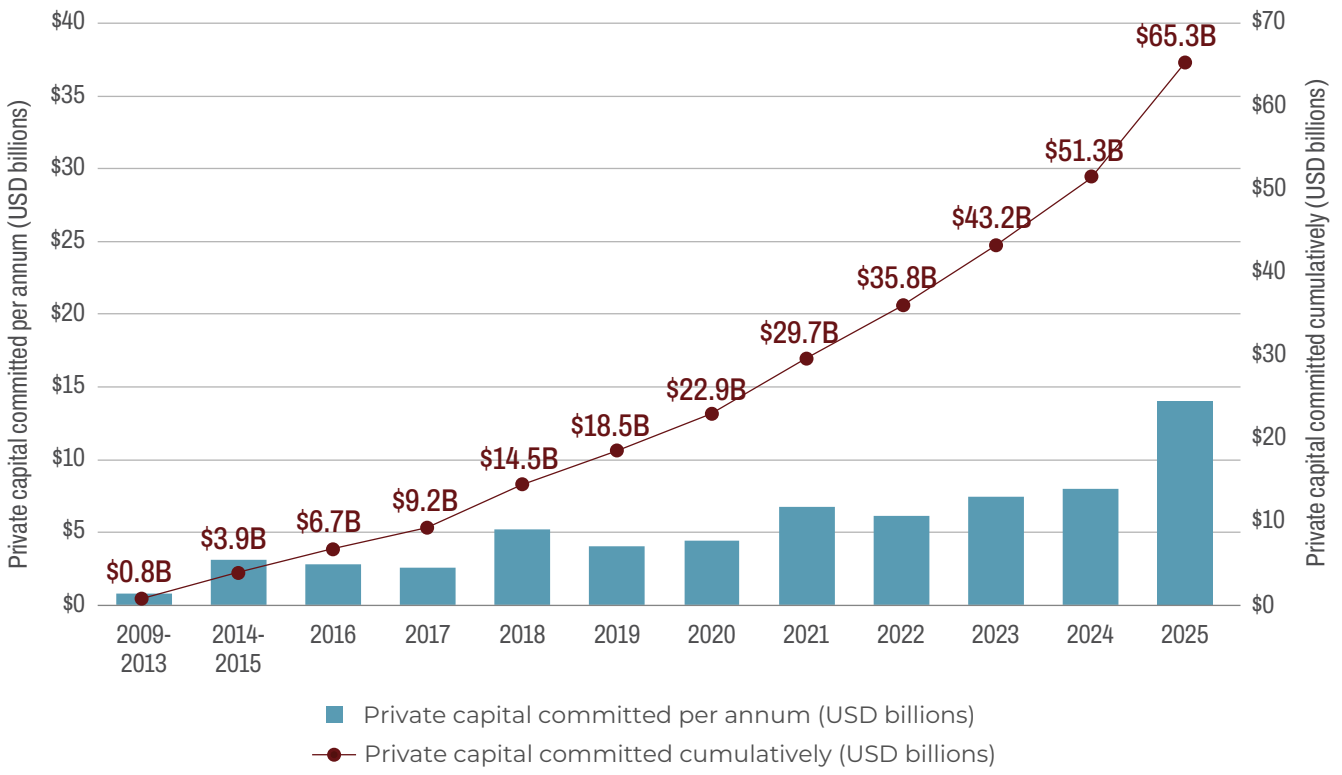
Across all categories and vehicles tracked, deployed capital in 2025 exceeded $14 billion (compared to $2.8 billion in 2016), with at least $61.4 billion committed in the decade between 2016 and 2025 (Figure A). We've tracked an additional $183.5 billion in planned investment in the years ahead.

**Capital distribution across different categories of investment in nature reflects preferences for familiar structures and asset classes, and category-specific risk-adjusted return expectations.**

However, the mix of investment types has diversified considerably over this period, reflecting natural capital's emergence as an investment theme rather than a niche impact allocation (Figure B).

Over the past decade, sustainable agriculture has captured the largest share of nature finance capital, accounting for $32.8 billion (amounting to more than half of total deployments 2016–2025, and 36% of deployments in 2024–2025). The majority of capital tracked is concentrated in a small number of large farmland acquisitions, agri-lending facilities, and food system corporate transactions in operations that carry a sustainability mandate or label. Frontier regenerative agriculture transition finance,

**Figure A.** Private Capital Committed to Nature Investments, Annually and Cumulatively, 2009–2025




*Notes: Figures for the 2009–2013 and 2014–2015 periods come from previous benchmark reports in 2014 and 2016, which tracked finance in four and two-year periods rather than annually, and which also relied fully on survey responses to track commitments. Annual commitment figures for 2016–2025 are based on 681 nature-related transactions collected using a different methodology, which enables more comprehensive data collection but also limits direct comparison with pre–2016 data. Please see Appendix B for methodology details.*

which differs substantially in its ecological ambition, represents a distinct albeit smaller segment of this total.

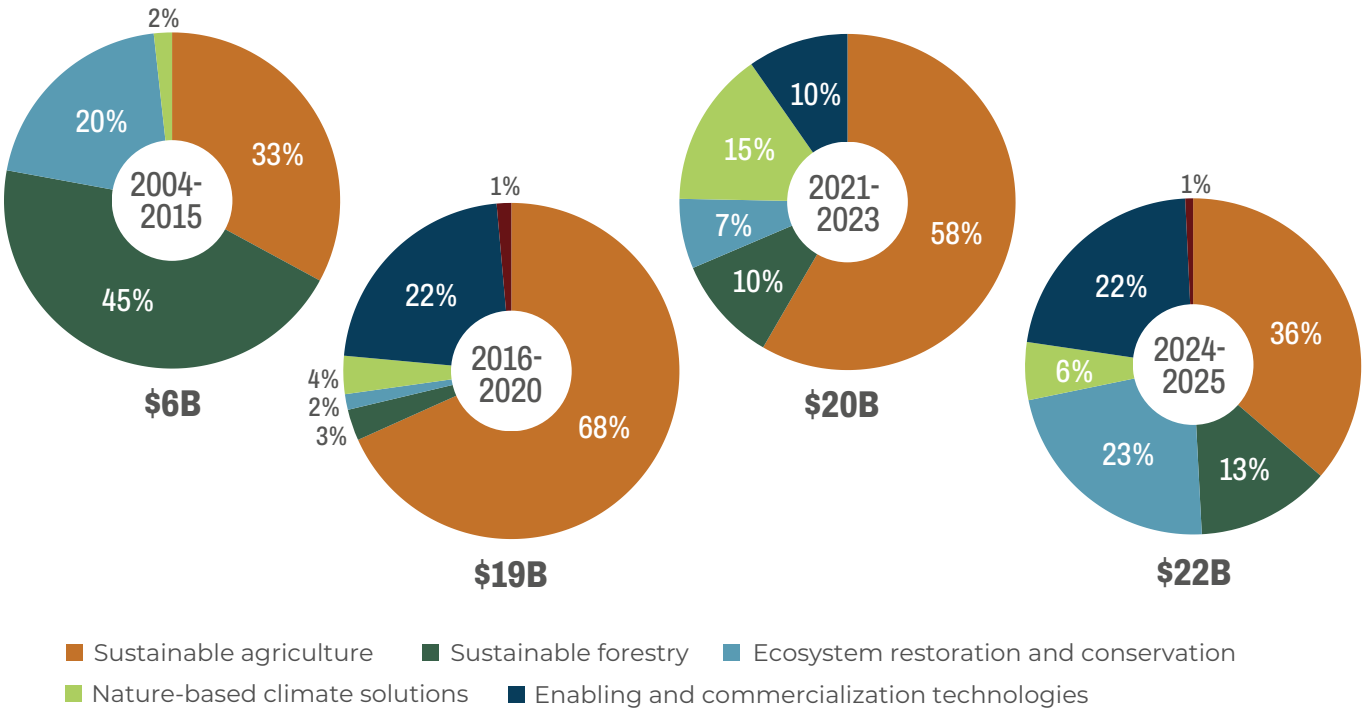
Sustainable forestry was among the first investment-ready asset classes when we began tracking this space, accounting for nearly half of deployment between 2004–2015 (Figure B). Today, it's joined by enabling and commercialization technologies ($4.8 billion, 22%) and nature-based climate solutions ($1.2 billion, 6%) which now represent meaningful portions of deployment compared to a decade ago. Ecosystem restoration has fluctuated over the years; recent large debt deals and institutional engagement in regulated mitigation markets are pushing overall deployment to nearly one-quarter of deployments tracked in 2024–2025 ($5.0B, 23%). Mixed landscape portfolios, which harness multiple revenue streams across working and conservation lands at a landscape level, remain nascent at $166.4 million (<1%) but are growing rapidly, compared to near-zero investment in 2016.

**Sustainable agriculture and forestry appear to dominate capital deployments in large part because they are familiar asset classes for investors and offer portfolio hedges against macro-economic volatility.**

The strength of sustainable agriculture as an investment category partly reflects a broader shift in the agriculture sector. Sustainability certifications, ESG disclosure requirements, and supply chain mandates from major buyers have made some form of sustainability positioning increasingly standard practice for large agribusinesses and their investors (primarily pension funds, sovereign wealth funds, and supply chain corporates). Corporates are making large strategic acquisitions aligned with sustainability mandates: supply chain and food system corporations (including for example Tyson, JBS, Agrosuper, and Cooke) for instance account for 8% of deals but 27% of capital committed.

More broadly, land use change and food system pressures are reshaping the supply-demand

**Figure B.** Share of Total Allocations by Category (2004–2015 vs 2016–2020 vs 2021–2023 vs 2024–2025)




*Note: Based on 715 nature-related transactions. Enabling and commercialization technologies and mixed landscape portfolios were not tracked as unique investment categories in our previous report and thus are not represented in the 2004–2015 dataset.*

calculus for sustainable agriculture. Shifts in agricultural production patterns, increasing competition for productive land, and growing recognition of material nature-related risks embedded in food supply chains are reinforcing investor interest in the universe of working lands and the role of natural capital therein.

**Tracked investments flowed to support sustainable production or restoration/conservation of approximately 105 million hectares over the last decade.** To put that figure in context, the land area footprint of nature capital deployed in the last 10 years is nearly twice the size of the country of Spain.

**Latin America is a target for investment flows, representing a disproportionately large share relative to other regions with comparable biodiversity or risk profiles.**

The concentration (28% of total capital deployed for deals where geographic destination was reported) reflects Latin America's role—and particularly Brazil's role—as a global timber, commodity, and ecosystem services production center, and the region's combination of institutional capacity and investment-ready projects. Latin American transactions are lifted by multiple drivers. The first is industrial sustainable commodity investment at scale (including sustainable forestry supply chains and processing infrastructure, agribusiness, and aquaculture). Secondly, concessional conservation finance is likewise operating at scale in this region, concentrated in Brazil and the Andes, including lending for forest restoration and climate outcomes (at least $1.04 billion in 2025) and debt-for-nature swaps (including Ecuador's sovereign debt conversion at $1.5 billion in 2024). Third, a private institutional timberland market is growing rapidly in Latin America, with investors allocating through managers including BTG Pactual Timberland (the central operator in the region), Nuveen, Stafford Capital Partners, and Campbell Global/J.P. Morgan Asset Management.

**Mixed landscape portfolio models are nascent but are attracting growing interest from both established real asset managers and purpose-built vehicles.**

This category operates on the investment thesis that integrating working lands production with conservation outcomes on the same land generates both commercial returns and impact outcomes. A new cohort of specialist managers is explicitly designing funds around multiple revenue streams including agricultural commodities, timber, carbon credits, land protection deals, ecosystem services payments. The model allows managers to optimize for multiple cash flows and de-risk against single-commodity volatility. Institutional capital is beginning to engage, though most vehicles in this space remain in active fundraising rather than full deployment.

**Nature-based climate solutions have emerged on the scene since our last report, driven by growth in voluntary carbon markets and net-zero commitments.**

These investments often focus on carbon credit generation for voluntary and compliance markets, although this category may also include investments for Scope 3 insetting and voluntary carbon contribution claims. Deal volume has grown from seven deals in 2016 to at least 41 in 2025, with capital deployment accelerating in 2021–2025. Reforestation dominates the asset mix (59% of tracked deals), with significant growth in large-scale deals (we tracked more than $1B committed in the US and Brazil in 2022–2024).

Managers report increasing sophistication among investors and in deal structuring (blended returns, outcome-based pricing), but headline risk around carbon credit integrity and policy uncertainty remain material, and a long tail of smaller emerging managers suggests this is a difficult category to break into.

**There is a vast gap between the success of ecological restoration-focused asset managers operating in compliance versus voluntary markets.**

Asset managers reporting revenue streams from biodiversity and nature credits are almost entirely concentrated in established regulatory markets. Within compliance markets (United States, United Kingdom, Australia), private equity participation is limited to a relatively small number of deals but reflects serious ticket sizes

and well-established revenue models. In the United States, for example, regulation-driven demand for wetland/stream and habitat credits has created market stability that has attracted institutional capital to experienced managers for well over a decade.

**Blue finance is innovating debt structures, with public and concessional capital doing the heavy lifting.**

Freshwater and marine/ocean finance has produced some of the most innovative debt structures in the dataset, including blue bonds, debt-for-nature swaps, and sustainability linked blue loans. Deal count remains small and capital is concentrated in continued multilateral development bank (MDB) or development finance institution (DFI) lending. But bond markets suggest private institutional appetite: European pensions (ex: ABP, AP7) have purchased blue bonds, while asset manager T. Rowe Price is actively developing a blue economy bond project, suggesting that when securities are properly structured and prepaid, institutional buyers exist. Still, every $100 million+ deal in this set is either led by or co-structured with a MDB or DFI, underscoring that private capital in this space remains dependent on public sector origination, credit enhancement, or first-loss coverage to reach scale.

**Enabling technologies face tightened funding conditions despite sustained deal activity.**

Venture-backed enabling technology attracted at least $11.8 billion between 2016 and 2025, though capital deployment slipped in 2023–2024 despite stable deal count, a pattern characteristic of early-stage VC market contraction. Seven in 10 enabling technology deals support sustainable agriculture, broadly tracking agricultural investment momentum. For example, Joyn Bio, a joint venture between Bayer and synthetic biology company Ginkgo Bioworks, is developing microbes that fix atmospheric nitrogen directly in soil, with the potential to significantly reduce synthetic fertilizer use, and thus agricultural greenhouse gas emissions and freshwater eutrophication impacts. Agreena (two rounds €20M + €46M Series B, 2022-23, Kinnevik/HV Capital) is a digital platform that enrolls European farmers in soil carbon markets, handling measurement, verification, and credit issuance end-to-end.

**More than half of deals (54%) layer multiple income sources—combining commodity production with ecosystem services credits, conservation easements, recreational leases, renewable energy, and other streams.** This reflects both manager innovation and investor interest in resilient structures where performance comes from multiple cash flows rather than single commodity/credit exposure.

## Market Maturation, Impact, and Performance

**Institutional capital has arrived—selectively and at scale.**

Institutional-led deals total $22 billion across 233 deals over the last decade, with average institutional-led ticket size growing from $70 million in 2017 to $167 million in 2025 and institutional-led annual deal count roughly tripling over the same period. However, institutional participation remains selective: institutions concentrate in familiar asset classes (sustainable agriculture, sustainable forestry), with well-established managers, and in specific geographies (Latin America, developed markets).

**Investor motivations focus on financial returns, with 88% of respondents anticipating a positive relationship between financial returns and impact.**

The majority of reported deals are “returns first,” followed by impact-related motivations and supply chain risk mitigation. This reflects broader institutional capital entry, where fiduciary duty and return targets drive allocation. Most survey respondents believe there is a positive relationship between financial performance and impact delivery.

Survey responses capture the diversity of motivations for investing in nature - ranging from the purely fiduciary, to seeking particular impacts or nature outcomes, to policy or disclosure driven, to a broader but growing interest in “volatility-proofing” portfolios against geopolitical, climatic, and macroeconomic uncertainty. A range of goals exists, “*and often within the same portfolio*,” as one investor put it.

**Investment follows market demand, which follows clear policy signals.**

Market development risk is the primary performance constraint reported by managers, reflecting the fact that demand for nature-related credits and verified outcomes is fairly policy-dependent and still developing. Market development risk is most acute in investment categories where revenue models are more dependent on monetization of ecosystem services.

**Macroeconomic volatility and geopolitical frictions have shaped investment conditions unevenly.**

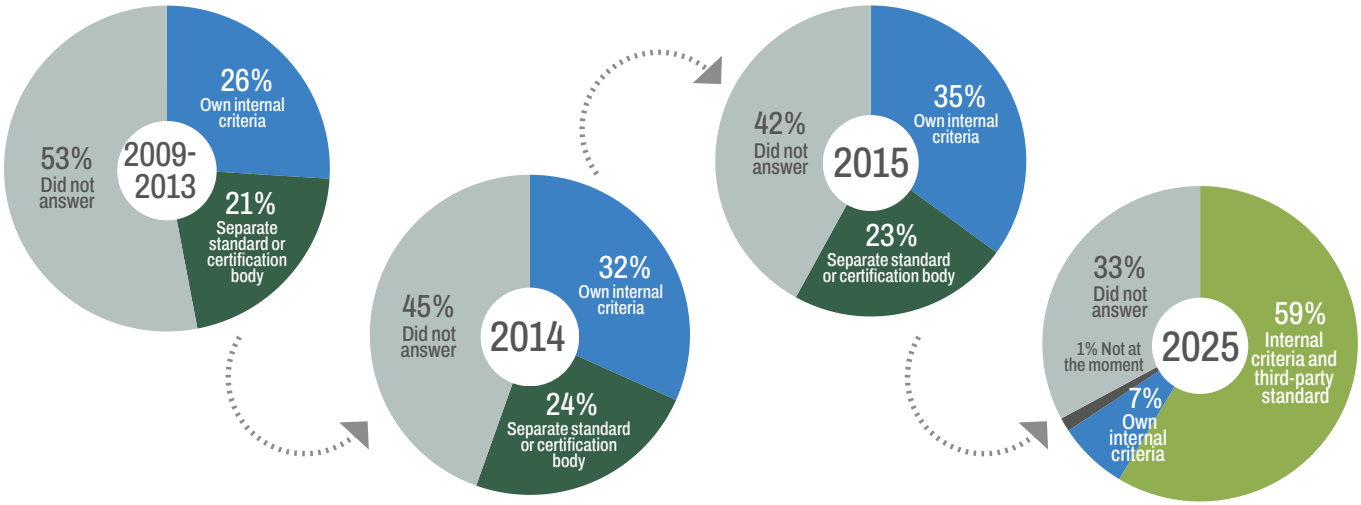
The New York Declaration on Forests (2014), GRI Standards (2016), TCFD (2017), the European Union's Sustainable Finance Disclosure Regulation (SFDR), TNFD (2021–2023), the Kunming-Montreal framework (2022), the Global Biodiversity Framework Fund (2023), and ISSB's nature-related disclosure work (2025) collectively constitute a decade of framework-building that has given the market a common language for nature-related risk. Government embrace of nature markets through compliance mechanisms, nature-related disclosure mandates, and biodiversity no-net-loss or net-gain requirements has contributed to stronger demand signals and greater investor confidence.

On the other hand, regulatory uncertainty still diffuses biodiversity finance and nature-related disclosure. Survey participants emphasized that implementation challenges remain substantial. Regulatory fragmentation, evolving standards, jurisdictional inconsistency, and uncertainty around biodiversity monetization continue to constrain scalability.

**Target returns vary widely by category and stage but show a consistent pattern of longer timelines than traditional asset classes.**

Across all categories, time-to-positive-cashflow averages 3-5 years and time-to-target-return averages 7-10 years. Survey respondents repeatedly noted that nature investments' longer timelines, driven by ecological timescales (i.e., the time needed for tree growth, soil regeneration, or ecosystem recovery) may be constrained by typical 10-year fund structures. Following sustainable forestry's lead in this matter, many funds are already moving toward 12–15-year timelines or open-ended vehicles.

**Figure C.** Share of Organizations that Monitor or Report on Nature Impacts Utilizing Internal and/or Third-Party Frameworks, pre–2014, 2014, 2015, and 2025




*Note: Based on responses by 46 private organizations that reported monitoring nature impacts of investments in 2025; by 45 private organizations in 2015; by 42 private organizations in 2014; and by 50 private organizations in 2009–2013.*

**Impact measurement and verification gaps continue to slow investor due diligence and field-level learning.**

Carbon metrics are relatively mature thanks to decades of development and VCM discipline. Biodiversity, soil health, water quality, and social/community impact metrics on the other hand have yet to cohere, although uptake of third party frameworks (e.g., TCFD, GRI, TNFD, Verra, Gold Standard, FSC) is far higher than it was a decade ago, with adoption rising from 21% of respondents in 2014 to 59% in 2025 (Figure C).

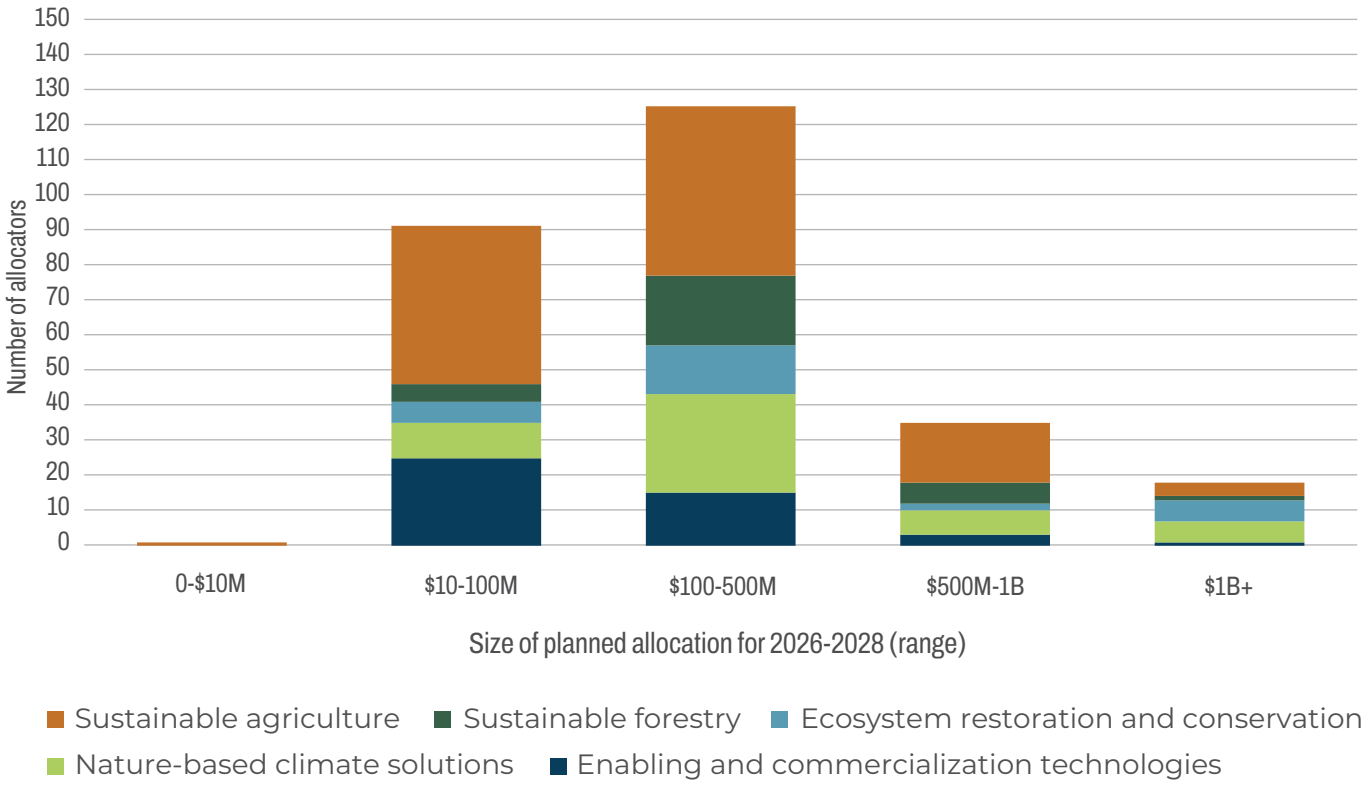
**Catalytic capital plays a measurable role in de-risking investments, particularly in blended structures; two in three survey respondents have engaged as a user or provider of catalytic funding. Complexity and slow timelines for accessing catalytic capital, not supply, are the primary constraints.**

The most common catalytic strategies include credit guarantees, concessional debt/equity, first-loss capital, and covenant flexibility. Respondents cited slow deployment timelines, mandate misalignment, complex procurement, and limited support for emerging managers as key barriers.

## Outlook: Looking ahead to the coming decade

There is a nature finance gap worldwide of approximately $700 billion per year, according to the Kunming-Montreal Global Biodiversity Framework (2022) and the World Economic Forum (2025). Private investment is playing a critical, and growing, role in filling that gap, but much progress remains to be made as we look ahead to the coming decade. Our survey responses indicate there is a strong appetite for future nature investments and the market is moving towards maturation.

**Figure D.** Planned Allocations Announced for the 2026–2028 Period, by Investment Category and Allocation Size




*Note: Based on 146 public announcements.*

**Survey respondents report planned allocations for 2026–2028 that exceed recent deployment rates across all categories, signaling confidence despite acknowledged uncertainties—a pattern also seen in public fundraising announcements (Figure D). However, growth will be uneven.**

Sustainable agriculture and forestry will continue to attract institutional capital thanks to solid revenue models, corporate demand drivers (particularly for European investors), and manager track records.

Significant new growth in carbon-driven deals will depend on policy direction and clarity. The shape of international carbon market architecture being developed under Article 6 of the Paris Agreement, and intersection with the voluntary carbon market, remains a source of uncertainty. Ecosystem restoration will scale where policy supports investor confidence, or where blended finance deals are viable. In general, biodiversity and water investments in many places may remain capital constrained or dependent on concessional finance until regulatory frameworks and revenue models mature. Scaling commercial capital to this category would require standardized outcome measurement, regulatory clarity creating demand signals (where the EU is currently showing the most leadership), and early institutional demonstration projects proving financial viability.

**Large banks show increasing appetite for nature finance through a variety of channels.**

Recent engagement by major financial institutions including BNP Paribas (building commercial natural capital fund products), Rabobank (operating across both commercial agricultural lending and blended deforestation-linked finance) and HSBC (anchoring supply chain sustainability programs), and others signals growing appetite among large banks for entry points into nature finance.

**Geopolitical volatility and macroeconomic uncertainty are expected to continue shaping investment conditions, although survey respondents remain strongly bullish on the longer-term outlook.**

The transition toward viewing nature through the lens of financial risk (rather than an ESG or conservation lens), driven by European disclosure regulations and voluntary frameworks like TNFD, will underpin continued institutional entry, even where political backlash against ESG creates headline challenges.

## Recommendations

The next phase of growth depends less on capital formation than market formation: achieving scale will depend on greater certainty on value, demand, and performance of nature investments.

**Clearer policy drivers and long-term corporate procurement commitments that create predictable and reliable revenue streams are the biggest lever when it comes to growing private investment in nature.**

Policy uncertainty is consistently cited by market actors as the key risk to market development and the primary constraint on institutional capital deployment. However, respondents noted that once policy clarity does arrive (e.g., EU nature restoration regulations, TNFD disclosure requirements, habitat mitigation regulations), institutional capital follows.

Notably, survey respondents observed that bipartisan political support for such policies often exists across many geographies, even in contexts where ESG backlash appears intense. This suggests that policy clarity is an achievable goal.

On the corporate demand side, long-term procurement agreements are anchored in carbon-based business models. Replicating this pattern for biodiversity outcomes and ecosystem services would materially de-risk manager revenue projections. Initiatives like the Symbiosis Coalition, which aggregate buyer demand and create credible procurement signals, are proving this model at scale.

**More consistent standards, metrics, and due diligence processes will reduce uncertainty and transaction costs and help investors better connect nature to economic signals.**

Market infrastructure development must focus on driving convergence around standards and information better able to support benchmarking and decision-making. Currently, nature finance operates with opaque valuation frameworks and limited comparability to mainstream assets. Investors recognize natural capital as a theme but lack the infrastructure (clear mandates, standardized pricing, liquid secondary markets) that characterize the renewable energy or sustainable infrastructure markets. Standardized due diligence templates and project information requirements would also materially reduce transaction costs, a particular pain point for emerging managers and mid-market deals.

Where revenue models are unfamiliar, accelerating standardization, especially by tying nature outcomes to business-relevant metrics like agricultural productivity, water security, or timber production, would materially support capital inflows.

**A growing view of "nature as infrastructure"—underpinning food systems, water security, resilience and economic productivity—could help unlock larger pools of capital.**

Water risk, flood risk, wildfire risk, and soil degradation are increasingly being priced into institutional risk frameworks. Re-insurance industry decisions around flood and wildfire risk exposure are creating ripple effects on land-use capital allocation. This reframing of nature from "externality" to infrastructure that mitigates key risks clears a path toward blended infrastructure finance, combining public sector participation with private capital. Catalytic capital will play an important role de-risking first-mover projects that establish pricing and outcome frameworks, as well as innovating technical and risk assessment approaches for investing in resilience and disaster prevention.

## Methodology

This report combines two primary data sources: a 2026 survey of nature investors, and additional transaction and fundraising data gathered from publicly available sources. Survey respondents represent $207 trillion in total assets under management and are headquartered primarily in North America (47%) and Europe (35%), with smaller representation from other geographies. Fund managers were the primary respondents to the survey followed by banks and diversified financial institutions. We also conducted a systematic collection of publicly announced nature finance deals. For each of 749 identified organizations active in the investment space, automated web search and scraping tools collected press releases, news articles, and investment announcements. This corpus was processed using large language models to filter, categorize, and extract deal-level information. Extraction workflows were validated against independently coded ground-truthed samples before full-scale processing.

This represents a departure from the methodology of the previous report published a decade ago, which utilized survey data alone. Our 2026 approach offers a more comprehensive view of the landscape, but also 1) at times constrains direct comparison with our pre–2016 data given the differences in methodology, and 2) likely biases our dataset somewhat toward large, institutionally structured transactions such as private equity deals, debt facilities, and fundraises by prominent managers, while underrepresenting smaller land transactions, privately negotiated deals, and investments by less visible organizations. We strongly encourage readers to review the Methodology Appendix for additional methodological details.

# Acronyms

**ACR** ..... American Carbon Registry

**ARR** ..... Afforestation, Reforestation and Revegetation

**BC** ..... British Columbia

**BCI** ..... British Columbia Investment Management Corporation

**CAD** ..... Canadian Dollar

**CDR** ..... Carbon Dioxide Removal

**COP** ..... Conference of the Parties

**CRA** ..... Certificates of Agricultural Receivables

**DFC** ..... US International Development Finance Corporation

**DFI** ..... Development Finance Institution

**EIP** ..... Ecosystem Investment Partners

**ESG** ..... Environmental, Social and Governance

**EU** ..... European Union

**FAO** ..... Food and Agriculture Organization of the United Nations

**FSC** ..... Forest Stewardship Council

**FTE** ..... Full-time Equivalent

**GBFF** ..... Global Biodiversity Framework Fund

**GIIN** ..... Global Impact Investing Network

**GRI** ..... Global Reporting Initiative

**Ha** ..... Hectares

**ICVCM** ..... Integrity Council for the Voluntary Carbon Market

**IDB** ..... Inter-American Development Bank

**IFACC** ..... Innovative Finance for the Amazon, Cerrado and Chaco Initiative

**IFM** ..... Improved Forest Management

**ISSB** ..... International Sustainability Standards Board

**JV** ..... Joint Venture

**KKR** ..... Kohlberg Kravis Roberts & Co.

**KPI** ..... Key Performance Indicator

**LGIM** ..... Legal & General Investment Management

**LLM** ..... Large Language Model

**LP** ..... Limited Partner

**MDB** ..... Multilateral Development Bank

**MRV** ..... Monitoring, Reporting and Verifying

**NCREIF** ..... National Council of Real Estate Investment Fiduciaries

**NGO** ..... Non-Governmental Organization

**NMERB** ..... New Mexico Educational Retirement Board

**PEFC** ..... Programme for the Endorsement for Forest Certification

**RCF** ..... Responsible Commodities Facility

**RRG** ..... Renewable Resources Group or RRG Capital Management

**SBTi** ..... Science Based Targets Initiative

**SBTN** ..... Science Based Targets Network

**SFDR** ..... Sustainable Finance Disclosure Regulation

**SFI** ..... Sustainable Forestry Initiative

**SWIF** ..... RRG Sustainable Water Impact Fund

**TCFD** ..... Taskforce on Climate-related Financial Disclosures

**TIMO** ..... Timber Investment Management Organization

**TNC** ..... The Nature Conservancy

**TNFD** ..... Taskforce on Nature-related Financial Disclosures

**UK** ..... United Kingdom

**UNEP** ..... United Nations Environment Programme

**US** ..... United States

**USD** ..... United States Dollar

**VC** ..... Venture Capital

**VCM** ..... Voluntary Carbon Market

# Introduction

## Scope and rationale for this report

Much has recently been written about the status of nature finance, helping characterize the field today. However, we believe that there has to date been a lack of comprehensive, longitudinal analysis based on data collection across the full spectrum of return-seeking capital providers and nature investment categories. We have attempted, with this assessment, to begin to fill that gap.

The nature investment landscape has matured significantly since 2020, driven by a new appreciation of nature-related risks, macroeconomic forces, policy signals, and the perpetual search by investors for innovation. Continuing to strengthen the evidence base on nature investments is essential to educate the "nature-curious," inform investors' capital allocation, support managers' decision-making, and signal to policymakers and other governance actors what's actually working.

We have applied the "return-seeking" criterion strictly in defining "finance." Commercial and concessional capital are included. Public and grant funding are not considered finance for the purposes of our analysis—although they may appear in some of the capital structures of deals tracked in this report and are noted in those cases. Neither are market transactions for carbon credits or other payments for environmental credits/outcomes considered "investments," although we do track where capital users utilize these cash flows, as they often shore up or fully constitute the investment case.

Our scope includes investments that directly finance nature, in the sense of operations on sustainable working lands (forestry, agriculture, fiber), ecosystem conservation or restoration, nature-based climate solutions, or enabling and commercialization technologies facilitating investments in the prior categories and with a business model directly dependent on one or more of them.

Following this logic, our dataset excludes a large share of green and blue bonds. Likewise, we do not include equity vehicles labeled as "biodiversity" or "natural capital" investments unless they verifiably invest in business models directly enhancing or protecting biodiversity or natural capital on the ground and we can isolate the share and volume of these solutions in the overall fund. Thus, equities funds that rely on negative impact screening or nature risk avoidance are considered out of scope.

## From nature externalities to investable value streams

The decade between 2016 and 2025 produced a cascade of policy signals, sustainability disclosure frameworks, and shifting corporate commitments that elevated nature from a niche conservation concern to a mainstream financial risk category (Figure 1).

The launch of TNFD (2021), and the adoption of the Kunming-Montreal Global Biodiversity Framework at COP15 (2022), established that nature-related risk would be measured, disclosed, and, eventually, priced. TNFD's final recommendations in 2023 gave practitioners a disclosure architecture to work with. ISSB's 2025 move to integrate nature-related considerations signals that this architecture is migrating from voluntary reporting toward mainstream financial infrastructure.

At the same time, corporate commitments on deforestation, climate, and biodiversity have added demand-side momentum. High-quality, large-scale projects have demonstrated an ability to attract credible institutional buyers, where reputational and strategic demand can translate into durable commercial relationships.

The nature finance market has not developed in a stable geopolitical and macroeconomic environment. Geopolitical and macroeconomic volatility in recent years have introduced friction into deal timelines, capital raising, and exit planning. As one survey respondent noted, these forces *"continue to affect investor sentiment, access to capital, trade dynamics, and exit opportunities."* For nature investment specifically, where time horizons are long, macroeconomic headwinds have a disproportionate effect on investor appetite and fund economics.

Nevertheless, investment in nature has benefited from broader trends in the real assets space, particularly increasing investor interest in timberland and farmland. Institutional interest is driven by long-duration asset characteristics and perceived resilience to inflation and macroeconomic volatility.

More broadly, land use change and food system pressures are reshaping the supply-demand calculus for nature assets. Shifts in agricultural production patterns, increasing competition for productive land, and growing recognition of nature-related risks embedded in food supply chains are reinforcing investor interest in the universe of working lands.

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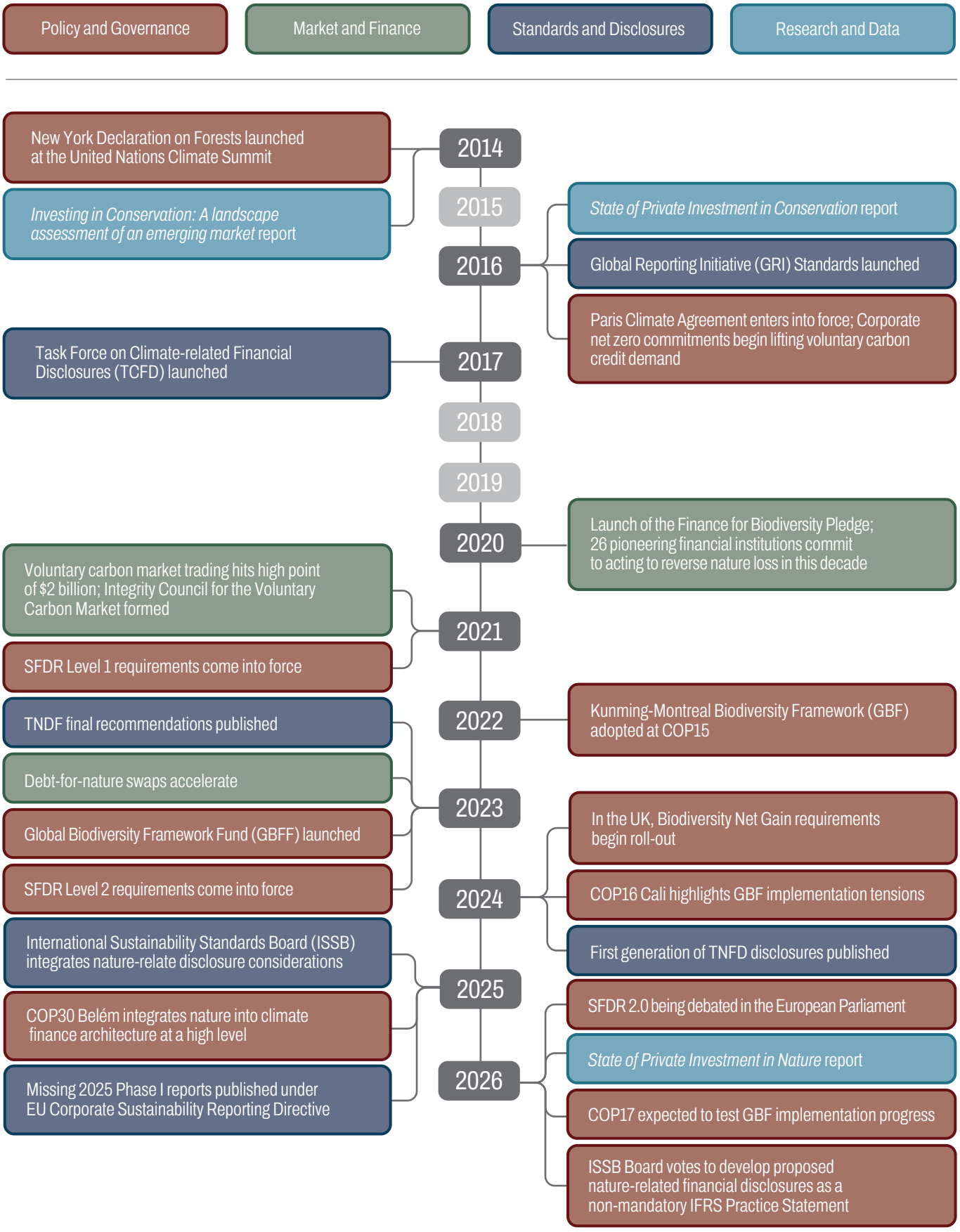
**Figure 1.** Key Milestones in Nature Finance, 2014–2026



## Our taxonomy

This report organizes private nature investment into six categories reflecting how capital allocators structure strategies and how projects generate their core returns. Categories are mutually exclusive at the investment level to enable analysis, although we recognize in practice there may be overlaps and shifts over time in strategies.

**Sustainable agriculture:** Investments in food, feed, fiber, and beverage production systems with existing use of or transition to embedded sustainability protocols (e.g., regenerative, organic, or agroecological methods, agroforestry, precision agriculture) in which returns are driven by land appreciation, commodity sales, and sustainability premiums, often with carbon and biodiversity credits as secondary cashflows. Sustainable agriculture includes strategies utilizing certified production standards (such as organic, regenerative, etc.) that require soil and water management, integrated pest management, social and ethical responsibility, and climate resilience; climate-adaptive practices; and responsible supply chain sourcing.

**Sustainable forestry:** Investments in acquisition and/or management of working forests and plantations under recognized sustainability standards (e.g., FSC, SFI, PEFC, or comparable national standards), where timber, pulp and biological growth constitute the principal long-term return and carbon credits or conservation-related cash flows may be a secondary revenue stream. Sustainable forestry is typically third-party certified (FSC, SFI, PEFC) and characterized by extended rotation periods, maintenance of canopy cover, selective harvesting, minimization of soil compaction/erosion, use of habitat/buffer zones, and an emphasis on social and governance values, as well as an emerging focus on climate-smart approaches.

**Nature-based climate solutions:** Investments whose primary economic rationale is generating or monetizing greenhouse gas reduction or removal-based outcomes (which may be packaged as carbon credits, insets, or contribution claims) from natural ecosystems (e.g., forests, wetlands, soils, and blue-carbon systems) through project equity, carbon prepay agreements and forward offtake contracts.

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**Ecosystem restoration and conservation:** Investments targeting degraded or intact natural ecosystems where returns are driven by biodiversity credits, payments for ecosystem services, mitigation and compensation receipts, or outcomes-based public contracts, typically anchored by concessional or blended capital.

**Mixed landscape portfolios:** Investments structured as an integrated landscape or jurisdictional approach in which land use and investments are managed dynamically to optimize across market opportunities and target outcomes. Mixed landscape portfolios combine revenue streams from working farms, forests, restoration zones and conservation areas. No single category dominates the return profile. In our methodology, if one category exceeds roughly two-thirds of projected returns, the investment is reclassified accordingly.

**Enabling and commercialization technologies (NatureTech):** Investments in companies providing the software, hardware, trading/financing infrastructure, biological inputs and services that underpin nature finance markets (i.e., MRV platforms, earth-observation analytics, transaction platforms, supply-chain traceability and biological inputs) where revenue derives from fees, licenses, subscriptions, or product sales rather than land-based production or credit issuance.

# Methodology: Overview

This report spans investments from 2016 to 2025 covering 1,731 nature-related transactions. Data was compiled through a combination of survey outreach, desk research, and public data aggregation on nature-related investments. This methodology was built to ensure consistency in comparison to the prior *State of Private Investment in Conservation 2016*[1] and *Investing in Conservation: A Landscape Assessment of an Emerging Market (2014)*[2] reports, allow insights to be drawn from different types of organizations investing in nature, and avoid double counting.

Survey respondents represented $207 trillion in total assets under management. Of the 70 survey responses received, 62 respondents indicated they have made nature-related investments since 2020 and provided data on both conservation and financial returns. Respondents headquartered in North America and Europe comprised 47% and 35% of all responses (Figure 2). Although primarily headquartered in North America and Europe, respondents invest in nature-related investments globally. Fund managers were the primary respondents to the survey followed by banks and diversified financial institutions (i.e., firms offering a mix of financial services such as lending, advisory, brokerage, and asset management).

The number of data points varies across nature-related investment analyses because source articles do not consistently report all transaction attributes. While transaction size is often disclosed, details such as geography, asset class, sector, or transaction type may be unavailable. As a result, some charts are based on a subset of transactions for which the relevant information is reported.

This survey focuses on nature-related investments expected to generate measurable, positive outcomes for ecosystems or biodiversity while also seeking a financial return. Broader climate/green, impact, or ESG investments that do not directly target natural capital growth or preservation and funding for nature that does not seek a financial return including grants, philanthropy and public environmental funds were not included. We also have excluded vehicles where nature is described as part of the focus (e.g., "climate resilience" or "green transition" funds focused broadly on renewable energy, green technology, infrastructure, and climate mitigation) but for which actual allocations to nature could not be confirmed.

The 2026 survey was built on the previous 2014 and 2016 surveys of investment in conservation and where possible, we've provided longitudinal comparisons. It should be noted that our 2026 survey expanded the earlier reports' categories of nature-related investments from sustainable food and fiber production, habitat conservation and water quality, and quantity conservation to differentiate between sustainable agriculture and forestry. We also have expanded the categories to include nature-based climate solutions, enabling and commercialization technologies, and mixed landscape portfolio vehicles, in order to capture newly important investment categories and where categories merit differentiation.

Additional details on the survey methodology, including data collection methods, sample characteristics, aggregation methods, and methodological caveats are provided in Appendix B.

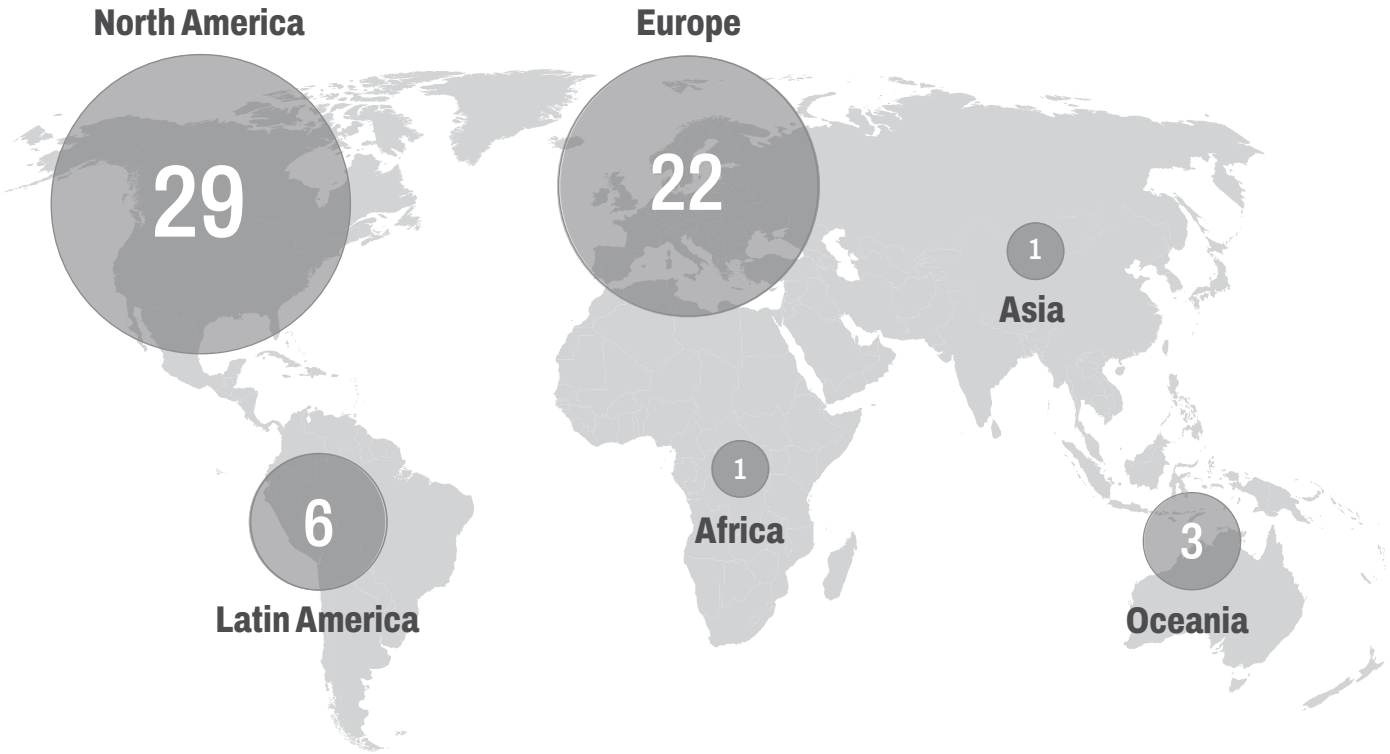
To augment survey responses, targeted desk research was completed to gather both quantitative and qualitative data from publicly available sources from investors who did not respond to the survey, but whose investments were deemed in-scope.

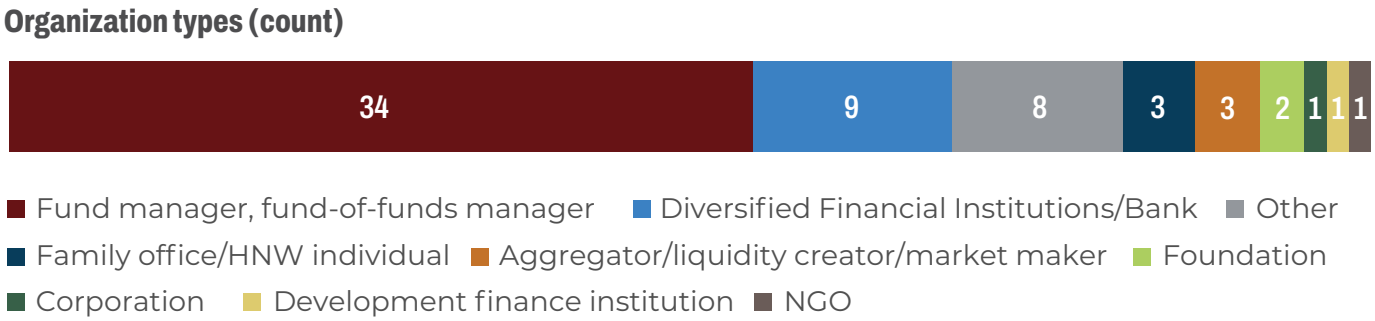
All amounts throughout this report are noted in USD.

1 Hamrick, K. (2017). *State of private investment in conservation 2016: A landscape assessment of an emerging market*. Forest Trends' Ecosystem Marketplace. https://www.forest-trends.org/publications/state-of-private-investment-in-conservation-2016/

2 EKO Asset Management Partners, & NatureVest. (2014). *Investing in conservation: A landscape assessment of an emerging market*. EKO Asset Management Partners and NatureVest. https://encouragecapital.com/wp-content/uploads/2015/09/EKO-TNC-InvestingInConservation_Report1.pdf

**Figure 2.** Geographic Distribution of Survey Respondents




*Note: Based on survey responses by 62 organizations.*

# Investment Landscape

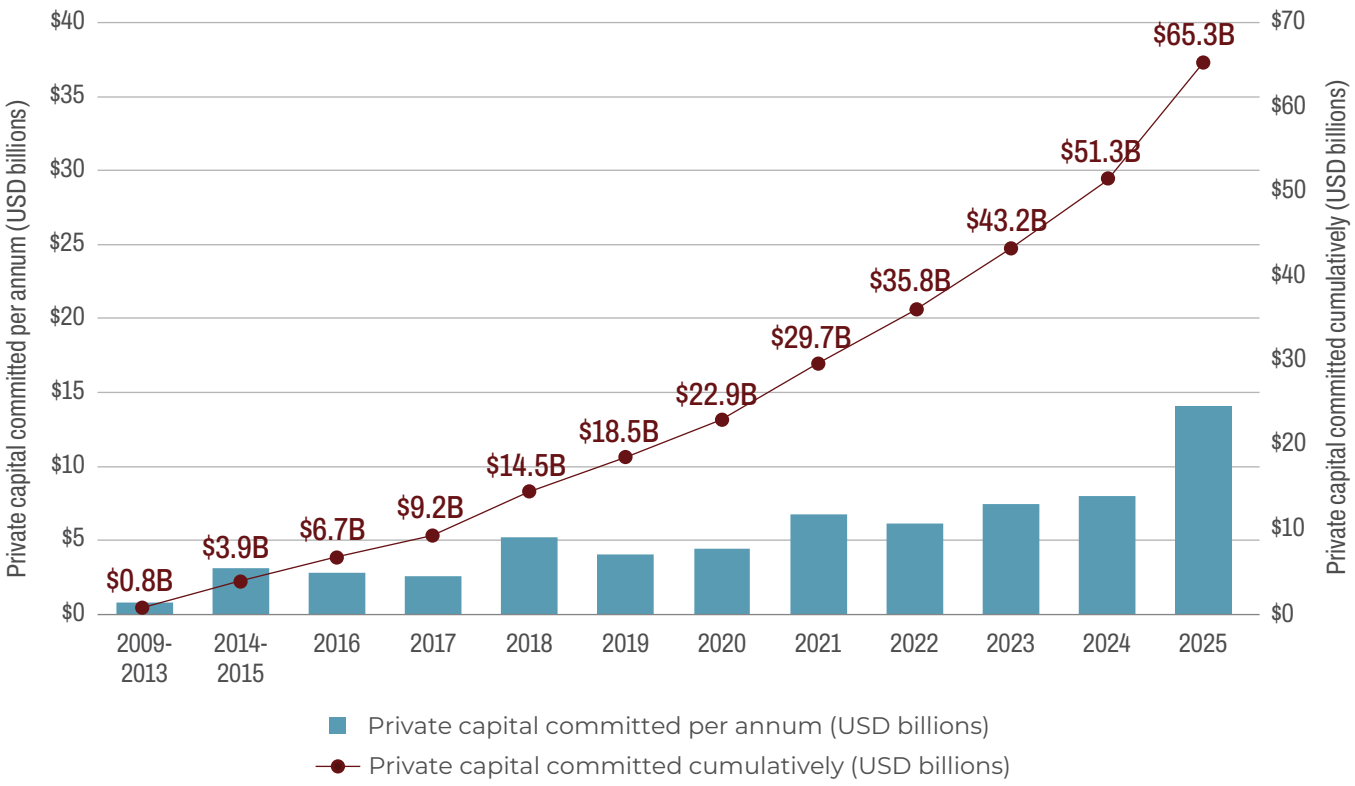
## Global investment trends, 2016–2025

### A decade of capital formation: uneven flows across strategies, geographies, and investor types

Private investment in nature has grown substantially over the past decade, and the data captured in this report reflects a market that has expanded in both scale and complexity. Across all categories and vehicles tracked, deployed capital in 2025 exceeded $14 billion, distributed unevenly across strategies, geographies, and investor types, and at least $61.4 billion committed in total between 2016 and 2025 (Figure 3). Our 2016 benchmark report in contrast tracked a total of $3.1 billion over the preceding two-year period 2014–2015. This reflects a 5X increase in annual private investment in nature compared to 10 years ago.

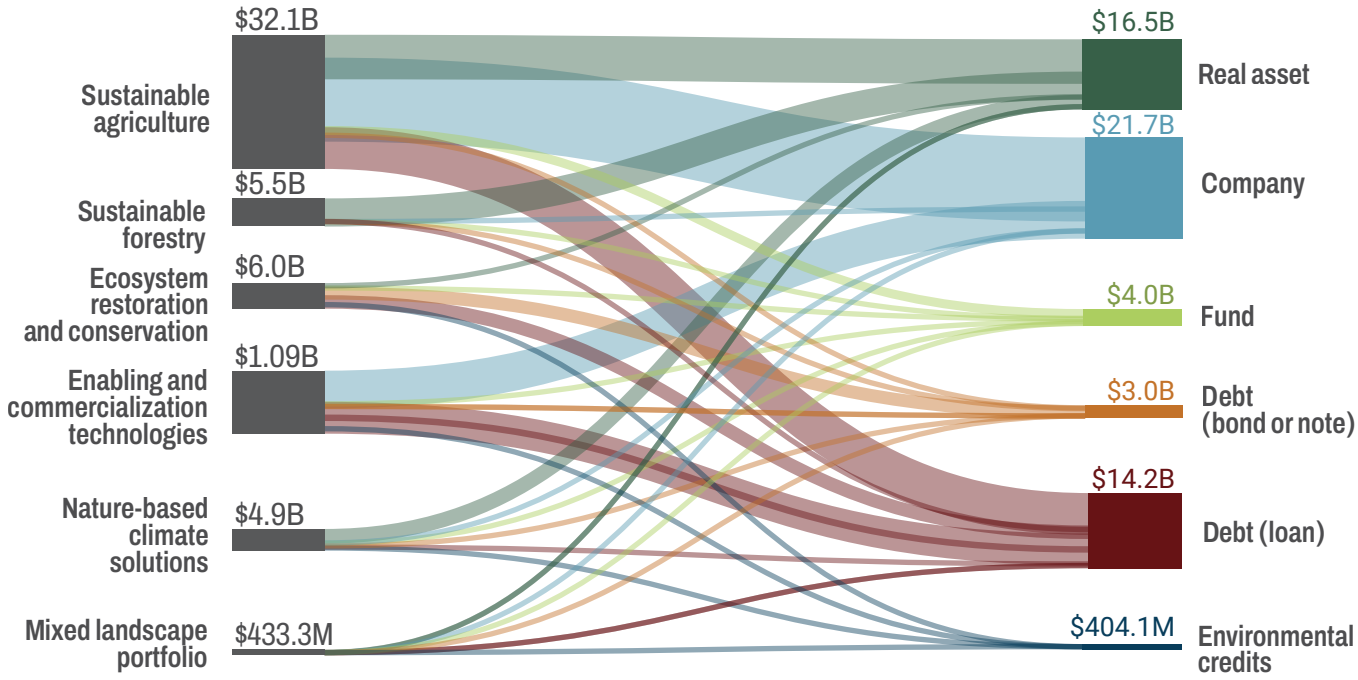
***"These figures capture a market shaped by institutional familiarity, risk-adjusted return expectations, and the gravitational pull of established asset classes."***

**Figure 3.** Private Capital Committed to Nature Investments, Annually and Cumulatively, 2009–2025




*Notes: Figures for the 2009–2013 and 2014–2015 periods come from previous benchmark reports in 2014 and 2016, which tracked finance in four and two-year periods rather than annually, and which also relied fully on survey responses to track commitments. Annual commitment figures for 2016–2025 are based on 681 nature-related transactions collected using a different methodology, which enables more comprehensive data collection but also limits direct comparison with pre–2016 data. Please see Appendix B for methodology details.*

**Figure 4.** Capital Deployment: Asset Class by Category, 2016–2025




*Note: Investment vehicle classifications reflect the structure of individual transactions as recorded in our dataset. Where a fund vehicle acquires a real asset (e.g., a timberland acquisition by a private equity forestry fund), the transaction is recorded at the asset level to avoid double-counting deployed capital. As a result, fund vehicles are likely underrepresented in this analysis in categories dominated by direct asset acquisition, particularly sustainable forestry and mixed landscape portfolios, where closed-end private equity and separate account structures are active but captured through their underlying transactions rather than as fund allocations. Based on public data aggregation of 678 nature-related transactions where asset class was reported.*

## Shifting allocations reflect growing attention to climate, ecosystem degradation, and nature risk in supply chains

The four-period comparison from 2004–2015, 2016–2020, 2021–2023, and 2024–2025 suggest a market undergoing transition, even as sustainable agriculture remained the largest category throughout the periods (Figure 5).

***"Private capital is increasingly spreading across a broader range of nature investment opportunity strategies, though sustainable agriculture continues to anchor the portfolio."***

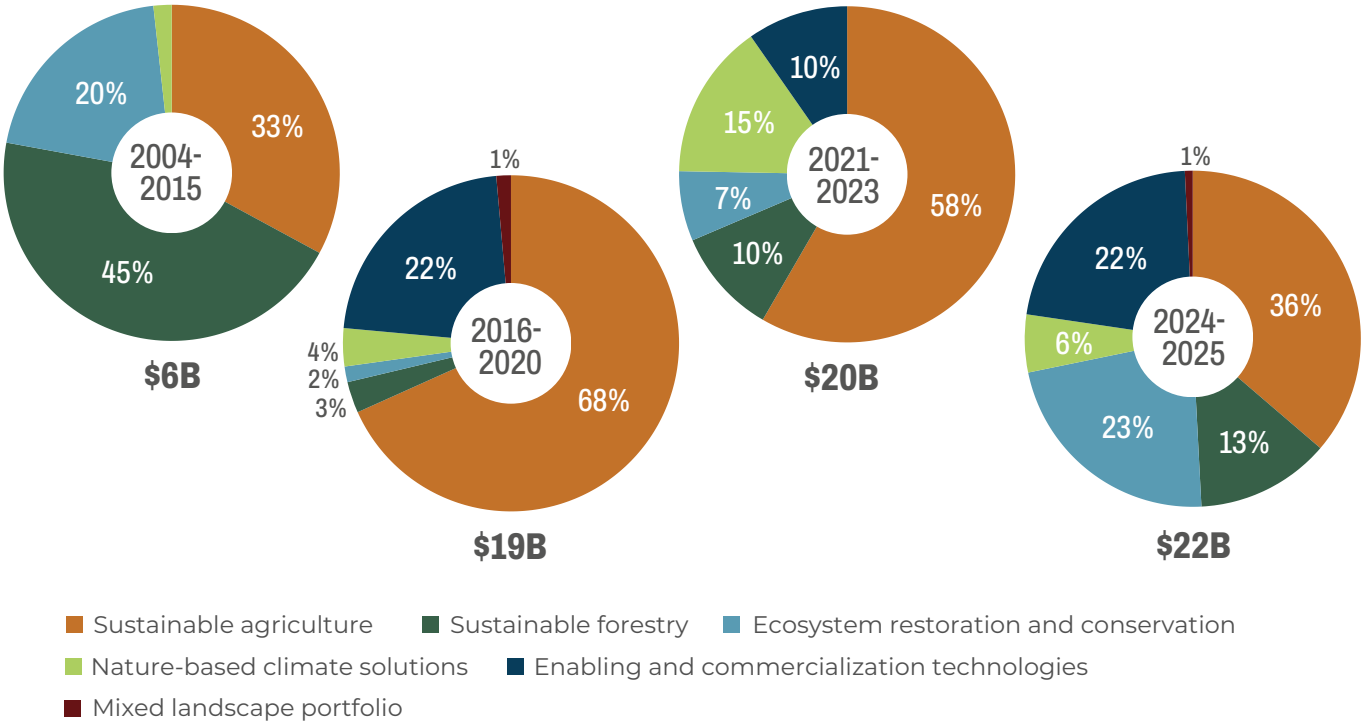
However, the investment category mix has also diversified considerably over the 2004–2025 period, reflecting natural capital's emergence as an investment theme rather than a niche impact allocation.

Over the past decade, sustainable agriculture has captured the largest share of nature finance capital, accounting for $32.8 billion (more than half of total deployments). It should be noted that this reflects in part the breadth of the category. The majority of capital tracked is concentrated in a small number of large farmland acquisitions, agri-lending facilities, and food system corporate transactions in operations that carry a sustainability mandate or label. Frontier regenerative agriculture transition finance, which differs substantially in its ecological ambition, represents a distinct albeit smaller segment of this total.

Between 2016 and 2020, sustainable agriculture dominated the market at 68% of total allocations, with enabling and commercialization technologies at 22%, and nature-based climate solutions at only 4%.

The 2021–2023 period brought broader market developments. Sustainable agriculture's share declined modestly to 58% of allocations, while nature-based climate solutions increased threefold in share terms to 15% of

**Figure 5.** Share of Total Capital Deployment by Investment Category (2004–2015 vs 2016–2020 vs 2021–2023 vs 2024–2025)




*Note: Based on 715 nature-related transactions. Enabling and commercialization technologies and mixed landscape portfolios were not tracked as unique investment categories in our previous report and thus are not represented in the 2004–2015 dataset.*

total allocations. These shifts coincided with growing global attention to carbon markets and nature-related financial risks following major international policy developments such as COP26 and the Kunming-Montreal Global Biodiversity framework.

By 2024–2025, the allocation profile had shifted to the most diversified allocation picture yet. Sustainable agriculture declined in relative terms to 36% of allocations, though total capital volumes continued to increase in absolute terms. Ecosystem restoration ($5.0 billion, 23%), enabling and commercialization technologies ($4.8 billion, 22%), sustainable forestry ($2.8 billion, 13%), and nature-based climate solutions ($1.2 billion, 6%) all now represent meaningful portions of deployment.

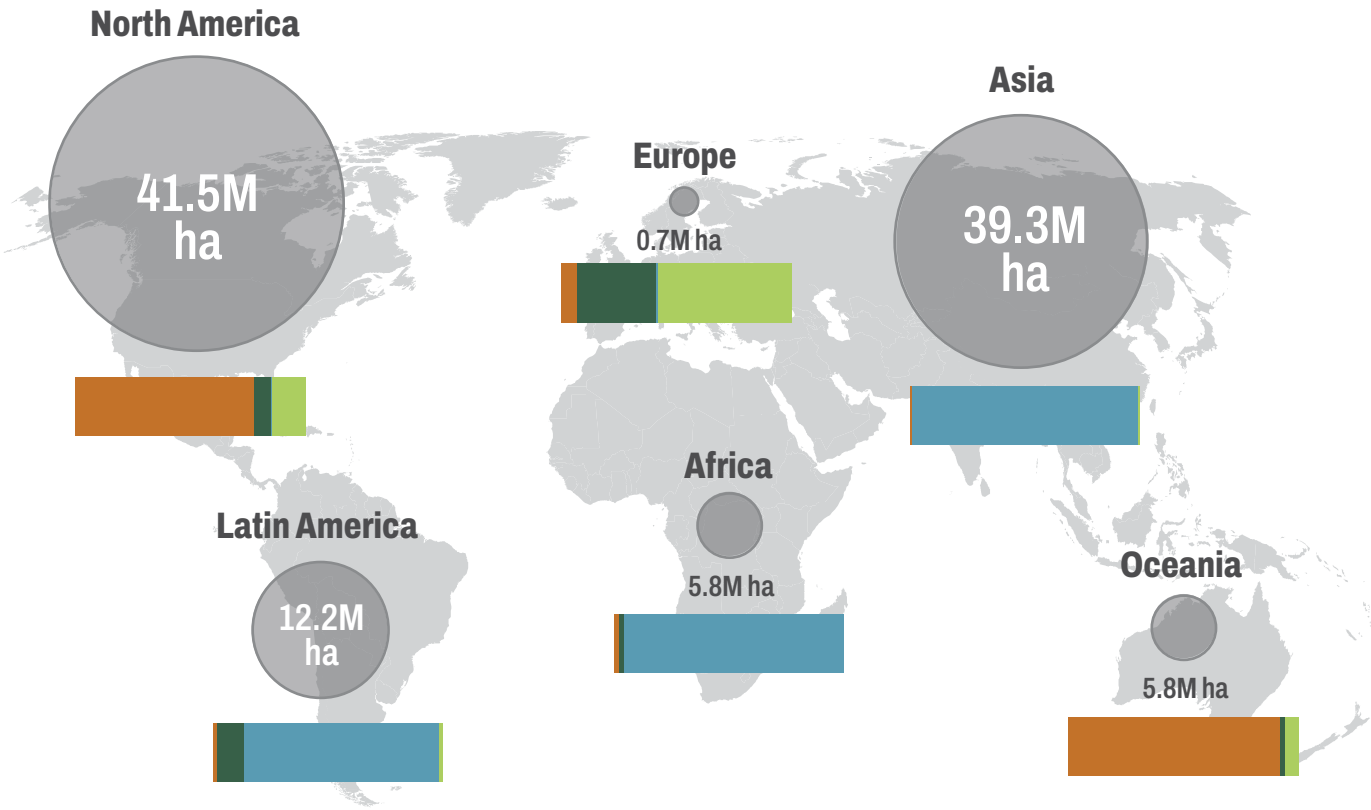
Mixed landscape portfolios, which harness multiple revenue streams across working and conservation lands at a landscape level, remain nascent at $166.4 million (<1%) but are attracting growing interest.

## Acreage under management: The footprint of nature investment on working lands and wildlands is at least twice the size of the country of Spain

Across tracked investments, approximately 105 million hectares are under some form of nature-related management with private capital behind it as part of a nature-related investment allocation. The actual footprint is likely higher, given that many multi-region deals did not clearly report capital flows by geography and are not included in this statistic.

North America accounts for more than half of this figure with 41.5 million hectares (ha) under management (Figure 6), consistent with its dominance in capital flows. The category breakdown shows that ecosystem restoration and conservation represents 52% of total hectares under management, while sustainable agriculture, the largest category by capital, represents only 36%. Although ecosystem restoration and conservation accounts for the majority of land area under management, agriculture attracts the largest share of capital.

**Figure 6.** Acreage Under Management by Geography and Category





*Note: Based on public data aggregation of 370 nature-related transactions for which geographic destination of capital flows was reported.*

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## Geographic concentration: North America and Latin America are major destinations for nature investment

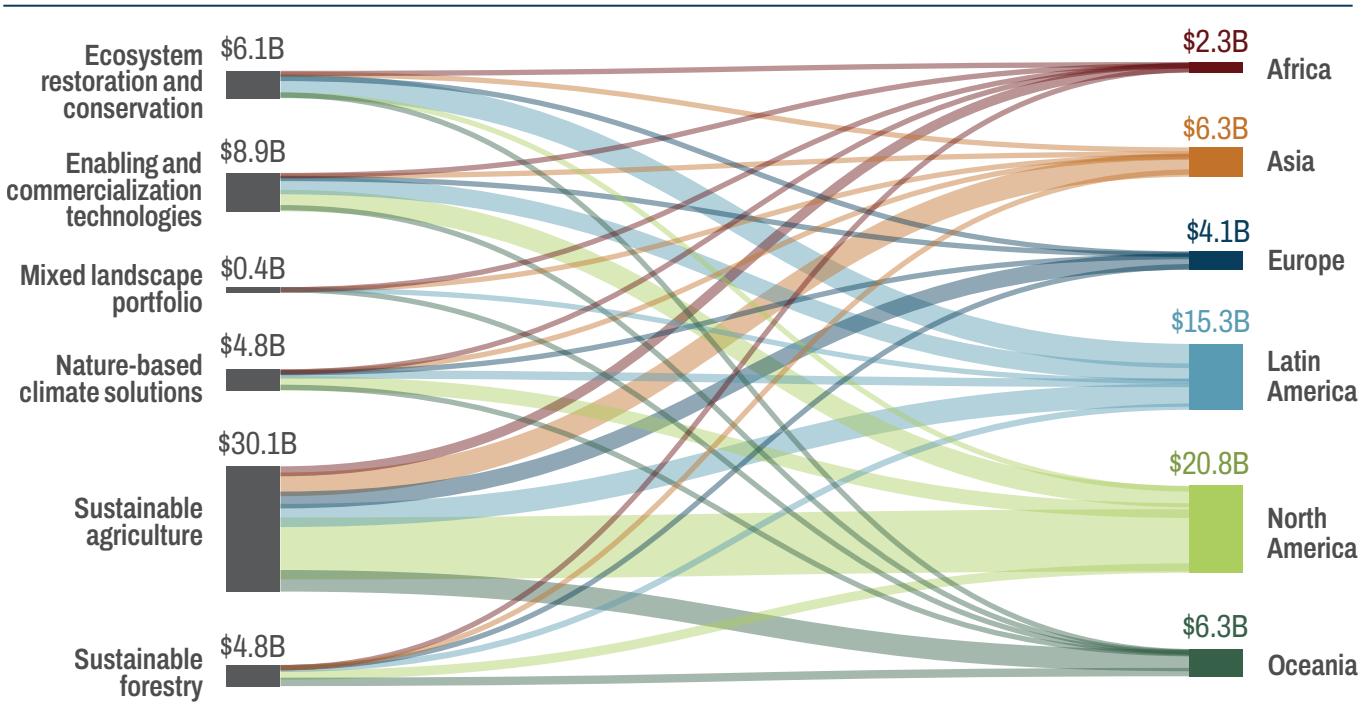
The geographic distribution of capital flows is among the most striking findings in the deployment data (Figure 7). North America received $20.8 billion in capital deployment between 2016–2025. Latin America follows at $15.3 billion. Asia and Oceania received $6.3 billion each, Europe $4.1 billion, and Africa $2.3 billion.

***"Latin America functions as a broad platform for nature investment across categories."***

The concentration reflects Latin America's role—and particularly Brazil's role—as a global timber, commodity, and ecosystem services production center, and in the region's combination of institutional capacity and investment-ready projects. Latin American transactions are lifted by multiple drivers. The first is industrial sustainable commodity investment at scale (including sustainable forestry supply chains and processing infrastructure, agribusiness, and aquaculture). Secondly, concessional conservation finance is likewise operating at scale, concentrated in Brazil and the Andes, providing lending for forest restoration and climate outcomes (at least $1.04 billion in 2025) and debt-for-nature swaps (including Ecuador's sovereign debt conversion at $1.5 billion in 2024). Third, a private institutional timberland market is growing rapidly in Latin America, with investors allocating through managers including BTG Pactual Timberland (the central operator in the region; see Case Study on page 31), Nuveen, Stafford Capital Partners, and Campbell Global/J.P. Morgan Asset Management.

The concentration in Latin America also reflects the impact opportunity in this geography: the region hosts a disproportionate share of the world's remaining tropical forests and high-biodiversity agricultural landscapes. Global policy signals and private commitment to act on widely publicized deforestation, among other drivers, are resulting in a meaningful surge in private investment. Latin America has been a major destination for capital targeting sustainable agriculture and sustainable forestry, as well as attracting significant nature-based climate solutions investment linked to avoided deforestation and carbon market development.

**Figure 7.** Capital Deployment by Investment Category and Geography, 2016–2025




*Note: Based on public data aggregation of 646 nature-related transactions. The category totals in this chart differ from the vehicle-level data, as not all transactions publicly disclose their geographic destination or specific flows for multi-geography vehicles; the figures here reflect only deployments where location was reported.*

Sustainable agriculture dominates the Latin America corridor, but capital for ecosystem restoration, nature-based climate solutions, enabling and commercialization technologies, and sustainable forestry all flow meaningfully into the region as well, suggesting that Latin America functions as a broad platform for nature investment across categories.

Africa, despite representing some of the highest-biodiversity geographies at risk of nature loss, has attracted a fraction of the capital directed to Latin America, likely reflecting perceived transaction risk, thinner enabling infrastructure, and a smaller base of established investment managers with on-the-ground execution capacity. Europe's lower figure reflects its different land-use context and the relatively lower scope for nature-based restoration and conservation opportunities, though the emergence of biodiversity net gain requirements and EU nature restoration regulations may begin to shift European capital flows in coming reporting periods.

## Conventional investment structures are shaping nature investment

Investments reported by our survey respondents were heavily centered on climate-related investments, particularly nature-based climate solutions and sustainable forestry (Figure 8). These sectors attract the most capital because they offer clearer revenue opportunities, stronger policy support, and more established carbon market frameworks within familiar investment models. Climate mitigation is also the largest targeted outcome, highlighting that investors still engage with nature primarily through a climate lens. However, this concentration also suggests that capital is flowing toward sectors that are easiest to finance, rather than necessarily those with the greatest ecological need.

Compared with climate mitigation, biodiversity conservation, climate adaptation, water systems, and marine protection receive relatively limited investment flows. This reflects the ongoing challenge of monetizing ecological outcomes beyond carbon. Biodiversity benefits are often treated as secondary co-benefits because they lack clear revenue streams outside of markets where policy drives stable demand for verified outcomes.

The problem of cash flows is connected to the challenge of benchmarking impact broadly and consistently. Continued convergence around nature investment impact MRV and disclosure frameworks (as well as clearer linkages between nature risk disclosure and nature investment disclosure) is a priority for market maturation, improving market credibility, scaling investment, and directing capital toward high-impact nature solutions.

## Commercial and concessional engagement: A tale of two capital markets

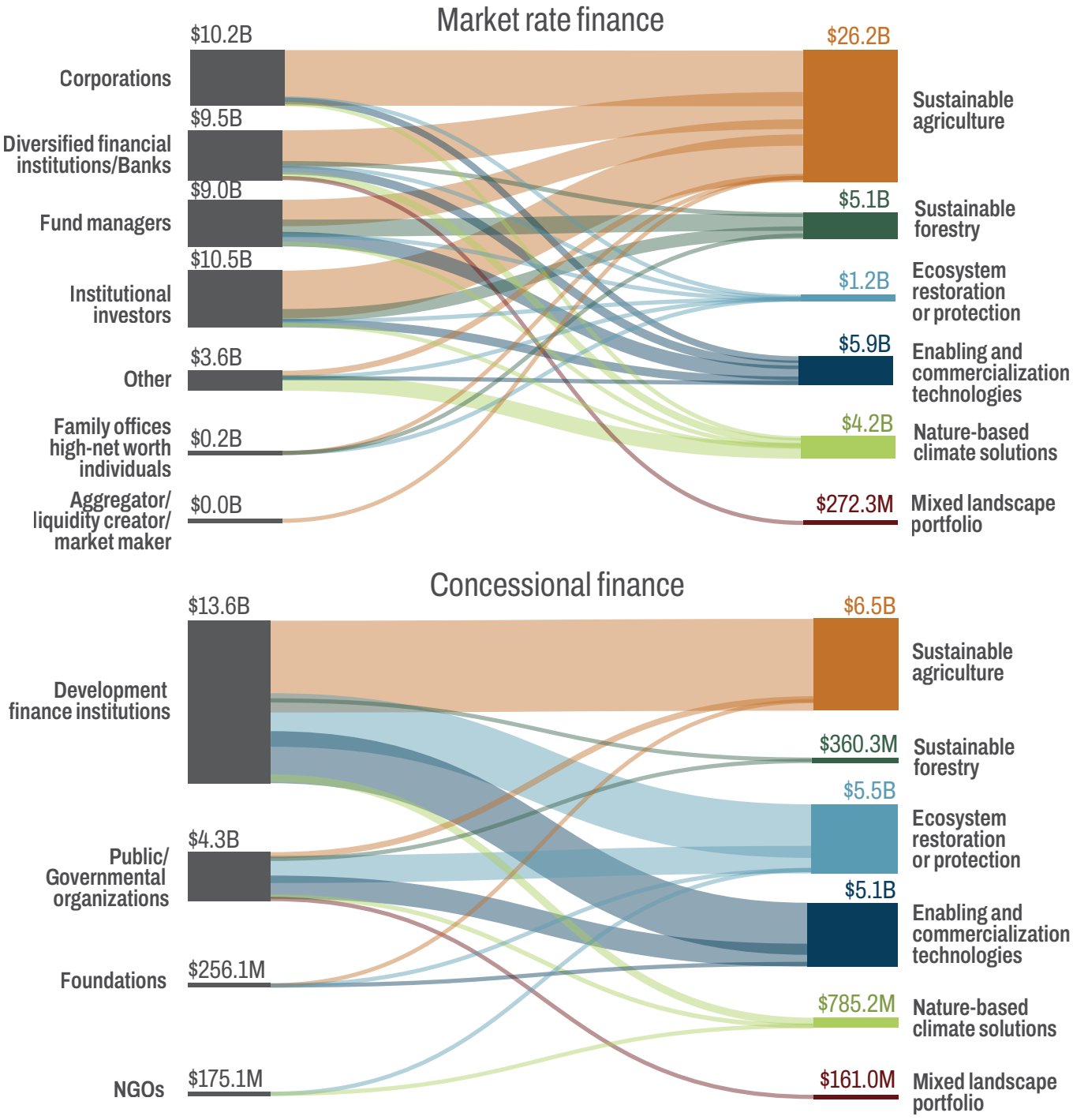
When we differentiate capital commitments by investor type and commercial versus concessional returns, a picture emerges of two largely separate capital markets with distinct investor bases and category preferences (Figure 8).

***"It's an open question for nature finance scaling whether blended finance structures will successfully attract commercial capital to categories like ecosystem restoration, or whether concessional capital will remain the primary mechanism for impact-focused categories."***

Commercial capital (banks, diversified financial institutions, fund managers) favors opportunities where commodity production, compliance-grade mitigation credits, and carbon credits generate financial returns. Concessional capital prioritizes development and climate impact over financial return and is distributed more broadly across agriculture, ecosystem restoration, and enabling finance facilities (reflected here in the enabling and commercialization technologies category).

Sustainable agriculture appears to bridge the gap. However, this is at least partly explained by its heterogeneity as a category. Regenerative commodity supply chains and agtech generate commercial returns; smallholder climate adaptation and conservation agriculture in vulnerable regions prioritize impact.

**Figure 8.** Capital Deployment by Investor Type and Investment Category, 2016–2025




*Note: Based on public data aggregation of 678 nature-related transactions for which lead investor data was reported.*

# Sustainable working lands: Agriculture and forestry investments

## Sustainable agriculture investment driven by converging macroeconomics, food systems outlook, and deforestation concerns

Growth in private and blended finance for sustainable agriculture is being carried by a near perfect storm of factors. From a macroeconomic standpoint, institutional investors and high-net-worth individuals are heavily investing in agricultural land as an inflation hedge offering stable returns amidst market uncertainty.[3]

Farmland and grazing land's low correlation with equities and bonds and positive correlation with inflation properties made it an attractive hedge during the post-COVID-19 inflationary period. Deal volume post–2020 was more than triple the 2015–2020 period (549 deals compared to 187 deals), while capital roughly doubled across those two periods (from $10.8 billion during 2015–2020 to $22.2 billion post–2020).

Globally, the productive agricultural land base is shrinking—driven by urbanization and other land use change, soil degradation, and water risks—even as demand for food increases with a growing global population. An emerging evidence base that sustainable and regenerative methods can increase productivity has gotten the attention of both commercial and impact-focused investors. Policy shifts are a factor as well in the form of growing uptake of incentives for sustainable and regenerative transitions by governments and development finance institutions.

## Sustainable agriculture: Sustainability mandates drive large food system corporate transactions

The strength of sustainable agriculture as an investment category partly reflects a broader shift in the agriculture sector. Sustainability certifications, ESG disclosure requirements, and supply chain mandates from major buyers have made some form of sustainability positioning increasingly standard practice for large agribusinesses and their investors (primarily pension funds, sovereign wealth funds, and supply chain corporates).

Corporate disclosure and commitments related to nature risk are a third, and powerful, driver that have emerged since we last analyzed the space in 2015. The New York Declaration on Forests ushered in a decade of intensive focus on eliminating deforestation and forest conversion from commodity supply chains—first primarily in the form of corporate zero-deforestation commitments and more recently as regulatory frameworks that have been adopted in the European Union and the United Kingdom, and proposed in the United States at a federal level, as well as at subnational levels in California, New York, and Pará, Brazil.

Corporates are making large strategic acquisitions aligned with sustainability mandates: supply chain and food system corporations (Tyson, JBS, Agrosuper, Cooke, etc.), for instance, account for 8% of deals but 27% of capital committed. Our data set shows big increases in investment by corporates into sustainable agriculture, with more than $7.8 billion tracked in commitments in 2025 to manage risk and meet zero-deforestation, climate, and biodiversity goals. (See Case Study on the Responsible Commodities Facility, page 28, for instance.)

3 Ranchland and grazing land represent a small share of identified sustainable agriculture transactions in our dataset, notable given the significant global extent of rangeland and its growing recognition as a natural capital asset class. This likely reflects both data sourcing limitations and the early stage of institutional investment in this sub-sector relative to cropland and permanent crops.

## INSIGHTS

### Investing with Farmers in Resilient, Climate-Advantaged Farmland

While row crop farmland in the US has long exhibited strong returns (the average 10-year vintage return is ~10%) and low risk (for instance, zero years of depreciation since the formation of the NCRIEF Index), today's changing macro-economic context is significantly enhancing demand for the asset.

Most agree that the next economic era won't mirror the last. For allocators, this means a reckoning of the current position of their portfolios. Are they geared to not just hold up but even benefit from new macro pressures like stubborn inflation, geopolitical volatility, monetary instability, recessionary pressures, and climate risks? Farmland fits this emerging portfolio need as a direct hedge against inflation and providing downside protection from its negative correlation with major asset classes. With global supply of arable land declining under mounting climate pressure and land-use change, farmland's long-term fundamentals are solid.

Importantly, regenerative farmland adds further resilience. As climate stress tightens supply, producers capture the upside in times of shortage — which is where most money is made in commodities.

Regenerative farmland is one of the rare areas where science and finance win together, without any need for market evolution. Regenerative farmland is fairly unique in that the drivers of impact are the same drivers of returns, when incentives and timescales are aligned. There is no reliance on carbon markets evolution or regulatory changes in order for regenerative farmers to see the financial benefits of yield resilience and the potential for input reduction.

This is all done while driving the same critical co-benefits many impact-first programs strive for: carbon sequestration, increased water quality, increased biodiversity, and stronger rural communities.

Yet despite this, farmland's strengths haven't achieved scale with institutional investors, with allocators owning just ~2% due to structural barriers in traditional private equity models. These include a lack of access to available deal flow (deeply fragmented with most deals off-market or below deal size minimums), corporate ownership restrictions, and compressing income rates. Even worse, traditional rental models misalign incentives with farmers who don't get the security to make long-term investments into regenerative practices.

Fractal's model was built to solve these structural problems by co-investing with top-tier farmers as minority equity partners. That structure creates deep alignment with top operators and a differentiated access to US regenerative agriculture for investors.

For farmers, it solves a real need: access to equity they've built in their land while they keep control and maintain on-farm decision makers. The best stewards keep managing the land and regenerative practices are built into the model across a full ten-year cycle.

For investors, it unlocks the ~90% of the market traditional models can't reach, which includes the most climate-advantaged land in the Upper Midwest. It also brings an income rate premium of 2-3% above benchmark before adding on regenerative premiums.

By aligning with farmers and leveraging scalable, tech-enabled underwriting, the potential to reach significant dollar amounts during the transfer of assets is a unique opportunity for allocators and farmers.

---

***Ben Gordon*** *is Chief Executive Officer of* ***Fractal Agriculture****.*

CASE STUDY

# Responsible Commodities Facility (RCF):

## *Aligning Agricultural Credit with Forest Conservation in Brazil's Cerrado*

### QUICK FACTS

| | |
|---|---|
| **Geography** | Brazil—Cerrado biome |
| **Stage** | Launched 2022; scaling with long-term capital commitments through 2038 |
| **Capital raised** | $129.2 million to date; $85 million commitment from Green Climate Fund; projected ~$500 million by 2028 |
| **Asset type** | Fund / credit facility |
| **Instrument** | Green bonds / CRAs (Certificates of Agricultural Receivables) |

Growing demand for soy is leading to the deforestation of large areas of native vegetation in the Brazilian Cerrado, much of it legally permitted under the Forest Code. This has contributed to increased greenhouse gas emissions and biodiversity loss, making the Cerrado one of the most critical landscapes for addressing commodity-driven land-use change. The Responsible Commodities Facility (RCF) was established to promote the production and trading of responsible soy in Brazil by creating a financial mechanism that incentivizes farmers to maintain native vegetation. The facility provides low-interest, short-term loans to producers who commit to zero deforestation and the protection of native vegetation beyond legal requirements. In doing so, it links access to agricultural finance with environmental criteria at the farm level. Launched in 2022 with initial investment from UK supermarkets, the facility has expanded to include participation from commercial banks, development finance institutions, and climate funds. Capital is raised through green bonds and deployed through annual crop financing cycles, with environmental compliance monitored and verified throughout. RCF was launched within the scope of the Innovative Finance for the Amazon, Cerrado and Chaco initiative (IFACC), led by The Nature Conservancy, the United Nations Environment Programme (UNEP) and the World Economic Forum.

### KEY FIGURES

| |
|---|
| **270,000 hectares** enrolled (2022–2026) |
| **90,000 hectares** of native vegetation protected |
| **29,000 hectares** protected above legal requirements |
| **500,000 tonnes** of deforestation- and conversion-free soy produced |
| **22M $tCO_2e$** in carbon stocks conserved |
| **20%** reduction in farmer financing costs |

### PROJECT ARCHITECTURE

RCF is structured as a credit facility managed by Sustainable Investment Management with Brazilian delivery partners Opea and Traive. Capital is raised through green bonds (CRAs) issued to investors including UK supermarkets (Tesco, Sainsbury's, Waitrose), banks, development finance institutions, and climate funds. These instruments finance one-year loans to soy producers, providing working capital at the beginning of each crop cycle. Loans are offered at reduced interest rates (approximately 20% below market) to farmers who meet the facility's eligibility criteria. These criteria require producers to commit to no deforestation or conversion of native vegetation, including areas beyond those legally protected. Failure to comply results in expulsion from the program and financial penalties. This structure ties access to lower-cost capital directly to environmental performance at the farm level. Blended finance plays an enabling role, with participation from concessional and commercial investors supporting the facility's growth and helping reduce overall cost of capital.

### OUTCOMES

The facility operates across agricultural landscapes in the Cerrado, focusing on farms with native vegetation that could otherwise be legally converted. Between 2022 and 2026, RCF enrolled approximately 270,000 hectares of farms, resulting in the protection of around 90,000 hectares of native vegetation, including 29,000 hectares beyond legal requirements. These outcomes are associated with the conservation of approximately 22 million tonnes of $CO_2$ equivalent carbon stocks and the production of deforestation- and conversion-free soy. Participating farms are monitored and independently verified using satellite imagery and registry data, with verification conducted at the end of each crop cycle. Financially, the facility has grown from an initial $11 million pilot to approximately $60 million by 2025, with additional capital commitments supporting continued expansion.

### SCALABILITY, REPLICATION & FUTURE DIRECTION

RCF is designed to scale through additional capital raises and expanded participation from investors and supply chain companies. The facility is expected to reach approximately $150 million in the near term, with longer-term growth to ~$500 million by 2028, supported in part by an $85 million commitment from the Green Climate Fund. Future expansion depends on continued engagement from corporate buyers, commercial investors, and concessional capital providers, as well as the ability to replicate the model across additional farmers and growing seasons.

### KEY TAKEAWAYS

- Financial incentives can support conservation outcomes within agricultural production systems
- Lower-cost credit can encourage farmers to maintain native vegetation beyond legal requirements
- Blended finance enables participation from both commercial and concessional investors
- Corporate supply chain actors can play a direct role in financing deforestation-free production
- Monitoring and verification systems are essential to ensuring compliance and credibility

## Sustainable forestry: Policy/structural shifts and "natural capital" theme prompt renewed institutional interest

Like sustainable agriculture, the sustainable forestry sector is a familiar asset class that's seeing recent macroeconomic and structural tailwinds getting stronger. Forestry has long acted as a fairly stable, non-correlated inflation hedge in portfolios. Demand is growing; the Food and Agriculture Organization predicts global demand for primary forest products for construction will grow 37% by 2050; demand for more advanced bioeconomy products such as cross-laminated timber or biomass energy could be even higher.[4]

***"The timberland sector is rapidly repositioning itself in response to interest in 'natural capital' opportunities. This is not merely a branding exercise."***

Recent regulatory signals are pushing capital toward sustainable forestry, particularly European investors governed by the SFDR. Voluntary decarbonization and deforestation-related commitments and disclosure frameworks such as TCFD are reinforcing the search for institutional-grade, environmentally credible investments. The timberland sector is rapidly repositioning itself in response, as evidenced by the number of established managers and new funds describing themselves as "natural capital" opportunities. This is not merely a branding exercise. There's been a notable jump in the share of investments layering carbon revenue with timber revenues, from 20% of deals in 2021 to more than 50% of deals in 2024 and 2025. Revenue stacking is discussed further on page 34, as is the emergence of asset managers flipping the timber-plus-carbon model on its head, as in our case study on Aurora Sustainable Lands, page 35.

## Sustainable forestry rebounded in 2025, driven by capital-raising and distinguished by "natural capital" repositioning

2023 marked both a low point in capital deployment for sustainable forestry and a peak in fundraising activity. This led to sustainable forestry posting at least $2.07 billion in deployed capital across 11 deals in 2025, the highest single-year volume in the dataset, and lifted by several mega-deals, including Rohatyn's acquisition of Rayonier's New Zealand timberlands asset, BTG Pactual + BCI's Southern Brazil timberland platform targeting timber and biodiversity outcomes, and Dutch pension ABP's move into nature-forward forestry in the United States. The sector is rapidly repositioning itself as "natural capital" infrastructure, attracting institutional investment and showing sophistication in stacking carbon and timber revenues.

Recent years have also seen a geographic shift. Latin America's share of forestry deals has grown from an average of 22% in the 2016–2020 period to 31% by 2023–2025, while North America's share has declined from 78% to 69% over the same period. By investment value, the two regions are approaching parity, with Latin America accounting for approximately 45% of sustainable forestry investment value compared to North America's 55% .

4 FAO. 2022. *Global forest sector outlook 2050: Assessing future demand and sources of timber for a sustainable economy—Background paper for The State of the World's Forests 2022.* FAO Forestry Working Paper, No. 31. Rome. https://doi.org/10.4060/cc2265en

CASE STUDY

# BTG Pactual Timberland Investment Group—The Latin American Reforestation Strategy: *A Model for Large-Scale Reforestation and Restoration*

## QUICK FACTS

| | |
|---|---|
| **Geography** | Brazil—Cerrado biome & Uruguay |
| **Stage** | Launched 2021; currently scaling following final fund close |
| **Capital raised** | $1.24 billion in equity commitments raised |
| **Asset type** | Fund |
| **Instrument** | Private equity |

The Latin American reforestation strategy is designed to align long-term financial returns with environmental and social outcomes while enabling investment in nature at an institutional scale. The strategy combines large-scale native ecosystem restoration and conservation with new, sustainable commercial tree farms, seeking to protect and enhance biodiversity, generate carbon credits, supply the growing bioeconomy, and support rural economic development alongside economic returns. Global environmental organization Conservation International serves as Impact Adviser to the strategy, providing input and advice to help strengthen environmental, climate, and social outcomes related to conservation and restoration activities.

At full scale, the strategy aims to conserve, restore, and reforest approximately 660,000 acres of degraded landscapes in Latin America, including in Brazil's Cerrado, one of the most biodiverse seasonally dry ecosystems. It seeks to conserve and restore approximately 330,000 acres of native forests and other habitats, while planting millions of trees across approximately 330,000 additional acres as sustainably managed commercial tree farms, certified to Forest Stewardship Council (FSC)™ standards. At $1.24 billion, the strategy is one of the largest-known private markets timberland funds closed to date.[5]

### KEY FIGURES[6]

| |
|---|
| More than **218,000 acres** under management |
| **30 million** trees planted across more than 67,000 acres of degraded land |
| **100%** of strategy forests FSC-certified or in the process of certification |
| More than **53,000 acres** under conservation |
| More than **52,000 acres** under restoration |
| Nearly **1,000** plant and animal species identified across strategy properties |
| **400 miles** of streams under enhanced protection |

### PROJECT ARCHITECTURE

The Latin American reforestation strategy is structured as a limited partnership. It includes a financial commitment from the fund's general partners alongside a mix of institutional investors, development finance institutions, corporations, family offices, and foundations. The strategy incorporates innovative financing models, including catalytic public funding from the UK Government and the government of the Kingdom of the Netherlands, through the Mobilising Finance for Forests program, as well as a sustainability-linked loan package provided by the International Finance Corporation (IFC) with improved terms tied to achieving KPIs on biodiversity corridors and watershed health.

Revenue is generated through multiple complementary streams, including sustainably managed long-rotation timber production, carbon credits from both commercial and native forests, and other ecosystem services. Commercial forestry provides stable cash flows and helps attract institutional capital to support large scale ecosystem restoration and conservation activities. Together, these components create a diversified, mutually reinforcing model designed to deliver both financial performance and measurable environmental and social impact at scale.

5 Binyamin Ali, "BTG Pactual TIG Eclipses Target to Hit $1.24bn Reforestation Fund Close," Agri Investor. 2026. https://www.agriinvestor.com/btg-pactual-tig-eclipses-target-to-hit-1-24bn-reforestation-fund-close/

6 As of March 31, 2026

## OUTCOMES

The strategy focuses on restoring biodiversity and improving natural habitat connectivity in critical ecosystems in Latin America and has achieved measurable progress to date. Nearly 30 million trees were planted across more than 67,000 acres of degraded land in Brazil. As of 2025, 100% of the strategy's forests are FSC-certified or in the process of certification.

Supported by Impact Adviser Conservation International, restoration has been initiated on more than 52,000 acres of native Cerrado vegetation, designed to connect more than 104,000 acres of natural habitat. Nearly 1,000 species of plants and animals have been identified across the strategy's properties, and riparian buffer zones have been expanded to up to 1,300 feet—nearly seven times local legal requirements.[7]

Through a long-term research collaboration with the Federal University of Viçosa to test restoration techniques in the Cerrado, the strategy is generating insights for broader regional application. The strategy has also delivered major carbon market milestones, including two landmark nature-based credit agreements and the first issuance of credits under Verra's afforestation, reforestation, and revegetation (ARR) methodology, validated under global carbon integrity benchmarks.

The strategy supports rural employment and community development, with 518 direct and indirect full-time equivalent (FTE) jobs supported as of year-end 2025 and 2,700 FTE jobs expected at full deployment. Community initiatives, including a native seed collection program, are expanding nature-based income opportunities for local communities while supporting broader sustainable development objectives.

## SCALABILITY, REPLICATION & FUTURE DIRECTION

The strategy's integrated approach is creating a scalable model for ecosystem restoration and economic development with potential for broad applicability. Continuing to scale investment in nature will require alignment across capital, policy, market demand, technology, and strong on-the-ground partnerships. Clear frameworks recognizing high-integrity carbon outcomes and sustainable timber production will be critical to unlocking sustained institutional investment in nature and building a resilient, low-carbon bioeconomy.

## KEY TAKEAWAYS

- Strategies that are designed for both environmental integrity and long-term performance can mobilize large-scale private capital and deliver outcomes that are credible, measurable, and resilient over time.
- The integration of sustainable commercial production, native ecosystem restoration and rural economic development can be mutually reinforcing and create greater long-term resilience.
- Investment in alignment with a clear strategic vision can produce social, climate, and biodiversity benefits and create a virtuous circle of action that delivers durable and far-reaching benefits.

7 As of March 31, 2026

## From add-ons to full-stack: A field-wide shift toward multi-revenue stream strategies

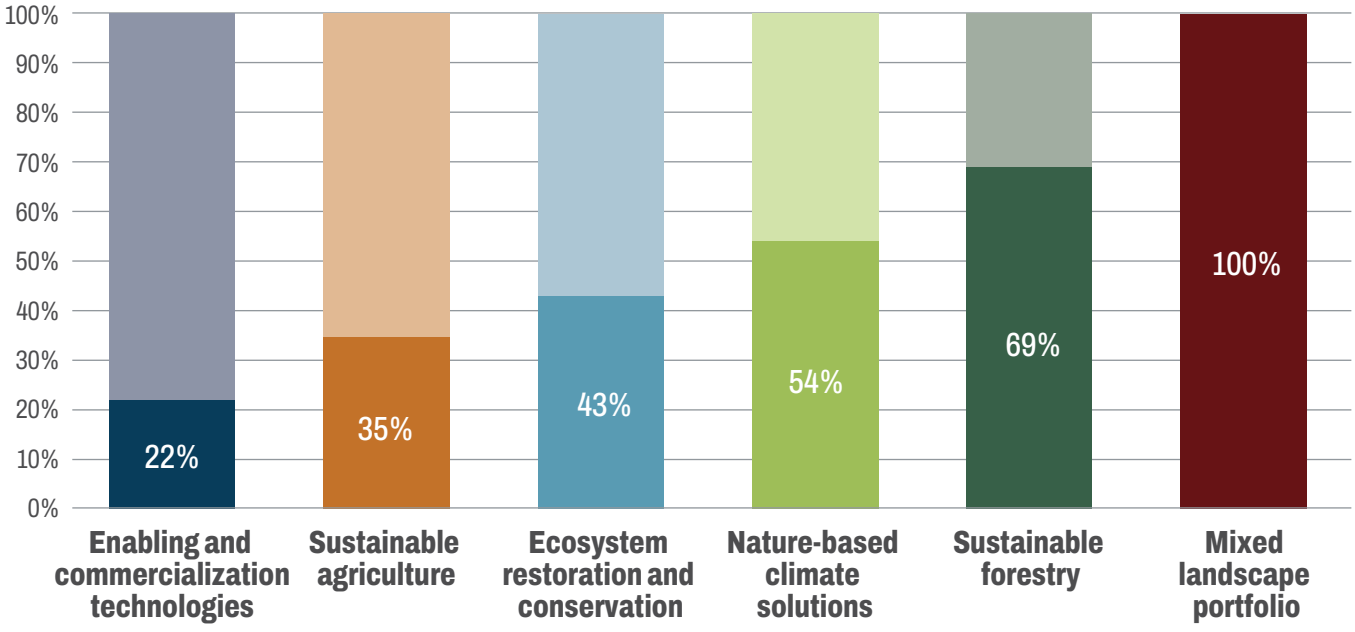
Since our first report in 2014, asset managers have been actively seeking durable nature-linked cash flows in order to attract capital. In 2026, the data suggests that strategy is paying off, but each manager's model is a bit different.

On working landscapes, natural capital-linked cash flows can take the form of price premiums for certified sustainable or regenerative products. In some cases, enhanced ecosystem function translates into productivity improvements. Ecosystem services can also be monetized more directly through contracted verified outcomes or offtake agreements for greenhouse gas emissions, biodiversity units, water volume or quality credits, or a myriad of other outcomes ranging from highly standardized (i.e., carbon credits) to highly bespoke (i.e., contracted payments linked to watershed conservation made by a nearby drinking water utility).

Our data reveals a nuanced picture when it comes to investments pursuing multiple revenue streams. While 54% of private capital deals layer multiple income sources—combining commodity production with ecosystem services credits, conservation easements, recreational leases, renewable energy, and other streams—the prevalence and urgency of multi-stream strategies vary substantially by asset class (Figure 9).

Sustainable forestry is increasingly multi-revenue by design: 69% of forestry deals stack multiple income streams, with carbon paired to timber the most common combination (47%), followed closely by sustainability certification premiums (43%). Mixed landscape portfolios are built for revenue stacking, with 100% pursuing multiple streams, most commonly pairing agricultural commodities with timber but opportunistically looking at environmental credits and other cash flow opportunities. Sustainable agriculture remains more focused on single-revenue models: 65% of deals focus on agricultural commodities alone, with sustainability certifications and carbon credits functioning as premiums on core commodity production. Nature-based climate solutions split the difference: while 46% of deals rely on carbon credits alone, the remaining 54% stack additional revenues, typically relying

**Figure 9.** Single Versus Multi-Stream Revenue Models in Nature Investment Deals, 2016–2025, by Primary Investment Category




*Note: Based on public data aggregation of 1,390 nature-related transactions.*

on timber or ecosystem service payments as secondary sources of cash flow.

***"From an impact perspective, the movement toward multiple revenue models brings manager business models into closer alignment with how ecosystems actually work—i.e., as a bundle of diverse and mutually connected ecosystem functions—which, in theory, creates greater incentives for more holistic management."***

From an operator perspective, optimizing across multiple ecological and production income streams adds complexity and requires expanded expertise. But it also offers a more resilient model given the volatility of commodity and ecosystem markets, particularly for forestry and landscape-scale operations. Shifting to a "stacked" model is also driving changes in timelines and exit strategies (as an example, see the following case study on Aurora Sustainable Lands).

CASE STUDY

## **Aurora Sustainable Lands—Carbon-First Forestry:** *Building a New Investment Model for US Timberlands*

### QUICK FACTS

| | |
|---|---|
| **Geography** | United States—15 states including WV, KY, VA, NY, MI, MN, NH, FL, AR, LA, TN, and others |
| **Stage** | Established 2021; rebranded Aurora 2023; scaling/operational—31 active IFM carbon projects, credits being issued |
| **Capital raised** | Initial JV: $500 million (2021, Anew Climate + Oak Hill Advisors). Subsequent acquisition of substantially the entire Forestland Group portfolio. Total current capitalization not publicly disclosed. Additional investors: AB CarVal, EIG, GenZero. |
| **Asset type** | Real asset (direct land ownership). Company structure, not a fund—investors hold equity in Aurora, not in discrete fund vehicles. |

For most of the past four decades, the US timberland investment market operated on a single thesis: acquire divested paper company lands, manage for timber, and return capital at the end of a fund cycle. Returns have shifted downward from mid-teens in the early years of the market to 4-6% as the space grew crowded and timber markets softened. Carbon was an interesting add-on revenue opportunity in theory but often a line item on the conference agenda in practice.

Aurora Sustainable Lands was founded in 2021 on a different premise. Rather than layering carbon revenue onto a timber-first investment model, Aurora was built from the outset around the thesis that forests generating carbon revenue could justify dramatically lower harvest rates, that those lower harvest rates would produce measurably better ecological outcomes, and that the whole structure would generate returns competitive with or superior to conventional timberland investment.

That thesis has been validated. Aurora is now one of the 10 largest private landowners in the United States, managing 1.65 million acres across 15 states. It has secured a $100 million offtake agreement with TotalEnergies and a 10-year, 4.8 million credit agreement with Microsoft. In December 2025, it issued the first credits in the country under ACR's new IFM 2.1 methodology.

The model traces its origins to Anew Climate's decade of forest carbon work across the US TIMO market. Before forming Aurora, Anew had assessed hundreds of properties for carbon value, understood disposition timelines across major timber portfolios, and watched TIMO after TIMO attempt and struggle to integrate carbon into a fund structure not built for it. Aurora was conceived as a company structure designed around carbon management rather than a fund structure retrofitted to accommodate it.

**KEY FIGURES**

| |
|---|
| **1.65M acres** under carbon-stewardship management across 15 states |
| **5.8M $tCO_2e$** sequestered annually |
| **31** active IFM carbon projects |
| **$100 million** TotalEnergies offtake (2024) |
| **4.8M credits** Microsoft 10-year offtake (2025) |
| **1.43M acres** FSC-certified |

**PROJECT ARCHITECTURE**

Aurora is structured as a private joint venture between Anew Climate and institutional equity investors, originally capitalized at $500 million in 2021 with Oak Hill Advisors, and subsequently expanded through a landmark acquisition of substantially the entire Forestland Group portfolio. Additional investors include AB CarVal, EIG, and GenZero. Critically, Aurora is a company that owns land directly. Investors hold equity in Aurora the company, not in discrete fund vehicles with mandated exit timelines.

This means long-term carbon and ecological management are not constrained by typical fund cycles. Management decisions can be made at 40-year horizons, plantation stands can be converted to more diverse natural forests, and long-term carbon commitments can be honored without needing to transfer the underlying asset to a new owner mid-project.

Revenue comes primarily from IFM carbon credit sales, exclusively developed and marketed by Anew Climate using its proprietary Epoch platform, which applies dynamic baselines, high-resolution satellite imagery, and ground-based measurement to quantify carbon stocks. Credits are registered under ACR's IFM 2.1 protocol, among the first methodologies to receive ICVCM Core Carbon Principles certification. Long-term offtake agreements with corporate buyers provide multi-year revenue visibility and underpin the investment case.

Timber harvest remains part of the business but functions as a backstop, not a primary revenue driver. Aurora harvests at levels that would not cover operating costs without carbon revenue. That dependency, as Cakey Worthington, Aurora's SVP of Sustainability and Natural Capital describes it, is precisely what makes the model's additionality credible: the company is managing land in ways no purely timber-driven investor would choose.

Early investors accepted a higher-risk profile in exchange for greater upside, acquiring assets before the carbon model was fully demonstrated. As projects are now established and generating, future capital is expected to attract a more conservative investor profile seeking stable long-term returns, with land values having appreciated as the carbon asset has been proven.

## OUTCOMES

Aurora manages over 600,000 contiguous or near-contiguous acres across West Virginia, Kentucky, and Virginia as an integrated unit. Properties share boundaries, share wildlife corridors, and can be managed together for connectivity outcomes. The next frontier, as Worthington frames it, is translating biodiversity and ecosystem co-benefits into market signals that attract specific buyers and, eventually, premium pricing. As corporate carbon strategies increasingly incorporate CDR technology, nature-based solutions will need to demonstrate the full range of outcomes that technology-based removal cannot provide: biodiversity, water quality, permanence, landscape connectivity, and community benefits. The Microsoft deal, which included permanent working forest easements on some properties, is an early signal of what sophisticated buyers are beginning to require. Aurora's business structure, with its long-duration management commitments and landscape-scale ownership, is better positioned to deliver those outcomes than a fund with a 10-year hold period.

## KEY TAKEAWAYS

- When carbon is foundational rather than additive, every harvest decision is evaluated against both timber and carbon value. Carbon revenue is not the first thing cut when markets tighten; and the company can make 40-year ecological commitments that fund structures which mandated exit timelines cannot honor. Aurora harvests at levels that would not be viable without carbon revenue, which is also what makes its additionality credible.
- Institutional demand for forest carbon credits is real but has become substantially more demanding amidst market volatility and increased scrutiny of the voluntary carbon market's integrity. Sophisticated buyers now require carbon integrity, permanence, and co-benefit evidence before closing large multi-year forward deals. Aurora's large offtake agreements are proof that this scrutiny can be satisfied but also reflect how much technical and ecological infrastructure is required to do so.
- The field has not yet connected co-benefit measurement to investable financial outcomes. Frameworks and data exist in abundance. What is missing is the pathway from biodiversity or connectivity evidence to a pricing signal: the mechanism that would allow co-benefits to attract specific buyers or reduce cost of capital rather than functioning only as reputational risk management.

# "Working plus wildlands" portfolios

## An emerging institution-grade strategy

Mixed landscape portfolios that integrate sustainable commodity production (e.g., agriculture, timber) with ecosystem restoration, carbon finance, and enabling infrastructure across landscapes are an emerging model. The model is nascent, accounting for only 28 deals in our dataset (and 1.5% of all nature finance) but dynamic: 71% of mixed landscape commitment deals were announced 2021–2025.

***"By integrating working lands production with conservation outcomes, managers can optimize for multiple value flows, enabling both commercial returns and impact outcomes within a single investment vehicle."***

This category differs fundamentally from ecosystem restoration and conservation or nature-based climate solutions in two ways. First, our data shows these are typically fund/asset manager-led, attracting institutional investors to a thesis grounded in landscape integration at scale.

Second, these deals all employ multiple revenue streams, typically combining agricultural commodities, timber, carbon credits, and ecosystem services payments or sustainability certification premiums. This revenue stacking is the defining feature of this category: by integrating working lands production with conservation outcomes, managers can optimize for multiple value flows, enabling both commercial returns and impact outcomes within a single investment vehicle. For emerging fund managers, a multi-revenue-stream structure can mean the difference between financial viability and failure by de-risking against volatility in any single commodity or credit market.

For example, La Caisse (i.e., Québec's pension fund) and Australia's Clean Energy Finance Corporation have deployed $161 million in landscape-scale sustainable agriculture and carbon-driven restoration in Australia, combining commodity revenues with carbon credit offtakes. In Panama, Colombia, and Morocco, the German impact fund ForestFinance structures deals combining timber production with agricultural commodities and carbon credits in landscapes facing conversion pressure.

This approach addresses the reality that in many landscapes, conversion and degradation pressures are interlinked and landscape-scale. Solutions that separate commodity production (i.e., agriculture, forestry) from conservation often struggle with competition for the same land. Landscape finance models integrate the two, allowing operators to generate returns from production while restoring degraded areas or protecting high-value ecosystems in the same land portfolio (see for example our case study on RRG Capital Management's Sustainable Water Impact Fund, page 39).

Investors have arrived at this approach from very different starting points. Institutional capital seeks institution-grade nature-linked returns; food companies aim to manage supply-chain sustainability risk; carbon market investors are looking for timber + credit stacks; conservation organizations meanwhile innovate to make restoration and land protection financially self-sustaining.

Critically, commercial returns dominate this category (78.6% of mixed landscape portfolio deals target commercial expectations), with blended grant, debt, and equity structures (10.7% of total deals) enabling larger ticket sizes on more complex acquisitions.

Notably, several purpose-built managers have emerged with mixed landscape strategies as their core thesis rather than an extension of existing timber or ag mandates, an early signal of asset class maturation.

CASE STUDY

# **RRG Sustainable Water Impact Fund (SWIF):** *Investing in Sustainable Land, Water, and Agri-food Transitions in Key Farming Regions*

## QUICK FACTS

| | |
|---|---|
| **Geography** | United States (California, Washington), Chile, Peru, Uruguay, Australia, Mexico, Colombia |
| **Stage** | Launched 2019; implementation of a 10-year closed-end fund |
| **Capital raised** | $927 million, fully deployed |
| **Asset type** | Fund (real assets—land, water, agri-food infrastructure) |
| **Instrument** | Private equity |

Agricultural systems in many regions face increasing pressure from water scarcity, climate variability, and land degradation. These pressures can reduce productivity and create risks for both communities and ecosystems, particularly in regions critical to global food supply. The RRG Sustainable Water Impact Fund (SWIF or the Fund) was established to invest in land, water, and agri-food assets with the objective of improving their long-term sustainability and resilience. The Fund focuses on strategically located assets—including farms, water infrastructure, and agricultural facilities—and seeks to transition them from less environmentally and economically viable practices toward more water-secure and climate-adaptive uses. Launched in 2019 as a collaboration between RRG Capital Management (RRG or the Firm) and The Nature Conservancy (TNC), SWIF combines investment management with technical conservation expertise. The Fund acquires and manages agricultural real assets, implements operational and land-use changes, and generates value through improved asset performance and sustainability outcomes over the life of the investment.

## KEY FIGURES

| |
|---|
| **$927 million** capital deployed |
| **67,900 acres** of land sustainably managed |
| **236,000 acre-feet** of water sustainably managed |
| **12** investments (1 exited) |
| Operations across **7** countries |

## PROJECT ARCHITECTURE

SWIF is structured as a 10-year closed-end real assets fund investing in land, water, and agri-food across multiple premium agricultural regions. The Fund seeks to create value based on improving the use and management of these assets. Governance processes integrate conservation expertise directly into fund strategy and operations. RRG serves as Investment Manager, responsible for investment execution and asset management, while TNC acts as a technical conservation advisor and participates in governance structures. A Technical Advisory Committee—including RRG, TNC, and a third-party advisor—reviews investments against environmental and social criteria, identifies opportunities for positive impact, and advises the SWIF Investment Committee. TNC also holds a seat on the Investment Committee that is specific to implementing and effectuating the Fund's environmental and community impact criteria. To further incentivize positive environmental impact, a portion of RRG's carried interest is held in reserve and released to the Firm only to the extent identified conservation outcomes are achieved.

## OUTCOMES

SWIF focuses on strategic land, water and agri-food assets in premium farming regions RRG believes are critical to food markets, communities, and the environment. The Fund aims to deliver positive environmental and social outcomes. Across the portfolio, this includes the permanent protection of land and water resources through conservation easements and similar mechanisms; improved land management to support biodiversity, including restoring native plant species, establishing habitat corridors, and managing invasive species; climate-related benefits through renewable energy adoption, reduced agricultural inputs, and aligning land- and water-use with shifting climatic and hydrologic conditions; and freshwater benefits through improved water quality, reduced runoff, and the allocation of water to environmental uses.

## TO DATE, THE FUND HAS ACHIEVED:

- 16,845 acres (6,817 hectares) of habitat permanently protected
- 17,841 acres (7,220 hectares) restored or under improved management
- 13,606 acres (5,506 hectares) of seasonal habitat created
- 1,991 acre-feet (2.5M $m^3$) of water permanently and temporarily dedicated to environmental purposes

Operational strategies vary by asset and geography. For example, in Chile, water-intensive rice production was replaced with lower water-use hazelnuts, alongside a shift to more reliable groundwater sources, demonstrating how changes in crop selection and water sourcing can improve long-term resilience within agricultural systems. While in California, resource-intensive dairy operations were replaced by groundwater recharge areas that also serve as seasonal wetland habitat for migrating birds, showing how changes in land management to better uses can create conservation outcomes alongside business operations.

### SCALABILITY, REPLICATION, & FUTURE DIRECTION

SWIF's model is designed to demonstrate how integrated investment in land, water, and agri-food systems can deliver value. A key objective is to catalyze replication by other asset managers and producers, encouraging broader adoption of climate-aligned and water-resilient natural capital strategies, sustainable agricultural practices, and nature-based solutions. Scaling this approach depends on continued availability of institutional capital for real asset strategies, as well as collaboration among farmers, water managers, rural communities, and conservation organizations. Expanding the model will also rely on applying similar asset transition strategies across additional agricultural regions facing water stress and climate-related pressures. The fund's experience suggests that repositioning agricultural assets for future conditions can contribute to landscape-level outcomes.

### KEY TAKEAWAYS

- Integrating conservation expertise into fund governance and investment management strengthens impact delivery and oversight.
- Transitioning agricultural assets to better land uses can improve both environmental conditions and value.
- Water security and land management are central to agricultural resilience and investment outcomes.
- Aligning financial incentives with conservation outcomes supports measurable impact.
- Cross-sector collaboration is important for scaling nature-based solutions in agriculture.

# Private investment in ecological restoration and conservation

## Private equity shows an appetite for ecological restoration in policy-backed markets

Asset managers reporting revenue streams from biodiversity and nature credits are almost entirely concentrated in established regulatory markets. Within these compliance markets (i.e., United States, United Kingdom, Australia), private equity participation is limited to a relatively small number of deals but reflects serious ticket sizes and well-established revenue models. Notably, biodiversity and nature credits appear in 0 of 93 Global South ecosystem restoration and conservation investments in Latin America, Asia, and Africa versus seven out of eight North America, European, and Oceania deals.

Around the world, demand for biodiversity credits or verified outcomes is overwhelmingly driven by policy or the expectation of future policy. In the United States, demand for wetland, stream, and habitat credits drives billions of dollars in transactions each year (and has done so for more than a decade),[8] due to regulatory obligations under the Clean Water Act and Endangered Species Act to mitigate environmental impacts from real estate development, infrastructure projects, and other land-use change. Such market stability has attracted institutional capital, with managers like Ecosystem Investment Partners, Resource Environmental Solutions, and Westervelt securing investments from groups including KKR and a variety of pensions over the last decade (Insights box, page 42).

***"Nowhere is the gap between policy-enabled market stability versus uncertainty clearer than in the vast gap between the success of ecological restoration-focused asset managers operating in compliance versus voluntary markets."***

8 Bennett, G., M. Gallant, and K. ten Kate (2017). *State of Biodiversity Mitigation 2017: Markets and Compensation for Global Infrastructure Development*. Washington, DC: Forest Trends Association.

## INSIGHTS

### Institutional Capital in US Mitigation Banking: The Policy Foundation for Investment Certainty

Ten years have passed since the last iteration of this report series was published in 2016. At that time, the ecological restoration industry in the United States was in the midst of a breakthrough.

Ecosystem Investment Partners had raised a $180 million private equity fund that included a $30 million commitment from the New Mexico Educational Retirement Board (NMERB) and was the first time that a US-domiciled public pension fund had made an investment driven entirely by the risks and potential returns from ecological restoration.

It was a signal moment: the mitigation banking industry, which had been growing since the 1990s, suddenly became investable at scale. That growth had been bolstered by the 2008 Mitigation Rule in the United States, wherein the US Environmental Protection Agency and the US Army Corps of Engineers moved from guidance for compensatory mitigation for impacts to wetland and stream habitats to actual regulatory rulemaking. The 2008 Rule clarified what project developers have to do to earn a credit, and also what buyers get when they buy a credit.

That structural clarity certainly helped the New Mexico Educational Retirement Board to be able to invest in EIP II as a pure fiduciary. The supply and demand dynamics for mitigation credits could be formally underwritten. And this clarity allowed other institutional investors to follow suit. To date, EIP has now raised over $1.5 billion in capital commitments from many US and European domiciled pension funds, corporations, university endowments, foundations, and family offices, and other major US restoration firms have had success growing in the space.

Pension funds are an important bellwether because the money they invest is by definition not "impact" capital. Because they invest on behalf of their constituents who are planning to retire over the coming 30 years, it must be done on a pure fiduciary basis, a sober risk-return calculation.

And that calculation must, of course, include analysis of political and regulatory risk. While no one can predict the future, these investments show that the market has proven to be durable throughout both Republican and Democratic administrations in the United States. This is because it is good for the environment and good for development both. Mitigation banking provides an efficient way to get permits, and it's also probably good from an ecological standpoint because of the rigor of what's required by regulators.

There is a powerful lesson here. A durable policy framework that balances economy and ecology created a predictable demand for restoration results; institutional investors took notice, and capital followed.

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***Adam Davis*** *is Cofounder and Managing Partner of* ***Ecosystem Investment Partners****.*

## Blue finance is innovating on debt structures, albeit with public/ concessional capital doing the heavy lifting

Marine and ocean finance has produced some of the most innovative debt structures in the dataset, including blue bonds, debt-for-nature swaps, and sustainability linked blue loans. Deal count remains small and capital is concentrated in continued multilateral development bank (MDB) or development finance institution (DFI) lending. But bond markets suggest private institutional appetite: European pensions (ex: ABP, AP7) have purchased blue bonds, while asset manager T. Rowe Price is actively developing a blue economy bond project, suggesting that when securities are properly structured and prepaid, institutional buyers exist.

We identified 11 marine/ocean restoration bonds issued by multilateral development banks between 2022 and 2025 totaling at least $580 million (five of eleven bonds lacked published valuation). These deals have a median size of $85 million, though this is elevated by several large deals exceeding $300 million. The median of deals under $200 million is approximately $54 million, suggesting debt structures align with institutional capital requirements, but the sample is small and trend direction is just beginning to emerge.

Moreover, every $100 million+ deal in this set is either led by or co-structured with a MDB or DFI, underscoring that private capital in this space remains dependent on public sector origination, credit enhancement, or first-loss coverage to reach scale.

## Debt for nature swaps: Dual-action solutions to sovereign debt challenges and ecological degradation

A series of high-profile debt-for-nature swaps led by The Nature Conservancy (Ecuador 2024, Bahamas 2024, Gabon 2023, Barbados 2022, Belize 2021) add up to nearly $2.8 billion—more capital than all of the other debt instruments combined, and representing real financial innovation in positioning nature as the basis for private credit enhancement (see Insights box on sovereign debt conversion on page 44) as well as private engagement via purchasing re-issued debt.

## INSIGHTS

### Debt Innovation: Sovereign Debt Conversion and Development Finance Institutions

Sovereign debt conversions utilize credit enhancement to unlock savings which are then primarily directed towards long-term conservation efforts that protect nature, maintain healthy ecosystems, and support local communities and livelihoods. For some countries struggling with existing debt service payments, a debt conversion is an innovative way to increase ecosystem protection and improve management while lowering debt service payments. Credit enhancement improves the credit profile of the sovereign, thereby reducing borrowing costs. TNC's Nature Bonds project in support of Ecuador's Biocorredor Amazónico Program is a recent example. Relying on credit enhancement provided by two development finance institutions, the Republic of Ecuador was able to repurchase external commercial debt at a significant discount and issue $1 billion of new debt at a lower cost, unlocking approximately $460 million for terrestrial and freshwater conservation in Ecuador over 17 years.

Credit enhancements in debt conversions are typically provided through guarantees and insurance coverage. For the Ecuador transaction, the US International Development Finance Corporation (DFC) provided a Political Risk Insurance policy of $1 billion to cover loan principal against risk of nonpayment of an arbitral award. The Inter-American Development Bank (IDB) issued a $155 million partial credit liquidity guarantee which will cover two years of interest and expenses under the loan, associated with arbitration. These two credit enhancements together provide for continued interest payments to bondholders and other expenses in the event of default. The credit enhancements provided by DFC and IDB allowed the new Ecuador bond issuance to achieve an Aa2/AA credit rating despite the Republic of Ecuador's rating at the time of issuance of Caa3/CCC+ (from Moody's and Fitch respectively).

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***Catherine Burns*** *is the Managing Director of NatureVest and co-lead of the Nature Bonds Program at* ***The Nature Conservancy****.*

# Nature-based climate solutions

## Nature-based carbon deal growth driven by commercial capital and climate policy trajectory

Nature-based climate solutions have emerged on the scene since our last report, driven by growth in voluntary carbon markets and net-zero commitments. Deal volume has grown from seven deals in 2016 to at least 41 in 2025, with capital deployment accelerating in 2021–2025. Reforestation dominates the asset mix (59% of tracked deals), with significant growth in large-scale deals (we tracked more than $1 billion committed in the US and Brazil in 2022–2024).

The category is investor-led: 69% of deals target commercial returns, and 55% involve private equity or asset managers. Median deal size ($52 million) reflects institutional appetite for scalable carbon projects. Geographic concentration in North America and Latin America suggests carbon credit availability and offtake markets are the enabling factors. However, carbon market volatility and policy uncertainty create choppy conditions; 2023 saw a capital dip despite growing deal count, signaling investor caution mid-cycle.

Managers report increasing sophistication among investors and in deal structuring (blended returns, outcome-based pricing, and emerging models like Kwaxala's—see Case Study on page 45), but headline risk around carbon credit integrity and policy decisions (related both to domestic/jurisdictional market frameworks and how global Article 6-governed trading will intersect with voluntary markets) remain material, and a long tail of smaller emerging managers suggests this is a difficult category to break into.

CASE STUDY

# **Kwaxala—Finance on Nature's Terms:** *A New Investment Architecture for Indigenous-Stewarded Forests*

## QUICK FACTS

| | |
|---|---|
| **Geography** | British Columbia, Canada—Maq̓inuxʷ Special Forest Management Area, Kwiakah First Nation territory |
| **Stage** | Phase 1 7,500-hectare Pilot established May 2024; Carbon offset agreement confirmed April 2026; final investor diligence underway, full 57,000-hectare pilot now in progress. |
| **Capital raised** | Nature United philanthropic grant: CAD$3 million (~US$1.8 million). Living Forest Shares sold: US$1.8 million. Asset value on Kwiakah First Nation balance sheet: US$13 million. |
| **Asset type** | Real asset / Environmental credits. Novel cooperative and revenue-sharing structure; not a conventional fund or company. |
| **Instrument** | Living Forest Shares (perpetual passive revenue-share units); carbon offset offtake elective for corporate investors |

Most of the world's most ecologically valuable forests are not held in private hands. In British Columbia, 94% of land is Crown land with underlying Indigenous rights to title over those lands, with the best forest held under Tree Farm Licenses issued to logging companies. These licenses are not only rights to extract timber; they have historically been legal obligations to do so.

Rather than attempting to outbid logging companies for land, or relying on philanthropy to offset extraction after the previous industrial holder of a Tree Farm License relinquished harvest rights, Kwaikah First Nation worked with the BC Ministry of Forests over three years to convert the logging obligation into a structure that supported their vision to protect and regenerate their territory, retiring the license's extractive obligations. These regenerative rights are now held by the Nation, and generate an annual carbon offset revenue from a living forest.

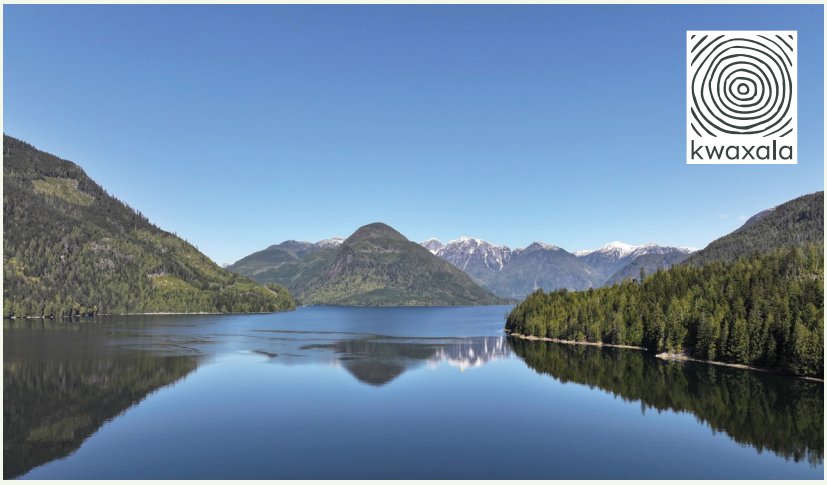
The Nation has also founded Kwaxala, which has created a new form of pooled investment fund and securitized the annual revenue from the project into Living Forest Shares—perpetual investment units that investors hold in exchange for a share of ecological output. The Living Forest Share mechanism effectively converts relatively low acquisition cost per hectare Tree Farm Licenses and modest income streams from carbon credits into a balance sheet asset which the Kwiakah First Nation can leverage to fund ecosystem regeneration and community economic development.

The pilot site is the Maq̓inuxʷ Special Forest Management Area on Kwiakah First Nation territory, with 7,500 hectares formally established in May 2024. In April 2026, the BC Ministry of Forests finalized the pilot carbon offset flow and now the Nation is pursuing the balance of the full 57,000-hectare pilot. Final investor diligence is in progress on the Kwaxala pilot Living Forest Share issuance.

## KEY FIGURES

| |
|---|
| **~7x** asset value leverage ratio |
| **57,000-hectare** full pilot mandate (April 2026) |
| **5%** perpetual investor yield, indexed to carbon pricing |
| **7–8x** lumber revenues projected over 25-year horizon |

## PROJECT ARCHITECTURE



© Kwaxala

Each Regenerative Forestry project generates annual carbon offset revenue, brokered by Kwaxala. A fixed stewardship cost base is distributed back to the project first; the remainder is securitized into Living Forest Shares, with pricing indexed to deliver a 5% yield from their share of revenue. If carbon prices rise, yield rises and asset value with it. The Nations retain the bulk of their project's asset value but can sell Living Forest Shares to investors to raise capital for project establishment or more diverse economic development. A key impact multiplier of purchasing Living Forest Shares is the demonstrable value given to the assets retained by the Nation, turning Living Forests into visible and valuable multi-generational economic assets without their ownership leaving the community. Living Forest Shares are issued against new project revenue streams but become fungible across the fund portfolio when purchased by investors, so investor returns pool across all the projects while each forest remains fully sovereign and can receive direct investment. Corporate investors may elect to receive raw carbon credits rather than cash distributions, treating the shares as a balance sheet asset that generates annual offset supply.

Kwaxala takes no direct fees from revenue flows or fund management. It funds itself entirely by holding a portion of Living Forest Shares from each project it onboards, aligning its incentives entirely with project and network performance. Kwaxala is also majority owned by a partnership of the Nations in the network it serves, ensuring surplus network value flows back to the Nations.

Catalytic capital played a specific and time-limited role. Nature United provided CAD$3 million (~US$1.8 million) as a philanthropic grant to the Kwiakah First Nation to acquire the initial tree farm license and provide capacity to the Nation to develop their vision. Once the right to regenerate was established, commercial capital began to enter on market terms via Living Forest Shares. A capital commitment facility is now being built to enable institutional deployment at scale. Large allocators diligence the Kwaxala protocol once and commit capital in advance, drawing down as new sovereign projects come online.

## SCALABILITY AND FUTURE DIRECTION

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The immediate scaling mechanism is the capital commitment facility. Once the protocol is diligenced, large allocators can commit capital in advance and Kwaxala draws it down as new sovereign Indigenous partners come online following the established protocol. Each new partner establishes its own Regenerative Forestry project, Living Forest Shares are issued by the pooled fund against committed revenue share, and they can access capital as required whilst retaining full sovereignty over their forest and receiving annual revenues generated by Kwaxala's network brokerage services. It's a model that can then be applied across multiple projects delivering pooled investor returns and building a coordinated network of sovereign indigenous regenerative forestry projects.

## KEY TAKEAWAYS

- The right to regenerate, acquired at the same cost as the right to extract, turns a living forest into a recognized balance sheet asset. A US$1.8 million pilot acquisition has been converted into US$13 million in asset value on the Kwiakah First Nation's books.
- How capital is securitized determines where value lands. Conventional company structures, even green ones, concentrate value in centralized management entities. Securitizing the ecological outcome directly at the project level keeps value and sovereignty local while still enabling institutional-scale deployment.
- Designing a protocol-based system that allows large allocators to commit capital in advance, drawing down as projects come online, turns pipeline development into a deployment mechanism rather than a repeated fundraising exercise.
- Because investors own a share of what the forest produces rather than the forest itself, they cannot liquidate the underlying ecology when markets shift. The investment architecture makes permanence structurally enforceable.

# Enabling and commercialization technologies

## Venture infrastructure betting on upstream market viability

Enabling and commercialization technologies are our second-largest category by deal count (after sustainable agriculture at 877 deals) and represent a significant portion of nature finance capital deployment. It is also a new category compared to our previous report. As a category, these investments function as infrastructure for the other investment categories in this report—ultimately fueling, but largely dependent on, upstream growth.[9]

The category is venture-dominated (82.5% VC/fund-led, 87.9% commercial return expectations). We also track in our dataset large-scale finance facilities which are quite a different animal from venture-backed tech companies. They are capital mobilization vehicles, often concessional or mixed-return, and designed to crowd-in commercial investment in agriculture or sustainable commodity supply chains. They belong in enabling infrastructure but operate with different risk/return profiles and capital dynamics than venture investment .

Venture-backed enabling technology capital commitments in our dataset total $11.8 billion for the 2016–2025 period, concentrated in North America (46%), Latin America (39%), and Asia (7%), with only 3% in Oceania and Africa combined. Deal volume has grown steadily (27 deals in 2017 to 75 in 2024). Seven in 10 enabling and commercialization technology deals in our dataset support sustainable agriculture, broadly tracking agricultural investment momentum. Monitoring and verification technology is more dependent on carbon and nature market expansion, and these ventures experienced funding pressure in 2023–2024 connected to carbon market volatility.

## INSIGHTS

### The NatureTech Transformation

In 2017, I worked on a report encouraging private investors into nature. We gave nature tech half a page at the end and could name three companies. We added it partly because investors found nature off-putting but liked a bit of technology. Nature tech, in a slightly Trojan horse way, was born.

That it is now the second-largest category in this report, from not being a category at all a decade ago, still surprises me.

What the number leaves out is the part I find most telling. Most of the hard problems in nature tech were never technical. They were problems of translation: helping buyers act on something that rarely fits a board, a reporting cycle, or a procurement rule.

The visible tools attract capital. The quieter work that makes them legible to investors—the convening, the shared norms, the guardrails—is far harder to fund. Yet, that is the work that turned a loose set of tools into a category investors could back.

If the next wave of capital depends on confidence, then confidence is the thing worth funding.

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***Lucy Almond*** *is Director and Chair of* ***Nature4Climate*** *and Strategic Communications Lead for Nature Based Solutions for the* ***World Economic Forum****.*

9 It's important to note that this category is tracked in this dataset as a contextual category rather than a primary focus. Dedicated nature tech market reports, including those published by the NatureTech Collective (formerly the MRV Collective), Serena, and Nature4Climate, apply methodologies purpose-built for this segment and will provide more comprehensive coverage of deal count and volume. Our figures should be read as indicative of the category's relevance to the broader nature finance ecosystem rather than a definitive accounting of activity.

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# Market Maturation

There is a broad agreement among survey participants that the nature investment landscape has matured significantly in the last five years, although respondents differed in how far along that maturation process has progressed. Nearly three-quarters of respondents expressed either bullish or constructive views regarding market development, citing increasing institutional participation, stronger diligence standards, more sophisticated impact measurement systems, and the expansion of supporting market infrastructure.

> ***"Natural capital investing has moved from narrative and pilot allocations towards greater scrutiny of execution, governance, and outcomes, with investors demanding evidence that strategies deliver."***
>
> SURVEY RESPONDENT

Respondents repeatedly described a shift away from a relationship-driven and highly opaque market toward a more institutionalized and risk-adjusted environment. Several survey respondents emphasized the degree to which investors today expect hard evidence of execution capacity, governance quality, measurable outcomes, and long-term resilience rather than narrative-driven investment theses alone.

At the same time, respondents agreed that important bottlenecks remain unresolved, describing the sector as entering an *"institutionalization phase."* Data availability, MRV capacity, comparable outcomes, biodiversity monetization pathways, and transaction complexity were all identified as ongoing constraints.

## Macroeconomic volatility and geopolitical frictions shape investment conditions

Policy and guidance has functioned as both accelerant and constraint for nature investment. On the accelerant side, the New York Declaration on Forests (2014), GRI Standards (2016), TCFD (2017), the European Union's Sustainable Finance Disclosure Regulation (SFDR), TNFD (2021–2023), the Kunming-Montreal framework (2022), the Global Biodiversity Framework Fund (2023), and ISSB's nature-related disclosure work (2025) collectively constitute a decade of framework-building that has given the market a common language for nature-related risk. Government embrace of nature markets through compliance mechanisms, nature-related disclosure mandates, and biodiversity net gain requirements, is, per one respondent, *"fast eclipsing all other actions from the voluntary side,"* contributing to stronger demand signals and greater investor confidence.

On the other hand, regulatory uncertainty diffuses biodiversity finance and nature-related disclosure. Survey participants emphasized that implementation challenges remain substantial. Regulatory fragmentation, evolving standards, jurisdictional inconsistency, and uncertainty around biodiversity monetization continue to constrain scalability.

## Institutional capital is entering nature finance, selectively and at scale

Institutional capital entry was a common theme among survey respondents. As nature investments evolve from pilots and early-stage ventures to mature vehicles and managers develop track records, pensions and other major asset managers are entering the market (Figure 10). However, survey respondents note that maturation is still somewhat constrained by the need for better standardization, sufficient scale, and demonstrated returns.

> ***"We expect nature investing to transition from pilot and exploratory allocations to a more established place within institutional portfolios…Investors are increasingly treating the asset class alongside other long-term real assets rather than as a thematic allocation."***
>
> SURVEY RESPONDENT

Institutional-led deals total $22 billion across 233 deals over the last decade, with average institutional-led ticket size growing from $70 million in 2017 to $167 million in 2025 (Figure 10). Pensions, in particular, have strengthened engagement, averaging $273 million per ticket in 2025 compared to $89 million in 2017. In absolute terms, institutional-led annual deal count roughly tripled over the same period (from 11 to 35).

Capital deployments led by institutional investors have a higher median ($59.5 million) than non-institutional deals ($12.7 million), reinforcing the common wisdom that institutions are more selective and deploy at larger scales when they do participate.

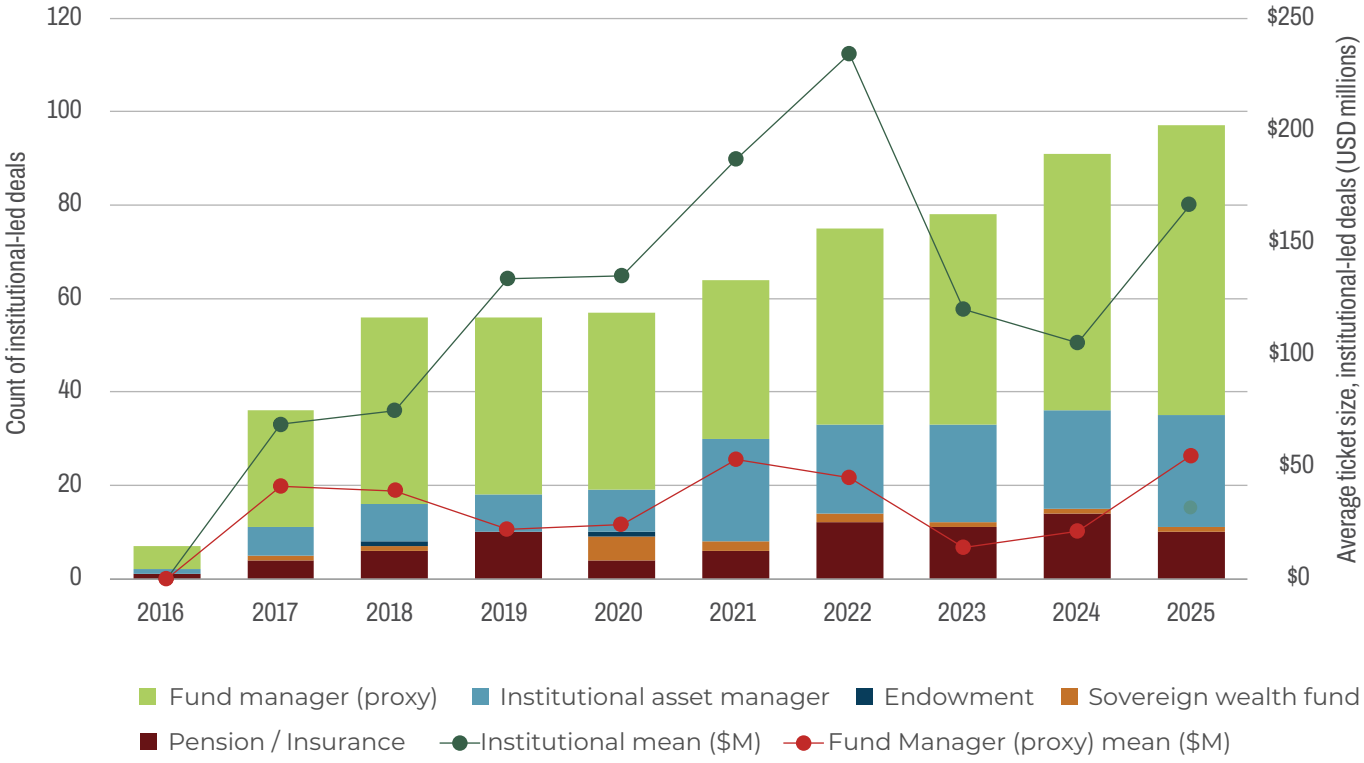
## Investor returns-first motivations: A signal of a maturing investment class

The majority of reported deals are "returns first," with a variety of additional motivations reported, chief among them conservation impact (Figure 11). This stands in some contrast to the response given to the same question 10 years ago: in 2016, for-profit respondents ranked conservation objectives (30%) fairly evenly with financial return (27%). That shift almost certainly reflects the institutional entry pattern noted elsewhere in this report.

> ***"A range of investor goals exists, 'and often within the same portfolio,' as one investor put it."***

At the same time, responses capture the diversity of motivations for investing in nature—ranging from the purely fiduciary, to seeking particular impacts or nature outcomes, to policy or disclosure driven, to a broader but growing interest in "volatility-proofing" portfolios against geopolitical, climatic, and macroeconomic uncertainty. One fund manager described how some of his pension fund LPs requested that the fund de-emphasize ESG aspects, even as other institutional LPs viewed the fund as part of their green mandate allocation. The co-existence of these motives is a signal of the space's market maturation.

**Figure 10.** Count and Average Ticket Size of Deals Led by Institutional Investors, 2016–2025




*Note: Based on public data aggregation of 1,027 nature-related transactions. Institutional investors are defined as pension funds, insurance companies, sovereign wealth funds, endowments, and institutional asset managers (for example, Nuveen, Manulife, AXA IM, Macquarie Asset Management). "Fund manager (proxy)" refers to deals led by dedicated fund managers where underlying capital is predominantly sourced from institutional limited partners, but LP identity is not captured in this data set. 2016 data on ticket size contain a small number of transactions and are dominated by a single large institutional farmland acquisition, making year-on-year comparisons with subsequent years unreliable, and has been excluded from this figure.*

**Figure 11.** Leading Nature Investment Motivations Reported by Survey Respondents

PRIMARY MOTIVATION

1. **Financial returns** (23)
2. **Conservation impact** (14)
3. **Other** (4)
4. **Nature-related mitigation** (2)
5. **Portfolio diversification** (2)
6. **Deforestation-free supply chains** (1)

SECONDARY MOTIVATION

1. **Conservation impact** (20)
2. **Other** (8)
3. **Financial return** (6)
4. **Deforestation-free supply chains** (3)
5. **Brand/Reputation** (1)
6. **Portfolio diversification** (1)

## Internal criteria and third-party standards increasingly combined to measure and verify nature investment impacts

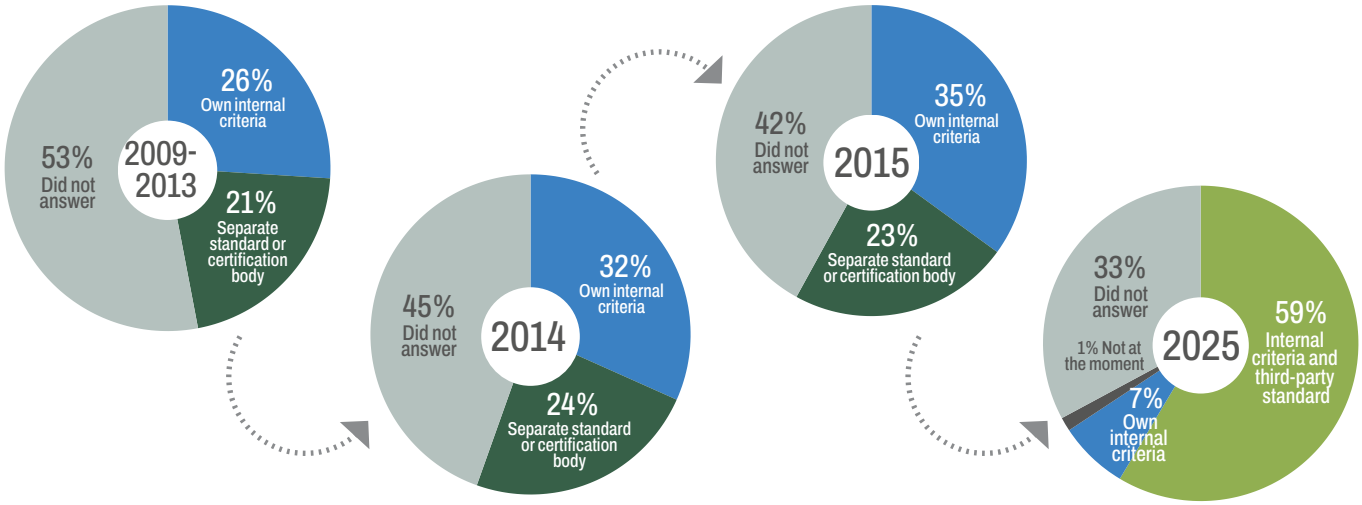
From 2009 to 2025, there has been a clear shift toward more formalized approaches to MRV of nature investment impacts (Figure 12). Across each reporting period, respondents increasingly indicated the use of internal criteria, third-party standards, and later, in 2025, a combination of both, to assess nature investment impacts. While earlier years showed a stronger reliance on either internal methodologies or standalone certification frameworks, the 2025 results suggest the market is moving toward a hybrid verification approach that combines internal impact measurement systems with external standards.

Internal verification methodologies remained the most commonly cited approach, with 31 respondents relying on internal systems to measure nature-related impacts. This suggests that many investors continue to use customized frameworks tailored to specific asset classes, geographies, or environmental and social outcomes, particularly given the lack of universally accepted standards.

Respondents reported increasing alignment with internationally recognized disclosure frameworks. The TCFD was the most widely cited formal framework, followed by the GRI and TNFD. The relatively strong uptake of TNFD is notable given its recent emergence, suggesting growing investor interest in integrating nature-related risks and impacts into mainstream financial reporting. Several respondents also referenced science-based target frameworks, including SBTN and SBTi, though adoption remained comparatively limited.

***"The market is transitioning from fragmented, internally defined measurement practices toward a more mature hybrid model that combines organization-specific methodologies with externally recognized standards, verification, and disclosure frameworks."***

**Figure 12.** Share of Organizations that Monitor or Report on Nature Impacts Utilizing Internal and/or Third-Party Frameworks, pre–2014, 2014, 2015, and 2025




*Note: Based on responses by 46 private organizations that reported monitoring nature impacts of investments in 2025; by 45 private organizations in 2015; by 42 private organizations in 2014; and by 50 private organizations in 2009–2013.*

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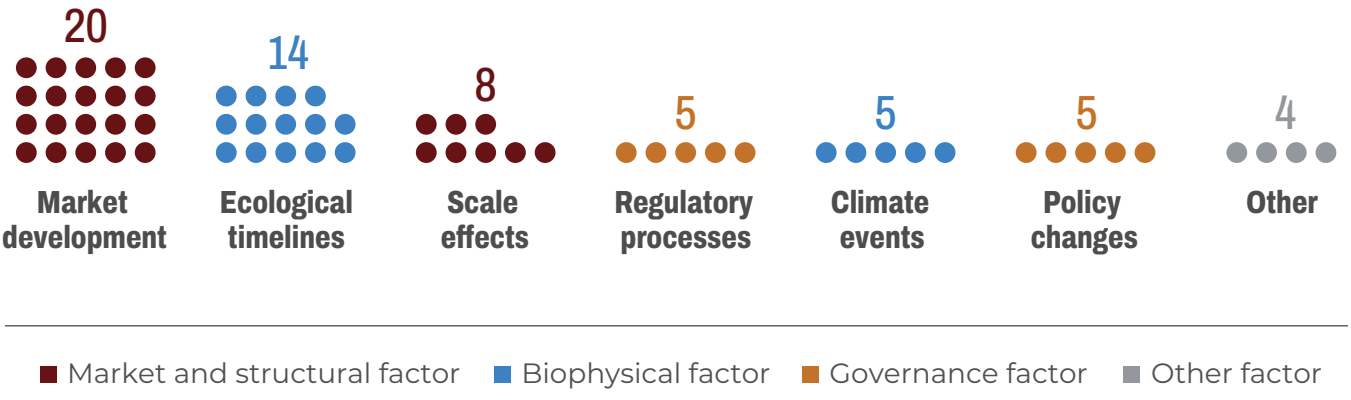
# Impact and Performance

## Managers say the primary risk to performance is market development

Market development (typically hand-in-glove with policy uncertainty) is the primary risk to performance reported by managers—unsurprisingly given that many have revenue models dependent on cash flows from still-maturing carbon and nature markets (Figure 13). Emerging managers in nature-based climate solutions (contending with policy risk and voluntary carbon market volatility) and NatureTech (which depends a great deal on nature and carbon market development) feel this pressure most acutely.

**Figure 13.** Top Factors Affecting Profitability Timelines Reported by Survey Respondents (Count)



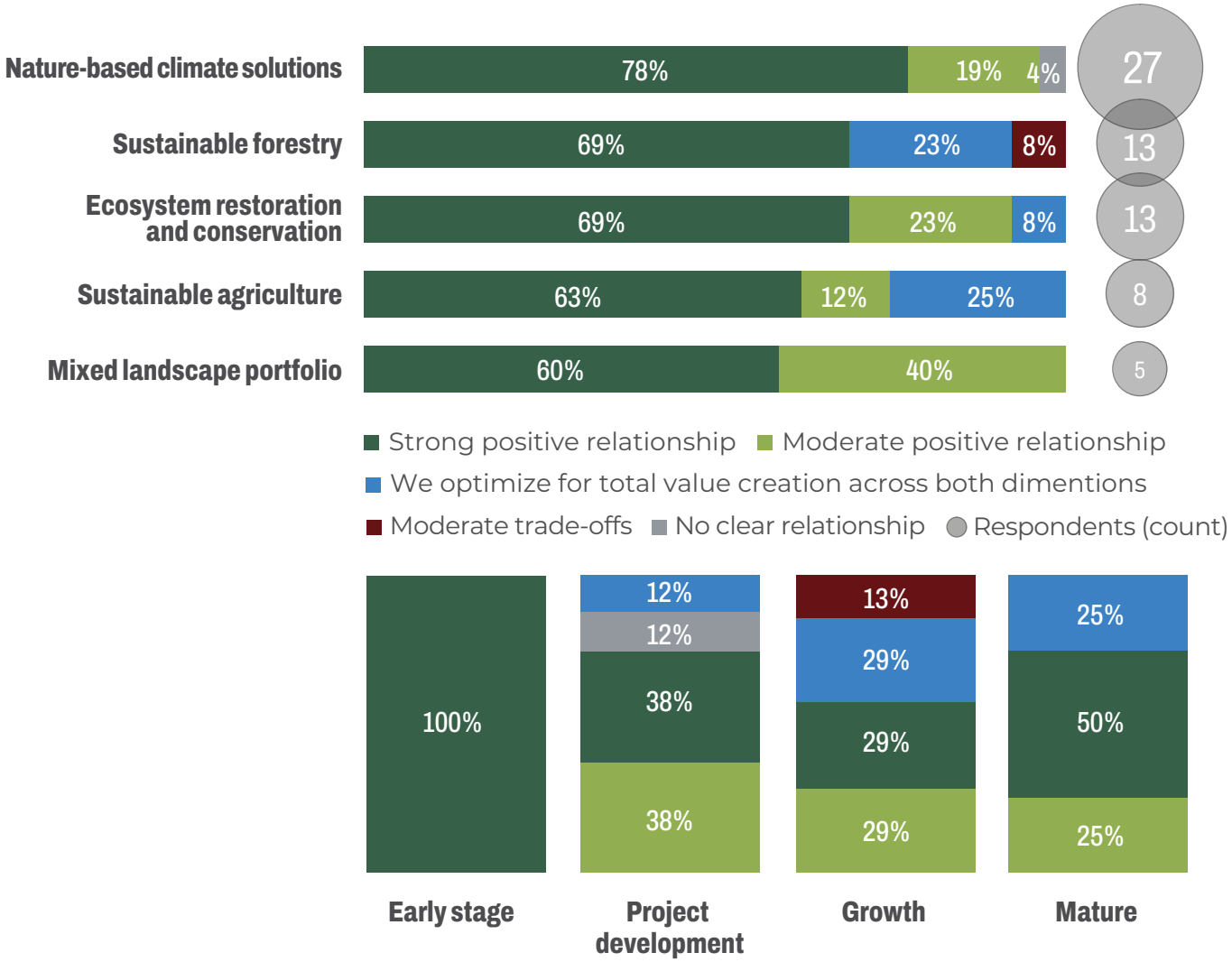

*Note: Based on 27 data points collected via survey.*

## Market actors are bullish on the impact:return relationship

When asked about the expected relationship between financial returns and positive nature impact, respondents were quite bullish (Figure 14). This data comes from a voluntary survey of active participants in the nature finance space, so survivorship bias and self-selection bias in our sample are almost certainly present. However, there is real and widespread belief in a natural capital thesis, challenging both the "nature is concessional" and "there are no investible deals" narratives previously common in the space.

Anticipated strength of the impact:return relationship is highest in early-stage and mature projects, suggesting both initial optimism but also theses being borne out. Three in four mature investments described a strong or moderate positive relationship. A mutually reinforcing relationship between returns and nature impact also seems more likely to hold where there is clear revenue logic (i.e., the core revenue stream or streams are environmental outcomes, not commodity production) and transaction costs and risks are controlled (i.e., via standardization, aggregation, etc.). Sustainable agriculture and forestry investors and managers were more likely to report optimizing between production and impact.

**Figure 14.** Anticipated Impact:Return Relationship Reported by Survey Respondents, by Primary Investment Category and Stage




*Based on data collected through survey responses. Sample sizes are n = 66 for category-level analyses and n = 39 for stage-level analyses*

## Target returns reflect growing track records in a diverse space

Risk-return expectations reflect stage, asset class, track record of managers, investor familiarity with strategies, and market risk (Figure 15). Forestry and agriculture are the most familiar asset classes to most allocators, and the average reported target returns (8% for sustainable forestry and 10.4% for sustainable agriculture) reflect a lower risk-return profile compared to most other categories. Ecosystem restoration and conservation vehicles occupied a comparable range, reflecting increasing institutional entry into that space and a growing track record in certain markets where policy/regulation underpin a stable revenue model.

Mixed landscape portfolios are a broad category, ranging from blended structures with highly concessional capital in developing countries to institutional grade funds that may invest across sustainable timberland, agriculture, environmental credits, and other opportunities.

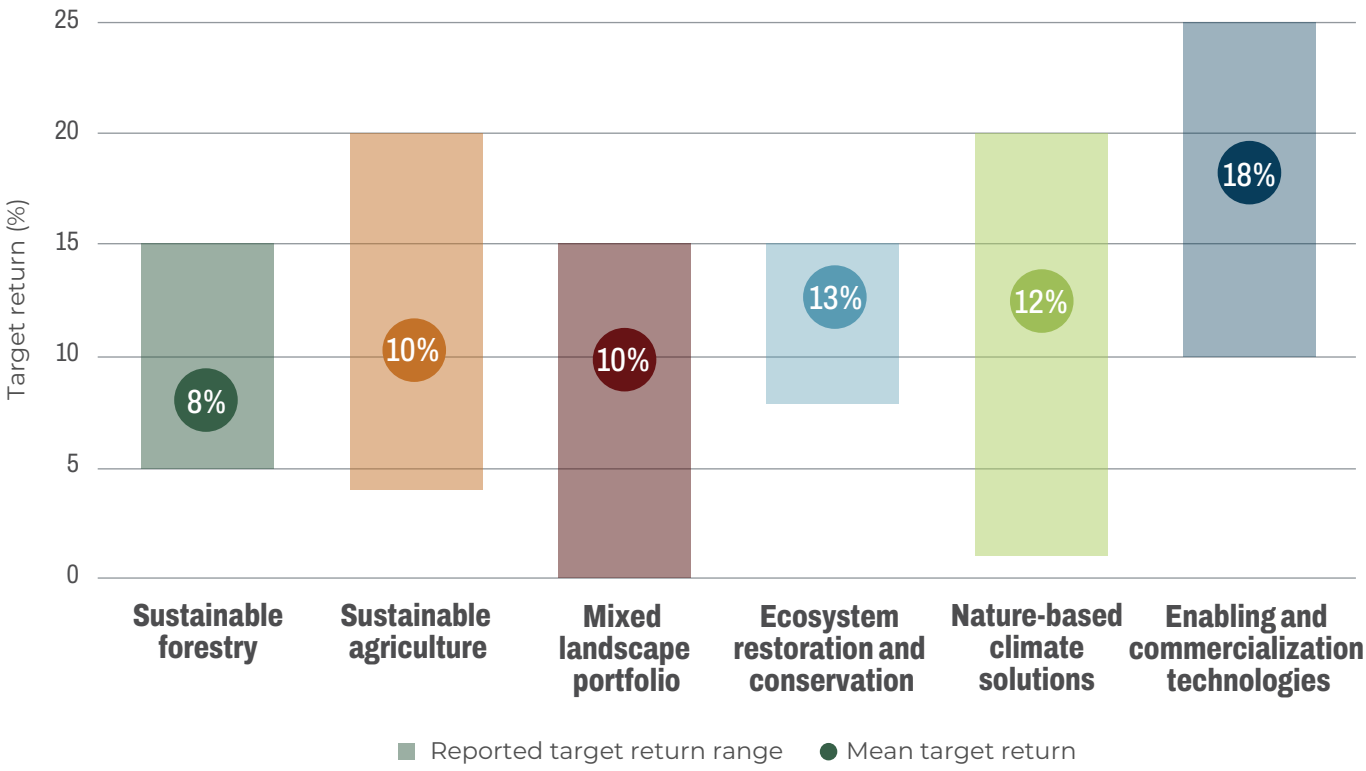
Nature-based climate solutions' target returns occupy an extremely broad range, extending from 1% up to 20%, shaped by stage (which varied from early stage to mature), geography (and thus policy/market context), manager experience, and carbon project type. The mean target return for this category was 12.4% and the median was 12%.

Finally, enabling and commercialization technologies in our target returns dataset tended to be early stage, driving a higher risk-reward profile. Among growth and mature ventures, target returns dropped to the lower end of the range, with an average multiple at the growth stage of 3.6x.

## Performance timelines: Shaped by market uncertainty and nature's own timescales

At the same time that managers defend impact:return positive relationships, they note that time horizons are long: there's a 7–10-year average to target returns, and 3–5 years on average to positive cashflows.

**Figure 15.** Target Returns by Investment Category (Mean and Range)




*Note: Based on 63 data points collected via survey.*

***"Support for market development may take the form of more active policy engagement, support for market integrity infrastructure, or investments in greater platforms enabling greater scale, aggregation, and liquidity creation."***

Market development and ecological/biological timelines were cited as the top factors affecting cash flow, break-even, and target return timelines. As noted elsewhere in the report, market development is the governing force driving profitability overall, and it appears again here as an x-factor in deal timelines. Likewise, concerns about regulatory processes, climate events, and policy change also suggest fundamental uncertainties that investors and managers must navigate.

Ecological timescales, on the other hand, such as those required for tree growth, soil regeneration, or biomass accumulation, are fairly predictable, although biological processes perhaps offer some unfamiliar modeling challenges for the finance industry. They're just not necessarily aligned with standard 10-year closed end fund structures. A longer, deeper J-curve may be a physical reality of the asset class rather than a market problem to be solved with better structuring or policy. Following sustainable forestry's lead in this matter, many funds are already moving toward 12–15-year timelines or open-ended vehicles (see for example Aurora Sustainable Lands, page 35, and Kwaxala, page 45).

# Catalytic Capital

## Catalytic investment plays an important role in de-risking blended capital structures

Catalytic capital accepts either disproportionate risk or below-market-rate returns in order to de-risk, unlock capital, or fill funding gaps for projects with positive environmental and/or social impact. The market actors we surveyed reported high engagement with catalytic capital: two in three have either used it, provided it, or done both. Engagement is concentrated in interventions that de-risk blended finance structures (Figure 16). Provision of first-loss capital, credit enhancements, and signing offtake or advance purchase agreements were among the most frequently cited catalytic interventions. Early-stage technical assistance, grants/subsidies, or support on the policy/regulatory enabling context were rarer, indicating a focus on blended, rather than sequenced, catalytic finance.

## Access to catalytic capital, rather than supply, is a key constraint

Capital users note significant access challenges. These include slow deployment process gripes ("*It takes so long to unlock catalytic capital from DFIs and family offices*"), high complexity, and high transaction costs.

Just one survey respondent (in 23 using/providing catalytic capital) cited the available *supply* of catalytic capital as a key problem. Instead, misalignment with capital providers' mandates and constraints was the common theme. Capital users described navigating a landscape of a small number of gatekeepers with specific theories of change, and struggling to match themselves to thematic criteria, ticket size, and track record expectations.

**Figure 16.** Catalytic De-Risking Strategies Most Commonly Cited by Survey Respondents Utilizing or Providing Catalytic Support to Nature Investments


*Note: Based on 14 data points collected via survey.*

> *"Most catalytic capital providers have too narrow and idiosyncratic program/investment criteria, driven by their funding sources. Essentially, [they're] limited in scope."*
>
> SURVEY RESPONDENT

> *"Catalytic providers should publish decision frameworks so practitioners can self-select. Flexibility on program definitions would expand use."*
>
> SURVEY RESPONDENT

## Catalytic capital needs: Market development support, high-integrity intermediation, and mandate transparency

Given these process frictions, the catalytic capital space will likely benefit from a continued shift from more bespoke instruments to greater intermediation between capital providers and users, and standardization. Specifically, platforms or aggregators for pre-screening deals, bundling catalytic capital, and lowering transaction costs address multiple barriers at once. However, early-stage and small capital users are particularly vulnerable to power imbalances, which are exacerbated when they're pulled into aggregation structures with large investors in the capital stack. High integrity design principles need to be followed (see Insights box on page 59).

> *"[We need to] create the broader enabling conditions so that initial catalytic capital results in the engine turning over without needing to continually subsidize the investment."*
>
> SURVEY RESPONDENT

Likewise, given all of the dynamics discussed in this section, the signal to catalytic capital is that capital efficiency (in the sense of total returns plus impact) can be shored up through support for overall market development, alongside targeted investments de-risking specific deals. Support for market development may take the form of more active policy engagement, support for market integrity infrastructure, and investments in platforms and evidence that continue to build investor confidence in markets.

## INSIGHTS

### Financing Integrity: The Missing Middle in Nature-Based Carbon

Voluntary carbon markets have spent years refining supply-side and demand-side integrity. Both are essential—but neither guarantees that projects can be built, survive shocks, or scale. What's missing is financing integrity: whether capital is structured to let high integrity projects happen, especially for smaller or community-led developers. Even the best methodologies and the most committed buyers cannot deliver impact if projects cannot access viable, long-term finance.

In the early years, many projects were funded directly from corporate social responsibility and development agencies using small budgets to back pilot initiatives. Ticket sizes were modest, relationships personal, and risk allocation informal. As corporate climate strategies and net zero pledges expanded, demand shifted toward larger, multiyear positions from big corporates and, more recently, technology and finance players looking at carbon as part of broader transition plans. Today's offtakers prioritize reputational and accounting risk alongside price.

On the financing side, early projects often relied on buyers for quasi-equity or soft loans. Forward offtake agreements later allowed developers to pre-sell future credits and use that as quasi-project finance. As integrity standards tightened, including dynamic baselines and shorter baseline validity periods, forward revenue became less predictable. Integrity risk turned into financial risk. Developers faced higher scrutiny, more volatility, and rising costs—without a matching evolution in financing tools.

**INSIGHTS** *continued*

Structured and blended finance is emerging. Layered capital stacks may combine concessional first loss tranches from philanthropic or public funds, senior debt from banks, and equity from impact or infrastructure investors. Mechanisms like revenue share agreements, mezzanine loans, and guarantees aim to absorb initial losses and crowd in more conservative capital as projects mature. These models concentrate control and returns with investors while leaving local partners with thin economics and heavy obligations. High integrity on paper does not always translate into durable, inclusive projects on the ground.

Most institutional investors and specialized funds have minimum cheque sizes (ranging from $5-50 million) to justify legal, tax, and diligence costs of complex transactions. This naturally pushes towards larger platforms, aggregated vehicles, and fewer, bigger deals where the cost of structuring can be spread over more capital.

But many high-impact nature-based projects do not start at that scale. Early-stage initiatives—particularly those led by local actors, communities or indigenous organizations require less than minimum thresholds. The result is a structural mismatch. Smaller, local projects are effectively "too small to finance" under current models, even when they demonstrate high integrity and high impact. To access capital, projects can be pushed into aggregation structures where decision-making and economics migrate away from local stakeholders.

Financing integrity must grapple with this reality: if only large tickets are financeable, only large actors will shape the market.

Reconnecting integrity and finance require deliberate design choices. First, ensure financeable offtake through forward contracts acknowledging realistic delivery risk, using volume bands, and providing step-in or restructuring mechanisms so banks and funds can underwrite them. Second, design for risk sharing, not risk dumping. Tools like sharing buffers, portfolio-level insurance, and partial guarantees ensure that buyers, financiers, and developers all carry some downside. Tiered requirements are another strategy, setting different expectations for billion-dollar platforms versus smallholder or community-anchored projects, especially on guarantees and balance-sheet strength. Blended structures can pair advanced market commitments with concessional or first-loss capital so "we will buy if you deliver" translates into money that helps projects reach delivery. These shifts do not weaken integrity. They translate it into something financeable and more inclusive.

At the same time, a "war of diligence"—ever thicker documentation, overlapping frameworks, and bespoke requirements—risks filtering for those with the strongest balance sheets and best lawyers. Smaller developers face more cost, more complexity, and less visibility on price and demand.

The next evolution is smarter rigor: transparent, consistent, and scalable diligence aligned with financeable offtake and fair risk-sharing. That's how supply-side, demand-side, and financing integrity can reinforce one another and help nature-based carbon move from a curated niche, to a durable, scalable part of climate finance.

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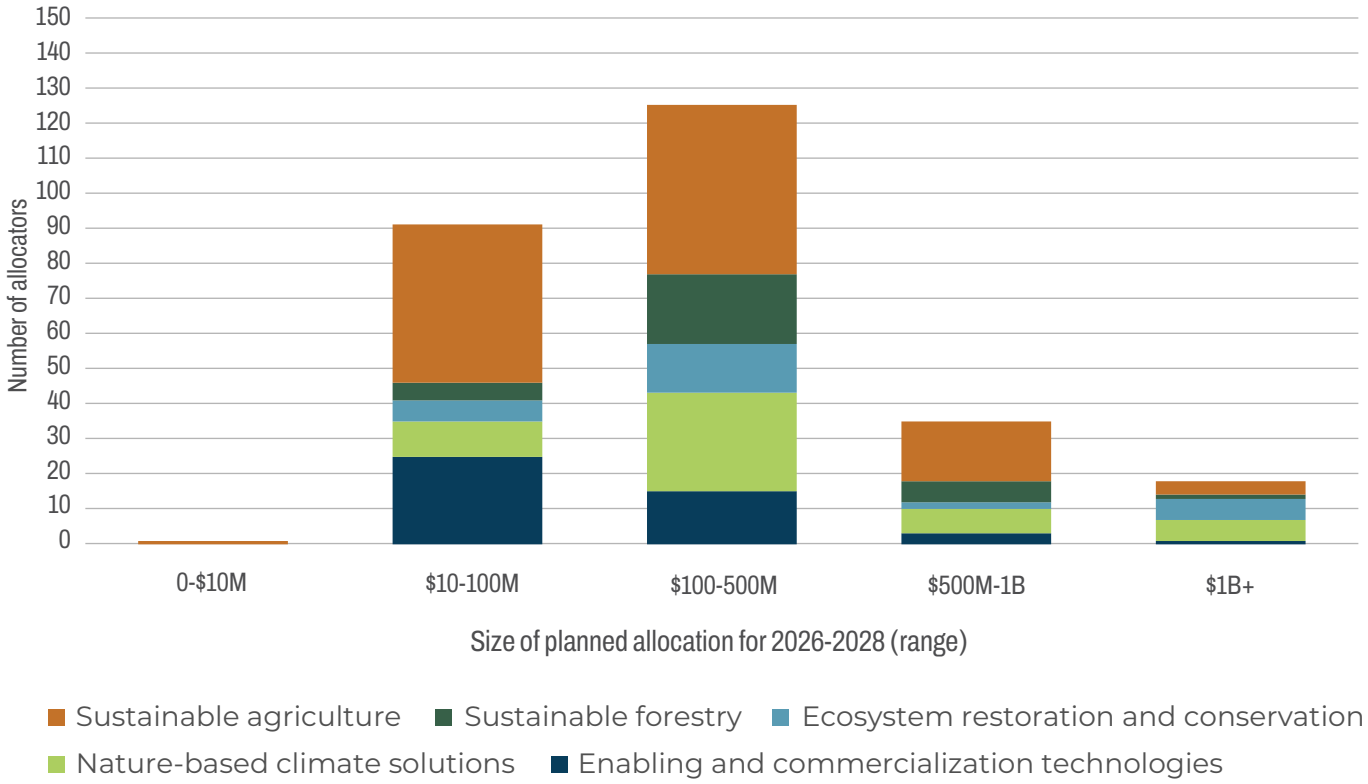
# Outlook and Strategic Recommendations

Recent global analysis points to a $700 billion nature finance gap annually (World Economic Forum 2025[10]; Kunming-Montreal Global Biodiversity Framework 2022[11])—the amount of investment in nature (both public and private) needed to ensure the planet's ecosystems continue to provide critical services and support thriving biodiversity. Private investment is playing a critical and growing role in filling that gap, but much progress remains to be made as we look ahead to the coming decade. Our survey responses indicate there is a strong appetite for future nature investments and the market is moving towards maturation.

## Planned allocations signal confidence in market momentum

Geopolitical volatility and macroeconomic uncertainty are expected to continue shaping investment conditions, although survey

**Figure 17.** Planned Allocations Announced for the 2026–2028 Period, by Investment Category and Allocation Size




*Note: Based on 146 public announcements.*

10 World Economic Forum. (2025). *Future of nature and business: Addressing the global nature finance gap.* World Economic Forum.

11 Convention on Biological Diversity. (2022). *Decision adopted by the Conference of the Parties to the Convention on Biological Diversity: 15/4. Kunming-Montreal Global Biodiversity Framework* (CBD/COP/DEC/15/4). https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf

respondents remain strongly bullish on the longer-term outlook. The transition, driven by European disclosure regulations and voluntary frameworks like TNFD, which shift toward viewing nature through the lens of financial risk (rather than an ESG or conservation lens), will underpin continued institutional entry, even where political backlash against ESG creates headline challenges.

**Survey respondents report planned allocations for 2026–2028 that exceed recent deployment rates across all categories, signaling confidence despite acknowledged uncertainties—a pattern also seen in public fundraising announcements** (Figure 17). However, growth will be uneven.

**Many survey respondents identified "nature as infrastructure" as a key emerging theme in the years ahead.** Water risk, flood risk, wildfire risk, and soil degradation are increasingly being priced into institutional risk frameworks. Re-insurance industry decisions around flood and wildfire risk exposure are creating ripple effects into land-use capital allocation. This reframing of nature from "externality" to infrastructure that mitigates key risks clears a path toward blended infrastructure finance, combining public sector participation with private capital. Catalytic capital will play an important role in de-risking first-mover projects that establish pricing and outcome frameworks, as well as innovating technical and risk assessment approaches for investing in resilience and disaster prevention.

**Significant new growth in carbon-driven deals will depend on policy direction and clarity.** The shape of international carbon market architecture being developed under Article 6 of the Paris Agreement, and intersection with the voluntary carbon market, remains a source of material uncertainty. Until policy signals are clearer, capital for nature-based carbon solutions may remain concentrated in offtake-backed deals where demand is contractually secured or in clusters where enabling context is strong. For instance, Singapore is positioning itself as a carbon finance hotspot—launching a World Bank-backed carbon markets program, securing bilateral Article 6 agreements, and developing advanced market-making data infrastructure.

**Ecosystem restoration will scale where policy supports investor confidence, or where blended finance deals are viable.** In general, biodiversity and water investments in many places may remain capital constrained or dependent on concessional finance until regulatory frameworks and revenue models mature. A clear line of sight on revenue is often missing, generally because these ecosystem services have strong public good characteristics, are hard to price, or are hard to measure. Investor familiarity is low. Scaling commercial capital to this category would require progress on all three fronts: standardized outcome measurement, regulatory clarity creating demand signals (where the EU is currently showing the most leadership), and early institutional demonstration projects proving financial viability.

**Large banks are showing increasing appetite for nature finance through a variety of channels.** Recent engagement by major financial institutions including BNP Paribas (building commercial natural capital fund products), Rabobank (operating across both commercial agricultural lending and blended deforestation-linked finance) HSBC (anchoring supply chain sustainability programs), and others signals growing appetite among large banks for entry points into nature finance.

**The emerging pipeline of debt-for-nature swaps** (low in number but very large in scale) suggests this model will see additional adoption as sovereign debt pressures and nature targets align in certain geographies, offering opportunities for private capital to step in alongside philanthropic and catalytic investors. For instance, Legal & General Investment Management (LGIM) recently committed up to $1 billion over five years to sovereign debt conversions in partnerships with specialist firm Enosis Capital.

## Strategic recommendations

The next phase of growth depends less on capital availability than market formation: spurring demand through greater certainty on value, demand, and performance.

**Clearer policy drivers and long-term corporate procurement commitments that create predictable and reliable revenue streams are the biggest lever when it comes to growing private investment in nature.**

Policy uncertainty is consistently cited by market actors as the key risk to market development and the primary constraint on institutional capital deployment. However, respondents noted that once policy clarity does arrive (i.e., EU nature restoration regulations, TNFD disclosure requirements, habitat mitigation regulations), institutional capital follows.

Notably, survey respondents observed that bipartisan political support for such policies often exists across many geographies, even in contexts where ESG backlash appears intense. This suggests that policy clarity is an achievable goal.

On the corporate demand side, long-term procurement agreements are anchored in carbon-based business models. Replicating this pattern for biodiversity outcomes and ecosystem services would materially de-risk manager revenue projections. Initiatives like the Symbiosis Coalition, which aggregate buyer demand and create credible procurement signals, are providing this model at scale.

**More consistent standards, metrics, and due diligence processes will reduce uncertainty and transaction costs, and help investors better connect nature to economic signals.**

Market infrastructure development must focus on driving convergence around standards and better information better able to support benchmarking and decision-making. Currently, nature finance operates with opaque valuation frameworks and limited comparability to mainstream assets. Investors recognize natural capital as a theme but lack the infrastructure (clear mandates, standardized pricing, liquid secondary markets) that characterize the renewable energy or sustainable infrastructure markets. Standardized due diligence templates and project information requirements would also materially reduce transaction costs, a particular pain point for emerging managers and mid-market deals.

Where revenue models are unfamiliar, accelerating standardization, especially by tying nature outcomes to business-relevant metrics like agricultural productivity, water security, or timber production, would materially support capital inflows. On the impact side, consistent outcome benchmarking (particularly for biodiversity and soil health) and taxonomic clarity on what counts as nature-positive or nature-aligned is needed.

As noted, a growing view of “nature as infrastructure”—underpinning food systems, water security, resilience, and economic productivity—could help unlock larger pools of institutional and infrastructure capital.

# Appendix A: Glossary

**Afforestation, Reforestation and Revegetation (ARR):** A group of forestry and land use project types that establish new forests or restore deforested/degraded forests through tree planking and revegetation.

**Agtech:** Technology innovations that seek to improve farm management.

**Article 6 (of the Paris agreement):** Framework enabling international cooperation to tackle climate change and to unlock financial support for developing countries.

**Blended capital:** Combining philanthropic or public catalytic capital with private investment with the goal to de-risk projects.

**Capital committed:** Capital that has already been allocated to or deployed into specific investments.

**Carbon methodology:** The technical documentation that describes the procedures and requirements for specific types of project activities, including procedures for quantifying the volume of greenhouse gas emissions reduced and/or removed by the project. Some projects will use multiple methodologies to cover different elements within a single project. Standards may develop their own methodology documentation and/or provide a list of methodologies from other standards that they will accept.

**Catalytic capital:** A form of concessional capital with the purpose to crowd in additional private investment.

**Co-benefit:** Additional social or environmental benefits provided by a project in addition to the primary conservation focus.

**Concessional capital:** Investment that accepts below commercial returns or a disproportionate share of risks. Examples include first-loss capital, below-market rate financing, loan guarantees, credit enhancement, grants for project development, technical assistance funding, patient capital with extended timelines and offtake agreements.

**Conference of the Parties (COP):** The decision-making body of the United Nations Framework Convention on Climate Change tasked with reviewing the national communications and emissions inventories submitted by the Parties. All states that are Parties to the Convention are represented at the COP.

**Conservation easement:** The most traditional tool for conserving private land in the United States. An easement is a legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. It allows landowners to continue to own and use their land—as long as the use does not violate the conservation terms set out in the easement. It also allows them to sell or pass the land on to heirs.

**Credit Enhancement:** Strategies to enhance creditworthiness or reduce risk allowing borrowers to obtain more favorable debt financing terms.

**Debt Conversion:** Refers to restructuring or refinancing debt, generally at a discount. Examples include debt-for-nature swaps which include redirecting some or all of the refinancing savings into conservation-related activities.

**Development bank:** A type of development finance institution focusing primarily on funding public sector projects.

**Development finance institution (DFI):** Financial institutions that provide finance to governments and the private sector for investments promoting development. These institutions focus on developing countries and regions where access to private sector funding is limited. They are usually owned or backed by the governments of one or more developed countries.

**Early stage:** Initial phases of company development to identify mission, key growth milestones and plans to reach scale.

**Ecosystem restoration and conservation:** The process of assisting the recovery of ecosystems that have been degraded, damaged, or destroyed, focusing on establishing the ecological processes to make ecosystems more sustainable, resilient, and healthy.

**Ecotourism:** The practice of touring natural habitats in a manner meant to minimize ecological impacts.

**Environmental credit (water quality credit, carbon credit, ecosystem services credit, wetland credit, stream credit, habitat credit, biodiversity credit, nature-based removal credit):** A tradeable, standardized instrument issued upon verification of an environmental outcome.

**Environmental, social, and governance (ESG):** Refers to the three main areas of concern that have emerged as central factors in measuring the ethical and ecological impact of an investment in a company or business. It is also a term that is often used interchangeably with socially responsible investing.

**Global Biodiversity Framework Fund (GBFF):** Established after COP 15 to scale financing and implementation of the Kunming-Montreal Global Biodiversity Framework with the goal to help countries strengthen biodiversity management, planning, policy, governance, and finance approaches.

**Global Reporting Initiative (GRI):** International standards organization that created the first global framework for sustainability reporting on economic, environmental, and social impacts.

**Global South:** Generally refers to developing nations. While no exact definition has been agreed, typically referencing countries primarily located in Latin America, Africa, Asia, and Oceania.

**Growth stage:** Company development shifts from project development to securing longer-term funding while demonstrating a working product with documented plans to scale production and sales.

**Guarantee:** A non-cancellable indemnity bond that is backed by an insurer in order to guarantee investors that principal and interest payments will be made. The guarantee provides investors with an additional level of comfort that the investment will be repaid in the event that the securities issuer is not able to fulfill the contractual obligation to make timely payments. It also lowers the cost of financing for issuers because the guarantee typically earns the security a higher credit rating and therefore lower interest rates.

**Improved Forest Management (IFM):** A group of forestry and land use project types that implement forest management activities to increase carbon storage in existing forests, and/or reduce greenhouse gas emissions from forestry activities.

**J-curve:** Describes the typical life cycle of an investment (resembling a capital J) depicting an early, initial loss as capital is deployed followed by a significant rise, ideally exceeding total capital invested.

**Mature stage:** Company development shifts from growth stage to executing a business plan with sustainable financing based on actual performance and not potential.

**Mixed landscape portfolio:** Investments structured as an integrated landscape or jurisdictional approach in which land use and investments are managed dynamically to optimize across market opportunities and target outcomes. Mixed landscape portfolios combine revenue streams from working farms, forests, restoration zones and conservation areas.

**Monitoring, reporting, and verifying (MRV):** The process to measure and report biodiversity, climate, and social benefits.

**Nature-based climate solution:** Actions that protect, better manage, and restore nature to reduce greenhouse gas emissions and store carbon.

**Nature-related investment:** Investments in natural capital or commercialization / enabling technologies that facilitate investment in nature intended to return principal or generate profit while also resulting in measurable, positive outcomes for ecosystems or biodiversity.

**Nature-related management:** Sustainable development and management of land to protect and restore ecosystems.

**NatureTech / Enabling and commercialization technologies:** Enabling and commercialization technologies or services to support accelerating implementation of nature-related outcomes.

**Offtake agreement:** A contract between a buyer and producer/seller to purchase future production at an agreed upon price, typically entered into prior to a start of a project.

**Political Risk Insurance:** Coverage designed to cover financial losses that result from government action, political unrest, and economic turmoil.

**Project development stage:** Company development shifts from early stage to refining the initial concept and developing a strategy for securing ongoing financing.

**Science Based Targets Initiative (SBTi):** A voluntary corporate climate initiative developing standards, tools, and guidance to enable companies and financial institutions worldwide to take credible, science-based climate action.

**Science Based Targets Network (SBTN):** Science-led initiative founded by a group of global NGOs developing science-based targets for nature for both companies and cities, so they can comprehensively address their environmental impacts across biodiversity, land, freshwater, and ocean, in addition to climate through the Science Based Targets Initiative.

**Sustainable agriculture:** Cropland and grazing land management practices that incorporate long-term ecological and biodiversity needs to improve production. In this report, we use this as an umbrella term for a range of approaches that may include regenerative, organic, and agroecological methods.

**Sustainable Finance Disclosure Regulation (SFDR):** EU regulation to standardize sustainable disclosures to help investors compare sustainable investment strategies by providing information on the degree to which environmental or social characteristics are considered or where products have sustainable objectives or investments.

**Sustainable forestry:** Forest management practices that incorporate ecological benefits and preservation practices.

**Taskforce on Climate-related Financial Disclosures (TCFD):** Taskforce convened by the Financial Stability Board of Industry Experts to develop a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through existing reporting processes.

**Taskforce on Nature-related Financial Disclosures (TNFD):** Global initiative to support a shift in global financial flows away from nature-negative outcomes and towards nature-positive ones aiming to ensure that nature is no longer treated as an invisible externality in business and finance. The taskforce has developed a set of disclosure recommendations and guidance that encourage and enable business and finance to assess, report, and act on their nature-related dependencies, impacts, risks, and opportunities.

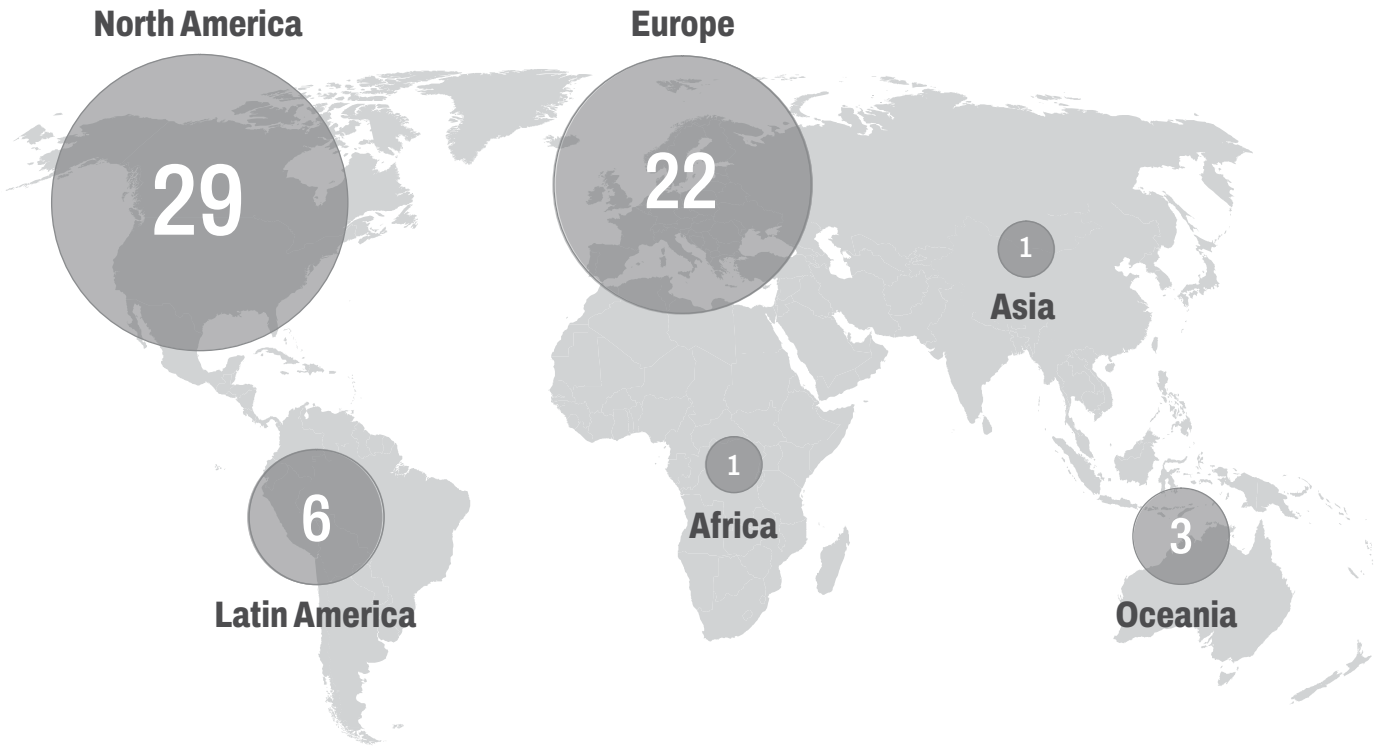
# Appendix B. Methodology

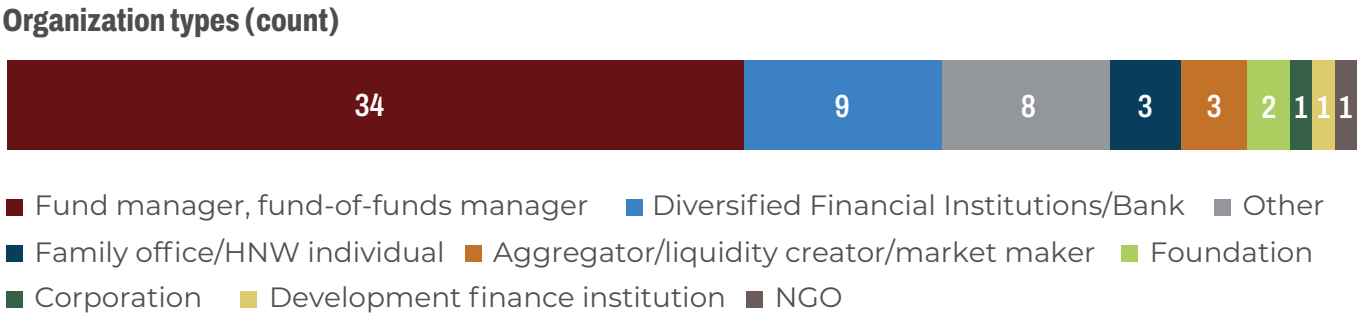
## Data sources, sampling strategy and methods

This report spans investments from 2016 to 2025 covering 1,731 nature-related transactions. Data was compiled through a combination of survey outreach, desk research, and public data aggregation on nature-related investments. This methodology was built to ensure consistency in comparison to the *State of Private Investment in Conservation 2016* report, allowing insights to be drawn from different types of organizations investing in nature, and avoid double counting.

Survey respondents represented $207 trillion in total assets under management. Of the 70 survey responses received, 62 respondents indicated they have made nature-related investments since 2020 and provided data on both conservation and financial returns.

**Figure 18.** Geographic Distribution of Survey Respondents




*Note: Based on survey responses by 62 organizations.*

This survey focuses on nature-related investments expected to generate measurable, positive outcomes for ecosystems or biodiversity while also seeking a financial return. Broader climate/green, impact, or ESG investments that do not directly target natural capital growth or preservation, and funding for nature that does not seek a financial return including grants, philanthropy, and public environmental funds, were not included.

The 2026 survey was built on the previous 2016 survey of investment in conservation and, where possible, we've provided longitudinal comparisons. It should be noted that our 2026 survey expanded the 2016 categories of nature-related investments from sustainable food and fiber production, habitat conservation and water quality, and quantity conservation, to also include nature-based climate solutions, NatureTech, and ecotourism and recreation.

Survey questions were focused on gathering information on deployed capital in nature-related investments, transaction-level performance data, catalytic capital structures and effectiveness across project types, early-stage investment patterns, and market maturation indicators. For comparison purposes, many of the survey questions remained the same between the 2016 and 2026 surveys. To prevent double counting, survey respondents were asked to identify their organization and full name of any specific investment for which data was provided.

To augment survey responses, targeted desk research was completed to gather both quantitative and qualitative data from publicly available sources from investors who did not respond to the survey, but whose investments were deemed in-scope.

Finally, the quantitative data set from survey responses was expanded using data aggregation from targeted automated web search and LLM research of publicly available data sources and websites. This analysis targeted likely investors in nature-related investments including those sent the survey, investors noted in news stories posted by high-visibility agricultural news organizations and impact fund managers in the ImpactAssets 50 database. Organization websites, articles from Global AgInvesting focusing on agribusiness and the global agriculture supply chain, and selected news articles from a broad range of news organizations were filtered to identify information covering nature investment transactions. Finally, we validated a data sample, refined search parameters, cleaned the dataset, and resolved any double counting.

All amounts throughout this report are noted in USD. Non-USD figures were converted using annual average exchange rates for the year of publication of each source, on the basis that annual averages provide greater stability than point-in-time rates and help account for potential discrepancies between publication date and the timing of actual capital flows. Exchange rates are sourced from World Bank official annual averages for 2016–2024, European Central Bank daily rates averaged across 2025 for currencies within its coverage, and exchangerates.org.uk 2025 annual averages for currencies not covered by the European Central Bank, including the Chilean peso, Mongolian tugrik, Pakistani rupee, and Vietnamese dong.

## Sample characteristics

### Survey

The 2026 survey was sent to 486 potential nature-related investors. Of these targeted investors, eight self-identified as out-of-scope in response to the survey question asking if they make nature-related investments that aim for financial returns. An additional 416 investors did not respond to the survey, but information about their investment activities indicated they may make nature-related investments.

Of the 70 survey responses received, 62 respondents indicated they have made nature-related investments since 2020 and provided data on both conservation and financial returns. Survey respondents represented $207 trillion in total assets under management.

Of the 62 organizations providing data in the 2026 survey, 19 were returning respondents who had also participated in the 2016 survey, while 43 were new respondents not previously captured in that effort. The relatively modest number of returning respondents reflects both natural

attrition, organizations that have since wound down or shifted strategy, and the significant expansion of the investor universe targeted by the 2026 survey, which reached beyond the conservation finance community to include a broader range of nature-related investment activity.

Respondents headquartered in North America and Europe comprised 47% and 35% of all responses (Figure 18). Although primarily headquartered in North America and Europe, respondents invest in nature-related investments globally. Fund managers were the primary respondents to the survey followed by banks and diversified financial institutions.

## Public data aggregation

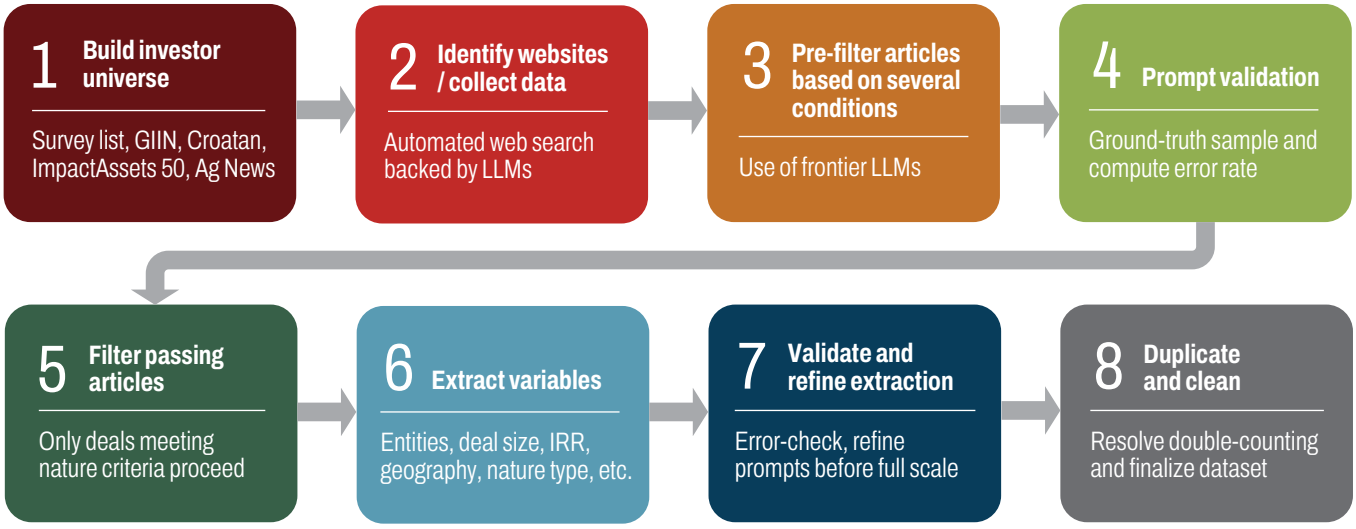
To expand coverage beyond survey respondents, we developed a systematic public data aggregation process to capture nature-related investment transactions from publicly available sources. A target universe of relevant investors and fund managers was assembled from the survey outreach list and supplemented by organizations identified through the GIIN and Croatan Institute databases, the ImpactAssets 50, and companies referenced in coverage by high-visibility agricultural news aggregators (Figure 19).

For each organization, automated web search and scraping tools collected publicly available deal announcements, news articles, and investment updates from their websites. This was supplemented by deal coverage from Global AgInvesting and, for organizations with limited direct publishing, targeted searches of third-party newswires. In total, this process identified 1,731 nature-related transactions from publicly available sources, including transactions drawn from Global AgInvesting coverage and transactions identified through company websites since 2016.

The resulting corpus was processed using frontier LLMs (e.g., Claude, GPT, and Gemini) to filter articles for relevant investment transactions and extract approximately 50 structured data variables per transaction. Such variables included transaction dates, geographies, asset types, entities involved, capital deployment type, and financial terms where publicly disclosed.

Prompts were validated against independently coded, ground-truthed samples before full-scale processing, in which articles were parsed for the quantitative variables sought through the 2026 survey. Following extraction, a deduplication step consolidated multiple articles referencing the same underlying transaction to remove double counting.

**Figure 19.** Public Data Aggregation Process



## Methodological caveats

While this report represents the most comprehensive effort to date to quantify private investment in nature, a number of methodological limitations should be considered. Longitudinal comparability with the *State of Private Investment in Conservation 2016* report is partial. Survey questions were retained where possible to preserve continuity, and direct survey responses provide the most consistent basis for comparison. However, this report also introduces two additional data sources not included in the 2016 methodology. As a result, survey data alone gives a clearer picture of trends over time than the combined dataset. Findings incorporating survey data, desk research, and public data aggregation should be interpreted primarily as a snapshot of the current market rather than directly comparable to 2016 estimates.

Survey participation was voluntary, and respondents may not be fully representative. Investors with more established nature strategies, stronger impact measurement practices, or greater disclosure incentives may be overrepresented, potentially biasing reported financial and impact performance upward. Both survey and public sources are also biased toward active, visible investments, with discontinued funds, written-off transactions, and exited organizations underrepresented. This may overstate performance and understate risk.

Geographic coverage is also uneven, with respondents heavily concentrated in North America and Europe. While many invest globally, nature investment activity from investors located in regions such as Africa and Asia is likely underrepresented due to both lower survey participation and limited public reporting.

Although extraction workflows were validated against ground-truthed samples and refined to reduce error rates, LLM-based extraction remains imperfect. Minor errors in coding, particularly for nuanced variables such as return expectations, debt structures, and equity stakes, may persist. Aggregate results should therefore be interpreted with appropriate caution.

Finally, the public data aggregation process is more likely to capture large, institutionally structured transactions such as private equity deals, debt facilities, and fundraises by prominent managers, while underrepresenting smaller land transactions, privately negotiated deals, and investments by less visible organizations. As a result, the dataset may overrepresent structured vehicles relative to the full range of nature finance mechanisms.

We have excluded vehicles where nature is described as part of the focus (for instance, "climate resilience" or "green transition" funds focused broadly on renewable energy, green technology, infrastructure, and climate mitigation) but for which actual allocations to nature could not be confirmed.

Despite these caveats, we consider the findings to be robust, as triangulating survey responses against desk research and public data aggregation helped surface and correct inconsistencies that single sources would have missed. Further, the same patterns appear consistently across survey responses, desk research, and public data aggregation, and align with parallel industry reporting. We believe this report pioneers the combination of public data aggregation, survey responses, and desk research to quantify private investment in nature.

FOREST TRENDS

The Nature Conservancy