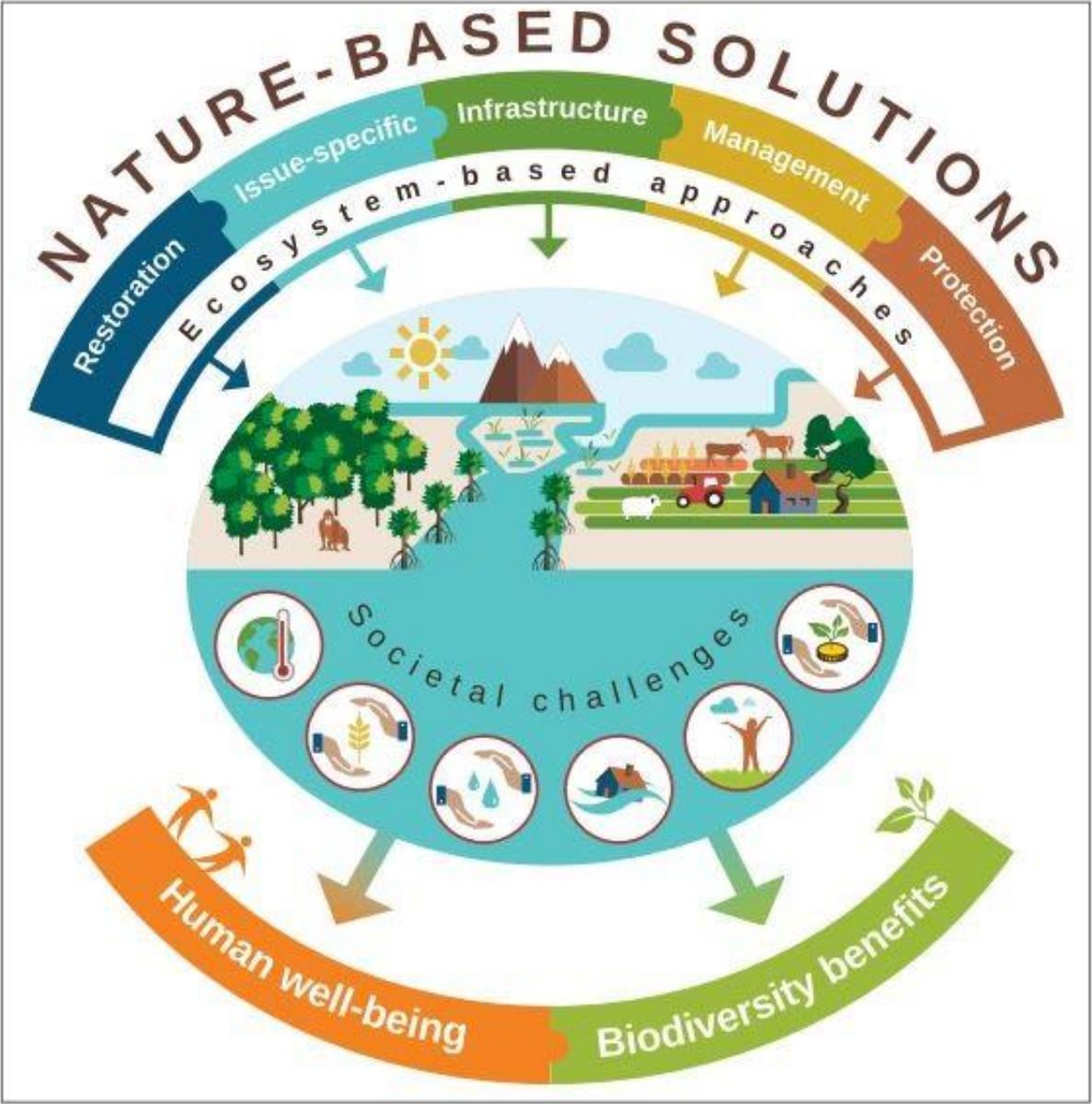


How can we mobilize funding to Nature?

Kristof Eggermont

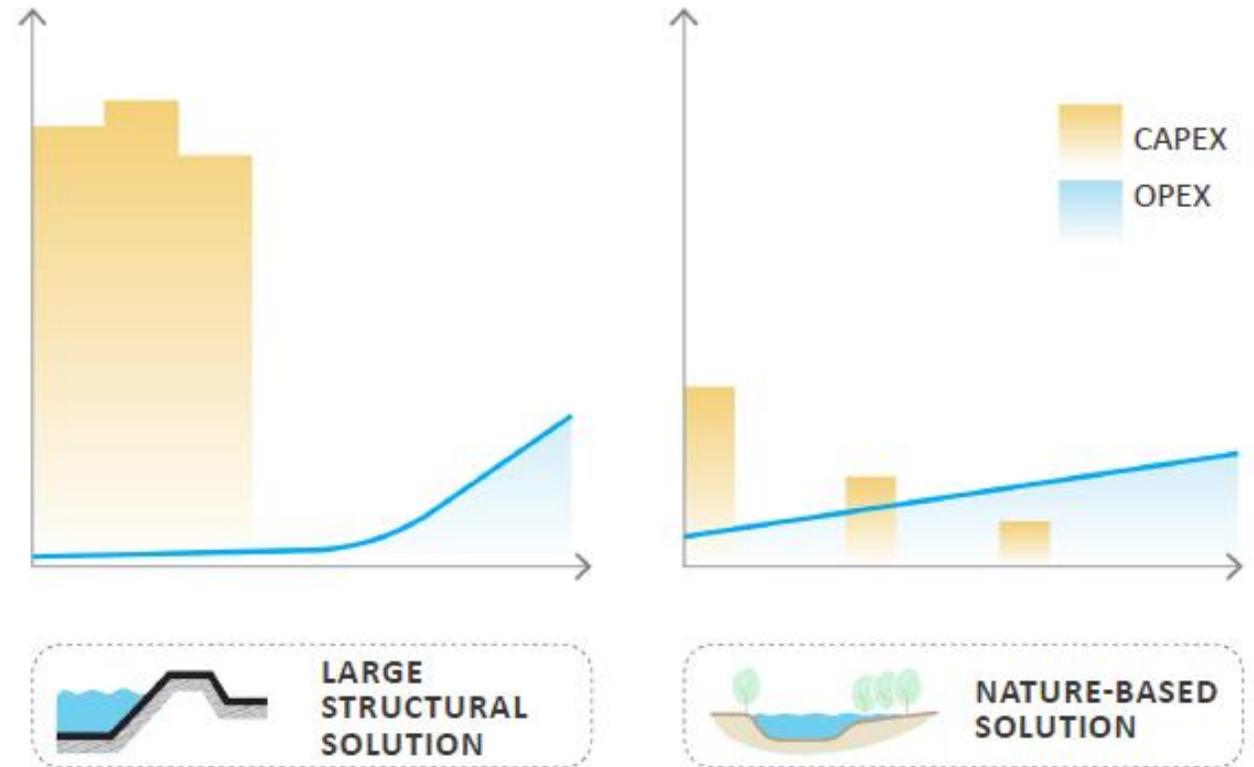
Nature-based Solutions: an umbrella term for ecosystem-related approaches



Illustrative cost and benefit timelines for NbS and gray infrastructure solutions

– Higher benefit-cost ratios:

- Often an upfront saving
- Even if the cost is comparable to conventional solutions, co-benefits of NbS are of economic importance



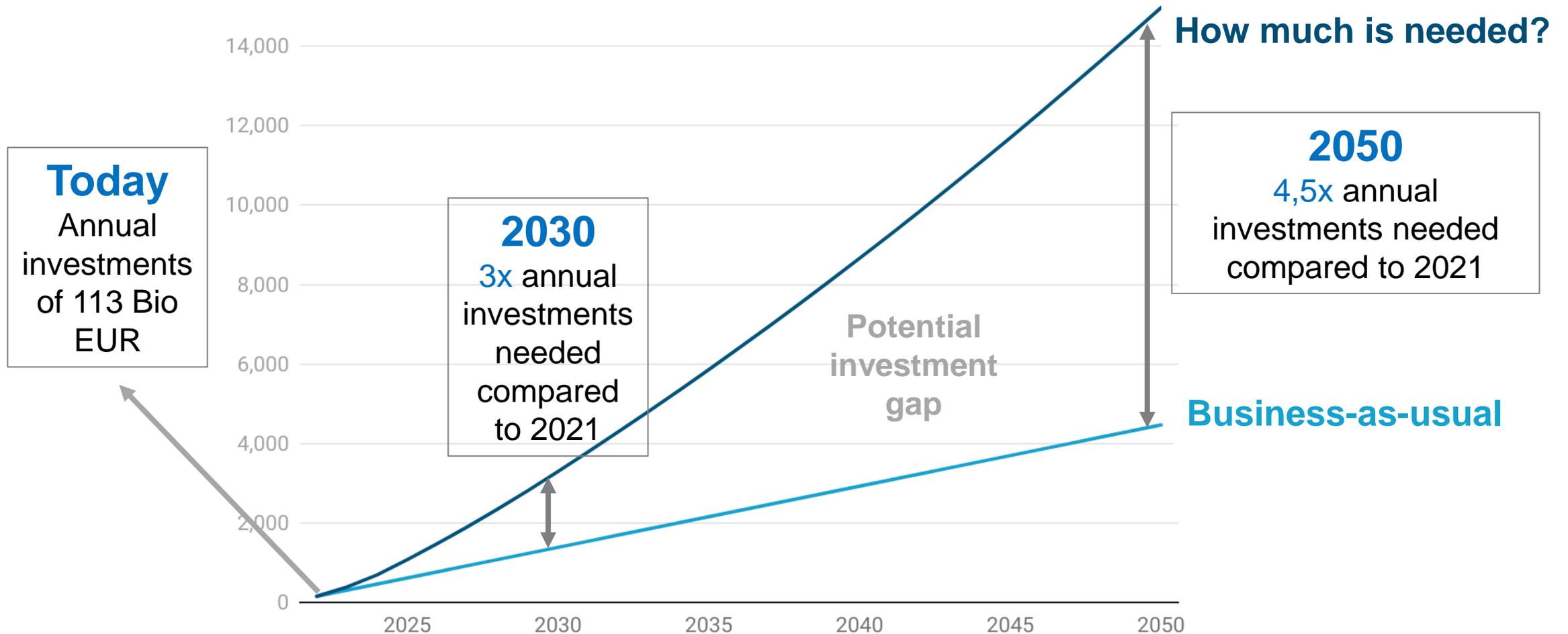
Source: adapted from Wishart et al. (2021)

Benefits and co-benefits of nature-based methods



We need to scale up investments in Nature

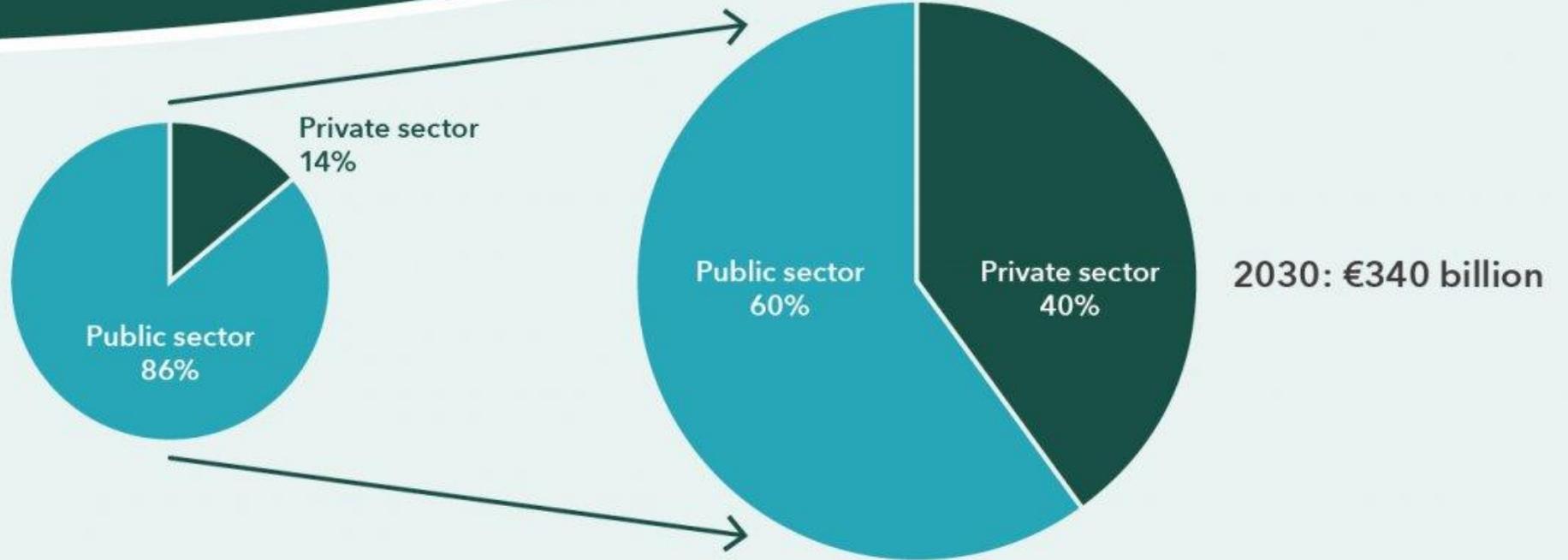
Global cumulative investments in NbS from 2021



Source: Data from UNEP (2021)

CONSULTATION on draft White Paper *From Nature-Based Solutions to the Nature-Based Economy*

Current: €113 billion
(EU approx. €27m)



Source: UN State of Finance for Nature report, 2021

“The Freerider Problem” is the main barrier for private funding to Nature

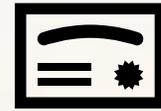
- NbS often have a high “**public good**” content
- This leads to a **freerider problem**, which explains why NbS can offer value for private parties, but do not unlock private funding (**Prisoner’s dilemma**)
- This “market failure” typically leads to **undersupply of public goods in society**, due to a lack of economic incentives

How can we solve this?



Government intervention

- Regulation
- Taxes
- Subsidies



Transform public goods into private goods

- Carbon credits
- Biodiversity credits
- ...

How can we solve this?



From market research to market solutions

- Higher TRLs will facilitate private funding and increase bankability
- Importance of pilot and demo projects



Cooperation

- Direct collaborations
- Sector federations as first movers
- Belgian alliance for NbS?

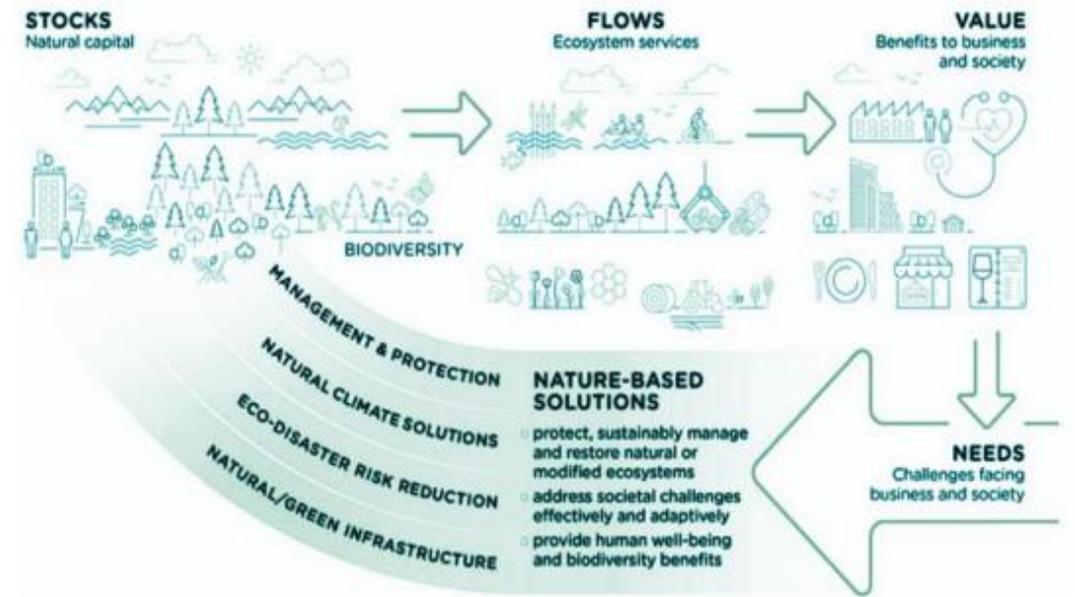


Increase visibility of NbS

- Importance of pilot and demo projects
- Branding campaign

Key takeaways

- Nature is important to tackle different societal challenges
- Freerider problem explains limited private funding today
- Economic incentives crucial to **overcome this market failure**
- **Demo and pilot projects** essential to:
 - Mobilize finance
 - Create trust
 - Generate data (technical / financial)
- Stepping stone to a **new international business**



Source: <https://networknature.eu/>

How can we mobilize funding to Nature?