



# Green finance for ecosystem restoration and nature recovery: a critical view

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# State of Finance for Nature

Tripling investments in  
nature-based solutions by 2030



## UN 2022 Report:



- If the world is to meet climate change, biodiversity, and land degradation targets, it needs to close a **USD 4.1 trillion financing gap** in nature by 2050.
- The current investments in Nature-based solutions amount to USD 133 billion - **most of which comes from public sources**
- Investments in Nature-based solutions **need to triple by 2030**

*“Time to scale up action and investments”*

## Call for Green Private Financing



## Challenges and barriers

- How to engage / convince land owners
- What implications are there regarding tax and inheritance
- What do investors need / want; How to give it to them
- Stacking and bundling – public/private funding, baselining and additionally
- Sectors' capacity and capabilities (staff, knowledge, etc.)
- Evidence on recovery/restoration, data and technology
- ....

# Mobilising Green Investment

2023 Green Finance Strategy

March 2023

## UK Government



- HMG has set a target of stimulating at least £500m per year of **private investment into nature recovery** in England
- Rising up to at least **£1bn per year by 2030**
- Underpinned by programmes such Environment Act Targets, Environmental Improvement Plan, England Peat Action Plan, England Trees Action Plan, etc.

## Main arguments

- Need to close the investment gap
- Need nature recovery at scale
- The private sector needs to do more / it's part

**Much talk about the opportunities and the challenges/barriers, but ....**



***What about the risks?***

***Do you see any potential problems  
(not challenges but negative consequences)?***

***What can go wrong? Can it backfire?***

Break-out group discussion (10 minutes)



# The risks of nature commodification

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- Converting nature in a tradable commodity
- Market-based instruments no longer an 'instrument' to address an issue but an aim it self
- Some ecosystem services have been traditionally commodified (food, energy) - the concern is about *expanding* the commodification frontier (carbon, biodiversity,..)



# Examples of risks of nature commodification



- Equity concerns over access and changes to property rights

☰ **THE SCOTSMAN** Scotland's National Newspaper

Environment

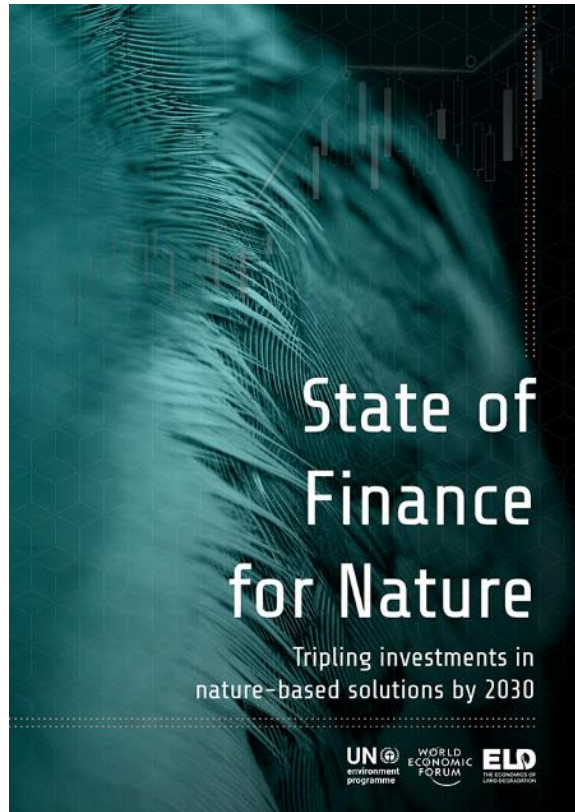
## Insight: Scotland's great Net Zero land grab

When it first became clear that Scotland's vast swathes of peatland – once considered a wasteland – could play a vital role in tackling climate change, there were high hopes Highland communities would reap the benefits. But this is not what has happened. Instead, Scotland is now at the centre of a Net Zero land grab, with wealthy individuals – so-called Green Lairds – charities and large companies competing to profit from the commodification of climate change and the growth of a global carbon offsetting market.

# Examples of risks of nature commodification



- Equity concerns over access and changes to property rights
- Change in motivations for conservation: conservation for profit rather than moral duty (what happens if/when there is no profit?)



*“By taking profits of nature-based solutions, we can vastly improve human well-being and prosperity”*



# Examples of risks of nature commodification



- Equity concerns over access and changes to property rights
- Change in motivations for conservation: conservation for profit rather than moral duty (what happens if/when there is no profit?)
- Dis-incentive to follow mitigation hierarchy



***Do any of the risks identified earlier fit this?***  
***What risks do you see of nature commodification?***  
***Are you aware of any examples where they might be occurring?***

Break-out group discussion (15 minutes)

Try to think along the spectrum of  
‘Ethical and Cultural Impacts’;  
‘Impact on Environmental Outcomes’;  
‘Negative Influence on social processes’



# Plenary



- What came out in your groups?
- How concerned should we be about this?
- Is taking these risks still worth it because of the opportunities?
- Can the risks be prevented? What would be needed for preventing them?

(Plenary discussion 20 minutes)



# Thanks and what's next



- We are developing a new research agenda on the area of risks of nature commodification
- Using private investment in **peatland restoration** as a case study
- Currently analysing the UK Government's green finance strategy
- Be in touch if you want to engage more with us on this topic!

