



## Private finance for nature surges to over \$102 billion, paving the way to close global biodiversity financing gap by 2030

- Private finance for nature grew from \$9.4 billion to over \$102 billion in the past four years
- Largest asset classes contributing to growth: alternative investments (\$57 billion), traded debt (\$27 billion), private equity (\$7 billion)
- Potential for \$1.45 trillion to be directed towards nature-related investment themes by 2030 if momentum continues

**London, 10 June 2024** – New research from UNEP FI and its partners<sup>1</sup> shows that private finance for nature has surged elevenfold in four years, from \$9.4 billion to over \$102 billion, detailed in an upcoming market overview for nature finance asset classes. If the momentum continues, UNEP FI projects that \$1.45 trillion could flow into nature finance by 2030, helping to close the nature finance gap presented in the Kunming-Montreal Global Biodiversity Framework.

"This new data documenting the surge in private nature finance mirrors the uptick we see amongst our membership to learn more about nature," said Eric Usher, Head of UNEP FI. "Banks, insurers, and investors are stepping up to protect our planet. Now, governments must set clear policy frameworks to channel these funds into national biodiversity priorities and towards front-line nature stewards. It's time to turn this financial momentum into real-world impact."

This surge in private nature finance is a game-changer for global biodiversity. Alternative investments, traded debt, and private equity are increasingly adding nature-related Key Performance Indicators (KPIs) and new instruments like biodiversity credits show promise for funding vital conservation and restoration efforts.

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<sup>1</sup> UNEP FI led the research with input from partners including the Finance for Biodiversity Foundation and the UNEP State of Finance for Nature team as well as a number of independent experts

The expansion reflects a stronger commitment to biodiversity, with the development of innovative financial instruments such as debt-for-nature conversions, nature-supportive Exchange Traded Funds (ETFs), biodiversity credits, and private venture capital for biodiversity. These rapid advancements suggest promise for even more innovation in this area.

However, significant challenges remain. It is crucial to link these financial resources to national and local biodiversity priorities, especially in emerging markets where the funding gap is greatest. Furthermore, very little financial support reaches the custodians of the environment, such as Indigenous Peoples and Local Communities, who oversee globally important biodiversity. UNEP FI is working to incorporate nature into sustainable finance frameworks and taxonomies and advocates for the rights and leadership of nature's stewards in emerging biodiversity credit markets.

Through its work with banks and insurers, UNEP FI is boosting finance for nature and providing essential tools and resources to support these efforts. Some of UNEP FI's initiatives include the Principles for Responsible Banking (PRB) Nature Target-setting Guidance, which helps financial institutions integrate biodiversity considerations into their operations. The PRB Biodiversity Community fosters knowledge sharing, while nature-positive insurance work promotes policies that protect and restore natural habitats. Additionally, the new UNEP FI Risk Centre focuses on integrating biodiversity and nature-related risks into financial decision-making processes. Each year, UNEP FI also leads a "New Green Shoots" event documenting the latest trends and innovations in nature finance. These tools and resources enable UNEP FI members to contribute effectively to the conservation and sustainable use of biodiversity.

## Notes to Editors

1. Research authors are:

Smith, J., Denke, D., Alhassan, L., Tang, V., Olsen, N., Wiese, A., Boric, N., Goedicke den Hertog, R. (2024, 16-21 June). *"New Green Shoots: Emerging Trends in Nature and Sustainable Finance"* Poster AS-WBF-2024-00454 presented to: 3rd World Biodiversity Forum, Davos, Switzerland.

2. The research will be previewed by Jessica Smith at the UBS Nature Finance Conference on June 2024 and will be presented in more detail at the 3rd World Biodiversity Forum to be held 16-21 June 2024.

## About UNEP Finance Initiative

UNEP Finance Initiative brings together a large network of banks, insurers and investors that collectively catalyses action across the financial system to deliver more sustainable global economies. For more than 30 years the initiative has been connecting the UN with financial institutions from around the world to shape the sustainable finance agenda. It has established

the world's foremost sustainability frameworks that help the finance industry address global environmental, social and governance (ESG) challenges. Convened by a Geneva, Switzerland-based secretariat, more than 500 banks and insurers with assets exceeding US\$100 trillion work together to facilitate the implementation of UNEP FI's Principles for Responsible Banking and Principles for Sustainable Insurance. Financial institutions work with UNEP FI on a voluntary basis and the initiative helps them to apply the industry frameworks and develop practical guidance and tools to position their businesses for the transition to a sustainable and inclusive economy.

[www.unepfi.org](http://www.unepfi.org)

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