ENACT Partner Dialogue on Innovative Financing for Nature-based Solutions
Outcome Brief

ENACT Partnership Secretariat

July 2026

Introduction

This inaugural ENACT Dialogue was convened by the Ministry of Foreign Affairs of Denmark and UNIDO, with contributions from Impact Fund Denmark (IFD), as part of the ENACT Partnership's internal peer-learning series. The Dialogue focused on innovative financing for NbS and explored how financial instruments, mechanisms, and investment models can better mobilize private sector capital alongside public finance to address the growing NbS funding gap.

The discussion identified financing needs, barriers, and opportunities faced by ENACT partners, whilst highlighting practical experiences and emerging solutions for scaling investment in NbS.

ENACT Partners: Canada; Denmark; the Netherlands; Pakistan; Germany; France; EU Commission; UNIDO; UNEP-WCMC; IUCN

External expert contributions: Impact Fund Denmark; Aalto University; Economics of Land Degradation (ELD) Initiative

Key Messages by Theme

1. Building a Pipeline of Bankable NbS Projects

A central message from the Dialogue was that the primary challenge is not developing NbS strategies but converting NbS concepts and pilot initiatives into commercially viable and investable projects. Key issues included:

- Limited commercial returns from many NbS investments;
- Lack of project pipelines that meet investor requirements;
- ·Persistent challenges around project scale and ticket size for financial institutions;
- Difficulty identifying experienced local implementation partners; and
- Absence of proven investment track records, particularly in emerging sectors.

Participants highlighted the need for mechanisms that combine revenue generation with risk reduction, and noted that carbon markets may help establish the evidence base needed to attract additional private capital.

2. Strengthening National Planning and Enabling Conditions

Participants emphasized that NbS and restoration objectives remain insufficiently integrated into national planning frameworks in many countries. Key observations included:

- Fragmented policy environments hinder investment and implementation;
- NbS implementation often spans multiple sectors with conflicting objectives and mandates;
- Strong government leadership is critical to scaling successful pilot projects;
- Long-term NbS benefits often do not align with short-term political and electoral cycles; and
- National planning frameworks can help provide investment certainty and improve coordination.

Pakistan has incorporated NbS into its NDC and is currently updating its NBSAP. However, challenges remain in scaling successful pilot initiatives and mobilizing climate and biodiversity finance. A key question raised was how countries can develop clear pathways for transforming promising pilot projects into a robust pipeline of bankable NbS investments capable of attracting public and private capital at scale.

A CIFOR-ICRAF study shared (see resources) highlighted that less than 1% of potential restoration areas across low- and middle-income countries currently meet the conditions necessary to attract private investment.

3. Mobilizing Public and Private Finance

Participants agreed that public finance continues to dominate NbS funding and will remain essential, particularly during early project development and risk-sharing stages. Key points included:

- Demonstrating the economic, social, and political return on investment of NbS may be more effective in the current political context than pursuing reforms to environmentally harmful subsidies.
- Blended finance approaches can help bridge the gap between public and private capital while improving project bankability.

UNIDO's work on nature-based approaches for industrial water management was highlighted as an example of integrating NbS into mainstream economic sectors.

4. Improving Metrics, Monitoring, and Reporting

Participants identified monitoring, reporting, and verification (MRV) requirements as a significant challenge for NbS projects. The discussion focused on:

- The burden created by differing reporting frameworks across development finance institutions and other capital providers;
- The need for greater harmonization and standardization of impact measurement requirements; and
- The role of MRV systems in building investor confidence and facilitating private sector engagement.

What's next?

To help focus future ENACT activities and ensure they respond to participants' priorities, a short follow-up survey will be circulated. Feedback from the survey will be used to guide future dialogues and building on the insights and priorities identified during the ENACT Dialogue, we will continue to facilitate engagement on key topics of interest raised by participants. This will include sharing information on relevant Rio COP-related events, opportunities for collaboration, and knowledge exchange sessions.

Resources

Financing Nature-based Solutions

- UNEP-WCMC: A Guide to the Nature-based Solutions Finance Landscape in Europe https://networknature.eu/networknature/resource/a-guide-to-the-nature-based-solutions-(nbs)-finance-landscape-in-Europe
- UNEP-WCMC: Financing Nature-based Solutions in Agriculture https://networknature.eu/networknature/resource/financing-nature-based-solutions-nbs-case-nbs-agriculture

Rio Convention Synergies and Economics

- Economics of Rio Synergies – ELD Initiative https://www.eld-initiative.org
- CIFOR-ICRAF / Landscape Alliance: Assessing Conditions to Scale Up Private Investment in Forest Restoration https://www.landscapealliance.org/knowledge/publication/44535/

Research and Evidence

- MDPI Forestry Article (shared by Netherlands) https://www.mdpi.com/1999-4907/16/3/423
- European Commission Call for Evidence: Ocean and Water R&I Strategy 2026 https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/commission-launches-two-calls-evidence-future-ocean-and-water-research-and-innovation-strategy-2026-06-15_en

Country and Partnership Resources

- Netherlands: Value of Nature – The Investment Case for Nature-based Solutions https://www.government.nl/documents/2026/03/31/value-of-nature-the-investment-case-for-nature-based-solutions
- Partners for Water (Netherlands) https://partnersforwater.nl/
- Partnering for Climate (Canada) https://www.international.gc.ca/world-monde/funding-financement/partnering-climate-partenariats-climat.aspx?lang=eng
- PROBLUE – The World Bank Blue Economy Program https://www.worldbank.org/en/programs/problue