



# ***Business Models and Investments for Nature***

***Full report***

***EU Business and Biodiversity Platform***

***Workstream Finance***

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*Cover photo by Anne-Marie Bor*

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## 1. Scaling up private finance instruments for nature

There has been a growing recognition of the potential of investments for nature, such as nature-based solutions (NbS), to address environmental challenges while providing multiple socio-economic benefits. While the flow of finance towards NbS is increasing, they remain severely underfunded and the absence of consistent and monetisable revenue streams remains a key barrier for scaling up private finance towards NbS ([State of Finance for Nature, 2023](#)). Aiming to foster a more sustainable relationship between resilient ecosystems and business activities, this paper, developed by finance sector members of the EU Business & Biodiversity (B&B) Platform, presents six existing practises of investments for nature that have developed sound business cases and benefited or have the potential to benefit from private financing.









## 2. Policy context




Integrating investments for nature across different business sectors benefits the [EU Biodiversity Strategy](#) and the Kunming-Montreal [Global Biodiversity Framework](#) (GBF). Specifically, by mobilising and leveraging public and private finance, investments for nature can contribute to strategic conservation and restoration goals, particularly aligning with Target 19 of the GBF to double financial resources for biodiversity by 2030.

## 3. Identifying existing business models

Finance sector members of the EU B&B Platform share six existing business cases that ‘contribute to nature positive outcomes’. These examples are identified according to high-opportunity sectors (Table 1), considering materiality and impact of investment based on the [IFC Biodiversity Finance Reference Guide](#) and the [EU Taxonomy](#). Nature conservation, water utilities, and (eco) tourism were sectors initially included but later excluded due to the lack of concrete examples.

**Table 1. List of business cases for nature**

|   | <br>Built environment /<br>urban ecosystem | <br>(Green)<br>Infrastructure | <br>(Regenerative)<br>Agriculture & food | <br>Forestry |
|---|---|--|---|---|
| <b>Tornator</b> <a href="#">Forestry Green Bond</a><br>with Mirova as an investor                   |   |  |   |              |
| <b>Biodiversity Monitor</b> – <a href="#">Stacking finance flows including Rabobank Impact Loan</a> |   |  |    |   |
| <b>Astanor</b> <a href="#">Venture Capital Funds</a>  |   |  |    |   |
| <b>La Société Forestière</b><br><a href="#">Natural Capital Management</a>                          |   |  |   |              |

|   |   |   |  |  |
|---|---|---|--|--|
| <a href="#">EBRD Chisinau River Bic Rehabilitation Loan</a>                       |  |  |  |  |
| <a href="#">Caisse des Dépôts Renaturation of the Branche de Croix canal Loan</a> |  |   |  |  |

### 3.1 Case studies

#### Tornator Forestry Green Bond with Mirova as an investor

100%  
Private

Tornator, a leading company specialised in sustainable forest management in Europe, is leveraging the bond market to support its [Biodiversity Programme](#) by: 1) Financing investments in sustainable forestry: FSC or PEFC certification, infrastructure needed for sustainable silviculture and research & development (R&D) projects with a positive environmental impact; 2) Financing nature preservation: biodiversity (e.g. drained mire restoration back to carbon storage), investments in processes that improve resource efficiency and reforestation (e.g., reforestation on disused peat production areas, agricultural lands or power lines). The objective of Tornator's Biodiversity Programme is to protect and enhance forest biodiversity through new measures, increased active nature management, and stakeholder cooperation, while monitoring the effects of these efforts. The program also supports ecosystem services, water protection, game management, and climate change mitigation, benefiting endangered species and habitats. In total, 12 performance indicators are used to monitor biodiversity.

**Sector:** Forestry

**Region:** Finland (89%), Estonia (8%), Romania (3%)

**Business model driver:** Carbon sequestration

**Business model type:** Value creation - Generate more value or revenue through new investments in certified forests which can be utilised in capturing more carbon and improving environmental preservation of nature (biodiversity, etc.)

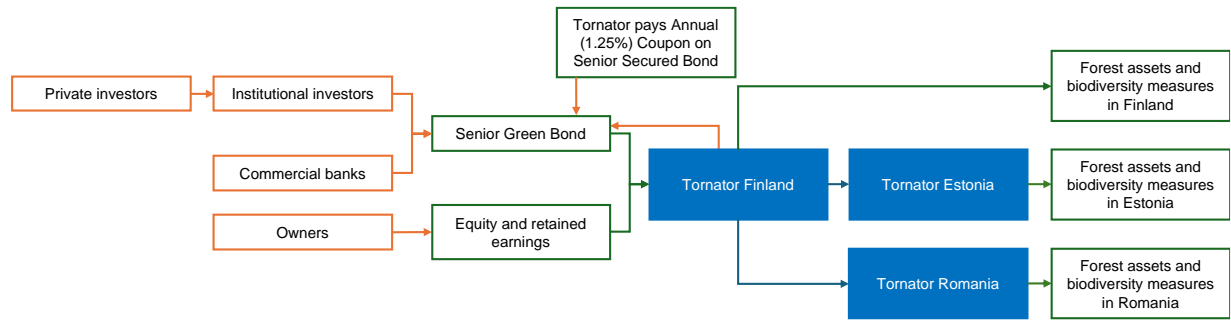
**Co-benefit(s):** Maintenance or improvement of biodiversity

**Financial instrument:** Green bonds

**Business model and financial return:** The project involves a €350 million green bond with a 1.25% coupon rate over 6 years. Profits are partially distributed to owners as dividends, with Tornator's general policy to pay out 70% of operative net income, while the remainder is retained to support growth and sustainability. Tornator's mature business model, proven over 20+ years, benefits from economies of scale and has a replicable framework, though acquiring large forest assets requires substantial capital. Green bonds help smooth private investment costs for long-term benefits such as enhanced wood yield and climate change risk reduction. The green bond premium on the primary market reduces the cost of debt for companies receiving loans through these bonds. While the existence and size of premium in the bond market for green bonds can vary (e.g., depending on market conditions, specific bond issue, compliance with market standards), it has been observed in both primary and secondary markets. There is clear evidence in terms of a greater pool of investors for green bonds that meet current market standards (such as ICMA Green Bond Principles).

**Financing by public-private partners:** Tornator issues a green bond for multiple forestry companies that meet its criteria. Institutional investors can invest in the bond and receive a fixed return in the form of an annual coupon. By structuring the bond as a green bond, thus clearly defining the bond's 'use of proceeds' and its expected environmental impact, Tornator helped to crowd in investors who have dedicated and/or portfolios with a similar environmental mandate.

**Replicability and/or scalability:** Tornator's business model is replicable in many ways but acquiring a large enough forest asset base requires plenty of capital.



## Biodiversity Monitor – Stacking finance flows including Rabobank Impact Loan

50-75%  
Private

In the Netherlands, Rabobank, together with stakeholders, has developed the [Biodiversity Monitor for Dairy Farming](#) and one for Arable Farming. Each Biodiversity Monitor is performance based and used as a basis by multiple actors to incentivise farmers to improve biodiversity on their farms and beyond. As part of this 'stacking finance flows' by the farmer, Rabobank offers impact loans at a reduced interest rate to businesses which can demonstrate a high sustainability performance, with the European Investment Bank (EIB) providing the additional capital to support a lower interest. Other incentivising actors are the dairy production company with a higher milk price and the province with a subsidy.

**Sector:** (Regenerative) agriculture and food

**Region:** The Netherlands

**Business model driver:** Air quality regulation, carbon sequestration, erosion prevention, maintenance of soil fertility, biological control, pollination

**Business model type:** Value creation - Added value as a result of multiple rewarding from processors based on sustainability performances

**Co-benefit(s):** Existence, bequest values, maintenance of genetic diversity, maintenance of life cycles, opportunities for recreation and tourism, education / science

**Financial instrument:** Stacking finance flows by farmers and sustainability linked loan as part of these flows

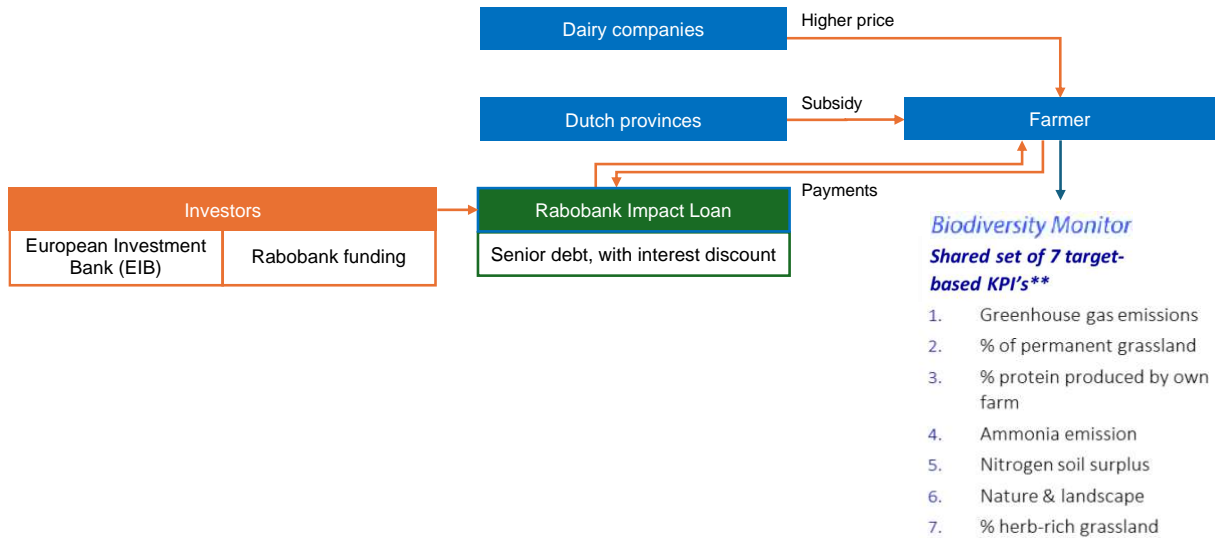
**Business model and financial return:** Investors benefit from financial returns through various mechanisms, such as interest rate discounts on loans, offering 'sustainability frontrunner' clients a 20-basis point (bp) discount when they achieve category A status in the Sustainability Matrix aligning with the Biodiversity Monitor (e.g., a farmer with €2 million in loans would benefit annually by €4,000).

Rabobank has also allocated €3 billion for transition loans to dairy farmers, offering attractive terms

such as 100% loan-to-value and discounted interest rates (40% against the cost of funds, 60% at -70 bps). Additionally, clients can access Sustainable Impact Loans funded by the EIB. For farmland, the payback period is 20-25 years, while transition loans include a 3-year grace period.

**Financing by public-private partners:** Capital is (independently from one another) provided by both Rabobank (backed by EIB) and two Dutch provinces. Also, farmers will have a better price for the milk.

**Replicability and/or scalability:** The framework can be adapted for similar projects in other regions or sectors and organisations can implement similar monitoring approaches if standardised metrics and data collection methods are established. Scalable by engaging more stakeholders to broaden the range of funded projects and attract additional investments into impact loans.



## Astanor Venture Capital Funds

50-75%  
Private

[Astanor](#), as an impact venture capitalist managing €800 million of assets, finances very early-stage companies of the agrifood sector to support their growth and scaling. Astanor's portfolio companies aim to transform the agrifood sector from one of the leading causes of biodiversity loss into its regenerative solution, notably financing companies which offer products and services supporting farmers in transitioning to regenerative practices. Such solutions include bio stimulants and bio-controls which reduce the need for chemical inputs and technologies to provide farmers with data on how to reduce resources used whilst achieving higher yield.

**Sector:** (Regenerative) agriculture

**Region:** Europe and US

**Business model driver:** Crop production, water, maintenance of soil fertility, biological control, pollination, maintenance of life cycles, education / science

**Business model type:** Risk reduction - Improving soil health and limiting its damage which hinders yield in the short and medium term, generate more revenues and value for farmers

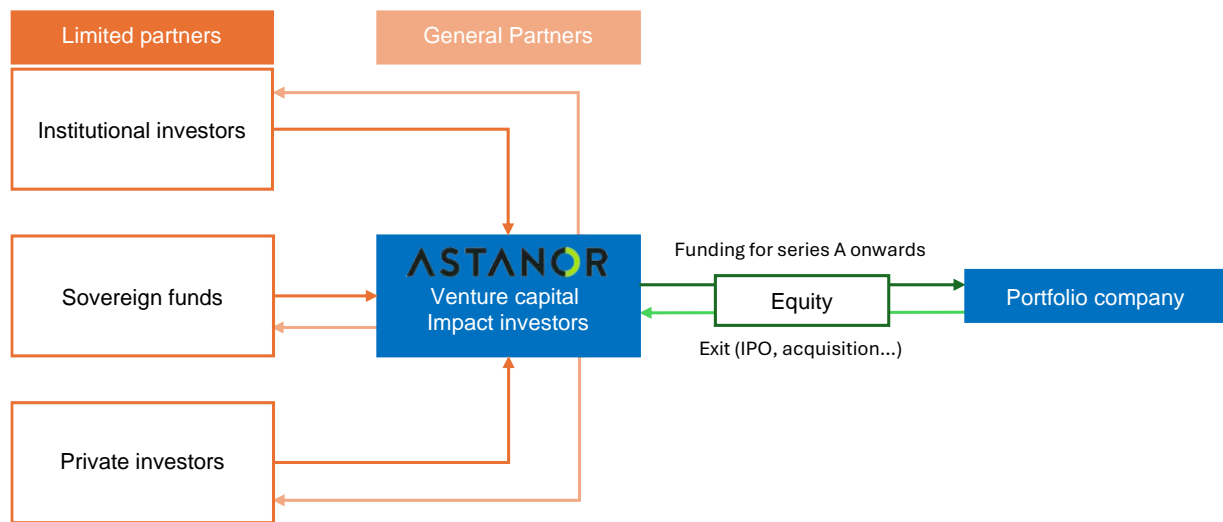
**Co-benefit(s):** Erosion prevention, genetic resources

**Financial instrument:** Equity

**Business model and financial return:** Ticket size vary from €10 to 15 million and the investment period last minimum 10 years. During the investment period, all the profits generated by the company are injected back into the business to support its growth and scaling. No profit is used to pay back investors as it is an equity investment. Investors receive a profit from their investment at time of exit of the company when their share of investment is sold.

**Financing by public-private partners:** Astanor is a General Partner (GP) receiving funds from three different types of Limited Partners (LPs), each a share of a third for each investor, including sovereign funds of different European countries, the European Investment Fund (EIF), institutional investors and private investors such as family offices.

**Replicability and/or scalability:** Impact Venture Capital investment business is fully replicable and is very much needed to foster impactful innovations and support impact driven entrepreneurs.



## La Société Forestière Natural Capital Management

25-50%  
Private

La Société Forestière, a subsidiary of Groupe Caisse des Dépôts, implements ecosystem-friendly forestry as part of a continuous improvement process. Its [forestry natural capital management](#) is adapted to the forest's multifunctionality (balancing wood production and preservation of ecosystem services). Its operations are guided by an ISO 9001 certified sustainable management manual, with FSC eco-certification for the forests managed. La Société Forestière generates revenue through sales of forest commodities (timber and non-timber products), carbon credits, biocredits (pilot), and Payment for Ecosystem Services (PES, in pilot).

**Sector:** Forestry

**Region:** France

**Business model driver:** Sales of forest commodities (timber and non-timber products), carbon credits, biocredits (pilot), and Payment for Ecosystem Services (PES, in pilot)

**Business model type:** Value creation - Integrating long-term fiduciary duty and recognising the value of resilient ecosystems

**Co-benefit(s):** Carbon stocking, conservation (fauna)

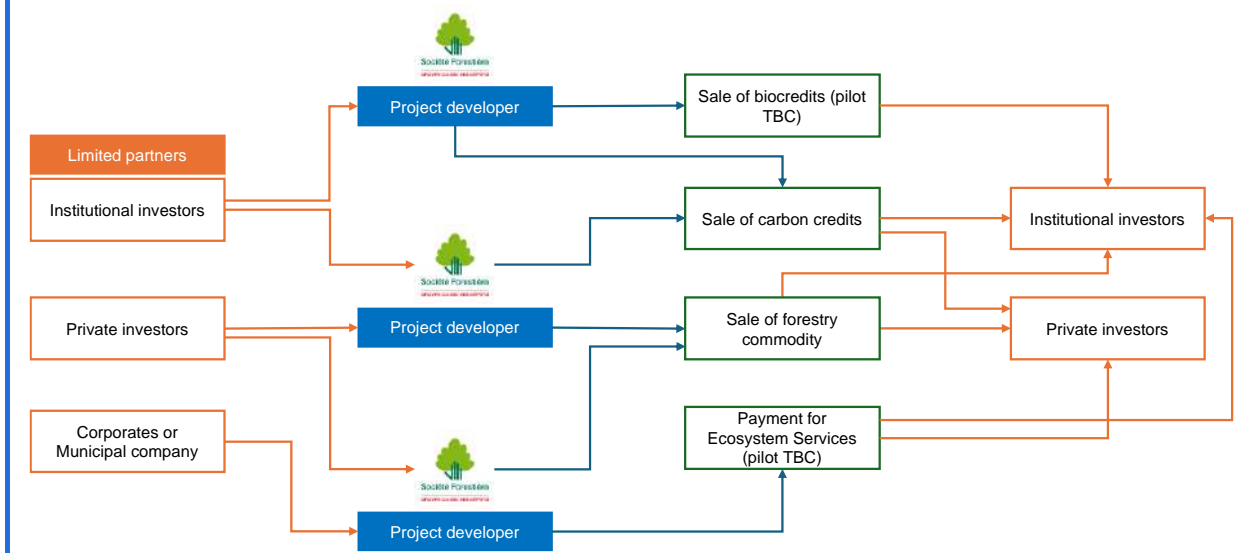


**Financial instrument:** Natural assets - biocredits, carbon credits, forestry commodity, Payment for Ecosystem Services (PES)

**Business model and financial return:** La Société Forestière provides private and public investors with long-term capital appreciation and periodic income from forest commodities (timber and non-timber) sales, along with carbon credits, biocredits, and Payment for Ecosystem Services (PES), with returns tied to forest asset values and market prices. Ticket sizes vary depending on the forest size, and interest rates or percentage returns depend on the type of owners. For carbon credit sales, profit distribution to investors occurs once reforestation is confirmed by an audit, at which point La Société Forestière finalises the sale of carbon credits to the owner.

**Financing by public-private partners:** Limited Partners include institutional investors, private investors, and corporates or municipal companies.

**Replicability and/or scalability:** Replicable and scalable by any forest assets management given its standardised framework for assessing and managing natural capital (guided by an ISO 9001 certified sustainable management manual, with FSC eco-certification), making it adaptable for other regions and types of forest assets. It integrates multiple revenue sources (e.g., carbon credits, sale of forest commodities, etc.) providing diverse income opportunities.



## European Bank for Reconstruction and Development (EBRD) Chisinau River Bic Rehabilitation Loan

100%  
Public

As Chisinau has grown, the river Bic has become polluted and is prone to flooding that impacts local communities, infrastructure and the economy, reducing the appeal of the city. Severe flooding is expected to become more harmful through the projected impact of climate change, which is seen likely to bring more short intense downpours. EBRD's [Chisinau River Bic rehabilitation and flood protection project](#) will finance a blend of solutions that will collectively improve the management of storm water run-off and its interaction with the river Bic. It represents the first formal integration of nature-based solution into a project by the EBRD. The project will additionally create green spaces, which complement more traditional storm water management systems.

**Sector:** (Green) infrastructure, urban ecosystem

**Region:** Moldova

**Business model driver:** Moderation of extreme events, regulation of water flows

**Business model type:** Risk reduction - It will reduce the harm and costs associated with increased flooding risk to around 2,100 direct beneficiaries and restore water quality and appeal of the river

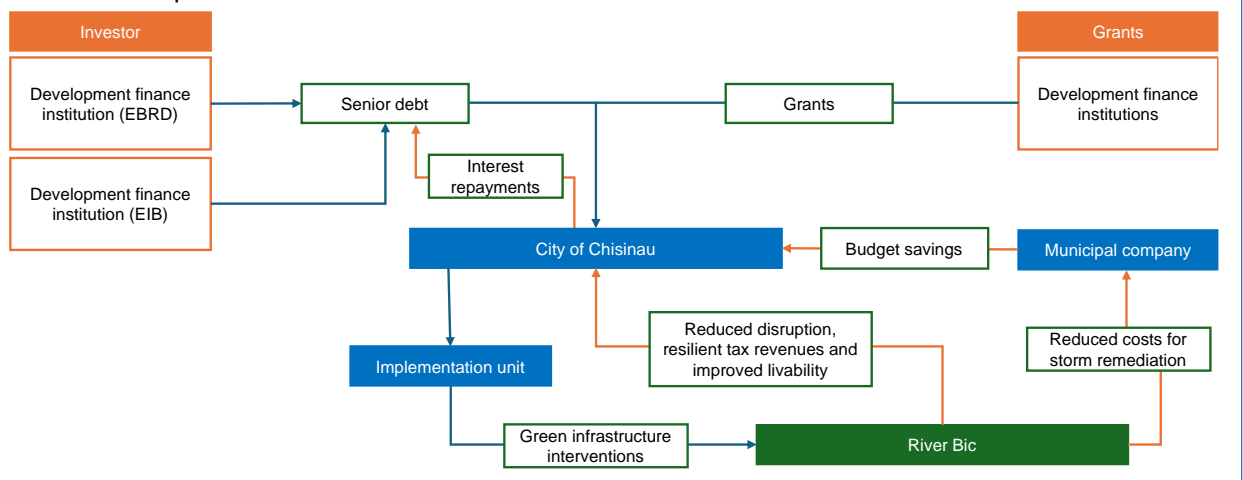
**Co-benefit(s):** Improved water quality and potential increase land values

**Financial instrument:** Blended finance (loan) through senior debt and grant

**Business model and financial return:** The project is a €20 million loan with a tenor of over 10 years to the City of Chisinau. Repayment of the project finance loan is not tied to the project itself but to the overall city budget, the counterparty will benefit from the increase resilience to its tax revenues and economic growth in the city. The city may also reduce budget allocation to municipal companies responsible for storm and flood remediation. This will improve the risk profile of the counterparty and the overall risk-return expectation for the bank.

**Financing by public-private partners:** The project is funded by a loan to the City of Chisinau provided in equal portion by the EBRD and EIB, supported by a grant from the Green Climate Fund. However, it could be expanded to increase the role of private finance by involving commercial banks as co-financers.

**Replicability and/or scalability:** The project provides a pilot example of green-blue infrastructure, offering a model for similar successful future project finance loans with municipal beneficiaries. The structure can be enhanced to scale the role of private finance involving commercial banks as co-financers in a parallel loan structure.



## Caisse des Dépôts Group (banque des territoires) Renaturation of the Branche de Croix canal Loan

100%  
Public

The Metropole Européenne de Lille (MEL) adopted its Plan Bleu Métropolitain, initiating an ambitious [renaturation of the Branche de Croix canal](#) and policy to restore its canals and rivers. The project involves renaturalising the Croix canal, a crucial link in the metropolitan green and blue network, by removing artificial structures and restoring its natural flow, demolishing old docks, reopening the bed, dredging sediments, reshaping banks, and creating public green spaces. La Banque des Territoires

(public bank branch of the Groupe Caisse des Dépôts) is working to restore nature in the city and to promote land sufficiency and ensure territorial resilience.

**Sector:** Urban ecosystem (hydraulic and landscape restoration)

**Region:** France

**Business model driver:** Regulation of water flows

**Business model type:** Risk reduction - The workings which have been financed will support the fight against flooding

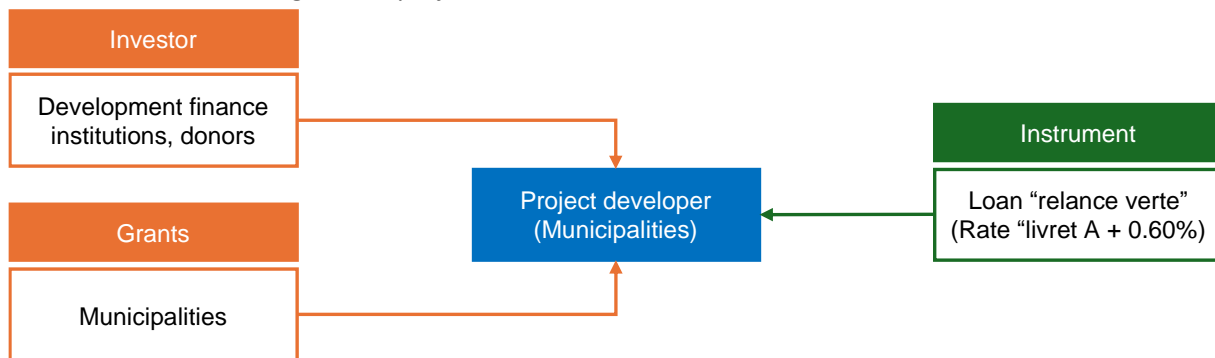
**Co-benefit(s):** Water, regulation of water flows, existence, bequest values, maintenance of life cycles, opportunities for recreation and tourism

**Financial instrument:** Impact loan

**Business model and financial return:** The loan, as part of the green recovery plan, finances half of the project to the local authority to de-risk and provide guarantees. Although the €8 million loan (out of a total €21.1 million before tax) for a timeframe of 25-years is entirely public, it can serve as a form of guarantee for private investors. The return on investment will be driven by the strong commercial potential of the developments achieved and therefore could be replicated with private investors involved.

**Financing by public-private partners:** This project is funded by public entities (local authority, government, European Investment Bank).

**Replicability and/or scalability:** Could be replicated with private investors involved, where public actors assist in de-risking similar projects.



More information on each of the business cases for nature and investment instruments can be found in annex 2, where EU B&B Platform members describe their existing practices.

## 4. Potential of finance instruments



### 4.1 Trends in investments for nature



Investments for nature are increasingly focused on innovative financing structures that integrate sustainable practices and reflect a trend toward a growing commitment to balancing economic returns with ecological restoration. Key trends identified across the six case studies and in discussion with investors include:

- **Shift towards sustainable practices:** Investors increasingly favor projects integrating sustainable practices such as sustainable forestry management by La Société Forestière and regenerative agrifood sector financing by Astanor Venture Capital Funds.
- **Blended finance and risk mitigation:** Blended finance structures are increasingly used to enhance the risk-return profile of projects by combining different sources of capital. Public funding sources and grants often provide concessional finance or guarantees, which help reduce risk for private investors. This approach enables more significant investments in (green) infrastructure projects like the EBRD’s Chisinau River Bic Rehabilitation and Caisse des Dépôts’ Branche de Croix canal restoration, which might be difficult to finance solely through private means. By lowering risk perceptions, it makes the project more appealing to private investors, encouraging participation in the financing structure.
- **Sustainability certifications and green bonds:** Investments for nature are increasingly linked to sustainability certifications (e.g., FSC in forestry) and green bonds. The Tornator Biodiversity Programme uses green bonds to finance sustainable (certified) forestry practices, highlighting a trend towards certified sustainable management as a driver for attracting investment. Clear and traceable indicators are key for private investors investing in green bonds.
- **Long-term investment horizons:** Many investments for nature have long-term horizons, such as those in forestry and regenerative agriculture (up to 25 years or more), reflecting the time needed for ecological restoration and achieving sustainable returns.
- **Performance-based financing:** Investments for nature are increasingly tied to measurable environmental key performance indicators (KPIs), such as Rabobank’s Biodiversity Monitor, which tracks specific indicators like greenhouse gas emissions and nitrogen soil surplus, linking them to multiple actor’s financial incentives.
- **Emerging market for carbon credits with co-benefits:** Financial institutions are exploring carbon credits with co-benefits to align with sustainable trends, enhance ESG credentials, and access markets with potential returns, while meeting regulatory and consumer sustainability demands. La Société Forestière exemplifies a voluntary approach to the sale of carbon credits and biocredits, contributing growing market of combining carbon credits with biodiversity co-benefits.

## 4.2 Investment Suitability by Sector

Different sectors and ecosystems offer investment opportunities tailored to specific financial instruments, analysed based on the six case studies:

| Sector(s)  | Financial Instrument(s)            | Suitable investor(s)  | Revenue(s)   |
|--|------------------------------------|---|--|
|  <b>Built environment / Urban ecosystem</b> | Loans<br>Blended finance<br>Grants | Public and multilateral development banks<br>Government and local authorities | Loan repayment from city<br>Increase in tax revenues and land values<br>Reduced risks of claims (insurers) |
|  <b>(Green) Infrastructure</b>              |                                    |   |  |

|  |  | International financial institutions  |  |
|--|--|---|--|
|  <b>(Regenerative) Agriculture and food</b> | Stacking financial flows<br>Sustainability Linked Loans (SLLs)<br>Equity | Private and public banks<br>International financial institutions<br>Municipalities and local authorities<br>Institutional and private investors | Interest on SLLs and impact loans<br>Increased loan volume or uptake driving overall interest income<br>Investors may profit through capital gains at exit   |
|  <b>Forestry</b>                            | Green bonds<br>Natural capital assets<br>Long-term equity                | Institutional and private investors<br>Asset managers   | Investment via issuance of green bonds with returns over time<br>Revenue from profits from timber and non-timber product sales<br>Carbon and biodiversity credits<br>Distribution of operational net income as dividends to owners |

## 5. Conclusion

**Mobilising finance for nature requires collaboration:** Collective action is required from both private and public financial institutions to leverage nature’s unique ability to offer multiple benefits and ecosystem services to generate revenue and unlock opportunities for sustainable development and resilient economies.

**Key drivers for scaling investments for nature:** Clear key performance indicators (KPIs), taxonomies, certification standards, and mobilising joint resources, alongside offering favourable terms and expanding blended finance, are key to driving NbS projects and unlocking biodiversity-focused investments.

**Financial return with biodiversity:** By focusing on a positive contribution to biodiversity, financial institutions profit from risk reduction (e.g. natural pest control, climate regulation, avoiding additional cost or damage) and value creation (e.g. higher quality products and crops that can be sold with a higher price) leading to successful investments.

## Annex 1. Glossary

| Term  | Definition   |
|---|--|
| Blended finance                             | Combining public or private funds, including concessional tools, to attract more investment (public and/or private) to emerging and frontier markets.  |
| Biodiversity credits or biocredits          | An emerging financial instrument that represents a unit of biodiversity that is being restored or conserved. Like carbon credits, they can be traded or purchased by companies or individuals.                               |
| Carbon credits                              | A tradeable instrument that enables the purchase of verified and measurable emission reductions from certified climate projects, allowing companies or individuals to offset their carbon or greenhouse gas (GHG) emissions. |
| Debt  | A loan borrowed from a lender which the borrower is obliged to repay in according to the terms of a contract. The borrower usually must repay the initial funds borrowed, as well as interest.                               |
| Senior debt                                 | A loan or financial obligation that a borrow must repay first over other debts in the event of bankruptcy or liquidation.  |
| Environmental, Social, and Governance (ESG) | A set of non-financial criteria (environmental, social, and governance) that investors and lenders use to evaluate the sustainability, investability and impact of a business.   |
| Ecosystem Services (ESS)                    | Ecosystem services are the benefits people obtain from ecosystems, including provisioning, regulating, and cultural services.  |
| Equity                                      | A security or stock representing ownership in an asset or company, offset by debts or other liabilities. On a company's balance sheet, equity includes funds contributed by owners and retained earnings, or losses.         |
| Global Biodiversity Framework (GBF)         | The UN framework - adopted in 2022 - for safeguarding and sustainably using biodiversity and consists of global targets that must be met by 2030 and beyond.   |
| Grant                                       | Funds disbursed, often by a government or a donor organisation, that are not expected to be repaid.  |
| Green Bond                                  | A fixed income financial instrument designed to raise private investment for projects that provide environmental benefits.   |
| Life Cycle Analysis (LCA)                   | A method for evaluating the environmental impacts of a product or process throughout its entire life cycle, from raw material extraction to its disposal.  |

|                                      |  |
|--------------------------------------|--|
| Nature-based Solutions (NbS)         | Solutions that support nature and are cost-effective, helps builds resilience, and provides environmental, social and economic benefits.   |
| Natural capital                      | The world's stock of natural assets, which include geology, soil, air, water, and all living things, which humans derive a wide range of services from often called ecosystem services.  |
| Payment for Ecosystem Services (PES) | A market-based instrument that offers financial incentives to stakeholders in exchange for managing or delivering an ecological service, where the direct beneficiaries of the ecosystem service pay for its maintenance or provision. |
| Sustainability Linked Loans (SLLs)   | Loans where the terms and conditions are tied to the borrower's sustainability performance, aiming to incentivise and reward improvements in sustainability metrics.   |
| Stacking financial flows             | The practice of layering multiple sources of financial benefits to facilitate targeted private actors in a sustainable transition. The financial benefits are often linked to one sustainability standard.                             |
| Venture Capital                      | Funding provided by investors to small businesses expected to have significant long-term growth potential.   |

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### Annex 3. Case study template guide

This template is largely based on the [CPIC Investment Blueprints](#) format, adapted to provide detailed information on each business case with a schematic visual on their financial flows.

| Project and owner   |   |
|---|---|
| <b>Sector</b>   | <i>[Built environment / urban ecosystem; (Green) infrastructure; Water utilities; (Regenerative) agriculture and food; Forestry; Nature conservation; (Eco) Tourism]</i>  |
| <b>Region</b>   |   |
| <b>Biome(s)</b>   |   |
| <b>Nature measure(s)</b>  | <i>(Main Ecosystem Service)</i>   |
| <b>Business model driver</b>  |   |
| <b>Business model type</b>  | <i>(Identify type [Risk reduction; cost reduction; Value creation/value adding (underline and clarify - ...)])</i>  |
| <b>Co-benefit(s)</b>  |   |
| <b>Overview</b>   | <i>This is a summary statement clarifying how an investment would help address the nature need or opportunity identified.</i>   |
| <b>Weblink</b>  | <i>(link to main webpage and some links to report if relevant)</i>  |
| Investment and operating model  |   |
| Financial instruments (applied to finance or fund the business model) |   |
| a) <i>Type and role of financial instruments / asset class</i>        | Type of instrument and role – [e.g. bonds, funds, indices (listed equity), insurance, loans, credits, stacking finance flows, private equity and Venture capital, real estate, commodities, other (please specify)]. What roles do financial instruments / asset class play in the business mode? |
| b) <i>Grant and/or concessionary finance</i>                          | The relative size of these instruments and basic information on their terms   |
| Instrument size and terms   |   |
| a) <i>Ticket size</i>   | What size range in € are the individual investments / financing deployed at?  |
| b) <i>Interest rates or percentage returns</i>                        | Interest rates or percentage returns or other type of financial return: What range of interest rates  |

|   |   |
|---|---|
|   | are applied to loans, or what percentage returns are targeted for equity investors? Mention the type of return as well.                   |
| c) <i>Timeframe</i>   | What is the approximate payback period for loans or time horizon for shareholders of an equity investment?                                |
| d) <i>Liquidity options for investors during investment period</i>  | What liquidity, if any, may be offered to investors during the life of the investment (e.g. dividends, debt service, etc.)?               |
| <b>Risk mitigation instruments used and how these were incorporated into the investment structure</b>             |   |
| a) <i>Financial risks</i>   | What are the different financial risks each public or private investor takes on?  |
| b) <i>Guarantees</i>  | Is there any use of guarantees for loan repayments or for other forms of financial returns for investors? And who provides the guarantee? |
| c) <i>Collateral</i>  | What type of collateral is used by borrowers to secure loan finance?  |
| d) <i>Insurance mechanisms</i>  | Are any insurance mechanisms used and by whom?  |
| <b>Impact assessment</b>  |   |
| <b>Provide a summary list of 2 -3 key 'outcome' indicators you would use to assess progress against the goal.</b> |   |
| <b>Scalability and replication</b>  |   |
| <b>Cash flows and commercial sustainability</b>   |   |
| a) <i>Profit distribution across actors involved</i>  | Where does the profit get distributed within the business and across the organisations involved?  |
| b) <i>Profit distribution back to investors or debt repayment</i>   | What portions of profit can be distributed back to investors or used to repay debt over what timeframe?                                   |
| c) <i>Maturity timeframe</i>  | Over what timeframe does the business reach maturity and reach its full scale?  |
| d) <i>Cash flow distribution</i>  | How does the distribution of these cash flows contribute to the businesses' long-term sustainability?                                     |
| e) <i>Business model replicability</i>  | In what ways is the business model replicable?  |

| Enabling environment  |   |
|---|---|
| a) <i>Reliance on law, regulation, policy or subsidy</i>  | What reliance does the business model place on a particular law, regulation, policy or subsidy being in place   |
| b) <i>Durability of enabling conditions against political and government budget changes</i>           | How durable are these enabling conditions against political change and government budget revisions?   |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>                                | Does the business model rely on the activities of other third parties, such as civil society organisations, NGOs, research?   |
| Main advantages   |   |
| <b>Main advantages of using this financial instrument to scale private finance in nature projects</b> | (Indicate the purposes the financial instrument is most suited for, why it is well-positioned for this or more purposes, and the main benefits / advantages of using this instrument) |
| Financial flow graph  |   |
|   |   |

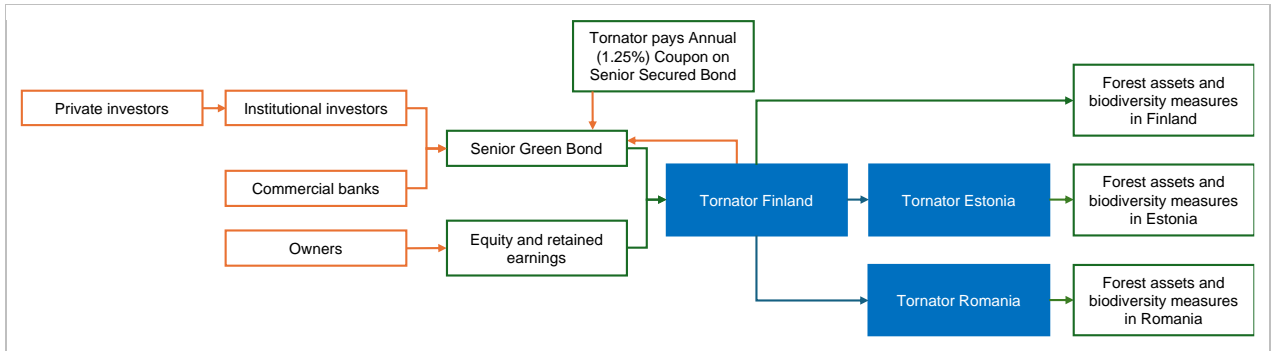
## Annex 4. Detailed information on each business case with schematic visual on financial flows

### A4.1. Tornator Forestry Green Bond with Mirova as investor

| Project and owner              |  |
|--------------------------------|--|
| <b>Sector</b>                  | Forestry   |
| <b>Region</b>                  | Finland (89%), Estonia (8%), Romania (3%)  |
| <b>Biome(s)</b>                | Forests & woodland   |
| <b>Nature measure(s)</b>       | Sustainable logging practices  |
| <b>Business model driver</b>   | Carbon sequestration   |
| <b>Business model type</b>     | <u>Value creation</u> - Generate more value or revenue through new investments in certified forests which can be utilised in capturing more carbon and improving environmental preservation of nature (biodiversity, etc.)   |
| <b>Co-benefit(s)</b>           | Maintenance or improvement of biodiversity   |
| <b>Overview</b>                | Tornator is leveraging the bond market for its Biodiversity Programme to: 1) Finance investments in sustainable forestry: FSC or PEFC certification, infrastructure needed for sustainable silviculture and R&D projects with a positive environmental impact; 2) Financing nature preservation: biodiversity (e.g. drained mire restoration back to carbon storage), investments in processes that improve resource efficiency and reforestation (e.g. reforestation on disused peat production areas, agricultural lands or power lines). The objective of Tornator's Biodiversity Programme is to protect and enhance forest biodiversity through new measures, increased active nature management, and stakeholder cooperation, while monitoring the effects of these efforts. The program also supports ecosystem services, water protection, game management, and climate change mitigation, benefiting endangered species and habitats. In total, 12 performance indicators are used to monitor biodiversity. |
| <b>Weblink</b>                 | <a href="#">Biodiversity - Tornator</a> ; <a href="#">Green Finance - Tornator</a>   |
| Investment and operating model |  |

| Financial instruments   |  |
|---|--|
| a) <i>Type and role of financial instruments / asset class</i>  | Green bonds. Bonds enable smoothing private investment costs where benefits are long term (wood yield enhancement, and climate change risk reduction).   |
| b) <i>Grant and/or concessionary finance</i>  | The green bond premium on the primary market reduces the cost of debt for companies receiving loans through these bonds. While the existence and size of premium in the bond market for green bonds can vary (e.g., depending on market conditions, specific bond issue, compliance with market standards), it has been observed in both primary and secondary markets. There is clear evidence in terms of a greater pool of investors for green bonds that meet current market standards (such as ICMA Green Bond Principles). |
| Instrument size and terms   |  |
| a) <i>Ticket size</i>   | €350 million   |
| b) <i>Interest rates or percentage returns</i>  | 1.25% coupon   |
| c) <i>Timeframe</i>   | 6 years  |
| d) <i>Liquidity options for investors during investment period</i>  | N/A  |
| Risk mitigation   |  |
| a) <i>Financial risks</i>   | General business risks related to demand and price which may lead to decreased ability to repay debt. Risks related to the instrument are discussed in more detail in the <a href="#">prospectus</a> .   |
| b) <i>Guarantees</i>  | No guarantee but the debt is secured, see following questions.   |
| c) <i>Collateral</i>  | Tornator's Finnish forest properties.  |
| d) <i>Insurance mechanisms</i>  | Forest insurance for the Finnish forest properties.  |
| Impact assessment   |  |
| <b>Provide a summary list of 2 -3 key 'outcome' indicators you would use to assess progress against the goal.</b> | <p>Main targets of Tornator's Biodiversity program for 2021-2030 are as follows:</p> <ul style="list-style-type: none"> <li>• Establishment of new nature conservation areas, target: 5,000 hectares</li> <li>• Marshland restoration, target: 3,000 hectares</li> </ul>   |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>Carrying out forest and aquatic environment improvement projects, target: at least 200 active projects</li> </ul>  |
| <b>Scalability and replication</b>  |   |
| <b>Cash flows and commercial sustainability</b>   |   |
| a) <i>Profit distribution across actors involved</i>  | Profit is partially distributed to owners as dividends and partially retained in the company.   |
| b) <i>Profit distribution back to investors or debt repayment</i>                                     | Tornator's general dividend policy has been to pay out 70% of operative net income as dividends.  |
| c) <i>Maturity timeframe</i>  | In general, timeframe in forestry is very long and changes happen slowly. Tornator's business model is mature and has a proven track record of 20+ years.   |
| d) <i>Cash flow distribution</i>  | Growth generates economies of scale and thus improves long-term sustainability.   |
| e) <i>Business model replicability</i>  | Tornator's business model is replicable in many ways but acquiring a large enough forest asset base requires plenty of capital.   |
| <b>Enabling environment</b>   |   |
| a) <i>Reliance on law, regulation, policy or subsidy</i>  | Tornator expects the regulatory environment to remain relatively stable and predictable, no particular reliance on any particular law, regulation, policy or subsidy.                                       |
| b) <i>Durability of enabling conditions against political and government budget changes</i>           | Very durable.   |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>                                | N/A   |
| <b>Main advantages</b>  |   |
| <b>Main advantages of using this financial instrument to scale private finance in nature projects</b> | Financing Tornator's business is an investment into very sustainable forestry with many positive impacts on nature, biodiversity and climate, not forgetting other sustainability matters (S and G in ESG). |
| <b>Financial flow graph</b>   |   |



## A4.2. Biodiversity Monitor – Stacking finance flows including Rabobank Impact Loan

| Project and owner              |   |
|--------------------------------|---|
| <b>Sector</b>                  | (Regenerative) agriculture and food   |
| <b>Region</b>                  | The Netherlands   |
| <b>Biome(s)</b>                | Forest and woodlands, Savannahs, grassland & deserts  |
| <b>Nature measure(s)</b>       | Reduced or no-till farming practices, cover cropping, increasing crop diversity, managed grazing, low intensity grazing practices   |
| <b>Business model driver</b>   | Air quality regulation, carbon sequestration, erosion prevention, maintenance of soil fertility, biological control, pollination  |
| <b>Business model type</b>     | <u>Value creation</u> - Added value as a result of multiple rewarding from processors based on sustainability performances  |
| <b>Co-benefit(s)</b>           | Existence, bequest values, maintenance of genetic diversity, maintenance of life cycles, opportunities for recreation and tourism, education/science  |
| <b>Overview</b>                | In the Netherlands, Rabobank, together with stakeholders, has developed the Biodiversity Monitor for Dairy Farming and one for Arable Farming. Each Biodiversity Monitor is performance based and used as a basis by multiple actors to incentivise farmers to improve biodiversity on their farms and beyond. As part of this 'stacking finance flows' by the farmer, Rabobank offers impact loans at a reduced interest rate to businesses which can demonstrate a high sustainability performance, with the European Investment Bank (EIB) providing the additional capital to support a lower interest. Other incentivising actors are the dairy production company with a higher milk price and the province with a subsidy. |
| <b>Weblink</b>                 | <a href="#">Biodiversitymonitor for the dairy farming sector; BiodiversiteitsMonitor Akkerbouw (NL)</a>   |
| Investment and operating model |   |
| Financial instruments          |   |

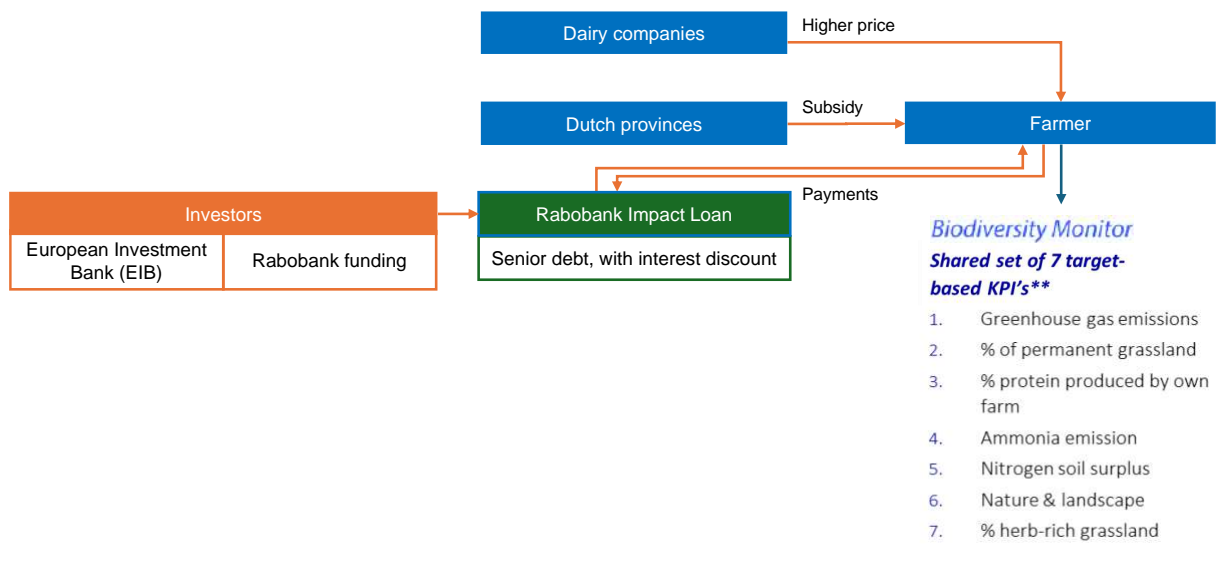


|   |  |
|---|--|
| <p>a) <i>Type and role of financial instruments / asset class</i></p>     | <p>When Rabobank clients become category A in the internal Sustainability Matrix (aligned with the biodiversity monitor) they are able to achieve a 20-basis point (bp) discount on all of the loans that are outstanding. Example: if a farmer has loans amounting to €2 million (financing land, stables, equipment, phosphate rights) this is a yearly benefit of €4000,-. As of the 1st of October, Rabobank has announced a transition loan budget of €3 billion for Dairy farmers that need to make additional investments (and need loans to finance these). Attractive terms consist of:</p> <ul style="list-style-type: none"> <li>• Lending at 100% of the required investment (100% Loan-to-Value)</li> <li>• No upfront fee</li> <li>• Interest rate will be discounted in the following way: 40% against cost of funds, 60% at -70 bps</li> <li>• Minimum investment = €5000,-</li> <li>• Tenor will be between max 10 years</li> </ul> <p>Next to this transition loan, Rabobank clients can make use of Sustainable Impact Loan, by using funding of EIB.</p> |
| <p>b) <i>Grant and/or concessionary finance</i></p>                       | <p>See above.</p>  |
| <p><b>Instrument size and terms</b></p>                                   |  |
| <p>a) <i>Ticket size</i></p>  | <p>Applicable for clients with a total finance of €1 million and more.</p>   |
| <p>b) <i>Interest rates or percentage returns</i></p>                     | <p>For frontrunners: discount is 20bp<br/>For transition loan: Interest rate will be discounted in the following way: 40% against cost of funds, 60% at -70 bps</p>  |
| <p>c) <i>Timeframe</i></p>  | <p>The payback period depends on the type of investment, for farmland this will be 20-25 years. For the transition loan a grace period of 3 years is applied.</p>  |
| <p>d) <i>Liquidity options for investors during investment period</i></p> | <p>N/A</p>   |
| <p><b>Risk mitigation</b></p>   |  |
| <p>a) <i>Financial risks</i></p>  | <p>For the loans which are offered are based on collaterals.</p>   |
| <p>b) <i>Guarantees</i></p>   | <p>N/A</p>   |
| <p>c) <i>Collateral</i></p>   | <p>Collaterals based on assets of farmland.</p>  |

|   |  |
|---|--|
| d) <i>Insurance mechanisms</i>  | N/A  |
| <b>Impact assessment</b>  |  |
| <b>Provide a summary list of 2 -3 key 'outcome' indicators you would use to assess progress against the goal.</b> | <p>For dairy:</p> <ul style="list-style-type: none"> <li>• Greenhouse gas emissions</li> <li>• % of permanent grassland</li> <li>• % protein produced by own farm</li> <li>• Ammonia emissions</li> <li>• Nitrogen soil surplus</li> <li>• Nature &amp; landscape elements</li> <li>• % herb rich grassland</li> </ul> <p>For crop farming:</p> <ul style="list-style-type: none"> <li>• Percentage of soil conserving crops</li> <li>• Soil organic matter balance</li> <li>• Farm level nitrogen surplus</li> <li>• Environmental impact of crop protection</li> <li>• Percentage of cover crops</li> <li>• Carbon footprint</li> <li>• Nature and landscape management</li> <li>• Crop diversity</li> </ul> |
| <b>Scalability and replication</b>  |  |
| <b>Cash flows and commercial sustainability</b>   |  |
| a) <i>Profit distribution across actors involved</i>  | N/A  |
| b) <i>Profit distribution back to investors or debt repayment</i>   | N/A  |
| c) <i>Maturity timeframe</i>  | N/A  |
| d) <i>Cash flow distribution</i>  | N/A  |
| e) <i>Business model replicability</i>  | N/A  |
| <b>Enabling environment</b>   |  |
| a) <i>Reliance on law, regulation, policy or subsidy</i>  | N/A  |
| b) <i>Durability of enabling conditions against political and government budget changes</i>                       | N/A  |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>  | NGO's and research were part of the development of the Biodiversity Monitor.   |
| <b>Main advantages</b>  |  |
| <b>Main advantages of using this financial instrument to scale private finance in nature projects</b>             | Because the Biodiversity Monitor is outcome based this instrument shows the performance of KPI's that have a positive effect on biodiversity.  |

The instrument also gives an easy opportunity to reward farmers financially.

### Financial flow graph



### A4.3. Astanor Venture Capital Fund

| Project and owner  |   |
|--|---|
| <b>Sector</b>  | (Regenerative) agriculture  |
| <b>Region</b>  | Europe and USA  |
| <b>Biome(s)</b>  | Forests and woodlands, open ocean   |
| <b>Nature measure(s)</b>                                       | Reduced or no-till farming practices, rebuilding stocks of marine life  |
| <b>Business model driver</b>                                   | Crop production, water, maintenance of soil fertility, biological control, pollination, maintenance of life cycles, education / science   |
| <b>Business model type</b>                                     | <u>Risk reduction</u> - Improving soil health and limiting its damage which hinders yield in the short and medium term, generate more revenues and value for farmers  |
| <b>Co-benefit(s)</b>   | Erosion prevention, genetic resources   |
| <b>Overview</b>  | Astanor, as an impact venture capitalist managing €800 million of assets, finances very early-stage companies of the agrifood sector to support their growth and scaling. Astanor's portfolio companies aim to transform the agrifood sector from one of the leading causes of biodiversity loss into its regenerative solution, notably financing companies which offer products and services supporting farmers in transitioning to regenerative practices. Such solutions include bio stimulants and bio-controls which reduce the need for chemical inputs and technologies to provide farmers with data on how to reduce resources used whilst achieving higher yield. |
| <b>Weblink</b>   | <a href="#">List of entrepreneurs</a> ; <a href="#">impact report page 15</a>   |
| Investment and operating model                                 |   |
| Financial instruments  |   |
| a) <i>Type and role of financial instruments / asset class</i> | Astanor exclusively finances its solutions with equity. Astanor is a General Partner (GP) receiving funds from three different types of Limited Partners (LPs): <ul style="list-style-type: none"> <li>• Sovereign funds of different European countries including Belgium, the Netherlands, France, Germany and</li> </ul>   |

|  |   |
|--|---|
|  | <p>Denmark as well as the European Investment Fund</p> <ul style="list-style-type: none"> <li>• Institutional investors</li> <li>• Private investors such as family offices</li> </ul> <p>As the investment is made in very early-stage companies from seed to series B, equity is essential in the first years of the life of the company to support in the development of the product or the service.</p>   |
| b) <i>Grant and/or concessionary finance</i>                       | N/A   |
| <b>Instrument size and terms</b>                                   |   |
| a) <i>Ticket size</i>  | €10 to 15 million   |
| b) <i>Interest rates or percentage returns</i>                     | We do not publicly disclose this information  |
| c) <i>Timeframe</i>  | 10+2 years from first fundraising close   |
| d) <i>Liquidity options for investors during investment period</i> | No liquidity  |
| <b>Risk mitigation</b>   |   |
| a) <i>Financial risks</i>  | <p>As Astanor Ventures is an investor in the private market (venture &amp; growth capital funds), the 3 main financial risks for its investors are:</p> <ul style="list-style-type: none"> <li>• The market risk: the risk that the market demand for a product or service does not materialise as expected, this can lead to lower revenues, making it difficult for the portfolio companies to achieve profitability and so positive return for the fund.</li> <li>• The liquidity risk: the commitment into the fund is locked for several years and the investor will have difficulties selling the investment or converting it into cash.</li> <li>• Valuation &amp; Exit risk: the risk that the startup is overvalued at the time of investment leading to challenges in achieving a profitable exit.</li> </ul> |
| b) <i>Guarantees</i>   | We do not have guarantees of financial returns.   |
| c) <i>Collateral</i>   | N/A   |
| d) <i>Insurance mechanisms</i>                                     | N/A   |
| <b>Impact assessment</b>   |   |

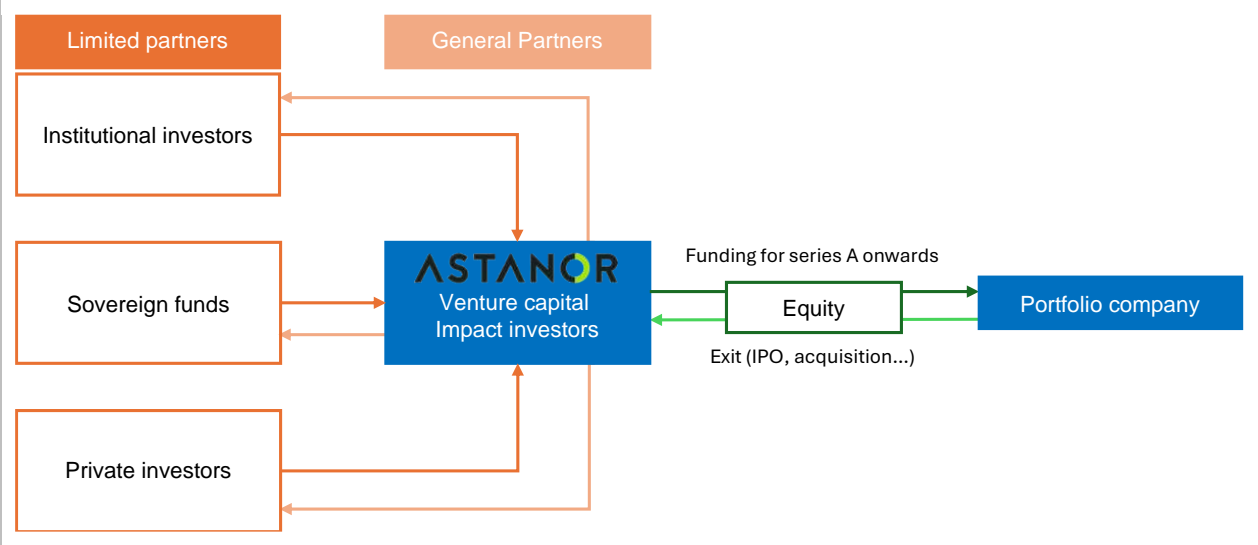
|  |   |
|--|---|
| <p><b>Provide a summary list of 2 -3 key ‘outcome’ indicators you would use to assess progress against the goal.</b></p> | <p>Astanor measures its companies’ positive impact on biodiversity by comparing the environmental performance of companies compared to what they replace in the market. Such measurement is done either through Life Cycle Assessments or local studies and would typically measure:</p> <ul style="list-style-type: none"> <li>• Sqm of land use avoided</li> <li>• Kg of wild fish spared</li> <li>• Kg of plastic avoided</li> </ul> |
| <p><b>Scalability and replication</b></p>  |   |
| <p><b>Cash flows and commercial sustainability</b></p>   |   |
| <p>a) <i>Profit distribution across actors involved</i></p>  | <p>During the investment period, all the profits generated by the company are injected back into the business to support its growth and scaling.</p>  |
| <p>b) <i>Profit distribution back to investors or debt repayment</i></p>   | <p>No profit is used to pay back investors as it is an equity investment. Investors receive a profit from their investment at time of exit of the company when their share of investment is sold.</p>   |
| <p>c) <i>Maturity timeframe</i></p>  | <p>The business’ maturity greatly depends on the solution financed. Solutions to transform the agrifood sector are long to mature as they follow nature cycles (e.g. testing new bio inputs necessitates time for a full season of crops to grow). Companies’ maturity can otherwise be assessed when exit has happened, but Astanor has not yet exited any of its companies.</p>   |
| <p>d) <i>Cash flow distribution</i></p>  | <p>All profits made by the investees are reinjected into the business thus fully supporting the long-term growth of the company.</p>  |
| <p>e) <i>Business model replicability</i></p>  | <p>Impact Venture Capital investment business is fully replicable and is very much needed to foster impactful innovations to support impact driven entrepreneurs.</p>   |
| <p><b>Enabling environment</b></p>   |   |
| <p>a) <i>Reliance on law, regulation, policy or subsidy</i></p>  | <p>Investments in Impact Venture Capital is positively influenced by regulation encouraging sustainable investments such as the EU taxonomy which directs capital towards sustainable investing vehicles. Astanor is an Article 9 fund under SFDR and we estimate that 100% of funding coming from sovereign funds has been enabled by this regulation.</p>   |

|   |   |
|---|---|
| b) <i>Durability of enabling conditions against political and government budget changes</i> | We do not estimate that a change in political landscape would modify the SFDR regulation. |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>                      | N/A   |

**Main advantages**

|   |   |
|---|---|
| <b>Main advantages of using this financial instrument to scale private finance in nature projects</b> | Impact Investing venture capital funding is suited for innovative young start-ups which need cash to fund research and develop a product or service that will scale and disrupt a sector. |
|---|---|

**Financial flow graph**



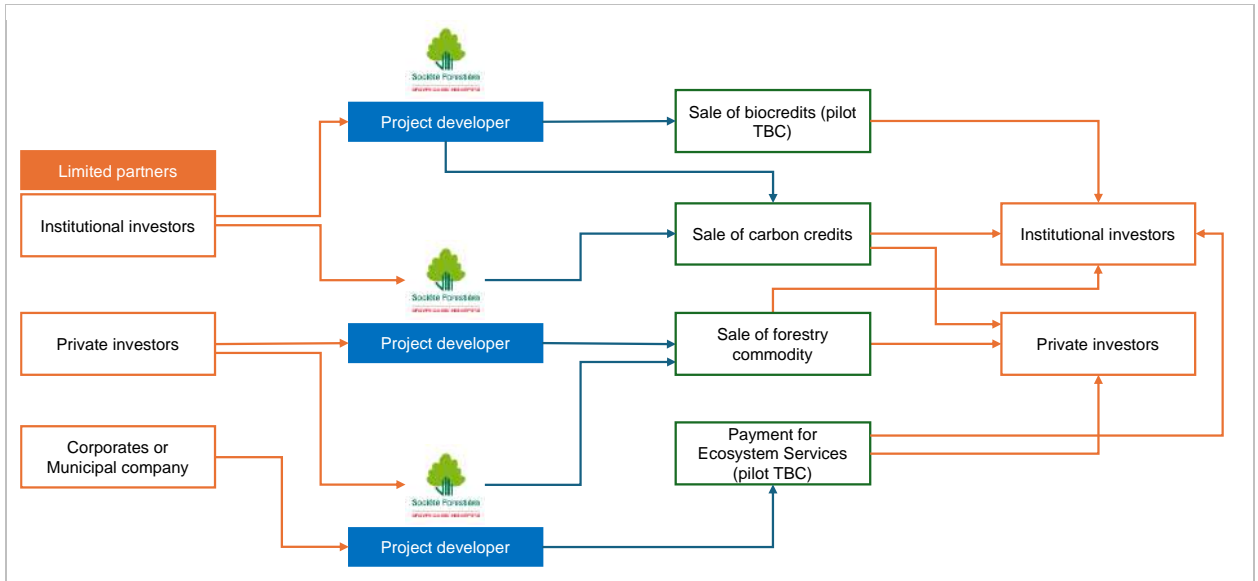
#### A4.4. La Société Forestière Natural Capital Management

| Project and owner  |  |
|--|--|
| <b>Sector</b>  | Forestry   |
| <b>Region</b>  | France   |
| <b>Biome(s)</b>  | Terrestrial / Forest   |
| <b>Nature measure(s)</b>                                       | Sustainable logging practices  |
| <b>Business model driver</b>                                   | Sales of forest commodities (timber and non-timber products), carbon credits, biocredits (pilot), and Payment for Ecosystem Services (PES, in pilot)   |
| <b>Business model type</b>                                     | <u>Value creation</u> - Integrating long-term fiduciary duty and recognising the value of resilient ecosystems   |
| <b>Co-benefit(s)</b>   | Carbon stocking, conservation (fauna)  |
| <b>Overview</b>  | La Société Forestière, a subsidiary of Groupe Caisse des Dépôts, implements ecosystem-friendly forestry as part of a continuous improvement process. Its forestry natural capital management is adapted to the forest's multifunctionality (balancing wood production and preservation of ecosystem services). Its operations are guided by an ISO 9001 certified sustainable management manual, with FSC eco-certification for the forests managed. La Société Forestière generates revenue through sales of forest commodities (timber and non-timber products), carbon credits, biocredits (pilot), and Payment for Ecosystem Services (PES, in pilot). |
| <b>Weblink</b>   | <a href="https://www.forestiere-cdc.fr/">https://www.forestiere-cdc.fr/</a> ; <a href="https://gfi-symbiose.fr/">https://gfi-symbiose.fr/</a>  |
| Investment and operating model                                 |  |
| Financial instruments  |  |
| a) <i>Type and role of financial instruments / asset class</i> | The asset owner of the CDC Group has given to its subsidiary, La Société Forestière, its forestry assets to manage them under very strong specification regarding sustainability. These requirements have spread so that La Société Forestière has now got some of its forest assets (the one belonging to individual investors as well  |



|   |   |
|---|---|
|   | as others belonging to other asset owners) under FSC.   |
| b) <i>Grant and/or concessionary finance</i>  | N/A   |
| <b>Instrument size and terms</b>  |   |
| a) <i>Ticket size</i>   | Depending on the forest size.   |
| b) <i>Interest rates or percentage returns</i>  | It depends on the type of owners. Now that all the forest assets are labelled FSC, La Société Forestière is taking care of the administration process to put the carbon credits in the voluntary market.  |
| c) <i>Timeframe</i>   | La Société Forestière is the long-term manager (duration: until 99 years if these are assets managed by SYMBIOSE, which claims sustainable management of forests).  |
| d) <i>Liquidity options for investors during investment period</i>  | As soon as the reforestation is confirmed by the audit, La Société Forestière confirms the carbon credits sale to the owner.  |
| <b>Risk mitigation</b>  |   |
| a) <i>Financial risks</i>   | Natural risks such as forest fires or invasive species.   |
| b) <i>Guarantees</i>  | As it is a long-term financial product, La Société Forestière provides the guarantee.   |
| c) <i>Collateral</i>  | N/A   |
| d) <i>Insurance mechanisms</i>  | The classic insurance mechanisms apply.   |
| <b>Impact assessment</b>  |   |
| <b>Provide a summary list of 2 -3 key 'outcome' indicators you would use to assess progress against the goal.</b> | Sustainable management of forestry is good for climate (carbon sink, refreshment specially when we are on urban forest), biodiversity (no pesticides, no clear-felling, a plan to protect rare animal and plant species, etc.).                 |
| <b>Scalability and replication</b>  |   |
| <b>Cash flows and commercial sustainability</b>   |   |
| a) <i>Profit distribution across actors involved</i>  | Because this forest assets management has been profitable, La Société Forestière has developed new businesses such as the urban forest project. It is an offer towards local authorities (which might be financed by La banque des territoires, |

|   |  |
|---|--|
|   | the French public development bank). La Société Forestière has developed a methodology “label Bas-Carbone” (the French standard for carbon offset) to certify forestry projects in urban areas and emit robust voluntary carbon credits on the market. The “label Bas-Carbone” is owned by the French Ministry of Ecology.   |
| b) <i>Profit distribution back to investors or debt repayment</i>                                     | It depends on the type of investors. For asset owners like Caisse des Dépôts, the profits after selling the wood will be after 20 or 50 years depending on the variety of the planted trees. There will be some profits from the sale of carbon credits on the voluntary carbon credits market. Moreover, the Caisse des Dépôts asset owner might be interested in experience biocredits from its forest assets. |
| c) <i>Maturity timeframe</i>  | It depends on the type of trees, but ranges from 20 to 50 years or more.   |
| d) <i>Cash flow distribution</i>  | The management of these forest assets are labelled FSC which means that they are sustainably managed and contribute to development of natural carbon sinks with biodiversity additionality.  |
| e) <i>Business model replicability</i>  | It is replicable as long as the forest asset manager sustainably works and is replicable with any forest assets sustainable manager.   |
| <b>Enabling environment</b>   |  |
| a) <i>Reliance on law, regulation, policy or subsidy</i>  | Respect of the <a href="#">‘closer to nature’ guidelines</a>   |
| b) <i>Durability of enabling conditions against political and government budget changes</i>           | It is a long-term contract between two parties without any political interference.   |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>                                | No, as everything is ‘in-house’.   |
| <b>Main advantages</b>  |  |
| <b>Main advantages of using this financial instrument to scale private finance in nature projects</b> | A sustainable management of forest asset allows to maintain soil, biodiversity, water but also all the ecosystemic services of the forest in good shape. It will play a big role for fighting climate change. It is a very good investment as we need biomass for succeeding the green shift.  |
| <b>Financial flow graph</b>   |  |



#### A4.5. European Bank for Reconstruction and Development (EBRD) Chisinau River Bic Rehabilitation and Flood Protection Blended Finance Loan

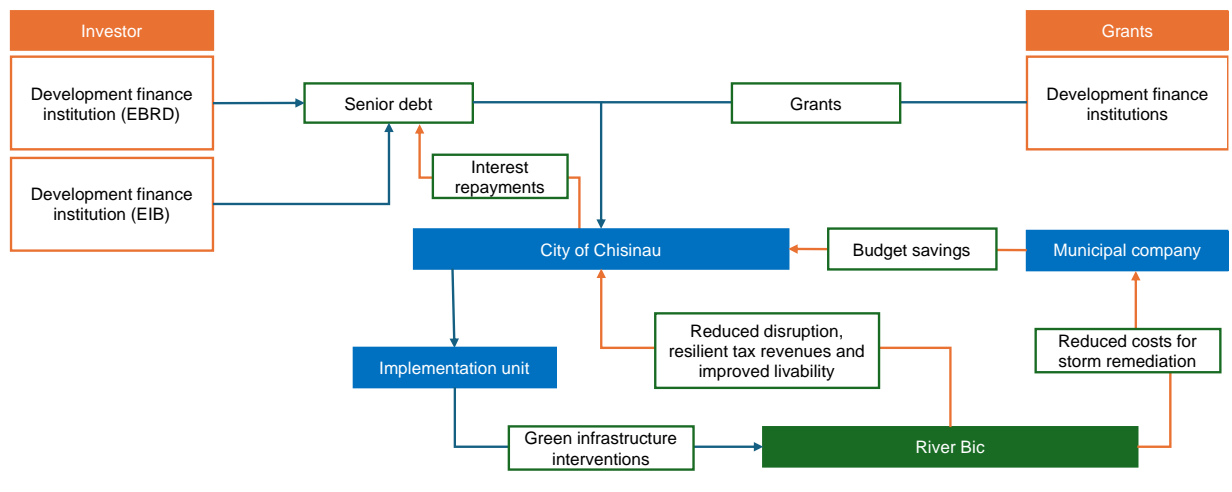
| Project and owner            |  |
|------------------------------|--|
| <b>Sector</b>                | (Green) infrastructure, urban ecosystem  |
| <b>Region</b>                | Moldova  |
| <b>Biome(s)</b>              | Freshwater & Wetlands / Urban  |
| <b>Nature measure(s)</b>     | Developing water retention areas and riparian buffers. Specifically, partial reprofiling of 7.6 km of the river channel and integrating flood water management measures, such as the rehabilitation of the drainage network and installation of flap valves along the urban reaches of the river.  |
| <b>Business model driver</b> | Moderation of extreme events, regulation of water flows  |
| <b>Business model type</b>   | <u>Risk reduction</u> - It will reduce the harm and costs associated with increased flooding risk to around 2,100 direct beneficiaries. More broadly, it will restore water quality and the appeal of the river, providing alternatives for recreation, amenity and sustainable mobility to around 100,000 people who live, work and visit the city, with positive impacts for health and wellbeing. Included in the project are plans to retrofit ca. 90 rain gardens and 85 tree pits in urban settings.   |
| <b>Co-benefit(s)</b>         | Improved water quality is the main co-benefit. It is anticipated that the project may also increase land values in the affected area, as it responds to recent flash flood events.   |
| <b>Overview</b>              | As Chisinau has grown, the river Bic has become polluted and is prone to flooding that impacts local communities, infrastructure and the economy, reducing the appeal of the city. Severe flooding is expected to become more harmful through the projected impact of climate change, which is seen likely to bring more short intense downpours. EBRD's Chisinau River Bic rehabilitation and flood protection project will finance a blend of solutions that will collectively improve the management of storm water run-off and its interaction with the river Bic. It represents the first formal integration of nature-based solution into a project by the EBRD. The |

|   |   |
|---|---|
|   | project will additionally create green spaces, which complement more traditional storm water management systems.  |
| <b>Weblink</b>  | <a href="https://www.ebrd.com/projects/grcf2-w1-chisinau-river-bic-rehab.-amp-flood-protection">GrCF2 W1-Chisinau River Bic Rehab. &amp; Flood Protection (ebrd.com)</a>  |
| <b>Investment and operating model</b>   |   |
| <b>Financial instruments</b>  |   |
| a) <i>Type and role of financial instruments / asset class</i>  | The project is a loan to the City of Chisinau provided in equal portion by the EBRD and EIB.  |
| b) <i>Grant and/or concessionary finance</i>  | The loan is supported by a grant from the Green Climate Fund.   |
| <b>Instrument size and terms</b>  |   |
| a) <i>Ticket size</i>   | €20 million   |
| b) <i>Interest rates or percentage returns</i>  | N/A   |
| c) <i>Timeframe</i>   | > 10 year tenor   |
| d) <i>Liquidity options for investors during investment period</i>  | As an international financial institution (IFI) led financing the terms may not be typically available in the market and is designed to not crowd out commercial finance.   |
| <b>Risk mitigation</b>  |   |
| a) <i>Financial risks</i>   | The blended finance structure leveraging the GCF grant helps to improve the risk return profile of the investment. Additional capacity building is provided to reduce implementation risks associated with the innovative project concept. The EBRD has a long-standing relationship with the key counterparties involved, which supports a positive overall outlook on potential risk. |
| b) <i>Guarantees</i>  | N/A   |
| c) <i>Collateral</i>  | N/A   |
| d) <i>Insurance mechanisms</i>  | N/A   |
| <b>Impact assessment</b>  |   |
| <b>Provide a summary list of 2 -3 key 'outcome' indicators you would use to assess progress against the goal.</b> | <ul style="list-style-type: none"> <li>Project is intended to reduced flooding from a current frequency of 1 in 10-year frequency to 1 in 20 for the urban areas and 1 in 15 for the River Bic more broadly.</li> </ul>   |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>Monitoring total direct and indirect population benefitting from the project.</li> </ul>   |
| <b>Scalability and replication</b>  |   |
| <b>Cash flows and commercial sustainability</b>   |   |
| a) <i>Profit distribution across actors involved</i>  | Repayment of the project finance loan is not tied to the project itself but to the overall city budget, the counterparty will benefit from the increase resilience to its tax revenues and economic growth in the city. The city may also reduce budget allocation to municipal companies responsible for storm and flood remediation. This will improve the risk profile of the counterparty and the overall risk-return expectation for the bank. |
| b) <i>Profit distribution back to investors or debt repayment</i>                                     | N/A   |
| c) <i>Maturity timeframe</i>  | Implementation is expected to take >3 years.  |
| d) <i>Cash flow distribution</i>  | Included above.   |
| e) <i>Business model replicability</i>  | Similar projects are possible in areas with modified river systems that can be improved through reprofiling and integration of nature-based solutions to reduce the impact of flash flooding by leveraging the potential resilience of existing natural water systems.  |
| <b>Enabling environment</b>   |   |
| a) <i>Reliance on law, regulation, policy or subsidy</i>  | No reliance on specific laws or subsidies.  |
| b) <i>Durability of enabling conditions against political and government budget changes</i>           | N/A   |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>                                | No, this is part of a municipal plan for enhanced resilience through green investment.  |
| <b>Main advantages</b>  |   |
| <b>Main advantages of using this financial instrument to scale private finance in nature projects</b> | The project provides a pilot example of green-blue infrastructure to give a model for success of future similar project finance loans with municipal beneficiaries. The structure can be enhanced to scale the role of private finance involving commercial banks as co-financers in a parallel loan structure. Projects can also be structured as A/B loans where an international financial institution (IFI) is the lender of record             |

with sub-participation by B lenders that can leverage the IFI experience on structuring these types of nature positive projects without having to undertake their own origination, structuring or monitoring. Alternatively, Unfunded Risk Participations (URPs) and Non-Payment Insurance (NPI) can be entered into by insurance counterparties to take on part of the risk exposure in exchange for a portion of the loan's margin.

### Financial flow graph



#### A4.6. Caisse des Dépôts Group (banque des territoires) Renaturation of the Branche de Croix canal Loan

| Project and owner  |  |
|--|--|
| <b>Sector</b>  | Urban ecosystem (hydraulic and landscape restoration)  |
| <b>Region</b>  | France   |
| <b>Biome(s)</b>  | Freshwater and wetlands - River  |
| <b>Nature measure(s)</b>                                       | Removal of legacy-sediment - removing various structures which artificially altered the natural condition of the river. More specifically, the project means removal of old structures, renaturation of the Dragon harbour, reopening of the river, cleaning and landscaping of its banks.   |
| <b>Business model driver</b>                                   | Regulation of water flows  |
| <b>Business model type</b>                                     | <u>Risk reduction</u> - The workings which have been financed will support the fight against flooding  |
| <b>Co-benefit(s)</b>   | Water, regulation of water flows, existence, bequest values, maintenance of life cycles, opportunities for recreation and tourism  |
| <b>Overview</b>  | The Metropole Européenne de Lille (MEL) adopted its Plan Bleu Métropolitain, initiating an ambitious renaturation of the Branche de Croix canal and policy to restore its canals and rivers. The project involves renaturalising the Croix canal, a crucial link in the metropolitan green and blue network, by removing artificial structures and restoring its natural flow, demolishing old docks, reopening the bed, dredging sediments, reshaping banks, and creating public green spaces. La Banque des Territoires (public bank branch of the Groupe Caisse des Dépôts) is working to restore nature in the city and to promote land sufficiency and ensure territorial resilience. |
| <b>Weblink</b>   | <a href="#">Press release: The Metropole Européenne de Lille is developing the Branche de Croix canal</a>  |
| Investment and operating model                                 |  |
| Financial instruments  |  |
| a) <i>Type and role of financial instruments / asset class</i> | A loan within the green recovery plan for financing half of the project.   |



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|---|--|
| b) <i>Grant and/or concessionary finance</i>  | It is a loan to a local authority to derisk the project and bring guarantees.  |
| <b>Instrument size and terms</b>  |  |
| e) <i>Ticket size</i>   | Loan of €8 million on a total of €21.1 million before tax  |
| f) <i>Interest rates or percentage returns</i>  | Livret A rate (3% from the 1st of January 2024) +0.60%   |
| g) <i>Timeframe</i>   | 25 years   |
| h) <i>Liquidity options for investors during investment period</i>  | N/A  |
| <b>Risk mitigation instruments used and how these were incorporated into the investment structure)</b>            |  |
| a) <i>Financial risks</i>   | The return of investment is quite low as the public bank will finance general interest projects.   |
| b) <i>Guarantees</i>  | N/A  |
| c) <i>Collateral</i>  | N/A  |
| d) <i>Insurance mechanisms</i>  | N/A  |
| <b>Impact assessment</b>  |  |
| <b>Provide a summary list of 2 -3 key 'outcome' indicators you would use to assess progress against the goal.</b> | <ul style="list-style-type: none"> <li>• There are visitors today on the site (local communities as well as tourists walking around the river bank)</li> <li>• Many birds are coming to these natural areas</li> </ul> |
| <b>Scalability and replication</b>  |  |
| <b>Cash flows and commercial sustainability</b>   |  |
| a) <i>Profit distribution across actors involved</i>  | N/A  |
| b) <i>Profit distribution back to investors or debt repayment</i>   | N/A  |
| c) <i>Maturity timeframe</i>  | N/A  |
| d) <i>Cash flow distribution</i>  | It's not about business as it is a public project from a public local authority.   |
| e) <i>Business model replicability</i>  | Replicable by any other public bank.   |
| <b>Enabling environment</b>   |  |
| a) <i>Reliance on law, regulation, policy or subsidy</i>  | EU Water Directive, EU Habitat Directive   |

|   |   |
|---|---|
| b) <i>Durability of enabling conditions against political and government budget changes</i> | Financing any green shift project is within the banque des territoires core business.   |
| c) <i>Reliance on third parties (e.g. NGOs, research organisation)</i>                      | It might but it is not the case for the branche croix canal. It is a project with many stakeholders as well as financial actors such as EIB or other local authorities (it is a project which has been supported by numerous local authorities gathered within an “intercommunalité”) |

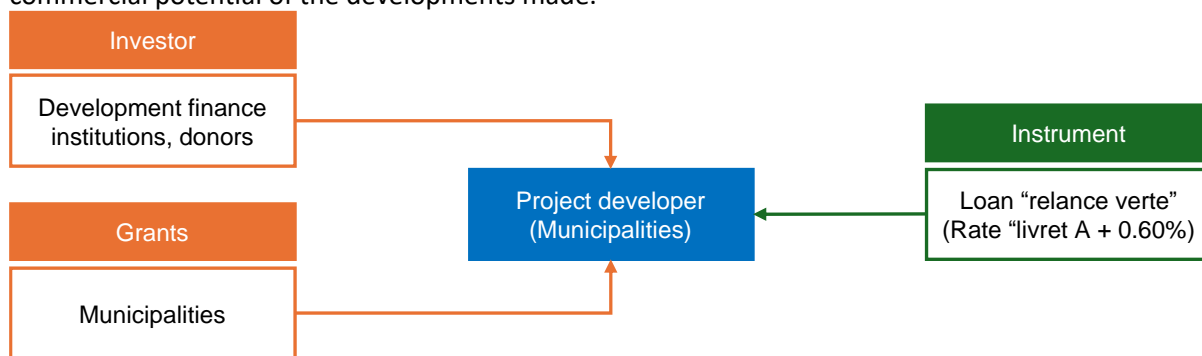
### Main advantages

#### Main advantages of using this financial instrument to scale private finance in nature projects

This public loan is needed to finance such project without any return of investment. It is a public project for the common good. The loan may act as a role of guarantee for private investors. But here, everything was paid by public actors (the local authority itself and the government). The municipality (which is a group of cities) will pay back in 25 years (this is quite usual regarding such a loan).

### Financial flow graph

Located in 3 municipalities, the project has undergone significant work in the past that gradually led to its complete artificialisation. However, since its abandonment, it has progressively deteriorated, with silting, pollution, increased flood risk, and especially the destabilisation of structures. Its current state before workings has been incompatible with the objectives of restoring the metropolitan green and blue infrastructures of the metropolitan areas, its urban development, economic attractiveness, and improving the quality of life for the population. The return on investment will be due to the strong commercial potential of the developments made.



## Annex 5. List of ecosystem services<sup>1</sup>

| Main Category       | Service  |
|---------------------|--|
| <b>Provisioning</b> | <ul style="list-style-type: none"> <li>Crop production</li> <li>Water</li> <li>Genetic resources</li> <li>Medicinal resources</li> <li>Ornamental resources</li> </ul>   |
| <b>Regulating</b>   | <ul style="list-style-type: none"> <li>Air quality regulation</li> <li>Carbon sequestration</li> <li>Moderation of extreme events</li> <li>Regulation of water flows</li> <li>Waste treatment</li> <li>Erosion prevention</li> <li>Maintenance of soil fertility</li> <li>Biological control</li> <li>Pollination</li> </ul> |
| <b>Habitat</b>      | <ul style="list-style-type: none"> <li>Existence, bequest values</li> <li>Maintenance of genetic diversity</li> <li>Maintenance of life cycles</li> </ul>  |
| <b>Cultural</b>     | <ul style="list-style-type: none"> <li>Aesthetic information</li> <li>Opportunities for recreation and tourism</li> <li>Education/science</li> <li>Inspiration for culture, art and design</li> <li>Spiritual experience</li> <li>Information for cognitive development</li> </ul>   |

<sup>1</sup> Taken from [Make Nature Count 2.0 report](#), ASN Bank, 2022, p. 25; with reference to conceptual framework of [The Role of Forest Ecosystem Services to Support the Green Recovery](#), FAO, 2023, p. 3



## European Business & Biodiversity Platform

Biodiversity is the backbone of our economy and the key to a sustainable future for businesses. However, many businesses remain unaware of their dependence on and impact on biodiversity. From natural resources and services to climate regulation and economic stability, biodiversity is essential for all life on Earth. Through the EU Business and Biodiversity Platform, businesses can learn about the importance of biodiversity and develop strategies to move towards a nature-positive future, benefiting both their operations and the planet.

