



Business Models and Investments for Nature

Summary







EU Business and Biodiversity Platform – Workstream Finance







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Finance sector members of the [EU Business & Biodiversity Platform](#) share six existing business cases that ‘contribute to nature positive outcomes’. These examples are identified according to high-opportunity sectors considering materiality and impact of investment based on the [IFC Biodiversity Finance Reference Guide](#) and the [EU Taxonomy](#).

Read the full report [here](#).

Case study	Sector	% Private vs public	Financial instrument	Business model and financial return	Replicability and/or scalability
Tornator Forestry Green Bond with Mirova as an investor	 Forestry	 100% Private	Green bonds ¹	The project is a €350 million green bond with a 1.25% coupon rate ² over 6 years. Investors can invest in the bond and receive a fixed return in the form of an annual coupon. Profits are partially distributed to owners as dividends ³ , with a general policy to pay out 70% of operative net income, while the remainder is retained to support growth and sustainability.	Replicating for forestry often requires significant capital to acquire a large enough forest asset base. In October 2024, Tornator has issued a new €300 million 7-year Green Bond maturing in 2031 with a 3.750% coupon, attracting over 100 investors and demand of over €1 billion.
Biodiversity Monitor – Stacking finance flows including Rabobank Impact Loan	 (Regenerative) Agriculture and food	 50-75% Private	Stacking finance flows ⁴ to farmers, with Sustainability Linked Loan as part of these flows ⁵	Borrowers benefit from multiple financial return streams, such as interest rate discounts on loans, offering ‘sustainability frontrunner’ clients a 20-basis point (bp) discount when they achieve category A status with the Biodiversity Monitor (e.g., a farmer with €2 million in loans would benefit annually by €4,000). The EIB provides additional capital to Rabobank to support the lower interest. Other incentivising actors as part of the stacking of flows are the dairy production company with a higher milk price and the province with a subsidy. The payback period varies by investment type; for farmland, it's 20-25 years, while the transition loan has a 3-year grace period.	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. Engaging more stakeholders can broaden the range of finance flows, such as tax profits.
Astanor Capital Funds	 (Regenerative) Agriculture and food	 50-75% Private	Equity ⁶	Astanor is managing €800 million of assets from limited partners, with approximately 1/3 of the total from sovereign funds of different European countries such as the European Investment Fund. The other 2/3 come from institutional investors and private investors such as family offices). Ticket size ⁷ vary from €10 to 15 million and the investment period last minimum 10 years. Investors receive a profit from their investment at the end of the lifetime of the fund.	The private equity model supports the development of innovations and can be scaled by receiving additional funding to increase the size and number of investments it can make in innovative solutions.

Case study	Sector	% Private vs public	Financial instrument	Business model and financial return	Replicability and/or scalability
La Société Forestière Natural Capital Management	 Forestry	 25-50% Private	Natural assets: biocredits ⁸ , carbon credits ⁹ , forestry commodity, Payment for Ecosystem Services (PES) ¹⁰	La Société Forestière provides private and public investors with long-term capital appreciation and periodic income from forest commodities sales (timber and non-timber), 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 finalizes the sale of carbon credits to the owner.	Replicable and scalable by any forest assets management given its standardised framework for assessing and managing natural capital (ISO 9001 certified sustainable management manual, FSC eco-certification), making it adaptable for other regions and types of forest assets. It provides diverse income opportunities (e.g., carbon credits, sale of forest commodities).
EBRD Chisinau River Bic Rehabilitation Loan	 Built environment / urban ecosystem (Green) Infrastructure	 100% Public	Blended finance ¹¹ (loan with senior debt ¹² and grant ¹³)	The project is a €20 million loan with a tenor ¹⁴ 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 borrowing city will benefit from the increased 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 borrowing city and the overall risk-return expectation for the bank.	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 Renaturation of the Branche de Croix canal Loan	 Built environment / urban ecosystem	 100% Public	Sustainability Linked Loan	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, thus could be replicated with private investors involved.	Replicable with private investors involved, where public actors assist in de-risking of similar projects.

Endnotes

¹ Green bond: A fixed income financial instrument designed to raise private investment for projects that provide environmental benefits.

² Coupon rate: The annual interest rate paid on the bond's face value (also called par value).

³ Dividend: A payment made by a corporation to its shareholders, as a distribution of profits.

⁴ Stacking flows: Layering multiple sources of financial benefits to facilitate targeted private actors in achieving a sustainable transition. The financial benefits can be linked to a sustainability standard.

⁵ Sustainability Linked Loans: Loans where the terms and conditions are tied to the borrower's sustainability performance, aiming to incentivise and reward improvements in sustainability.

⁶ 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.

⁷ Ticket size: The monetary amount involved in a financial transaction or investment

⁸ Biocredits: An emerging financial instrument that represents a unit of biodiversity that is being restored or conserved. Similar to carbon credits, they can be traded or purchased.

⁹ 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 GHG emissions.

¹⁰ 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.

¹¹ Blended finance: Combining public or private funds, including concessional tools, to attract more investment (public and/or private) to emerging and frontier markets.

¹² Senior debt: A loan or financial obligation that a borrower must repay first over other debts in the event of bankruptcy or liquidation.

¹³ Grant: Funds disbursed, like a subsidy, often by a government or a donor organisation, that are not expected to be paid back.

¹⁴ Tenor: The duration until a financial contract (e.g., loan, bond, or derivative) matures or expires, indicating the length of time the agreement remains in effect.



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.

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We welcome further examples for the planned mid 2025 edition. Please get in touch via info@nextgreen.nl

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