



Green Finance Quarterly

Financing nature for global climate
and economic resilience

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Financing nature for global climate and economic resilience

Photo credit: Andrew S Wright



Dr. Rhian-Mari Thomas

CEO of the Green Finance Institute

In this issue we take stock of the considerable progress we have made in nature-related risk measurement and disclosure. But as we do, I am reminded that our starting point at the GFI, is to make sure that not only is better quality data collated and disclosed, but it is acted upon. In other words, how can we use finance to support better business practice – if we change business practice then we change the outcomes for our natural environment so as to deliver a resilient future, here in the UK, and globally.

David Craig, co-chair of the Taskforce on Nature-related Financial Disclosures (TNFD), writes about the widespread adoption of TNFD whilst also highlighting rising demand from the market to move from disclosure to action. The GFI is proud of our ongoing support for the TNFD, as together we are promoting more nature-related opportunities, taking lessons from efforts to reduce carbon emissions.

We need to do more to create attractive nature-related investment opportunities, otherwise capital will continue to be directed towards harmful business as usual activities. In our Revenues for Nature (R4N) programme with the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Development Programme Biodiversity Finance Initiative (UNDP BIOFIN), we are developing a variety of funding models that will support resilient supply chains and create revenue streams for landowners and Indigenous peoples. In our 'Risk and Resilience' piece, we run through our R4N pilots, from sustainable commodity production in south-east Asia through to fisheries improvement in Chile. Whilst these are pilot programmes, our work is focused on replicating and scaling successful models and these initiatives are already attracting interest from some of the world's leading multinational companies. In our piece on the role and representation of Indigenous peoples, we take stock of existing agreements, and how they must be hard-wired into our approach, especially as we move on to the next phase of generating nature revenues.

Whilst it is great to see business and finance taking action, we should not underestimate the importance of a strong and stable regulatory environment. In another guest piece, Tim Male, Executive Director at the Environmental Policy Innovation Center (a key partner for our R4N programme) talks about the importance of clear, enforceable regulations as key enablers of private investment – by ensuring predictable behaviour from government, this guarantees future demand for environmental credits giving the confidence needed for capital to flow.

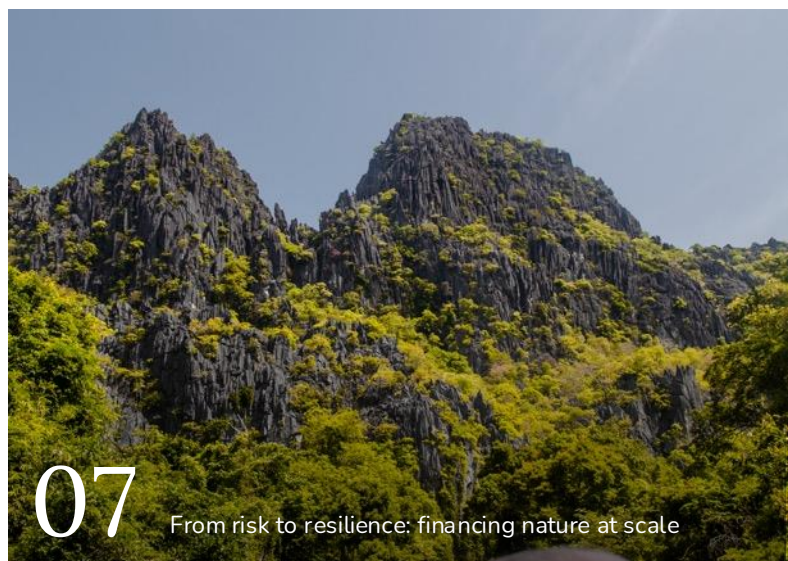
Finally, we look at the role of catalytic philanthropy to unlock trillions in investments when adopting a holistic approach to environmental giving. With funding gaps growing due to aid budgets shrinking, funders are closely examining the imperative for maximising impact. In this piece we outline our thoughts on the multiple steps that eventually lead to deployment of large-scale investment in nature outcomes – steps that require co-ordination between multiple actors to achieve agreed and well-defined outcomes, maximising the impact of complementary but often misaligned funded initiatives.

With funding gaps growing due to aid budgets shrinking, funders are closely examining the imperative for maximising impact

At the GFI, we have always focussed on primary capital mobilisation – investment into new projects that directly support the transition. We have to take the same approach in nature and resilience. This means combining clear policy and regulation, with the upside – new and credible opportunities for private capital. This is what GFQ8 is all about. If you would like to work with us on this agenda, please get in touch.



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TNFD: From disclosure to action



David Craig, Co-Chair

Taskforce on Nature-related Financial Disclosures

Authored by David Craig, Co-Chair of the Taskforce on Nature-related Financial Disclosures (TNFD), for which the GFI co-chaired the working group to establish the initiative, hosts the Secretariat, and convenes the UK Consultation Group.

Nearly two years since the launch of the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations in September 2023 in New York, momentum continues to build with significant strides in the last few months.

As announced at COP16 in Cali in October last year, over 500 organisations across 54 countries or areas have now committed to publishing TNFD-aligned disclosures, including more than 70 from the UK¹. This global coalition spans 62 of the 77 Sustainability Accounting Standards Board (SASB) sectors, includes 25% of the world's Global Systemically Important Banks, and collectively manages over USD\$17.7 trillion in assets. Since Cali, more adopters have been stepping forward as we build towards COP30 in November.

The case for assessing nature-related risk is now clear. The TNFD, in partnership with the University of Oxford's Environmental Change Institute (as part of the Resilient Planet Finance Lab) and Global Canopy, recently published an [evidence review on the financial effects of nature-related risks](#). This open-source database consolidates over 600 pieces of evidence from 360 sources showing that nature-related risks are financially material for business². It includes empirical business-level examples such as flood damages to Toyota and Nissan factories, the relocation of Starbucks bottling facilities due to water scarcity, and litigation costs to JBS linked to deforestation. The database builds on previous research on macro-economic impact by the GFI, the Universities of Oxford and Reading, and United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), which forecast that nature degradation could reduce UK GDP by up to 12% over the next decade³.

As of June 2025, we are aware of more than 200 TNFD-aligned reports in the public domain, with almost 100 of those documented on the TNFD website⁴. These include major global corporate and financial institutions such as Bunge, Holcim, ING, NBIM, Orsted, Schroders, Teck Resources and UBS.

1. [TNFD – TNFD Adopters \(2025\)](#)

2. [Integrating Finance & Biodiversity – The Nature-related Financial Risks Database \(2025\)](#)

3. [Green Finance Institute – Assessing the Materiality of Nature-Related Financial Risks for the UK \(2024\)](#)

4. [TNFD – Example TNFD reporting \(2025\)](#)

From disclosure to transition

With more companies moving through their assessment of risk, there is also a growing demand from the market to better understand how to move from disclosure to tangible action – putting investment to work to build resilience.

The TNFD has several active programmes which directly aim to support companies through this journey. In October 2024, the TNFD published a [discussion paper](#) which sets out draft guidance for corporates and financial institutions developing and disclosing a nature transition plan. This guidance is now being pilot tested with 15 global companies.

The case for assessing nature-related risk is now clear

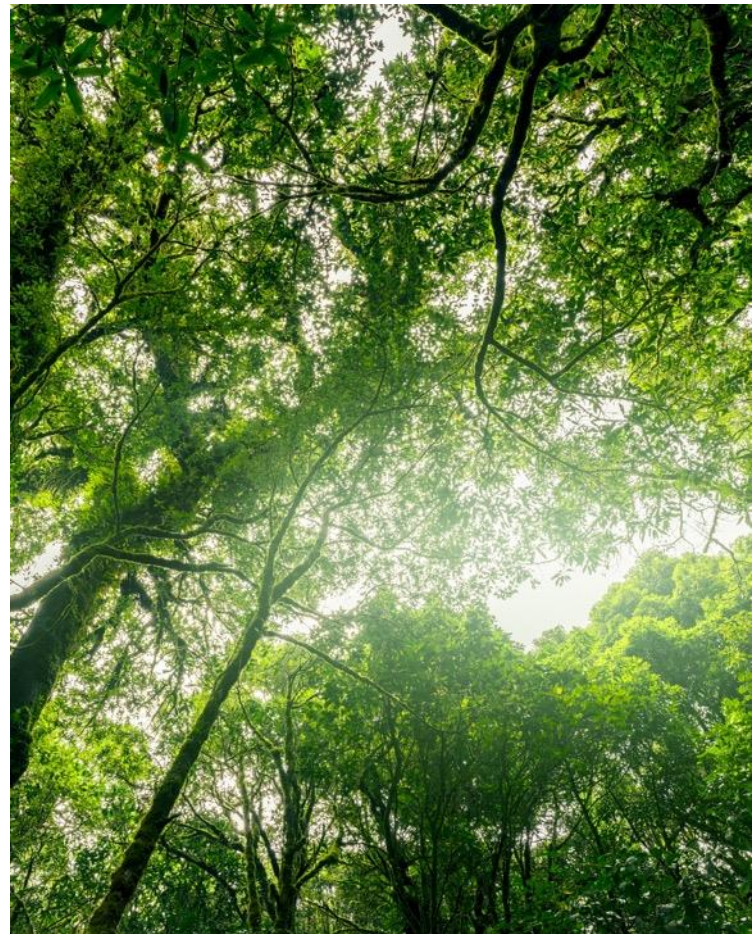
As companies begin to structure transition plans and investments, there is a strong focus on how these unlock commercial opportunities such as improved efficiency, increased resilience, and greater market access. More recently in June this year, the TNFD published a [call for evidence](#) on nature-related opportunities. This aims to improve corporate and financial institutions' understanding of these opportunities, the challenges in identifying and assessing them, and how these can be overcome.

A range of businesses are already leveraging commercial opportunities from developing products and services that help address one or more of the key drivers of nature loss. Bloomberg published new analysis in June identifying nearly 900 UK-based businesses working to advance technologies, processes and business models that inflict significantly less harm on nature than incumbent practices. These businesses generated £2.2 billion in revenue in 2024, are estimated to be growing at 25% p.a. and employ over 21,000 people⁵.

5. [Bloomberg NEF – The Growing Role of Nature-Related Business in the UK Economy \(2025\)](#)

To help scale up this investment, the GFI and WWF-UK are working to develop Nature-Positive Transition Pathways (NPPs) for the UK economy, sector-specific roadmaps that define how businesses can contribute to national nature targets. These will identify the technologies and business changes that companies in every sector will need to invest in to reduce their impacts on nature. They will highlight barriers to these new models, unlocking investment and driving economic growth. The GFI and WWF-UK published an [evidence paper](#) providing over 40 examples of UK businesses that have invested in nature restoration or measures to reduce nature harms and seen financial gains as a result.

Looking ahead to COP30, the TNFD is looking forward to announcing the latest cohort of businesses adopting the TNFD recommendations, and together with its UK Consultation Group, convened by the GFI, will continue to support those businesses in assessing, managing and disclosing their nature-related dependencies, impacts, risks and opportunities.



From risk to resilience: financing nature at scale

From awareness to investment

As the climate crisis intensifies and ecosystems edge toward tipping points, the private sector is beginning to reckon with a fundamental truth: environmental risk is business risk. This reality is underscored by recent surges in food prices – rice, potatoes, cocoa, onions – driven by warmer weather and droughts in key producing regions, which highlight how environmental disruption is directly reshaping global markets and supply chains¹.

It is not only in agriculture where these risks are being felt: water scarcity is threatening data centre operations; flood risk, due to loss of topsoil or vegetation, is impacting large infrastructure projects.

This nature-related risk is being reflected in the cost of capital for businesses. Businesses that the GFI works with, notably some infrastructure firms, share that their insurance premiums are increasing due to increased risks of flooding or water shortages, while agrifood businesses share that they are concerned their lending terms will be changed if supply chains are not made more resilient to nature degradation and climate change.

There is also evidence of a correlation between share price performance and exposure to biodiversity risk. A working paper published by the National Bureau of Economic Research analysed financial statements and corporate annual reports from 2010 to 2020 and found that companies which were more exposed to biodiversity risk saw their stock prices underperform compared with others less exposed².

Institutional investors are taking notice. Norway's Sovereign Wealth Fund (GPFG), the world's largest, has assessed 96% of its USD\$1.6 trillion portfolio for nature risk – mapping company dependencies on biodiversity and natural capital. In particular, the assessment highlighted the considerable asset exposure of the technology sector, which makes up the largest share of the fund's portfolio by net asset value, to both very high-water demand and very high-water stress.

What is needed from the business sector to reduce these risks and ensure business continuity is action – coordinated, collective, and capital-backed – on the ground, at scale.

Real-world models that are working

Today, corporate responses to nature risk remain fragmented, with business action isolated to a handful of commodities, or to one landscape. Businesses have also tended to act alone – individually paying farmers for nature-positive actions, or emissions reductions, for example.

Co-ordinated action through co-investment vehicles or partnerships, where companies across sectors, supply chains or regions collectively invest in nature-positive actions, are starting to gain traction among large, and often multi-national businesses.

These partnerships can lower transaction costs for businesses, reduce 'free rider' concerns, and have larger, landscape-scale impact, thereby bolstering the internal business case, and increasing business resilience.

1. [Financial Times – Extreme weather drives food price surges across the globe \(2025\)](#)

2. [Pictet Asset Management – Biodiversity loss is becoming a material financial risk \(2023\)](#)

3. [Norges Bank Investment Management – Climate and nature disclosures \(2024\)](#)

Through our partnership with UNEP FI and UNDP BIOFIN we have identified co-investment vehicles that are already enabling businesses to come together to invest in improving the resilience of their collective operations or supply chains. These models have innovative structures that support payments to farmers, communities, non-governmental organisations (NGOs) or fishers to take actions to improve the environment.

For example, Agribusiness Receivables Certificates (CRAs) - fixed-income securities backed by receivables from agribusiness operations - are being deployed by initiatives like the Responsible Commodities Facility (RCF) with leading retailers such as Tesco to direct private capital toward sustainable production by lowering credit risk and rewarding farmers and producers for environmental and social performance.

The Rimba Collective in Southeast Asia from Lestari Capital is a collaborative, long-term finance mechanism designed to link sustainable commodity procurement with large-scale landscape conservation and restoration efforts. Companies like Procter & Gamble and Unilever commit to multi-year financing for conservation in proportion to their palm oil procurement. The model reduces transaction costs and unlocks greater scale and durability of impact⁴.

The model reduces transaction costs and unlocks greater scale and durability of impact

Across the UK and Europe, the Landscape Enterprise Networks (LENs) model from 3Keel shows how aligning around shared landscape dependencies—such as water security, flood mitigation, and soil health—can catalyse co-investment from agrifood businesses and utilities⁵.

Crucially, these models generate multiple benefits, which should enhance the case for investment.

4. [Green Finance Institute – Rimba Collective \(2025\)](#)

5. [Green Finance Institute – Landscape Enterprise Networks \(2024\)](#)



Barriers to replication

Scaling and replicating these promising models across sectors and geographies, however, remains challenging.

Development costs present a hurdle. Building collaborative investment vehicles, structuring long-term contracts and engaging stakeholders across a landscape all require time, technical support, and early-stage capital – often between \$50,000 and \$75,000 for a scoping phase, and up to \$500,000 for a model to be able to start contracting and stand on its own.

While philanthropic organisations have been open to providing costs for initial model development, they have been reticent to follow on and fund replication. Yet, without this funding, we risk having excellent one-off models having an impact in one region or one commodity, while missing the opportunity for broader systemic change.

As these models scale, they may also require upfront capital to pay for on the ground activity – with repayments made by businesses as outcomes are delivered. This is where concessional finance, be that public or philanthropic funding, can play a catalytic role: de-risking these investments, absorbing first-loss capital, and enabling projects to move from blueprint to bankability.



One example is the Fisheries Improvement Fund (FIF), developed by Finance Earth to channel investment into Fishery Improvement Projects (FIPs) – collaborative initiatives to make fisheries more sustainable. In Chile, the Walton Family Foundation provided a concessional loan to the FIF with an expected 5% return⁶. In this first pilot, the WFF has allowed for the return to be reinvested in subsequent projects. Repayment is structured around quarterly payments from supply chain companies through contracted agreements with the FIF. The terms of the loan with Walton only require the FIF to repay if supply chain companies continue to pay. As Elizabeth Beall, Managing Director at Finance Earth, explains: “Philanthropic capital, like the Walton Family’s concessional loan, plays a catalytic role - de-risking the model and attracting more investment into fisheries improvement.”

If early-stage funding is made available to these collective action models alone (FIF, Rimba, LENs, RCF) to be systematically replicated, we calculate that at least \$1 billion in further investment by companies could be unlocked before the end of this decade.

6. [Green Finance Institute – The Fisheries Improvement Fund \(2025\)](#)



Systemic Change

Beyond the funding and finance barriers mentioned above, the scale and pace at which these models can be deployed are also heavily influenced by broader market conditions.

Chiefly, how do we prove to businesses that there is a clear case for investment? At present, it is still challenging to exactly quantify the value of avoided losses - losses due to future flood risk, reduced water quality or quantity, or soil health decline. This quantification is critical in building the investment case for CFOs. As Tom Curtis, co-founder of LENS, shares: “The more we quantify the financial risks of inaction, the better businesses can understand their exposure and collaborate on building resilience.” This includes not just the cost of operational or supply chain disruptions to businesses, but also the future costs of capital as resilience decreases - or, with paid interventions - increases.

“The more we quantify the financial risks of inaction, the better businesses can understand their exposure and collaborate on building resilience.”

Secondly, how can we ensure that paid-for actions on the ground are delivering the impact needed to reduce risks and future costs? At present, impact measurements are not standardised. In the UK, for example, no standard exists for natural flood management projects with regards to impact measurement. This means that businesses have to grapple with different metrics each time they want to invest in a flood reduction project.

Even across the models listed above through the Revenues for Nature programme, different impact measurements are used. If we want to replicate and scale these co-investment models, we will need to create more standardized methodologies for measuring impacts across regions.

The above challenges are not insurmountable but must be addressed if we want to move from assessment and disclosure of nature-related risk towards investment into more resilient businesses, landscapes and economies.

From principles to practice: embedding Indigenous leadership in nature finance



Photo credit: Andrew S Wright

At COP16 in Cali last October, a large milestone was reached with the establishment of the Permanent Subsidiary Body on Indigenous Issues, a long-overdue mechanism meant to strengthen Indigenous voices within the Convention on Biological Diversity (CBD)'s formal negotiating processes¹. This institutional milestone signals a significant shift, from well-intentioned rhetoric to structural inclusion of Indigenous Peoples, ensuring Indigenous and local knowledge and interests are embedded into the design and implementation of nature policy and nature finance solutions.

While global commitments and the development of shared principles and guidance are critical steps, the task now is translating these into practical and innovative revenue and financial models that reflect and respect Indigenous values, governance and ecological knowledge, as well as ensuring economic benefits.

For the emerging market of biodiversity credits, this has been at the forefront of development. The International Advisory Panel on Biodiversity Credits (IAPB) released its Governance and Stewardship Design Guidelines at CBD COP16, alongside the establishment of the Permanent Body, which focuses on securing the rights and ensuring fair benefit sharing for Indigenous Peoples and local communities². The Biodiversity Credit Alliance released an updated version of its High-Level Principles to Guide the Biodiversity Credit Market in May 2025, developed in close partnership with International Environmental Guardianship, a member-based organisation of Indigenous Peoples, local communities, and Afro-descendants³.

These Principles aim to ensure that the legal and customary rights of Indigenous Peoples and local communities are respected at all stages of the development of biodiversity credit projects - even if national governments do not formally recognise those rights. Crucially, they require all projects to align with Free, Prior and Informed Consent (FPIC), which would include ensuring that capacity building and resources in local languages are available to ensure communities genuinely understand the implication of these projects before they are asked to give their consent.

Outside of biodiversity credit markets, how else can we ensure the rights of Indigenous Peoples and communities are included as rightsholders and co-designers with fair compensation?

Revenues for Nature (R4N) continues to identify models where this is happening, showcasing lessons learned and supporting replication and scaling.

This year, R4N published guidebooks on the [Living Amazon Mechanism](#) (LAM) in Brazil, and the [Great Bear Rainforest Project Finance for Permanence](#) (PFP) model in Canada to showcase revenue models that meaningfully engage Indigenous Peoples.

1. [UNEP Convention on Biological Diversity - Institutional arrangements for the full and effective participation of indigenous peoples and local communities in the work undertaken under the Convention on Biological Diversity \(2024\)](#)
2. [International Advisory Panel on Biodiversity Credits – IAPB Governance and Stewardship Working Groups \(2024\)](#)
3. [Biodiversity Credit Alliance – Key guidelines for biodiversity credit practitioners \(2025\)](#)

The LAM is a blended finance model that combines affordable credit with tailored technical assistance, co-designed and delivered in partnership with Indigenous Peoples and rural forest communities in Brazil. It enables producers of açai, Brazil nut, rubber, and other non-timber forest products to build sustainable, nature-friendly businesses in the bioeconomy with cosmetics firm, Natura, as the offtaker. A key lesson from this model is in the transformative power of pairing finance with strong capacity support. Developing a dedicated facility for technical assistance reduced the risk of default on the loans (which to date is zero) and has supported the development of a resilient and skilled set of business owners across 45 communities in the Amazon. R4N is now supporting the scaling of the model into additional Brazilian regions while scoping how the model could be adapted globally.

A key lesson from this model is in the transformative power of pairing finance with strong capacity support

The Great Bear Rainforest (GBR) PFP is a permanent financing mechanism that delivers conservation funding to First Nations in perpetuity. Key to its success was the recognition of the diversity of perspectives, priorities, governance systems and inter-community dynamics in Indigenous communities, particularly when engaging multiple communities across a shared landscape. In the case of the GBR PFP, Coast Funds, which administers key aspects of the PFP, works closely with all participating First Nations, providing tailored support that allows communities to design conservation initiatives rooted in their own stewardship values and traditional knowledge systems. Another takeaway from the PFP has been the need for impact evaluation frameworks that move beyond narrow ecological metrics. In the GBR PFP, these frameworks have been co-designed with First Nations to measure broader outcomes that are important to communities, such as job creation and the protection of cultural assets, alongside environmental indicators. This multi-dimensional and participatory approach to impact evaluation helps to ensure that projects deliver on diverse outcomes valued by communities.

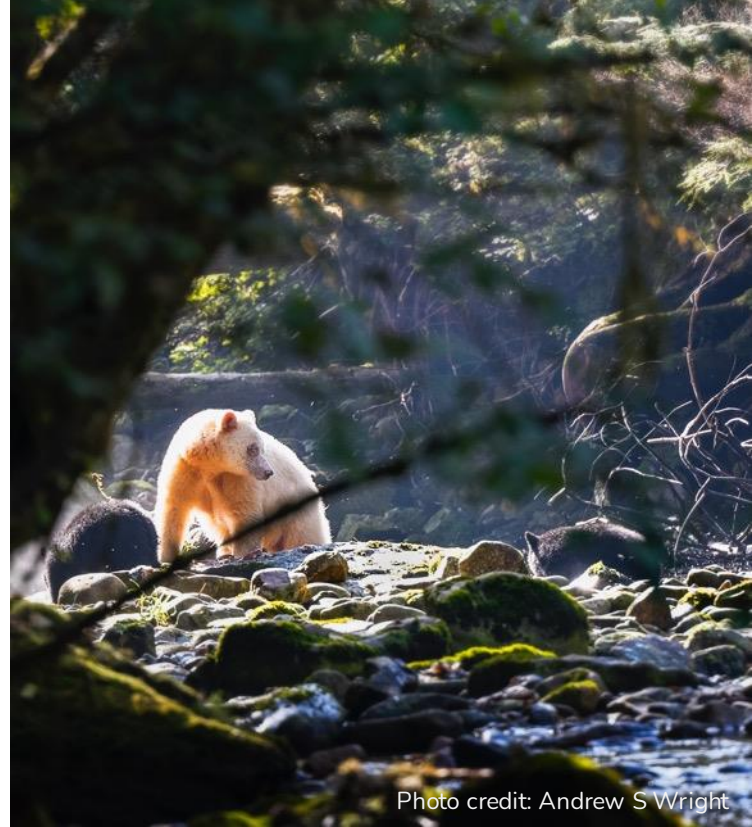


Photo credit: Andrew S Wright

Despite the progress made in embedding Indigenous and local voices and interests into nature policy and nature financing mechanisms, there is more to be done. Indigenous Peoples around the world still face significant barriers to accessing nature finance and engaging with nature and carbon markets, including lack of secure land tenure, high transaction and legal costs, complex and exclusionary measurement methodologies and inadequate protection against exploitation. As momentum grows ahead of COP30 in Brazil and CBD COP17 in Armenia, focus must remain on ensuring our efforts to protect and restore nature also protects the rights and embeds the knowledge of nature's stewards.

The Revenues for Nature (R4N) programme, led by the GFI, UNEP FI and UNDP Biofin, is dedicated to highlighting, replicating and scaling models that protect and conserve nature, while delivering benefits to, and respecting the rights and interests of Indigenous Peoples and local communities.

The GFI CEO, Rhian-Mari Thomas, co-chaired the Stewardship Working Group of the International Advisory Panel on Biodiversity Credits (IAPB) alongside Chief Almir Surui of the Paiter Surui people which focused on ensuring that biodiversity credit markets equitably distribute rewards to project developers, sovereigns and Indigenous Peoples and local communities.

Regulated nature offsets: the key to unlocking the billions required



Tim Male, Executive Director

Environmental Policy Innovation Center

Authored by Tim Male, Executive Director at the Environmental Policy Innovation Center (EPIC) in Maryland. EPIC is a partner of the Revenues for Nature Programme which is led by the GFI, UNEP FI and UNDP Biofin.

A study in the American city of Baltimore found that when degraded, eroded and deforested streams in urban areas were restored, the resale value of the average home within a ½ kilometre rose by more than 10%¹. Yet, homeowners are not paying for the restoration. In the USA, it is a well-enforced regulatory system that rewards privately financed stream 'mitigation' banks that produce enhanced ecosystems and the economic value and homeowner amenities that result.

Mitigation banking, rooted in laws allowing no net loss of wetlands and streams, has transformed the way private capital supports nature-positive investments.

A USD\$4 billion annual market for credits linked to ecosystem restoration now exists because regulations have created a powerful financial incentive: when a developer unavoidably damages streams, wetlands, or habitats, they are required by law to offset that impact by purchasing credits from an approved mitigation bank. The credits themselves are generated by private investments in restoration, verified and maintained according to rigorous environmental standards. The investment backing for this work comes from some of Europe and North America's largest pension funds, alongside others. Returns are market-rate rather than concessionary.

While there are global commitments to transition to a global economy underpinned by regenerative practices, negative impacts on nature, at least for the foreseeable future, are unavoidable. Global efforts to expand nature finance are overlooking the effective role that policy and regulation can play in driving avoidance of damage and incentivising investment in restoration that offsets that unavoidable damage.

1. [Charles A. Towe, H. Allen Klaiber, Joe Maher, Will Georgic – A Valuation of Restored Streams Using Repeat Sales and Instrumental Variables \(2021\)](#)

This system accomplishes several critical objectives. First, clear and enforceable regulations provide something that is critical to long-term private investment: predictable behaviour from government. The guarantee of future demand for these credits is possible only with a strong regulatory foundation. Second, correctly designed policies block impacts to the most valuable habitats, facilitate housing and other development in areas most valuable for those uses, and facilitate nature investment in areas with lower development value where biodiversity benefits are more sustainable.

Regulated nature offsets have created the largest and most biologically successful biodiversity investment track record on the planet

Investment-worthy systems like America's are evolving in other countries too. For example, Colombia has a 'no net loss' law to protect its biodiverse ecosystems and has registered more than a dozen habitat banks that are providing a similar investment-backed structure to compensate for unavoidable losses caused by development. The UK is over a year into its new regulation of Biodiversity Net Gain.

The EU's new Roadmap Toward Nature Credits is attempting to produce something similar but is too focused on lessons from carbon markets instead of much more closely matched nature and ecosystem credit systems in America and elsewhere. The draft plan is built on the premise that you can create strict standards on generating a nature credit and buying a nature credit – all of which makes nature assets more expensive – without doing anything at all to create standards on the harm to nature that is occurring in the first place. That is not an easy recipe with which to generate private nature investment.

There are some obvious lessons from the USA's experience that could help. First, experts know how to put biodiversity back into many ecosystems and have been doing so for 100 years or more. Start there – those are the lowest risk ecosystems in which to start rewarding nature investment.

Second, unpredictable government behaviour is usually the biggest detractor on natural asset investment. Government actors need to make decisions that create clarity and stick to them.

Regulated nature offsets have created the largest and most biologically successful biodiversity investment track record on the planet. They should be in every country's toolbox seeking to meet their National Biodiversity Strategy and Action plans.



Catalytic Philanthropy: How a holistic approach could unlock trillions in investment

Relative to other themes like human health, education and religion, the environment receives far smaller allocations of funding from philanthropic organisations. For example, Giving USA's latest report, revealed just 3.7% of the USD\$592.5 billion in charitable giving in the United States in 2024 went to the "environment and animals," a similar figure to those in China and the UK¹.

2024 Charitable Giving to Recipients

Type of recipient organization	Up/down	Amount	Adjusted for inflation
Religion	↑ 1.9%	\$146.54 billion	↓ 1.0%
Human Services	↑ 5.0%	\$91.15 billion	↑ 2.0%
Education	↑ 13.2%	\$88.32 billion	↑ 9.9%
To Foundations	↑ 3.5%	\$71.92 billion	≈+0.5%*
Public-Society Benefit	↑ 19.5%	\$66.84 billion	↑ 16.1%
Health	↑ 5.0%	\$60.51 billion	↑ 2.0%
International affairs	↑ 17.7%	\$35.54 billion	↑ 14.3%
Arts, culture, and humanities	↑ 9.5%	\$25.13 billion	↑ 6.4%
Environment and animals	↑ 7.7%	\$21.57 billion	↑ 4.6%

*Change of less than + or - 1% is considered flat

Source: Giving USA

These philanthropic allocations for the environment are at risk of becoming even smaller. Gaps left by the slashing of US domestic and international aid budgets are causing funders to take stock of their priorities. However, this review of environmental giving is not solely driven by political decisions.

Many of the funders that the GFI engages with share frustration that environmental funding is not creating the systemic change needed as we hit the halfway mark in the Decade for Nature. We are far from materially halting negative impacts on nature - indeed deforestation and ocean pollution continue to rise. Equally, we are far from our ambitions for nature restoration, scaled nature-based solutions (NbS) and sustainable supply chains.

Negative press reports questioning the efficacy of large carbon credit and landscape restoration projects, alongside the unravelling of a decade-long ESG and sustainability movement, are also exacerbating funders' concerns about the value of environmental philanthropy.

As individuals, charitable trusts, foundations and endowments review their budgets ahead of 2026, the question, therefore, is: how can we ensure that philanthropic funding for the environment be deployed in a manner that will ensure the largest possible positive impact? How can it be catalytic so that, if allocations are reduced, we can still move towards our global goals?

One clear answer is that, beyond urgent conservation projects, funding could be directed to where it can unlock multiples more in private sector investment.

1. [Giving USA](#) – Giving USA 2025: U.S. charitable giving grew to \$592.50 billion in 2024, lifted by stock market gains (2025), [Fund the Planet - Climate donations: exploring the numbers behind climate philanthropy and donations \(2023\)](#), [New Philanthropy Capital - Funding the underfunded environment: how to invest where it's needed most \(2023\)](#)

A holistic, co-ordinated approach to unlocking the trillions

If environmental giving is a hard sell, asking grantmakers to look beyond restoration grants to market development funding and the realm of nature finance is a tougher sell. Yet, there is a clear path of action we can take to unlock the trillions of dollars of private sector investment for nature restoration, NbS and negative impact reduction for systemic change.

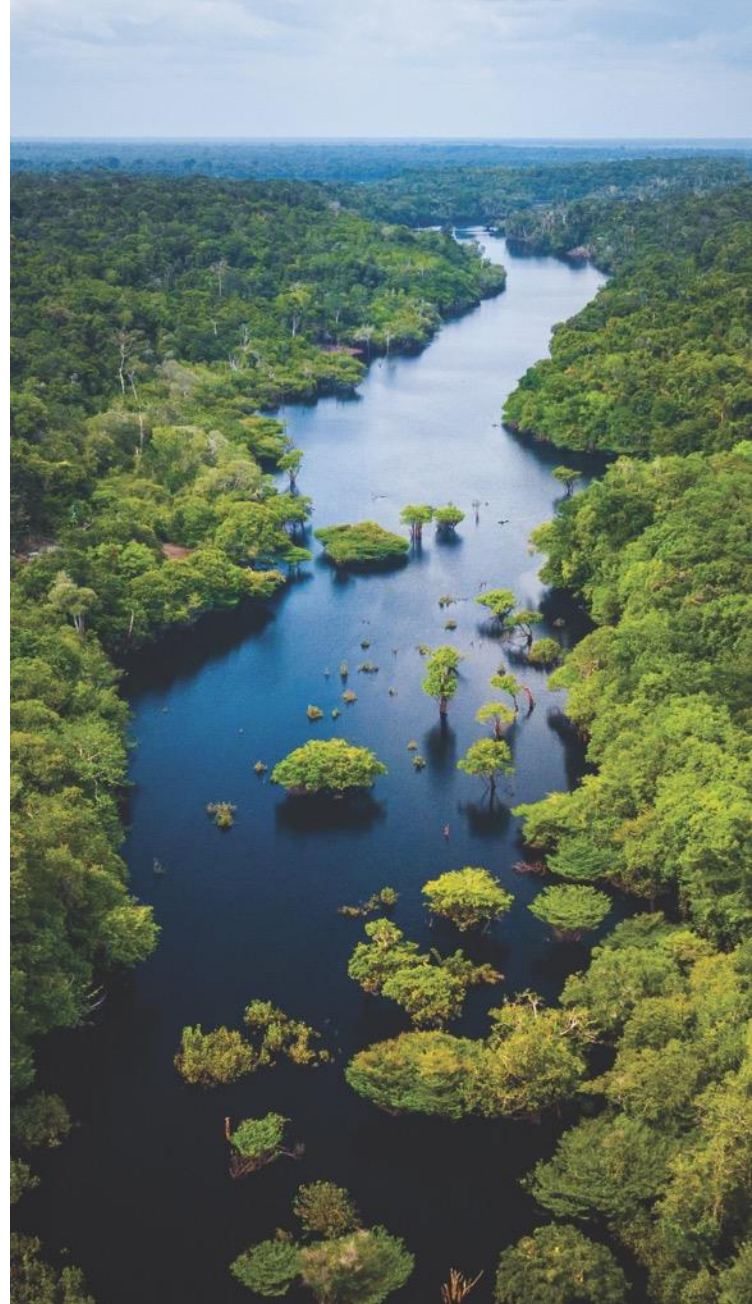
Through our work at the GFI, we have identified key steps along the pathway towards shifting our global economy to one that values and invests in the natural environment. While not exhaustive, these steps clarify where work needs to be carried out to be most effective.

The pathway begins with government targets, and moves through enabling policy and regulation, to supply and demand development, the design of financial products, and to ecosystem services and environmental health being embedded into valuations of every company, and into the global financial architecture.

The pathway is not linear - it requires an iterative approach with feedback loops. But it is pragmatic, and, above all, realistic. Nor is anything on this pathway entirely new, and therefore impossible. However, to reach the goal of institutional investment into nature at scale, the pathway needs to be resourced in its entirety.

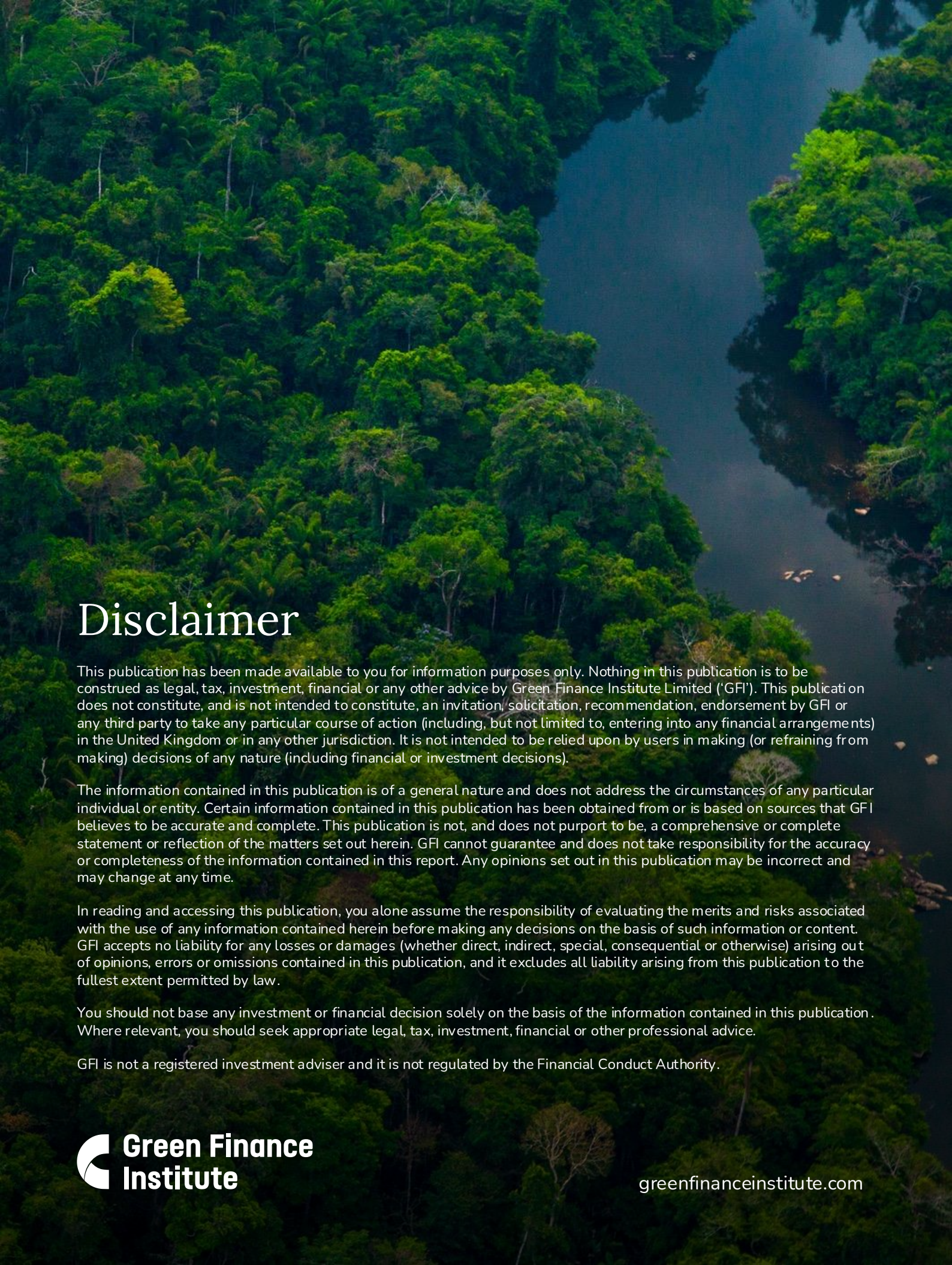
Some of the frustration expressed by funders at the slow pace of change is, in part, because only some of these steps receive funding, and those that do, may also only receive resourcing at an early stage. We need philanthropic, public or private sector grants at every step taking a holistic and co-ordinated approach. There is no better chance of turning relatively small amounts of grant funding into trillions of dollars of impact.

At the GFI, we hope to work with partners in the coming months to develop a collective and comprehensive view of this pathway, mapping initiatives under each, that can help governments, the private sector and funders identify their roles and actions within each step – and crucially, where funding gaps remain.



There are multiple roles funders can play to deliver on the pathway above. For example, supporting advocacy, framework development, standards development, research, data collection, model development, convening and knowledge sharing across supply, demand and the financial sector, piloting and scaling, providing concessional capital or guarantees, or even setting up investment funds and accelerators.

By taking this holistic and co-ordinated approach to unlocking private sector investment for nature, we can ensure that environmental funding – even if it shrinks – has an outsized impact.



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