



MOBILISING PRIVATE FINANCING FOR BIODIVERSITY AND ECOLOGICAL SERVICES



Client: Dragon Capital, 2023



Sectors: Biodiversity, Ecological Services, Forests



Services: Sustainable Financing, Ecological Markets

Biodiversity is declining at an unprecedented rate, and the pressures driving this decline are intensifying. The extent of this challenge is significant and cannot be met by public resources alone, it also requires the innovative capacity, technologies, and financial resources of the private sector. However, it remains extremely challenging to identify buyers and sellers and set up a market to trade environmental goods or services or to invest into ecological services, without a clear income stream. As a result, markets for biodiversity services remain nascent and, to a large degree, experimental. However, the range of funders and financiers providing biodiversity finance is broadening. Dragon Capital hired Symmetry to explore different financing instruments to mobilise private financing for biodiversity and ecological services.

The Report

The team examined 16 possible schemes and provided best of class examples of their application, highlighting their practicality and desirability. Based on our assessment it is clear that some instruments, such as carbon markets, public-private partnerships, credit and offtake agreements, offer more immediate opportunities. However, significant challenge remains transforming a conservation project with commercial potential into a scaleable venture that can attract commercial investors.

There is a growing need for conservation and financial markets specialists to develop innovative financial mechanisms to support conservation initiatives. It can be expected that applicability and scalability of these instruments will improve over time as policies, regulations, and markets mature. It is therefore critical that there is continued experimental and application of these instruments moving forward.

The report can be read [HERE](#).