



Scaling Investment in Nature in Canada via Market-Based Instruments

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Conservation Finance: Generating ecological and financial returns



Protected and
Conserved Areas



Forestry



Agriculture



Ecological
Restoration



Invest in Nature: Report

- 15+ instruments
- Application in Canada
- Key Participants
- Policy Environment
- Opportunities to scale ES markets in Canada

Trust Funds

Payment for Ecosystem Services

Resilience Bonds

Other Bonds (Green, Impact)

Carbon and Biodiversity Offsets

Insurance Models

Enterprise Funds/Loans

Existing Limitations for MBIs in Canada

Regulatory Constraints (e.g. Habitat and species banking)

Regional PES, but not scaled

Crown land and carbon rights

Credit markets at individual level (e.g. stormwater credits)

High Transaction Costs

A critical moment for nature conservation and agriculture

Nature Conservation and Restoration

- \$4B for conservation, 30% protection by 2030
- \$3B Nature-Based Climate Solutions Fund
- Expansion of Disaster Mitigation and Adaptation Fund and creation of Natural Infrastructure Fund

Agriculture

- 3% annual growth targets - and flat emissions to 2030.
- Federal government 2030 target - reduce GHG emissions from nitrogen fertilizer use by 30% below 2020 levels.
- \$260M committed to agricultural climate action in Budget 2021.

New Actors Paying Attention

Insurance Sector

- Rising cost of climate change

Financial Sector

- Responsible Investors
- EU regulations
- Nature Related Financial Disclosures

Accountants

- Municipal Action and Natural Infrastructure

Non-Regulated Industries

- Net Zero Commitments
- Material Risk

Policy Opportunities

New offset protocols and/or new incentive structures for “net positive” investments

ES Rights on Crown Land

Viable green bonds for nature

Agricultural Policy Framework (2023-2028)

Business case for tracking ecosystem service data

Task Force on Nature-Related Finance Disclosures

Attracting Investment



Regulatory certainty



Blended finance



Investment finance fund - seed funding, capacity building



Government De-risking



Grow intermediary environment to build more complex financial arrangements



Collect, maintain, provide open access to ecosystem service and financial data

Thanks!

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