



Mainstreaming Urban Nature-Based Solutions

Incorporate in green investment products

Finance will flow more readily to nature-based solutions if they are specifically targeted by green investment products. In light of rising consumer demand for investments that deliver on environmental outcomes, and international financial entities that have raised the profile of climate risk and responsible investment, sustainable investment products have the potential to allow investors to directly support nature-based solutions. Local government bond offerings to support sustainable urban infrastructure are growing and facilitate support for a variety of smaller scale projects. In Sweden, banks and project representatives can apply for their projects to be included in the green bond market and judged for their level of 'greenness' by an expert committee. Developing quantitative indicators on the performance of nature-based solutions that are compatible with green bond reporting, and developing green investment products that recognise qualitative indicators, will help channel more support to these solutions.



The Natural Capital Finance Facility helps ensure that nature-based solutions are clearly defined as a green investment in European infrastructure development. Loans of at least 5 million Euros are granted through this facility and require the generation of a nominal income stream in addition to delivering natural capital improvements such as tree planting, green roofs, or sustainable drainage systems. The European Investment Bank, a major provider of climate finance, collaborated with the European Commission to establish the facility, which comes with technical assistance and requires that projects are funded by multiple sources. Other banks such as European Bank for Reconstruction and Development and ASN Bank are also engaging in finance for green infrastructure.



Mainstreaming Nature Based Solutions

Promising Pathways for Sustainability Goals



Climate Change

With the race to reach 'net zero' targets and build back resilience, nature-based solutions are increasingly seen as a critical tool for responding to climate change. Whether by cooling cities and reducing energy demand or providing new ways of managing flooding, nature-based solutions are gaining support globally. We identify four pathways through which mainstreaming is taking place: recognising their potential as a climate solution; investing to reduce climate risk; integrating climate action with other sustainability goals; and learning through practical experience on the ground.

Biodiversity

As the world seeks to develop a transformative agenda for biodiversity over the next decade, we explore how mainstreaming nature-based solutions can enable cities to conserve, restore and thrive with nature. Four pathways are identified based on regulating for 'no net loss' of biodiversity, developing co-governance arrangements for public-private finance, integrating biodiversity with existing sustainability priorities, and integrating biodiversity into urban development and the built environment.

Social Inclusion

Nature-based solutions such as new parks, rooftop gardens, and tree-lined streets play an important role in improving wellbeing and enhancing community spaces. However, the potential for gentrification and displacement of lower income groups means that these solutions must actively foster social inclusion and tackle inequalities. We identify three pathways that strengthen social inclusion: broadening community participation, securing genuine political commitment and policies that support social inclusion, and pursuing social inclusion measures as a way of achieving health and wellbeing.

Economic Regeneration

Nature-based solutions can create economic regeneration through increasing economic activity and employment and by improving the quality of life. Nature-based solutions both directly contribute to economic vitality and well-being, and leverage new forms of economic activity in cities that generate opportunities. Mainstreaming for economic regeneration takes place through developing partnerships for investment, increasing our knowledge of their economic value, seizing opportunities emerging from other sustainability initiatives, and stimulating market demand for nature-based solutions.

Sustainable Development Goals

To achieve the SDGs, urban development must prepare for growing populations while also creating sustainable and inclusive cities. Nature-based solutions can address a range of sustainability goals from climate resilience to health to economic development. For example, green space provides cooling, reduces pollutants, and encourages physical activity. Pathways that engage urban nature-based solutions to address SDGs include: involving diverse actors, strengthening local engagement, addressing multiple sustainability objectives simultaneously, establishing institutional arrangements that integrate sustainable development, and monitoring and assessing sustainable urban transformation.