

Unlocking nature's potential across systems, sectors and budgets

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Figure 1 - An illustration of Nature-based Solutions (© IUCN)

Despite the knowledge achieved so far in relation to the underpinning role of nature in our economy and society, evidence shows that we have been causing and even funding nature's decline for centuries. [IPBES assessments](#) and [UNEP's latest State of Nature Finance Report](#) point to a striking figure: the gap between the flow of money directed to activities that degrade nature, and those that protect it, namely the nature finance gap, has been estimated at a ratio of more than 30:1. Such a dire picture calls for innovative ways to, on the one hand, reduce the nature-negative money flows, and on the other scale up nature-positive investments.

Nature-based Solutions (NbS) are multifunctional approaches that deliver simultaneous benefits for biodiversity, society and the economy. The multifunctionality of NbS opens up new and largely untapped opportunities. Beyond environmental and biodiversity objectives, NbS can contribute to public health, climate regulation, mitigation and adaptation, disaster risk reduction and water management, among others. They can be an integral part of circular solutions and business models across sectors. As a result of this multifunctionality, funding allocated to these policy areas can, when strategically aligned, also become direct investment in NbS and help close the nature finance gap.

Four inspiring examples

Financing nature through transport: a municipal perspective

The City of Helsinki was commissioned to [develop tram line 13](#). Recognising the opportunity to go beyond conventional design, the city chose to deliver a project that meets not only high service standards but also sustainability goals. Using the allocated municipal transport budget, Helsinki constructed a green tram line rather than traditional "grey" infrastructure, with a strong focus on long-term climate resilience. Along the 4.5 km route, biodiversity features and nature-based solutions have been fully integrated. Diverse vegetation creates an attractive environment for residents while supporting stormwater management and providing habitats for various species.

Managing water through nature: a company perspective

[Aquaфин](#) is the company in charge of wastewater treatment in the region of Flanders, Belgium. As a sector that strongly relies on healthy ecosystems and on water availability, the company has identified opportunities [to integrate nature into its operations and business model](#), while ensuring that ecosystems functions remain intact and resilient. The utility is actively exploring the use of NbS to treat effluent and overflow water, combining green and blue infrastructure to create additional value for their activities, replacing fences with ecological hedges and creating water collecting ecological basins, and implementing other measures that align infrastructure with natural processes.

Reshaping common spaces with and for nature: a landscape architecture perspective

The Belgian Association of Landscape Architects, in collaboration with the Brussels Region, is transforming public spaces into areas of ecological and social value, showing that green budgets can go beyond aesthetics to support biodiversity, restoration, and climate resilience. Projects like [“Operation Re-creation”](#) which renovates schoolyards through depaving, diverse planting, and ponds, exemplify this approach. Likewise, collaborations between private owners, landscape architects, and municipalities can integrate nature into developments that initially lacked ecological considerations, as seen in the hybrid urban architecture [ZIN project](#).

Addressing nature-related risks: an insurance perspective

Growing exposure to climate and nature-related risks is widening the financial protection gap. Traditional insurance absorbs losses but often fails to incentivise risk reduction, highlighting the need to green insurance through NbS. The [NATURANCE](#) project explores how disaster risk financing can be combined with investments in ecosystem restoration. Evidence shows that nature restoration reduces disaster risk cost-effectively. Insurance can support this through a “greenium,” rewarding lower risk with reduced premiums. The project’s [Italian Innovation Lab](#) tests approaches such as controlled flooding combined with NbS to reduce risk, particularly in agricultural areas.

These cases demonstrate a new reality in which biodiversity loss is no longer viewed as a purely environmental issue, but as a financial risk, a challenge to economic resilience and long-term prosperity. In this context, **NbS create opportunities to embed the strategic role of nature more systematically across sectors, budgets and existing political and economic agendas**, while helping to address some of the key barriers that currently limit such a systemic shift.



Barrier 1: Siloed thinking and competing demands for space in urban areas.	Barrier 2: Shortage of skills and expertise needed to design and implement NbS.	Barrier 3: Long timeframes before benefits are realised, discouraging investment.
Barrier 4: Procurement models that are not well aligned with the multifunctional character of NbS	Barrier 5: Different communities working on separate aspects of the nature-positive transition, limiting collaboration and coherence.	Barrier 6: Narrow policy goals that restrict engagement from the diverse stakeholders needed to implement NbS at scale.

Table 1- Summary of key barriers to NbS investments

Opportunities and ways forward:

- **Creating synergies between NbS and other policy areas** can help overcome the fragmentation that often characterises nature-positive initiatives (Barrier 5) and broaden engagement beyond traditional environmental stakeholders by moving away from narrow sectoral goals (Barrier 6). Aligning circular economy and bioeconomy strategies with regenerative approaches through NbS, for example, can strengthen policy coherence and unlock existing funding streams. [Read more about the work of the Ellen MacArthur Foundation in this domain.](#)
- **Recognising and demonstrating the dependence of economic sectors on healthy ecosystems** helps position biodiversity as a matter of resilience, risk management and value creation rather than an environmental cost. This creates stronger incentives for investment while also increasing demand for the expertise needed to design and implement NbS effectively (Barrier 2). For example, financing biodiversity actions for water stewardship can become part of a water company's core business rather than relying on dedicated environmental budgets. [Read more about the work of Natural Mineral Waters Europe and IUCN in this domain.](#)
- **Shifting from measuring outputs to measuring outcomes** makes NbS a more natural fit for decision-making because their multifunctionality allows them to deliver multiple social, environmental and economic benefits simultaneously. This can help modernise procurement models that are often designed around single-purpose solutions (Barrier 4). For example, procurement could reward outcomes such as accessible shade, improved community wellbeing or climate resilience instead of simply counting the number of trees planted. [Read more about the work of the Sustainable Urban Development Lab in this domain.](#)
- **Building a stronger evidence base for NbS**, including robust comparisons of costs, effectiveness and long-term outcomes against business-as-usual scenarios, can support political decision-making and increase confidence among practitioners responsible for designing and implementing projects (Barriers 1 and 2). Demonstrating the comparative performance of green versus grey infrastructure, for example, can help municipalities justify investments in NbS despite competing demands for urban space. [Read more about the work of NetworkNature in this domain.](#)
- **Improving the design and market appeal of products and services associated with NbS** can strengthen the business case for investment by making long-term benefits more visible and commercially attractive, helping to address investor concerns about delayed returns (Barrier 3). Regenerative agriculture products are one example where design, branding and consumer engagement can increase the economic attractiveness of nature-positive practices.

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