



# Nature Futures 24

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## THE ECONOMICS OF NATURE-BASED SOLUTIONS



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## Goals:

- **Promote investment in Nature-Based Solutions (NBS)**
- **Accelerate market uptake of NBS**
- **Better understand the economic performance of NBS**

# NBS & NBEs



- **Nature-based Solutions (NbS)** are actions
  - to protect, conserve, restore, sustainably use and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems,
  - which address social, economic and environmental challenges effectively and adaptively,
  - while simultaneously providing human well-being, ecosystem services and resilience, and biodiversity benefits (UNEA, 2022)
- **Nature-Based Enterprise (NBEs)** deliver nature-based solutions - they work with and for nature.



# The Research



**Main Goal:** to better understand the supply side of nature-based solutions

## Research Questions:

- What are the **financing and business models of** nature-based enterprises at different stages of development?
- What are the **key market trends** - emerging trends, supply vs demand?
- What are the **education and training** needs of NBEs?



# Methodology



## *Survey*

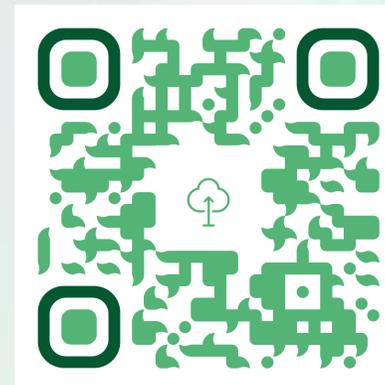
- **Target: 200** responses from NBEs
- **Currently: 130** responses, 100 useable

## *Interviews*

- **Target: 50** NBE interviews
- **Currently: 40** responses

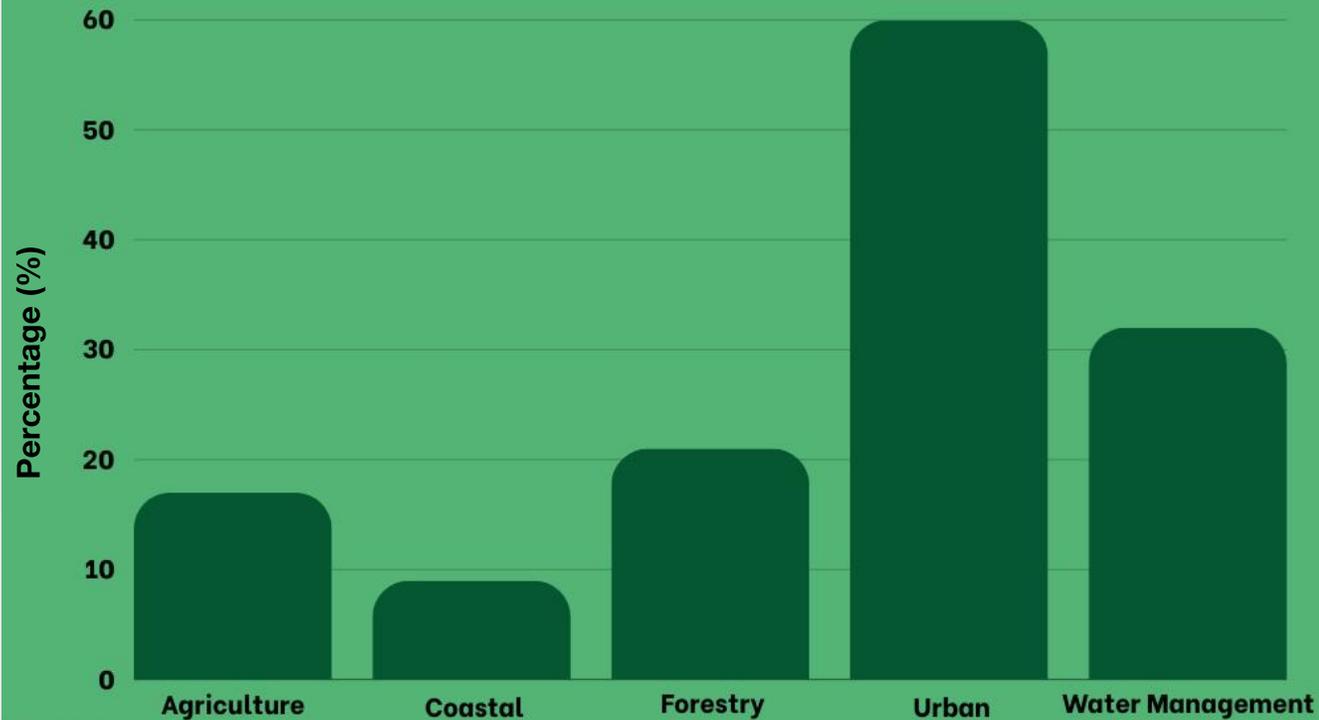
*Missing Countries (Survey): Cyprus, Estonia, Finland, Greece, Hungary, Latvia, Malta, Norway, Slovakia*

Take the survey



# Landscapes

## WHAT MARKET SECTOR ARE YOU INVOLVED IN?



### Key findings:

- Highest level of responses:

**Urban sector (60%)**

- Need more responses:

**Water Management (32%)**

***Agriculture (17%)***

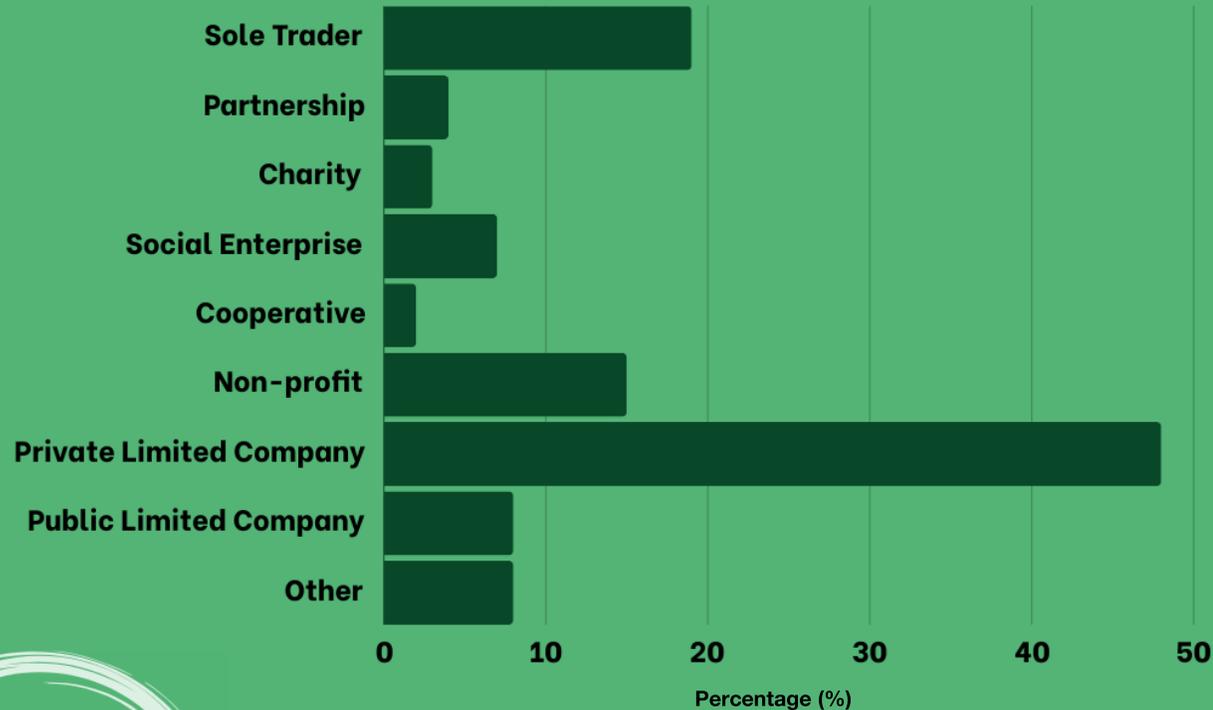
***Forestry (21%)***

***Coastal (9%)***

# NBE Characteristics



## WHAT IS THE LEGAL FORM OF YOUR ENTERPRISE?



### Size

80%

Micro (<10 employees)

15%

Small (< 50 employees)

### Goals

**67% hybrid goals** i.e. economic and environmental/social goals.

**11% economic goal**

**20% environmental/social goal**

### Stage of Development:

25%

Existence

28%

Survival

36%

Success

10%

Take-off

15%

Resource Maturity

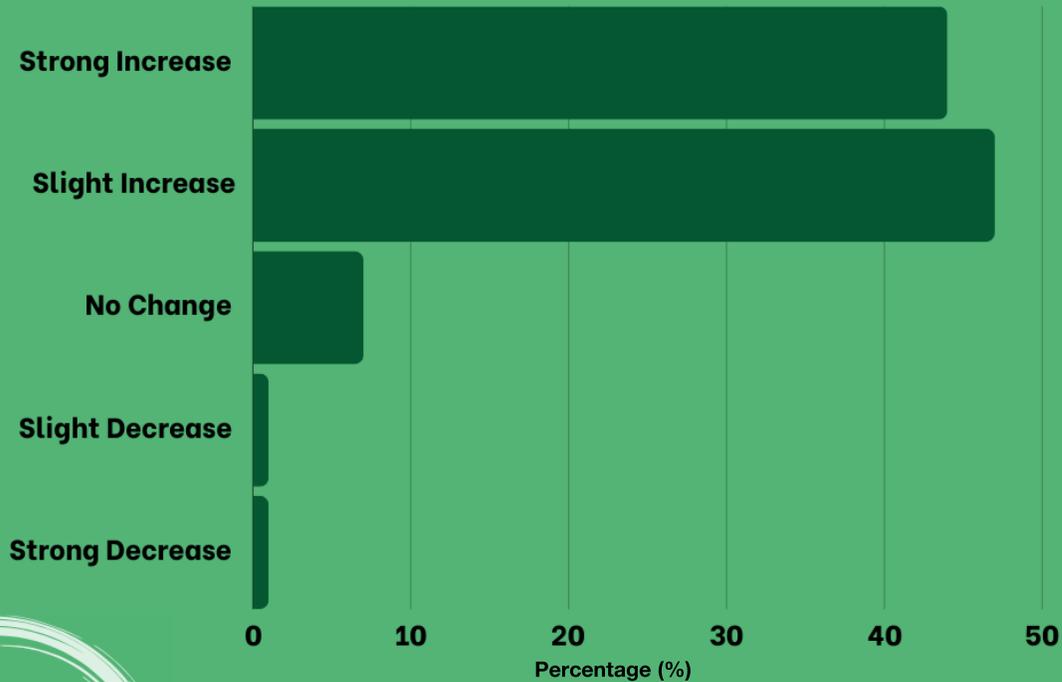


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# Market Demand



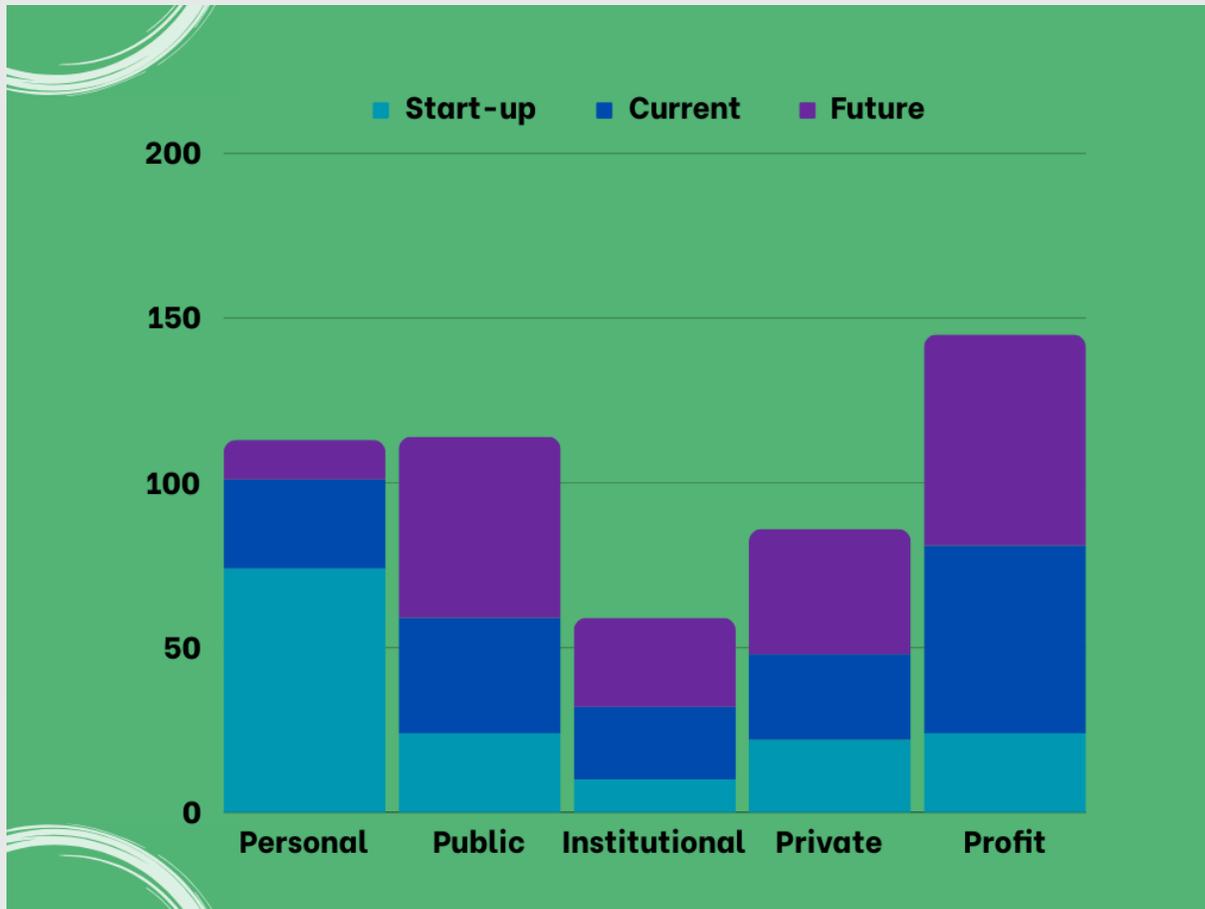
## WHAT IS THE LEVEL OF MARKET DEMAND FOR YOUR PRODUCTS?



*“In the beginning, there was very little market demand for our services [nature-based solutions], but since 2018 the demand level has increased enormously, reaching a peak during the last year.” (Water Management NbE)*

*“The demand has been explosive! We are growing exponentially.” (Urban NbE)*

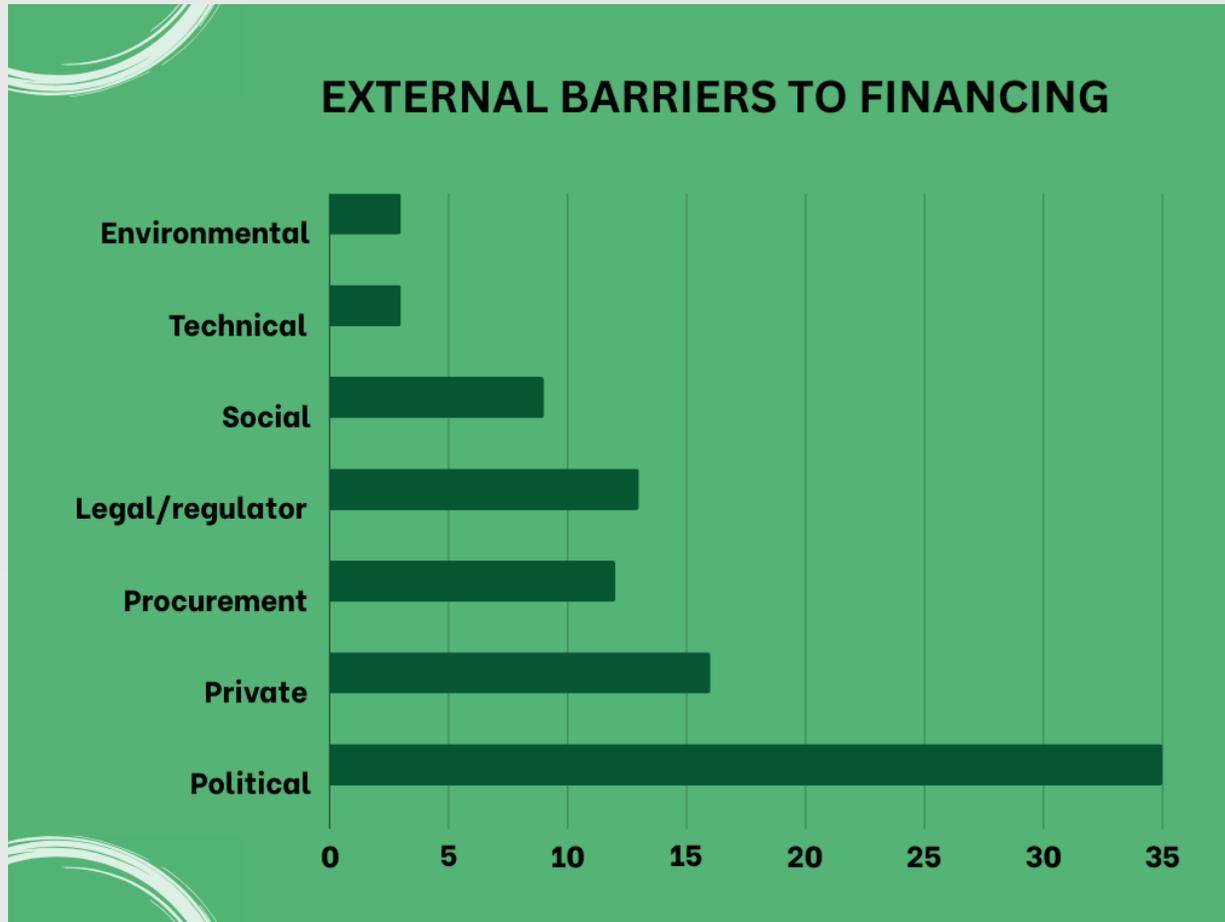
# What were/are the most important sources of financing for your organisation at these different stages?



## Key findings:

- **Personal finance** is most important at start-up stage, decreases thereafter.
- **Public financing** - NBEs think this could be a good source of future financing
- **Institutions e.g banks** - lowest level of financing at all stages
- **Private investors** - little at present but high interest in this type of financing for the future
- **Self-financing from profits** are most important at later stages of development

# Barriers to Finance



## Key findings:

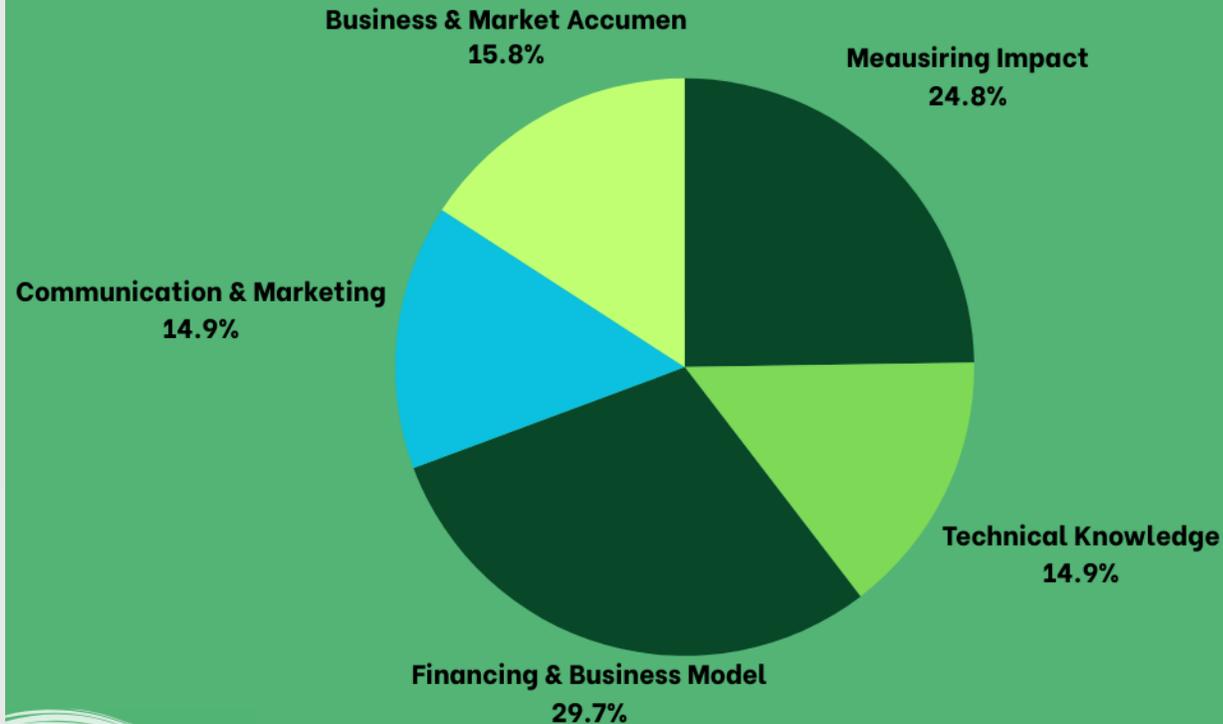
- **Political barriers are the most challenging** i.e. lack of political prioritisation of financing for nature-positive economic activities.
- **Lack of private sector investment** i.e. lack of prioritisation for private investment in the future

*“I have had 3 business angels but it was quite a challenge. Their lack of knowledge and understanding for the field of NBS created large challenges and forced us to have too much focus on short term revenue instead of a long term sustainable strategy and a nature-positive and circular business model.”*

# Education & Skills Gaps



## EDUCATION & TRAINING NEEDS



### Key findings:

- **Financing and business models** - most important knowledge gaps
- **Measuring impact** is also a key challenge
- Training on **Technical Knowledge, Business & Market Acumen, and Communication & Marketing** rating lower

**“It [education on NBS] must be improved, there is a gap in the mechanisms of financing for nature based solutions, many projects that claim as nature based solutions do not have a proper outcome or societal benefit” (Urban NBE)**

# Education & Skills Gaps



Q31 How would you rate the current level of training and education on nature-based solutions for practitioners?

5.8★  
average rating



*“The level of knowledge and hence training/education opportunities greatly varies among EU countries. In Slovenia, there is practically none as practitioners have no incentive to learn NBS, since the state still requires them to implement grey solutions. The most important measure is therefore to educate and train the public sector employees, others will follow.” (*

## Take the survey!



## What's next?

- Please help us get more responses - share with your networks!
- Deadline for responses: **March 31st:**
- Publication of results:
  - **Infographic**
  - **Connecting Nature Enterprise Platform**
  - **Invest 4 Nature**
  - **EC Publication**
- Reach out to Oisín if you have any questions queries or thoughts:
  - **NBEresearch@horizonnua.eu**

*Missing Countries (Survey): Cyprus, Estonia, Finland, Greece, Hungary, Latvia, Malta, Norway, Slovakia*



**Visit the NBEs at the Marketplace!!!**



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**Thanks!**