# NATURE SOLUTIONS FINANCE HUB

ADB's Platform for Financing Nature-Based Solutions Across Asia and the Pacific

ADB

## NATURE AND BIODIVERSITY

### DEFINING THE AREA OF FOCUS

Biodiversity is "the variability among living organisms from all sources including terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems." Nature is a broader definition that encompasses biodiversity ("all life on Earth") plus "the geology, water, climate, other inanimate components that comprise our planet."

*(Convention on Biological Diversity)*

## THE CRITICALITY

### NATURE IN ASIA AND THE PACIFIC

Nature is a core economic asset in Asia and the Pacific. About 75% of the region's gross domestic product - equivalent to about $21 trillion-comes from sectors that are moderately or heavily dependent on nature, including agriculture, forestry, fisheries, and tourism.[1]

**In Southeast Asia alone:**

| | |
|---|---|
| 14.5% | of forest cover in Southeast Asia has been lost in the last 15 years |
| Up to 80% | of wetlands are threatened by conversion to agriculture or development |
| 50+ million | migratory wading birds are imperiled by wetland loss |
| 640 million people | live on coastlines exposed to rising seas and extreme weather |
| 9.6 million people | were displaced in 2019 alone by cyclones, typhoons, and floods |
| 2/5 | of the world's most significant marine biodiversity is already gone — and the rest could disappear by 2100 (WWF). |

**Asia and the Pacific are among the world's most ecologically critical and climate-vulnerable regions.**

### Nature is critical for climate resilience.

Rehabilitation, conservation of ecosystems and improvng ecosystem services are critical measures for strengthening resilience of vulnerable communities and infrastructure to climate impacts. Healthy ecosystems strengthen public health, livelihoods, fiscal stability

### Nature is a vital carbon sink

- Land-based ecosystems can provide **up to 20%-30%** of the mitigation needed **to keep warming under 1.5°C** (UNCCD).
- The ocean **absorbs 25% of global carbon dioxide** and **captures 90% of excess heat** (UN) and forests and wetland ecosystems **are critical for carbon storage** (UNEP).

## NATURE FINANCING NEED: A Massive, Widening Financing Gap

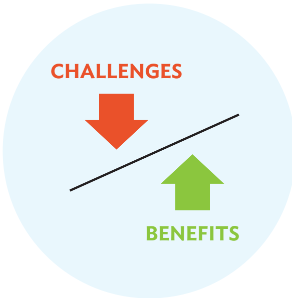
Halting biodiversity loss and limiting climate change will require an **estimated $942 billion annually**[2] in nature-based solutions (NbS) financing. Nature investment sits at just **$154 billion in 2022**—meaning annual investment in NbS must more than quintuple by 2050.

## NATURE-BASED SOLUTIONS + INNOVATIVE FINANCE APPROACHES

NbS are actions and policies that protect, manage, and restore natural ecosystems, while addressing societal challenges

### CHALLENGES

- No scalable pipeline of investable NbS projects
- Weak in-country capacity to prepare bankable projects
- Limited knowledge of innovative finance tools to mobilize private capital
- Global capital pools that perceive NbS as high-risk




### BENEFITS

Investing in nature could **generate up to $10 trillion in additional annual business revenue and 395 million new jobs**, alongside biodiversity protection and deeper carbon sequestration.

[1] Asia–Pacific Climate Report 2025: Unlocking Nature for Development, ADB.

[2] The Nature Financing Report by the Paulson Institute, The Nature Conservancy, and Cornell, September 24, 2025.

# ADB'S NATURE SOLUTIONS FINANCE HUB

ADB has launched the Nature Solutions Finance Hub (NSFH)— a platform designed to close the NbS financing gap by combining project origination, innovative finance, and capacity building into one coordinated effort.

## THE NSFH VISION

Building on key initiatives in supporting inclusive, resilient, and sustainable growth across Asia and the Pacific, ADB has launched the **Nature Solutions Finance Hub (NSFH).**

The **NSFH vision** is to transform innovative finance to integrate Nature Based Solutions (NbS) into mainstream investment, achieving measurable climate and biodiversity outcomes.

## OVERARCHING OBJECTIVE

NSFH brings together multiple financial and technical partners to scale investments in nature.

The Hub aims to catalyze $5 billion in nature financing by 2030, including at least $750 million in private capital, by structuring financing solutions and mainstreaming nature-based solutions (NbS) across development planning and investment.

## FOUR ROLES OF THE NSFH

### NSFH Mission

Scale up finance from private, public and philantropic sources into a growing pipeline of NbS investments across Asia and the Pacific

### Incubator

Act as a value-adding generator of high-impact NbS investments for developing member countries in Asia and the Pacific

### De-risking Finance

Pool and scale up development funds—philanthropies, concessional sources—to innovatively be used as de-risking capital for enhancing NbS bankability

### Innovating Finance

Foster development of catalytic finance solutions—including national facilities/instruments—for NbS investments

### Visibility and Profile-Building

Combine global efforts into building visibility, capacity and interest in NbS investments among ADB's developing member countries

## ACTIVITY PILLARS

### Nature-Positive Investment Project Origination and Pipeline Development

Establish a network of flagship NbS projects to scale

### Innovative Nature Finance and Financial De-Risking

Introducing innovative finance approaches using catalytic financing to crowd-in private and commercial finance

### Capacity and Policy Development

Learning from piloting and demonstration to build the profile of NbS, as feasible solutions to development challenges

## **THE APPROACH:** COMBINING ADB STRENGTHS WITH GLOBAL PARTNERS

Since its launch at the 28th United Nations Climate Change Conference in December 2023, the NSFH has built a coalition of financing and technical partners to scale up the flow of finance into conserving and protecting nature and biodiversity in Asia and the Pacific.

The financing partners include the Agence Française de Développement (AFD), Federal Ministry for Economic Cooperation and Development (BMZ) through the German Agency for International Cooperation (GIZ), the European Union (EU), the Green Climate Fund through the ASEAN Catalytic Green Finance Facility (ACGF) Green Recovery Program, the Global Environment Facility (GEF), the OPEC Fund for International Development (OPEC Fund), and the UK-ASEAN Catalytic Green Finance Facility.

Technical partners include BirdLife International, Conservation International, International Union for Conservation of Nature (IUCN), NatureFinance, The Nature Conservancy (TNC), and the World Wide Fund for Nature (WWF).

### IMPLEMENTING THE NSFH

The NSFH builds on ADB's existing green finance and nature initiatives—including the ASEAN Catalytic Green Finance Facility, Natural Capital Lab, Regional Flyway Initiative, Healthy Oceans Program, Asia-Pacific Clean Blue Skies Program, and the Green, Social, Sustainable Bonds (GSS+) Initiative—while leveraging global partners for technical assistance funds, de-risking funds, knowledge partnerships, and implementation support.

## OBJECTIVES

**The Strategic Objectives of NSFH are:**

1. **Halting and reversing biodiversity loss:** Apply Nature-based Solutions (NbS) to achieve net gains in biodiversity and improve ecosystem health and services. Focus on conserving biodiversity, sustainable management, and climate-resilient strategies.
2. **Climate change adaptation:** Apply NbS to reduce climate risk and vulnerability, strengthen resilience, enhance well-being, and build capacity to anticipate and respond to change. Mainstream climate resilience in infrastructure to extend asset performance and lifespan, and support communities in adapting to climate change and variability.
3. **Climate change mitigation:** Apply NbS to reduce or prevent greenhouse gas emissions from human activities and increase carbon sinks. Expand native forests, peatlands, wetlands, and grasslands, and restore and expand habitats and ecosystems for carbon sequestration.
4. **Livelihood enhancement, community well-being, and inclusivity:** Apply NbS to address societal challenges and ensure that livelihoods, ecosystem services, environmental quality, safety, and resilience are enhanced. Prioritize the most pressing environmental issues and clearly understand and document these challenges to deliver tangible, long-term socio-economic resilience for vulnerable communities.
5. **Environmental health:** Apply NbS to address the causes of reduced air, water, and soil quality and improve environmental conditions. Assess air, soil, and water quality thoroughly to improve ecosystem services such as clean air, water, and soil, as well as human health and well-being.
6. **Infrastructure and sector ecological sustainability:** Apply NbS to extend asset lifespan, productivity, and resilience, and address institutional constraints to improve sector sustainability. Enhance ecosystem services that affect infrastructure performance and productivity, and support economic sectors in defining and adopting policies and practices to apply NbS, build resilience to climate change, and achieve biodiversity gains in development.

**About the Asian Development Bank**

ADB is a leading multilateral development bank supporting inclusive, resilient, and sustainable growth across Asia and the Pacific. Working with its members and partners to solve complex challenges together, ADB harnesses innovative financial tools and strategic partnerships to transform lives, build quality infrastructure, and safeguard our planet. Founded in 1966, ADB is owned by 69 members—50 from the region.

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