



# FINANCING THE FUTURE

## WHY THE FINANCIAL SECTOR SHOULD EMBRACE THE LANDSCAPE FINANCE APPROACH

### 1. INTRODUCTION

**Nature underpins our global economy — yet we are eroding its capacity to sustain us. Over US\$58 trillion, more than half of global GDP, depends on healthy ecosystems. Every investment portfolio, every supply chain, and every community relies on nature – but every year, trillions of dollars flow toward activities that degrade the very ecosystems we rely on.**

This white paper calls on financial institutions, from development banks and asset managers to insurance providers and commercial lenders — and national finance ministries and financial regulators, to lead the shift from short-term, fragmented transactions to long-term, landscape-wide investment in nature.

The Landscape Finance Approach (LFA) provides a tested and scalable solution for doing this. By integrating public, private, and community finance around shared environmental and development goals across defined landscapes, the LFA enables the finance sector to mitigate nature-related risks, unlock new market opportunities, and contribute directly to climate resilience and social development.

We have fewer than five years to meet crucial global targets on climate, biodiversity, and sustainable development. The financial industry can and must be the engine of that transformation.



## 2. THE SCALE OF THE CHALLENGE

The global biodiversity finance gap — the shortfall between what is needed to halt and reverse nature loss and what is currently financed — stands at US\$942 billion annually. At the same time, nearly US\$7 trillion still flow each year into activities that harm nature and accelerate climate breakdown.

Globally, momentum for change is growing. Over 200 financial institutions managing €23 trillion have signed the Finance for Biodiversity Pledge. More than 620 organizations are now Taskforce on Nature-related Financial Disclosures (TNFD) adopters, integrating nature into financial decision-making. And there is growing interest in nature credits, biodiversity bonds, debt-for-nature swaps, and blended finance. However, these developments have not led to the necessary shift in finance for nature-positive action.

In biodiversity-rich landscapes, significant obstacles remain: fragmented, small-scale projects and companies; insufficient pipelines of investable

opportunities; unclear risk-return profiles; weak enabling environments, including regulation; and limited resources for implementing solutions and tracking impact.

To close the finance gap and deliver systemic change at landscape level, financial actors need an organizing framework that links capital deployment directly to ecological integrity, social inclusion, and long-term economic value.

## 3. THE LANDSCAPE FINANCE APPROACH

The Landscape Finance Approach (LFA) is a holistic framework to mobilize and align finance at scale for the benefit of people, nature, and the economy. It connects 'Financing Green' — investments that generate nature-positive outcomes — with 'Greening Finance', transforming the financial system to reward sustainability and end harmful finance.

The LFA operates at the landscape level — targeting a geographically defined area that brings together multiple land uses, stakeholders, and ecosystems. By embedding finance within inclusive conservation plans, the LFA ensures that each dollar invested catalyses additional finance and contributes to coherent, measurable outcomes across climate, biodiversity, and community dimensions.

The LFA follows a stepwise approach with each step having specific roles for different types of actors:

- **Understand** – Map nature-related dependencies of companies and financial institutions investing into these companies, impacts, risks and opportunities across a landscape.
- **Match** – Identify the right blend of financial instruments to suit each opportunity's risk and return profile and assess what enabling conditions need to be in place.
- **Implement** – Channel capital through coordinated mechanisms aligned with landscape finance plans and monitor impact.
- **Scale** – Replicate and mainstream successful models through national fiscal frameworks, regulatory incentives, and the financial industry.







## 4. BENEFITS FOR FINANCIAL INSTITUTIONS AND PARTNERS

**Benefits for financial institutions and implementing partners include:**

- **De-risked, scalable investment pipelines:** By aggregating smaller projects into landscape-level portfolios, the LFA lowers transaction costs and meets institutional investment thresholds.
- **Enhanced risk management:** Engaging through LFA landscapes allows banks and investors to enhance the quality of their assessment, management and disclosure of climate- and nature-related risks and opportunities, aligned with credible disclosure frameworks such as TNFD.
- **New market opportunities:** Landscape-aligned portfolios enable diversified revenue streams — regenerative supply chains, biodiversity and carbon credits, payments for ecosystem services, ecotourism, or regenerative supply chains.
- **Strengthened social licence:** Inclusive governance is integrated in the LFA and ensures that investments respect land rights, promote equitable benefit-sharing, and put communities in the driving seat of decision-making.
- **Catalytic leverage:** Blended finance structures amplify impact, crowding in private investment in landscapes through concessional capital and guarantees.
- **Policy and systemic benefits:** For governments and regulators, LFA pilots serve as proof points for integrating nature into fiscal, budgetary, and monetary policies





# WHITE PAPER

NOVEMBER 2025

© Adriano Gambarini / WWF-Brazil



## 5. CALL TO ACTION

**Finance leaders stand at a pivotal moment. The tools, data, and partnerships now exist to turn ambition into action — but coordination is essential. To accelerate finance for nature-positive action, global and national financial institutions, policymakers and regulators should act on four fronts:**

- 1. Embed the Landscape Lens in Decision-Making** – Assess portfolios for nature-related risks, identify priority landscapes, and incorporate landscape metrics into risk management.
- 2. Invest Collaboratively and Build Pipelines** – Join or establish communities of investors focusing on specific landscapes, blend financial instruments, and co-design context-specific mechanisms and metrics.
- 3. Align Systems and Incentives** – Advocate for national policies that reward sustainable

practices and integrate nature into financial regulations.

- 4. Lead Through Partnership and Transparency** – Collaborate with NGOs, governments, and corporates to develop and implement transition plans and disclose progress.

The financial industry has the scale, innovation, and influence to reverse nature loss and secure a resilient future. The LFA offers the bridge between commitment and implementation, between fragmented initiatives and systemic transformation.

By adopting the LFA, financial institutions can safeguard

**WWF is calling on financial institutions, policy makers and regulators to collaborate with WWF on implementing the Landscape Finance Approach. By building coalitions with these stakeholders, we aim to mobilise at least \$20 billion for people and nature by 2030.**

To find out more about our work and opportunities to collaborate, contact the WWF sustainable finance team on [finance@wwfint.org](mailto:finance@wwfint.org) and follow us on LinkedIn on [linkedin.com/showcase/wwf-sustainable-finance](https://www.linkedin.com/showcase/wwf-sustainable-finance).



Working to sustain the natural world for the benefit of people and wildlife.

together possible. [panda.org](https://panda.org)

WWF® and ©1986 Panda Symbol are owned by WWF. All rights reserved.

WWF, 28 rue Mauverney, 1196 Gland, Switzerland. Tel. +41 22 364 9111

CH-550.0.128.920-7