

# Emerging Nature-based Financing Approaches



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## How To Use This Resource

This resource is intended as a practical overview of emerging nature-based financing approaches, highlighting examples that may support those exploring or designing financing strategies for conservation and stewardship initiatives. It is designed for Indigenous practitioners, communities, and ally partners seeking to better understand the range of tools and mechanisms that can mobilize resources for nature.

Rather than presenting a single model or prescribed pathway, this document offers a collection of approaches, insights, and considerations that may be adapted to different contexts. Nature-based financing initiatives are shaped by place, relationships, governance structures, and community priorities, and there is no single way to design or implement them.

This resource is also intended to be a living document. It reflects the state of an evolving and fast-moving landscape as of early 2026, and will ideally be updated over time as new approaches emerge, terminology develops, and greater clarity is gained through practice.



## Partnerships & Co-Investment

Long-term, relationship-based arrangements that share resources, responsibilities, and benefits across Nations, governments, and partners through negotiated agreements that support stewardship over time.



### Impact Benefit Agreements

*Funded by:* Project developers

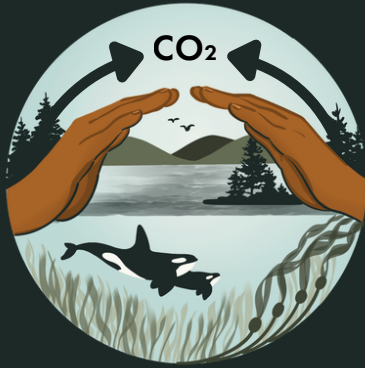
- Legally enforceable agreements through which industry provides benefits to First Nations for development impacts.
- [Prince Rupert Gas Transmission Pipeline Project](#)



### Revenue-Sharing Agreements

*Funded by:* Revenue-generating entities

- Contracts sharing revenues and governance between and a Nation for a resource/project.
- [Musqueam–YVR \(1% of revenues, 30 years\)](#)



## Tradeable Assets

Income is generated by delivering stewardship outcomes that are formally recognized by markets or regulators, translating care for ecosystems into revenue within external market and regulatory systems. Different environmental assets (e.g. carbon credits) are used to represent broader ecosystem changes in ways that can be measured, verified, and exchanged.

- ◆ **Carbon Credit Sales** (can be supported by Forward Financing)  
*Funded by:* Regulated emitters or voluntary buyers offsetting emissions.

  - Projects create verified credits (on compliance or voluntary markets) by sequestering carbon and sell them to buyers.
  - [Cheakamus Community Forest](#), [Darkwoods](#), [Dene K'é Kúśán Carbon](#), [Mikoko Pamoja](#), [Verra Standard](#), [BC Carbon Registry](#)
- ◆ **Biodiversity Credit Sales**  
*Funded by:* Regulated developers or voluntary buyers offsetting biodiversity impacts.

  - Projects create verified credits by restoring/protecting nature and sell them to buyers.
  - [UK Biodiversity Net Gain \(BNG\) Credits](#), [Savimbo](#)
- ◆ **Nature Stewardship Credit Sales (NSCs)**  
*Funded by:* Corporate ESG buyers, impact investors

  - Credits for verified stewardship activities (e.g., monitoring, invasive control).
  - [SOCIALCARBON NSCs](#)
- ◆ **Web3 Eco-credits / Digital Natural Assets**  
*Funded by:* Token buyers, impact investors

  - Tokenized environmental credits/assets recorded and traded on a blockchain.
  - [Regen](#); [GuildOne + Project Forest](#); [Biocultural Jaguar Credits](#)
- ◆ **Stormwater Management Credits**  
*Funded by:* Regulated property owners, developers

  - Credits for green infrastructure that reduces runoff; can be earned or purchased to meet rules.
  - [Washington DC SRCs](#); [Grand Rapids](#); [Guelph/Saskatoon fee relief](#)
- ◆ **Living Tree Tenure**  
*Funded by:* Investors (who receive share of future regenerative revenue)

  - Indigenous-led tenure conversion for long-term stewardship.
  - [Kwaxala / "Living Tree Tenure" Special Management Zone](#)



## Payment for Ecosystem Services

Ongoing contributions from those who benefit directly from healthy lands and waters, pooling responsibility to sustain stewardship over time at a regional scale.

### ✦ Ecosystem Service Fees (ESFs)

*Funded by:* Residents, businesses, visitors

- Place-based voluntary contributions pooled from residents/businesses to support regional regeneration.
- [Tla-o-qui-aht Tribal Park Allies](#), [Ahousaht Stewardship Fund](#), [Huu-ay-aht Ecosystem Service Fee](#)

### ✦ Water User Rates

*Funded by:* Utility customers

- Utility tariffs that dedicate a portion of fees to watershed restoration and resilience.
- [CRD watershed purchase \(BC\)](#).

### ✦ Water License Fees & Rentals

*Funded by:* Licensed water users

- Provincial water license fees that could be earmarked for stewardship.
- [BC Water Sustainability Act](#)

### ✦ Environmental Levies

*Funded by:* Taxpayers, permit holders

- Local fees, taxes or statutory license surcharges earmarked for conservation and restoration.
- [West Vancouver levy](#); [Kootenay Conservation Fund \(BC\)](#); [Wildlife Act funds HCTF](#); [Sustainable Environment Fund](#); [Nanaimo Drinking Water and Watershed Protection Program](#)

### ✦ Resource Extraction Levies

*Funded by:* Extractive companies

- Mandatory extraction royalties and taxes that could be earmarked for stewardship.
- [Resource Indemnity Trust](#), [Coal Severance Trust](#)

### ✦ Infrastructure Protection Finance

*Funded by:* Utilities, asset owners, municipalities

- Beneficiaries (e.g., utilities) pay for NbS that protect their assets from storms/erosion.
- [Zephyr Power \(PK\)](#).



## Public & Institutional Capital

Funding provided or enabled by governments and large institutions through public budgets, policies, and financial tools, used to support stewardship.



### Government Grants

*Funded by:* Government authorities (generally via tax revenues)

- Government grants that fund projects but offer limited long-term stability.
- [BC Watershed Security Fund](#), [BC Salmon Restoration & Innovation Fund](#); [Healthy Watersheds Initiative](#)



### Green Bond

*Funded by:* Investors

- A loan that funds green projects, like clean energy or reforestation, repaid with interest.
- [World Bank GB](#); [Fiji GB](#); [Ecuador swap](#)



### Blue Bond

*Funded by:* Investors

- A loan that funds ocean and coastal projects, like reef restoration, repaid to investors with interest.
- [Seychelles](#); [Indonesia \(2023\)](#).



### Impact Bond (Pay-for-Success / EIB)

*Funded by:* Investors, government

- Investors fund services now and are repaid by an outcome payer if targets are met.
- [DC Water EIB](#); [Deshkan Ziibi CIB](#)



### Forest Resilience Bond (FRB)

*Funded by:* Investors

- Capital raised for forest restoration, repaid by beneficiaries (like utilities) that save money from reduced wildfire or water risks.
- [Blue Forest FRB](#); [California FRB](#)



### Tax Incentives & Exemptions

*Funded by:* Public treasury

- Public tax policies that lower financial barriers to conservation and stewardship.
- [Ecological Gifts](#); [NAPTEP](#)



### Indigenous-led Project Finance for Permanence (PFP)

*Funded by:* Philanthropy, governments

- A long-term, Indigenous-governed stewardship fund, often capitalized through a Project Finance for Permanence.
- [Coast Funds](#), [Project Finance for Permanence](#)



## Communities & Place-based Economies

Locally designed systems for circulating value, supporting livelihoods, and coordinating care in ways that reflect community priorities, culture, and relationships rather than external market norms.

### ◆ **Community Micro-insurance and Micro-finance**

*Funded by:* Community members and sometimes seed funders

- Small loans and insurance products for households/SMEs to adopt sustainable practices and manage risk.
- [Proposed in the BioFi Project](#)

### ◆ **Local Market Vouchers (CAVs)**

*Funded by:* Community members purchasing vouchers

- Community vouchers used at local businesses, with proceeds reinvested in local nature-based projects.
- [Grassroots Economics \(KE\)](#)

### ◆ **Profit Pooling Agreements**

*Funded by:* Participating businesses

- Cooperative model where multiple businesses contribute a portion of profits into a shared fund to finance community or ecosystem projects.

### ◆ **Nature-backed Currencies**

*Funded by:* Currency users

- Local currency backed by natural assets or ecosystem outcomes, guiding spending toward stewardship.
- [MERIT \(Single.Earth\)](#)

### ◆ **Obligation Clearing & Mutual Credit**

*Funded by:* Network participants

- A network that offsets members' obligations and extends mutual credit to keep local trade flowing.
- [Sardex \(Italy\)](#)

### ◆ **Crowdfunding**

*Funded by:* Individual donors

- Online campaigns where many people contribute small amounts to finance a conservation project.
- [Tridios Crowdfunding](#), [ioby](#)