

# Key takeaways from COP30 for natural capital investors

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## SUMMARY

As COP30—the 30th annual UN international summit on climate change—came to a close in the Amazon city of Belém, this year’s discussions highlighted the world’s steadfast commitment to meaningful, coordinated climate action as well as the need for pragmatic compromise to maintain forward momentum. In the week leading up to high-level policy meetings in Belém, stakeholders across the private sector came together in São Paulo to advance climate-aligned investing, share insights and make connections across business sectors and geographies. Private capital remains a critical part of national plans to decarbonize economies, manage and mitigate climate risks to vulnerable populations, and transition to more sustainable land management practices.

Gwen Busby, Head of Research and Strategy at Nuveen Natural Capital, and colleagues from Nuveen, participated in a range of events on the ground in Brazil. They observed several emerging themes from the pre-COP30 meetings in São Paulo and events in Belém. Here are three main takeaways for natural capital investors.

## KEY TAKEAWAYS

### 1. NATURE-BASED SOLUTIONS (NBS) INVESTMENTS ARE INVESTOR-READY

Showcased throughout the events were examples of NBS investments and investment opportunities, spanning forestry to food systems, all designed with the intention to deliver climate benefits alongside financial returns. Notably, achieving investors’ risk-return expectations often requires a mix of sustainable production of food, fiber and timber alongside revenue from quantifiable ecosystem service benefits, like carbon credit sales. In both emerging market and developed market countries, there are a growing number of examples of blending sustainable production systems with targeted carbon and conservation outcomes, and in certain cases, blended finance. The most successful examples pair experienced investment management teams working closely and in alignment with on-the-ground operational teams.

### 2. CARBON MARKETS ARE ENABLING NBS INVESTMENT, MOBILIZING PRIVATE CAPITAL

Revenue from carbon credit sales is helping to finance the restoration of vast areas in Brazil, protection of forests from development in the U.S., and improved management of croplands in Europe. These are just a few examples of how carbon markets are unlocking NBS investment opportunities. MSCI highlighted the growing scale of the voluntary carbon market—worldwide, there are 3,100 registered NBS carbon projects (REDD+ and nature restoration) and a pipeline of 2,700+ projects. Established carbon crediting standards and mechanisms for monitoring, reporting and independent

## Key takeaways from COP30

verification are more rigorous today than ever before giving quality assurances to both project owners and buyers and, enabling standardization across project types and geographies previously not possible.

### 3. DUAL FOCUS ON CLIMATE ACTION AND ECONOMIC DEVELOPMENT

Agriculture, forestry, and water are three sectors widely viewed to have great potential for jointly delivering both development and climate benefits. At the same time, NBS investments that create jobs and support local communities may produce long-term land-management practice changes and more durable climate benefits in turn. Both NBS investments and national climate action plans (NDCs) increasingly reflect this dual focus on economic development and climate, recognizing the risks of a myopic focus on climate in isolation.

### LOOKING AHEAD: OPPORTUNITIES FOR PRIVATE CAPITAL CONTINUE TO EXPAND AND MATURE

NBS investments and investment opportunities, designed to deliver quantifiable climate benefits alongside positive financial returns, are more numerous today than ever before. Many NBS investments include a meaningful component of sustainable food, fiber, and/or timber production, creating the future possibility of transformational, landscape-scale investment opportunities across managed timberland and farmland. Undoubtedly, carbon markets' growth and development have been, and continue to be, a critical part of advancing climate-aligned investing. Altogether, we expect credible pathways for private investment in climate action will only continue to grow in scale and expand across strategies.

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