Making nature finance work

Matching capital structures to project realities

Seneca Impact Advisors – Where finance meets purpose.

Japan Impact Investing Network (J-IIN) Natural Capital Webinar Series – Pathways to Nature Finance: Structuring Capital for Scalable Impact
30 June 2026

From awareness to deployment

Nature finance has entered the mainstream, but capital still needs structures that fit real projects.

Awareness is higher

Nature and biodiversity are now part of mainstream finance discussions.

Capital is interested

Governments, DFIs, banks, corporates, insurers, and investors are exploring the space.

Fit remains difficult

The hard part is matching capital to investable, executable, and locally grounded projects.

There is capital. The challenge is capital fit.

Nature finance will scale when the right type of capital is matched to the right project, at the right stage, through the right structure.

Friction points

- Project development gap
- Unclear payment source
- Risk-return mismatch
- Small project size
- Implementation capacity
- Long-term stewardship needs

Structures must translate capital to the ground

CAPITAL NEEDS

Clear risk allocation

Credible payment or repayment logic

Governance and legal structure

Reporting

Scale

Taxonomy or eligibility alignment

STRUCTURE

Translation between capital needs and ground realities

GROUND REALITIES

Community priorities

Local implementation capacity

Land and resource rights

Seasonal livelihoods

Trust and legitimacy

Practical delivery constraints

Project preparation precedes **investment capital**

Before finance, projects need to be made investable:

DISCOVER → 1
- Landscape scoping
- Feasibility
- Local partners

STRUCTURE → 2
- Community input
- Legal design
- Governance

DEVELOP → 3
- Financial model
- Impact framework
- Eligibility mapping

FINANCE → 4
- Funder alignment
- Capital stack
- Risk allocation

MONITOR → 5
- Reporting
- Adaptive learning
- Stewardship

Local input and implementation reality:
This reinforces that local realities are not separate from financing. They run through the whole process.

Structures solve problems, but demand matters

Finance follows credible demand: who pays, why they pay, and what risk they absorb.

Financing problem	Possible structures
Risk-return does not yet fit commercial capital	Blended finance, concessional capital, guarantees
Payment source is unclear	PES, corporate payments, public payments, offtake
Outcomes matter but are not commercial	Outcome-based finance, results-based payments
Nature reduces risk, but **residual risk** remains	Insurance, parametric cover, resilience finance
Projects are **too small or fragmented**	Aggregation, pooled-risk portfolios, landscape finance
Stewardship is long-term	Trust funds, PFP, public-private funding

Insurance can protect nature’s risk-reduction value

Nature as infrastructure
Reduces exposure and damage

Loss avoidance
Economic value from avoided costs

Insurance & risk transfer
Covers residual risk & funds repair

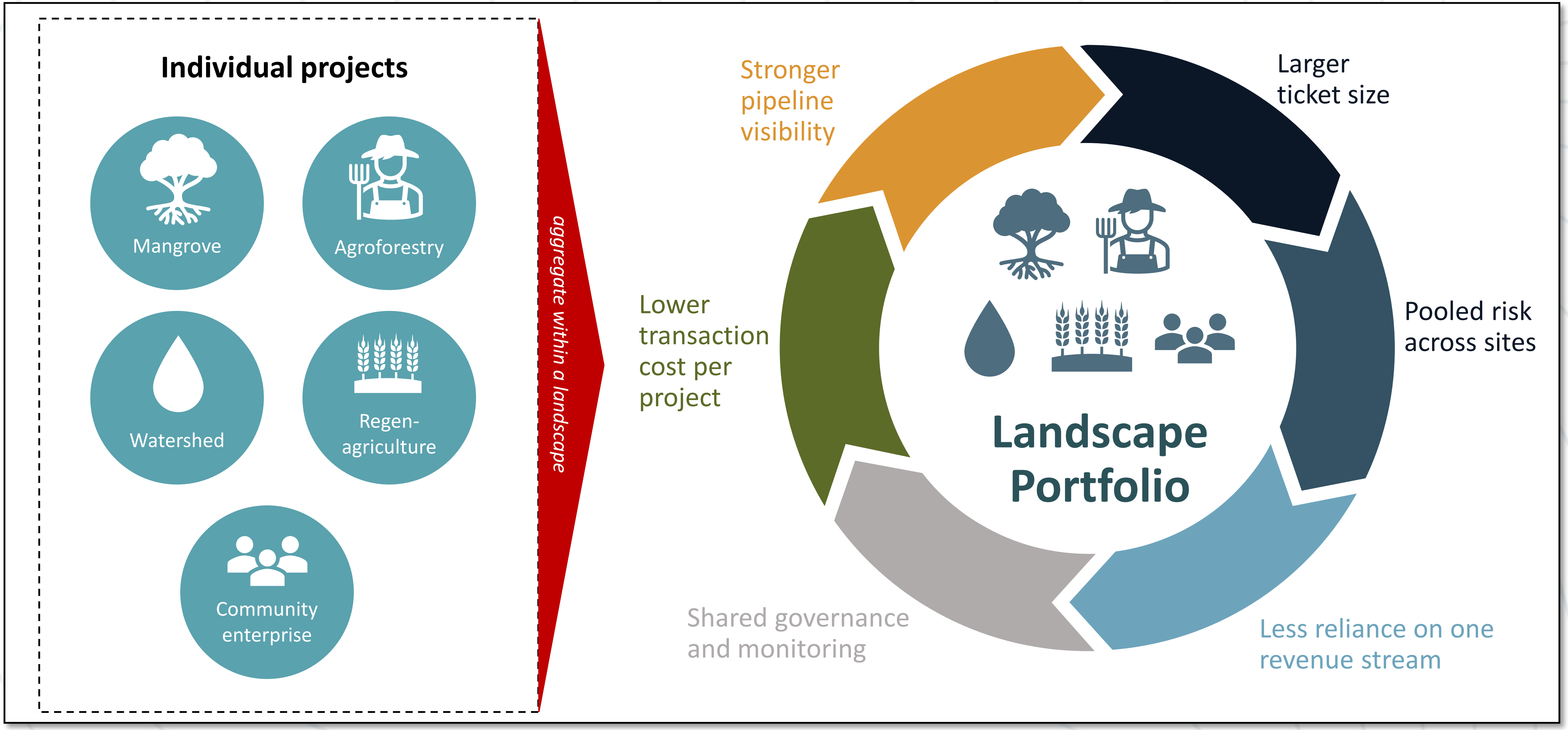
Asset restored
Payout funds repair & restoration

Asset continues reducing risk

Design question

Who benefits from the avoided loss, who pays for protection, and who restores the asset after a shock?

Aggregation enables landscape portfolios



Nature finance scales when structure fits reality

01
PREPARE
Projects before finance

02
CLARIFY
Demand, including avoided losses

03
DE-RISK
Capital for nature opportunities

04
PROTECT
Natural assets via insurance

05
POOL RISK
Aggregate for scale

06
SUSTAIN
Long-term stewardship

Foundation: Local realities and implementation capacity

Resilient agriculture: palm sugar

Sustainably produced palm sugar from the Arenga sugar palm

Palm Sugar

Indonesia

Overview

The company is currently producing and exporting palm sugar to multiple countries. Palm sap is sourced from local farmers who grow it sustainably with help from the Company and Foundation. This investment will allow it to increase production above the break even point and find new customers for exports and domestic sales.

Snapshot

Sector type: Sustainable agriculture/ agroforestry / food systems
Stage: Operational – Scaling
Local partner/operator: PT. Gunung Hijau Masarang and Masarang Foundation
Scalability and replication potential: High. Good demand for exports. Potential to replicate in other parts of Indonesia.
Parties involved: Seneca Impact Advisors, PT. Gunung Hijau Masarang , IDEA Consultants, Ministry of the Environment of Japan, Japanese Private Sector

Sources of revenue

- Sale of palm sugar
- Other related palm sugar products
- Carbon credits

Initial impact

Enhanced biodiversity, soil resilience and water management, increased incomes, access to insurance, education, pensions for farmers and families, prevention of deforestation, facilitation of reforestation, capital multiplier.

Agroforestry: shade-grown coffee

Climate and land resilient coffee farming

Shade Grown Coffee

Laos

Overview

Introduce and produce sustainable coffee into the value chain. Coffee is grown under a canopy of indigenous flora (trees and other plants that can provide shade for the coffee plants). Multi-cropping will be utilised. Other plants such as pepper (vines), soya, bananas, nuts, and beans can be grown together with coffee plants.

Snapshot

Sector type: Agroforestry – Coffee / commodities
Stage: Operational – Scaling
Local partner/operator: Identified MOU signed
Scalability and replication potential: Medium-to-High. The potential is high, but the process to scale can take time
Parties involved: Seneca Impact Advisors, UpLao, IDEA Consultants, Ministry of the Environment of Japan, Japanese Private Sector

Sources of revenue

- Coffee beans (green)
- Coffee beans (roasted)
- Other multi-cropped products
- Carbon credits

Initial impact

Land resilience – reduction in soil erosion, no toxic runoff as chemicals are not used, carbon sequestration – natural carbon sink from trees and soil, increased income for farmers, climate resilience

About Seneca Impact Advisors

Seneca Impact Advisors works with partners to shape and deliver nature-positive investment strategies. As a purpose-driven impact advisory and development organisation, we advance innovative financial solutions to scale commercially viable, nature- and climate-positive projects. Our mission is to mobilize private-sector capital to protect and restore the natural world, combining financial expertise with an NGO-level focus on impact.

Seneca was founded to bridge the gap between traditional conservation funding and private investment capital seeking returns. While interest in nature-based solutions is growing, few projects meet the criteria for scalability and commercial viability. We work with leading NGOs, governments, development finance institutions, multilateral agencies, environmentally driven entrepreneurs, and TNFD-aligned corporates to originate and develop projects that meet funders' expectations for impact and performance.

As public awareness of the climate crisis, biodiversity loss, and resource depletion grows, so does the demand for nature- and climate-positive investment opportunities. Seneca combines a deep commitment to the natural world with financial and technical expertise to shape strategies, design innovative solutions, mobilize capital, and accelerate initiatives that deliver measurable environmental and social outcomes, creating long-term value for investors, communities, and ecosystems.

seneca impact advisors

- LAND USE
- FOOD SYSTEMS
- BIOENERGY
- FRESHWATER
- COASTAL ECOSYSTEMS
- URBAN NATURE

Contact

Head Office:

Seneca Impact Advisors Limited

21st Floor, CMA Building
64 Connaught Road Central
Central, Hong Kong

+852 3895 0965
impact@senecaimpact.earth

senecaimpact.earth