Summary report

EU GREEN WEEK PARTNER EVENT

Advancing nature-positive investments: Progress and challenges ahead in the EU's Eastern Neighbourhood

9 June 2026, Brussels, Belgium | Online

Summary of sessions

Opening remarks by Angela Bularga (European Commission) and Fisseha Abissa (World Bank).

Angela Bularga welcomed participants attending both in person and online and introduced the workshop as the third partner event organised in the context of EU Green Week. The session was positioned within a broader series of discussions on circular economy, wastewater treatment, nature-based solutions, and water management, while emphasising that advancing green and nature-positive investment in the Eastern Partnership has been a sustained priority of regional cooperation since 2017. The remarks also highlighted ongoing EU-supported programmes and financing mechanisms, including green bonds, taxonomy, blended finance, and institutional support, and framed the day's discussion around the need to build strong economic cases for green investments.

Fisseha Abissa underscored that environmentalists currently face a significant and global financing gap, as governments have deprioritised nature and environment spending due to constrained budgets and a perception that these are global public goods rather than local priorities. Consequently, traditional public finance and classical models are insufficient, requiring innovative financial instruments and a deliberate effort to create enabling business environments that can realistically attract private-sector capital to nature and biodiversity restoration. He expressed hope that the workshop would yield concrete insights into these modalities and practical ways to build investable cases for the private sector, moving beyond generic calls to unlock private funding.


Key presentations included:

Session 1: Forests beyond timber: understanding the multiple values of ecosystems in Georgia. (Ekaterine Kakabadze, Climate Change and Protected Area Expert)

This presentation explains the results of a study undertaken in Georgian. The focus was on Georgia's forest sector, which covers nearly half of its non-occupied territories. Using nationwide geospatial data, it highlighted critical ecosystem services, including fuelwood for rural households, water regulation, and protective value considering a great part is located in mountainous areas. It also showed how timber has a comparatively low value in contrast to the European average and how non-timber forest products serve as complementary income sources. Despite overall stability, forests face serious threats and financing shortfalls, with heavy reliance on state and donor funds, especially through the National Forestry Agency, while presenting minimal private investment. The study noted unmet international targets and presented a phased roadmap for forest management and protected areas. A main takeaway was that ridging funding gaps requires urgent additional investment and strategic private sector involvement beyond timber extraction.

The discussion focused on how to translate forest ecosystem values into actionable messages for Ministries of Finance and private investors. Participants explored the cost of inaction, including direct GDP impacts, and downstream value chain opportunities. A key consensus emerged that public sector actors must present tighter, evidence-based arguments with concrete figures to effectively engage financiers and private sector partners.

Session 2: How can Ukraine unlock more financing to bridge the funding gap in the forest sector and support ecosystem services under conditions of war? (Liubov Poliakova, Forest Policy Expert, and Christian Held, Senior Forest Economist, Unique Land Use GmbH)

Mr. Held presented the key results and insights from the assessment carried out in Ukraine. He examined the severe financing gaps facing Ukraine's forest sector since the war began in 2022, while clarifying that analysis deliberately considered conflict impacts on forest area, wood supply, workforce availability, and environmental damage. Despite these disruptions, wood supply has remained relatively stable because the most relevant forest areas are not located in the most war-affected regions, while overlapping forest and peatland zones in highly forested regions offer synergies for joint development targets. The study identified an ambitious state target to expand forests by approximately one million hectares by 2035, alongside wetland development needs where no concise strategy currently exists. Four strategic financing pathways were presented: leveraging government budgets for area expansion, developing carbon market instruments, utilising the EU investment framework, and deploying blended finance such as grants and guarantees to support the sector and wood industry. A practical implementation roadmap was outlined, emphasising the need to formalise legal definitions, enact carbon market legislation, refine public-private partnership frameworks, and improve the transparency of environmental funds. Main takeaway was that Ukraine can unlock forest sector financing and advance ecosystem services by diversifying funding sources, tapping forest-peatland synergies, and accelerating legal reforms even under wartime conditions.

During the following discussion, participants noted Ukraine’s low afforestation costs and minimal opportunity cost, seeing potential in degraded arable land while safeguarding ecological balance. They stressed aligning forestry with the national recovery strategy, leveraging carbon pricing, and preserving EU market access through value-added exports. Engaging the Ministry of Finance requires showing how taxes support forest administration, while private investment is key to downstream value.

Session 3: Managing nature-related financial risks and scaling up investment for nature (Takayoshi Kato, Policy Analyst, OECD)

Takayoshi Kato of the OECD’s Green Action Task Force presented a multi-layered approach to nature finance across Eastern Europe, the Caucasus, and Central Asia. He examined both systemic risks and investment opportunities in the region. On the risk side, nature-related financial risks can undermine economic output, food security, and financial stability. These risks include such as drought, flooding, land degradation, and water scarcity. Citing collaboration with the National Bank of Georgia, he noted that over half of Georgia's bank lending portfolio depends on ecosystem services, while nearly 40% negatively impacts them. The OECD is supporting countries in assessing these compounding physical and transition risks through econometric analysis and scenario exploration, with initial findings indicating material impacts on GDP and non-performing loans. On the opportunity side, Kato discussed initiatives to mobilise financing for nature-positive investments, including a Nature-Based Solutions Innovation Accelerator with Italy and UNEP in Central Asia, and alignment of Armenia's NDC 3.0 with its National Biodiversity Strategy. He stressed the need for enabling policy frameworks to scale up investment and embed nature-related considerations into public and private decision-making, such as green budgeting, blended finance, and enhanced ESG disclosure standards.

Session 4: How can Armenia close the financing gap for restoration and ecosystem services? (Erik Grigoryan, Environmental Economist and PES Expert, Chief Executive Officer, Environment Group)

Armenia faces a substantial financing gap to restore its ecosystems and expand forest cover, which stands at only around 11%. The country's NDC target of 265,000 additional hectares of reforestation and afforestation costs is substantially higher than in some regional peers, requiring important annual investments. Although public expenditure and official development assistance provide baseline support, these sources remain insufficient to meet national targets.

To close the gap, Mr. Grigoryan highlighted several innovative mechanisms. A landmark bilateral debt-for-climate swap with Germany targeted toward climate targets and can be reported as international climate finance. Voluntary payments for ecosystem services and ecotourism offer underexploited potential, though current valuations undercount nature's full contribution to the tourism sector. Carbon markets face hurdles such as high certification costs and the need to ensure activities go beyond existing NDC commitments. NGO and diaspora initiatives also contribute, but scaling up will require stronger public finance signals, enabling policies like the new climate law with carbon accounting, and careful planning to safeguard agricultural lands and avoid local conflicts

During the discussion there was an exchange with the Georgian representatives about how the voluntary PES scheme has worked in Georgia and there was an exchange about how debt-for-climate swaps could be an opportunity as well for this country. Another topic was the conflicts associated with afforestation of agricultural land, which was also mentioned as a problem in Ukraine. It was mentioned that part of the success for the Armenian case was working together with communities ensuring socio-economic benefits were a key component of the afforestation projects and working mostly in degraded lands.

Session 5: Balancing self-financing and the funding of ecosystem services in the context of sustainable forestry in Moldova (Bernd Wippel, Bernd Wippel, European Union Forest Policy Expert, Unique Land Use GmbH and Anna Cazacu, Dumitru Galupa, EcoContact)

The presentation started by outlining Moldova's ecosystem assessment, showing how the country's forest cover stands at about 11.5% of its land area and a sector that faces structural challenges. The state forest administration, Moldsilva, relies overwhelmingly on timber sales, yet nearly half of wood harvesting is unregistered, limiting accountable revenue. Consequently, self-financing from timber cannot close the funding gap, although optimising it is an essential first step. The presentation outlined a proposed institutional reform that aims at ensuring adequate forest resources, building a competitive sector, defining an effective state role free from conflicts of interest, and developing professional foresters. It stressed that forest management should be separated from processing, with local communities positioned as future forest owners and abandoned grasslands used for afforestation without major land conflicts. Closing the financing gap further requires establishing a sound legal and MRV foundation so that ecosystem services can be measured and monetised. Pilot projects on carbon sequestration and payment for ecosystem services were highlighted, alongside a staged financing roadmap that moves from optimising self-financing and blended instruments toward attracting private capital and green bonds.

The following discussion focused on three main topics: the role of private landowners in afforestation, the industrialisation of non-timber forest products, and long-term alternatives to timber dependence. On private sector involvement, presenters noted that while private afforestation for firewood already occurs informally without subsidies, a stronger legal framework is needed to channel this activity into formal initiatives. The idea of industrialising non-timber forest products was presented, arguing that Moldova's cultural traditions and high-conservation-value species offer commercial potential even within a small forest area. Finally, participants urged thinking beyond fuel wood and timber, warning that rising energy efficiency and new technologies could reduce future wood demand. Developing non-timber products and other innovative forest-based alternatives was identified as a strategic priority to future-proof the sector.

Session 6: Nature-based solutions for water management in the Eastern Partnership countries (Yannick Pochon, Project Manager, EU4Green Recovery East programme)

The presentation introduced the EU for Green Recovery East programme, which supports Eastern Partnership countries in integrated water management at river-basin scale. It presented a regional Catalog of Nature-Based Solutions (NBS) designed to ease the inclusion of NBS into river basin management plans and programmes of measures. The approach identifies key pressures such as diffuse agricultural pollution and hydromorphological changes, then screens potential solutions using an efficiency matrix that weighs costs, benefits, and co-benefits. Examples linked to forestry and other sectors illustrate how ecosystem protection can improve water quality and climate resilience. The speaker emphasised that past water management was fragmented by use, whereas the current basin-wide lifecycle approach identifies issues, monitors quality and quantity, and designs sustainable programmes of actions. On financing, the discussion highlighted persistent barriers: investors and donors still favour grey infrastructure because it is familiar and easier to appraise, NBS often lack scale and bankable business models, and avoided costs or co-benefits are hard to capture in standard return-on-investment calculations.

The following discussion focused on the cost-benefit analysis of NBS, which was explained to be difficult to value and required more coordinated efforts to quantify.


Session 7.1: International experience and transferable approaches to financing ecosystem services (Metodi Sotirov, Senior Researcher and Associate Professor, University of Freiburg and Laqiqige Zhu, Senior Environmental Economist)

The presentation surveyed European policy frameworks and seven public financing instruments to incentivise forest ecosystem services. Because many services, such as biodiversity, carbon sequestration, and water regulation, are public goods under pressure from climate change, markets alone fail to reward them adequately, requiring public intervention. The speaker reviewed instruments spanning Belgium's NGO-led Forrena program, Finland's METSO voluntary conservation scheme, Czech and French state-aid programs for climate-adaptive forestry, Germany's national payments for ecosystem services, and the EU Common Agricultural Policy's rural development funding—the largest such framework in Europe. Key lessons included the value of long-term, predictable financing; the effectiveness of ecological conditionality; and the need to balance timber production with biodiversity objectives. NGO-led initiatives and pilot projects were highlighted as effective ways to test innovative approaches and build knowledge before scaling up. Across all cases, successful programs engaged both private and public forest owners, delivered measurable ecosystem benefits, and managed trade-offs among competing objectives. The main takeaway for Eastern Partnership countries is that public funding instruments can effectively align climate resilience, biodiversity conservation, and sustainable forest management, if designed with clear conditionality, monitoring, and stakeholder participation

Session 7.2: Market-based and Private Financing for Ecosystem Services (Laqiqige Zhu, Senior Environmental Economist)

The presentation outlined three market-based and private financing pathways for ecosystem services: bonds and capital market instruments, environmental credits and certificates, and payments for ecosystem services. Green bonds (such as Ireland's sovereign issue and a Swedish state-owned forest enterprise bond) show how public bodies can raise capital for sustainable land management, while Georgia's sustainability-linked bond illustrates how development finance institutions can de-risk private investment through climate performance targets. On environmental credits, the speaker noted that although voluntary carbon markets have contracted, nature-based credits remain significant. Government-backed standards like the UK Woodland Carbon Code and France's low-carbon credit system cut transaction costs and connect to corporate sustainability reporting, while Ireland's Peatland Finance Initiative shows how blended voluntary platforms can unlock private capital for restoration. For payments for ecosystem services, Vietnam's mandatory, legally backed scheme demonstrates national scalability, though it requires strong governance; small NGO pilots such as REFARM can test simple farmer-payment mechanisms. The overarching recommendation was to start with pilots, treat monitoring, reporting and verification as core infrastructure, and use public and donor finance to de-risk private participation while ensuring local benefit sharing and matching instruments to specific services

Closing remarks

Fisseha Abissa (World Bank) ended the discussion presenting his closing remarks:

- **Refrain from attributing underinvestment solely to market failure or institutional indifference.** The speaker cautioned to conclude that financial institutions disregard nature merely because they prioritise profit. The fundamental challenge is an information asymmetry: the conservation community possesses a sophisticated understanding of biodiversity and ecosystem service values, yet has not consistently translated this knowledge into quantitative, investable terms that financial actors can readily use.
- **Monetise restoration benefits and develop bankable investment proposals.** Using Moldova's wine sector under the REMAP project and Ukraine's extensive degraded agricultural lands as illustrations, the speaker underlined the importance of expressing ecosystem services in clear monetary returns. When land restoration is credibly shown to deliver measurable productivity gains and attractive cost-benefit ratios, it becomes a compelling, bankable proposition for private capital.
- **Present evidence in a language that resonates with non-specialist decision-makers.** Private investors and financial institutions are not inherently opposed to public goods; they require data presented in formats they recognise and trust. Environmental narratives must therefore be adapted for skeptical or non-technical audiences, moving beyond sector-specific discourse to demonstrate tangible monetary value.
- **Augment case studies with rigorous analytical frameworks to unlock private finance.** While existing case studies provide valuable precedents, the majority still rely on public financing. To scale nature-positive investment, future work should incorporate deeper analysis of financial performance, replicability, and concrete pathways for blending public and private finance.

Angela Bularga (European Commission) concluded with the following points:

- **Strengthen capacity to make the economic and budgetary case for green investments.** The speaker noted that ministries of environment face difficulties to articulate investment needs in a way that is convincing for ministries of finance. Developing capacity to formulate needs in formats that budgetary authorities can act upon was regarded as instrumental.
- **Present the investment case in accessible, convincing formats that demonstrate tangible benefits.** It was emphasised that the outcomes of analytical work would have

the highest impact if presented in a way that clearly demonstrates ecosystem value to citizens. Evidence should result in a strong, time-bound case for investing in nature.

- **Advance from regional synthesis to concrete national-level engagement across the Eastern Neighborhood.** While welcoming a stronger regional dimension in the final reporting, the speaker underlined the need for country-specific policy dialogue with ministries of finance, citing Moldova's forthcoming green investment conference as an immediate opportunity to strengthen national engagement.
- **Use upcoming high-level forums to sustain dialogue in language that resonates with finance and private-sector actors.** Events such as COP17 were identified as critical platforms to continue advancing the task of translating nature-positive priorities into terms understood by ministries of finance and investors alike.