

June 2025

# **Consultancy for a Scoping Study on Natural Capital Valuation**

## **Terms of Reference**

### **About NatureFinance**

NatureFinance is an international not-for-profit organisation dedicated to aligning global finance with equitable, nature positive outcomes. In realising this goal, NatureFinance is active in advancing the use of appropriate biodiversity data in disclosing and managing nature related risks, developing purposeful nature markets, advancing financial innovations including in sovereign debt and nature credit markets, strengthening nature related liabilities - especially in addressing nature crimes - and promoting digital approaches to advancing citizen action on nature.

### **Reporting to: Nature Economy Team**

### **Introduction**

Natural Capital Valuation (NCV) is the process of quantifying ecosystems and biodiversity in economic terms to inform decision-making, investments, and policy frameworks. It is a well-developed, recognized concept and practice which incorporates ecosystem services values and stocks on balance sheets. However, despite this, we are not seeing a holistic and integrated approach to embed natural capital values and the resulting financial flows mainstreamed across economies or jurisdictions.

The past year has heard growing calls from African institutions (AfDB<sup>1</sup>, Vice President SMI, presidents of countries on the continent) to base GDP measures and other economic indicators on the value of the natural capital held by sovereigns. These have been made in respect to the reform of the international finance architecture (IFA). There is ample literature outlining the reasons for why and how we should incorporate the costs and value of nature into our economy.

However, at project level, despite the impressive innovation in Africa, building on System of Environmental Economic Accounting approaches, we have yet to see the consistent crystallization of value and price for nature. Promising pilots such as the Ecosystem Natural Capital Accounting (ENCA)<sup>2</sup> initiative, developed in collaboration with IUCN and UNEP across West Africa and Madagascar, demonstrate methodological advancement but have not yet

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<sup>1</sup> <https://vcda.afdb.org/en/reports/measuring-green-wealth-nations-natural-capital-and-economic-productivity>

<sup>2</sup> <https://enca.vito.be/en>

translated into scaled investment flows. Tangible monetization remains limited to a handful of cases, we see from philanthropic contributions such as African Parks' sale of Verified Nature Units (VNUs) from Malawi's Majete National Park, which generated USD 1 million in 2023<sup>3</sup>, or isolated Payment for Ecosystem Services (PES) schemes.

Globally, similar bottlenecks persist despite mature valuation methods. In Colombia, ecosystem valuation in the Upper Sinú Basin demonstrated compelling societal benefits yet struggled to generate investable revenue streams<sup>4</sup>. In Spain, Holcim's quarry restoration applied NCV to showcase biodiversity and community co-benefits but lacked mechanisms to translate these values into balance sheet assets<sup>5</sup>. Meanwhile, Uruguay's sustainability linked sovereign bonds, tied to environmental performance, offer a promising example of pricing ecological outcomes. But such instruments remain rare. Moving beyond isolated uplifts requires mechanisms that integrate the value of whole ecosystems into financial decisions and national accounting. Even tools like the Natural Capital Project's InVEST model<sup>6</sup>, widely applied from Southeast Asia to the U.S, have informed planning more than they've catalyzed financial transactions.

Major challenges and constraints remain which are blocking systemic uptake and incorporation of natural capital values into business, government and IFI core practices. These are not limited to, but include:

- Many economic actors undervalue nature's contribution, perceiving them as externalities rather than an integral component of economic systems. Conversely, some stakeholders argue that nature's intrinsic value transcends monetary assessments thereby resisting its commodification.
- Corporates and financial institutions often question the credibility of valuation estimates subjecting them to more rigorous scrutiny. They hold them to a higher standard compared to conventional financial information/estimates they already use), which have their own issues.
- The assessments frequently yield substantial valuations, reflecting the extensive benefits ecosystems provide. However, these figures sometimes are dismissed as unrealistic, particularly when they represent broader societal value rather than direct financial returns.
- Natural capital considerations are not yet standard practice within the accounting profession, which predominantly serves large corporations. This gap hinders the incorporation of NCV into financial reporting and decision-making processes.
- Efforts are often siloed across various organization and cultures on natural capital valuation (whether it is WAVES World Bank, Universities, private sector efforts) which don't lend themselves to coordinated efforts

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<sup>3</sup> [https://www.linkedin.com/posts/the-landbanking-group\\_incredible-news-african-parks-network-has-activity-7249388663787180032-MicY/](https://www.linkedin.com/posts/the-landbanking-group_incredible-news-african-parks-network-has-activity-7249388663787180032-MicY/)

<sup>4</sup> [https://www.nature.com/articles/s43247-025-02254-9?utm\\_source=chatgpt.com](https://www.nature.com/articles/s43247-025-02254-9?utm_source=chatgpt.com)

<sup>5</sup> [https://seea.un.org/sites/seea.un.org/files/case\\_study\\_report\\_holcim\\_spain\\_draft\\_final\\_14july2021.pdf?utm\\_source=chatgpt.com](https://seea.un.org/sites/seea.un.org/files/case_study_report_holcim_spain_draft_final_14july2021.pdf?utm_source=chatgpt.com)

<sup>6</sup> [https://naturalcapitalproject.stanford.edu/sites/g/files/sbiybj25256/files/media/file/a-powerful-tool-to-map-and-value-ecosystem-services\\_1.pdf?utm\\_source=chatgpt.com](https://naturalcapitalproject.stanford.edu/sites/g/files/sbiybj25256/files/media/file/a-powerful-tool-to-map-and-value-ecosystem-services_1.pdf?utm_source=chatgpt.com)

- The absence of robust markets for ecosystem services makes it difficult to translate valuations into financial flows.

Conversely, there are new developments and opportunities that will facilitate the global uptake of natural capital valuation:

- Advances in technology such as earth observation, digital data collection and artificial intelligence now provide unprecedented options for evaluating and managing natural capital
- Advances in financial technology enable direct benefits to stewards of natural capital (local communities, national parks, wildlife conservancies, indigenous peoples, and farmers) through mechanisms like satellite-triggered payouts. This enables fairer benefit distribution, supporting more inclusive and sustainable economies.
- Economically, investors and central banks increasingly are demanding more transparency about nature-related risks and opportunities.

NatureFinance is commissioning a scoping paper on natural capital valuation, to inform its strategy, programmes and policy engagement on valuing nature under its Nature Economy workstream. The scoping paper will inform NF's policy analysis, projects, and the design of financing instruments to support the integration of natural capital values in international finance and economic policies.

## **The Role and Responsibilities: Scope of Work**

The scoping study will involve the following activities:

- Conducting political economy analysis, to identify the significant incentives and levers within the private sector that can shift from current technocratically dense status quo dominated by reporting and standard setting towards facilitating financial transactions for nature within economies, from investment portfolios to value chains.
- Identifying which formal financial institutions are undertaking natural capital valuations and how they are applying it to their operations.
- Performing a global mapping of the state of play on valuing natural capital, highlighting trends, opportunities and new developments, preferably delineating across regions and sectors.
- Detailing examples of natural capital approaches being adopted by public and private financial institutions, and in economic policymaking (e.g. ISSB, and Japan's recent adoption of IFRS standards)
- Identifying potential mechanisms to establish functional markets for ecosystem services that can translate valuations into sustainable financial flows. (Examples of where natural capital valuation has realized a financial transaction (with a specific focus on ecosystems, and markets - the payer and the seller)

- Examine how emerging technologies (AI, blockchain, remote sensing) can reduce costs and increase accuracy of natural capital valuation methodologies.
- Understand the barriers and blockages to widespread scale up and adoption of natural capital valuation approaches within international financial architecture and identify which formal institutions are working on this if any.
- Propose specific ways that NatureFinance can partner with/or engage identified target institutions to ensure/facilitate widespread adoption.

## **Deliverables**

The consultancy will produce the following deliverables:

1. A Scoping Report on Natural Capital Valuation Applications that includes:
  - The global landscape for embedding natural capital approaches in finance and economics, particularly accounting vs. valuation, with specific examples of their adoption in various geographies.
  - A summary table outlining the extent to which specific natural capital valuation methodologies are being implemented, and by which institutions (e.g., countries, MDBs, stock exchanges, insurance companies).
  - A mapping of how national-level NCV efforts (e.g., SEEA-based systems) interact with corporate-level accounting or disclosure mechanisms, and how nature-positive data and signals can be better aligned across levels.
  - Examples of where NCV has resulted in financial transactions, identifying the ecosystems involved, the buyer/seller, and enabling mechanisms.
  - A set of high-level, actionable recommendations to support the broader uptake of natural capital valuation across the private sector, financial institutions, and economic policymaking. The recommendations will outline potential pathways for engagement, both for the wider field and for NatureFinance's work with key actors such as Central Banks, MDBs, governments, and private sector.
  - Producing background material and draft sections for a high-level NatureFinance report on Valuing Nature, with actionable recommendations, for public release.
2. A curated and annotated reading list of core technical resources, publications, and data sources that support NatureFinance's work on natural capital valuation.

## **Experience and Qualifications:**

NatureFinance seeks the expertise of experienced consultants and development experts with the following attributes:

- A Master's degree in Environmental Economics, Finance, Ecology, Engineering or Public Policy, with a good understanding of natural capital approaches; specifically, natural capital accounting and natural capital assessments (or ecosystem services valuation). A relevant Doctorate degree is an advantage.
- Minimum of 7-9 years of relevant professional experience – in policy, finance, private sector or industry.
- Strong analytical skills, familiarity with quantitative and qualitative research techniques, and deep experience in the use of statistical software for data analysis.
- High degree of competence in the navigation and design of accounting and/or finance systems and standards, and the multiple professional communities involved in these.
- Good understanding of the global and regional policy context on financing natural capital, and recent developments on defining nature as an asset class.
- Clear sighted understanding of the dynamics underpinning corporate and public financial institution marketplaces for nature, including stock exchanges.
- Experience of working with key global/regional stakeholders, including the private sector, financial institutions, governments, multilateral organisations, industry and civic actors, for policy advice, analysis or projects on natural capital valuation.
- Highly goal oriented, with a change-making future-focused mindset which can navigate complex systems
- High proficiency in English Language, with knowledge of French or other international languages as an advantage.
- Excellent analytical, visual and writing/communication skills.

## **Terms**

Duration of consultancy: 4 months (August- November)

Deadline for applications: June 30, 2025

Location: Home-based/remote, with preference for candidates located in Europe or Africa, in UTC and CET time zones.

## **Methods**

The consultant will apply the following methods in delivering the assignment, under the supervision and guidance of the Nature Economy team: interviews, targeted questionnaires and surveys, snowball online conversations, desk review of existing literature and data analysis (where applicable).

## **Selection Process**

The consultant will be selected according to the following criteria as defined in this Terms of Reference (TOR):

- Relevant experience
- Educational background and qualifications
- Technical skills
- Knowledge of global and regional policy landscape
- Overall alignment of candidate's application with TOR

Following the review of received applications, an oral interview will be held with the top-tier candidates before a final decision is made. The expected start date for the consultancy is June 2025.

## **How to Apply**

Interested candidates should submit the following documents:

- A one-page cover letter outlining your interest and relevant experience
- Latest resume, showing work experience, academic qualifications, skills and achievements relevant to the assignment, Resumes should include three professional references with good knowledge of similar work performed by the consultant.
- Two samples of written work produced by the candidate in English – including journal articles, full-length book manuscripts and chapters, monographs, policy briefings, project reports, etc.

**Applications should be sent by email to [operations@naturefinance.net](mailto:operations@naturefinance.net) with Reference: Natural Capital Valuation in the subject line, no later than June 30, 2025.**