LAIDLAW SCHOLARS

Building a Market for Nature-Based Solutions: Lessons from Capital for Climate

Ilena Dang, Dr. Parijat Chakrabarti
Georgetown University

GEORGETOWN UNIVERSITY Center for Research & Fellowships

INTRODUCTION

Nature-based solutions (NbS) have significant potential to address climate change, biodiversity loss, and land degradation, yet investment remains far below the level needed to realize these benefits. Existing research shows that a lack of available capital is not the primary issue. Capital for Climate (C4C) has identified the issue as a lack of market infrastructure connecting investors with project developers.

This research focuses on Capital for Climate (C4C) and its work in Brazil as a qualitative case study to examine how market infrastructure can be built and shaped to effectively mobilize capital toward nature-based solutions globally.

C4C uses the term "sectoral accelerator" to describe an organization that operates at the level of an entire sector, connecting market participants, reducing uncertainty, organizing investment pipelines, and accelerating capital deployment.

Our findings suggest that market formation can be an intentional and effective intervention, achieved by reducing information asymmetry, creating shared data and terminology, coordinating institutions, building trust among market participants, and adapting strategies to local conditions.

OBJECTIVES

- Define **sectoral acceleration** as an emerging approach to building and shaping markets for climate solutions.
- Identify the mechanisms that enable capital mobilization by examine how Capital for Climate has operationalized sectoral acceleration in Brazil.
- Extract lessons for replication while identifying which elements must be adapted to local market conditions.

GUIDING QUESTIONS

1. What problem is Capital for Climate trying to solve, and what barriers prevent capital from flowing into nature-based solutions?
2. How does C4C build and operationalize market infrastructure to address those barriers?
3. What can C4C's evolution in Brazil teach us about sectoral acceleration and its potential replication elsewhere?

METHODOLOGY

We conducted eight semi-structured interviews with six C4C team members across leadership, partnerships, product, and Brazil operations. Interview transcripts were analyzed through repeated close reading and thematic analysis, supplemented by C4C internal materials, investor-facing documents, and relevant literature on nature finance, market formation, and systems change. Findings were continuously refined through follow-up interviews and regular discussion with research advisor Dr. Parijat Chakrabarti.

FINDINGS

The research identified four core functions of sectoral acceleration.

Organizing the market

C4C worked to build the "connective tissue" between both sides of the market by organizing investors and project developers into coordinated communities. Through the Brazil NbS Investment Collaborative and Union for Nature, C4C created structures that allow capital providers and developers to interact more consistently, understand each other's constraints, and evolve in parallel as the market develops.

Building social infrastructure

Trust, relationships, convenings, and repeated interactions were emphasized as essential components of C4C's success in Brazil. Investors want to know who else is investing and whether other credible institutions are participating. By repeatedly bringing investors and developers together, C4C helped create visible momentum and social proof to provide investors with confidence.

Creating market intelligence

C4C developed a taxonomy for nature-based solutions, produced market research and investment reports, and organized project information into a more standardized pipeline because emerging markets like NbS often lack the shared knowledge infrastructure that investors rely on in more mature asset classes. Taxonomies, investment theses, pipeline mapping, and standardized information can therefore make a fragmented sector more legible.

Adapting to local conditions

As a U.S.-based organization operating in Brazil, C4C built a local Brazilian team and strong relationships with investors and developers to understand the market from within. Because barriers to capital deployment differ across regions, this local embeddedness provided critical insight into how C4C could adapt its approach to Brazil's specific conditions.

ACKNOWLEDGEMENTS

I am grateful to the Laidlaw Scholars Foundation for supporting this research, to Dr. Parijat Chakrabarti for his mentorship and intellectual guidance, and to Colleen Dougherty and Georgetown's Center for Research and Fellowships for their continued support. I also thank the Capital for Climate team for generously sharing their time, experiences, and insights, which made this case study possible.

DISCUSSION

This study is limited to the extent of its reliance on C4C team members as primary interview sources, and by the fact that the model has not yet been widely replicated.

These limitations, however, create clear opportunities for future research. Further studies could incorporate investor and developer perspectives, compare similar organizations across sectors and regions, and examine which elements of sectoral acceleration are transferable and which are context-specific.