



**Risk Management and  
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## **UNFCCC's next Forum on finance for nature-based solutions**

The Wharton Risk Management and Decision Processes Center, established in 1985, is a research center affiliated with the Wharton School at the University of Pennsylvania. The Risk Center specializes in risk-related research and policy analysis.

With regards to the UNFCCC's next Forum on finance for nature-based solutions, at the Risk Center, we are currently doing research and policy work related to financing coastal ecosystem protection and restoration, which should have bearing on the Forum's scope. Please see Kousky and Light 2019, "[Insuring Nature](#)". This paper includes examples of innovations in insuring ecosystems globally and lays out the necessary conditions for insurance to work in an ecosystem protection context. Through funding from the National Science Foundation, the Risk Center is continuing to explore [innovative risk transfer instruments](#) for coastal adaptation, including diving deeper into concepts for insuring nature and the need for alternative financial tools in contexts where insurance is not an appropriate solution. Please see our July 2020 Digital Dialogue on "[Scaling up Coastal Ecosystem Protection](#)" for contributions from 14 experts on financial tools and policy mechanisms that would help address this challenge. The Risk Center would be pleased to present and discuss the results of these research efforts at the Forum.

We hope that this Forum will include the role insurance has to play in scaling up ecosystem protection and restoration within its scope. We believe that the insurance industry has a significant role to play in financing NbS, but will require collaboration with other sectors to carefully shape policies and interventions to move beyond the limited number of insurance examples that currently exist. The Forum should consider inviting leading partners in this space, such as the Global Ecosystem Resilience Facility at Willis Towers Watson, the California Department of Insurance, the Nature Conservancy, and MunichRe. Please let us know if the Risk Center can make any helpful connections with these partners as you continue to plan the Forum.