

TransCap Initiative  
Systemic Investing for Sustainability

*[ Spotlight ]*

# Nature Investment Lab

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Systemic Investing in Practice

By André Ticoulat

April 2026

# Preface

## About the TransCap Initiative

The TransCap Initiative (TCI) operates at the intersection of real-economy systems change and finance. Our mission is to develop the field of systemic investing—a new investment logic for funding systems transformation. We do so by running an open innovation space for developing, testing, and scaling systemic investing through research, prototyping, and network weaving. You can learn more about our work on our [website](#).

## About systemic investing

Systemic investing is the next frontier of purpose-driven finance, answering an urgent call for a more strategic, integrated, and contextualized approach to funding systems transformation. It leverages the tools and methods of systems thinking and complex systems science to make sense of societal challenges as complex systemic issues. It advocates for the strategic orchestration of multiple forms of capital provided by multiple types of investors under a shared theory of transformation, in pursuit of a holistic, systemic notion of impact.

For more information about what systemic investing is, read the publication [“Definition and Hallmarks of Systemic Investing”](#). To learn more about the relevance of systemic investing and the contexts in which it promises to be most useful, see the primer [“Systemic Investing for Social Change”](#) published in the Stanford Social Innovation Review as well as the more comprehensive white paper [“Transformation Capital – Systemic Investing for Sustainability”](#). You can find case studies about systemic investing [here](#).

## TCI Spotlight

As part of our field-building strategy, we seek to identify and analyze initiatives currently underway that show the principles of systemic investing in practice.

To that end, we are publishing a series of “Spotlights”—shorter versions of our case studies—that shine a light on the work of organizations and projects whose practice we consider exemplary in the application of this approach. These Spotlights are not intended to offer exhaustive analyses, but rather to illuminate concrete elements, strategic decisions, and institutional arrangements that make systemic investing distinctive. By making these aspects explicit, we aim to contribute to a deeper understanding of the concept—demonstrating how it differs from more conventional approaches to sustainable finance and impact investing, particularly with respect to systemic intentionality, coordination among actors, and structural transformation.

In our work, we operate in the current reality (what is) while keeping our gaze on possible futures (what could be). Systemic investing in its purest form belongs to the future, with elements of the practice emerging as pioneers around the world explore how a systems understanding can support different ways of investing. Each spotlight highlights where elements of this emerging financial practice are taking hold—and may lead us to uncover innovative ideas and approaches that strengthen the conceptual foundations and best practices of systemic investing.

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Cover image: Amazon Rainforest, Brazil  
Source: envato.com

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# 1. Overview

## 1.1 About the Nature Investment Lab

The **Nature Investment Lab (NIL)** is a collaborative initiative created to attract and scale investments in Nature-based Solutions (NbS) in Brazil. It brings together the private sector, government, and civil society to drive climate investment and action across regenerative agriculture, forest restoration, and the bioeconomy.

*“It is estimated that NbS could generate between 1 million and 2.5 million jobs in Brazil by 2030, while representing approximately 20% of global carbon credit supply potential—with 14% linked to sustainable agricultural and livestock management, 21% to reforestation activities, and 63% to conservation practices.”*

- NIL, ENTREPRENEURSHIP IN NBS <sup>1</sup>

The NIL was conceived by a coalition of institutions that form its steering committee—Banco do Brasil (**BB**), the Brazilian Development Bank (**BNDES**), the Glasgow Financial Alliance for Net Zero (**GFANZ**), the Instituto Clima e Sociedade (**iCS**), and the **Instituto Itaúsa**. This founding composition is significant: these actors bring together complementary capital types and capabilities—combining development finance, private capital, philanthropic capital, access to global climate capital flows, and public policy expertise—to unlock nature finance in Brazil.

NIL’s strategy and execution are led by Climate Ventures (**CV**), which serves as NIL’s executive secretariat and technical orchestrator. CV has extensive experience running climate innovation labs and orchestrating multi-stakeholder ecosystem processes to address complex challenges of the transition to a green economy.

Building on this strong technical and relational foundation, the NIL designs public policies and regulatory frameworks to increase capital flows and mitigate investment risk, incubates innovative financial instruments, and expands access to financing across three core workstreams:

- 1. Native vegetation restoration:** encompassing reforestation and afforestation, restoration on private lands, and restoration on public lands under concession
- 2. Bioeconomy:** covering the sustainable management of native vegetation, including non-timber forest products, socio-bioeconomy, and biotechnology
- 3. Regenerative agriculture:** spanning agroforestry systems, the conversion of degraded pastureland, and the production of agricultural biological inputs and green fertilizers



Source: IBGE, Board of Geosciences, Environmental Coordination, and Cartography Coordination.

<sup>1</sup> Source: Entrepreneurship in NBS: The Journey of Five Companies from Capital to Impact, October 2025 (see here)

## 1.2 Mission and vision

NIL’s mission is to bridge the gap between financial investment and nature conservation by fostering collaboration, innovation, and the development of bankable projects.

To achieve this, it is committed to reconfiguring the structural conditions of the finance system in order to enable a sustainable flow of public and private capital into the nature economy. Ultimately, it is in the restoration of ecosystems, the generation of income for communities, and the consolidation of a nature economy in Brazil that the NIL’s success will be measured.

*“The Nature Investment Lab is Brazil’s largest collective effort to unlock capital for Nature-based Solutions. More than merely catalyzing investment in innovative business models that generate profit and regenerate nature, it drives the creation of green jobs, advances policy innovation, and reduces transaction costs—opening a path towards a new and thriving green economy aligned with Brazil’s climate and transition commitments.”*

- DANIEL CONTRUCCI | Co-CEO, CLIMATE VENTURES AND NATURE INVESTMENT LAB

are financial instruments calibrated to the specific characteristics of NbS, regulatory frameworks that broaden access to financing beyond conventional models, and an actor capable of mediating between the logic of the financial system and the particularities of nature projects.

What this diagnosis calls for is not another fund or a sectoral program, but an “orchestrator” capable of filling the gaps that no single actor can fill alone. That is what the NIL was created to do: to organize market intelligence, prioritize the initiatives where impact potential and structural complexity are greatest, structure innovative instruments, and generate open knowledge from pilots. In doing so, it works to reduce the systemic friction between nature and finance—bringing public banks, the private sector, and philanthropy together around a shared agenda.

*“We must move forward together—enabling the support, partnerships, systems, and innovative financial instruments that match the courage and resilience of those entrepreneurs who choose to make nature their greatest ally: in building their own prosperity, in developing our societies, and in sustaining the health of our planet.”*

- NIL, ENTREPRENEURSHIP IN NBS<sup>2</sup>

## 1.3 The need for orchestration

Brazil’s sustainable finance agenda began taking shape well before the term ESG had consolidated, but for decades it remained focused on environmental, social, and governance risk-management criteria applied to traditional sectors. The financing of NbS represents a step change: not a matter of mitigating negative impacts, but of structuring capital for activities whose return logic is intrinsically linked to ecosystem health.

This leap demands instruments, regulatory frameworks, and analytical capacity that the market has not yet developed. Funders point to the absence of a qualified pipeline; project proponents identify the lack of appropriate capital.

This misalignment is not simply a question of capital volume—it is a question of architecture. What is missing

## 1.4 Approach and strategy

The NIL implements its strategy through **three multidisciplinary task forces**, each with its own objectives, scope, and agenda.

- 1) Policy, advocacy, and regulation:** Identifying regulatory and policy barriers to unlock solutions
- 2) Financial products & operations:** Identifying and developing innovative financial structures for restoration, regenerative agriculture, and bioeconomy
- 3) Process & transaction costs:** Dedicated to establishing standards for financial instruments and related content for NbS

<sup>2</sup> Source: Entrepreneurship in NBS: The Journey of Five Companies from Capital to Impact, October 2025 ([see here](#))

## Areas of Focus

1

### Policy, Advocacy & Regulation

**Public Policy:** Support for the formulation or revision of regulations and public policies

**Incentive Programs:** Support for incentive programmes and/or capital allocation into NbS or natural capital projects

**Concept Notes:** Production of studies and/or concept notes for government institutions, regulators and similar bodies

2

### Financial Products & Operations

**Financial Products:** Development and/or redesign of financial products or asset classes to facilitate capital allocation into NbS

**Technical Capacity Building:** Technical capacity building for financial sector actors, entrepreneurs, and other audiences

**Pilots:** Design of pilots, strategic blueprints, and studies to enable the viability, development, and scaling of Nature-based Solutions (NbS) operations

3

### Processes & Transaction Costs

**Contracts & Docs:** Drafting of templates, models, and standardized documents to reduce transaction costs in climate and nature projects

**Risk Management:** Development of studies and models for integrated natural capital risk management

**Data & Tech:** Development of studies, models, and pilots for data frameworks, technology platforms, and MRV workflows for NbS

The diagram below visualizes NIL's impact thesis. At the top sit the systemic challenges. Below are NIL's primary objectives, which are addressed simultaneously via the three task forces. At the base are the three outcome areas. The NIL's logic depends on coherence across these levels: reforming the financial infrastructure only makes sense if doing so alters the trajectory of real-economy systems.

# Nature Investment Lab

Challenges, objectives, and strategy

## Systemic Challenges

Structural and interconnected challenges that impede the flow of capital to NbS



- Financial instruments incompatible with NbS
- NbS businesses lacking sufficient bankability
- Public, private & philanthropic capital in silos
- Regulation not adapted to the specificities of NbS
- A market without shared standards or methodologies

## Primary Objectives

The strategic directions that guide the NIL's work



## Task Forces

How the NIL pursues its objectives and addresses systemic challenges



## Outcome Areas

Real-economy systems the NIL seeks to transform



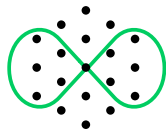
INTERDEPENDENT

## 2. How NIL exemplifies the Hallmarks of Systemic Investing

In this section, we explore to what extent NIL demonstrates the core ideas of systemic investing, which at the TCI we have defined as the **Hallmarks**. We recognize that NIL doesn't necessarily make sense of their work through our framework and language, but we find such an analysis useful in informing the emerging and evolving ideas of systemic investing so that we and others in the field can learn from one another.

In what follows, we find that the NIL is already strongly aligned with several of the Hallmarks, with clear opportunities for deeper engagement with others.

### (1) Systems Mindset



The NIL begins with an explicit reading of the structural failures in the NbS system: misalignment between capital and projects, regulatory gaps, high transaction costs, and a lack of standardization. NIL recognizes the interdependencies between public policy, financial instruments, project developers, and institutional investors, and how their activities are linked to real-world outcomes in the nature economy, evidencing a mindset grounded in complex systems.

### (2) Transformational Intent



Transformational Intent describes a vision for deep, structural, and irreversible change in a particular system. In our framework, it is defined as an aspiration that goes beyond optimizing an existing system, instead directed at reconfiguring the fundamental conditions that determine how that system operates.

NIL's mission is to bridge the gap between financial investment and nature conservation, fostering

collaboration, innovation, and actionable projects. It is, however, the strategic approach that makes that intent legible. NIL does not seek to finance isolated projects; its mandate is to transform the policy incentives and financial structures that govern whether, and on what terms, capital reaches nature. This distinction is consequential: it positions NIL not as a capital allocator operating within prevailing market logic, but as an initiative designed to reshape that logic itself.

The ultimate measure of this endeavor lies, however, in the tangible outcomes it generates at the level of the real economy: the regeneration of forests, the recovery of ecological function across Brazil's biomes, the economic empowerment of communities, and the development of supply chains that generate income without driving deforestation. It is at this level of place-based, real-world impact that systemic investing finds its most genuine justification.

### (3) Systems Analysis



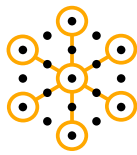
Systems Analysis is hugely important within systemic investing. The Systems Analysis hallmark is an umbrella for hallmarks 4 to 7, which unpack it further. For all of these hallmarks, the starting point is to ask the question: in this case of systemic investing, what is 'the system' that is being transformed? How is it understood?

The NIL defines its system with strategic precision: financing for NbS in Brazil—the instruments, regulations, institutional arrangements, and behaviors that determine whether and how capital reaches nature. This is a deliberate and well-grounded choice. Brazil as a whole constitutes a system too broad to be transformed from any single position; the financial and regulatory layer conditioning investment in NbS is where the NIL can exercise real, measurable influence.

As the discussion of Transformative Intent notes, however, the system that NIL has defined as its domain of analysis and action (the system financing NbS in Brazil) is just an element of the broader system—Brazil’s nature economy—which determines the outcomes that really matter.

A natural next step for NIL’s work would be to identify more specific systems of focus, such as geographically defined areas where NbS tools are being deployed, as a way of exploring how the work they are doing in the financial system is playing out on the ground.

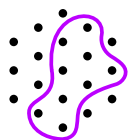
## (4) Systems Mapping



The NIL’s coalition building and corresponding collective sensemaking have generated substantive knowledge about the NbS financing system: its actors, barriers, and dominant narratives. This knowledge, however, remains largely tacit, distributed across the team but not yet rendered as an explicit map of the interdependencies and feedback loops that hold the system in its current state. Formalizing such a map would be valuable both for sharpening the identification of leverage points and for serving as a boundary object with other initiatives operating in the same space.

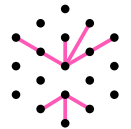
The most significant gap, however, lies beyond the financial layer: the NIL does not yet have a map of how financed NbS relate to one another, what dynamics are being activated in the territories, or whether the portfolio as a whole is producing systemic effects in the real economy. Building that picture is what would allow the NIL to assess, with greater rigor, whether it is transforming the system it has set out to transform.

## (5) System Boundary



The NIL’s choice to operate primarily in the financial and regulatory layer is strategically coherent: this is where the most immediate barriers to capital flow into NbS reside, and where the NIL has genuine conditions for influence. But every System Boundary carries an implicit question about what it leaves out. In the NIL’s case, what lies beyond the boundary are the territories, ecosystems, and communities that the financed NbS are meant to

be regenerating. This does not mean the NIL needs to expand its activity beyond the financial layer. It means the boundary must be permeable: what happens in the real economy must continuously inform the decisions taken in the financial layer.

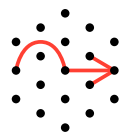


## (6) Leverage Points

In complex systems, not all interventions carry the same weight. Leverage Points are places where a relatively small shift produces outsized effects, and often, these are precisely the places that rewrite the conditions reproducing the problems in the first place.

It is precisely this logic that appears to orient the NIL’s choices. By prioritizing standardized contracts such as the carbon offtake contracts, designing innovative products such as the guarantee mechanisms, and proposing regulatory amendments to the [Eco Invest](#) framework, the NIL intervenes in the shared structures that determine whether the NbS market can function at scale. A standard contract reduces transaction costs for the entire market at once. A regulatory amendment changes the rules for every eligible project and reconfigures how public money flows into nature. A guarantee mechanism changes the perceived risk profile of an entire asset class and allows institutional capital to flow where it previously could not.

## (7) Theory of Transformation



The Theory of Transformation, formalized by the NIL, articulates a set of hypotheses: that by reducing transaction costs, strengthening public policy, developing financial instruments, and qualifying pipeline quality, it will be possible to increase the participation of private capital and consolidate the NbS market in Brazil. This is a well-articulated logic, and it anchors NIL’s work in informed bets about how to influence system dynamics.

What the theory does not yet make explicit is the next step: what happens after the capital arrives? Consolidating the NbS market is still an achievement at the level of the financial layer. A complete theory would need to name the ecological and social transformations that should follow,

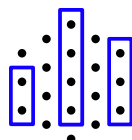
and to articulate the hypotheses about how capital, once structured, produces those outcomes in the real economy. Recognizing that systems are complex and adaptive means that none of these hypotheses can be treated as causal certainties. At best, they are plausible directions. What distinguishes a robust Theory of Transformation is not causal precision, but clarity about where one is trying to go and the quality of the learning mechanisms that enable course correction as the system responds.



## (8) Transition Pathways

The complexity of the problem that NIL is tackling brings uncertainty about which strategies will be effective. The Transition Pathways hallmark points to the importance of pursuing multiple strategies towards the same goal, and of recognising the contingency and path dependency of how each strategy plays out. In other words, given the uncertainty about which bets, at which level, will produce the most transformative outcomes for nature and for people, systemic investing involves funding multiple hypotheses simultaneously and learning from all of them.

To some extent, the multiple strands in NIL’s Theory of Transformation constitute different Transition Pathways towards an economic system that values NbS. For example, by tackling three different thematic areas (restoration, bioeconomy, and regenerative agriculture), NIL maps out different ecological bets, with their own risk profiles, return horizons, and impact logics. The Transition Pathways hallmark calls on systemic investors to be carefully attuned to how the local context and the decisions made along the way are shaping the direction being taken. This helps them to learn about the effectiveness of a strategy and ensure it feeds ongoing re-assessment of how the desired transition will best be brought about.



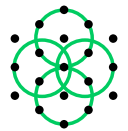
## (9) System Financing Needs

Understanding a system’s financing needs means answering a central question: how much capital, and of what kind, is required to transform it? Any answer will be speculative, but even a rough estimate is valuable. It helps avoid two recurring problems in impact finance: capital-centric allocation, where investors deploy the capital they

are most familiar with rather than what the transformation actually demands, and volumetric incoherence, where fund sizes reflect what the market offers rather than what the system needs.

The NIL has identified which capital classes are absent or poorly structured for NbS, mapped bottlenecks by business maturity stage, and articulated where available capital fails to meet the interventions the system requires. The next step is to address the volumetric dimension: how much of each, by impact area. What volume of guarantees is required? What is the size of the blended finance gap?

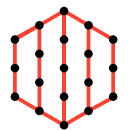
## (10) Coalition Building and Orchestration



The combination of strategic funders—[Banco do Brasil](#), [BNDES](#), [GFANZ](#), [iCS](#), and [Instituto Itaúsa](#)—alongside an extended network of over 500 organizations and 1,200 individual actors, creates the conditions for an orchestration infrastructure. An entity capable of convening, coordinating, and translating across fundamentally distinct capital logics. A public development bank. Climate philanthropy. Bilateral cooperation. A global finance alliance. Each with its own mandates, time horizons, and criteria. Getting these logics to converge around a shared agenda is itself a rare form of institutional capacity.

At the same time, the bottom-up network is the NIL’s primary source of intelligence: NIL listens to the system from the ground up, consolidates that collective diagnosis, and translates it into actionable priorities. It is this capacity to aggregate dispersed perspectives and convert them into coordinated action that positions NIL as a strategic orchestrator.

## (11) Investment Architecture



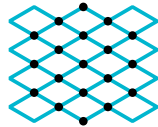
Investment Architecture, in the context of systemic investing, answers a central strategic question: how much capital, of what kind, structured in what way, and how do different vehicles relate to one another so that the right capital reaches the right type of intervention at the right moment? This architecture is not static: it evolves as the system advances and its financing needs change.

Without directly controlling a capital vehicle, the NIL operates at the level of designing and influencing the financing architecture for NbS in Brazil—structuring hybrid mechanisms, supporting blended finance initiatives such as Eco Invest Brasil, and articulating complementary instruments in relation to one another.

*“The real obstacle observed was access to the right capital, at the right moment, and with a financial structure compatible with the business’s stage of maturity.”*

– NIL, ENTREPRENEURSHIP IN NBS <sup>3</sup>

## (12) Strategic Investment Portfolio



In systemic investing, the portfolio composition paradigm shifts from risk reduction through diversification to value maximization through synergy. What makes a portfolio “strategic” is that its assets are logically related to a Theory of Transformation. For each intervention, there is a narrative about how it is expected to contribute to systemic change, both independently and through Combinatorial Effects.

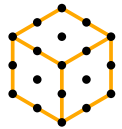
The fact that this portfolio is not concentrated under the NIL’s direct management does not diminish its systemic coherence; rather, it reflects the distributed nature of systemic investing, in which multiple vehicles and actors can compose a Strategic Investment Portfolio so long as a coordination mechanism exists.

The NIL has established itself as the official partner of the Brazil Investment Platform (BIP) for NbS. In this role, the NIL can now coordinate a national project pipeline anchored in an innovative orchestration architecture and matchmaking: an organized deal pipeline matched to appropriate investors. This strategic design allows the portfolio to serve not only the demands of the BIP but also to channel structured transactions to the banks and asset managers featured in the [Eco Invest Brasil](#) program, as well as to other organizations and funds seeking qualified investments in the sector.

One question worth sitting with as this model matures is whether matchmaking is being conducted with strategic

intentionality or whether it tends to operate as a volume function. The systemic coherence of the portfolio depends on projects being directed to each exit on the basis of their contribution to the Theory of Transformation, not merely their fit with available capital criteria.

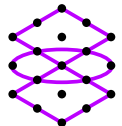
## (13) Investment Vehicle Design



In systemic investing, vehicle design is not a merely technical matter—it is where vision meets practice. The legal form, governance structure, and contractual terms of a vehicle ultimately determine how capital can be deployed. Traditional models have been optimized for the conventional logic of financial returns; systems transformation requires vehicles deliberately designed to accommodate a different set of objectives.

Participation in the design and structuring of guarantee mechanisms, technical support for blended finance instruments, and the development of standard contracts all attest to the NIL’s direct involvement in the legal and structural configuration of financial vehicles.

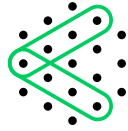
## (14) Nesting



A system’s transformation requires interventions of different kinds to happen simultaneously and in a coordinated fashion. Embedded within [Climate Ventures](#) and connected to initiatives such as the Brazilian Restoration and Bioeconomy Finance Coalition ([BRBFC](#)), the NIL does not operate as a standalone initiative but as a node within a broader architecture of transformation. Its strength lies not only in structuring financial instruments but in anchoring them in agendas, coalitions, and policies already in motion across the restoration, bioeconomy, and regenerative agriculture systems. This capacity for Nesting is, in itself, an expression of the NIL’s systemic maturity: the awareness that the impact of its interventions depends, in large part, on what is happening around them—and the deliberate effort to align with it.

<sup>3</sup> Source: Entrepreneurship in NBS: The Journey of Five Companies from Capital to Impact, October 2025 ([see here](#))

## (15) Combinatorial Effects

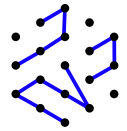


Combinatorial Effects are the synergies that emerge when multiple interventions stand in a strategic relationship with one another—the idea that one plus one can sometimes equal three. What distinguishes systemic investing from thematic investing is precisely this: it is not enough for assets to belong to the same thematic context; they must establish among themselves a strategic relationship that amplifies each asset’s impact. This relationship can occur within a single portfolio, across the portfolios of different investors, or between financial assets and non-investable interventions pursued by other actors in the system. In all cases, what is at stake is the capacity to generate impact that no single intervention could produce on its own.

The NIL demonstrates this logic along two dimensions. In the first, its policy and advocacy work, innovative financial product development, and standardized contracts mutually reinforce one another. The reduction of transaction costs amplifies the effectiveness of guarantee instruments; regulatory progress extends the reach of blended finance; pipeline qualification increases the absorption of structured capital. Each intervention creates the conditions for the others to be more effective.

In the second dimension, the NIL recognizes that Combinatorial Effects also operate within the business ecosystem. Models operating different solutions within the same outcome area share challenges and opportunities that are rarely explored in a coordinated fashion. Mapping and fostering these synergies represents an opportunity to deepen the NIL’s work.

## (16) Measurement, Learning and Sensemaking



In systemic investing, measurement does not mean attributing outcomes to specific investments—it means generating collective knowledge about how the system is responding to interventions. The focus shifts away from output metrics towards more fundamental questions: Is the system moving towards the Transformational Intent? Which assumptions need to be revisited? What undesirable changes are emerging? It is this process of generating collective knowledge—combining quantitative indicators with collective sensemaking practices—that enables a systemic investment program to learn and adapt in contexts of irreducible uncertainty.

The NIL runs a continuous listening process with its coalition, capturing signals directly from those who operate within the system and converting that intelligence into action priorities. The public [documents](#) produced by the Lab—the blueprints, the Advisory reports, and the [Eco Invest](#) briefing—alongside the network’s recurring convenings, reveal an organization that systematizes what it learns and returns it to the ecosystem as shared knowledge.

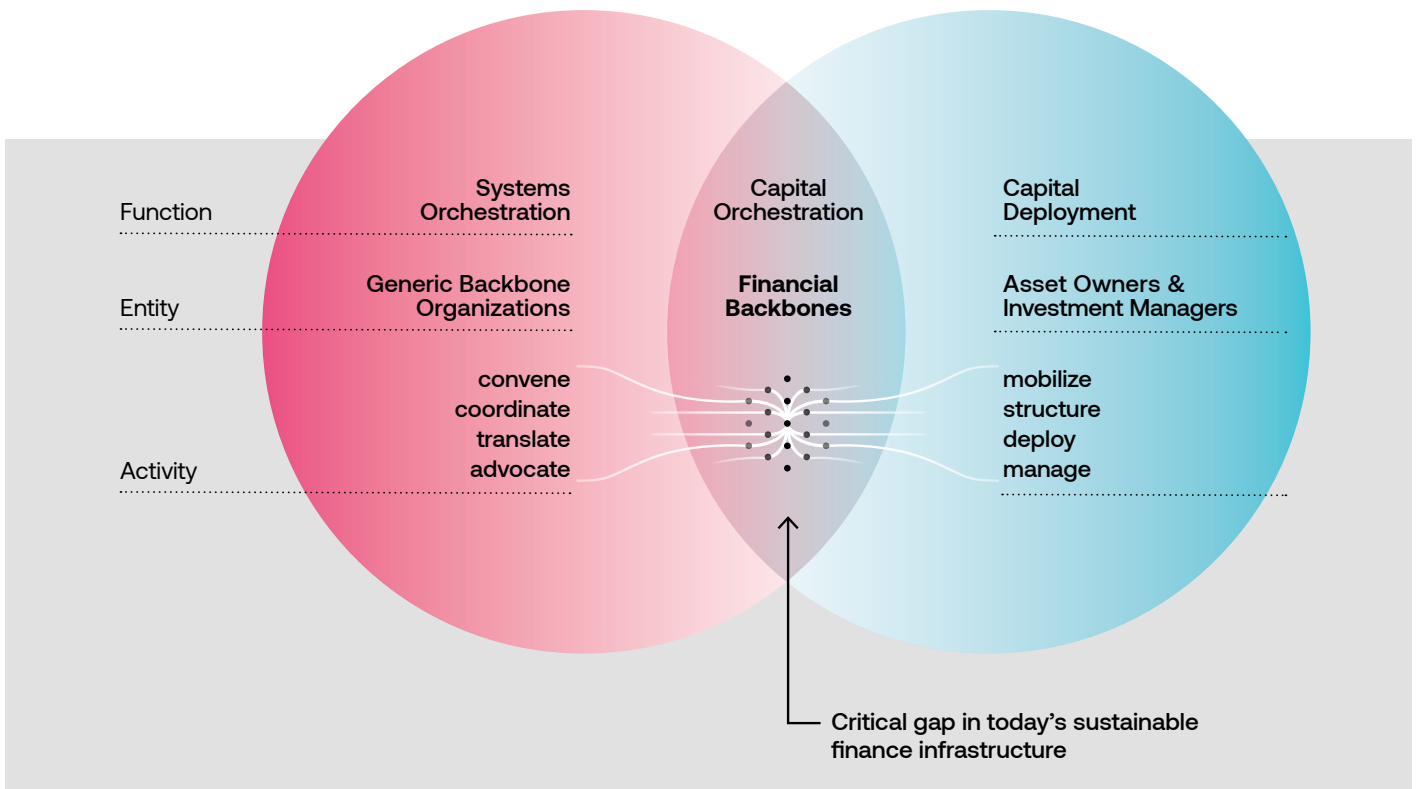
Two areas of deepening present themselves. The first is to formalize the internal sensemaking process: which methodologies guide the synthesis of inputs, how perspectives are weighted, and how the diagnosis is revised over time. The second, and more structural, is to build a measurement practice at the level of the system itself: Are the identified barriers being removed? Are the transformation hypotheses holding? What unanticipated effects are emerging?

## 2.2 The NIL as capital orchestrator

To understand the nature of the NIL as an organization, it is useful to situate it within an emerging concept in the field of systemic investing: that of the **financial backbone**. We have dedicated an in-depth study to this archetype, arguing that systems transformation requires a type of actor that does not yet exist within the conventional infrastructure of sustainable finance.

The opening argument is simple, but its implications are far-reaching. On one side stand organizations focused on systems orchestration: backbone organizations, multi-actor coalitions, and collective impact initiatives. They convene,

coordinate, translate across distinct logics, and advocate for structural change. What they typically do not do is engage financial capital in a strategic way: they do not structure instruments, mobilize investment flows, or manage project pipelines. On the other side stand capital allocators: asset managers, banks, foundations, and DFIs. These know how to allocate the capital they control into the assets in which they have a mandate to invest, but they typically do not convene, coordinate, or translate across different types of capital and system actors. At the intersection of these two gaps lies a void—and it is precisely this void that financial backbones are designed to fill.



Source: Definition and Hallmarks of Systemic Investing, TransCap Initiative 2024

A financial backbone is, at its core, an entity dedicated to orchestrating financial capital for systems transformation. This means building and sustaining long-term investor coalitions that span the full capital spectrum; generating and disseminating systemic intelligence that informs allocation decisions; structuring investment architectures that coordinate different types of capital in strategic relationship with one another; shaping the project pipeline through screening, technical assistance, and matchmaking between projects and funders; designing financial instruments tailored to the real needs of the system; and running continuous processes of collective learning and sensemaking. The financial backbone does not replace capital allocators: it creates the conditions for their capital to be deployed in a more strategic, integrated, and contextualized manner than any of them could achieve individually.

Viewed through this lens, the NIL's trajectory reveals a substantial correspondence with this archetype. Its founding coalition brings together [Banco do Brasil](#), [BNDES](#), [GFANZ](#), [ICS](#), and [Instituto Itaúsa](#) as a deliberate composition of complementary mandates that, taken together, cover the capital spectrum relevant to NbS in Brazil. At the same time, the NIL runs a continuous listening process with its extended network of more than 500 organizations, capturing the pain points, bottlenecks, and misalignments that prevent capital from reaching nature. This bottom-up sensemaking—consolidated, interpreted, and translated into concrete proposals for the steering committee—is the mechanism through which the NIL converts systemic intelligence into decisions. It is this capacity to translate system needs into coordinated capital action that positions the NIL as a potential example of this emerging archetype in the Global South.



Photo: Leonardo de Jesus Couto - Presidente Figueiredo, AM - Brazil

## 3. Conclusion

In just over a year, the NIL has come to operate as a platform for reconfiguring the conditions for NbS in Brazil. More than a set of deliverables, its trajectory reveals the construction of an intermediary infrastructure capable of translating signals from the real economy into financial architecture and, thereby, reorganizing available capital in line with systemic needs.

This movement takes shape through the articulation of market listening, instrument design, and regulatory engagement. The open call conducted by the NIL only identified financing bottlenecks grounded in the experiences of real companies, but also informed the development of tools and institutional frameworks, such as offtake contracts, risk methodologies, and contributions to Eco Invest Brasil. In this sense, NIL operates less as a project originator and more as a mechanism for aligning the supply and demand of capital in high-friction contexts.

NIL's central role in ProFloresta+ makes this role explicit. By participating in the structuring of an initiative that combines large-scale restoration, capital mobilization, and demand signaling through public offtake commitments, the lab operates at the intersection of public policy, financial innovation, and market-building. What is at stake is not merely the feasibility of a project, but the creation of institutional precedents that reorganize expectations and reduce uncertainty for the system as a whole.

Among the NIL's most distinctive features is its capacity to operate as an orchestrator: organizing the capital architecture and matchmaking between different projects and the types of financing best suited to each. In this sense, the case illustrates the importance of combining functions that, in conventional approaches, tend to remain disconnected: market intelligence, vehicle design, regulatory advocacy, institutional weaving, advisory, and matchmaking. It is precisely this connective capacity that makes the NIL a sophisticated experiment in the strategic orchestration of capital for nature.

At the same time, the case reveals that this kind of work is hard. The analytical and relational burden of operating simultaneously across three thematic areas as distinct as restoration, bioeconomy and regenerative agriculture,

each with its own market dynamics, actors, and regulatory obstacles, is considerable. Maintaining strategic coherence while responding to the immediate demands of each front is a tension the NIL is navigating, and one that likely has no definitive resolution.

There is also a deeper unresolved tension: financial innovation can create an illusion of systemic progress even as ecosystems continue to degrade. Resolving the bottlenecks of the financial system is a necessary condition, but not a sufficient one. The NIL has been effective in attacking this first layer, and its results on that front are today the most visible. But the question that the next horizon poses is more demanding: once the financial conditions begin to consolidate, what should this capital actually produce? And how do we know whether it is producing it?

This means looking at each of the three outcome areas not merely as investment themes, but as systems in their own right, each with its own pathways of ecological and social transformation, pathways that capital can support or distort, depending on how it is allocated. Within each of these thematic areas, there are multiple possible bets about how to generate real impact for nature and for people, and the choice between them is not neutral.

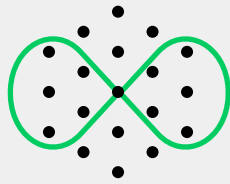
It is in this movement—from the financial system to the real economy, and from there to each specific territory and ecosystem—that systemic investing finds its most complete expression. If the NIL can navigate this arc with the same disposition to experiment, iterate, and incorporate learnings that characterized its initial phase, it may establish itself as a reference in nature finance innovation in Brazil. It could also become an international learning case for coalition building and orchestration in real-economy systems transformation.

# 4. Systemic Investing Hallmarks

1 CONCEPT

## Systems Mindset

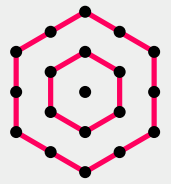
The fundamental attitudes, beliefs, and dispositions—anchored in systems thinking and complex systems science—directing the way systemic investors think about societal issues and how to address them



2 CONCEPT

## Transformational Intent

The high-level change vision for a particular system



3 PROCESS

## Systems Analysis

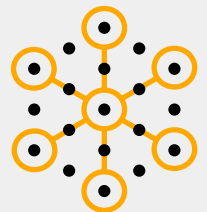
The generation of strategic intelligence informing capital deployment decisions in systemic investment programs



4 PROCESS

## Systems Mapping

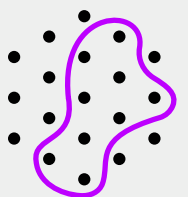
Identifying and visualizing nodes, relationships, and dynamics within a system



5 CONCEPT

## System Boundary

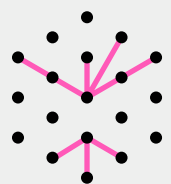
A conceptual demarcation that defines the scope and limits of a system



6 CONCEPT

## Leverage Points

Places within a complex system where a (relatively) small shift can produce outsized effects in other places of the system



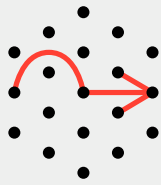
### Discover more

For additional information about what systemic investing is, including more detail on each of the 16 hallmarks, read TCI's publication "Definition and Hallmarks of Systemic Investing".

7 CONCEPT

### Theory of Transformation

The overarching hypothesis of how a transformational intent could be realized



8 CONCEPT

### Transition Pathways

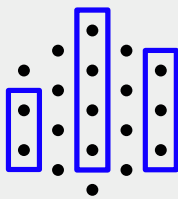
An evolutionary trajectory—understood as a series of stepping stones of “adjacent possibles”—that a system might follow given its path-dependency and current directionality



9 CONCEPT

### System Financing Needs

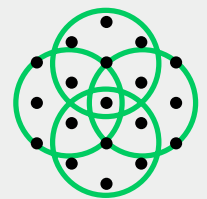
A hypothesis of the capital requirements for achieving a particular transformational intent



10 PROCESS

### Coalition Building and Orchestration

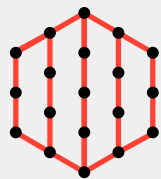
Developing and nurturing a group of investors and funders committed to a shared transformational intent and theory of transformation



11 CONCEPT

### Investment Architecture

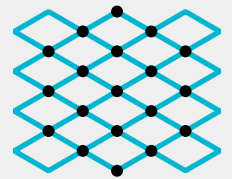
The design of the overall capital structure of a systemic investment program



12 CONCEPT

### Strategic Investment Portfolio

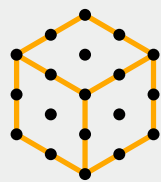
A collection of assets funded with return-seeking capital sitting within the overall investment architecture



13 CONCEPT

### Investment Vehicle Design

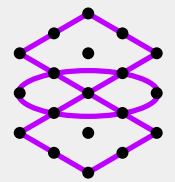
The form, configuration, and legal structure of the containers in which assets and unallocated capital sit



14 CONCEPT

### Nesting

The deliberate synergistic alignment of an investment portfolio with a broader system intervention approach



15 CONCEPT

### Combinatorial Effects

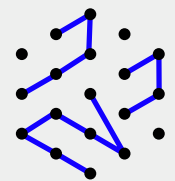
The synergies that arise when multiple interventions stand in a strategic relationship with one another



16 PROCESS

### Measurement, Learning and Sensemaking

A systematic approach to generating insights and a basis for accountability in systemic investment programs



## About the author



### André Ticoulat

André is a Senior Investment Associate at TransCap Initiative, where he works at the forefront of Systemic Investing, developing capital strategies designed to drive structural change. With a background in Economics from the University of British Columbia and experience across capital markets and venture capital, he brings both analytical rigor and practical sensibility to the design of financial solutions that tackle complex social, economic, and environmental challenges. At TransCap, he moves fluidly between methodological development and prototyping, putting the concepts of Systemic Investing to the test in the real world.

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