

# 50% of Forest Investment Risks Can Be Reduced Through Early Intervention, Xilva Report Reveals

*New insights highlight the importance of comprehensive due diligence for the \$133B nature-based solutions market*

ZURICH, SWITZERLAND, November 19, 2024 /EINPresswire.com/ -- [Xilva](#), a leader in due diligence for forest and nature-based solutions (NbS), has released an impactful report, "Navigating Risks & Realizing Opportunities in Forest & Nature-Based Investments", which highlights critical gaps in how investors and project developers look at NbS complexities. The report shows that focusing solely on carbon credits does not fully capture the true scope and potential returns of forest investments, underscoring the importance of a broader approach to risk assessment.

Nearly 90% of forest projects lack essential documentation, creating investment risks that can undermine project success. Xilva's 360-degree due diligence not only identifies these risks but shows that early intervention can mitigate up to 50% of them, helping investors make informed, confident decisions.

"Investors need to consider multiple risk factors beyond just carbon credits. For fund managers, carbon credit buyers, donors, corporate as well as impact investors, a comprehensive, structured assessment of a project's performance is an essential step to minimize risks and maximize the assurance of making informed decisions," said Jamie Lawrence, co-founder and Head of Forest at Xilva. "Our framework not only helps identify these risks but also transforms them into workable solutions."



Forest and Nature-Based Investment Due Diligence





Investors need to consider multiple risk factors beyond just carbon credits. A comprehensive assessment of a project's performance is an essential step to minimize risks & maximize assurance."

*Jamie Lawrence, co-founder  
and Head of Forest at Xilva*

Xilva's report, based on assessments of 288 projects across countries like Brazil, India, Kenya, and the United States, categorizes risks using its proprietary Xilva GRADE framework. The framework identifies mitigatable risks, potential red flags, and critical no-go factors, including ethical concerns such as indigenous rights, which emerged in 16% of cases. For instance, during a review of a [100,000-hectare project](#) in a degraded tropical forest, Xilva found that unrecognized migrant communities were excluded from initial consultations, risking social conflict and carbon credit delivery. Social and financial stress tests by Xilva produced a strategy for the project's backers to enhance

social license and thereby ensure security and stability.

The report underscores five critical areas for improvement: carbon modeling, land rights, community engagement, financial planning, and governance. These were flagged in over 70% of the projects reviewed. "This report outlines recurring challenges and also provides a roadmap for project developers," added Sarah Scott, Founder and Executive Director of The Kilimanjaro Project (Kijani Pamoja). "With effective due diligence, and a deeper understanding of project risks and mitigation strategies, more trust can be built between investors and project developers allowing a more robust pipeline of high-quality NbS projects and investment opportunities to be developed and scaled globally."

To see a copy of the report, contact Xilva.

Xilva Press

Xilva

[email us here](#)

Visit us on social media:

[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/761905007>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.