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# Cheshire and Warrington Natural Capital Audit and Investment Plan

## 4. Future financing report

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## 1. Introduction

The Cheshire and Warrington Local Enterprise Partnership (C&W LEP) have identified the need for an assessment of the interrelationship between natural capital and its economic and social development ambitions for the area. Natural Capital is defined as:

*“..elements of nature that directly or indirectly produce value or benefits to people, including ecosystems, species, freshwater, land, minerals, the air and oceans, as well as natural processes and functions” (Natural Capital Committee 2014<sup>1</sup>).*

It is the stock of natural assets (e.g. soils, water, biodiversity) that produces a wide range of ecosystem services that provide benefits to people. These benefits include food production, regulation of flooding and climate, pollination of crops, and cultural benefits such as aesthetic value and recreational opportunities.

Natural capital supports all other forms of capital on which human systems depend, whether man-made, human or social. However, many of the outputs produced by natural capital, such as the regulation of flooding and atmospheric gases by forest lands, are not included in the decisions of private individuals or organisations. This is because they often involve non-priced public goods that are not traded in the market place and are not subject to formal property rights and entitlements (TEEB, 2010<sup>2</sup>). Elements of natural capital are therefore liable to be overused, degraded, depleted and eventually lost, with consequences for long term welfare and the sustainability of economic systems. There is now much greater awareness of the role of natural capital in the design and achievement of economic and social development strategies, with strong links to business and enterprise<sup>3</sup>. The C&W LEP’s interest in natural capital assessment is also set within its commitment to develop quality of place as a platform for sustained growth.

The C&W LEP have commissioned this project to produce a Natural Capital Audit, and support the development of a Natural Capital Investment Plan for the area. This is driven by the need not only to manage risks to the natural environment associated with economic development that could undermine successful achievement, but also to explore the opportunities to tap into new funding sources and mechanisms for innovative investments that can achieve substantial gains for people and the natural world. In this respect, there is a need to develop a strategic network of natural capital oriented projects to support and extend C&W LEP’s strategy through to 2040, engaging key stakeholder interests in the process. The investment plan covers the three local authority areas of Cheshire West and Chester, Cheshire East, and Warrington.

An extensive evidence base has been built-up to support the development of the **Natural Capital Audit and Investment Plan (NCAIP)**. The evidence is summarised in the main NCAIP report, but is presented in much greater detail in the form of five technical reports:

1. **Natural capital audit and policy analysis** – a baseline assessment of the natural capital assets currently present across Cheshire and Warrington, the benefits that flow from those assets and their monetary value, together with an analysis of policies at the local and national scale that effect natural capital, and an identification of priority themes and sectors.

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<sup>1</sup> Natural Capital Committee 2014. Towards a Framework for Defining and Measuring Changes in Natural Capital. Working Paper 1, Natural Capital Committee.

<sup>2</sup> TEEB. 2010. The Economics of Ecosystems and Biodiversity: Ecological and Economic Foundations. Earthscan, Oxford & NY.

<sup>3</sup> TEEB. 2012. The Economics of Ecosystems and Biodiversity in Business and Enterprise. Earthscan. London; New York.

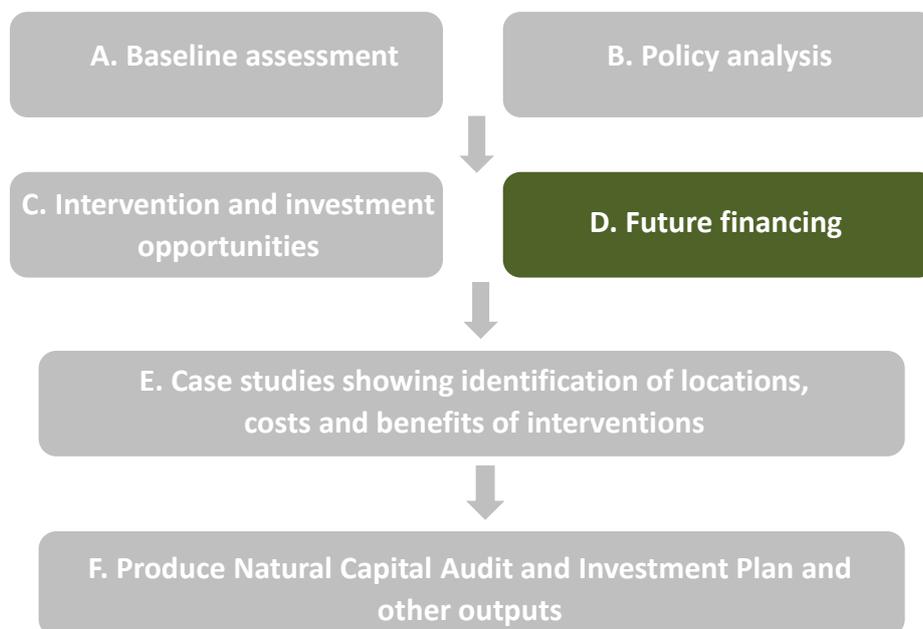
2. **Intervention and investment opportunities report** – habitat opportunity mapping to identify the best locations to deliver specific or multiple objectives, along with mapping of strategic themes based on local policies, to prioritise locations for investment.
3. **Workshop report** – write-up of stakeholder workshop to present the approach used to map natural capital opportunities, and to discuss key priorities across C&W.
4. **Future financing report** – review of emerging financing options, including a typology of different funding opportunities, the ecosystem services and habitats covered by each, and an approach to identifying the most appropriate funding mechanism for different projects.
5. **Case studies report** – presentation of five case studies to demonstrate how the opportunity maps can be used to identify habitat creation potential based on different objectives, to highlight the benefits of such projects, and to show how funding requirements and potential funding sources can be identified.

Another key output from this project are the numerous GIS maps and layers. These are being supplied to project partners as a data package.

**This report is the fourth of these technical reports; the future financing report.** The aims of this report are to:

- a) Review and collate current and emerging funding opportunities related to natural capital, providing information on each fund and the ecosystem services that it supports.
- b) Develop a fund selector spreadsheet to help users select the most appropriate funds for their project.

Figure 1 shows the structure and components that make up the overall Natural Capital Audit and Investment Plan and how the future financing workstream fits into the rest of the project.



**Figure 1** Overview of the overall project. The green box highlights the work reported here and shows how it fits into the other components of the overall project (grey boxes).

## 2. Funding and funding mechanisms

This section identifies investment opportunities in natural capital to improve the success and reach of existing development plans and initiatives. It further seeks to explore new innovative development investments that build on the area’s natural capital advantage, including promoting quality of life, as determined by the environment and surroundings.

The Government’s 25-year plan for the environment and its aspirations aim to achieve a wide range of complex goals. This includes climate change mitigation and adaption, addressing the decline of biodiversity as well as the management of opportunities and threats imposed by Brexit. In order to achieve the array of goals, natural capital investment will be vital to make a broader business case for these investments. Natural capital investment draws from public and increasingly private finance to fund projects which increase or enhance natural capital. Public and private funding combined is also known as blended finance, enabling project opportunities and impact investments with varying levels of risk. The diversity of funding streams allows a greater environmental (and social) impact<sup>4</sup>. Most recently, the Greater Manchester Natural Capital Investment Plan offered insights into suitable finance option for the region to promote a positive impact on natural capital that provides a return to the investor (see Figure 2 for the blended finance model).

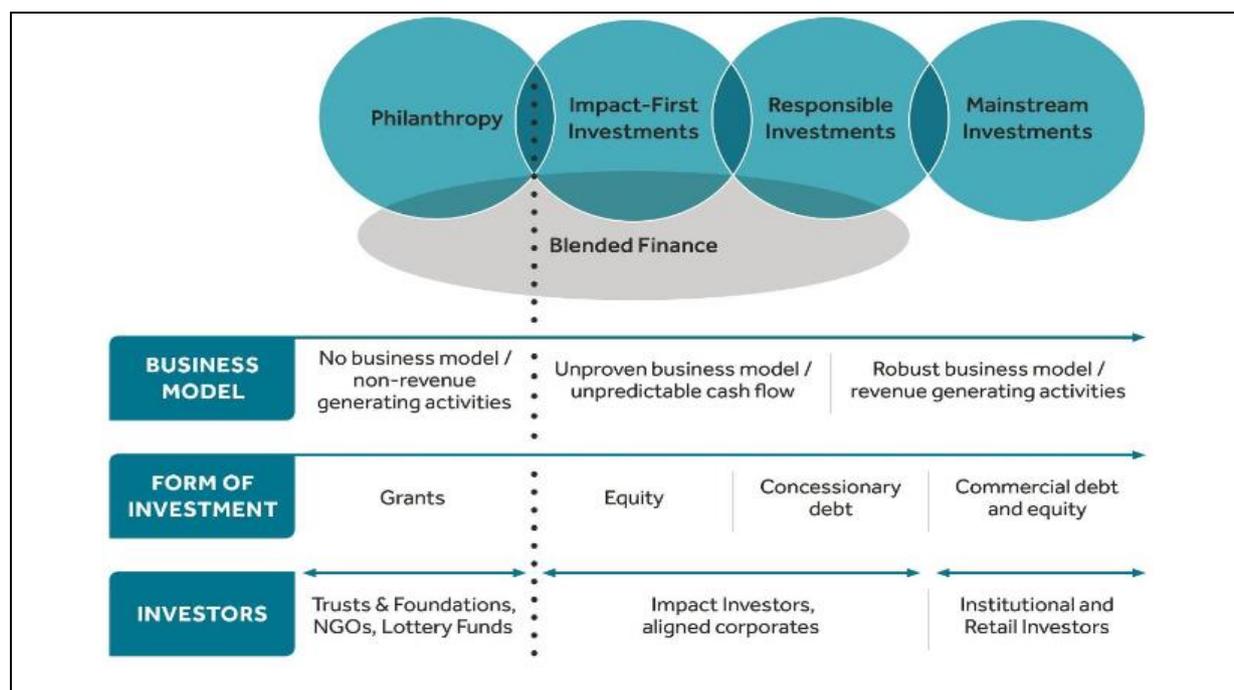


Figure 2: Types of potential investors in natural capital (from efttec 2019<sup>5</sup>)

A wide range of funding mechanisms have been reviewed as potential sources of investment into natural capital in the Cheshire and Warrington region. Funds reviewed initially focussed on those that will support development of mechanisms and structure to enable delivery (e.g. Investment Readiness Fund), but was broadened to also include a number of mechanisms that fund delivery on the ground (e.g. Biodiversity Net Gain). Note, however, that this is a rapidly changing area, with new funds coming out

<sup>4</sup> Global Impact Investing Network (2018): A Resource for Structuring Blended Finance Vehicles. Available at: <https://thegiin.org/assets/upload/Blended%20Finance%20Resource%20-%20GIIN.pdf> on 22 December 2020

<sup>5</sup> Efttec et al (2019): Greater Manchester Natural Capital Investment Plan, final report, January 2019, available at: <https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf>

regularly and others passing their deadlines, hence the list is not exhaustive. This then illustrates the variety of opportunities that are available for both directly funding different natural capital interventions as well as generating mechanisms to attract funding:

- Environmental Impact Bond
- Woodland Equity Fund
- Green Bond
- Place-based Portfolio
- Green Improvement District
- Habitat Bank
- SuDS
- ELMs
- Investment Readiness Fund
- Nature for Climate Fund (as announced 18 May 2021)
- Biodiversity Net Gain
- Environmental Net Gain
- Levelling Up
- Woodland Code
- Peatland Code
- Forestry Commission Woodland Creation
- Biodiversity Banking
- Nature Recovery Networks/Strategy

Further details on each of these is provided in Section 4.

Funding mechanisms can help achieve different objectives depending on their underlying suitability criteria. As such, these criteria differ depending on project characteristics, funding needs, sources and models. For example, some projects are long-term, mainly involving non-market public goods and land use change targeting climate change objectives at landscape scale and thus mainly appeal to off setters, and corporate ESG interests. Other projects focus on green space in local areas, linked to air quality in urban areas, and can be integrated within infrastructure/regeneration projects.

The funds have been assessed in terms of their potential application to different ecosystem services. This information is then used as the basis for a spreadsheet that enables the most appropriate funds to be identified depending on the ecosystem services that are the main focus of a project, programme or policy. Table 1 provides the summary scores assigned to each funding mechanism according to its use in delivering different ecosystem services, with scores ranging from 0 (not applied, ecosystem service is not relevant to the funding mechanism) to 4 (main focus of the funding mechanism). The 'fund selector' spreadsheet is used as part of the strategic framework and has been applied to assess likely funding sources for the case studies. This spreadsheet is available with the Technical Reports.

	Environmental Impact Bond	Woodland Equity Fund	Green Bond	Place-based Portfolio	Green Improvement District	Habitat Bank	SuDS	ELMs	Investment Readiness Fund	Nature for Climate Fund	Biodiversity Net Gain	Environmental Net Gain	Levelling Up	Woodland Code	Peatland Code	Forestry Commission Woodland Creation	Biodiversity Banking	Nature Recovery Networks/ Strategy	
<b>Provisioning services</b>																			
Agricultural outputs	2	0	2	0	1	3	0	3	3	0	0	0	0	0	0	0	0	0	2
Timber/wood fuel production	2	4	2	2	0	3	0	3	3	2	0	0	0	4	0	2	0	0	1
Water supply	3	2	4	1	1	3	3	3	3	0	0	1	0	0	2	0	0	0	0
Renewable energy	2	1	3	1	1	0	0	1	2	1	0	0	1	0	0	0	0	0	0
<b>Regulating services</b>																			
Air quality regulation	3	3	4	3	3	3	3	3	4	2	2	2	3	3	0	3	2	2	2
Carbon avoided and sequestration	3	4	2	2	2	3	2	4	4	4	3	1	2	4	4	4	2	2	2
Local climate regulation	3	3	3	3	2	3	2	3	3	3	2	3	1	3	2	3	2	1	1
Water flow regulation	3	3	2	2	2	3	4	3	4	2	1	2	0	2	3	3	2	1	1
Water quality regulation	3	3	2	4	2	3	3	4	4	0	0	1	0	1	2	3	2	1	1
Pollination	3	3	2	3	3	3	1	3	3	2	4	4	1	2	2	2	3	2	2
<b>Cultural services</b>																			

	Environmental Impact Bond	Woodland Equity Fund	Green Bond	Place-based Portfolio	Green Improvement District	Habitat Bank	SuDS	ELMs	Investment Readiness Fund	Nature for Climate Fund	Biodiversity Net Gain	Environmental Net Gain	Levelling Up	Woodland Code	Peatland Code	Forestry Commission Woodland Creation	Biodiversity Banking	Nature Recovery Networks/ Strategy	
Access to nature (recreation)	1	3	2	4	4	3	0	2	4	3	3	3	2	2	1	3	2	1	
Phys./psych. experiences	3	3	2	3	3	3	1	2	3	3	3	3	3	2	2	3	2	1	
Learning and inspiration	3	3	3	3	3	3	3	3	3	2	1	1	2	1	2	2	2	1	
Identity and quality of place	3	3	3	3	4	3	3	3	3	4	3	3	3	2	2	3	2	2	
Biodiversity	2	2	3	2	2	4	2	2	4	4	4	4	1	3	4	3	4	3	
Key	4	Main focus of funding mechanism		3	Good examples of use of funding mechanisms			2	Potential use but not many examples			1	Possible use but no real examples as yet			0	Not applied		

**Table 1** Ecosystem services and habitats covered by funding mechanisms (scores as applied following review of mechanisms and examples in May 2021)

### 3. Strategic framework

The study has provided a series of outputs, including opportunity maps, demand maps, policy analysis, cost and benefit estimates, and a review of emerging funding mechanisms. These outputs need to be brought together in a logical and structured process in order that the potential for change due to investment in a natural capital plan can be investigated at the strategic (whole C&W LEP area) scale. An approach is needed that can identify:

- What needs to be achieved: what are the ecosystem services that are the key targets for change, linked to policy targets and objectives and the opportunity mapping that shows where those targets and objectives could best be achieved?
- What needs to happen for this to be achieved: what level of change is needed and how can this be delivered through investment in natural capital?

As the framework is designed to be strategic, it does not consider feasibility of individual locations; instead it identifies the idealistic outcome, suggesting large-scale potential projects that could deliver not just the policy targets and objectives, but a suite of additional benefits on top. The framework is designed around the 'fund selector' spreadsheet and is applied as follows:

1. Select up to three core ecosystem services: the main ecosystem services that are being targeted for delivery or improvement.
2. Select up to three secondary ecosystem services: additional services that are good to have but which do not form the primary aim of a natural capital plan.
3. Determine the weight that should be placed on secondary ecosystem services: this is set to 50% in the spreadsheet so that there is greater emphasis on the core ecosystem services.

The spreadsheet will then identify the ranking of the funds and funding mechanisms (this is based on the scores set out in Table 1, so these should be reviewed and updated to take account of new developments, new examples of application of funding mechanisms and likely application of the funding mechanisms to the location in question).

The policy analysis for the C&W LEP area identifies that the three core ecosystem services are:

- Carbon avoided and sequestration
- Air quality regulation
- Water flow regulation (linked to flood risk)

Additional issues are identified with a number of secondary services (although at the local scale these may be as, if not more important, than the core services):

- Water quality regulation
- Biodiversity (linked to existing high-quality habitats and retaining and improving the condition of these and buffer locations)
- Access to nature (linked to encouraging sustainable travel)

A screenshot from the application of the fund selector spreadsheet using these ecosystem services is shown as Figure 3. This shows that the most appropriate funds to deliver these primary and secondary ecosystem services are identified as:

1. Investment Readiness Fund (ranked first)
2. ELMs, Woodland Equity Fund and Forestry Commission Woodland Creation (three ranked equal second).

Combining funds to deliver more and wider outcomes across the Cheshire and Warrington region could be achieved through blended finance. An organisation such as a Special Purpose Vehicle could bring together different sources of funds to deliver a wider range, and potentially more beneficial overall, scale of natural capital change. The recent award of funding through the Investment Readiness Fund (IRF) (initially focused on the Bollin catchment) via Mersey Forest and Cheshire East Council will enable a green “Bollin Bond” to be developed to attract private investment in natural capital benefits across the Bollin catchment. If successful, the approach developed on the back of the IRF application to develop long-term contracts with natural capital buyers, and fixed-term, fixed-rate bonds with natural capital investors could be extended to the full Cheshire and Warrington area. This could then help deliver some of the wider opportunities that have been identified through the mapping.

<b>Choose services to be delivered (select up to three)</b>		
<b>Core services (the main services you are looking to deliver)</b>	<b>Secondary services (additional useful but not core)</b>	<b>Weight on secondary services</b>
Carbon avoided and sequestration	Water quality regulation	50%
Air quality regulation	Biodiversity	
Water flow regulation	Access to nature (recreation)	
<b>Best funding mechanisms to deliver that suite of services:</b>	<b>Rank for core services</b>	<b>Rank for core and secondary services</b>
Environmental Impact Bond	5	6
Woodland Equity Fund	2	2
Green Bond	9	10
Place-based Portfolio	11	6
Green Improvement District	11	10
Habitat Bank	5	5
SuDS	5	8
ELMs	2	2
Investment Readiness Fund	1	1
Nature for Climate Fund	9	12
Biodiversity Net Gain	14	15
Environmental Net Gain	16	16
Levelling Up	16	17
Woodland Code	5	8
Peatland Code	11	13
Forestry Commission Woodland Creation	2	2
Biodiversity Banking	14	14
Nature Recovery Networks/Strategy	16	17

**Figure 3** Screenshot from application of the fund selector spreadsheet to the core services identified from Cheshire and Warrington policy analysis.

## 4. Funding mechanism reviews

### 4.1 Forestry Commission Woodland Creation

<b>Fund name</b>	<b>Forestry Commission Woodland Creation/England Woodland Creation Offer</b>					
<b>Date review completed</b>	<b>16/06/2021</b>		<b>Reviewed by</b>		<b>RPA (MM)</b>	
<b>Key aspects</b>	<b>Details</b>					
Summary of the fund	Tree planting scheme to provide greater incentives to landowners and farmers to plant and manage trees. Announced on the 9 <sup>th</sup> of June 2021, this scheme is managed by the Forestry commission <sup>1</sup> .					
How the fund is designed	<p>A grant will cover 100 per cent of eligible standard capital costs of woodland creation. This includes the costs for buying and planting the trees, and maintaining them for 10 years. Additional financial benefits will be provide for woodland creation that is deemed beneficial to public and wider environmental benefits.</p> <p>Other Contributions include:</p> <ul style="list-style-type: none"> <li>• Nature and species recovery – between £1,100/ha to £2,800/ha available where woodland creation will help woodland-dependent priority species to recover;</li> <li>• Tree planting near watercourses and rivers (riparian buffers) – £1,600/ha available where the creation of native broadleaved woodland along water courses will improve river habitats;</li> <li>• Reduced flood risk - £500/ha available where woodland creation can help reduce the risk of flooding;</li> <li>• Improved public access - £2,200/ha available where woodland creation will provide long-term permissive access to the public to enjoy</li> <li>• Close to settlements - £500/ha available where woodland creation will provide social and environmental benefits by being close to people; and</li> <li>• Improved water quality - £400/ha available for woodlands that clean our water by reducing pollutants through land use change by intercepting pollution and sediment before it reaches watercourses.</li> </ul>					
Lead organisation(s)	Forestry Commission, DEFRA					
Total value of fund	£15.9 million in the first year. Although funding has only been announced for one year, the government have pledged over 500m in future funding for trees and woodlands, so likely to be renewed. Also funded can be secured for 10 years of maintenance for woodland created.					
Timescale over which it operates (where applicable)	Funding has been announced for the first year. Funding for the maintenance of woodland creation can be obtained for 10 years.					
Further details						
Ecosystem services that are the main focus		Agricultural outputs	+	Timber/wood production		Water supply
		Renewable energy	++	Air quality regulation	++	Carbon avoided and sequestration
	++	Local climate regulation	++	Water flow regulation	+	Water quality regulation
		Pollination	++	Access to nature (recreation)	+	Physical and psychological experiences

		Learning and inspiration		Identity and quality of place	++	Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production		Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination		Access to nature (recreation)		Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link the fund and specific ecosystem services	<p>The fund has only just been launched so examples evidencing the link between the fund and ecosystem services are yet to be delivered. However, additional funds are available through the Woodland Creation Offer to specifically deliver ecosystem services, including:</p> <ul style="list-style-type: none"> <li>• Nature and species recovery (biodiversity);</li> <li>• Reduced flood risk (water flow regulation);</li> <li>• Improved public access;</li> <li>• Social benefits (wellbeing); and</li> <li>• Improved water quality.</li> </ul> <p>Previous Forestry commission grants similar to this fund have demonstrated the ability to deliver multiple ecosystem services. One such scheme is the 800 Wood in Cambridgeshire; this is now a well-established multi-purpose wood, spanning 10ha and was funded by the England Woodland Grant Scheme. Ecosystem services delivered to date include:</p> <ul style="list-style-type: none"> <li>• Public access making the wood a recreational asset for the local community, providing health and wellbeing benefits;</li> <li>• Biodiversity delivered through the planting of a diverse range of tree and shrub species. This variety attracts a wide range of invertebrates, birds and mammals to the wood;</li> <li>• Various research projects, ecological studies and a Forest School within the wood provide opportunities for education and inspiration; and</li> <li>• Small scale hazel coppicing (timer production) has the potential to provide a commercial return and supports traditional skills (heritage)<sup>2</sup>.</li> </ul>					
References/ links	<p>1. UK Government (2021): Landmark £15 million woodland creation grant opens for applications. Accessed at: <a href="https://www.gov.uk/government/news/landmark-15-million-woodland-creation-grant-opens-for-applications">https://www.gov.uk/government/news/landmark-15-million-woodland-creation-grant-opens-for-applications</a> on 9<sup>th</sup> June 2021</p> <p>2. The Forestry Commission (2021): Woodland Creation Case Study Wood, Cambridge. Accessed at: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/992130/FC_Case_Study_800.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/992130/FC_Case_Study_800.pdf</a> on 16<sup>th</sup> June 2021</p> <p>3. Nature-based Solutions (2020): UK Government Budget 2020. Accessed at: <a href="https://www.naturebasedsolutionsinitiative.org/news/uk-government-budget-2020/">https://www.naturebasedsolutionsinitiative.org/news/uk-government-budget-2020/</a> on 9<sup>th</sup> June 2021</p> <p>4. The Guardian (2021): Forestry Commission Reveals Plan to Create New English Woodlands. Accessed at <a href="https://www.theguardian.com/environment/2021/jun/09/forestry-commission-reveals-plan-to-create-new-english-woodlands">https://www.theguardian.com/environment/2021/jun/09/forestry-commission-reveals-plan-to-create-new-english-woodlands</a> on 10<sup>th</sup> June 2021</p>					

## 4.2 Biodiversity Banking

<b>Fund name</b>	<b>Biodiversity Banking</b>					
<b>Date review completed</b>	<b>09/06/2021</b>		<b>Reviewed by</b>		<b>RPA (MM)</b>	
<b>Key aspects</b>	<b>Details</b>					
Summary of the fund	<p>Biodiversity Banking is part of the governments Biodiversity Net Gain (BNG) strategy. Also known as Biodiversity offsetting, it is a policy approach that seeks to minimize the environmental impacts of a development project by ensuring that any damage in one place is compensated elsewhere. This includes placing monetary values on environmental factors.</p> <p>In the UK it has been defined as conservation activities that are designed to give biodiversity gain to compensate for residual losses. It is generally considered to be a last resort<sup>1</sup>. During 2012 and 2014, the government ran six biodiversity offsetting pilot areas, and ran public consultations on biodiversity offsetting<sup>2, 3</sup>.</p>					
How the fund is designed	Biodiversity offsetting is a feature of BNG and does not appear to have its own funding.					
Lead organisation(s)	Defra and Natural England					
Total value of fund	Total costing "£239,733" (2)					
Timescale over which it operates (where applicable)	N/A					
Further details						
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production		Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination	+	Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration	+	Identity and quality of place	++	Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production		Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
	+	Local climate regulation	+	Water flow regulation		Water quality regulation
		Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place		Biodiversity
Examples demonstrating the link the						

fund and specific ecosystem services	
References/ links	<p>1. Cambridge University (2020): Biodiversity Offsetting Policy Brief No. 1. Accessed at: <a href="https://www.geog.cam.ac.uk/research/projects/biodiversityeconomy/policybrief1.pdf">https://www.geog.cam.ac.uk/research/projects/biodiversityeconomy/policybrief1.pdf</a> on 20<sup>th</sup> June 2021</p> <p>2. DEFRA (2012): Evaluation of the Biodiversity Offsetting pilot phase - WC1051. Accessed at: <a href="http://randd.defra.gov.uk/Default.aspx?Menu=Menu&amp;Module=More&amp;Location=None&amp;ProjectID=18229&amp;FromSearch=Y&amp;Publisher=1&amp;SearchText=WC1051&amp;SortString=ProjectCode&amp;SortOrder=Asc&amp;Paging=10#Description">http://randd.defra.gov.uk/Default.aspx?Menu=Menu&amp;Module=More&amp;Location=None&amp;ProjectID=18229&amp;FromSearch=Y&amp;Publisher=1&amp;SearchText=WC1051&amp;SortString=ProjectCode&amp;SortOrder=Asc&amp;Paging=10#Description</a> on 16<sup>th</sup> June 2021</p> <p>3. DEFRA (2013): Exploring the Growth of the Biodiversity Offsetting Markets in Other Countries - WC1098. Accessed at <a href="http://randd.defra.gov.uk/Default.aspx?Menu=Menu&amp;Module=More&amp;Location=None&amp;ProjectID=19152&amp;FromSearch=Y&amp;Publisher=1&amp;SearchText=wc1098&amp;SortString=ProjectCode&amp;SortOrder=Asc&amp;Paging=10#Description">http://randd.defra.gov.uk/Default.aspx?Menu=Menu&amp;Module=More&amp;Location=None&amp;ProjectID=19152&amp;FromSearch=Y&amp;Publisher=1&amp;SearchText=wc1098&amp;SortString=ProjectCode&amp;SortOrder=Asc&amp;Paging=10#Description</a> on 16<sup>th</sup> June 2021</p>

### 4.3 Nature Recovery Networks/Strategy

<b>Fund name</b>	<b>Nature Recovery Networks/Strategy</b>		
<b>Date review completed</b>	<b>09/06/2021</b>	<b>Reviewed by</b>	<b>RPA (MM)</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	<p>The Nature Recovery Network/Strategy (NRN) is a policy by the UK government that aims to “do more to recover nature and increase the benefits that it provides to our people and our economy<sup>1</sup>. Nature Recovery networks are a part of the governments wider 25 year Environment plan with the aim to “improve the environment within a generation.”</p> <p>There is also the creation of NRN Delivery partnership programme. This aims to create a broad network of cross sectoral organisation who would work together to carry out action for nature supported by partnership management group. Private businesses, charities and the government sector can join this join</p> <p><b>Objectives of NRN Partnership</b></p> <ul style="list-style-type: none"> <li>• Land for nature recovery</li> <li>• Financial investment</li> <li>• Advice, time or expertise</li> <li>• Partners will have networking opportunities, including an annual NRN conference, workshops and meetings.</li> </ul>		
How the fund is designed	<p>No Specific funding announced, although the policy is linked to other funds. The government are also planning on encouraging private and third sector businesses to invest in the natural environment, including by mandating biodiversity net gain.</p> <p>Part of the government’s general environment plan, NRN is underpinned by the Environment bill which:</p> <ul style="list-style-type: none"> <li>• sets the framework for at least one legally binding biodiversity target;</li> <li>• establishes spatial mapping and planning tools to identify Existing and potential habitat for wildlife and agrees local priorities for enhancing biodiversity in every area of England (LNRS); and</li> <li>• creates duties and incentives, including mandatory biodiversity net gain.</li> </ul>		

	<p>A range of funding and duties to underpin the NRN has been or will be established. This includes Countryside Stewardship and Environmental Land Management. As part of the Environmental Land Management scheme, over the next 4 years, 10 Landscape Recovery projects to restore wilder landscapes will be created, with a focus on large-scale sites.</p> <p>In 2020, the government announced further funding for nature. The Nature for Climate Fund will provide significant funding with the goal of creating, restoring and managing woodland and peatland habitats. The Green Recovery Challenge Fund, which has recently been doubled to a total of £80 million, will create a pipeline of nature-based projects to restore nature, tackle climate change and connect people with the natural environment.</p>				
Lead organisation(s)	Defra and Natural England				
Total value of fund	N/A				
Timescale over which it operates (where applicable)	Part of government’s 25 Year Environment Plan and objectives are set to be achieved by 2042.				
Further details					
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production	Water supply
		Renewable energy		Air quality regulation	Carbon avoided and sequestration
		Local climate regulation		Water flow regulation	Water quality regulation
		Pollination		Access to nature (recreation)	Physical and psychological experiences
		Learning and inspiration		Identity and quality of place	+ Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production	Water supply
		Renewable energy		Air quality regulation	Carbon avoided and sequestration
	+	Local climate regulation		Water flow regulation	Water quality regulation
		Pollination	+	Access to nature (recreation)	Physical and psychological experiences
		Learning and inspiration	+	Identity and quality of place	Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	<p>The NRN is still in its infancy in terms of timescales (targets are set to be achieved by 2042) and therefore examples demonstrating links between the NRN and ecosystem services are limited. However, the NRN has been developed to address three challenges facing the UK, biodiversity loss, climate change and wellbeing. It is set to achieve a wide range of ecosystem services, including:</p> <ul style="list-style-type: none"> <li>• Biodiversity through the creation and enhancement wildlife-rich places. This should lead to pollination and wellbeing benefits too (enjoying and connecting with nature);</li> <li>• Climate change resilience through natural solutions will reduce carbon and manage flood risk (water flow regulation). Improved landscape resilience to</li> </ul>				

	<p>climate change is anticipated to lead to improved soil, clean water and clean air; and</p> <ul style="list-style-type: none"> <li>Improved welling, not only through improved biodiversity, but also the protection of the historic environment and better connections to nature<sup>8</sup>.</li> </ul> <p>“Coronavirus is shining a light on the importance of our natural world, and the positive impact nature can have on our health and well-being. These first pilots will be a key part of our green recovery and help kick-start the creation of over a million acres of joined up habitats that people can enjoy across the country.”<sup>2</sup></p> <p>“As with Biodiversity 2020, the strategy will seek to recover nature, both because people value and are concerned about it in its own right, and because nature – our ecosystems and their component species – underpins many of the economic and social benefits that enrich people’s lives.”<sup>3</sup></p>
References/links	<ol style="list-style-type: none"> <li>DEFRA (2020)- Nature Recovery Network <a href="https://www.gov.uk/government/publications/nature-recovery-network/nature-recovery-network">https://www.gov.uk/government/publications/nature-recovery-network/nature-recovery-network</a> on 24th June 2021</li> <li>CIEEM (2020): Natural England Launch Local Nature Recovery Strategy <a href="https://cieem.net/natural-england-launch-local-nature-recovery-strategy-in-england/">https://cieem.net/natural-england-launch-local-nature-recovery-strategy-in-england/</a> 13<sup>th</sup> June 2021</li> <li>DEFRA (2019): Nature Recovery Network: Discussion Document. Accessed at: <a href="https://www.confor.org.uk/media/247417/nature-recovery-network_discussion-document_defra-group_april2019.pdf">https://www.confor.org.uk/media/247417/nature-recovery-network_discussion-document_defra-group_april2019.pdf</a> on 20th June 2021</li> <li>DEFRA (2018): Policy Paper. 25 Year Environment Plan. Accessed at: <a href="https://www.gov.uk/government/publications/25-year-environment-plan">https://www.gov.uk/government/publications/25-year-environment-plan</a> on 26th June 2021</li> <li>Defra (2020): Policy Paper. Nature Recovery Network. Accessed at: <a href="https://www.gov.uk/government/publications/nature-recovery-network/nature-recovery-network">https://www.gov.uk/government/publications/nature-recovery-network/nature-recovery-network</a> on 16<sup>th</sup> June 2021</li> </ol>

#### 4.4 Levelling up

Fund name	<b>Levelling Up Fund</b>		
Date review completed	<b>09/06/2021</b>	Reviewed by	<b>RPA (MA)</b>
Key aspects	<b>Details</b>		
Summary of the fund	Announced at the 2020 Spending Review <sup>1</sup> , the £4.8 billion Levelling Up Fund is the Government’s headline regeneration initiative, providing grants for capital investment projects across Great Britain. The fund aims to “invest in infrastructure that improves everyday life across the UK”, supporting town centre, high street and urban regeneration, local transport projects, and cultural and heritage assets <sup>2</sup> .		
How the fund is designed	<p>The Fund is jointly managed by HM Treasury (HMT), the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Transport (DfT).</p> <p>The fund is available for all parts of the UK. In Great Britain, applications for funding can come from:</p> <ol style="list-style-type: none"> <li>Unitary authorities (including metropolitan borough councils), London borough councils and district councils in two tier areas in England; and unitary authorities in Scotland and Wales, who may submit bids of all types; and</li> <li>County councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority (GLA), who may submit one transport bid. Unitary authorities in Scotland and Wales, and unitary authorities</li> </ol>		

	<p>in England with transport powers are allowed to submit one additional bid provided it is for transport.</p> <p>Local Members of Parliament are expected to back one bid that they see as a priority for their area. The number of bids that a local authority in the first list can make will be based on the number of MPs in that area, meaning that a local authority may submit one bid for every MP whose constituency is located fully within their boundary. Every local authority can submit at least one bid. Where an MP’s constituency crosses multiple local authorities, one local authority will be designated as the responsible lead bidder, with local areas collaborating together to decide which will be the lead bidder. The MHCLG will work with local government to ascertain whether further guidance is needed on how to establish which authority should be designated ‘lead bidder’ in such circumstances.</p> <p>The amount of funding each area receives is to be decided on a competitive basis, with the assessment process focussing on the following assessment criteria:</p> <ul style="list-style-type: none"> <li>• <b>Characteristics of the place</b> (with each local authority being placed into one of three categories indicating different levels of prioritisation, based on an assessment of the level of identified need in an area, with Category 1 being the highest priority category of the three, and Category 3 the lowest).</li> <li>• <b>Deliverability</b> (taking into account any additional financing in place, management structures’ delivery and procurement plans, project costings).</li> <li>• <b>Value for money</b> (including demonstrating the economic case for a project and how it provides public value to society).</li> </ul> <p>The first round of funding will prioritise bids that are able to demonstrate that they have additional investment in place or that they are able to begin delivery on the ground in the coming financial year (2021-22).</p> <p>Capacity funding of £125,000 will be allocated to those local authorities in England deemed most in need of investment (i.e., Category 1), as identified in the index published alongside the prospectus, as well as to all local authorities in Scotland and Wales (with a different approach established for capacity funding in Northern Ireland). This capacity funding is designed to assist relevant local authorities in developing high-quality funding bids and ensure that investment is directed towards those areas most in need. Doncaster and Rotherham have been designated Category 1, while Barnsley and Sheffield are in Category 2.</p> <p>The fund will focus on projects that require up to £20m of funding. However, there is also some scope for investing in larger transport projects. Bids above £20m and below £50m will be allowed for transport projects only and can be submitted by any local authority. These bids will be subjected to a more detailed business-case process and will need to score highly overall.<sup>3</sup></p>
Lead organisation(s)	HM Treasury
Total value of fund	£4.8 billion (£4 billion for England; £800 million Scotland, Wales and Northern Ireland)
Timescale over which it operates (where applicable)	Over four years: up to 2024-25.
Further details	<p>In developing their investment project and their funding bid, local authorities are encouraged to consult a wide range of local stakeholders across the full geography of the area(s) for which they are responsible. Relevant local stakeholders and partners could include local businesses, public transport providers, police and emergency services, community representatives, environmental representatives, private sector stakeholders, such as developers, that could be impacted by a specific project, universities and FE colleges, associated local authorities, and stakeholders from harder to reach rural communities (where relevant), as well as local MPs.</p>

	<p>The first round of funding focusses on three themes: smaller transport projects that make an important difference in local areas; town-centre and high-street regeneration; and maintaining and expanding cultural and heritage:</p> <ul style="list-style-type: none"> <li>• <b>Transport investments</b> such as <b>public transport, active travel</b>, bridge repairs, <b>bus priority lanes</b>, local road improvements and major structural maintenance, and accessibility improvements. High-impact small, medium and by exception larger <b>local transport schemes to reduce carbon emissions, improve air quality, cut congestion</b>, support economic growth and improve the experience of transport users.</li> <li>• <b>Regeneration and town centre investment</b> by <b>upgrading eyesore buildings</b> and dated infrastructure, acquiring and regenerating <b>brownfield sites</b>, investing in secure community infrastructure and crime reduction, and bringing public services and safe community spaces into town and city centres.</li> <li>• <b>Cultural investment</b> through maintaining, regenerating, or creatively repurposing <b>museums</b>, galleries, visitor attractions (and associated <b>green spaces</b>) and <b>heritage assets</b> as well as creating new community-owned spaces to support the arts and serve as cultural spaces.</li> </ul> <p>“Projects should be aligned to and support Net Zero goals: for instance, be based on low or zero carbon best practice; adopt and support innovative clean tech and/or support the growth of green skills and sustainable supply chains. Where applicable, bids may also seek to demonstrate compliance with relevant Publicly Available Specifications such as PAS 2080 and PAS 2035. Bids should also consider how projects can work with the natural environment to achieve project objectives – considering at a minimum the project’s impact on natural assets and nature, as well as the resilience of the project to potential hazards such as flooding.”<sup>3</sup></p>				
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production	Water supply
		Renewable energy	++	Air quality regulation	++ Carbon avoided and sequestration
		Local climate regulation		Water flow regulation	Water quality regulation
	+	Pollination	++	Access to nature (recreation)	++ Physical and psychological experiences
	+	Learning and inspiration	++	Identity and quality of place	Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production	Water supply
	+	Renewable energy		Air quality regulation	Carbon avoided and sequestration
	+	Local climate regulation		Water flow regulation	+ Water quality regulation
	+	Pollination		Access to nature (recreation)	Physical and psychological experiences
		Learning and inspiration		Identity and quality of place	+ Biodiversity
Examples demonstrating the link between the fund and specific	<ul style="list-style-type: none"> <li>• “Investments in new or existing cycling provision” will contribute to air quality regulation, carbon avoidance, physical and psychological experiences, and quality of place.</li> </ul>				

ecosystem services	<ul style="list-style-type: none"> <li>“Improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour” will contribute to air quality regulation, carbon sequestration, local climate regulation, pollination, access to nature (recreation), physical and psychological experiences, inspiration, and quality of place.</li> </ul> <p>“Upgrading and creating new cultural and creative spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens” will contribute to physical and psychological experiences, learning and inspiration, and identity and quality of place.”<sup>3</sup></p>
References/links	<ol style="list-style-type: none"> <li>1. UK Government: (2020): Spending Review 2020. Accessed at: <a href="https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020">https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020</a> on 9th June 2021</li> <li>2. UK Government (2021): Policy paper: Levelling Up Fund: prospectus. Accessed at: <a href="https://www.gov.uk/government/publications/levelling-up-fund-prospectus">https://www.gov.uk/government/publications/levelling-up-fund-prospectus</a> on 9th June 2021</li> <li>3. UK Government (2021): Levelling Up Fund: prospectus. Accessed at: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf</a> on 9<sup>th</sup> June 2021</li> <li>4. UK Government (2021): New levelling up and community investments. Accessed at: <a href="https://www.gov.uk/government/collections/new-levelling-up-and-community-investments">https://www.gov.uk/government/collections/new-levelling-up-and-community-investments</a> on 9th June 2021</li> </ol>

## 4.5 Woodland Code

<b>Fund name</b>	<b>Woodland Carbon Code</b>		
<b>Date review completed</b>	09/06/2021	<b>Reviewed by</b>	<b>RPA (MA)</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	<p>The Woodland Carbon Code (WCC) is the UK’s voluntary quality assurance carbon standard for woodland creation projects in the UK. With the backing of the UK government, the forest industry and carbon market experts, the Code, uniquely, generates independently verified woodland carbon units. The Woodland Carbon Code is also endorsed by ICROA, the global umbrella body for carbon reduction and offset providers in the voluntary market. Woodland Carbon Units from verified WCC projects can be purchased by companies from project developers to compensate for their UK-based carbon emissions. The WCC provides:</p> <ul style="list-style-type: none"> <li>• carbon buyers with the reassurance they have invested in a responsible scheme with clear benefits;</li> <li>• project developers with recognised woodland management and carbon accounting procedures and standards to work within.<sup>1</sup></li> </ul> <p>WCC-certified projects are acknowledged as a contribution to the UK meeting its greenhouse gas emissions reduction commitments and can be reported as part of a UK business’ net greenhouse gas emissions.</p>		
How the fund is designed	<p>Woodland Carbon Code projects generate Woodland Carbon Units, which once verified can be sold by landowners of approved projects and bought and used by UK businesses to help compensate for their gross carbon emissions.</p> <p>Gaining validation / verification that a woodland carbon project meets the code means that the project:</p>		

	<ul style="list-style-type: none"> <li>- is responsibly and sustainably managed to national standards;</li> <li>- can provide reliable estimates of the amount of carbon that will be sequestered or locked up as a result of the tree planting;</li> <li>- must be publicly registered and independently verified;</li> <li>- meets transparent criteria and standards to ensure that real carbon benefits are delivered.</li> </ul> <p>To certify a project to the Woodland Carbon Code, a project developer must:</p> <ul style="list-style-type: none"> <li>- register it with the Forestry Commission within two years of the start of planting;</li> <li>- predict carbon capture using woodland carbon models;</li> <li>- prepare a Project Design Document outlining how it meets Code requirements;</li> <li>- have it 'validated' by an accredited certification body; and</li> <li>- have it 'verified' periodically to show that it continues to meet the required standards.</li> </ul> <p>To meet the requirements of the code, projects must:</p> <ul style="list-style-type: none"> <li>- register their project, stating the exact location and long-term objectives of their project;</li> <li>- meet national forestry standards to ensure they are sustainably and responsibly managed;</li> <li>- have a long-term management plan;</li> <li>- use standard methods for estimating the carbon that will be sequestered;</li> <li>- demonstrate that the project delivers additional carbon benefits than would otherwise have been the case.</li> <li>- maintain verification for the duration of the project.</li> </ul> <p>Projects that meet all these requirements can carry the Woodland Carbon Code label of approval.</p> <p>The Code works for everyone involved:</p> <ul style="list-style-type: none"> <li>- Carbon buyers have reassurance that they have invested in a responsible scheme and can see the benefits that will be provided.</li> <li>- Projects have recognised procedures and standards to work to, and can use their verified status as an attractive selling point for potential customers.</li> <li>- Woodland managers have clearly set out standards of forest management to follow.</li> </ul> <p>The Woodland Carbon Code issues carbon units which represent measurable amounts of carbon dioxide (CO<sub>2</sub>) removed from the atmosphere by trees as they grow – one unit is 1 tonne of carbon dioxide equivalent removed from the atmosphere. As trees take a while to grow and sequester carbon dioxide, we have two types of unit available to purchase. Companies can compensate for their UK-based emissions using carbon units from WCC projects, but not for their emissions overseas or emissions from international aviation or shipping.</p> <p>A Woodland Carbon Unit (WCU) represents one tonne of CO<sub>2</sub>e which has been sequestered in a WCC-verified woodland. It has been independently verified, is guaranteed to be there, and can be used by companies to report against UK-based emissions or to use in claims of carbon neutrality or Net Zero emissions.</p> <p>A Pending Issuance Unit (PIU) is a promise to deliver a Woodland Carbon Unit in future, based on predicted sequestration. It is not guaranteed and cannot be used to report against UK-based emissions until verified. However, it allows companies to plan to compensate for future UK-based emissions, or make credible CSR statements in support of woodland creation.</p> <p>Units are held in the UK Land Carbon Registry, managed by IHS Markit. Every 10 years, projects are checked and, if performing well, verified. At each of these points, PIUs delivered are converted to WCUs. As of March 2020, over 3.7 million tCO<sub>2</sub>e had been validated for sale as</p>
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	PIUs by March 2020 and the number continues to increase. There's now a growing number of verified projects with a small amount of WCUs - the number of WCUs available will increase as woodlands grow and mature. <sup>2</sup>					
Lead organisation(s)	Forestry Commission					
Total value of fund	<p>Companies in the UK pay between £7 and £20 /tCO2e for purchases of Pending Issuance Units.<sup>2</sup></p> <p>In its 2016 report, Assessing the Wider Benefits of Woodland Carbon Code Projects, commissioned by the Forestry Commission, EFTEC estimated that, on average, each carbon unit (tCO2e) purchased from a Woodland Carbon Code project also delivers at least a further £100/tCO2e of value through recreation, biodiversity, air quality and benefits to the local economy. EFTEC also estimated 12.5% of projects to be within areas identified as priorities for reducing water pollution/flood risks, and that a small percentage were accessible to communities in the lowest 20% of social deprivation areas.<sup>3</sup></p>					
Timescale over which it operates (where applicable)	Since 2011, ongoing.					
Further details	<p>Creating new woodland sequesters carbon dioxide from the atmosphere and provides other social and environmental benefits, such as:</p> <ul style="list-style-type: none"> <li>- biodiversity and habitat creation</li> <li>- flood prevention, water quality</li> <li>- air quality</li> <li>- health, wellbeing and enjoyment</li> <li>- shelter for livestock</li> <li>- timber and wood fuel</li> <li>- skilled jobs</li> <li>- community engagement and staff volunteering, education and development<sup>2</sup></li> </ul>					
Ecosystem services that are the main focus		Agricultural outputs	++	Timber/wood production		Water supply
		Renewable energy	+	Air quality regulation	++	Carbon avoided and sequestration
	+	Local climate regulation	++	Water flow regulation	+	Water quality regulation
		Pollination	+	Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place	++	Biodiversity
Other ecosystem services that are covered	+	Agricultural outputs		Timber/wood production	+	Water supply
	+	Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity

<p>Examples demonstrating the link between the fund and specific ecosystem services</p>	<ul style="list-style-type: none"> <li>• Bennan Hill, Balbeg Estate: “The new plantation is more than just woodland creation. This project has provided a mosaic ecosystem that will not only sequester carbon but provide a variety of ecosystem services that play a vital part in improving biodiversity, along with water and air quality. In addition, this woodland specifically provides the creation of increased leisure opportunities, local community engagement and an opportunity to attract tourism into a secret part of South Ayrshire. Bennan Hill woodland within Balbeg Estate will provide connectivity to surrounding habitats which in turn will provide a network of footpaths to allow the local community and tourists to enjoy the rugged landscape South Ayrshire has to offer. The beauty of this plantation is that while providing natural capital benefits it will also provide a commercial timber supply to the UK market in turn contributing to the rural economy. Carbon investors will be supporting the regeneration of poor agricultural grazing land into a diverse, multi-beneficial ecosystem that will create income to allow reinvestment to support further expansion of the public access network.”<sup>4</sup></li> <li>• Warner’s Wood: “A 100 year Broadleaf woodland for biodiversity, covering 32 hectares in the heart of rural Leicestershire”.<sup>5</sup></li> <li>• Buccleuch Group: “All of the projects will involve cessation of grazing and permanent removal of livestock and deer. This will result in an improvement of woodland vegetation where light levels permit and of woodland bird and invertebrate species. In most cases it will result in riparian improvement and elimination of diffuse pollution. All of the projects will provide public access. In the case of Boughton none existed before. Most sites are intended for timber production which will help preserve rural employment and provide sustainable materials and wood-fuel”.<sup>6</sup></li> </ul>
<p>References/links</p>	<ol style="list-style-type: none"> <li>1. UK Government (2018): The Woodland Carbon Code scheme for buyers and landowners. Accessed at: <a href="https://www.gov.uk/guidance/the-woodland-carbon-code-scheme-for-buyers-and-landowners#:~:text=The%20Woodland%20Carbon%20Code%20(WCC,quality%2C%20robust%20voluntary%20carbon%20standard">https://www.gov.uk/guidance/the-woodland-carbon-code-scheme-for-buyers-and-landowners#:~:text=The%20Woodland%20Carbon%20Code%20(WCC,quality%2C%20robust%20voluntary%20carbon%20standard</a> on 9<sup>th</sup> June 2021</li> <li>2. Woodland Carbon Code: UK Woodland Carbon Code: Accessed at: <a href="https://woodlandcarboncode.org.uk/">https://woodlandcarboncode.org.uk/</a> on 9<sup>th</sup> June 2021</li> <li>3. Scottish Forestry (2016): Assessing the Wider Benefits of the Woodland Carbon Code. Accessed at: <a href="https://forestry.gov.scot/publications/sustainable-forestry/economic-research/588-assessing-the-wider-benefits-of-the-woodland-carbon-code">https://forestry.gov.scot/publications/sustainable-forestry/economic-research/588-assessing-the-wider-benefits-of-the-woodland-carbon-code</a> on 9<sup>th</sup> June 2021</li> <li>4. Woodland Carbon Code: Bennan Hill, Balbeg Estate. Accessed at: <a href="https://woodlandcarboncode.org.uk/case-studies/woodland-carbon-projects/bennan-hill">https://woodlandcarboncode.org.uk/case-studies/woodland-carbon-projects/bennan-hill</a> on 28<sup>th</sup> June 2021</li> <li>5. IHS Markit (2018): Warner’s Wood (ID: 103000000004606). Accessed at: <a href="https://mer.markit.com/br-reg/public/project.jsp?project_id=103000000004606">https://mer.markit.com/br-reg/public/project.jsp?project_id=103000000004606</a> on 9<sup>th</sup> June 2021</li> <li>6. Woodland Carbon Code: Buccleuch Group. Accessed at: <a href="https://woodlandcarboncode.org.uk/case-studies/woodland-carbon-projects/buccleuch-group">https://woodlandcarboncode.org.uk/case-studies/woodland-carbon-projects/buccleuch-group</a> on 9<sup>th</sup> June 2021</li> </ol>

## 4.6 Peatland Code

Fund name	<b>Peatland Code</b>		
Date review completed	<b>09/06/2021</b>	Reviewed by	<b>RPA (MA)</b>
Key aspects	<b>Details</b>		
Summary of the fund	<p>The Peatland Code is a voluntary certification standard for UK peatland projects wishing to market the climate benefits of peatland restoration and provides assurances to voluntary carbon market buyers that the climate benefits being sold are real, quantifiable, additional and permanent. The Peatland Code specifies requirements for the validation and verification of a Greenhouse Gas (GHG) assertion from voluntary UK based projects that reduce GHG emissions through peatland restoration. Peatland Code emissions reduction accounts for both GHG from, and sequestered by, peatland.<sup>1</sup></p>		
How the fund is designed	<p>The Peatland Code is a voluntary standard issued by the IUCN UK National Committee and is managed on its behalf by an Executive Board. The Executive Board is facilitated by IUCN UK Peatland Programme staff and supported by a Technical Advisory Board including additional stakeholder groups, when required.</p> <p>Verification will regularly evaluate the project and its actual GHG emissions reduction against both the requirements of the Peatland Code and its validated project plan and GHG assertion. The Peatland Code validation/verification pathway is as follows:</p> <ul style="list-style-type: none"> <li>- registration;</li> <li>- site survey;</li> <li>- restoration plan &amp; GHG assertion;</li> <li>- validation;</li> <li>- implementation of the restoration plan;</li> <li>- ongoing verification.</li> </ul> <p>Eligible activities shall be those relating to restoration of either blanket bog or raised bog with an associated baseline condition category of 'Actively Eroding' or 'Drained' and a minimum peat depth of 50 cm.</p> <p>The Peatland Code sets out a series of best practice requirements including a standard method for quantification of GHG benefit. Independent validation to this standard provides assurance and clarity for buyers with regards the quantity, quality of emissions reductions purchased. Recognising that carbon benefits arise for many years after the initial restoration activities are implemented, the Peatland Code also ensures the carbon benefit will be regularly measured and monitored over the lifetime of the project (minimum 30 years). Buyers can therefore be confident in purchasing peatland carbon units upfront, enabling the restoration project to take place.</p> <p>Funding obtained from the sale of climate benefit can sit alongside traditional public sources of funding, providing cost effective peatland restoration and ensuring management and maintenance of restoration projects over the long term.</p> <p>The Peatland Code is currently designed to attract private purchases motivated by corporate social responsibility. The funding received from the sale of carbon benefit will depend on the extent of damage prior to restoration, the size of the project and the length of the management agreement.</p> <p>The Peatland Code works for everyone involved:</p> <ul style="list-style-type: none"> <li>- Carbon buyers have reassurance that they have facilitated a responsible scheme, which will result in additional climate benefits.</li> <li>- Projects have recognised procedures and standards to work to, and can use their validated/verified status as a means to market the carbon benefits to potential buyers.</li> <li>- Society will benefit from enhanced climate mitigation and the restoration of the natural landscape.</li> </ul>		

	The Peatland Code Registry shows available projects or alternatively buyers can use the services of a specialist carbon broker to actively search for a suitable project on their behalf. Projects can market the benefits of their project at any time over its duration, with the majority selling the total upfront once their peatland restoration plan has received validation. <sup>1</sup>					
Lead organisation(s)	IUCN UK National Committee					
Total value of fund	-					
Timescale over which it operates (where applicable)	Ongoing. Minimum project duration is 30 years.					
Further details	The wider associated ecosystem service benefits of restoration include improvement in biodiversity, cleaner water, water flow management.					
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy		Air quality regulation	++	Carbon avoided and sequestration
		Local climate regulation	++	Water flow regulation	+	Water quality regulation
		Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place	+	Biodiversity
Other ecosystem services that are covered	+	Agricultural outputs	+	Timber/wood production		Water supply
	+	Renewable energy	+	Air quality regulation		Carbon avoided and sequestration
	+	Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination	+	Access to nature (recreation)	+	Physical and psychological experiences
	++	Learning and inspiration	++	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	<ul style="list-style-type: none"> <li>• Ceannacroc (Phase 1): “Drained and actively eroding blanket bog to be restored through drain blocking and revegetation”.<sup>2</sup></li> <li>• Corriemulzie (Phases 1-3): “Three phases of restoration of degraded blanket bog on Corriemulzie Estate. Restoration will mainly consist of the reprofiling of hags/gullies and peat dams. Timber dams may also be used where appropriate. Sphagnum will be spread across the site to encourage revegetation”.<sup>3</sup></li> <li>• Fleet Moss: “The restoration of a severely degraded moorland involving the damming of grips and gullies with peat dams, stone and timber sediment traps and coir logs; the brashing and revegetation of bare peat areas with heather brush, dwarf shrub seed, cotton grass plugs, crowberry plugs; and the inoculation of bare peat areas with sphagnum”.<sup>4</sup></li> </ul>					
References/links	<ol style="list-style-type: none"> <li>1. IUCN UK: Peatland Programme. Accessed at: <a href="https://www.iucn-uk-peatlandprogramme.org/">https://www.iucn-uk-peatlandprogramme.org/</a> on 9th June 2021</li> <li>2. IHS Markit: Ceannacroc (Phase 1) (ID: 10400000026983). Accessed at <a href="https://mer.markit.com/br-reg/public/project.jsp?project_id=10400000026983">https://mer.markit.com/br-reg/public/project.jsp?project_id=10400000026983</a> on 9<sup>th</sup> June 2021</li> <li>3. IHS Markit: Corriemulzie (Phases 1-3) (ID: 10400000027139). Accessed at: <a href="https://mer.markit.com/br-reg/public/project.jsp?project_id=10400000027139">https://mer.markit.com/br-reg/public/project.jsp?project_id=10400000027139</a> on 9<sup>th</sup> June 2021</li> </ol>					

4. IHS Markit: Fleet Moss (ID: 10400000026998). Accessed at: [https://mer.markit.com/br-reg/public/project.jsp?project\\_id=10400000026998](https://mer.markit.com/br-reg/public/project.jsp?project_id=10400000026998) on 9<sup>th</sup> June 2021

#### 4.7 Woodland Equity Fund

<b>Fund name</b>	<b>Woodland Equity Fund</b>				
<b>Date review completed</b>	<b>01/06/2021</b>	<b>Reviewed by</b>	<b>RPA</b>		
<b>Key aspects</b>	<b>Details</b>				
Summary of the fund	<p>New woodland creation: supported by revenues from timber and carbon credits. This is clearly aligned to 25-year plan objectives and follows an established business model, reducing risks. The facility's role will be to create the conditions to further strengthen this business model. For instance, interventions by the facility may mitigate policy risk around carbon credits, aggregate projects to achieve economies of scale in finance, and address the mismatch between project return time scales and candidate investors' time horizons.<sup>1</sup></p> <p>Established business model for forestry and forest bonds financing track record, Woodland creation a policy priority, UK government considering a forest carbon guarantee scheme, The Woodland Carbon Code provides a standard for UK afforestation projects MRV, Converting 0.5% of UK agricultural land to forestry could represent a £1.2bn -£1.5bn opportunity, Potential for increased share of home-grown timber in consumption, Potential monetisation of leisure, habitat creation and catchment services</p>				
How the fund is designed	<b>Capital item</b>	<b>Payment (100%)</b>	<b>rate</b>	<b>Available for PAWS</b>	<b>Available for native woodland creation<sup>2</sup></b>
	Tree planting	£1.60 / tree		Yes	Yes
	Tree shelters	£2.00 / tree		Yes	Yes
	Temp deer fencing	£6.50 / m		Yes	Yes
	Stock fence	£5 / m		Yes	Yes
	Rabbit netting	£3.13 / m		Yes	Yes
	Field gate	£487.50/ gate		Yes	Yes
	Stone wall top netting	£4.50 / m		Yes	Yes
	Badger gate	£168.75 / m		Yes	Yes
	Leaky woody dams 1-3m	£576.75 / m		Yes	Yes
	Leaky woody dams 3-5m	£995.54 / m		Yes	Yes
	Deer high seats	£375 / seat		Yes	No
	Deer enclosure plot	£136 / plot		Yes	No

	Deer fencing	£8.55 / m	Yes	Yes		
	Invasive species control list A	£3,500 / ha	Yes	No		
	Invasive species control list A 2.5-4m	£4,000 / ha	Yes	No		
	Invasive species control list A 4+m	£5,500 / ha	Yes	No		
	Invasive species control list B	£324 / ha	Yes	No		
	Invasive species control list C	£171.60 / ha	Yes	No		
	Invasive species control list D	£394.63 / ha	Yes	No		
	Deer impact assessments	£300 up to 25 ha	Yes	No		
	Deer vehicle gates (3m x 1.8m)	£430.76/ gate	Yes	Yes		
	Deer pedestrian gates (0.9m x 1.8m)	£339.85/ gate	Yes	Yes		
	Ground prep for natural regeneration	£121.85 / ha	Yes	No		
	Squirrel management cage trap	£15 / unit	Yes	No		
	Squirrel management multi-catch cage trap	£89.50 / unit	Yes	No		
	Squirrel management spring trap (mid-range)	£46.93 / unit	Yes	No		
	Squirrel management automatic self-baiting trap	£159.99/ unit	Yes	No"		
Lead organisation(s)	Main organisation includes the Forestry Commission					
Total value of fund	Fund expected to cost £500 million, minimum investment of £30-£50 million					
Timescale over which it operates (where applicable)	Anywhere between 10 and 25 years					
Further details	<p>Economic activities against taxonomy, NACE level, growth-yield model, CO2 stock, certification<sup>5</sup></p> <p>e.g. the Woodland Carbon Fund (not equity fund but could support blended financing): The land must meet the following size thresholds:</p> <ul style="list-style-type: none"> <li>- 10 hectares or more to be planted as woodland</li> <li>- either one continuous standalone block of 10 hectares or more, or at least 10 hectares of new planting in stands that are no more than 50 meters from either one another or, else from existing woodland, where the objective of the new planting clearly remains to establish productive woodland</li> <li>- for any given block of woodland, integral open space is no more than 20 meters wide, no more than 0.5 hectares in extent, and completely surrounded by woodland or forest</li> </ul>					
	+	Agricultural outputs	+	Timber/wood production	+	Water supply

Ecosystem services that are the main focus	+	Renewable energy	+	Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
		Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place		Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination	+	Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	<p>- Northern Forest: As part of the 25-Year Environment Plan, the government committed to creating the Northern Forest with an estimated overall cost of £500m. The scale of this opportunity and the nature of the long investment horizons of woodland projects warrant the creation of a specific woodland fund. This could be structured as an equity fund through drawing in a blend of philanthropic capital alongside repayable finance to invest in woodland projects before they are revenue generating. Modest investor returns earlier could be generated through agri-forestry schemes and cross-subsidisation from mature woodland and increase to commercial returns in the long-term. This model is potentially suitable for financing the entire Northern Forest. If the Northern Forest in GM is funded in isolation predominantly through urban tree planting, a place-based portfolio model would be more suitable.<sup>2</sup></p> <p>- WCF: Landowners, land managers, local authorities and public bodies can apply to the Forestry Commission for support to plant large-scale productive woodland under the Woodland Carbon Fund (WCF). Up to 40% of the remaining fund will be made available to public bodies and the remaining 60% will be available for applications from private owners. Public bodies other than Forestry England are now also eligible to include the second stage payment in their applications.<sup>3</sup></p> <p>- HS2 Woodland Fund: Apply for funding to support native woodland creation or the restoration of Plantations on Ancient Woodland Sites (PAWS) within a 25-mile zone surrounding the HS2 route - currently in Phase One, from London to the West Midlands.<sup>4</sup></p>					
References/links	<p>1. Finance Earth (2021) Enabling Investment into Conservation Climate and Communities <a href="https://www.environmentalfinance.co.uk/wp-content/uploads/2019/04/Defra-Natural-Environment-Impact-Fund-Business-Case-June-2018.pdf">https://www.environmentalfinance.co.uk/wp-content/uploads/2019/04/Defra-Natural-Environment-Impact-Fund-Business-Case-June-2018.pdf</a> on 1st June 2021 Forestry Commission (2021). Outline Business Case for a Natural Environment Impact Fund</p> <p>2. GOV.UK (2021) HS2 Woodland Fund (<a href="http://www.gov.uk">www.gov.uk</a>) on 25<sup>th</sup> June 2021</p> <p>3. EFTEC Greater Manchester (2019) Greater Manchester Natural Capital Investment Plan <a href="https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf">https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf</a> on 1st June 2021</p> <p>4. Forestry Commission (2018) Woodland Carbon Fund <a href="https://www.gov.uk/guidance/woodland-carbon-fund">https://www.gov.uk/guidance/woodland-carbon-fund</a> on 1st June 2021</p> <p>5. PRI (2020) EU Taxonomy alignment case study: International Woodland Company <a href="https://www.unpri.org/eu-taxonomy-alignment-case-studies/eu-taxonomy-alignment-case-study-international-woodland-company/6258.article">https://www.unpri.org/eu-taxonomy-alignment-case-studies/eu-taxonomy-alignment-case-study-international-woodland-company/6258.article</a> on 1st June 2021</p>					

## 4.8 Environmental Impact Bond

<b>Fund name</b>	<b>Environmental Impact Bond</b>					
<b>Date review completed</b>	<b>01/06/21</b>			<b>Reviewed by</b>	<b>RPA</b>	
<b>Key aspects</b>	<b>Details</b>					
Summary of the fund	Beneficiaries of interventions could be contracted to become payers for a positive outcome from specific interventions. Investment is raised from private investors to carry out interventions to achieve financial savings as a result of improvements. Investors returns are linked to the performance of the interventions. They enable investors to focus on outcomes rather than specific activities and the financial return is tied to the success of the project					
How the fund is designed	Once the bonds have been issued, the issuer uses the obtained funds to pay for their planned interventions. The principal amount of the bonds and interest must be remitted on scheduled payment dates. Following an evaluation period, the issuer pays the investors an outcome profit when there is demonstrable proof that the project has performed better than expected. If it underperforms, however, then the investor must pay the issuer a 'risk-sharing' payment. This usually means that the investor receives little or no interest					
Lead organisation(s)	[Washington] D.C Water Environmental Impact Bond <sup>1</sup>					
Total value of fund	US examples are set between \$14 and \$25 million					
Timescale over which it operates (where applicable)	Timetables not given in US examples					
Further details	Funds come from investors and require an issuer to set up and administer the EIB					
Ecosystem services that are the main focus	+	Agricultural outputs	+	Timber/wood production	+	Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
		Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production		Water supply
	+	Renewable energy		Air quality regulation		Carbon avoided and sequestration
	+	Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	Washington DC EIB ( <a href="https://waterfm.com/a-closer-look-at-environmental-impact-bonds/">https://waterfm.com/a-closer-look-at-environmental-impact-bonds/</a> ) Atlanta Bond was issued to public markets ( <a href="https://waterfm.com/atlanta-dwm-completes-first-publicly-issued-environmental-impact-bond/">https://waterfm.com/atlanta-dwm-completes-first-publicly-issued-environmental-impact-bond/</a> )					
References/links	1. Goldman Sachs (2021): FACT SHEET: DC Water Environmental Impact Bond. Accessed at: <a href="https://www.goldmansachs.com/media-relations/press-releases/current/dc-water-environmental-impact-bond-fact-sheet.pdf">https://www.goldmansachs.com/media-relations/press-releases/current/dc-water-environmental-impact-bond-fact-sheet.pdf</a> on 15 <sup>th</sup> June, 2021					

	2. Goldman Sachs, Calvert Foundation (2021) District of Columbia Water and Sewer Authority Public Utility Subordinate Lien Revenue Bonds Series 2016B (Environmental Impact Bonds)
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## 4.9 Green Bond

<b>Fund name</b>	<b>Green Bond</b>					
<b>Date review completed</b>	<b>01/06/21</b>		<b>Reviewed by</b>	<b>RPA</b>		
<b>Key aspects</b>	<b>Details</b>					
Summary of the fund	<p>A green bond is a type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental projects. These bonds are typically asset-linked and backed by the issuing entity's balance sheet, so they usually carry the same credit rating as their issuers' other debt obligations. Green bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean transportation, clean water, and sustainable water management. They also finance the cultivation of environmentally friendly technologies and the mitigation of climate change. (1) Any organisation with bonding authority may issue Green Bonds, including private companies, financial institutions and municipal governments. (5)</p> <p>There are six different forms of green bonds: Corporate bond, Project bond, Asset-backed security (ABS), Supranational, sub-sovereign and agency (SSA) bond, Municipal bond, Financial sector bond (2)</p>					
How the fund is designed	<p>Issuers should follow the Green Bonds Principles (GBP). Collectively they relate to 1. use of proceeds, 2. process for project evaluation and selection, 3. management of proceeds, 4. reporting. Following the GBP is key in ensuring transparent disclosure and effective management. (5) Issuers can be municipalities, utilities, public-private partnerships, and private companies building green infrastructure, including low-carbon buildings (7)</p>					
Lead organisation(s)	Anglian Water Green Bond. Paris Green Bond. Barclays Green Bond					
Total value of fund	Total volume of USD 91.6bn (3). Issuance: USD 259bn (2018: USD171.2bn), Number of deals: 1,802 (2018: 1,591), Number of issuers: 506 (2018: 347) (4)					
Timescale over which it operates (where applicable)	Funding runs from between 3-5 years					
Further details	Green bonds are a natural source of financing for issuers who have a financing or refinancing requirement for a green project.					
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production		Water supply
	+	Renewable energy		Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place		Biodiversity
Other ecosystem	+	Agricultural outputs	+	Timber/wood production	+	Water supply

services that are covered		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
		Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	<p>Greater Anglia’s Green Bond programme aims to save or avoid “160,736 tonnes of carbon - a 61% reduction from the company’s 2010 capital carbon baseline” (8)</p> <p>Paris Green Bonds advocated for a “scale up investment in green bonds, climate bonds and other bonds financing mitigation of and adaptation to climate change” (9)</p>					
References/links	<ol style="list-style-type: none"> <li>1. Segal, Troy, Investopedia (2021): What is a Green Bond? Accessed at: <a href="https://www.investopedia.com/terms/g/green-bond.asp">https://www.investopedia.com/terms/g/green-bond.asp</a> on 1st, June 2021</li> <li>2. Bloomberg Philanthropies (2016): Green Bonds Mobilising debt capital markets for a low-carbon transition. Accessed at <a href="https://www.oecd.org/environment/cc/Green%20bonds%20PP%20%5Bf3%5D%20%5Blr%5D.pdf">https://www.oecd.org/environment/cc/Green%20bonds%20PP%20%5Bf3%5D%20%5Blr%5D.pdf</a> on 1st June 2021</li> <li>3. Climate Bonds Initiative (2020): Green Bond Market Summary. Accessed at: <a href="https://www.climatebonds.net/files/reports/h1_2020_highlights_final.pdf">https://www.climatebonds.net/files/reports/h1_2020_highlights_final.pdf</a> on 1st June 2021</li> <li>4. Climate Bonds Initiative (2019): Climate Bond releases Global Green Bonds 2019 report: In depth analysis of record year for green finance. Accessed at: <a href="https://www.climatebonds.net/2020/07/climate-bonds-releases-global-green-bonds-2019-report-depth-analysis-record-year-green">https://www.climatebonds.net/2020/07/climate-bonds-releases-global-green-bonds-2019-report-depth-analysis-record-year-green</a> on 1st June 2021</li> <li>5. Deloitte (2018): Green Bonds Issuance and Support Offering. Accessed at: <a href="https://www2.deloitte.com/it/en/pages/legal/articles/Green-Bonds-Issuance-and-Support-Offering.html">https://www2.deloitte.com/it/en/pages/legal/articles/Green-Bonds-Issuance-and-Support-Offering.html</a> on 1st June 2021</li> <li>6. KPMG (2016): Green Bonds The Process. Accessed at: <a href="https://assets.kpmg/content/dam/kpmg/pdf/2016/04/green-bonds-process.pdf">https://assets.kpmg/content/dam/kpmg/pdf/2016/04/green-bonds-process.pdf</a> on 1st June, 2021</li> <li>7. Green City Bonds (2015): How To Issue A Green City Bond The Green City Bond Overview. Accessed at: <a href="https://www.climatebonds.net/files/files/How-to-Issue-Green-City-Bonds.pdf">https://www.climatebonds.net/files/files/How-to-Issue-Green-City-Bonds.pdf</a> on 5th June 2021</li> <li>8. Anglia Water (2019): Anglian Water funds 850 capital investment projects through Green Bonds. Accessed at: <a href="#">Anglian Water funds 850 capital investment projects through Green Bonds</a> on 29<sup>th</sup> May 2021</li> <li>(9) The Climatebond.net (2015): The Paris Green Bonds Statement. Accessed at: <a href="#">Paris Investor Statement 9Dec15.pdf (climatebonds.net)</a> on 29<sup>th</sup> May 2021</li> </ol>					

#### 4.10 Place-Based Portfolio

<b>Fund name</b>	<b>Place-Based Portfolio</b>		
<b>Date review completed</b>	<b>02/06/21</b>	<b>Reviewed by</b>	<b>RPA</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the	“This model has considerable promise to improve the management of natural capital assets in a manner that engages communities and could potentially be applied very widely.” It “can		

fund	<p>provide a sustainable funding for natural capital assets where revenue-generating activities can be used to cross-subsidise the provision of other ecosystem services.”<sup>1</sup>                  Transfer network of urban green (and blue) spaces into a dedicated management vehicle e.g. Charitable Trust to achieve greater public benefit.<sup>2</sup></p>					
How the fund is designed	<p>A “charity or social enterprise that manages a natural capital asset portfolio, such as urban parks, beaches or a woodland, under a mandate to balance ecosystem services, including monetisable and non-monetisable (public health, amenity value, improvement of air quality) benefits.”<sup>1</sup>                  For the place-based portfolio model, the first step would be the appointment of a project manager who would be in charge of engaging stakeholders to explore the feasibility of transferring the ownership or management of assets into a charitable trust; then, a project team would explore and carry out financial planning, legal structuring and stakeholder management. Advice could be taken from initiatives currently underway, such as Newcastle-upon-Tyne’s ‘People’s Parks Trust’<sup>3</sup></p>					
Lead organisation(s)	There are two lead organisers, Royal Parks in London and the Milton Keynes Park Trust					
Total value of fund	Value of the fund is between £1 million and £5 million					
Timescale over which it operates (where applicable)	The fund is investible for 1 to 3 years					
Further details	Individual assets, such as city parks and urban green and blue infrastructure, may not be investable on their own. However, they can be grouped into a portfolio and leased to a Trust which must maintain them but can also undertake activities to realise multiple revenue streams. This structure could give access to funds that the Council may be unable to bid for (e.g., corporate investments) thus making them potentially investable and able to cross-subsidise management of natural assets that may not currently generate a revenue stream. <sup>2</sup>					
Ecosystem services that are the main focus		Agricultural outputs	+	Timber/wood production		Water supply
		Renewable energy	+	Air quality regulation		Carbon avoided and sequestration
	+	Local climate regulation		Water flow regulation	+	Water quality regulation
		Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place		Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production		Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
		Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration		Identity and quality of place		Biodiversity

Examples demonstrating the link between the fund and specific ecosystem services	Royal Parks London details their aims as being to maintain and develop biodiversity, including the protection of wildlife and the natural environment together with promoting sustainability in the management and use of the Royal Parks. <sup>4</sup>
References/ links	<p>1. Vivid Economics (2018): The Outline Business Case for a Natural Environment Impact Fund. Accessed at: <a href="http://sciencesearch.defra.gov.uk/Default.aspx?Module=More&amp;Location=None&amp;ProjectID=20096">http://sciencesearch.defra.gov.uk/Default.aspx?Module=More&amp;Location=None&amp;ProjectID=20096</a> on 29<sup>th</sup> June 2021</p> <p>2. EFTEC Greater Manchester (2019): Greater Manchester Natural Capital Investment Plan. Accessed at: <a href="https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf">https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf</a> 2nd June 2021</p> <p>3. Finance Earth (2021) Enabling investment into conservation climate and communities. Accessed at: <a href="https://www.environmentalfinance.co.uk/wp-content/uploads/2019/04/WWF-North-Devon-Sustainable-Finance-Mechanisms-Report-June-2018.pdf">https://www.environmentalfinance.co.uk/wp-content/uploads/2019/04/WWF-North-Devon-Sustainable-Finance-Mechanisms-Report-June-2018.pdf</a> on 1 June 2021</p> <p>4. The Royal Parks: <a href="https://www.royalparks.org.uk/about-us/what-we-do">What we do</a>. Accessed at: <a href="https://www.royalparks.org.uk/about-us/what-we-do">https://www.royalparks.org.uk/about-us/what-we-do</a> on 1 June 2021 (no date given)</p>

#### 4.11 Nature for Climate Fund

<b>Fund name</b>	<b>Nature for Climate Fund</b>		
<b>Date review completed</b>	<b>09/06/2021</b>	<b>Reviewed by</b>	<b>RPA (JM)</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	The Nature for Climate Fund was announced in the UK Government budget in 2020. The fund makes available £640 million to restore 35,000 hectares of peatland and plant 40 million trees in England by 2025 <sup>1</sup> , therefore increasing the rate of tree planting by over 600% <sup>2</sup> .		
How the fund is designed	<p>No clear funding map has been identified, however it appears that the Nature for Climate Fund has been made available to organisations to run pilots schemes and projects, as well as grant funding. Below are schemes and grants identified as being funded by the Nature for Climate Fund:</p> <ul style="list-style-type: none"> <li>• <b>Project</b> - £120,000 has been given to the new National Woodland Creation Partnership to drive regional tree planting in Cornwall<sup>3</sup>;</li> <li>• <b>Project</b> - £1.4 million has been awarded to the Environment Agency to fund ‘woodlands for water’ projects<sup>4</sup>;</li> <li>• <b>Pilot</b> - £2.5 million will support pilot schemes delivered on the ground by Local Authorities to establishing new ways of planting trees in urban and rural locations<sup>5</sup>;</li> <li>• <b>Project</b> - £12.1 million has been awarded to the Trees for Climate programme to plant trees in ten Community Forests<sup>6</sup>;</li> <li>• <b>Grant</b> – The Harvesting and Processing Grant is partly funded under this fund (with other funds coming from the Scottish Government) to assist tree nurseries in England that supply trees to Scotland (grants between £1,000 and £50,000 are available)<sup>7</sup>;</li> <li>• <b>Grant</b> - The England Woodland Creation Offer (EWCO) will be administered by the Forestry Commission to support landowners and land managers to create over 10,000 hectares of new woodland<sup>8</sup>;</li> </ul>		

	<ul style="list-style-type: none"> <li>• <b>Project</b> - National Forest has received £2.26 million to double the number of trees planted for the next year<sup>9</sup>;</li> <li>• <b>Grant</b> - The Urban Tree Challenge Fund (UTCf) is funded under the Nature for Climate Fund, and will support the planting of 44,000 large ‘standard’ trees over a two-year period<sup>10</sup>;</li> <li>• <b>Grant</b> - £2.7 million is available through the Local Authority Treescapes fund, which is available to Local Authority-led tree planting and natural colonisation of trees outside woods (i.e. riverbanks, hedgerows, parklands, urban areas, beside roads and footpaths, in copses and shelterbelts)<sup>11</sup>;</li> <li>• <b>Grant</b> - Woods into Management Forestry Innovation Funds aim to restore vulnerable woodland habitats, help woodlands adapt to a changing climate and recover from the impacts of pests and diseases<sup>12</sup>;</li> <li>• <b>Grant</b> - Nature for Climate Peatland Grant Scheme provides funding to restore peatlands in the uplands and lowlands of England<sup>13</sup>; and</li> <li>• <b>Grant</b> - £40 million is available through the Green Recovery Challenge Fund (£30 million from the Nature for Climate Fund)<sup>14,15</sup>.</li> </ul>					
Lead organisation(s)	Defra (other organisations are distributing some of the grant schemes, such as the Forestry Commission)					
Total value of fund	£640 million					
Timescale over which it operates (where applicable)	The fund has the deadline of 2025 by which to achieve the target of restoring 35,000 hectares of peatland and planting 40 million trees. Some partnerships receiving funding also have their own deadlines (i.e. Cornwall Council have a target of being carbon neutral by 2030 and the funding received by the National Woodland Creation Partnership will go towards achieving this).					
Further details	Nature-based Solutions Initiative felt that the fund was too small to cover the costs of the restoration targets and would require significant private investment <sup>1</sup> .					
Ecosystem services that are the main focus		Agricultural outputs	++	Timber/wood production		Water supply
		Renewable energy	+	Air quality regulation	++	Carbon avoided and sequestration
	+	Local climate regulation	++	Water flow regulation	+	Water quality regulation
		Pollination	+	Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place	++	Biodiversity
Other ecosystem services that are covered	+	Agricultural outputs		Timber/wood production	+	Water supply
	+	Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link the fund and	This is a new fund with limited project examples with demonstrated links/outputs. However, some of the projects and partnerships have anticipated potential benefits, these are listed below. The National Woodland Creation Partnership anticipate that the fund will help <sup>3</sup> :					

<p>specific ecosystem services</p>	<ul style="list-style-type: none"> <li>• to provide shade in urban areas;</li> <li>• to provide well-being benefits in areas of high deprivation;</li> <li>• encourage visitors to the area; and</li> <li>• to enhance nature’s recovery and flood mitigation.</li> </ul> <p>The Environment Agency Woodlands for Water will help<sup>5</sup>:</p> <ul style="list-style-type: none"> <li>• to improve water quality;</li> <li>• to help slow the flow of water and improve habitat connectivity;</li> <li>• to improve water quality, alleviate flooding, capture carbon and create wildlife habitat;</li> <li>• to create and re-connect habitats and improve water quality by reducing surface run-off; and</li> </ul> <p>to improve wildlife habitat and connectivity.</p>
<p>References/links</p>	<ol style="list-style-type: none"> <li>1. Nature-based Solutions (2020): UK Government Budget 2020. Accessed at: <a href="https://www.naturebasedsolutionsinitiative.org/news/uk-government-budget-2020/">https://www.naturebasedsolutionsinitiative.org/news/uk-government-budget-2020/</a> on 9<sup>th</sup> June 2021</li> <li>2. HM Treasury (2020): Budget 2020 Delivering on Our Promises to the British People. Accessed at: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871799/Budget_2020_Web_Accessible_Complete.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/871799/Budget_2020_Web_Accessible_Complete.pdf</a> on 9<sup>th</sup> June 2021</li> <li>3. Forestry Journal (2021): Nature for Climate Fund: DEFRA announces funding boost and partnership with Forest for Cornwall. Accessed at: <a href="https://www.forestryjournal.co.uk/news/19174555.defra-announces-funding-boost-new-partnership-forest-cornwall/">https://www.forestryjournal.co.uk/news/19174555.defra-announces-funding-boost-new-partnership-forest-cornwall/</a> on 9<sup>th</sup> June 2021</li> <li>4. Defra (2020): Defra in the media. New funding for tree planting as National Tree Week comes to a close. Accessed at: <a href="https://deframedia.blog.gov.uk/2020/12/07/new-funding-for-tree-planting-as-national-tree-week-comes-to-a-close/">https://deframedia.blog.gov.uk/2020/12/07/new-funding-for-tree-planting-as-national-tree-week-comes-to-a-close/</a> on 9<sup>th</sup> June 2021</li> <li>5. Defra (2020): Press release. £3.9 million to drive innovative tree planting. Accessed at: <a href="https://www.gov.uk/government/news/39-million-to-drive-innovative-tree-planting">https://www.gov.uk/government/news/39-million-to-drive-innovative-tree-planting</a> on 9<sup>th</sup> June 2021</li> <li>6. Defra (2020): Press release. 500 hectare planting boost for England’s Community Forests. Accessed at: <a href="https://www.gov.uk/government/news/500-hectare-planting-boost-for-englands-community-forests">https://www.gov.uk/government/news/500-hectare-planting-boost-for-englands-community-forests</a> on 9<sup>th</sup> June 2021</li> <li>7. Forestry Commission (2021): Create woodland: overview. Accessed at: <a href="https://www.gov.uk/guidance/create-woodland-overview">https://www.gov.uk/guidance/create-woodland-overview</a> on 9<sup>th</sup> June 2021</li> <li>8. Forestry Commission (2021): England Woodland Creation Offer. Accessed at: <a href="https://www.gov.uk/guidance/england-woodland-creation-offer">https://www.gov.uk/guidance/england-woodland-creation-offer</a> on 9<sup>th</sup> June 2021</li> <li>9. The National Forest (2021): The National Forest celebrates planting its 9 millionth tree. Accessed at: <a href="https://www.nationalforest.org/blog/news/national-forest-celebrates-planting-its-9-millionth-tree">https://www.nationalforest.org/blog/news/national-forest-celebrates-planting-its-9-millionth-tree</a> on 9<sup>th</sup> June 2021</li> <li>10. Forestry Commission (2021): Urban Tree Challenge Fund. Accessed at: <a href="https://www.gov.uk/guidance/urban-tree-challenge-fund">https://www.gov.uk/guidance/urban-tree-challenge-fund</a> on 9<sup>th</sup> June 2021</li> <li>11. Defra (2021): Press release. New tree fund for local communities announced. Accessed at: <a href="https://www.gov.uk/government/news/new-tree-fund-for-local-communities-announced">https://www.gov.uk/government/news/new-tree-fund-for-local-communities-announced</a> on 9<sup>th</sup> June 2021</li> <li>12. Forestry Commission (2021): Woods into Management Forestry Innovation Funds. Accessed at: <a href="https://www.gov.uk/government/collections/woods-into-management-forestry-innovation-funds">https://www.gov.uk/government/collections/woods-into-management-forestry-innovation-funds</a> on 9<sup>th</sup> June 2021</li> <li>13. GSC Grays (2021): The Nature for Climate Peatland Grant Scheme. Accessed at: <a href="https://www.gscgrays.co.uk/2021/04/21/the-nature-for-climate-peatland-grant-scheme/">https://www.gscgrays.co.uk/2021/04/21/the-nature-for-climate-peatland-grant-scheme/</a> on 9<sup>th</sup> June 2021</li> <li>14. Defra (2020): Press release. Government announces £40 million green jobs challenge fund. Accessed at:</li> </ol>

	<p><a href="https://www.gov.uk/government/news/government-announces-40-million-green-jobs-challenge-fund">https://www.gov.uk/government/news/government-announces-40-million-green-jobs-challenge-fund</a> on 9th June 2021</p> <p>15. Heritage Fund (2020): Government’s £40million Green Recovery Challenge Fund opens for applications. Accessed at: <a href="https://www.heritagefund.org.uk/news/governments-ps40million-green-recovery-challenge-fund-opens-applications">https://www.heritagefund.org.uk/news/governments-ps40million-green-recovery-challenge-fund-opens-applications</a> on 9th June 2021</p>
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#### 4.12 Biodiversity Net Gain

<b>Fund name</b>	<b>Biodiversity Net Gain</b>		
<b>Date review completed</b>	<b>09/06/2021</b>	<b>Reviewed by</b>	<b>RPA (JM)</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	<p>Biodiversity Net Gain is part of the National Planning Policy Framework NPPF and has been developed to ensure that future developments leave biodiversity in a better state than before<sup>1</sup>. Developers should ensure that schemes are designed to retain and improve existing habitats or create new habitats, ultimately having an overall positive impact on biodiversity and ecological networks in comparison to the pre-development condition. The improvements and/or restoration need to be measurable, however the NPPF does not specify how much of an improvement is required by developers.</p> <p>Requirements have been included in the most recent Environment Bill, that mean developers will need to ensure that new schemes exceed the pre-development biodiversity value by at least 10% and this improvement is maintained for at least 30 years. If this is not possible, developers will be able to purchase biodiversity credits to off-set their development.</p>		
How the fund is designed	<p>Once the Environmental Bill and subsequent transition period has passed, developers in England will only be granted planning permission if the requirement for 10% Biodiversity Net Gain is met. Biodiversity Gain Plans will need to be approved by Local Planning Authorities and should show the pre and post biodiversity value of the site, with biodiversity gains calculated using the Natural England Biodiversity Metric (i.e. if a site is worth 40 biodiversity units before development, it should see an increase of 4 units post development).</p> <p>Any works to improve habitats at the development site are likely to be placed under a “conservation covenant” to ensure that the habitat/environment will be maintained for at least 30 years after the development is completed.</p> <p>Should developers not be able to demonstrate a 10% biodiversity net gain on site, they will be able to improve biodiversity off site by contributing towards a local habitat compensation scheme (local habitat markets). As a last option, developers will be able to purchase biodiversity credits from Defra (for £11,000 per credit<sup>2</sup>), the funds from this will be put towards strategic ecological networks and long-term environmental benefits<sup>3</sup>; this system is known as a mitigation hierarchy.</p> <p>Once the Environmental Bill and subsequent transition period has passed, developers in England will only be granted planning permission if the requirement for 10% Biodiversity Net Gain is met. Biodiversity Gain Plans will need to be approved by Local Planning Authorities and should show the pre and post biodiversity value of the site, with biodiversity gains calculated using the Natural England Biodiversity Metric (i.e. if a site is worth 40 biodiversity units before development, it should see an increase of 4 units post development).</p> <p>Any works to improve habitats at the development site are likely to be placed under a “conservation covenant” to ensure that the habitat/environment will be maintained for at least 30 years after the development is completed.</p>		

	<ul style="list-style-type: none"> <li>Should developers not be able to demonstrate a 10% biodiversity net gain on site, they will be able to improve biodiversity off site by contributing towards a local habitat compensation scheme (local habitat markets). As a last option, developers will be able to purchase biodiversity credits from Defra (for £11,000 per credit<sup>2</sup>), the funds from this will be put towards strategic ecological networks and long-term environmental benefits<sup>3</sup>; this system is known as a mitigation hierarchy.</li> </ul>					
Lead organisation(s)	Central Government (Defra), although Local Planning Authorities will be responsible for granting planning applications and checking Biodiversity Gain Plans are implemented and maintained.					
Total value of fund	Defra have estimated that it will cost developers £19,698/ha to create and maintain sites over a 30-year lifecycle. Ongoing costs were estimated at £9.5 million per year for local government. For central government, the estimated ongoing costs were estimated at £1.8m for Natural England, and £1.3m for Defra with one-off capital costs of £0.5m <sup>4</sup> .					
Timescale over which it operates (where applicable)	Developers will be required to maintain the net gain for a period of at least 30 years.					
Further details	<p>Concerns have been raised that ability to buy credits will may not encourage developers to consider environmentally sensitive scheme designs and it could be seen as a “license to trash”<sup>1</sup>.</p> <p>The Environmental Bill is currently at the committee stage at the House of Lords<sup>5</sup> and the Act will only come into effect after a two-year transition period which begins when the Environment Bill receives Royal Assent.</p> <p>Natural England are currently running nine Natural England Biodiversity Net Gain pilot projects to support the design of the credits scheme<sup>6</sup>.</p>					
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production		Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	++	Pollination	+	Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration	++	Identity and quality of place	++	Biodiversity
Other ecosystem services that are covered		Agricultural outputs	+	Timber/wood production		Water supply
		Renewable energy	++	Air quality regulation	+	Carbon avoided and sequestration
	++	Local climate regulation	+	Water flow regulation	+	Water quality regulation
		Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration		Identity and quality of place		Biodiversity
Examples demonstrating the link the fund and specific ecosystem services	Ecosystem services provided by Biodiversity Net Gain will be specific to the individual sites and measures put in place. However, in Defra’s Biodiversity Net Gain and local nature recovery strategies Impact Assessment, they highlighted natural capital and ecosystem services that could be delivered by additional habitat and biodiversity, these included:					

	<ul style="list-style-type: none"> <li>• <b>provisioning:</b> energy (renewable and non-renewable sources), wild animals, minerals, wild plants, timber, navigation, agricultural production and caught fish, water;</li> <li>• <b>regulating:</b> carbon sequestration, wastewater cleaning, air pollution removed by vegetation, mediation of smell, noise and pollution removed by water, flood, erosion and landslide protection, temperature regulation, water flow control and water condition regulation;</li> <li>• <b>recreation and cultural services:</b> setting for outdoor, scientific and educational interactions, heritage and aesthetic interactions, value place on nature simply existing, settings for outdoor physical activity (health benefits).</li> </ul> <p>The Elmsbrook residential development is anticipated to be completed in 2021 and has incorporated Biodiversity Net Gain within the scheme plans. On the site, 40% green space has been provided to promote a healthy lifestyle (access to outdoor recreation) and achieve Biodiversity Net Gain<sup>7</sup>.</p>
References/links	<ol style="list-style-type: none"> <li>1. The Landmark Practice (2020): What is Biodiversity Net Gain? Accessed at: <a href="https://thelandmarkpractice.com/what-is-biodiversity-net-gain/">https://thelandmarkpractice.com/what-is-biodiversity-net-gain/</a> on 9<sup>th</sup> June 2021</li> <li>2. Environment Analyst (2019): Full costs of biodiversity net gain revealed. Accessed at: <a href="https://environment-analyst.com/global/83704/full-costs-of-biodiversity-net-gain-revealed">https://environment-analyst.com/global/83704/full-costs-of-biodiversity-net-gain-revealed</a> on 9<sup>th</sup> June 2021</li> <li>3. Firstplan (2021): Introducing the Environment Bill. Accessed at: <a href="https://www.firstplan.co.uk/news/introducing-the-environmental-bill/">https://www.firstplan.co.uk/news/introducing-the-environmental-bill/</a> on 9<sup>th</sup> June 2021</li> <li>4. Defra (2019): Biodiversity net gain and local nature recovery strategies. Impact Assessment. Accessed at: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839610/net-gain-ia.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839610/net-gain-ia.pdf</a> on 9<sup>th</sup> June 2021</li> <li>5. UK Parliament (2021): Environment Bill. Accessed at: <a href="https://bills.parliament.uk/bills/2593">https://bills.parliament.uk/bills/2593</a> on 9<sup>th</sup> June 2021</li> <li>6. Natural England (2020): Introducing the Biodiversity Credits Scheme Pilot-Call for Projects. Accessed at: <a href="https://cieem.net/wp-content/uploads/2020/07/Introducing-the-Biodiversity-Credits-Scheme-Call-for-Projects_01.07.20.pdf">https://cieem.net/wp-content/uploads/2020/07/Introducing-the-Biodiversity-Credits-Scheme-Call-for-Projects_01.07.20.pdf</a> on 9<sup>th</sup> June 2021</li> <li>7. UK Green Building Council (nd): Elmsbrook. Accessed at: <a href="https://www.ukgbc.org/ukgbc-work/case-study-elmsbrook/">https://www.ukgbc.org/ukgbc-work/case-study-elmsbrook/</a> on 9<sup>th</sup> June 2021</li> </ol>

### 4.13 Environmental Net Gain

Fund name	Environmental Net Gain		
Date review completed	09/06/2021	Reviewed by	RPA (JM)
Key aspects	Details		
Summary of the fund	<p>Environmental Net Gain is similar to Biodiversity Net Gain, however it is intended to go further by not only improving biodiversity, but also the wider condition of and benefits flowing from the natural environment with a development site. There is no formal definition of Environmental Net Gain, although Defra have defined it as “Achieving environmental net gain means achieving biodiversity net gain first, and going further to achieve increases in the capacity of affected natural capital to deliver ecosystem services and make a scheme’s wider impacts on natural capital positive”<sup>1</sup>. A developer looking to adopt Environmental Net Gain may improve biodiversity as a first step but</p>		

	<p>then go further to incorporate and deliver wider natural capital benefits (i.e. flood risk alleviation and local air quality improvement).</p> <p>Environmental Net Gain is not a mandatory requirement of developers and therefore can be seen as voluntary. However, there is legislation that may be used to encourage Environmental Net Gain, including the National Planning Policy Framework, Public Services (Social Value) Act 2012 and the Agriculture Act 2020<sup>1</sup>.</p>					
How the fund is designed	<p>Developers should follow the mitigation hierarchy (same as Biodiversity Net Gain)<sup>2</sup>:</p> <ul style="list-style-type: none"> <li>• Avoiding impacts as far as possible;</li> <li>• Minimising unavoidable impacts; or</li> <li>• Compensating for unavoidable losses either locally or nationally (a last resort option).</li> </ul> <p>Developers would be expected to fund Environmental Net Gain as part of their scheme costs and there is currently no credit scheme available from Defra (as will be available for Biodiversity Net Gain).</p>					
Lead organisation(s)	N/A					
Total value of fund	N/A					
Timescale over which it operates (where applicable)	N/A					
Further details	<p>There is currently no agreed methodology for Environmental Net Gain assessment. Widening the scope beyond biodiversity, means that there are many interactions and interdependencies to consider, this linked with the need for specific tools and expertise may mean that opportunities are missed.</p>					
Ecosystem services that are the main focus	+	Agricultural outputs	+	Timber/wood production	+	Water supply
	+	Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
	+	Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination	+	Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place	+	Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production		Water supply
		Renewable energy		Air quality regulation		Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
		Pollination		Access to nature (recreation)		Physical and psychological experiences
		Learning and inspiration		Identity and quality of place		Biodiversity
Examples demonstrating	<p>Ecosystem services provided by Environmental Net Gain will be specific to the individual sites and measures put in place.</p>					

the link between the fund and specific ecosystem services	
References/links	<ol style="list-style-type: none"> <li>Chartered Institute of Ecology and Environmental Management (2021): Briefing Paper: Environmental Net Gain. Accessed at: <a href="https://cieem.net/wp-content/uploads/2021/05/CIEEM-Environmental-Net-Gain-Briefing-Apr2021-FINAL-1.pdf">https://cieem.net/wp-content/uploads/2021/05/CIEEM-Environmental-Net-Gain-Briefing-Apr2021-FINAL-1.pdf</a> on 9th June 2021</li> <li>National Infrastructure Commission (2021): Natural capital and environmental net gain: A discussion paper. Accessed at: <a href="https://nic.org.uk/app/uploads/Updated-Natural-Capital-Paper-Web-Version-Feb-2021.pdf">https://nic.org.uk/app/uploads/Updated-Natural-Capital-Paper-Web-Version-Feb-2021.pdf</a> on 9th June 2021</li> </ol>

#### 4.14 Green Improvement District

<b>Fund name</b>	<b>Green Improvement District</b>					
<b>Date review completed</b>	<b>01/06/2021</b>		<b>Reviewed by</b>		<b>RPA</b>	
<b>Key aspects</b>	<b>Details</b>					
Summary of the fund	<p>A GID is based on, and may be a subset of, the Business Improvement District (BID) concept (and may be incorporated within an existing BID), whereby a voluntary levy would be secured from businesses operating in the local area that derive benefit from high quality greenspace. This would be invested to enhance urban greenspaces such as parks, canals and sustainable travel networks. The GID would take responsibility for managing a predetermined area and leverage the levy with other forms of investment to achieve wider impact.</p> <p>A green approach within existing business improvement districts. Such improvement districts are considered unlikely to be exclusively environmental in their objectives, but the actions these could put in place could be part of the services and income streams developed under the place-based finance model (1).</p>					
How the fund is designed	2018 GLA grant gave between £5,000 and £50,000 as part as the Community Tree Planting and Community Green Space Improvements GID.					
Lead organisation(s)	Greater London Authority GLA (other organisations are distributing some of the grant schemes, like Austin Green)					
Total value of fund	\$995 million					
Timescale over which it operates (where applicable)	Application materials indicate that the financial model is based on a 30-year development build out schedule.					
Further details	Anything that needs to be in place for the fund to be accessed/used (e.g. legal vehicle) and risks					
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	++	Carbon avoided and sequestration
		Local climate regulation		Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity

Other ecosystem services that are covered		Agricultural outputs		Timber/wood production	Water supply
		Renewable energy	+	Air quality regulation	Carbon avoided and sequestration
		Local climate regulation		Water flow regulation	Water quality regulation
	+	Pollination		Access to nature (recreation)	Physical and psychological experiences
	+	Learning and inspiration		Identity and quality of place	Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	<p>&gt;290 Business Improvement Districts in local authorities across the UK. No examples supporting natural capital specifically (1)</p> <p>The Greater London Authority (GLA) is working with Business Improvement Districts (BIDs) in central London to identify and then deliver opportunities for increasing green cover. The Greening the BIDs project has supported 15 green infrastructure audits and part-funded demonstration projects with the aim of catalysing urban greening in central London. (2)</p>				
References/links	<p>(1) EFTEC Greater Manchester (2019) Greater Manchester Natural Capital Investment Plan <a href="https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf">https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf</a> 2nd June 2021</p> <p>(2) C40 Cities (2015) Greening the Bids: Private-public collaboration to deliver green infrastructure opportunities <a href="https://www.c40.org/case_studies/greening-the-bids-private-public-collaboration-to-deliver-green-infrastructure-opportunities">https://www.c40.org/case_studies/greening-the-bids-private-public-collaboration-to-deliver-green-infrastructure-opportunities</a> on 5th June 2021</p> <p>(3) Greater London Authority (2018) Greener City Fund <a href="https://glagrants.org.uk/home/greener-city-fund/">https://glagrants.org.uk/home/greener-city-fund/</a> on 28<sup>th</sup> June 2021</p>				

### 4.15 Habitat Bank

<b>Fund name</b>	<b>Habitat Bank</b>		
<b>Date review completed</b>	<b>01/06/2021</b>	<b>Reviewed by</b>	<b>RPA</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	<p>Under the Environment Bill, projects involving the development of land will need to deliver a 10% biodiversity net gain. Whatever number of ‘conservation credits’ are needed to achieve this can be bought ‘off the shelf’ by the developer at the point of planning permission. His payment then goes to funding the long-term conservation management of the habitat bank, the location and management of each being approved by the local planning authority using it.</p> <p>Habitat/carbon banking combines potential revenue streams for carbon and biodiversity credits. There is a large synergy in delivery of these credits through additional project activities to enhance natural capital (e.g. through habitat creation and restoration)<sup>16</sup>. They are complimentary revenue streams, because habitat banking is a one-off asset purchase (compensating for a lost biodiversity (habitat) asset), but carbon revenue is an ongoing purchase, buying credits from the flow of sequestration (or avoided emissions) to offset emissions from operations over time.</p>		
How the fund is designed	UK Governments have responded to peatland restoration opportunities through a range of funding mechanisms for peatland restoration, principally operating in the uplands. Together		

	these represent potentially hundreds of millions of pounds of investment, and include Defra’s invested £10M in peatland restoration in 2017-18, and their £640 million Nature For Climate Fund launched in 2020, which focuses on woodland creation but includes peatland restoration in its remit. Scottish Government has funded Peatland Action via Scottish Natural Heritage since 2012, with £20M restoration work planned for 2020/21 and a commitment to invest £250 million over the next ten years, and Welsh Government has funded restoration via a series of LIFE projects. In the future, the ELMS programme in England may provide an additional source of government funds. (2)					
Lead organisation(s)	The UK Habitat Bank Limited, Greater Manchester Wetlands, Peatland restoration in Cumbria, Peatland ACTION project Scotland, Grants for Peatlands Restoration					
Total value of fund	£250 million					
Timescale over which it operates (where applicable)	Project will run through the “next 10 years” (2)					
Further details	N/A					
Ecosystem services that are the main focus	+	Agricultural outputs	+	Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
		Learning and inspiration	+	Identity and quality of place		Biodiversity
Other ecosystem services that are covered	+	Agricultural outputs	+	Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
		Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	The UK Habitat Bank Limited ( <a href="https://find-and-update.company-information.service.gov.uk/company/11475458">https://find-and-update.company-information.service.gov.uk/company/11475458</a> ); The Habitat Bank ( <a href="https://acjecology.co.uk/habitat-bank/">https://acjecology.co.uk/habitat-bank/</a> ); Habitat Bank LLC ( <a href="http://www.habitatbank.com/">http://www.habitatbank.com/</a> ) Greater Manchester Wetlands ( <a href="https://www.lancswt.org.uk/great-manchester-wetlands">https://www.lancswt.org.uk/great-manchester-wetlands</a> ) Peatland restoration in Cumbria ( <a href="https://www.cumbriawildlifetrust.org.uk/about/what-we-do/living-landscapes/wildlife-conservation-projects/peatland-restoration">https://www.cumbriawildlifetrust.org.uk/about/what-we-do/living-landscapes/wildlife-conservation-projects/peatland-restoration</a> ) Peatland ACTION project Scotland ( <a href="https://www.nature.scot/climate-change/nature-based-solutions/peatland-action-project">https://www.nature.scot/climate-change/nature-based-solutions/peatland-action-project</a> ) Grants for Peatlands Restoration ( <a href="https://www.gov.uk/government/news/grants-for-peatlands-restoration">https://www.gov.uk/government/news/grants-for-peatlands-restoration</a> )					

	Projects maps <a href="https://www.iucn-uk-peatlandprogramme.org/projects-map">https://www.iucn-uk-peatlandprogramme.org/projects-map</a>
References/links	<p>(1) EFTEC Greater Manchester (2019) Greater Manchester Natural Capital Investment Plan <a href="https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf">https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf</a> 2nd June 2021</p> <p>(2) 3 Keel, Forrest Carbon, Newcastle University (2020) <a href="https://www.iucn-uk-peatlandprogramme.org/sites/default/files/header-images/Resources/Optimising%20Public%20Private%20funding%20of%20Peatland%20Restoration.pdf">https://www.iucn-uk-peatlandprogramme.org/sites/default/files/header-images/Resources/Optimising%20Public%20Private%20funding%20of%20Peatland%20Restoration.pdf</a> on 1<sup>st</sup> June 2021</p> <p>(3) The Environment Bank (2020) Habitat Banks will be the way to deliver Biodiversity Net Gain (<a href="https://www.environmentbank.com/blog/habitat-banks-will-be-the-way-to-deliver-biodiversity-net-gain/#:~:text=The%20latest%20update%20to%20the,those%20enhancements%20for%20thirty%20years.">https://www.environmentbank.com/blog/habitat-banks-will-be-the-way-to-deliver-biodiversity-net-gain/#:~:text=The%20latest%20update%20to%20the,those%20enhancements%20for%20thirty%20years.</a>) 14<sup>th</sup> June 2021</p> <p>(4) The Environment Bank (2020) <a href="https://www.environmentbank.com/blog/the-environment-bill-and-biodiversity-net-gain-delivery-what-planning-authorities-need-to-know/">https://www.environmentbank.com/blog/the-environment-bill-and-biodiversity-net-gain-delivery-what-planning-authorities-need-to-know/</a> June 25<sup>th</sup> 2021</p>

#### 4.16 SuDS

Fund name	SuDS		
Date review completed	01/06/2021	Reviewed by	RPA
Key aspects	Details		
Summary of the fund	<p>Sustainable Drainage Systems (SuDS) have an established revenue mechanism, through a reduced water company drainage connection charge for developments. A special purpose vehicle (SPV) could deploy appropriate capital at different project stages, allowing SuDS to be deployed and the cash flows aggregated to enable investment to be scaled-up as part of the Water Resilient Cities programme. An SPV can achieve greater returns than existing bilateral transactions through specialist skills and overcoming knowledge gaps. Standardised contracting for SuDS works and an extended contractual commitment to water company charging rates period could improve returns under this model. (1)</p> <p>Sustainable Drainage Systems (SuDS): Retrofitting green and blue infrastructure to manage surface water, delivering cost savings through a reduction in water company drainage charges (1)</p>		
How the fund is designed	<p>There are three key phases of SuDS project delivery: development, construction and operation. Different forms of capital are required at each phase to suit the associated level of risk. A single Special Purpose Vehicle (SPV) could be set up to raise and deploy the appropriate form of capital for each phase over the project lifetime. After a suitable pipeline of construction-ready projects has been identified and risk levels are quantifiable, short-term project debt finance can be raised to construct the SuDS projects over a 12–24-month period. (1)</p>		
Lead organisation(s)	<p>Project is lead by DEFRA (assisted by the Welsh Government, Natural Resources Wales, and the Environment Agency) (3)</p>		
Total value of fund	<p>Potential delivery of over £82 million of social and environmental benefit from the proposed additional green and blue space (1) Key cost components are likely to be the enabling costs (procurement, planning and design), capital construction costs and post construction monitoring and maintenance costs. (2)</p> <p>Cost calculator: <a href="http://geoservergisweb2.hrwallingford.co.uk/uksd/costintro.aspx">http://geoservergisweb2.hrwallingford.co.uk/uksd/costintro.aspx</a></p>		
Timescale over which it operates (where applicable)	<p>Project will run for a “12-24-month period” (1)</p>		

Further details	The key requirement is that financing delivered is aligned to project lifetime cash flows, enabling overall financing to be leveraged as efficiently as possible. (1)					
Ecosystem services that are the main focus		Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
		Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Other ecosystem services that are covered		Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
		Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	<p>Trial site in Trafford but not deployed at scale (1)</p> <p>"James Jones &amp; Sons invests GBP 3 million (\$4 million) in Stevens Croft site" (<a href="https://www.lesprom.com/en/news/James_Jones_%26_Sons_invests_GBP_3_million_4_million_in_Stevens_Croft_site_96437/">https://www.lesprom.com/en/news/James_Jones_%26_Sons_invests_GBP_3_million_4_million_in_Stevens_Croft_site_96437/</a>)</p> <p>Water Resilient Cities (<a href="https://waterresilientcities.eu/">https://waterresilientcities.eu/</a>)</p>					
References/links	<p>(1) EFTEC Greater Manchester (2019) Greater Manchester Natural Capital Investment Plan <a href="https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf">https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf</a> 2nd June 2021</p> <p>(2) FCERM (2021) Long-term costing tool for flood and coastal risk management <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/411509/Cost_estimation_for_SUDS.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/411509/Cost_estimation_for_SUDS.pdf</a> on 1st June 2021</p> <p>(3) DEFRA (2015) Delivering Benefits Through Evidence Heading 1 (publishing.service.gov.uk) on 1<sup>st</sup> June 2021</p>					

#### 4.17 ELMs

<b>Fund name</b>	<b>ELMs</b>		
<b>Date review completed</b>	<b>01/06/2021</b>	<b>Reviewed by</b>	<b>RPA</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	The Environmental Land Management scheme (ELMs). ELM will provide farmers, foresters and other land managers with an opportunity to secure financial reward in return for delivering environmental benefits. ELM will be a powerful vehicle for achieving		

	<p>the goals of the 25 Year Environment Plan and our net zero target and ensure a strong mechanism for addressing and averting the environmental crisis. As such it will support the rural economy and help maintain food security.</p> <p>Tier system: Tier 1 - encouraging environmentally sustainable farming and forestry, Tier 2 - locally targeted environmental outcomes, Tier 3 - landscape scale land-use change projects (2)</p>					
How the fund is designed	<p>Options for financing ELMs include administrative price setting, with rates set by government, and market-based price setting, where payments are determined using mechanisms such as competitive tendering or auctions.</p> <p>Other options are innovative approaches, such as payment-by-results and blending public with private finance within ELM. (1)</p> <p>e.g. The Somerset Rivers Authority will be allocating a special local authority tax revenue to fund the reverse auction, creating a link between businesses and communities that will benefit from the provision of the service of flood mitigation. A variety of government bodies are working to prevent further catastrophic flooding of the Somerset Levels and supporting farmers to identify what they can do to help alleviate flooding (2)</p>					
Lead organisation(s)	Project is led by DEFRA (assisted by the Welsh Government, Natural Resources Wales, and the Environment Agency) (3)					
Total value of fund	Estimates of the overall costs of meeting environmental land management priorities in the UK total £2,538 million annually (3)					
Timescale over which it operates (where applicable)	Project plans to run for “25 year[s]” (4)					
Further details	The key requirement is that financing delivered is aligned to project lifetime cash flows, enabling overall financing to be leveraged as efficiently as possible. (1)					
Ecosystem services that are the main focus	+	Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Other ecosystem services that are covered	+	Agricultural outputs		Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation		Water flow regulation		Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific	Using blended finance and reverse auctions for multi-functional land and water management on the Somerset Levels (2)					

ecosystem services	
References/links	<ol style="list-style-type: none"> <li>1. Clarke, Phillip Farmers Weekly (2021) Environment Land Management: The detail unpicked <a href="https://www.fwi.co.uk/news/farm-policy/environmental-land-management-scheme-the-detail-unpicked">https://www.fwi.co.uk/news/farm-policy/environmental-land-management-scheme-the-detail-unpicked</a> Accessed 27th May 2021</li> <li>2. DEFRA (2021) Environment Land Management Policy discussion document <a href="https://consult.defra.gov.uk/elm/elmpolicyconsultation/supporting_documents/ELM%20Policy%20Discussion%20Document%20230620.pdf">https://consult.defra.gov.uk/elm/elmpolicyconsultation/supporting_documents/ELM%20Policy%20Discussion%20Document%20230620.pdf</a> Accessed 1<sup>st</sup> June 2021</li> <li>3. Rayment Consulting Services Ltd (2019) Paying for public goods from land management: how much will it cost and how might we pay? <a href="https://www.wildlifetrusts.org/sites/default/files/2019-09/Paying%20for%20public%20goods%20final%20report.pdf">https://www.wildlifetrusts.org/sites/default/files/2019-09/Paying%20for%20public%20goods%20final%20report.pdf</a> on 3<sup>rd</sup> June 2021</li> <li>4. DEFRA (2020) Environmental Land Management Policy discussion document ELM Policy Discussion Document 230620.pdf (defra.gov.uk) on 1<sup>st</sup> June 2021</li> </ol>

#### 4.18 Investment Readiness Fund

<b>Fund name</b>	<b>Investment Readiness Fund</b>		
<b>Date review completed</b>	<b>01/06/2021</b>	<b>Reviewed by</b>	<b>RPA</b>
<b>Key aspects</b>	<b>Details</b>		
Summary of the fund	<p>The Government are introducing a natural environment Investment Readiness Fund (IRF) to support the development of natural environment projects that can generate revenue from ecosystem services and attract repayable investment. This is part of HMG's 25 Year Environment Plan and Green Finance Strategy commitments to explore the potential for a natural environment impact fund and work with a range of partners on stimulating innovation in designing and implementing projects that can directly protect/enhance the domestic natural environment and generate revenue. (1)</p> <p>To implement the natural capital investment plan, detailed business plans reflecting financial, legal and other expertise will be required for the investment structures (e.g. a Parks Trust or SuDS special purpose vehicle) and/or the projects (e.g. prescribed health activities) that could be invested in. Risk funding may also be required to progress the preparation of investor-or project-level business plans to evidence feasibility and provide more certainty of the ability to generate financial returns. An IRF could provide the required technical assistance and capacity funding to make a detailed case for these business plans and identify appropriate finance mechanisms through which to draw in investment. (2)</p> <p>The primary focus will be on supporting projects that directly protect/enhance the domestic natural environment, but wider enabling activities that will help the development of natural capital markets will also be considered. (1)</p>		
How the fund is designed	<p>A much more focused fund, like Investment Readiness Fund (IRF) on preparing projects for investment, can be much smaller and hence the recommended figure of £1 million, as the transaction costs would be relatively low (2)</p> <p>From 2021, this three-year £10 million programme will provide grants which project developers can use to build capacity and procure the specialist support and advice they need to develop their natural environment project to an investable level (1)</p>		
Lead organisation(s)	The primary lead organization is the Environment Agency, assisted by the Flood Hub		
Total value of fund	Total estimate of overall cost is valued at £10 million for the 3 year programme (1)		

Timescale over which it operates (where applicable)	3 years <sup>1</sup>					
Further details	The key requirement is that financing delivered is aligned to project lifetime cash flows, enabling overall financing to be leveraged as efficiently as possible. (1)					
Ecosystem services that are the main focus	+	Agricultural outputs	+	Timber/wood production	+	Water supply
	+	Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Other ecosystem services that are covered	+	Agricultural outputs	+	Timber/wood production	+	Water supply
		Renewable energy	+	Air quality regulation	+	Carbon avoided and sequestration
		Local climate regulation	+	Water flow regulation	+	Water quality regulation
	+	Pollination		Access to nature (recreation)	+	Physical and psychological experiences
	+	Learning and inspiration	+	Identity and quality of place		Biodiversity
Examples demonstrating the link between the fund and specific ecosystem services	Fund was used as part of Nature Green Manchester Natural Capital Investment Plan to Improve Greater Manchester’s local “air quality and eco-system” <sup>2</sup>					
References/links	<p>1. The Environment Agency (2020) Investment Readiness Fund <a href="https://thefloodhub.co.uk/wp-content/uploads/2020/09/Natural-Environment-Investment-Readiness-Fund.pdf">https://thefloodhub.co.uk/wp-content/uploads/2020/09/Natural-Environment-Investment-Readiness-Fund.pdf</a> Accessed 26th June 2021</p> <p>2. EFTEC Greater Manchester (2019) Greater Manchester Natural Capital Investment Plan <a href="https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf">https://naturegreatermanchester.co.uk/wp-content/uploads/2019/01/GM-Natural-Capital-Investment-Plan-Final180119.pdf</a> 2nd June 2021</p>					