



## Riverwoods Investment Readiness Pioneers Support Workshop

**Welcome from:**

Jo Pike

CEO, Scottish Wildlife Trust

Funded and Delivered by:



Supported by:



Hosted by:



NATURE FINANCE PIONEERS  
GROW. RESTORE. PROSPER



# Organisations registered for this event



Bidwells	Forest Carbon	Rewilding Britain
Bioregioning Tayside	Galloway Fisheries Trust	Rewilding Europe
Brahan	Game & Wildlife Conservation Trust	Rotterdam School of Management
Cateran Ecomuseum	Glasgow & Clyde Valley Green Network	Scottish Environment Protection Agency
Dalmunzie Estate	Green Finance Institute	Scottish Wildlife Trust
Dark Matter Labs	Haddo Estate	Scottish Fisheries Coordination Centre
Democratic Society	HarrisonStevens	Scottish Land & Estates
Eadha Enterprises	Highlands & Islands Enterprise	SoilWater Ltd
East Ayrshire Coalfield Environment Initiative	Inclusion Scotland	Southern Uplands Partnership
Ecosystems Knowledge Network	Landscape Finance Lab	Sustainability consultant
Esmée Fairbairn Foundation	Loch Lomond and Trossachs National Park	Terra Magna
Falcan	Lockett Agri-Environmental	The Way Forward 2045
Federated Hermes Limited	Mycolitos	Trees for Life
Fife Health & Social Care Partnership	NatureScot	YMCA Scotland
Fisheries Management Scotland	Perth & Kinross Countryside Trust	Young Scot
Food Forest Club	Practically Green Ltd	YouthLink Scotland





## Today's Agenda

- 12:00: Welcome. Jo Pike.
- 12:05: Overview. Ruchir Shah.
- 12:15: Importance of nature financing. Simon Wightman
- 12:20: What makes an Investable Riverwoods Project? Dan Hird.
- 12:40: Interactive Session. Democratic Society.
- 13:10: Closing Remarks. Ruchir Shah.
- 13:15: Close



# Riverwoods Investment Readiness Pioneers Support Package: Overview



# Milestones towards Investment support



## Riverwoods Investment Readiness Pioneers Support Package: Overview



Journey phases	Initial interest, support and shortlisting	Community selection process	Business plan development	Investment Readiness development funding awarded	Detailed project and partnership development	Purchasers identified and legal mechanisms in place	Up-front investment secured	Delivery over short (3), medium (5) or longer term (10+) years
Stage	Pioneers stage			Development stage			Delivery stage	
Activity	One to one support, workshops and online resources provided by the Riverwoods team	Communities are invited to help shortlist the most compelling candidate projects through a participatory selection process	£4-5k development grants to support business plan development for up to five eligible projects	The 2 top projects are selected and awarded £125k each to achieve investment readiness, using a balanced set of criteria	The 2 projects are guided to use their development grants to establish fully viable commercial models that can attract private finance	The 2 projects are supported to use their developments grants to put in place formal partnerships and mechanisms to prepare for investment and delivery	The 2 projects are connected with interested investors ready to support investment ready commercially viable projects	Delivery phase with regular cash flows from purchasers of ecosystem services, providing the means to repay investors.
Support and Resources	Riverwoods Pioneers Project Up to £5k + advice			Investment Readiness support circ. £125k per project + guidance			Private finance model £m's	
Success factors	At least 15 compelling project submissions for shortlisting  Signposting to sources of funding, potential partners and other forms of support for others	Four to five exemplar viable projects selected for further support	Four to five projects have strong business plans in place for investment readiness grants	2 strong contender projects are selected for investment readiness that show potential to be exemplar demonstrators for Riverwoods	Robust commercial models that can also serve as pioneering exemplars	Robust partnerships in place with purchasers, landowners and the community, with associated support mechanisms	Investor(s) committed Purchaser(s) on board Community on board	





# Riverwoods Investment Readiness Pioneers Support Package: Overview



## The Plan

[Register your interest - by September 30th 2022](#) ▼

[Get inspired](#) ▼

[Get planning](#) ▼

[Get free mentoring](#) ▼

[Make a submission - by October 31st 2022](#) ▼

[Pitch to the community and get shortlisted - by November 30th 2022](#) ▼

[Refine your project with some grant funding - by February 28th 2023](#) ▼

[Get selected - by March 15th 2023](#) ▼

[Get investment ready! - by June 2024](#) ▼



# Esmée Fairbairn FOUNDATION

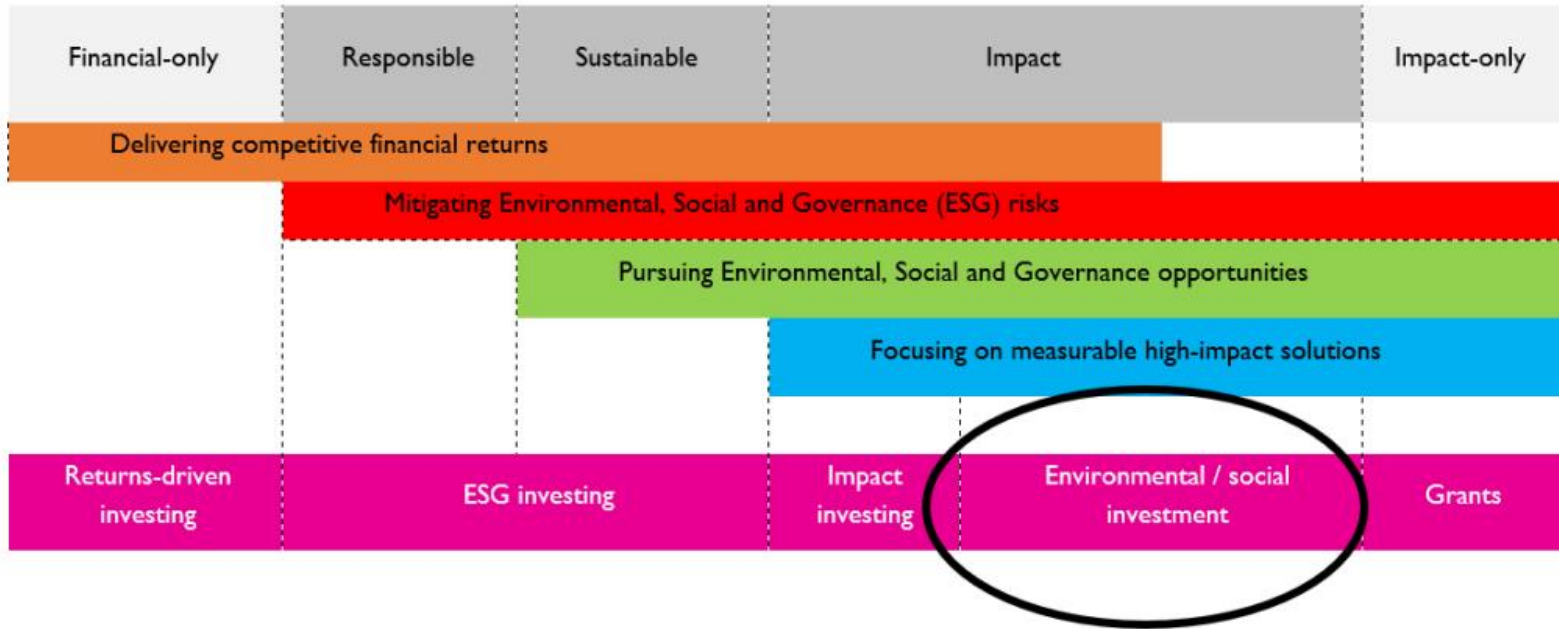
- Fund work across the environment, arts and social change.
- £50 million in grants in 2021
- £45 million allocation to social investment



- £15 to £27 billion funding gap in Scotland between current public sector commitments and what is needed to restore nature.
- We need to see a step up in private investment in restoring nature.
- ‘Private investment’ means different things to different people: -
  - Paying for the restoration of natural systems because of a benefit you receive from doing so.
  - Providing the upfront capital to restore nature in the expectation of getting paid back, usually with interest.







**Financial product**



**Social impact**

**Social impact**



**Financial product(s)**





## **Investment Ready Nature in Scotland IRNS launch – 9 August 2022**

**What makes an investable nature-based  
project?**

**Dan Hird**







## What makes an investable nature-based project?

Example of 4 x English pilots – which led to the £10m NEIRF



1. **Natural Flood Management (NFM)** project in North Lancashire led by **The Rivers Trust**.
2. **Peat restoration** project in the Peak District led by **Moors For The Future (part of PDNPA)**
3. **Saltmarsh restoration and ecotourism** project in North Devon led by **Devon Wildlife Trust**
4. **Agri sector nutrient reduction** project in Poole Harbour led by the **NFU**







## What makes an investable nature-based project?

**Tip no.1 identify and map out roles of multiple stakeholders**



### Essential

- **Landowner(s)** – host and maintain the project
- **Buyers of ecosystem services** – create a revenue stream for your business model
- **Project promoter/developer/intermediary (i.e. you!)**
  - design the project, create agreements between stakeholders, organize delivery and funding

### Maybe (or later):

- **Government agencies** – consents, grants, facilitation, regulation
- **Investors** – provide repayable capital







## What makes an investable nature-based project?

### Tip no.2 – Prioritise Buyers over Investors



A “buyer” of ecosystem services is the customer for your project – and where you will get your revenue from.

An “investor” is a bank or fund which will invest or lend money (£) to a project in expectation of getting their capital back plus a return (£)

**Without customers and a revenue stream, you don't have a business model and won't be able raise any investment so ---- identifying buyers (not investors) should be your priority.**







## What makes an investable nature-based project?

### Tip no.3 – Work out how to access your revenue stream



#### Ask yourself some important questions:

- What ecosystem services are generated by your project?
- How will these be evidenced, measured and monitored?
- Who might want to buy these services (e.g. carbon, natural flood management, biodiversity) from your project?
- How and when will you engage with these buyers and test out their appetite and requirements?
- What support might you need from specialist consultants to help you do this?
- Can IRNS help me do all this – how much should I do first?





## What makes an investable nature-based project?

### Tip no.4 – Plan your pilot project budget



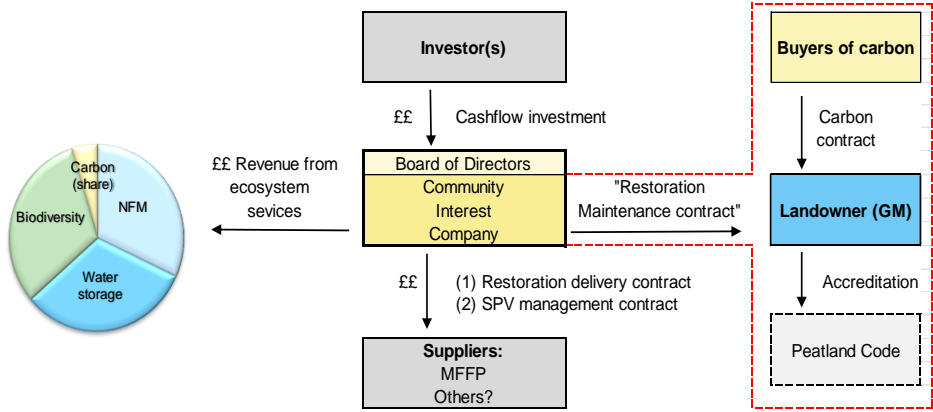
From experience a 12 to 18-month project might require:

Lead organisation - project manager	£20 - 40k
Specialist consultancy support:	
Investment readiness	£15 - 20k
Other (hydrological modelling etc.)	£10 - 15k
Legal fee provision	say £5k
Travel, other, contingency	say £5k



# What makes an investable nature-based project?

## Example - A UK peatland restoration project (ongoing)







## What makes an investable nature-based project?

### Some reflections



An **open book** approach works well.

Use of a **not-for-profit vehicle** or an **asset locked vehicle** (like a CIC) can help with the above.

Need to be **innovative, flexible and resilient** to execute a successful nature-based project. Definitely not BAU.

**Share and learning is available** – most people trying to do this are taking a very collaborative and non-competitive approach.

Initiatives like NEIRF (in England) and **IRNS (in Scotland)** are crucial to market development.



## Event Close

- **Scottish Nature Finance Pioneers Basecamp community**
  - Free to Join
  - Access to Resources & Expertise
  - Hosting relevant Zoom webinars (see below)
- **Riverwoods Investment Readiness Pioneers (RIRP) Support Package**
  - Finance Workshop – 18<sup>th</sup> August
  - Audience with Dan Hird – 22<sup>nd</sup> September
  - GFI Investment Readiness Toolkit Preview – 27th September
- **Natural Capital Finance & Investment Conference 2022**
  - 17<sup>th</sup> October 2022 (London)
  - 1<sup>st</sup> November 2022 (Edinburgh)



**RIVERWOODS**

[riverwoods.org.uk](https://riverwoods.org.uk)