REWILDING FINANCE

Harnessing high-integrity investment to boost rewilding across Britain

REWILDING BRITAIN

CONTENTS

This report includes some technical terms relating to finance and environmental practice. Where such terms appear in italics, it means you can find a definition in the glossary on pages 54–55.

FOREWORD

We believe that nature is worth investing in. Nature. Our life support system. It underpins our economy. It's the vital, productive resource for biodiversity, climate, food, jobs, health and wellbeing.

REWILDING BRITAIN

TERRANOMICS

At a critical moment — when we are being outpaced by the global nature and climate emergencies — this report offers a blueprint for a game-changing shift in nature recovery funding and investment, and for rewilding in particular.

Rewilding — large-scale nature restoration — not only offers hope for tackling the interlinked nature and climate crises, it has the potential to create a cascade of social and economic benefits for people and communities. That's why Rewilding Britain has joined forces with experts in nature positive financial mechanisms, Terranomics, to lay out a vision for enhancing Britain's funding landscape to seize and upscale the opportunities that rewilding offers.

These tangible benefits are already being demonstrated by rewilding practitioners who are creating new, diverse nature-based employment and enterprise opportunities the length and breadth of Britain. What's key now is sustained funding for rewilding interventions that will, in the long term, allow nature to once more look after itself. Funding for practical action, like rewetting peatlands, expanding native woodlands, setting up nature-based businesses, managing grazing and delivering citizen science programmes.

This report sets out to demonstrate how in Britain, one of the world's most nature-depleted countries, we can move beyond the confused, fragmented and non-standardised market for funding and investment in nature restoration. Now is the moment to give rewilders and investors the confidence and ability they need to make long-term investments to benefit people, nature and climate.

A richer, wilder, more prosperous Britain is possible if we choose it.

Rebecca Wrigley,
Chief Executive,
Rewilding Britain

Chris Knight,
Director,
Terranomics

EXECUTIVE SUMMARY

Rewilding — the large-scale restoration of nature — is critical if we're to respond effectively to the interconnected nature and climate emergencies. Our land is a vital resource — for biodiversity, climate action, food and timber production, our economy, and our health and wellbeing — but we could be using it much more efficiently and productively. We live in one of the most nature-depleted countries on Earth.[1] Yet a richer, wilder Britain full of the abundance of life — where rewilding goes hand-in-hand with nature-led farming and forestry — is possible if we choose to make it happen.

There have already been significant positive steps in recent years that support nature and rewilding both globally and nationally. The Global Biodiversity Framework (GBF), signed at the United Nations Biodiversity Conference (COP15) in 2022, recognises the incredible urgency of both halting and preventing biodiversity loss, and aims to protect 30% of the planet for nature by 2030. One of its targets is to mobilise at least $200 billion of biodiversity-related funding from public and private sources annually by 2030. The UK and devolved governments have made commitments to protect 30% by 2030. But we believe that it is no longer enough to simply halt the decline of nature — we need to act swiftly and decisively to restore and rewild the natural world.

By working with nature rather than against it, rewilding 30% can help us transition to a nature rich, low carbon future while delivering real, locally generated benefits today.[2] These benefits include carbon storage, climate resilience, biodiversity, vibrant green economies, local livelihoods, flood mitigation, healthier air, water and soils, and improved health and wellbeing. Conversely, if we do nothing we know that the further deterioration of nature will have significant negative impacts including on the UK economy, potentially resulting in GDP being at least 6% lower than it would have been otherwise by the 2030s.[3]

Making the transition to 30% rewilding a reality requires political will and sustained funding, within a financial system that values and invests in nature. We believe that the scale of this ambition provides exciting and compelling opportunities and that, with long-term, diversified financing, many more landowners, land managers and communities will have the confidence to invest in rewilding as part of a *just land use transition*.

WHAT IS REWILDING?

Rewilding is about hope for tackling the nature and climate emergencies, whilst delivering a wide range of benefits for people and local communities. It is the large-scale restoration of nature until it can take care of itself — and us — again. In a world wrecked by biodiversity loss, habitat destruction and climate breakdown, rewilding can replenish nature's remarkable web of life — restoring habitats, natural processes, and the diversity and abundance of native species.

Rewilding has at its heart a focus on reinstating natural processes (such as free-flowing rivers) and, where appropriate, missing species — allowing them to create dynamic, constantly changing habitat mosaics. Rewilding brings people and communities together to find ways to work, live and prosper within healthy, flourishing *ecosystems*. In doing so it provides opportunities for communities to diversify and create nature-based economies; for living systems to provide the ecological functions on which we all depend; and for people to reconnect with wild nature.

Rewilding can happen across a gradation of approaches. These depend on the extent to which nature takes the lead, and are guided by local community, context and culture. They can include a mosaic of:

- **Core rewilding areas** where nature drives changes as much as possible, forming mosaics of native woodlands, peatlands, heaths, species-rich grasslands, wetlands and saltmarshes.
- **Semi-wild areas** which support a diverse range of nature-based land uses and enterprises — generating benefits for local economies, while allowing nature to flourish (for example, continuous cover forestry, ecotourism and nature-led/wild meat production).

Nature-based tourism — as shown here at Knepp Wildland, where visitors can take guided safaris — is just one of the private revenue streams available to rewilding projects

In Britain, in addition to a reorientation of public payment schemes, there has been a rapid development of investment funds, frameworks and mechanisms by the UK and devolved governments to help scale up private nature financing. These include Defra's Nature Markets Framework,[4] the Scottish Government's Interim Principles for Responsible Investment in Natural Capital,[5] and the Welsh Government's pledge to develop a policy on private investment in nature recovery in its Biodiversity Deep Dive.[6] What's more, the UK Government intends to bring £1 billion of private investment annually into natural capital in England by 2030.[7] It has also reaffirmed its commitment to provide £3 billion of finance for climate change solutions that protect and restore nature.

New private mechanisms for financing rewilding are also emerging rapidly, including *Payments for Ecosystem Services*, *equity* investments, *bond* financings, direct corporate acquisitions, crowdfunding and other revenue streams such as ecotourism. *Nature-Based Solutions*, of which rewilding is one, are quickly gaining traction as an investable asset class. What we need to ensure now is that these mechanisms achieve quantifiable and equitable benefits for people and nature, rather than simply privatising the rewards.

The case studies throughout this report illustrate the wide variety of investment opportunities available to rewilding projects. Yet when we surveyed members of the Britain-wide Rewilding Network for this report — including landowners, land managers, farmers, tenants, estate owners, NGOs and community groups — we found that many are struggling to navigate a confusing funding landscape and access the investment and revenue streams they need. Although respondents have a favourable view of private funding compared to government payment schemes, they're still primarily dependent on this government funding, which is insufficient and lacks the stability needed to achieve meaningful change.

At the same time, large-scale investors are finding it hard to identify sufficient validated 'investable' projects at the scale they need, even though they're increasingly willing to pay a premium for quality investments that achieve Environmental, Social and Governance (ESG) benefits. In short, there's a wide array of funders willing to invest in nature's recovery and a huge range of rewilding practitioners who are passionate about their projects and seeking more funds, but they are not finding each other.

Ultimately, in its current form, the finance market in rewilding is depriving communities and investors alike of huge social, economic and environmental opportunities, and undermining Britain's ability to play a much more effective role in addressing the nature and climate emergencies.

What's critical for us to move forward is a scalable market system — or 'ecosystem' — of funding and financing that drives high-integrity investment into large-scale restoration and rewilding. The main groups of actors involved in this market 'ecosystem' are:

- **Rewilding practitioners:** Establish and deliver rewilding initiatives and provide marketable *ecosystem services*.
- **Project partnerships:** Bring together and aggregate smaller-scale rewilding initiatives to achieve longer-term, locally-led environmental, economic and social benefits over larger landscapes. In doing so they create projects at a scale big enough to attract larger investors.
- **Market builders and brokers:** Help connect and regulate buyers and sellers as well as providing support services such as knowledge platforms to help markets function more effectively.
- **Funders/investors:** Provide funding, make impact/for-profit investments into rewilding projects and/or purchase ecosystem services produced.

In Figure 1 we visualise the range of actors and connections needed within an effective and resilient market 'ecosystem' that — when aligned with the financing rewilding principles we propose in this report (page 44) — can upscale outcomes in relation to a 30% rewilding vision. In Table 1 we provide examples of each of these actors.

REWILDING PRACTITIONERS	FUNDERS & INVESTORS
Public landowners: Public Forest Estate, Defra, Ministry of Defence, local authorities **Community-owners/managers:** Langholm Initiative, Mull and Iona Community Trust **Conservation NGO landowners:** Trees for Life, The Wildlife Trusts, National Trust, RSPB, Woodland Trust **Private landowners:** Knepp Estate, Wild Ken Hill, Coombeshead, Nattergal **Crofters, tenants and commoners** **Corporate landowners:** Water companies, insurance companies	**Public funders/schemes:** England's Environmental Land Management (ELM) schemes, Scotland's Agri-Environment Climate Scheme (AECS), Wales's Sustainable Farming Scheme (SFS), Natural Environment Investment Readiness Fund (NEIRF), Facility for Investment Ready Nature in Scotland (FIRNS) **Investors:** Triodos Bank, UK Nature Impact Fund **Philanthropy:** Endangered Landscapes and Seascapes Programme **Corporates:** Utility companies **Individuals:** Crowdfunders, buyers of rewilding products and services
PROJECT PARTNERSHIPS	**MARKET BUILDERS & BROKERS**
Multi-stakeholder partnerships: Cairngorms Connect, Affric Highlands, Wild Purbeck Partnership, Weald to Waves **National Park Authorities** **Local authorities** **Nature Recovery Partnerships/Networks** **Landowner clusters:** Dayshul Brake **Environmental Cooperatives:** Environmental Farmers Group	**Knowledge platforms and networks:** GFI Hive, Financing Nature Recovery UK, Scottish Forum on Natural Capital, Farming and Wildlife Advisory Group, Ecosystem Knowledge Network, Conservation Finance Alliance **Brokers and accelerators:** Revere, UK Nature Accelerator, EnTrade **Standards and regulatory frameworks:** TNFD and TCFD, Woodland Carbon and Peatland Codes, Nature Markets Framework, Nature Investment Standards Programme **Other market infrastructure:** Academic research, registries, professional services, rating agencies, data and metric providers

Table 1: Examples of actors within the market 'ecosystem'

THE FINANCING REWILDING 'ECOSYSTEM'

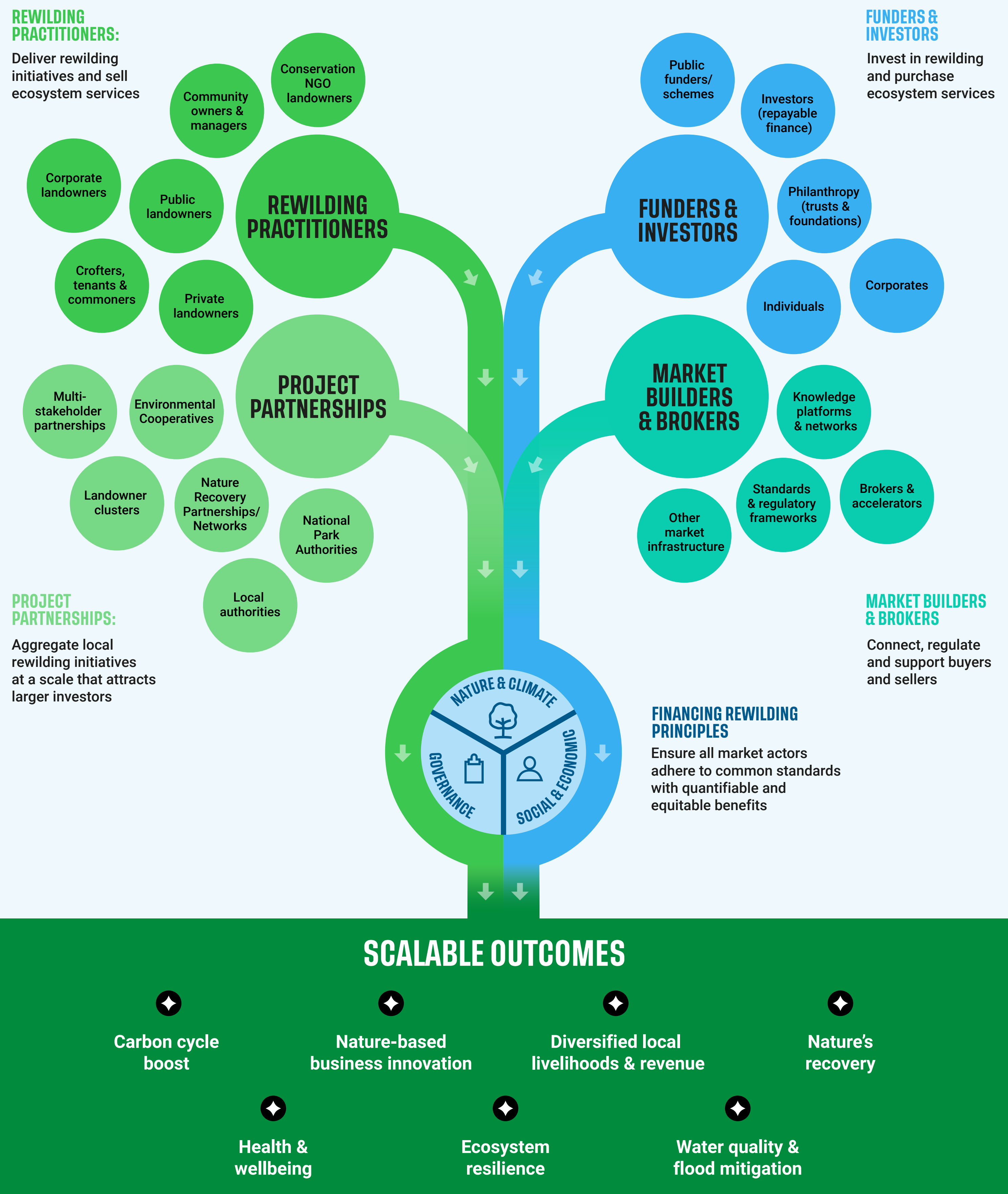


Figure 1: Creating a scalable market 'ecosystem' of funding and financing for rewilding

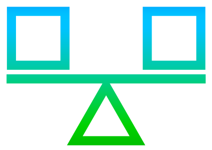
OUR FIVE RECOMMENDATIONS IN SHORT

We need increased, diversified and stable financing streams to give both rewilding practitioners and investors the confidence to make long-term investment decisions and achieve a 30% rewilding vision. Rewilding Britain's five recommendations — summarised below and explored in further depth from page 12 onwards — provide a blueprint for how this can be done.

We call on all stakeholders — the UK and devolved governments, private and philanthropic sectors, rewilding practitioners and partnerships — to champion these recommendations. Working together, we can make this happen. The environmental, economic and social opportunity is immense and the time to make this opportunity a reality is now.

RECOMMENDATION 1

UK AND DEVOLVED GOVERNMENTS SHOULD BUILD LONG-TERM CONFIDENCE AND STABILITY THROUGH SECURE PUBLIC FUNDING AND POLICY THAT UNDERPINS INVESTMENT IN NATURE AND REWILDING



Recent developments in public payment for public goods schemes, nature market frameworks and funding mechanisms by the UK and devolved governments have been positive. But they have yet to provide the long-term certainty and stability that landowners, land managers, communities and investors need in order to commit to rewilding as part of a just land use transition.

UK and devolved governments need to make a bolder political commitment to high-integrity and scalable models for financing nature's restoration. And these must be embedded within integrated national and local land use frameworks which recognise that prioritising nature and rewilding across 30% of Britain is a productive use of the land. Clear and coordinated incentives are needed over at least 15–20 years, within well-enforced regulatory frameworks that support and safeguard investments and ensure that they bring shared value for nature, the economy and local communities.

RECOMMENDATION 2

PRIVATE AND PHILANTHROPIC SECTORS SHOULD ACCELERATE HIGH-INTEGRITY INVESTMENT INTO LARGE-SCALE REWILDING INITIATIVES

There's increasing investor demand for Payments for Ecosystem Services, and Nature-Based Solutions as an investable asset class are quickly gaining traction. New mechanisms for financing rewilding are emerging at pace, including equity investments, bond financings, direct corporate investments, crowdfunding and other revenue streams such as ecotourism.

There's also growing interest from investors in carbon and nature markets. However, these markets are still in their infancy, operate ineffectively and, as yet, lack common standards. Blended finance models that combine public, philanthropic and private funding can help de-risk investments, but must share benefits fairly between public, private and community interests. We therefore need to pilot and fast-track a portfolio of high-quality, large-scale, investable rewilding projects that build confidence and demonstrate the holistic benefits that a rewilding approach can achieve for people, nature and local communities.

RECOMMENDATION 3

DIVERSE LOCALLY AND COMMUNITY-LED PARTNERSHIPS SHOULD BE ENABLED TO UPSCALE REWILDING AND CO-DESIGN INVESTABLE PROPOSITIONS

Rewilding practitioners are a diverse group, including community, private, public, and charity owners and managers, whose funding and financing needs vary significantly in scale and type. Many work collaboratively at a landscape scale as part of multi-stakeholder and community-led partnerships. Achieving equitable and sustainable financial benefit sharing across these stakeholders can be challenging and their governance structures represent complex and unfamiliar ground for investors. High transaction costs often limit access to financing, as does the lack of clarity on benefit sharing models between landlords and groups such as tenants and commoners.

Building the capacity of trusted locally and community-led partnerships or 'anchor institutions' to co-design large-scale investable rewilding initiatives will help to attract and coordinate significant *inward investment*. These should ensure that environmental, economic and social benefits are shared equitably and integrated within a wider green economic transition.

RECOMMENDATION 4

A NETWORK OF BROKERS AND MARKET BUILDERS SHOULD BE FURTHER DEVELOPED TO PROVIDE AN EFFECTIVE CONNECTION BETWEEN REWILDING INITIATIVES AND INVESTORS/FUNDERS

Despite a plethora of networks, knowledge platforms, funding brokers, project accelerators, directories, registries and trading platforms the market infrastructure for nature restoration and rewilding funding remains fragmented. It lacks the standardisation and commonly recognised definitions and frameworks that investors typically need when assessing new opportunities, and doesn't yet adequately support the specific characteristics of successful rewilding.

Enabling entrepreneurial networks of brokers and market builders could support the development of a market infrastructure that would more effectively facilitate multi-outcome rewilding projects. These should bring actors in the market together to discuss and produce knowledge, as well as help projects, buyers and investors to connect more effectively to achieve long-term meaningful change. Ensuring adherence to common standards by accrediting these roles could accelerate confidence across all stakeholders.

RECOMMENDATION 5

HIGH-LEVEL PRINCIPLES FOR INVESTING IN REWILDING SHOULD BE AGREED AND ADHERED TO ACROSS STAKEHOLDER GROUPS

The current lack of agreed high-level principles and standardisation across rewilding investments risks low-quality, poor practice emerging. This damages the integrity and credibility of these investments and the effectiveness of nature markets.

We need to see rewilding practitioners, investors, governments, brokers and other stakeholders coalesce around common goals and navigate financing opportunities effectively. That's why we've developed a set of principles for financing rewilding, which we believe will help ensure quantifiable and equitable environmental, economic and social benefits for — and with — local communities and wider society.

OUR RECOMMENDATIONS IN DEPTH

RECOMMENDATION 1

UK AND DEVOLVED GOVERNMENTS SHOULD BUILD CONFIDENCE AND STABILITY THROUGH SECURE PUBLIC FUNDING AND POLICY THAT UNDERPINS LONG-TERM INVESTMENT IN NATURE AND REWILDING

Recent developments in public payment for public goods schemes, nature market frameworks and funding mechanisms by the UK and devolved governments have been positive. But they have yet to provide the long-term certainty and stability that landowners, land managers, communities and investors need in order to commit to rewilding as part of a just land use transition.

UK and devolved governments need to make a bolder political commitment to high-integrity and scalable models for financing nature's restoration. And these must be embedded within integrated national and local land use frameworks which recognise that prioritising nature and rewilding across 30% of Britain is a productive use of the land. Clear and coordinated incentives are needed over at least 15–20 years, within well-enforced regulatory frameworks that support and safeguard investments and ensure that they bring shared value for nature, the economy and local communities.

THE CHALLENGE AND RELATED FINDINGS

30% REWILDING AS A PRODUCTIVE AND INVESTABLE LAND MANAGEMENT CHOICE

The UK and devolved governments have committed to protecting 30% of our land areas for nature by 2030. Our modelling at Rewilding Britain shows that rewilding 30% of Britain by 2030 — that is, restoring and not just protecting nature — can be achieved through expanding the scale, quality and connectivity of our natural and semi-natural habitats. This can be done in a way that brings extensive environmental, social and economic benefits for and with local people and communities. These benefits include carbon drawdown, climate resilience, vibrant green economies, local livelihoods, flood mitigation, healthier air, water and soils, and improved health and wellbeing. Food and timber production are also important by-products of rewilding systems.

However, for land managers to have the confidence to shift their land management approach, these decisions must be guided by long-term, spatially specific national and local land use frameworks. These frameworks need to adequately balance competing commitments to nature, *net zero* and food production and be developed in a transparent way that builds trust among multiple stakeholders. They're essential in helping to maximise returns on public investment in land-based activities as well as directing private finance to where it's most needed.[8]

Scotland currently has a Land Use Strategy (2021–26) and Wales has laid out a Sustainable Land Management Framework with its Agriculture (Wales) Act 2023. The UK Government has committed to producing a Land Use Framework, but it's not yet published. While these are positive developments, none are yet being fully implemented. Nor are they giving sufficient clarity to support the scaling up of investments in nature's restoration and rewilding as a land management choice.

UNCERTAINTY AROUND PUBLIC PAYMENTS FRAMEWORKS

As the UK and the devolved nations transition towards 'public payments for public goods' schemes, the policies governing agri-environment schemes are changing significantly. Public payment schemes in Scotland are being reformed through the Agriculture and Rural Communities Bill, which aims to incentivise climate mitigation, nature restoration and high-quality food production through a new support framework. So-called 'greening payments'[9] and the Agri-Environment Climate Scheme (AECS) currently provide financial support to agricultural projects of all sizes in Scotland, but rewilding practitioners can face specific payment conditions that conflict with rewilding objectives. For example, the AECS requires applicants to lay out in advance exactly how land will be grazed, cut or otherwise managed.

The Sustainable Farming Scheme (SFS) in Wales, which is still being finalised, similarly provides an opportunity to support rewilding projects in the right places. However, a lot of the proposed payments are again overly prescriptive, focusing on tree planting, for example, rather than allowing *natural regeneration*.

In England, the Country Stewardship (CS) Higher Tier scheme is gradually being phased out and replaced by three new Environmental Land Management (ELM) schemes: the Sustainable Farming Incentive (SFI); Countryside Stewardship Plus (CSP); and Landscape Recovery.[10] The latter of these, the Landscape Recovery scheme, aligns best with rewilding objectives, as it's focused on large-scale nature restoration on agricultural land — and two initial rounds of funding have included several members of the Rewilding Network.[11]

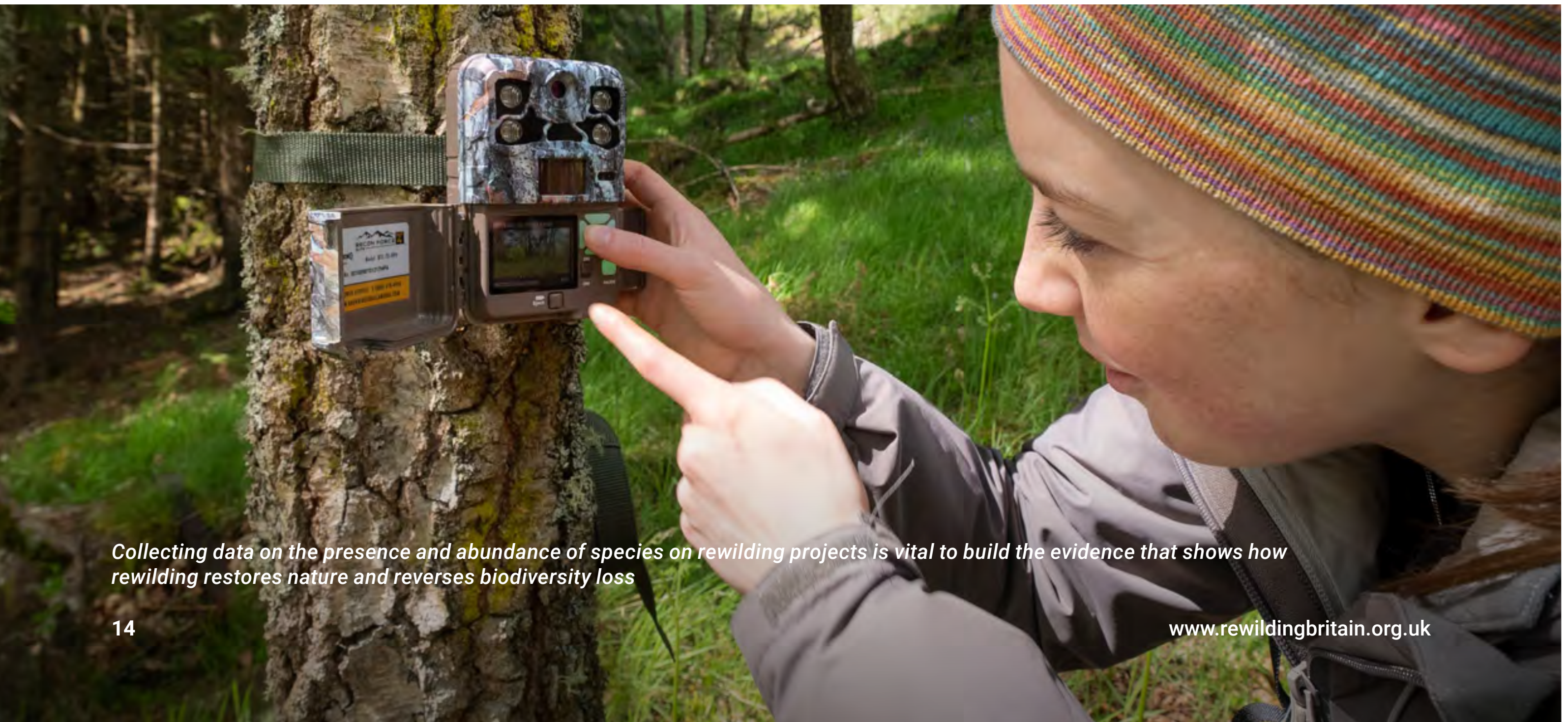
Some £2.4 billion of funding annually will be split between the three ELM schemes, but a significant portion of this funding will probably be directed towards conventional farming practices through the SFI, rather than rewilding initiatives.[12] In 2022, Landscape Recovery received less than 1% of total funding.[13]

These public funding sources often differ in their eligibility criteria, making it hard for rewilding practitioners to determine those most suitable for them. But it's also clear that the methodologies these schemes use to determine eligibility may conflict with rewilding's holistic and, in some ways, unique approaches. Further, many of these public funding sources rely on additional private finance for delivery when there's still a lot of uncertainty in these markets.

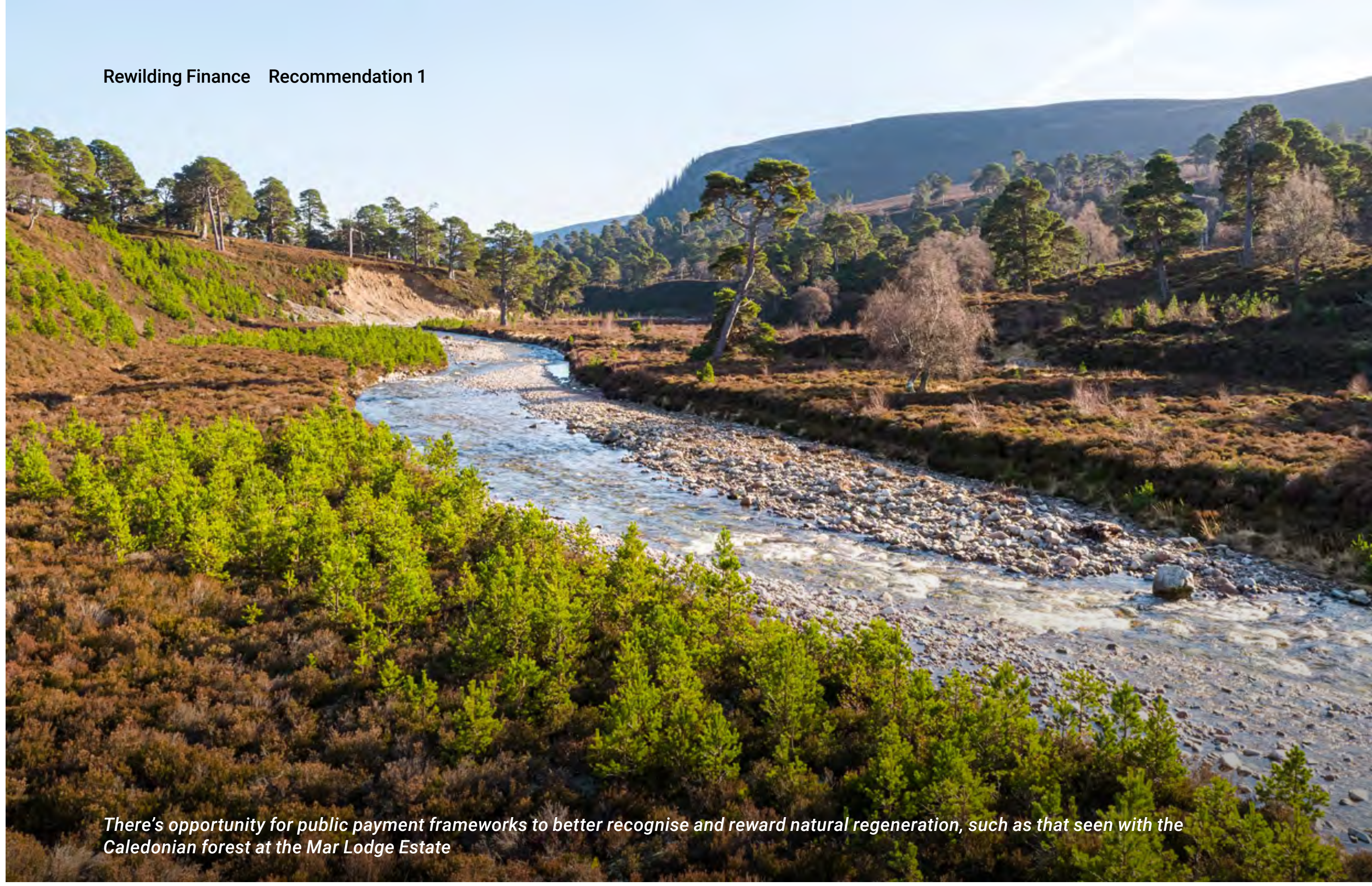
This was confirmed by our survey of Rewilding Network members — a diverse group that includes landowners, land managers, farmers, tenants, estate owners, non-governmental organisations (NGOs) and community groups supported by Rewilding Britain. It found that, although they're already accessing a diverse mix of funding and financing sources,[14] many members (46% of respondents) remain heavily reliant on government payment schemes and *grants*. This was the most commonly received form of financing, with grants potentially more significant as a proportion of overall income than government payments (typically less than 25% of overall income). 62% cited the Basic Payment Schemes and 90% cited Countryside Stewardship (CS) as funding sources.

Yet half of those respondents receiving government payment schemes believed those schemes didn't support their rewilding goals effectively. One commented that the "complexity of Defra grants, of the Natural Environment Investment Readiness Fund, and other big funders… leads to substantial lost staff time and capacity spent on trying to raise funds in a highly competitive environment."

These schemes clearly provide significant opportunities for rewilding. But a lack of clarity on their long-term trajectory and how they'll operate is currently constraining the ability of land managers to commit to a transition towards rewilding. The schemes' funding criteria also need to support rewilding as a productive land use and align with its natural process-led approach, rather than being too prescriptive and outcome focused.



Collecting data on the presence and abundance of species on rewilding projects is vital to build the evidence that shows how rewilding restores nature and reverses biodiversity loss



There's opportunity for public payment frameworks to better recognise and reward natural regeneration, such as that seen with the Caledonian forest at the Mar Lodge Estate

CHALLENGES IN THE COMPLIANCE AND VOLUNTARY MARKETS FOR CARBON AND BIODIVERSITY CREDITS

In 2023, the UK and Scottish governments launched the Nature Markets Frameworks to help scale up private investment in nature recovery and sustainable land use. Linked to this are a plethora of different investment readiness funds such as the Natural Environment Investment Readiness Fund (NEIRF) and the Facility for Investment Ready Nature in Scotland (FIRNS). Schemes have also been introduced for the sale of carbon and biodiversity credits in the *compliance market* (where buyers fulfil their legal requirements) and the *voluntary market* (where they can buy credits beyond their legal requirements).

However, these frameworks and schemes don't always align with rewilding objectives. Take, for example, Biodiversity Net Gain (BNG), one of the schemes in the biodiversity compliance market. Developed in England as part of the UK Environment Act 2021, it stipulates that developers must provide a 10% uplift in biodiversity to compensate for the displacement of habitat during development.[15] Under the BNG approach, payments go towards interventions delivering specific and predictable outcomes. Yet rewilding projects tend to be dynamic processes with sometimes unpredictable outcomes.

The Defra Biodiversity Metric, which measures biodiversity value for the purposes of calculating BNG, also has limitations that could mean rewilding projects are inaccurately assessed and may not receive the appropriate number of *net units*[16].

- Rewilding projects dominated by a mosaic of scrub-type habitats may not be eligible to sell biodiversity units under the BNG system, or may have much lower net unit allocations than they otherwise should.
- It focuses only on habitats, with no consideration given to species presence or abundance.
- It doesn't sufficiently reflect restored food webs, or the ecosystem services that provide wider societal and economic benefits.

Nutrient neutrality is also emerging as another compliance market with relevance to nature, so far just in England. New residential developments in areas with unfavourable conditions are required to achieve nutrient neutrality by mitigating additional nutrient loads. Developers can purchase nutrient credits generated by landowners who reduce or capture nutrients, for example through rewilding, that would otherwise pollute protected water bodies. These markets are highly localised and require careful navigation.

In the voluntary carbon market, the Woodland Carbon Code is another example of a scheme that isn't yet well adapted to rewilding activities. This code is one of the most commonly used carbon standards for land use-based projects in the UK, but it's most often used for tree planting projects — whereas for rewilding projects, the natural regeneration of woodland and scrub is prioritised. While natural regeneration is eligible under the Woodland Carbon Code, some in the rewilding community believe that the code doesn't adequately reward this process, or the broader ecosystem service benefits it provides (see our case study on The Atlantic Rainforest Restoration Programme, on pages 26–27).[17]

This is a timely criticism, as the UK Government is currently exploring carbon credit schemes for saltmarsh, hedgerow, agroforestry and farm soil. Similarly, the Scottish Government is looking at a range of financing mechanisms, including carbon credits, for peatland and other nature restoration projects.[18] In Wales, the upcoming SFS should also consider practices beyond just tree planting on agricultural land.

Unless natural regeneration is accounted for, it's likely that these codes and schemes won't reward rewilding projects sufficiently. To make matters worse, rewilding projects often aren't eligible for some of the grant funding available specifically for tree planting in the UK, such as the England Woodland Creation Offer.[19] This scheme recently introduced a new nature recovery premium that may encourage more natural regeneration projects in the future. But as of May 2023, only 192 hectares (474 acres) of natural regeneration projects had been established by the scheme, accounting for less than 4% of total new woodland in England in 2020–2021.[20]

CHALLENGES WITH RULES ON ADDITIONALITY, STACKING AND BUNDLING

Rules on 'additionality' in the carbon and biodiversity credit markets mean that rewilding practitioners have to prove that outcomes — such as increased biodiversity or sequestered carbon — wouldn't have happened without the injection of external finance (i.e. from carbon credit sales). These rules often overlook or discourage those already contributing to nature conservation through rewilding.

The actual process for demonstrating financial additionality can also be complex. This is why Defra, in cooperation with the devolved nations, intends to establish a unified financial additionality test for all schemes and codes, replacing individual financial additionality tests currently in place.[21] This clarity will be important for rewilding projects.

Carbon and biodiversity credit payments on their own may not yet provide sufficient income to make rewilding commercially viable, but 'stacking' and 'bundling' can help by allowing rewilding projects to combine several ecosystem service income streams.

- **Stacking:** Combining multiple types of ecosystem services on the same piece of land and selling them separately. For example, selling water quality units and carbon units from the same woodland.
- **Bundling:** Combining multiple ecosystem services into a singular unit or trade. For example, Wilder Carbon, the non-profit carbon trading platform behind the Wilder Carbon Standard for Nature and Climate, combines biodiversity and carbon into one tradeable unit (see also box below).

BUNDLING IT ALL TOGETHER

Thanks to new data on the potential for rewilding habitats to capture carbon, rewilding projects in Britain could be one step closer to being able to 'bundle' carbon and biodiversity credits. The findings from the Knepp Wildland Carbon Project, which were published in a NIERF-funded report in 2024, suggest that projects like these could "achieve a higher price in ecosystem markets, such as the Voluntary Carbon Market (VCM), and help attract investment".[24] Knepp began to model the potential carbon captured by scrub and wood pasture on their land using remote sensing (LiDAR) techniques, thanks to funding through our Rewilding Innovation Fund.

Defra's Nature Markets framework does encourage the use of stacking and bundling.[22] Currently, though, compliance markets such as BNG don't allow stacking or bundling with voluntary markets, unless there's a subsequent quantifiable habitat improvement compared to the baseline situation. The Woodland Carbon Code and Peatland Code, which include 'implicit' bundling, are exploring the possibility of agreeing upon additional ecosystem service standards that can be stacked.[23]

At the moment, rewilding projects can find it challenging to include the sale of biodiversity or carbon credits as a core part of their revenue stream. As with government payment schemes, the rules within the carbon and nature markets need to be adapted to accommodate the unique characteristics of rewilding.

RULES NEED TO BE ADAPTED TO ACCOMMODATE THE UNIQUE CHARACTERISTICS OF REWILDING

HOW TO ACHIEVE RECOMMENDATION 1

We're calling for the UK and devolved governments to:

- Establish integrated national and local land use frameworks that adequately balance nature, net zero, food and timber production targets with a commitment to rewilding 30% of Britain.
- Commit to stable, long-term public funding and payment schemes that provide ongoing security and confidence to landowners/managers and private finance to invest in rewilding as part of a just land use transition.
- Provide further confidence and clarity for long-term public and private investments in rewilding through developing and enforcing integrated regulatory processes and practices.
- Accelerate the stability, maturity and clarity of high-integrity carbon and nature markets that support a rewilding approach, for example by:
  - Creating a 'Rewilding Code' certification standard that brings together existing schemes[25] into one approach to support the natural process-led, longer-term and whole ecosystem approaches associated with rewilding, together with meaningful community involvement.
  - Ensuring rules for additionality, stacking and bundling accommodate the characteristics of rewilding.
  - Requiring mandatory compliance for corporate nature-related financial disclosures within two years.
  - Defining simple and clear reporting standards and metrics, drawing on the financing rewilding principles we propose in Recommendation 5.
- Expand public innovation funding for large-scale rewilding initiatives that demonstrate high-integrity and scalable models for nature's restoration that place local communities at the forefront of a just rural economic transition.

CASE STUDY: NATTERGAL

PROJECT TYPE
Privately owned nature recovery company

LOCATION
Lincolnshire, Norfolk and Essex

CURRENT INCOME
- Investor equity
- Landscape Recovery Scheme pilot
- Ecotourism
- Property rentals

PROJECTED INCOME
- Biodiversity credits
- Carbon credits
- Water credits
- Landscape Recovery Scheme
- Direct investments
- Ecotourism
- Property rentals

"WE NEED WELL DEVELOPED CASE STUDIES ON SUCCESSFULLY FUNDED REWILDING PROJECTS."

Nattergal, a private nature restoration company run by rewilding and financing experts, aims "to make nature an investable asset class". Its business model is to deliver ecosystem restoration on its own land and that of others, and to commercialise the resulting ecosystem services generated.

Just over two years after its launch, natural capital company Nattergal has recently added a third low grade agricultural site — Harold's Park Wildland — to its portfolio of rewilding projects, where it's busy working to recover biodiversity and natural processes. It has already purchased High Fen Wildland, a former sheep farm in Norfolk, and Boothby Wildland in Lincolnshire, a former arable farm.

Boothby is one of the 21 Landscape Recovery Scheme (LRS) Phase 1 pilots funded through the Environmental Land Management scheme (see page 14). It's this government backing that will support Nattergal with a base level of income until the natural capital markets and other income sources really take off, explains Ben Hart, Head of Operations. He added that it will "help us to develop faster and de-risk the business model so that eventually our other income streams like natural capital and ecotourism bring in the bulk of revenue."

Under the LRS pilot, a government grant of around £275,000 has enabled Nattergal to do baseline monitoring work at the site over a year and a half to understand the impact of different interventions on the land. Armed with this data, the company can now present a land management and blended finance plan to Defra and Natural England, to access a second LRS

BNG and voluntary credit systems could become important drivers of the restoration and creation of key habitats like wildflower meadows across Britain

Monitoring is an essential part of enabling rewilding projects to ultimately sell credits for ecosystem services

long-term funding package. This is likely to be some combination of an upfront capital grant, a long-term yearly payment plan, or an option for the government to purchase a certain percentage of natural capital credits generated onsite over a certain period.

Of those natural capital credits, Nattergal already has Biodiversity Net Gain units for sale, under the requirement that came into law in February 2024 for developers to create a net 10% increase in biodiversity, either onsite or offsite through habitat banks like Nattergal's (see page 15). "As developers get to grips with the new responsibilities, we are developing an exciting pipeline of opportunities," says Hart.

Nattergal is also investigating the sale of voluntary credits for biodiversity, carbon and water. The challenge, Hart says, is that "many corporates still look at things through a carbon lens and are understandably unsure how to create a *nature positive* company."

Yet there's uncertainty around the suitability of credit trading schemes to rewilding. Rewilding interventions, which aim to create a mosaic of highly biodiverse scrubby habitats with a variety of benefits, don't currently generate as many carbon credits under the Woodland Carbon Code or the Wilder Carbon Code as tree planting projects, for example. Nattergal is helping to fund and contributing to research that shows rewilding systems sequester much more carbon than previously thought. "There are multiple different carbon codes being developed," explains Hart. "There is the potential for a rewilding carbon code to come out of this."

Nattergal also aims to generate revenue through other nature-based enterprises that provide jobs and opportunities to the local community. A small part of Boothby Wildland will offer camping and glamping, and the company is considering hosting corporate events at their sites.

In an ideal world, Hart says that natural capital, and potentially direct corporate sponsorship, would account for around two-thirds of Nattergal's income. Up to one-fifth would come from ecotourism and the remainder from other sources, such as organic meat sales and property rentals.

What will help get them there, he believes, is well-developed case studies on successfully funded rewilding projects. "As we get those out in the market, I think we'll start to see a real step change from corporate buyers and financial investors."

Long-term, Hart would love to see voluntary nature disclosure frameworks become mandatory for the biggest UK companies, just as the climate-related financial disclosures are. "That would trigger a wave of funding and truly support nature restoration at the scale we need to see."

Find out more: nattergal.co.uk

RECOMMENDATION 2

PRIVATE AND PHILANTHROPIC SECTORS SHOULD ACCELERATE HIGH-INTEGRITY INVESTMENT INTO LARGE-SCALE REWILDING INITIATIVES

There's increasing investor demand for Payments for Ecosystem Services, and Nature-Based Solutions as an investable asset class are quickly gaining traction. New mechanisms for financing rewilding are emerging at pace, including equity investments, bond financings, direct corporate investments, crowdfunding and other revenue streams such as ecotourism.

There's also growing interest from investors in carbon and nature markets. However, these markets are still in their infancy, operate ineffectively and, as yet, lack common standards. Blended finance models that combine public, philanthropic and private funding can help de-risk investments, but must share benefits fairly between public, private and community interests. We therefore need to pilot and fast-track a portfolio of high-quality, large-scale, investable rewilding projects that build confidence and demonstrate the holistic benefits that a rewilding approach can achieve for people, nature and local communities.

THE CHALLENGE AND RELATED FINDINGS

TAPPING INTO THE CORPORATE APPETITE FOR ECOSYSTEM SERVICES

Corporate demand for Payments for Ecosystem Services schemes has rocketed over the past few years, largely driven by companies setting net zero and nature positive targets. Essentially, this involves corporations paying for the benefits they receive from natural ecosystems such as carbon and biodiversity. The Taskforce on Climate-related Financial Disclosures (TCFD) — which is mandatory — and the more recently established Taskforce on Nature-related Financial Disclosures (TNFD) — which is, as yet, voluntary — are two important frameworks which are further driving corporate engagement with Payments for Ecosystem Services.

Companies either pay for ecosystem services in the compliance market, where they can use credits to fulfil their legal obligations to reduce their environmental impact, or in the voluntary market, where they can take steps to improve their environmental impact beyond their legal requirements (see box on page 23). Global voluntary carbon markets (VCMs) have grown significantly, with transactions reaching $2 billion in 2021, quadrupling the previous year's total.[26] Forestry and Land Use carbon credit projects led this growth, amounting to over $1.3 billion. UK corporates are the third-largest buyer of voluntary carbon offsets globally and have shown interest in investing in an emerging UK nature finance market, although this buying tends to be limited to forest-based carbon offsets.

These payments could provide an important longer-term source of income for rewilding projects. For example, within the compliance markets, developers can meet their Biodiversity Net Gain (BNG) requirements through onsite biodiversity enhancements or by purchasing biodiversity units. UK rewilding efforts that can enter *conservation covenants* for at least 30 years could receive biodiversity units and landowners could earn up to £600–700 per hectare per year.[27] But, this scenario is still largely hypothetical and more broadly BNG faces many issues, as outlined in Recommendation 1.

Within VCMs, issues of price volatility and credibility have also reduced the appetite of some corporate buyers to make investments. Credibility issues have impacted the voluntary forest carbon sector for the last two decades, and became prominent again in 2023 after a Guardian news article[28] published an investigative report alleging that REDD+ carbon credits issued by Verra Carbon Standards were "phantom credits" and did not represent real carbon reductions.[29] Given the reputational risks to corporates investing in rewilding initiatives through voluntary and compliance markets, it's essential that they have confidence both in the effective functioning of the markets themselves but also in the ability of the project to deliver high-integrity impacts.

It's vital that rewilding projects ensure the economic and social benefits are shared equitably with local communities — which can also reduce the risk of such projects for investors

Some companies also directly fund nature recovery projects for regulatory and corporate social responsibility reasons. For example, insurance company Aviva has entered into a 100-year partnership with The Wildlife Trusts to restore Britain's lost temperate rainforests across the UK (see our case study on pages 26–27). Other companies have also directly acquired nature recovery projects. But as we explore below, direct acquisitions can also carry reputational risks if they're not done correctly, including causing land prices to surge and further concentrating land ownership.

The good news is that, as with Payments for Ecosystem Services, many corporates are willing to pay a premium for good environmental, social and governance practices within directly acquired or funded rewilding projects. But a 2022 Nature Benchmark survey found that only 5% of companies have carried out a science-based assessment of their impacts on nature and biodiversity.[30]

Take all these issues into account and the picture is that corporate engagement in rewilding is still very limited to date. The regulatory frameworks for corporates detailed above aren't yet developed enough to significantly kickstart corporate interest in rewilding and nature investment more broadly.

INVESTORS' GROWING INTEREST IN NATURE-BASED SOLUTIONS

Private investment for a financial return could have an important role to play in financing rewilding too, particularly for the funding of longer-term and larger rewilding projects.

The growing desire of investors to generate both environmental and financial returns means that Nature-Based Solutions (NBS)[34] have gained significant interest within the finance sector as an investable asset class. Rewilding offers promising opportunities for investors to capitalise on future public funding, tax exemptions, returns from carbon and biodiversity credits, ecotourism and other income streams.

Those wanting to invest in NBS have a wide range of options available, from investing in global impact funds like the ASN Biodiversity Fund and the eco.business Fund to directly acquiring so-called 'real assets' such as forests and farmland.[35] Two recent examples of private investments in rewilding specifically are: Highlands Rewilding raising £7.5 million of equity in its first fundraising round from over 50 investors, including high net worth investors and one mutual fund; and Trees for Life raising £2 million through a crowdfunding bond launched by Triodos Bank UK to finance the Dundreggan Rewilding Centre (see our case study on pages 48–49).

Several respondents in our survey of Rewilding Network members viewed private sources of income with interest. However, with rewilding projects lacking a strong investment proposition at this current stage, attracting commercial lenders, pension funds or insurers to rewilding projects remains a challenge.

The main issues with accessing this financing are:

- **Investors want to see a high-quality team with a strong business plan and credible financial modelling.** Rewilding teams may not have the track record or the requisite experience and capacity required to give investors confidence in the project. For smaller projects, multi-stakeholder partnerships and community-led initiatives, the relatively high transaction costs can be a barrier to successfully accessing financing (see Recommendation 3).

THE VOLUNTARY AND COMPLIANCE MARKETS FOR CARBON AND NATURE

Voluntary markets for carbon and nature
Of the voluntary markets, the Voluntary Carbon Market (VCM) is the most developed. The global VCM holds substantial growth potential, with estimates suggesting it'll be 15 times the current size by 2030 and could contribute up to 1 gigaton of additional emissions reductions annually.[31]

The UK, Scottish and Welsh Governments all aim to use voluntary schemes, such as the Woodland Carbon Code and the Peatland Code, to scale up their land-based carbon emissions reductions.[32] However, these weren't designed for rewilding specifically. One scheme that's particularly relevant to rewilding is the Wilder Carbon Standard for Nature and Climate, which focuses on the best-practice implementation of rewilding-focused carbon projects and aims to help match Wilder Carbon-certified projects with ethical buyers.

The voluntary biodiversity credit market isn't particularly prominent in Wales, England or Scotland, but buyers and sellers can generate biodiversity credits through international standards such as Verra, Gold Standard and Plan Vivo, which can be sold on their own or bundled together with carbon. The voluntary carbon and biodiversity markets are both still in development, with new policies and frameworks continuously being announced.

Compliance markets for carbon and nature
As the separate governments in England, Scotland and Wales make companies pay for their environmental obligations, compliance markets have gained increasing importance. In the carbon compliance market, the UK, Scottish and Welsh Governments established the UK Emissions Trading Scheme (ETS) in 2021, which collectively forms the UK Emissions Trading Scheme Authority.[33]

As of now, the VCM is not directly linked to the UK ETS, meaning that companies that generate carbon credits through voluntary standards like the Woodland Carbon Code can't use them within the compliance market. If and when that changes, it could increase the price of carbon credits, because demand from businesses seeking compliance with emission reduction targets is likely to rise.

- **Rewilding projects may not have the financial returns that commercial investors expect** or the necessary credit profile and history that lenders seek. Unsuitable investment structures may also restrict an investor's exit options. Private finance could be made more attractive through offering public grants and incentives. However, de-risking such investments using public money could result in the state bearing the risks while the rewards are privatised.[36] Unless broadly recognised standards are in place there's also the risk that, where there are higher returns from rewilded land, these could attract investors with purely commercial motives that are misaligned with a rewilding approach.
- **Investors can also be deterred by perceived implementation barriers** such as a lack of impact data or credible third-party quality standards, high due diligence costs, the complexity of community benefits sharing obligations (even though this often helps to de-risk projects and improve long-term viability) and the potential for reputational risks, such as negative impacts on local communities.

ACCELERATING PHILANTHROPIC FUNDING FOR REWILDING

By helping to fill funding gaps, taking more risk and nurturing projects in their early stages, philanthropic funding can support projects in a way that the government or the commercial finance sector can't. Philanthropic funds are distributed through various financial mechanisms, such as grants, donations and endowments, and are available to non-profit and social organisations.

In Britain, philanthropic funding for environmental and conservation projects is growing and organisations are increasingly open to financing rewilding. This funding can range from tens of thousands to millions of pounds, depending on the scope and scale of the projects. Examples of current philanthropic funding programmes include the Endangered Landscapes and Seascapes Programme[37] and Rewilding Britain's own Rewilding Challenge Fund and Rewilding Innovation Fund, which provide scale-up and seed funding for initiatives in England, Scotland and Wales (see box on page 24).

However, the proportion of foundation spending in the UK on the environment relative to other issues is still only about 6%.[38] Much more needs to be done to accelerate philanthropic support for environment projects generally and for rewilding specifically. More high-profile projects with a track record of success could help to pave the way.

BOOSTING REVENUE AND PUBLIC GIVING

Many rewilding initiatives raise revenue through innovative and diversified enterprises that sit alongside the change in land use. Some 46% of members of the Rewilding Network surveyed received funding from livestock sales and 38% funding from nature-based tourism alongside income from Payments for Ecosystem Services, carbon credits and biodiversity credits. Individual members of the general public have also played a significant part in financing their rewilding journeys, through collective giving, levies and buying rewilding products and services. Sources of income include:

- **Rewilding enterprise:**
  - **Ecotourism, events and courses:** Some rewilding projects offer eco-friendly tourism, events or courses. For example, Knepp offers visitors guided safaris of the Knepp Wildland project in West Sussex, Spains Hall Estate runs educational, nature-based, outdoor therapy programmes in Essex, and Embercombe in Devon runs rewilding training courses.
  - **Product sales:** Rewilding areas might produce and sell ethically-sourced products such as wild meat, organic produce and sustainable timber, creating additional revenue streams. Mar Lodge Estate in Scotland, for example, produces and sells gin using botanicals from the pinewoods on the estate.
  - **Venue rentals:** Rewilding sites can offer their natural surroundings as venues for various events and activities, generating rental income. Broughton Hall Business Park, for example, offers local businesses in Yorkshire offices to rent in converted farmhouses, cottages and other buildings on the estate.
- **Crowdfunding:** Crowdfunding has gained popularity in recent years as a way for rewilding projects to raise small amounts of money from a large number of people. It allows projects to engage with a broad community of individuals who are passionate about environmental causes, and through this exposure, increase the likelihood of attracting other backers and investors (see the Langholm Initiative case study on pages 34–35).

REWARDING BOLD THINKING

Recognising that seed funding is crucial for rewilding projects, we've launched two rewilding funds at Rewilding Britain. Through the Rewilding Innovation Fund we've awarded over half a million pounds to 44 rewilding initiatives around Britain since 2021. The funding has not only enabled a variety of vital activities to happen, from lynx feasibility studies to marine restoration, community engagement to drone surveying, but it has been instrumental in unlocking future financing for some projects. Our Rewilding Challenge Fund takes an even bolder approach, awarding £100,000 annually to a project that's larger than 1000ha and which delivers lasting social, economic and ecological benefits. An essential part of both of these funds is that they act as a blueprint to inspire others — both for practitioners and investors.

- **Tourism levies:** The revenue collected from tourism levies (also known as tourist or bed taxes) can be pooled in a fund, which can target rewilding activities. For example, one particular Tourism Business Improvement District in the Tweed catchment, Scotland, has more than 100 businesses providing an annual levy of £70,000 to invest in a range of tourism schemes in the area. NatureScot is investigating how these levies could be used in a bond structure.[39]

RAISING THE PROFILE OF INVESTABLE EXEMPLAR PROJECTS

Despite recent corporate interest, the relative newness of rewilding as an investable land use means there remain relatively few examples of 'exemplar' projects that offer benchmarks for potential investments. Such success stories are essential to build confidence in rewilding as a viable investment.

For many corporate investors, there's the added issue of scale. Businesses need a large volume of credits to make valid nature positive claims. For example, some investment funds, pension funds and insurance companies wanted to wait six to 12 months before investing in Highlands Rewilding, to understand the viability of financing nature recovery.[40]

Rewilding as a land management approach can achieve higher returns than conventionally farmed land in areas of low or marginal agricultural productivity. Our case studies provide some examples, and this has also been highlighted by a recent Savill's report on the business of rewilding.[41] However, the investability of many rewilding business models has yet to be extensively tested, while investment returns often remain low.[42]

Rewilding Europe Capital[43] provides an example of how these barriers can be overcome by fostering a portfolio of high-quality, large-scale, investable rewilding projects. But such a portfolio is currently very limited in Britain. We need to be able to demonstrate that rewilding investment models, and the holistic environmental, economic and social returns they bring, are highly prized by investors seeking to meet nature positive ambitions.

HOW TO ACHIEVE RECOMMENDATION 2

We're calling for the private and philanthropic sectors to:

- Rapidly upscale high-integrity private sector and philanthropic investment to support a portfolio of exemplar, large-scale rewilding initiatives which deliver nature's recovery alongside thriving local communities. These should:
  - Provide early-stage start-up capital through compliance markets, Corporate Social Responsibility (CSR), philanthropy or provision of in-kind services.
  - Demonstrate diversified, investable, integrated business models that act to attract and scale up further investments.
  - Nurture nature-based business innovation that puts engaged and empowered rural communities at the forefront of a green and just economic transition.
  - Demonstrate equitable environmental, economic and social benefits for, and with, local communities, for example through *diversified asset sharing models*.
  - Exemplify the additional 'charismatic carbon' and holistic benefits that rewilding projects can offer.
  - Ensure that investors seeking a return (financial, carbon, nature) can participate as projects develop.
  - Give investors confidence in risk-adjusted returns and mitigate the uncertainties that are a barrier to investment.
  - Comply with the financing rewilding principles we propose in Recommendation 5.
- Empower 'champions' from within the business and philanthropic sectors to raise awareness of and make the case for investing in rewilding amongst the wider business community.

CASE STUDY: THE ATLANTIC RAINFOREST RESTORATION PROGRAMME

PROJECT TYPE
Corporate/non-profit partnership

LOCATION
UK-wide

CURRENT INCOME
Corporate donation

PROJECTED INCOME
Carbon credits
Biodiversity credits
Water credits

Insurance company Aviva is working in a £38 million, 100-year partnership with The Wildlife Trusts to restore Britain's lost temperate rainforests, while helping it reach net zero — in what is believed to be "the largest ever corporate donation into nature conservation in the UK."

Those are the words of Stan Smith, The Wildlife Trusts' Programme Manager for The Atlantic Rainforest Restoration Programme. Under the scheme, Wildlife Trusts across the UK will restore 1,175ha (2,903 acres) of temperate rainforest. This rare and biodiverse habitat used to cover one-fifth of the land stretching from Cornwall to the west of Scotland, but is now limited to approximately 1% of the UK.

It's projected that the restoration will sequester an estimated 222,000 tonnes of carbon by 2050 and a total of 800,000 tonnes by the end of the 100 years. Carbon credits realised under the Woodland Carbon Code as a result of the rainforest restoration will be passed to Aviva to help the company reach net zero, taking into account its anticipated supply chain emissions over the next 10–15 years, by 2040.

The programme isn't a transactional relationship with Aviva where a certain amount of carbon credits are produced in return for its investment, says Smith, but a partnership that aims to maximise biodiversity and positive outcomes for local people and demonstrate how much carbon can be removed as a result. "Aviva's involvement sits somewhere between a direct investment and philanthropy, because the long-term outcomes of rainforest restoration are still unknown."

"AVIVA'S INVOLVEMENT SITS SOMEWHERE BETWEEN A DIRECT INVESTMENT AND PHILANTHROPY."

The return of species like pine marten represents both a boost in biodiversity and hope for a greener future

Restoring habitats can yield a myriad of ecosystem services and other benefits for both people and nature

It's important when partnering with big corporates to ensure that all parties understand and appropriately manage the risk, he explains. "If you don't get the contracting right [it] could easily bankrupt a small rewilding project or charity. Appropriate legal advice is essential."

Aviva is also funding academic research to assess how other benefits of the rewilding scheme can be quantified, including the possibility of generating water and biodiversity credits. For restoring the temperate rainforest will do so much more than simply absorb carbon. By encouraging a habitat that supports mosses, lichens, ferns and a host of rare species, the project will help moderate water flows, and improve shading in the hotter, drier conditions expected with climate change.

The ability to 'stack' different ecosystem services generated by a project is crucial, argues Smith — but it's currently not allowed under the Woodland Carbon Code. The code "was designed by foresters thinking about planting trees in straight rows, when we're trying to create these amazing, rich temperate rainforests with all sorts of structural diversity."

"If you could add a biodiversity credit on top of [carbon], then rewilding would make much more commercial sense," Smith says. He's hopeful that the programme's ongoing discussions with the Woodland Carbon Code will help shape how future rewilding projects can use the code.

The programme plans to buy the land nationwide in just over four years and to create many real-world examples of how rewilding can work across the UK. "The next corporate that funds rewilding will have much less risk, because the gains will be much better understood," says Smith. "The idea is that this will lead to nature conservation on a much greater scale."

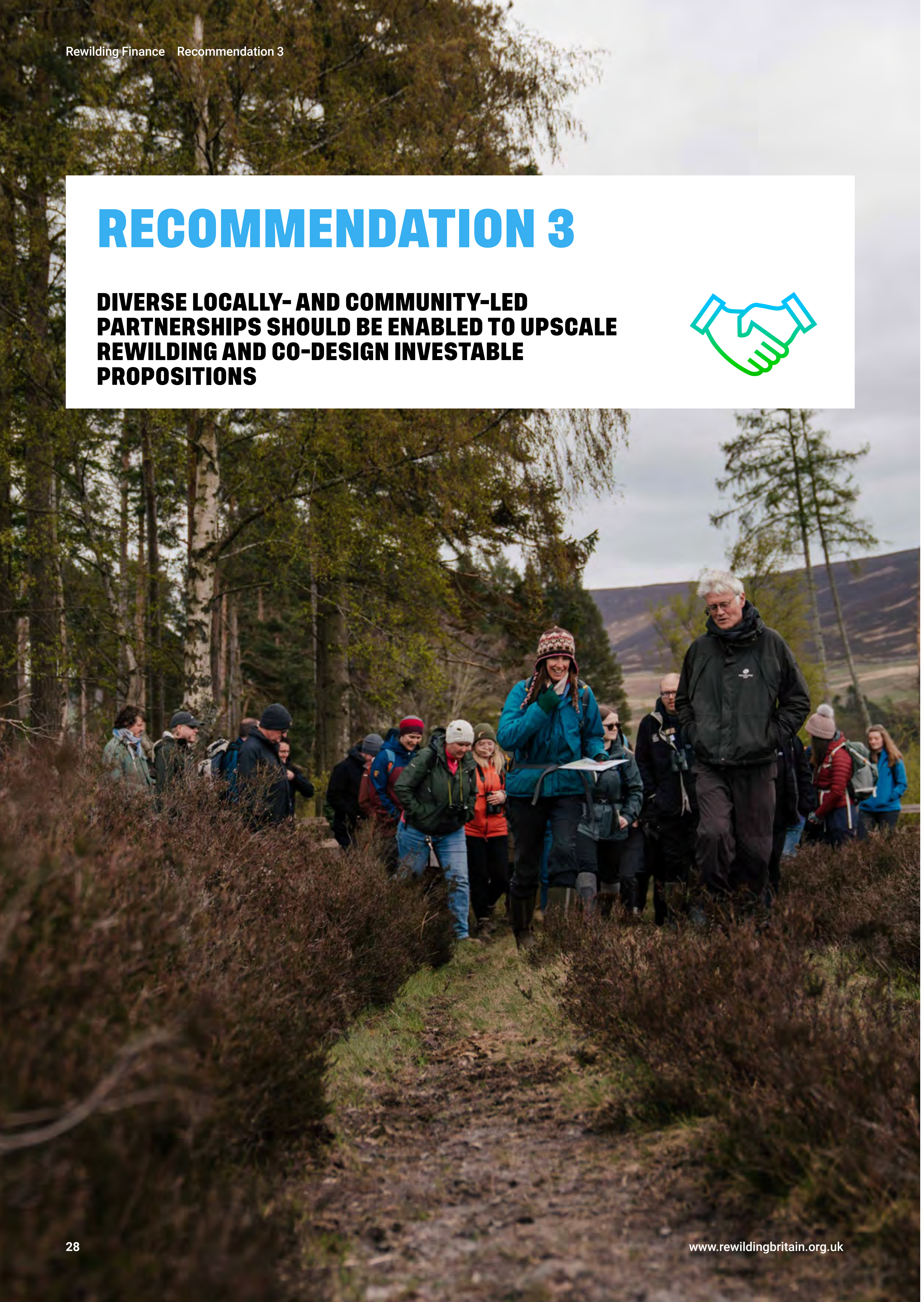
Find out more: wildlifetrusts.org/atlantic-rainforest-restoration

ENSURING COMMUNITY BENEFITS

One of the programme's first three projects, run by Devon Wildlife Trust, will restore 30ha (74 acres) of temperate rainforest at Bowden Pillars Farm. Like all projects under the scheme, community benefits are central. The whole site (nearly 57ha, or 141 acres) was acquired through a community buyout by a consortium — including the Wildlife Trust — as a location to demonstrate rewilding, regenerative farming and sustainable housing, while providing access and opportunities for local people.

RECOMMENDATION 3

DIVERSE LOCALLY- AND COMMUNITY-LED PARTNERSHIPS SHOULD BE ENABLED TO UPSCALE REWILDING AND CO-DESIGN INVESTABLE PROPOSITIONS



Rewilding practitioners are a diverse group, including community, private, public, and charity owners and managers, whose funding and financing needs vary significantly in scale and type. Many work collaboratively at a landscape scale as part of multi-stakeholder and community-led partnerships. Achieving equitable and sustainable financial benefit sharing across these stakeholders can be challenging and their governance structures represent complex and unfamiliar ground for investors. High transaction costs often limit access to financing, as does the lack of clarity on benefit sharing models between landlords and groups such as tenants and commoners.

Building the capacity of trusted locally- and community-led partnerships or 'anchor institutions' to co-design large-scale investable rewilding initiatives will help to attract and coordinate significant inward investment. These should ensure that environmental, economic and social benefits are shared equitably and integrated within a wider green economic transition.

THE CHALLENGE AND RELATED FINDINGS

DIVERSITY OF REWILDING PRACTITIONERS AND PARTNERSHIPS

Rewilding practitioners are a highly diverse group including private and public sector landowners and managers, conservation charities, tenants, crofters, commoners and community groups (see box on page 30). The range of actors involved in the development and delivery of rewilding means that funding and financing needs can vary significantly in scale and type. They operate at various scales, with differing ownership models, and through a wide range of activities.

If we're to scale up rewilding, we believe it hinges on collaboration between these key stakeholders in strong partnerships. Rewilding partnerships can bring together and aggregate smaller-scale rewilding initiatives to achieve longer-term, locally-led environmental, economic and social benefits over larger landscapes. In doing so they create projects at a scale big enough to attract larger investors. There are already some fantastic examples out there:

- **Multi-stakeholder partnerships,** such as Affric Highlands, Wild Purbeck Partnership, Cairngorms Connect and Nature Recovery Partnerships.
- **National Park Authorities,** who develop and implement Management Plans in collaboration with local stakeholders (see our case study on Revere on pages 40–41).
- **Landowner clusters**, which allow groups of farmers, foresters and other land managers to develop a shared ambition, such as Dayshul Brake.
- **Environmental Cooperatives,** such as the Environmental Farmers Group, or landscape-scale collaborative structures.

RESTRICTED ACCESS TO FINANCE FOR SMALLER-SCALE AND COMMUNITY-LED INITIATIVES

Many smaller-scale landowners or community-led initiatives find it difficult to access funds, for example through the carbon or biodiversity credit markets, because of the high transaction costs involved. Coupled with that, a lack of time, resources and access to small-scale start-up funding can constrain them from committing to project preparation, validation and verification processes. All this reinforces the perception that funding for rewilding is only available to wealthy landowners or corporates,[44] so further impeding community-led projects. However, where locally trusted 'anchor institutions' exist — those with a significant presence and stake in the area — these can attract and coordinate significant inward investment, engage communities in co-design processes and ensure that the local economy benefits.

How best to reconcile the differing interests and needs of all these groups to achieve an optimal and 'fundable' arrangement is very much a work in progress. The stakeholder management challenges are also intertwined with the need for benefit sharing arrangements which are equitable and sustainable. Stakeholders must be given a meaningful (and often a financial) incentive to support a rewilding project's success. Well-structured funding agreements can help to ensure the longevity of rewilding projects, even when conflicting interests continue to emerge. These agreements should:

- Actively identify, mediate and reconcile between differing needs and expectations.
- Strike a balance between achieving financial, climate, biodiversity and social goals while being conscious of rewilding's long-term and dynamic characteristics.

A number of success stories demonstrate how the financing for locally-led, large-scale rewilding can be achieved through multi-stakeholder partnership and community-led approaches. Take, for example, the Langholm Initiative's central role as a local anchor institution that led the Dumfriesshire town's community buyout and crowdfunding campaign (see our case study on the Tarras Valley Nature Reserve pages 34–35); and charity Trees for Life's innovative model which shares income from carbon credits with local community organisations (see our case study on the charity on pages 48–49).

THE WIDE RANGE OF PRACTITIONERS PURSUING REWILDING ACTIVITIES

- **Transitions on private land**, including larger landholdings such as Knepp Estate, Wild Ken Hill and Rewilding Coombeshead as well as smaller-scale initiatives. Financing needs might include capital investments for infrastructure changes (such as fencing or track maintenance), funding for ecological restoration and operational costs to support the rewilding process.
- **Land-owning conservation and rewilding charities**, such as the National Trust, Trees for Life and The Wildlife Trusts (see our case studies on Trees for Life on pages 48–49 and on The Wildlife Trusts on pages 26–27). Financing needs may involve fundraising for habitat restoration and long-term management and monitoring efforts.
- **Rewilding-focused land acquisition**, where organisations like Heal Rewilding and Nattergal (see case study on pages 18–19) acquire land specifically for rewilding purposes. Their financing needs revolve around securing funding for land purchases, habitat restoration and community engagement initiatives. This category also includes individuals and corporates.
- **Community ownership/management**, where rewilding projects place community ownership (or at least a high degree of agency) at the centre of their management. This can encompass community buy-outs such as the Langholm Initiative (see case study on pages 34–35).
- **Crofters, tenants, commoners and common graziers,** which include owner occupier crofts, tenancies, and those with collective rights to common grazings/commons. It's important for rewilding projects to ensure successful benefit sharing with landlords and between rights holders.
- **Public landowners,** such as the public forest estates, Ministry of Defence, National Parks, and local councils. These can integrate rewilding into their management plans to help the UK and devolved governments meet net zero and 30% by 2030 nature commitments.

Rewilding Finance Recommendation 3

Rewilding projects should engage local communities in co-design processes and ensure that the environmental, social and economic benefits are fully shared

A NEED FOR COMMUNITY EMPOWERMENT, OWNERSHIP AND SHARED EQUITY MODELS

The burgeoning carbon and nature markets present new funding opportunities, but also raise concerns about adverse social impacts. One is that investment projects will not equitably share benefits with communities as they should. As a result, many discussions on rewilding and nature conservation have focused on the need for genuine community engagement, empowerment, management and ownership.[45]

Much of this debate has stemmed from large land acquisitions made by corporates or investors to offset their carbon emissions and meet net zero targets. A 2021 study in Scotland examining large-scale rewilding initiatives concluded that there was limited evidence of inclusive participation from local people in rewilding decision-making processes.[46,47] This has led to concerns over concentration of land ownership, lack of access to land,[48] land grabbing, land speculation and conflicts with local communities.[49,50]

Community ownership, co-ownership and shared equity models can be effective and ensure that the co-benefits[51] of rewilding are distributed across local stakeholder groups. These models involve collective ownership or participation in management and decision-making processes (see box on page 32 for examples). They not only strengthen governance, but by creating structures for long-term stewardship and equitable distribution of benefits can help mitigate risks, improve risk-adjusted returns, foster community engagement and promote sustainable development.

However, investors don't always view collective ownership or participation in a positive light. They may see benefit-sharing agreements as overly generous and likely to lead to reduced returns or increasing costs through higher capital gains tax and management expenses, charges or fees. For example, at least 60% of the revenue from the sale of Plan Vivo certificates, an international standard for carbon and biodiversity credits, must go directly to local community participants.[52] This may be perceived as 60% less profit by investors if the true benefits of such arrangements aren't made clear; for example, investors may not understand that the higher transaction costs and lead-in times can reflect a more robust project or business development process.

Investors may also be put off by the complexity of shared equity model ownership in benefit sharing arrangements. Questions about whether the benefits are provided to the landowner(s) or the rights owner(s) may add to investors' confusion about what benefit sharing really means and who it's for. The more complex the ownership arrangement — for example, when multi-stakeholder partnerships are involved — the greater this issue becomes.

In turn, communities may be wary of the requirements of investors. Agreements that depend on locking land uses across generations may meet with resistance.

OBSTACLES FOR TENANTS, COMMONERS AND CROFTERS

Tenants, crofters, and commoners[55] in the UK and devolved nations may face a range of barriers to pursuing or receiving finance for rewilding activities. There's a lack of legislation around carbon credits and how these benefits should be shared, particularly amongst commoners and crofters.[56] These ambiguities raise uncertainty for those considering rewilding projects.[57] Coupled with that, some may consider the schemes too lengthy (for example, BNG covenants are a minimum of 30 years), or may lack the time and costs required to explore these opportunities.

EXAMPLES OF COMMUNITY OWNERSHIP, CO-OWNERSHIP AND SHARED EQUITY MODELS

- **Community Land Trusts (CLTs)**. A framework for community ownership and long-term stewardship of land and assets. For example, Bro Ddyfi CLT in Wales promotes sustainable development and affordable housing on community-owned land and assets.
- **Community development trusts.** Entities focused on the development and improvement of the community's wellbeing, which can involve decisions about land management.
- **Community ownership.** These registered community bodies manage and purchase land in Scotland. Almost 3% of land in Scotland is community-owned, with the majority in Nah-Eileanan Siar (Outer Hebrides).
- **Commons councils and grazing associations.** Through these, landowners and people with rights to common land make decisions about its use. In Wales, grazing associations can also manage common land.
- **Grazing committees.** In Scotland, grazing committees manage common grazings on behalf of people with a share in a common grazing, including crofters, so that their concerns are addressed and the benefits shared.
- **Co-operatives.** Member-owned and member-controlled organisations. The Ribble Rivers Trust, for example, is developing a cooperative model to engage local communities, businesses and landowners in river restoration and conservation.
- **Hybrid ownership and partnership models.** Collaborations between communities and private or public stakeholders to ensure community benefits. For example, Scotland's National Forest Land Scheme fosters community and government collaborations.[53]
- **Regional Land Use Partnerships (RLUPs).** These have been piloted in Scotland to facilitate collaboration between potential participants in decisions about land use to help Scotland achieve its climate targets.[54]

To compound those issues, many tenants worry that rewilding schemes could lead landowners to reclaim their land, posing a threat to the long-term security of agricultural tenancies.[58] Even when tenants support rewilding projects, it can be difficult to obtain their landlord's permission to participate in rewilding activities. Ownership rights for potential nature-based finance opportunities are often unclear, especially when multiple parties are involved in land management or usage. This lack of clarity can lead to conflict over benefit sharing agreements and might further deter tenants, crofters and commoners from pursuing rewilding initiatives.[59] However, large-scale restoration pilots are starting to emerge that aim to balance the interests of landowners, common graziers and other community members while remaining financially viable, for example with funding through the Scotland (FIRNS) programme.[60]

LEGAL AND TAX UNCERTAINTIES FOR TENANTS

The intricate relationship between inheritance tax (IHT) planning and the classification of rewilded land means that rewilding practitioners in Britain can often encounter financing uncertainties when engaging in rewilding projects. Determining whether rewilded land qualifies as agricultural property has implications for IHT, potentially affecting the landowner's willingness to allow tenants to rewild the land.

In certain cases, business property (as distinct from agricultural property) relief from IHT might be available if a trading partnership is formed between the tenant and landowner, encouraging ecotourism initiatives. However, the classification of rewilded land as agricultural or non-agricultural isn't straightforward. Certain agri-environment schemes designed to remove land from agriculture make *Agricultural Property Relief* (APR) unavailable, while specific habitat schemes aimed at preserving nature do qualify for APR.

REWILDING AS A DRIVER OF A JUST, GREEN ECONOMIC TRANSITION

The people-led approach to rewilding that we propose can and should go hand in hand with a just rural transition, through the creation of nature-based economies which allow nature to heal and flourish whilst supporting prosperous communities. Our own analysis reveals, for example, that projects led by Rewilding Network members have nearly doubled jobs since embarking on rewilding.[61] In Rewilding Britain's 'Rewilding and the Rural Economy' report we show in more detail how investing in nature and nature-based businesses can help us transition to a low carbon future whilst delivering real social and economic benefits.[62]

Financing for rewilding should therefore be integrated into evolving government finance strategies for a green economy, just transition and *community wealth building*. For example, the UK Government's 2023 Green Finance Strategy sees the integration of nature and adaptation as a key objective in the green finance sector, opening the door for investment in rewilding.

The UK and devolved governments are all developing just transition plans towards a green economy that is fair and equitable. For example, Scotland's Just Transition Commission is working on community wealth building approaches to economic development that aim to create a resilient and inclusive economy for the benefit of local areas.[63]

By taking an integrated approach, the financing for these new policies and strategies could channel funding and investments into the large-scale restoration and rewilding of nature alongside a diversified, resilient and just economic transition.

HOW TO ACHIEVE RECOMMENDATION 3

We're calling for the UK and devolved governments and other key stakeholders to:

- Expand long-term public and private funding schemes directed at multi-stakeholder and community-led partnerships for rewilding initiatives that bring shared value for nature, the economy and local communities.
- Invest in a network of national and local advisors and facilitators to develop the capacity of rewilding practitioners, and local multi-stakeholder and community-led partnerships to scale up and anchor change, including in:
  - High-quality business strategies and financial modelling which attract investment and revenue streams that ensure rewilding outcomes and that benefits accrue to the local economy.
  - Community engagement and co-design processes, multi-stakeholder and community-led governance structures and financial benefit sharing arrangements.
  - Business innovation for rewilding and nature-based production, enterprises and revenue generation.
  - Collection of impact data for reporting against standards and metrics.
- Clarify and develop legislation around taxation, tenancy rights and benefit sharing models (for example with communities and crofters) to ensure it's supportive of large-scale rewilding approaches.
- Diversify public, private and community ownership models that enhance localised decision-making — for example by creating an equivalent in England and Wales to Scotland's Community Rights to Buy — and reforming Scotland's Rights to Buy so they can enhance the ability of communities to restore nature.

CASE STUDY: TARRAS VALLEY NATURE RESERVE

PROJECT TYPE
Community-owned nature reserve

LOCATION
Dumfries and Galloway, Scotland

CURRENT INCOME
- Public & private grants
- Agricultural subsidies
- Stewardship payments
- Donations
- Regenerative grazing
- Timber harvesting
- Rental properties

PROJECTED INCOME
- Public & private grants
- Donations
- Regenerative grazing
- Timber harvesting
- Woodland enterprises
- Rental properties
- Events & training courses
- Ecotourism

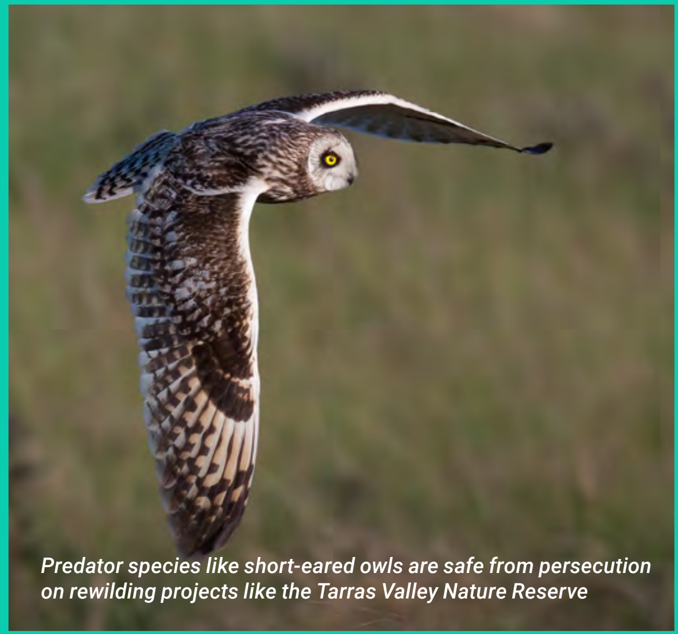
The residents of Langholm pulled off not one, but two, community buyouts to raise a total of £6 million to purchase a 4,249ha (10,500 acre) nature reserve from Buccleuch Estates — making the reserve south Scotland's largest community buyout.

Tarras Valley Nature Reserve's primary objective is to create a diverse community asset where nature is thriving. This includes protecting and restoring peatlands, expanding native woodlands, bringing back lost wetlands, enriching ancient woodlands and providing a sanctuary for rare species like hen harriers and pine martens.

But beyond nature recovery, the vision of The Langholm Initiative, a community development trust, is to support community regeneration efforts in the area. The aim is to help create new nature-based opportunities for the former textile town in Scotland's Dumfries and Galloway, including generating jobs, diversifying income and attracting visitors. It has already created six new jobs in less than three years.

The buyout's first stage made global headlines in 2021 after residents successfully raised £3.8 million so that The Langholm Initiative could purchase 2,104ha (5,200 acres) of former grouse moor, river valley and woodland from Buccleuch, one of Scotland's largest landowners. The following year, Langholm doubled the size of the reserve by raising £2.2 million. Like the first buyout, it involved a crowdfunding campaign, this time raising £242,000 in just nine months.

Involving children and communities in rewilding can contribute to their education, health and wellbeing



Predator species like short-eared owls are safe from persecution on rewilding projects like the Tarras Valley Nature Reserve

Jenny Barlow, Estate Manager at the reserve, admits they weren't sure if people would support a second crowdfunding campaign, but says that "having a very clear, inspiring message about where people's money would be spent really got the momentum going". Donations flooded in not just from people in Langholm, but from around the world.

It was a labour intensive undertaking, she says, having worked almost full-time on the campaign alongside other staff, and points out that "realistically, it can't just be done with volunteers". But there's no doubt that the campaign brought spin-off benefits. "The crowdfunder was almost like a proof of concept for other funders," she adds. It definitely helped to attract larger donors, including a number of charities and philanthropic organisations, plus the Scottish Land Fund, which awarded a generous £2 million in total.

Currently, most of the reserve's ongoing funding comes from a mix of private and public grants, including Scotland's Agri-Environment Climate Scheme (see page 13), as well as some donations. But the reserve is developing a community-led, five-year-plan to transition to more revenue-generating projects and activities to reduce its reliance on grants.

The business plan devised for the second buyout projected that the land could generate a surplus of £1.29 million over 26 years, with £1.05 million allocated for development funding and an overall cash surplus of £292,000. The reserve already generates income from conservation grazing, timber harvesting and rental properties on-site — and promising opportunities brought up during recent community engagement events include training and business development for young people, events and residential courses, community growing and ecotourism.

The fact that scores of people have contacted The Langholm Initiative about how to do something similar demonstrates that Tarras Valley Nature Reserve is a shining, but relatively rare, example of how community buyouts can finance rewilding initiatives. Yet if other such high-profile — and labour-intensive — community buyouts are to succeed across the country, they can't do this on their own. It's essential they get the backing of land reform policy and public funding, just as Langholm did through the Scottish Land Fund, a crucial piece of Scottish Government financing for rewilding. However, with land prices as high as they are, the potential for community buyouts are limited by the size of the pot — which currently stands at just £11 million.

Find out more: tarrasvalleynaturereserve.org

> **"THE CROWDFUNDER WAS ALMOST LIKE A PROOF OF CONCEPT FOR OTHER FUNDERS."**

RECOMMENDATION 4

A NETWORK OF BROKERS AND MARKET BUILDERS SHOULD BE FURTHER DEVELOPED TO PROVIDE AN EFFECTIVE CONNECTION BETWEEN REWILDING INITIATIVES AND INVESTORS/FUNDERS

Despite a plethora of networks, knowledge platforms, funding brokers, project accelerators, directories, registries and trading platforms the market infrastructure for nature restoration and rewilding funding remains fragmented. It lacks the standardisation and commonly recognised definitions and frameworks that investors typically need when assessing new opportunities and doesn't yet adequately support the specific characteristics of successful rewilding.

Enabling entrepreneurial networks of brokers and market builders could support the development of a market infrastructure that would more effectively facilitate multi-outcome rewilding projects. These should bring actors in the market together to discuss and produce knowledge, as well as help projects, buyers and investors to connect more effectively to achieve long-term meaningful change. Ensuring adherence to common standards by accrediting these roles could accelerate confidence across all stakeholders.

THE CHALLENGE AND RELATED FINDINGS

THE DEVELOPMENT OF BRITAIN'S NATURE FINANCE MARKET

Multiple new mechanisms have recently been developed to support, enable and frame the development of the UK's nature financing markets. Those launched in 2023 alone are summarised in Figure 2. These include:

- The Nature Investment Standards Programme,[64] launched by the British Standards Institution (BSI) and Defra in March 2023. This will help to govern existing and emerging project development standards related to nature markets in the UK (such as the Woodland Carbon Code, Peatland Code, Wilder Carbon and Soil Carbon Code) and seek to establish common principles, market integrity and credibility. This common framework may clarify and enhance the opportunities for stacking and bundling ecosystem services for rewilding projects.
- Defra's Nature Markets Framework for scaling up private investment in nature recovery and sustainable farming, which was published in March 2023 in line with its Green Finance Strategy. This work includes six core principles to ensure markets operate with integrity and three additional principles to maximise societal outcomes.[65]

Other recent country-specific initiatives include:

- The Scottish Government's 2022 Interim Principles for Responsible Investment in Natural Capital, which describes its ambitions and expectations for a values-led, high-integrity market for responsible investment in natural capital.
- The Welsh Government pledged in 2022 to mobilise additional funding to accelerate nature recovery efforts and to develop a policy on private investment in nature recovery.[66] It has also updated Planning Policy Wales to include net benefit for biodiversity measures.[67]

When its standards framework is fully completed in 2026/2027, Defra and BSI's Nature Investment Standards Programme will also likely play an important role across nature markets.

Rewilding Britain welcomes these new standards. However, the market still lacks commonly recognised definitions and frameworks that would help investors feel comfortable with the specific characteristics of financing for rewilding initiatives.

THE DEVELOPMENT OF NEW MECHANISMS SUPPORTING THE UK'S NATURE MARKETS DURING 2023

JAN

- The Biodiversity Credit Alliance is established, with a mission to clarify and guide the formulation of a credible and scalable biodiversity credit market

FEB

- The Scottish Government establishes the Facility for Investment Ready Nature in Scotland grant programme
- The Taskforce on Nature Markets launches a consultation on the Future of Biodiversity Credit Markets

MAR

- The Integrity Council for the Voluntary Carbon Market introduces a global benchmark for high-integrity carbon credits
- The UK Government publishes the Nature Markets Framework and Green Finance Strategy

APR

- Launch of the British Standards Institution's (BSI) Nature Investment Standards Programme

MAY

- The Nature Finance Certification Alliance is set up, an exploratory sub-group of the Scottish Nature Finance Pioneers focused on new developments in nature markets
- Round two of the Landscape Recovery scheme launches in England
- A review of the current pipeline of nature finance projects is undertaken by the Ecosystems Knowledge Network

JUN

- Defra announces an additional round of the Natural Environment Investment Readiness Fund
- Launch of the Financing Nature UK Roadmap and Recommendations, including a framework for high-integrity nature markets
- The Voluntary Carbon Markets Initiative issues guidance on how investors and companies should treat carbon credits in net zero strategies

JUL

- The UK Financial Institutions for Nature Group is created to support investment in nature recovery
- The BSI publishes its first discussion paper on Integrity Principles for Nature Investment Standards

OCT

- Nature Markets Principles are released by The Wildlife Trusts, RSPB, Woodland Trust and the National Trust
- The Taskforce on Nature-related Financial Disclosures releases guidance and recommendations

NOV

- The UK Government outlines details of the Biodiversity Net Gain framework, for implementation in 2024

Figure 2: The development of new mechanisms supporting the UK's nature markets during 2023

Rewilding Finance Recommendation 4

ENABLING ENTREPRENEURIAL NETWORKS OF BROKERS AND MARKET BUILDERS

Market builders and brokers can play a key role by making and facilitating connections between different actors across the market system of supply and demand. Bringing together these players to discuss, produce and disseminate knowledge, as well as helping projects, buyers and investors to connect, will enable the market to function more effectively. Examples of these key actors in the nature market include knowledge platforms and networks, brokers and accelerators, standards and regulatory frameworks and other market infrastructure (see Table 1 for the full list).

Whilst encouraging innovation across a diverse range of actors is helpful in a young market, there's nonetheless a missed opportunity to enable a more effective, dynamic and entrepreneurial connection between rewilding initiatives on the one hand and investors and funders on the other. One way to accelerate confidence in the developing market infrastructure would be to provide external accreditation for actors who adhere to an agreed set of standards or principles. Accredited brokers could, for example, provide expertise and guidance — as well as a trusted route to connect funding sources with rewilding projects — help streamline processes, mitigate risks and foster transparency.

Useful learnings could be taken from organisations that are already playing a similar brokering role in other parts of the nature finance market. For example, the role of designated Responsible Bodies (in ensuring conservation covenants are delivered) for BNG and other projects is likely to be controlled and standardised by government. There's also an Environmental Markets Board overseeing certain local markets. Wilder Carbon is building a cohort of 'Trusted Deliverers' which meet certain governance and financial sustainability tests.

Adopting the financing rewilding principles we lay out in Recommendation 5 would help to ensure good financial practices across market brokers and builders. These practices include good governance and ensuring co-benefits with local communities.

Finally, more effective market connections should be fostered through the development of fully open-access resources and fora for rewilding. This would encourage information sharing between disparate stakeholders, with public funding for key market information services such as project directories and pricing data.

HOW TO ACHIEVE RECOMMENDATION 4

We're calling for public and private stakeholders to:

- Support the ongoing development of standardised market infrastructure that can more effectively facilitate multi-outcome rewilding projects in line with our proposed financing rewilding principles.
- Direct public and private funding to enable a network of independent market brokers and builders, accredited wherever possible, to provide an effective interface between disparate buyers and sellers, for example by:
  - Providing open-access market information services and resources such as knowledge platforms, project directories and pricing data, that facilitate information sharing.
  - Promoting business partnering to attract investment and increase revenue.
  - Verifying compliance and supporting effective data monitoring.
- Invite new thinking on decentralised entrepreneurial market models for nature restoration/rewilding that ensure community co-benefits and work alongside more centralised models.

MORE EFFECTIVE MARKET CONNECTIONS SHOULD BE FOSTERED

CASE STUDY: REVERE

PROJECT TYPE
Public sector/private investment partnership

LOCATION
UK-wide

CURRENT INCOME
- Investor equity
- Upfront ecosystem service sales

PROJECTED INCOME
- Carbon credits
- Water credits
- Ecosystem service sales

"AGGREGATING FARM-SCALE PROJECTS MAKES SENSE FOR NATURE, TO CREATE HABITAT AND WILDLIFE CORRIDORS ACROSS A BIGGER AREA."

Set up as a unique partnership between global impact firm Palladium and National Parks Partnerships, Revere is working to co-design and aggregate nature restoration projects across Britain's 15 national parks into financeable portfolios for investors. Community benefits are a central requirement.

The partnership is a prime example of how private investment can be deployed to advance nature recovery projects on a landscape scale across Britain. Revere works with existing land managers, farmers and communities to design projects that restore degraded peatlands, grasslands, woodlands and wetlands; to raise private capital to finance them; and to generate revenue for all stakeholders by selling ecosystem services.

Revere manages multiple farm and landscape-scale initiatives and collectively finances them with capital from investors — something that's out of reach for most individual farmers and landowners, given the high legal, professional and transaction fees involved. "Aggregating farm-scale projects makes sense for nature, to create habitat and wildlife corridors across a bigger area, but it also means that farmers and land managers can access private nature finance," says William Hawes, Head of Nature-based Solutions at National Parks Partnerships.

Nature restoration often requires finance, over and above publicly funded grants, particularly to maintain habitats over multiple decades. The finance can be raised through the forward sale of ecosystem services, with the money raised being deployed to manage the project, pay land managers a fair profit and create benefits for local communities. Alternatively, investors take an equity stake in these aggregated opportunities and get a return from the sale of ecosystem services in the future.

Through Revere's aggregation model, 30 or so restoration projects are grouped in the Yorkshire Dales, the South Downs and Exmoor, for example, which all generate carbon or other credits. This is key to allowing investors to invest on the scale they require. "The minimum investment for financial investors is often £10 million," says Hawes. "That funds a lot of nature restoration, but you're not going to be able to do that on a single farm or single estate. You need a portfolio of projects."

Aggregating different projects also helps Revere to attract corporate buyers that have a large ecosystem service credit demand, for example to achieve a science-based net zero target. "At the moment, the voluntary carbon market is driven by large corporates and institutions that have set sustainability targets as part of an ESG strategy," Hawes says. "Revere can provide the volume of credits they require by aggregating projects, providing farmers with access to nature markets and an income stream that makes nature restoration viable to them in the long-term."

Selling water credits could help improve the quality of water and generate income, as planned at Lake Windermere

Buyers also recognise the value of working with organisations as credible and enduring as the UK's National Parks. Revere is already selling carbon credits through the Woodland Carbon Code and the Peatland Code, and plans to offer its first water credits as part of a project in Windermere to improve water quality and reduce phosphates.

Hawes believes that, where private finance is required, equity is a better fit than *loans* or other types of debt, because although equity investors often seek a higher return, it's more 'patient' capital. "It takes quite a long time to start generating revenue through ecosystem services. Servicing debt from the point a loan is drawn down requires cash flow and, without revenue, that can undermine the viability of projects," he says. While private investors are typically very risk averse, and balancing that with nature recovery can be difficult, Hawes thinks they have an important role to play. Not just because they can invest large sums, but because ecosystem service contracts fund habitat maintenance for a minimum of 30 years, and often much longer.

"Supporting the management of these landscapes over that timeframe is just not possible with grant funding alone, which only lasts a few years," he says. "Farmers and land managers have been operating on short, five to 10 year agri-environment scheme cycles that don't incentivise the level of management, scale and permanence we need to respond to the climate and biodiversity loss crises."

Still, Hawes is quick to point out that multiple funding sources are required to fund nature restoration across the UK, including public and philanthropic funding. This factor is particularly critical to de-risking projects at the beginning, he says, when baselining work is being done and the outcomes of rewilding are still uncertain.

"Public grant funding and philanthropic funding are vitally important. If we can get this right, I hope that private finance can be deployed to amplify the impact of existing sources of funding — by carrying some of the risks of the unknown as we learn and try to restore our landscapes," he says. "I don't think private finance will or should ever be the sole tool we use, and we need policy and regulation to provide private markets with guard rails, making sure they deliver what we need as a society and are ethical."

Find out more: Revere.eco

RECOMMENDATION 5

HIGH-LEVEL PRINCIPLES FOR INVESTING IN REWILDING SHOULD BE AGREED AND ADHERED TO ACROSS STAKEHOLDERS

The current lack of agreed high-level principles and standardisation across rewilding investments risks low-quality, poor practice emerging. This damages the integrity and credibility of these investments and the effectiveness of nature markets.

We need to see rewilding practitioners, investors, governments, brokers and other stakeholders coalesce around common goals and navigate financing opportunities effectively. That's why we've developed a set of principles for financing rewilding, which we believe will help ensure quantifiable and equitable environmental, economic and social benefits for — and with — local communities and wider society.

THE CHALLENGE AND RELATED FINDINGS

DEFINING PRINCIPLES FOR FINANCING REWILDING

High-level investment principles are already starting to help stakeholders agree on what a credible market looks like in other parts of the UK nature finance landscape, as described in Recommendation 4. These include Defra's Nature Markets Framework and those proposed by the charity and private sectors.[68] Their collective ambition is to 'hardwire' integrity and principles into nature markets to build trust and confidence so they can grow at pace.

While these frameworks are helpful for investors, they currently lack standardisation and don't yet address the specific characteristics of successful rewilding. We therefore propose a dedicated set of principles for financing rewilding. These are visualised in Figure 3 and the full principles laid out overleaf.

We've designed the principles for three main groups of stakeholders:

- **Rewilding practitioners and project partnerships:** who should make best efforts to reflect these principles in the projects they put forward for investment, and partner with investors and financiers who are willing to commit to these principles.
- **Funders/investors:** who should give preference to projects that reflect these principles, and — for projects that do not align with all of them —make best efforts as part of the investment process to enable them to do so.
- **Market builders and brokers:** who should ensure the regulation services, knowledge platforms, brokering and market infrastructure they provide align with, and support the delivery of, these principles.

At the heart of these principals lie three main impact areas:

- **Nature and climate impact:** How the project affects natural processes and ecosystem integrity, and helps address both the causes and impacts of climate breakdown.
- **Social and economic impact:** How the project ensures quantifiable and equitable benefits for local communities, economies and the broader public.
- **Governance:** How the project or investment in question is designed, managed and overseen during its lifetime.

While our rewilding finance principles aren't intended to be a formal set of standards or criteria for a certification scheme, this is certainly something that may be useful in the future, and could be linked to the integrated Rewilding Code that we propose in Recommendation 1. Financing rewilding in Britain is at such an early stage that we see these principles as something to be adapted, strengthened and developed as stakeholders feed into this crucial debate.

PRINCIPLES FOR FINANCING REWILDING

Figure 3: Our principles for financing rewilding. Responsible investment supports projects which adhere to these principles.

NATURE & CLIMATE

Responsible investment supports projects that:

- **Achieve robust and verifiable restoration of natural processes and ecosystem integrity with positive impacts on ecosystem services across the project area and beyond.** This should be evidenced by enhanced heterogeneity, complexity, biodiversity and ecosystem function using recognised scientific methods that are verified by a qualified third party. Ideally findings should also be actively shared with the research, policy and broader rewilding community to encourage sector-wide learning and development.
- **Sell ecosystem services to credible buyers and for purposes that support net positive outcomes for nature.** Ecosystem services sold by rewilding projects should be verified by the appropriate standard and purchasers should be able to demonstrate their alignment with the relevant codes of practices.
- **Strengthen the long-term climate resilience of the project area and beyond and encompass both climate mitigation and climate adaptation measures,[69] with clear criteria and indicators for measurement.** Risks related to climate vulnerability in the landscape should be identified and addressed in the project design. The project should also have measurable climate adaptation and mitigation goals that can be reported against regularly.

SOCIAL & ECONOMIC

Responsible investment supports projects that:

- **Ensure that decision-making includes the local community and can demonstrate meaningful community collaboration in its design.** At a minimum, community engagement should begin from the early stages of the project, and local community groups and individuals should be able to contribute to its design. Decision-making mechanisms should include groups and/or individuals that represent a broad constituency of the local community directly affected by the project.
- **Result in demonstrable and significant long-term public and community benefits for current and future generations, including the local economy, community cohesion, culture and well-being.** Project design should recognise distinctions between local community benefits and public benefits, and include explicit measures to ensure that both groups benefit from the project in the long-term and with future generations in mind.
- **Support a diverse and long-term mix of land ownership types, such as tenanted, community-owned, individual landowners and integrated land use, where appropriate.** Ideally projects should incorporate a range of land ownership types, but at the very least, they should provide benefits to other types of landholder affected by the project.

OUR PRINCIPLES HELP ENSURE ENVIRONMENTAL, ECONOMIC & SOCIAL BENEFITS ARE DELIVERED

GOVERNANCE

Responsible investment supports projects that:

- **Provide transparency and clear identification of finance sources.** Projects should be able to disclose their funding sources and financiers, and ideally share this information in their publicity materials.
- **Commit to scientific monitoring and reporting of project impacts and independent verification.** Projects should monitor and publicly report on their Environmental, Social and Governance (ESG) impacts using recognised scientific and evidence-based methods. An independent third party should verify this information on a regular basis or monitor the entire process.
- **Fully meet all relevant environmental, community and land-related legal requirements.** This should be a minimum requirement for all projects. Larger projects may consider developing their own environmental and social safeguards framework that goes beyond legal requirements.[70]
- **Establish clear communication channels and dispute-resolution mechanisms between stakeholders.** All projects should have a clear and well-advertised means for stakeholders to communicate with the project proponent and a documented system for managing grievances.
- **Report periodically on the implementation of the principles outlined above.** As each project context is unique, no single reporting frequency is specified. But as a general guideline, reporting should occur at least every two years.

HOW TO ACHIEVE RECOMMENDATION 5

We're calling for the UK and devolved governments and all key stakeholders to:

- Adhere to our principles for financing rewilding to ensure high-integrity, high-quality and high-impact 'markets' for nature restoration and rewilding.
  - **Governments** should use these principles to guide the development of public payment for public goods schemes, nature markets frameworks and funding mechanisms.
  - **Rewilding practitioners and partnerships** should make best efforts to reflect these principles in the projects they put forward for investment, and partner with investors and financiers who are willing to commit to these principles.
  - **Investors and funders** should give preference to projects that reflect these principles and, for projects that don't align with all of them, make best efforts as part of the investment process to enable them to do so as soon as possible.

CASE STUDY:

TREES FOR LIFE

PROJECT TYPE
Rewilding charity with direct community benefits

LOCATION
Scottish Highlands

CURRENT INCOME
- Project-based grants
- Corporate partnerships
- Individual donations
- Carbon credits
- Crowdfunding bond

PROJECTED INCOME
- Project-based grants
- Corporate partnerships
- Individual donations
- Carbon credits

“OUR APPROACH IS TO OBTAIN HIGH CARBON PRICES FOR HIGH-INTEGRITY REWILDING PROJECTS, BECAUSE THAT’S WHERE THE MARKET’S AT.”

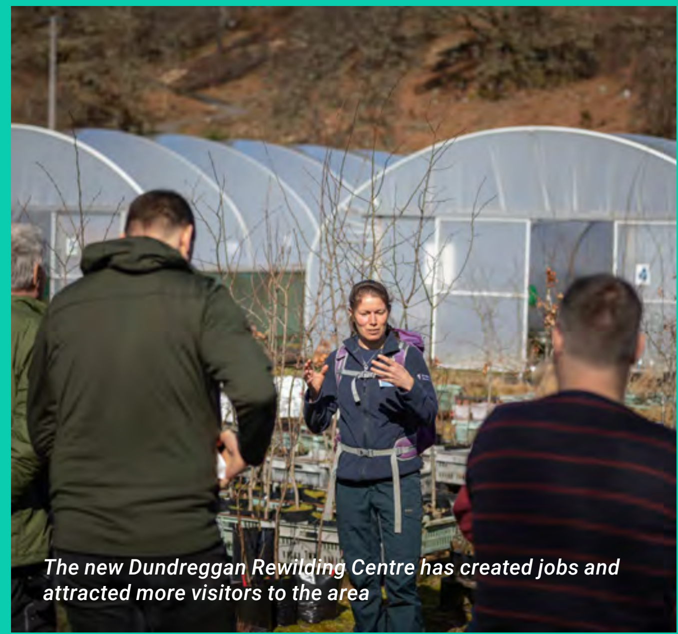
Based in the Scottish Highlands, charity Trees for Life has developed an innovative rewilding financing model on its land that provides direct community benefits through carbon credits.

Back in 2008, Trees for Life purchased the 4,047ha (10,000 acre) Dundreggan estate in Glenmoriston, and a decade later put its first carbon credits generated through rewilding up for sale, after the Woodland Carbon Code validated 50,000 Pending Issuance Units.

“Woodland carbon wasn’t really a thing in 2018 and it was 2020 before we sold our first units,” says Alan McDonnell, Head of Nature Restoration at Trees for Life. But sales really took off over the next few years and, given the focus of the project on ecosystem function and the charity’s focus on rewilding and social benefits, its carbon credits have sold for as much as £60 — more than double the value of most units.

Trees for Life donates a third of the profits from their carbon credits to two local community organisations to spend on projects that relate to the land and nature: West Glenmoriston Community Company and the Glenmoriston Improvement Group. Projects have included improving wildlife warning signs for red squirrels and toads, developing a children’s play park and making repairs to the West Glenmoriston community hub building.

Now Trees for Life is aiming to persuade other landowners to help implement the same model. In the Affric Highlands, for example, it has begun work with two landowners as part of a 30-year initiative to bring



The new Dundreggan Rewilding Centre has created jobs and attracted more visitors to the area

Trees for Life wants the centre to inspire other projects and show investors the power of rewilding

together communities, businesses and landowners to restore woodland, peatland and riverside habitats. The charity provides landowners with a free ecological survey to help identify the highest ecological priorities for rewilding interventions. And it has put them in touch with intermediaries like Finance Earth and Zulu Ecosystems, who can conduct a carbon credit analysis, guide them through the validation process, and connect the landowners up with investors looking for high-integrity land restoration schemes.

Trees for Life is also working with Local Community Trusts to determine the community benefits of these projects. McDonnell’s hopeful that both landowners will start a direct revenue share with local communities. Once these projects launch (one could come on-stream in 2024) and are in the public domain, he hopes “this will give actors like the Scottish Land Commission and Scottish political parties more licence to say this is where the standard should be.”

“The value to both landowners and investors in working with Trees for Life is integrity”, says McDonnell. “Our approach is to secure high-integrity rewilding projects though the high prices needed to deliver the ecological and social benefits that are essential to long-term positive impact.”

What would help this type of funding model take off, he believes, is the establishment of a general definition of what a high-integrity rewilding project is, based on sound ecological principles, and with tangible community benefits and community input.

He says there also needs to be more alignment between what investors expect and what rewilding projects can deliver. “There’s all this interest from financial investors in natural capital, but it’s not clear where investor expectations lie when it comes to rates of return and whether these are realistic,” he explains. Scale is another issue. “Investors come to us and they want to spend £10 million, when we could often use more like £150,000.” A wonderful problem to have, if together we can navigate a way through.

Find out more: treesforlife.org.uk

BANKING ON REWILDING

In 2023, Trees for Life opened the world’s first rewilding centre at Dundreggan — to share its rewilding vision with the world and to generate revenue for the estate and the local community by providing jobs and attracting visitors to the area.

Revenue from the sale of carbon credits went some way towards financing construction, but to cover the full costs the charity launched an ambitious crowdfunding bond with Triodos Bank, the bank’s first such bond to benefit a UK rewilding charity directly. The full £2 million was raised within 48 hours, a positive sign that more rewilding projects can be funded this way.

ENDNOTES

1 State of Nature Report 2016 ranked UK 189th out of 218 countries in terms of biodiversity intactness. https://community.rspb.org.uk/ourwork/b/science/posts/state-of-nature-2016-summary-of-the-report

2 Described in more detail in our Rewilding and the Rural Economy report (2021). https://s3.eu-west-2.amazonaws.com/assets.rewildingbritain.org.uk/documents/nature-based-economies-rewilding-britain.pdf

3 Green Finance Institute (2024). Assessing the Materiality of Nature-Related Financial Risks for the UK. https://www.greenfinanceinstitute.com/news-and-insights/assessing-the-materiality-of-nature-related-financial-risks-for-the-uk/

4 UK Government (2023). Nature markets: A framework for scaling up private investment in nature recovery and sustainable farming. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147397/nature-markets.pdf

5 Scottish Government (2023). Interim Principles for Responsible Investment in Natural Capital. https://www.gov.scot/publications/interim-principles-for-responsible-investment-in-natural-capital/

6 Welsh Government (2022). Written Statement: Biodiversity Deep Dive. https://www.gov.wales/written-statement-biodiversity-deep-dive

7 UK Government (2023). Green Finance Boost for Nature in the UK. https://www.gov.uk/government/news/green-finance-boost-for-nature-in-uk#:~:text=The%20government%20has%20set%20a,to%20achieving%20our%20Environment%20Targets

8 The Royal Society (2023). Multifunctional landscapes: Informing a long-term vision for managing the UK's land. https://royalsociety.org/-/media/policy/projects/living-landscapes/des7483_multifunctional-landscapes_policy-report-web.pdf

9 For "agricultural practices beneficial for the climate and environment". See Scottish Government (2015). Basic Payment Scheme: guidance. www.gov.scot/publications/basic-payment-scheme-guidance/pages/24/

10 UK Government (2023). Environmental land management schemes: overview. https://www.gov.uk/government/publications/environmental-land-management-schemes-overview

11 See successful round one Landscape Recovery projects at Defra (2022). An update on the first round of Landscape Recovery projects. https://defrafarming.blog.gov.uk/2022/12/08/an-update-on-the-first-round-of-landscape-recovery-projects/. See successful round two projects at Defra (2023). Landscape Recovery: sharing the successful second round projects. https://defrafarming.blog.gov.uk/2023/11/29/round-two-projects/

12 UK Government (2023). Environmental Land Management update: how government will pay for land-based environment and climate goods and services. https://www.gov.uk/government/publications/environmental-land-management-update-how-government-will-pay-for-land-based-environment-and-climate-goods-and-services/environmental-land-management-elm-update-how-government-will-pay-for-land-based-environment-and-climate-goods-and-services

13 Inside Track (2023). The government's new Land Use Framework could be historic. https://greenallianceblog.org.uk/2023/06/14/the-governments-new-land-use-framework-could-be-historic/

14 See more detail on the survey responses in Appendix 3.

15 UK Parliament (2023). Approved work: Biodiversity net gain. https://post.parliament.uk/approved-work-biodiversity-net-gain/

16 Tree, I and Burrell, C (2023). *The Book of Wilding.*

17 Tree, I and Burrell, C (2023). *The Book of Wilding.*

18 Finance Earth (2023). Mobilising private investment in natural capital. https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2023/04/mobilising-private-investment-natural-capital/documents/mobilising-private-investment-natural-capital/mobilising-private-investment-natural-capital/govscot%3Adocument/mobilising-private-investment-natural-capital.pdf

19 UK Government (2021). England Woodland Creation Offer. https://www.gov.uk/guidance/england-woodland-creation-offer

20 The Guardian (2023). Forest regeneration scheme has created area smaller than Regent's Park. https://www.theguardian.com/environment/2023/may/20/woodland-creation-offer-england-trees-forests-natural-regeneration

21 UK Government (2023). Nature markets: A framework for scaling up private investment in nature recovery and sustainable farming. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147397/nature-markets.pdf

22 UK Government (2023). Combining environmental payments: biodiversity net gain (BNG) and nutrient mitigation. https://www.gov.uk/guidance/combining-environmental-payments-biodiversity-net-gain-bng-and-nutrient-mitigation

23 Woodland Carbon Code. 1.6 Additionality. https://www.woodlandcarboncode.org.uk/standard-and-guidance/1-eligibility/1-6-additionality

24 Arup (2024). Landmark study demonstrates carbon sequestration potential of rewilding in the UK. https://www.arup.com/news-and-events/landmark-study-demonstrates-carbon-sequestration-potential-of-rewilding-in-the-uk

25 Such as the Woodland Carbon Code and Peatland Code.

26 Ecosystems Marketplace (2022). VCM Reaches Towards $2 Billion in 2021: New Market Analysis Published from Ecosystem Marketplace. https://www.ecosystemmarketplace.com/articles/the-art-of-integrity-state-of-the-voluntary-carbon-markets-q3-2022

Rewilding Finance Endnotes

27 Based on different scenarios from: Tree, I and Burrell, C (2023). *The Book of Wilding;* and Townsend Chartered Surveyors (n.d). Biodiversity Net Gain. https://townsendcharteredsurveyors.co.uk/environmental-services/biodiversity-net-gain/

28 The Guardian (2023). Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows. https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe

29 S&P Global (2023). Voluntary carbon credit buyers recalibrate market strategies, tighten scrutiny. https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/021323-voluntary-carbon-credit-buyers-recalibrate-market-strategies-tighten-scrutiny

30 Responsible Investor (2023). Great expectations for the TNFD. https://www.responsible-investor.com/great-expectations-for-the-tnfd/

31 Institute of International Finance (2021). Taskforce on scaling voluntary carbon markets. https://www.iif.com/Portals/1/Files/TSVCM_Summary.pdf

32 UK Government (2023). Nature markets: A framework for scaling up private investment in nature recovery and sustainable farming. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147397/nature-markets.pdf

33 UK Government (2024). Guidance: Participating in the UK ETS. https://www.gov.uk/government/publications/participating-in-the-uk-ets/participating-in-the-uk-ets

34 IUCN (2020). Global Standard for Nature-based Solutions. https://portals.iucn.org/library/sites/library/files/documents/2020-020-En.pdf

35 The Nature Conservancy (2019). Investing in Nature: Private finance for nature-based resilience. https://www.nature.org/content/dam/tnc/nature/en/documents/TNC-INVESTING-IN-NATURE_Report_01.pdf

36 Future Economy Scotland (2024). Can private finance fix Scotland's nature crisis? https://www.futureeconomy.scot/posts/47-can-private-finance-fix-scotland-s-nature-crisis

37 Endangered Landscapes and Seascapes Programme (2023). Restoring landscapes for life. https://www.endangeredlandscapes.org/

38 Environmental Funders Network (2021). Where the Green Grants Went: Patterns of UK Funding for Environmental Work. https://www.greenfunders.org/wp-content/uploads/2021/11/Where-the-Green-Grants-Went-8-November-2021.pdf

39 NatureScot (2021). Facilitating Local Natural Capital Investment: project report. https://www.nature.scot/doc/naturescot-research-report-1272-facilitating-local-natural-capital-investment-project-report#TBID+and+Bond+Model

40 Highlands Rewilding (2022). Campaign Update: Tayvallich. https://www.highlandsrewilding.co.uk/blog/tayvallich-update

41 A 2022 Savills report into the comparative economics of rural business models estimates that a conversion to rewilding can deliver net margins of £560 per hectare per year as opposed to £363 for conventional farming. See Savills (2022) Spotlight: The business of rewilding. https://www.savills.co.uk/research_articles/229130/323389-0#:~:text=Rewilding%20is%20presented%20as%20a,a%20popular%20concept%20with%20society

42 Dunn-Capper, R et al. (2023). Applying conventional funding mechanisms to rewilding: the opportunities and challenges for funding rewilding in Europe. https://onlinelibrary.wiley.com/doi/10.1111/rec.13884

43 Rewilding Europe Capital. https://rewildingeurope.com/rewilding-europe-capital

44 Murray, M (2023). Who is the Rewilding Movement's Green Utopia For? https://novaramedia.com/2023/02/21/rewildings-green-utopia-is-just-for-posh-landowners/

45 See discussions between Highlands Rewilding and Alastair McIntosh for more detail on one such debate: Highlands Rewilding. Highlands Rewilding: governance and land colonialism. https://www.highlandsrewilding.co.uk/blog/highlands-rewilding-governance-and-land-colonialism; Bellacaledonia (2023) The Question of Community and "Rewilding". https://bellacaledonia.org.uk/2023/01/31/the-question-of-community-and-rewilding/

46 Martin, A et al. (2021). Taming rewilding - from the ecological to the social: How rewilding discourse in Scotland has come to include people. https://doi.org/10.1016/j.landusepol.2021.105677

47 McMorran, R et al. (2023). Large-scale land acquisition for carbon: opportunities and risks. https://sefari.scot/sites/default/files/documents/Final%20report.pdf

48 McMorran, R et al. (2023). Large-scale land acquisition for carbon: opportunities and risks. https://sefari.scot/sites/default/files/documents/Final%20report.pdf

49 Campaign 4 Protection of Moorland Communities (2022). The trend for buying land to improve "green credentials" will be a disaster for rural communities. https://www.c4pmc.co.uk/post/the-trend-for-buying-land-to-improve-green-credentials-will-be-a-disaster-for-rural-communities

50 The Guardian (2022). Lost Forest: why is BrewDog's green scheme causing controversy? https://www.theguardian.com/environment/2022/mar/05/lost-forest-why-is-brewdog-green-scheme-causing-controversy

51 Which can include, in addition to the environmental benefits, the creation of socio-economic opportunities for local communities, the reduction of environmental hazards and associated costs, and improved human health and wellbeing through increased access to nature.

52 Plan Vivo (2023). What are Plan Vivo Certificates? https://www.planvivo.org/pvcs

53 Scottish Land Commission (2020). Review of International Experience of Community, Communal and Municipal Ownership of Land. https://www.landcommission.gov.scot/downloads/5e8c359e459f3_A%20International%20Community%20Ownership%20Review%20Final%20Report.pdf
54 McMorran, R et al. (2023). Large-scale land acquisition for carbon: opportunities and risks. https://sefari.scot/sites/default/files/documents/Final%20report.pdf
55 Tenants are individuals who lease land from landowners to farm or manage it. Crofters are individuals who hold small agricultural units called crofts in Scotland under a special landholding system. Commoners are individuals with traditional rights to use common land for specific purposes, such as grazing livestock or collecting firewood.
56 Middlesex University London (2023). Natural Capital Markets: What farmers and policymakers need to know. Available online: https://cdn2.assets-servd.host/ffcc-uk/production/assets/downloads/FFCC_Natural-Capital-Layout_design_v20.pdf
57 Rewilding Britain (2023). A Guide to Legislation and Regulation for Rewilders. https://s3.eu-west-2.amazonaws.com/assets.rewildingbritain.org.uk/documents/rewilding-britain-legislation-and-regulation-guide-for-rewilders.pdf
58 The Independent (2022). Tenant farmers could be hit by new rewilding incentives, union warns. https://www.independent.co.uk/climate-change/news/rewilding-tenant-farmers-government-scheme-b1988876.html
59 Nature Scot (2023). Guidance on Nature-based Finance Opportunities for Land Managers in Scotland. https://www.nature.scot/doc/guidance-nature-based-finance-opportunities-land-managers-scotland#Casestudies
60 Forest Carbon (2024). Two 'pathfinder' projects, funded by NatureScot (FIRNS). https://www.forestcarbon.co.uk/news/peatland-restoration-crofting-common-grazing-land-pt1
61 By March 2024, full time equivalent jobs on 59 rewilding sites in England and Wales had increased from 162 to 312, an increase of 93%. Data was provided directly to Rewilding Britain by rewilding projects greater than 100ha (247 acres) in size that are members of the Rewilding Network. Rewilding began on each site at different times.
62 Rewilding Britain (2021). Rewilding and the rural economy. https://s3.eu-west-2.amazonaws.com/assets.rewildingbritain.org.uk/documents/nature-based-economies-rewilding-britain.pdf
63 Scottish Government (2023). Building community wealth: consultation. https://www.gov.scot/publications/building-community-wealth-scotland-consultation-paper/pages/2/
64 The Nature Investment Standards Programme: https://www.bsigroup.com/en-GB/capabilities/standards-services/the-nature-investment-standards-programme/
65 UK Government (2023). Nature markets: A framework for scaling up private investment in nature recovery and sustainable farming. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147397/nature-markets.pdf
66 Welsh Government (2022). Written Statement: Biodiversity Deep Dive. https://www.gov.wales/written-statement-biodiversity-deep-dive
67 Information about the update to Chapter 6 of Planning Policy Wales can be found at: https://www.dcp-online.co.uk/article/1844902/addressing-nature-emergency-planning-system-update-chapter-6-planning-policy-wales
68 See also the 'Markets Principles: Voluntary Principles for Science-based Investment to create High Integrity Natural Capital Markets in the UK' co-developed in 2023 by RSPB, Woodland Trust, National Trust, Wildlife Trusts, Finance Earth and Federated Homes. https://www.wildlifetrusts.org/sites/default/files/2023-10/Full%20-%20Nature%20Markets%20Principles%20-%20October%202023.pdf
69 See Defra (2023). Climate change: second national adaptation programme (2018 to 2023). https://www.gov.uk/government/publications/climate-change-second-national-adaptation-programme-2018-to-2023
70 For an example of an environmental and social safeguards system, see WWF's Statement of Principles and Safeguards. https://wwf.panda.org/principles_and_safeguards (Note that while these are more often applied to projects in parts of the world with lower enforcement capacity for environmental and community-safeguarding laws, they nonetheless contain elements useful for projects in the UK.)

CONTRIBUTORS

REWILDING BRITAIN

About Rewilding Britain
Rewilding Britain is the only Britain-wide charity dedicated to championing rewilding to tackle the interconnected nature and climate emergencies, while creating a wealth of social and economic benefits for people and communities.

We influence policy, inspire public action and catalyse joined-up practical and financial support to help establish rewilding across Britain's land and seas. We are inspiring a movement of people who understand that it's not too late if together we take action now. Through the Rewilding Network, we bring together a community of rewilders — from communities to landowners and farmers to charities and national parks — to help create a wilder, more prosperous Britain.

Find out more: **rewildingbritain.org.uk**

TERRANOMICS

About Terranomics
Terranomics' mission is to restore and protect nature through scaling up sustainable financing mechanisms and investment. Our team members have advised some of the world's leading conservation organisations on these topics alongside FTSE100 and Fortune 500 companies, investors and a range of smaller-scale commercial and not-for-profit entities. In the last financial year we estimate our support has played a significant role in mobilising USD 50m in public and private funding for nature positive financial mechanisms globally.

Find out more: **terranomics.org**

ACKNOWLEDGEMENTS

We're particularly grateful to those individuals who provided feedback on the draft of this report and early versions of the financing principles within it. In addition, we appreciate the time taken by the individuals and organisations within the Rewilding Network that responded to the survey.

GLOSSARY OF TERMS

Agricultural property relief: The ability to pass on some agricultural property free of Inheritance Tax, either during your lifetime or as part of one's will. Agricultural property that qualifies for Agricultural Relief is land or pasture that is used to grow crops or rear animals.[1]

Bond: Investment securities whereby an investor lends money to a company or a government for a set period of time, in exchange for regular interest payments. Once the bond reaches maturity, the bond issuer returns the investor's money.[2]

Community wealth building: A people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.[3]

Compliance market: Trading systems in which carbon or biodiversity credits are sold and bought. Companies or individuals can compensate for their greenhouse gas emissions (GHGs) by purchasing carbon credits from entities that remove or reduce GHGs – including rewilding projects.[4] Likewise, companies or individuals can use these markets to compensate for negative impacts on a species or habitat by purchasing biodiversity credits (also called offsets) from entities that restore biodiversity elsewhere. Compliance markets are created as a result of any national, regional and/or international policy or regulatory requirement, such as the UK Emissions Trading Scheme.[4]

Conservation covenant: A private, voluntary agreement to conserve the natural or heritage features of the land. This can include buildings on the land.[5]

Diversified asset sharing models: Arrangements where a group or collective come together and pool resources or cash to access an asset that might otherwise be too costly for an individual to purchase or access independently. These work well where the asset is only required for a limited and defined period of time by each actor, and hence can be shared effectively. For example, an expensive piece of specialist equipment or property.[6]

Ecosystem: A complex of organisms, the physical environment, and the interactions between these in a given place.

Ecosystem services: The many and varied benefits to humans provided by the natural environment and from healthy ecosystems, for example clean air and water, food and carbon capture.

Equity: Ownership or shares in a company or project, providing investors with a stake in future profits without the requirement for repayment.

Grants: Non-repayable funds awarded based on specific criteria, typically used to support initiatives with social or environmental benefits.

Inward investment: An external or foreign entity either investing in or purchasing the goods of a local economy.

Just land use transition: A vision for how we can seek to protect our vital natural systems while providing the food, timber and other resources on which we depend. It does so in a fair and inclusive way that enhances resilient livelihoods; encourages sustainable production; restores critical ecosystems; and rewards people for the actions they take to protect the environment.

Loans: Repayable funds borrowed with the agreement to repay the principal amount plus interest within a specified timeframe.

Natural regeneration: The regrowth of woodland through the germination of trees dispersed and seeded via natural processes, rather than the planting of trees by humans.

Nature-Based Solutions: These address societal challenges through actions to protect, sustainably manage, and restore natural and modified ecosystems, benefiting people and nature at the same time.[7]

Nature positive: A global societal goal to halt and reverse the loss of nature, so that the global state of nature is improved for the benefit of people and the planet. In a business context, this means the business understanding its impacts and dependencies on nature, managing its nature-related risks and embedding the value of nature into its decision-making to identify and implement opportunities that contribute towards the nature positive global goal.[8]

Net units: The unit of measurement for the Biodiversity Net Gain scheme, introduced by the UK Government to help improve biodiversity and climate conservation within the UK.

Net zero: Achieving net zero means cutting carbon emissions to a small amount of residual emissions that can be absorbed and durably stored by nature and other carbon dioxide removal measures, leaving zero in the atmosphere.[9]

Payments for Ecosystem Services: The payments made by the beneficiaries or users of an ecosystem service to the providers of that service. In practice, this may take the form of a series of payments in return for receiving a flow of benefits or ecosystem services.[10]

Rewilding: The large-scale restoration of ecosystems to the point where nature is allowed to take care of itself. Rewilding seeks to reinstate natural processes and, where appropriate, missing species – allowing them to shape the landscape and the habitats within.

Voluntary market: The voluntary market allows individuals, organisations, or companies to take extra steps to reduce their environmental impact beyond legal requirements. Here, voluntary carbon credits and other environmental credits are generated by projects contributing to climate change mitigation, biodiversity conservation, and sustainable development. These credits are purchased by entities aiming to offset their emissions voluntarily or show environmental responsibility, driven by sustainability goals and corporate social responsibility.

1 UK Government (2013). Agricultural Relief for Inheritance Tax. https://www.gov.uk/guidance/agricultural-relief-on-inheritance-tax
2 Forbes. https://www.forbes.com/advisor/investing/what-is-a-bond
3 The Centre for Local Economic Strategies. https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/
4 UNDP (2022). What are carbon markets and why are they important? https://climatepromise.undp.org/news-and-stories/what-are-carbonmarkets-and-why-are-they-important
5 UK Government (2022). Getting and using a conservation covenant agreement. https://www.gov.uk/guidance/getting-and-using-aconservation-covenant-agreement
6 United Nations Global Compact. Asset sharing: How to unlock the access economy. http://breakthrough.unglobalcompact.org/breakthrough-business-models/asset-sharing/
7 International Union for Conservation of Nature. https://www.iucn.org/our-work/nature-based-solutions
8 International Union for Conservation of Nature (2023). Nature positive for business: Developing a common approach. https://portals.iucn.org/library/sites/library/fi les/documents/2023-023-En.pdf
9 Net Zero Coalition, United Nations. https://www.un.org/en/climatechange/net-zero-coalition
10 Center for International Forestry Research (2014). Payments for Ecosystem Services (PES): A practical guide to assessing the feasibility of PES projects. https://www.cifor-icraf.org/publications/pdf_fi les/Books/BFripp1401.pdf

ACRONYMS

AES	Agri-environment Scheme
AECS	Agri-Environment Climate Scheme
AHDB	Agriculture and Horticulture Development Board
APR	Agricultural Property Relief
BNG	Biodiversity Net Gain
BSI	British Standards Institute
CAP	Common Agricultural Policy
CBD	Convention on Biological Diversity
CCP	Core Carbon Principles
CLT	Community Land Trust
COP	Conference of the Parties
CS	Countryside Stewardship
CSP	Countryside Stewardship Plus
CWB	Community Wealth Building
Defra	Department for Environment, Food and Rural Affairs
ELM	Environmental Land Management scheme
ESG	Environmental, Social and Governance
FIRNS	The Facility for Investment Ready Nature in Scotland
GBF	Global Biodiversity Framework
IHT	Inheritance Tax
NBB	Net Benefits for Biodiversity
NBS	Nature-based Solutions to Climate Change
NEIRF	Natural Environment Investment Readiness Fund
NGO	Non-governmental Organisation
NSET	National Strategy for Economic Transformation
SFI	Sustainable Farming Incentive
SFS	Sustainable Farming Scheme
SLC	Scottish Land Commission
UNFCCC	United Nations Framework Convention on Climate Change
UK ETS	UK Emissions Trading Scheme
VCM	Voluntary Carbon Market

IMAGE CREDITS

Cover	Glen Affric: James Shooter/ scotlandbigpicture.com
Page 3	Moose: Pierre Leclerc/Shutterstock
Page 5	Safari trip: Knepp Wildland
Page 11	White-tailed sea eagle: Mark Williams/ Wildscreen
Page 12	Aerial view over Knepp: Knepp Wildland
Page 14	Wildlife recording at Bunloit: Mark Hamblin/Scotlandbigpicture.com
Page 15	Mar Lodge Estate: James Shooter/ scotlandbigpicture.com
Page 16	Scrub: Knepp Wildland
Page 18	Monitoring: Nattergal
Page 19	Wildflowers: Nattergal Monitoring: Nattergal
Page 20	Longhorn cattle: Knepp Wildland
Page 22	Tayvallich Estate: John Aitchison
Page 24	European lynx: Mark Hamblin/ scotlandbigpicture.com
Page 26	Oak forest scene: Ben Porter
Page 27	Moss and Polypody fern closeup: Ben Porter Pine marten: Mark Hamblin/2020Vision
Page 28	Site visit at Hepple Wilds: James Street
Page 31	Family in Peak District: Sam Rose
Page 34	Rewilders overlooking reserve: Shona Dickson
Page 35	Group of children: Tarras Valley/Langholm Short-eared owl: Tarras Valley/Langholm/ John Wright
Page 36	River Feshie: James Shooter/ scotlandbigpicture.com
Page 40	Peatland restoration: Revere
Page 41	Lake Windermere: Helen Hotson/ Shutterstock
Page 42	White storks: Stock1000/Shutterstock
Page 45	Beavers: Philip Price/ scotlandbigpicture.com Community gathering: Peter Cairns/ scotlandbigpicture.com
Page 46	Scrub and wood pasture: Knepp Wildland
Page 47	Fieldwork: Mark Hamblin/ scotlandbigpicture.com
Page 48	Glen Affric: Munro1/Shutterstock
Page 49	Dundreggan Rewilding Centre Tree nursery tour: Paul Campbell
Page 61	Lady on tree platform: Knepp Wildland

APPENDIX 1: METHODOLOGY AND LIMITATIONS

To produce this report Terranomics worked with Rewilding Britain to apply a mixed-methods multi-strand approach, combining a literature review, surveys and interviews, including:

A high-level literature review to identify opportunities and barriers for financing rewilding, summarising the UK funding landscape, exploring the concept of investment in rewilding, identifying gaps in the literature, and examining relevant case studies.

A detailed analysis of over 20 different funding sources, carried out during our review of the funding landscape for rewilding in England, Scotland and Wales,[1] and supplemented by online searches for potential future funding sources.

A survey distributed to members of the Rewilding Network in spring 2023, gathering information on financing rewilding initiatives. Completed by 13 members, it covered project details, sources of financing, types and sizes of financing received, the effectiveness of financing, barriers to accessing funding, future finance plans, revenue generation activities, growth ambitions, and interest in project profiling (see detailed findings in Appendix 3).

Stakeholders within the sector helped inform the development of our financing rewilding principles.

Interviews with rewilding practitioners, which formed the basis of our case studies.

Limitations
The sample size for the surveys and interviews is relatively small, which could impact the representativeness of the findings. Additionally, inherent biases and subjective interpretations could be present in both the surveys and interviews. When carrying out the literature review, assessing the extent of funding for specific rewilding activities was difficult in some cases due to limited publicly available information.

1 Rewilding Britain works in England, Scotland and Wales, therefore this report and subsequent analysis focus on these countries.

APPENDIX 2: FINANCING REWILDING PRINCIPLES BIBLIOGRAPHY

The principles, standards, systems and policy documents that have informed our financing rewilding principles include:

BSI (2024). BSI Flex 701 Nature Markets - Overarching Principles and Framework. https://www.bsigroup.com/en-GB/insights-and-media/insights/brochures/bsi-flex-701-nature-markets-overarching-principles-and-framework/

Commonland (2021). The 4 Returns Framework. https://commonland.com/wp-content/uploads/2021/08/4-Returns-Framework-For-Landscape-Restoration.pdf

Defra (2023). Nature markets: A framework for scaling up private investment in nature recovery and sustainable farming. https://assets.publishing.service.gov.uk/media/642542ae60a35e000c0cb148/nature-markets.pdf

Financing UK Nature Recovery (2022). Scaling up high-integrity environmental markets across the UK. https://www.greenfinanceinstitute.com/news-and-insights/financing-uk-nature-recovery-recommendations-and-roadmap-report

Green Finance Institute (2023). Financing a Farming Transition report. https://www.greenfinanceinstitute.com/gfihive/farming-finance/

Integrity Council for the Voluntary Carbon Market (2023). The Core Carbon Principles. https://icvcm.org/core-carbon-principles/

ISO (2022). Net Zero Guidelines. https://www.iso.org/netzero

NFU (2022). Key Principles for the Development of Environmental Markets in Agriculture. https://www.nfuonline.com/updates-and-information/environmental-markets-the-nfu-s-5-key-principles/

Plan Vivo (2023). High-level Integrity Principles for Biodiversity Markets. https://www.planvivo.org/pv-nature/documentation

Rewilding Britain (2021). Rewilding and the Rural Economy. https://assets.rewildingbritain.org.uk/documents/nature-based-economies-rewilding-britain.pdf

RSPB, Woodland Trust, National Trust, Finance Earth, and Federated Hermes (2023). Nature Market Principles. https://www.wildlifetrusts.org/sites/default/files/2023-10/Full%20-%20Nature%20Markets%20Principles%20-%20October%202023.pdf

Science-Based Targets initiative (2021). Corporate Net-Zero Standard. https://sciencebasedtargets.org/net-zero

Scottish Government (2023). Interim Principles for Responsible Investment in Natural Capital. https://www.gov.scot/publications/interim-principles-for-responsible-investment-in-natural-capital/

UN (2006) Principles for Responsible Investment. https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment

UNEPFI (2019). Responsible Banking Principles. https://www.unepfi.org/banking/bankingprinciples/

Voluntary Carbon Markets Integrity Initiative (2022). Provisional Claims Code of Conduct. https://vcmintegrity.org/wp-content/uploads/2022/06/VCMI-Provisional-Claims-Code-of-Practice.pdf

APPENDIX 3: SURVEY RESULTS

Below we provide further detail on the responses received to the survey distributed to the Rewilding Network members.

Funding sources: Approximately half of respondents reported accessing blended forms of finance, indicating a diverse range of funding options being used. Government payment schemes were the most commonly received form of funding — for 46% of respondents. Other sources of funding, including self-funding or income from commercial activity, were reported by 38% of respondents.

Government payment schemes: The majority of respondents indicated that government payment schemes represented less than £100,000 in funding, typically less than 25% of their overall project funding. Half of respondents receiving this stated that they didn't find this form of financing effective in supporting their rewilding goals. However, all respondents expressed their willingness to seek this form of funding again in the future.

Grants: 30% of respondents received grant funding, with the amounts varying considerably. All respondents expressed their intention to seek this form of financing again. Grant funding was viewed more positively compared to government payment schemes, as all respondents found it effective in supporting their rewilding goals.

Equity investment: Only three of 13 respondents reported receiving equity investment. Respondents found this form of financing effective in supporting their rewilding goals and expressed their willingness to seek it again in the future.

Future financing preferences: A significant portion of respondents expressed their intent to seek government payment schemes (54%) and grants (46%) in the next five years, indicating a continued reliance on these funding sources.

Revenue generation: Aside from government payments and grants, revenue sources included livestock sales (46%), nature-based tourism (38%) and Payments for Ecosystem Services/carbon or biodiversity credits (31%).

Business model and growth plans: 31% of respondents employed a commercial entity business model in their rewilding projects. 37.5% of respondents reported annual revenue in the last financial year to be less than £50,000 or between £50,000 and £250,000. Half of respondents aimed to achieve steady to significant revenue growth in the next 10 years.

FIND OUT MORE

rewildingbritain.org.uk/rewilding-finance

REWiLDiNG
BRiTAiN