Wyre Catchment NFM

Generic project slides

1st Oct 2020

the umbrella body of the rivers trust movement

where there's water, there's life

Triodos Bank

Wyre catchment – a "test case" natural capital project

National context

- Defra, EA and EFF have funded 4 test case natural capital projects across England.

- Objective = assess potential for developing a market for ecosystem services and levering in private sector investment for environmental restoration

- Plan is to test, learn, replicate and scale

- Consistent with the Government policy objectives

  o **25 Year Plan** for the Environment.

  o The **£10m** Natural Environment Impact Fund

  o The **£640m** Nature For Climate Fund

  o **COP26** – UK a leader in natural capital investment?

Wyre catchment – the planned intervention

The intervention

- Developed through detailed hydrological modelling

- Targeted at the **top 2%** of NFM interventions

- Covers **70 hectares** un upper Wyre Catchment

- Located on 6 farms and estates

- **60 ha of wetland** and **10 ha of grassland** creation

- Incorporates 20ha native woodland creation

- **Primarily an NFM focused intervention**

- However secondary ecosystem services will include improved water quality, carbon sequestration (soil, peat and trees), habitat creation and biodiversity

Where is the Wyre?

Wyre Rivers Trust
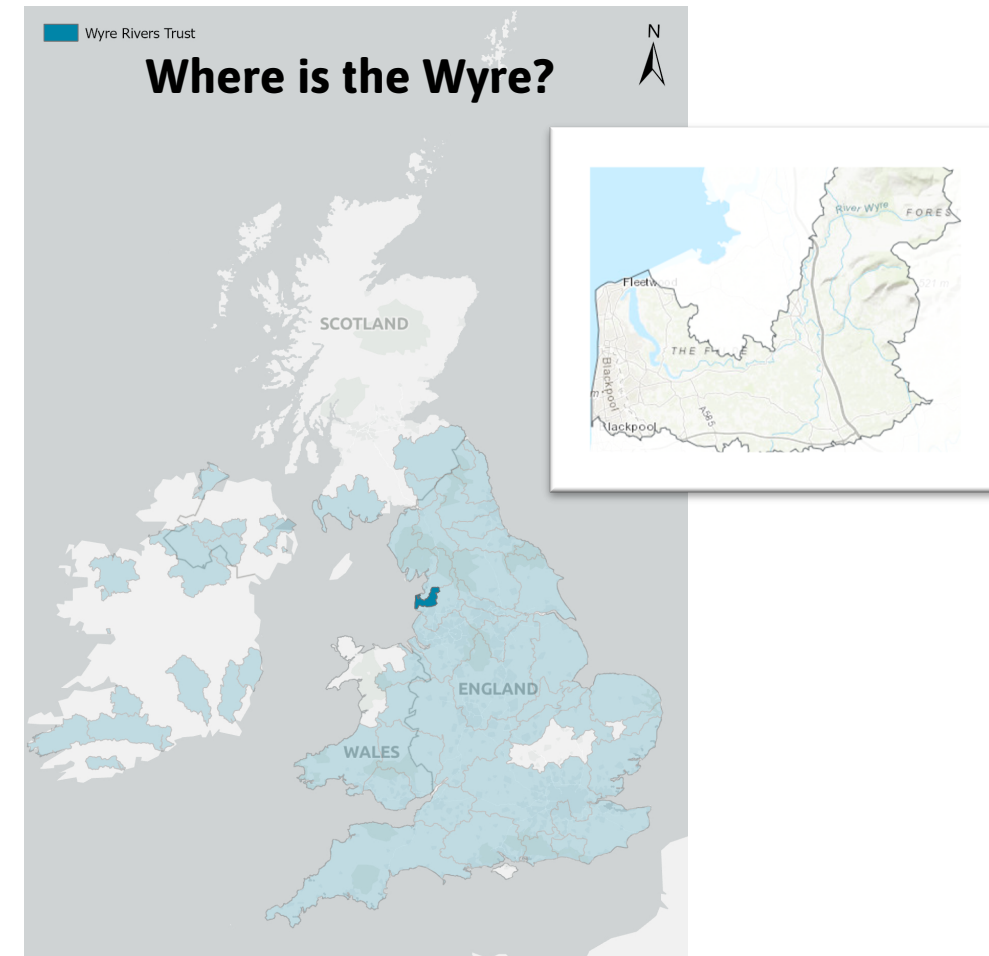
Wyre catchment – the planned intervention

A range of proven NFM interventions across 70ha – implemented over a 3 year period

Earth bunds

Re-wetting peat

Ponds and scrapes

Leaky dams

Tree planting

Kested hedgerows

Wyre catchment – project objectives

The overall goal of this project is to test and prove that a small scale catchment NFM solution can be developed and implemented with use of private sector investment capital.

How are we going to achieve this?

- ✓ **Model and validate** – the NFM led intervention

- ✓ **Engage and align key stakeholders** - to host, implement, manage, buy outcomes from and invest in NFM led interventions

- ✓ **Develop an investable business model** – through engagement and discussion with the key stakeholders

- ✓ **Identify and share** – learning, barriers and potential for replication and scaling natural capital across the UK

Alignment of key stakeholders

Buyers/ beneficiaries	**Farmers/ landowners**
SPV and Governance Not for profit	**Delivery partner** Rivers Trust
Impact Investors Grant providers	**Government agencies** EA, Defra role

Wyre catchment – project management approach

	Phases and workstreams	Key actions	Status
Phase 1	Kick off	Identify and engage all stakeholders, organise governance and steering group, secure development funding	Completed
Phase 2	Hydrological modelling	Create working group involving key stakeholders and beneficiaries, open book approach, conclude base case model.	In progress
	Beneficiary mapping and engagement	Identify ecosystem services, map potential beneficiaries, develop presentations, progress engagement and discussions, deal with barriers and blockers	In progress
	Business case development	Approach landowners and government agencies, conclude intervention costings, final round of beneficiary presentations, draft business case, financial model and investor presentations	In progress
Phase 3	Raise investment capital	Negotiate MoUs with all beneficiaries and other stakeholders (landowners etc) negotiate investment terms.	Not started
	Completion	Convert all MoUs into legal contracts, finalise investment documentation, post completion PR and debrief etc	Not started

Wyre catchment – a catchment based approach

- This project is led by catchment level environmental outcomes with the newly established entity's objectives focused on delivering these.

- At the heart of this project are trusted and respected organisations who have a deep understanding of environmental challenges and needs of different stakeholders.

- The new entity will be set-up as a social enterprise (asset lock and distribution protections) which will ensure any surpluses are utilised for further positive environmental impact.

- The structure and objects of the entity will help to access a broader spectrum of environmentally focused institutional investors.

- We recognise that a fair and equitable outcome for all stakeholders is needed to develop a replicable and scalable business model