### UNDERSTANDING FINANCING MECHANISMS FOR PEATLAND



Clockwise:X; Lake Vyrnwy; Wybunbury Moss National Nature Reserve; Cholmondeley Estate; Fenn's, Whixall & Bettisfield Mosses National Nature Reserve; Cholmondeley Estate

## IUCN Conference Delivering the funding post-Brexit 1st December 2016



### GLOBAL CONTEXT: CONSERVATION FINANCING

Current

\$52 billion/year

Credit Suisse et al. (2016)



Earth icon made by Freepik from www.flaticon.com

Growing gap

\$200 - 300 billion/year

Credit Suisse et al. (2014)

**Peatland** funding gap £500 million over the next 10 years

### **UNDERSTANDING PEATLAND**

What do we have?

What does it produce?

What is that worth?

What does it cost to maintain / improve these benefits?

Stocks of (natural capital) assets

Flows of ecosystem services

Natural capital benefits (private + external)

Maintenance costs

Environmental goods

Payment for Ecosystem Services

Restoration costs

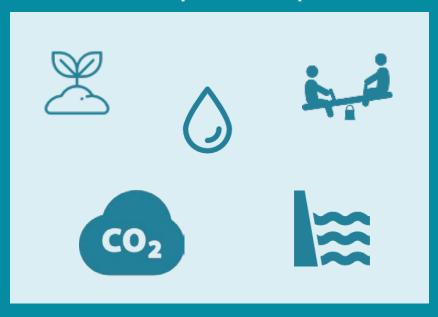
### **BRIDGING THE MARKET**

Ecosystem services		Financial returns	Of interest to
<b>⊘</b>	Water Flood risk mitigation	ACTUAL returns	Water companies Insurance companies Government
CO <sub>2</sub>	Carbon offsetting	POTENTIAL returns	Carbon market participants
	Recreation, biodiversity and other community benefits	LIMITED returns	Impact investors

### FIRST STEPS

### Structured peatland product





### Financing mechanisms

Grant

**Debt instrument** 

**Equity instrument** 

Risk management mechanisms

**Fiscal intervention** 

Market creation

Regulatory reform

### **NEXT STEPS**

**Impact** Collaboration investors

Regulatory framework



**Voluntary** markets



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