

Nature Finance Project Pipeline

Annual Review
2025

Ecosystems
Knowledge
Network



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About the authors

Ecosystems Knowledge Network is a registered charity that serves as a forum to help diverse professionals harness the connections between environmental restoration, well-being and prosperity. It is recognised as a leader in shared learning in support of financial innovation for land, water and nature. This includes the provision of a UK-wide Nature Finance Learning Group and the organisation of the Nature Finance UK Conference.

<https://ecosystemsknowledge.net>

Kana Earth provides the digital infrastructure that enables scalable institutional investment in nature. The platform connects asset managers, corporates, and supply side participants making nature a core investment theme. With two core products, Kana Hub and Kana Seed, Kana Earth streamlines project origination and management, helps standardise data, and facilitates the flow of capital into nature markets.

<https://kana.earth>

Cover photo: Glasgow Scotland aerial top view. © FrankRamspott/istock

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Executive summary

Aerial view over Scrabo Hill, County Down in Northern Ireland, showing fields and Strangford Lough. © Maceij/Adobe Stock.





Executive summary

Nature finance refers to the pursuit of an increased role for private money in securing the value of the natural environment to business and wider society. It is an important dimension of green finance and impact investment. This arena is gaining recognition as an aspect of sustainable business, the efficient use of public finance, and the pursuit of a green (and blue) economy.

As nature finance grows across the four jurisdictions of the UK, there is a need to assess the supply of projects that are delivering environmental outcomes in return for private money — or are taking firm steps to achieve this. This independent review takes stock of the place-based projects and regional initiatives that constitute the project pipeline.

The findings show that the UK nature finance project pipeline comprises a diverse arena of transactions, trading ambitions and investment potential. Projects that provide carbon credits through the Woodland Carbon Code and Peatland Code remain at the core of the pipeline, both in terms of total monetary value and number. Many initiatives in the pipeline are seeking to attract revenue from multiple environmental improvement outcomes delivered within the same geographical area (even if from different parcels of land or water). Very few projects in the pipeline have achieved this, though. This is partly a reflection of the immaturity of the project pipeline. It is also because trading of some environmental improvement services, such as the provision of nutrient credits or the reduction of flood risk, depends on the local environmental context and the very specific requirements of buyers.

The UK project pipeline has many attractive features, including the 'brand' associated with landscapes of historic and cultural importance. At present, a lot of reliance is being placed on the credentials of organisations involved (and the individuals who lead them). Land-based projects dominate the pipeline. 'Blue finance' is centred on aquaculture and products derived from seaweed.

England and Scotland host most of the project pipeline, with groups of land managers increasingly finding ways to work together to share expertise and to provide services across a landscape. Local government, including National Parks, is also playing an important convening role — alongside National Landscapes. Northern Ireland is under-represented in the pipeline. In Wales and Northern Ireland, the relatively small size of landholdings is a challenge for participation in nature markets.

Overall status of the nature finance project pipeline in the UK

(Further explanation on the rating is provided in **Section 5** of the Review report.)

Consideration	Assessment focus	Rating (out of five)
1. Scalability	Capacity of the pipeline to meet growth in demand over the coming 20 to 30 years.	★★★★☆
2. Replicability	Availability of approaches that could be applied in numerous environmental and business contexts.	★★☆☆☆
3. Discoverability	Likelihood of the initiatives being able to attract widespread public awareness and understanding.	★★☆☆☆
4. Demand-orientedness	Centred on meeting the defined needs of specific groups of businesses or other organisations.	★☆☆☆☆
5. Governance and assurance	Tangible action by market participants in response to a recognition of the importance of oversight, accreditation, community inclusion and other aspects of high integrity.	★★☆☆☆
6. Geographical extent	Presence of a credible nature market project pipeline across the four jurisdictions of the UK.	★★☆☆☆

1

Introduction

*Buildings at Canary Wharf, London, viewed
from Mudchute Farm, with grazing sheep.*

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1.1 Rationale

As awareness of the natural environment's vital role in the economy deepens, there is growing interest in the opportunity for money from private sources to become more involved in restoring it.

This arena, known as **nature finance**, is becoming an important dimension of green finance and impact investment. It is gaining recognition as an aspect of sustainable business, the efficient use of public finance, and the pursuit of a green (and blue) economy. The word 'nature' in nature finance is used loosely to refer to all aspects of what is perceived as a natural environment — from peatland to public parks.

Forward-thinking managers of land and coastal habitats want to supply more of the environment-related outcomes that the public and private sector needs. They are mindful that public and philanthropic finance alone cannot restore natural environment at an appropriate scale and pace. Owners of financial assets, and the investment managers that they use, are considering the opportunity to invest in the enterprises and projects that can secure revenue from the provision of environmental improvement outcomes.

In addition to existing demand for the services and benefits provided by a restored environment — such as flood risk reduction, biodiversity outcomes, and the removal of carbon dioxide from the atmosphere — economic activity is expected to place even greater pressure on natural systems over coming decades. This includes more built infrastructure, water use, and the quest for ways to offset residual emissions of greenhouse gases. There is a growing understanding of the relationship between land use, land management and climate change. The Green Finance Institute's assessment of the materiality of nature-related financial risks for the UK provided insight into this.¹

As nature finance grows across the four jurisdictions of the UK, there is a need to assess the supply of projects that are delivering environmental outcomes in return for private money — or are taking firm steps to achieve this. This supply can be considered the 'pipeline'. It usually comprises of projects in particular land holdings, river catchments, landscapes and marine areas. These projects can be aggregated to provide much more substantive offerings to potential buyers and investors.

1 Green Finance Institute (2024) Assessing the Materiality of Nature-Related Financial Risks for the UK. Written with lead authors from the University of Oxford and the University of Reading. 135p. <https://hive.greenfinanceinstitute.com/gfihive/assessing-the-materiality-of-nature-related-financial-risks-for-the-uk/>

By understanding the supply-side of nature finance, it is possible to begin to match this with demand. It also informs the quest for ways to improve support for the pipeline, such as through grants or the provision of expertise. This second Nature Finance Project Pipeline Review was conducted by the Ecosystems Knowledge Network (an independent not-for-profit

knowledge forum) in association with Kana. It has been written to inform the ongoing development of nature 'markets' in the UK, including those on the seller and buyer side, intermediaries, public policy advisors, investors and others seeing to shape new transactions.



Aerial view of farmland in the Cotswolds, England, with residential district of Cheltenham in the foreground. © Matthew Dixon/Shutterstock.

1.2 Scope

The UK contains a wide diversity of projects that are seeking to improve the condition of land, water and nature. Many of these are delivering activities and outcomes paid for by public and philanthropic money.

This review is centred on those who have taken tangible steps towards securing an increased role for private money for delivering this work.

This review is not intended to provide a definitive count of all current nature finance projects. It does, however, seek to draw together the many sources of information on the quality and quantity of projects, providing a UK-wide summary. Coupled with the first Review (2023), the 2025 Review presents an informative, developing evidence base for future action.

The first Review was based principally on survey data, and anonymised data representing the two ‘investment readiness’ support schemes in England and Scotland. Since then, the pipeline of nature finance projects has become more complex. The voluntary market for carbon credits associated with woodland and peat have grown. In England, mandatory Biodiversity Net Gain for certain types of built development has also expanded, with a portion of this being payments for habitat beyond the boundary of development sites. Alongside the official registers for these schemes, there has been growth in the number of schemes seeking to deliver reductions in nutrient loss to water bodies (thereby allowing built development to happen), and further use of ‘nature-based’ flood risk reduction.

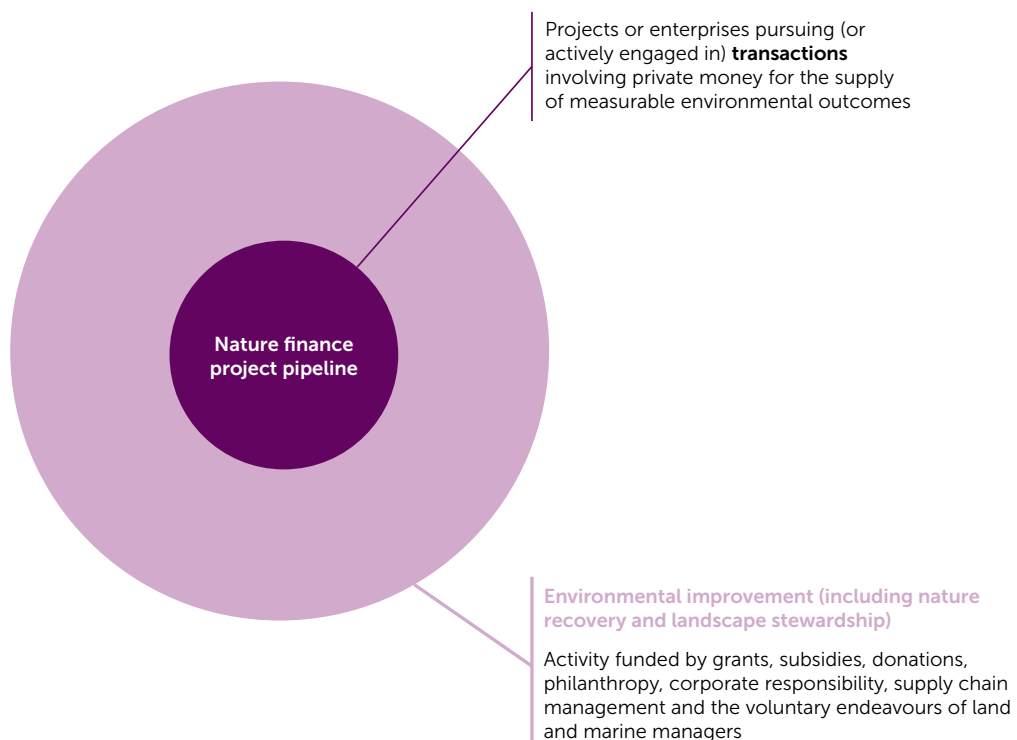
Most of the project pipeline involves individual projects on contiguous areas of land, or clusters of projects across a landscape. Alongside this, there are a growing number of regional initiatives to prompt, co-ordinate and promote the collective offer of multiple projects in an area. The review considers both projects and regional initiatives.

As illustrated in **Figure 1**, there is a spectrum of activity delivering environmental improvement, ranging from the strategic planning and design of ecological restoration through to the funding of activity and payment for services. This review is centred on the initiatives that have allocated time and other resources into the pursuit of income from private sources, and any associated investment. We define the nature finance project pipeline as:

Projects and/or enterprises pursuing — or actively engaged in — transactions that involve private money for the provision of measurable environmental improvement outcomes.

The Review does not consider the parts of forestry and land use sector that are centred on income from traditional commodities such as timber or food. These activities can be delivered in ways that lead directly to measurable environmental improvement. Examples include aquaculture, the harvesting of seaweed, the production of crops or fibres that are ‘conservation grade’, and the production of materials designed to achieve environmental outcomes (such as biochar as a soil improver). Recreation and tourism can also provide revenue used to support environmental improvement in a local area.

Illustration of the position of the nature finance project pipeline in environmental improvement



Activities in the nature finance project pipeline are sometimes assessed according to their stage in ‘investment readiness’. The Green Finance Institute’s Investment Readiness Toolkit is often used for this purpose. In many cases, the term ‘investment readiness’ refers to a project’s capacity to trade, or supply services in a nature market. <https://hive.greenfinanceinstitute.com/gfihive/toolkit/>



1.3 Approach

This second review is based on an assessment of information from a wide range of sources, including the Ecosystems Knowledge Network's experience of interacting with environmental initiatives in the four UK jurisdictions, alongside Kana's insight into nature-based carbon markets.

The goal is not a definitive 'stock-take' of what is a fast-developing and diverse set of transactions. Instead, the Review provides a broad characterisation of the project pipeline.

The project started in March 2025, with the launch of a short online questionnaire to identify an initial set of relevant projects that recognised their quest for revenue and investment from private sources. Alongside the online survey, EKN reviewed 'investment readiness' programmes operating in England and Scotland, as well as initiatives that are promoting nature finance at the regional, county, or catchment scale. Kana reviewed the market for voluntary carbon.



View out to sea from Norfolk, England.

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County and regional enablers

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High altitude view of coastline in Northern Ireland, showing Belfast City and Belfast Lough.
© marcel/Adobe Stock





2.1 Introduction

Over the past five years, a wide range of sub-national initiatives have arisen to promote or facilitate the sale of environmental outcomes by land managers to private buyers.

Some of the lead organisations have direct involvement in transactions – they connect buyers and sellers and charge fees for their services. Others exist on a not-for-profit basis because they want to see more of the outcomes that they foresee from trading in environmental outcomes (and any associated investment).

These countywide and regional enablers serve defined areas, such as river catchments or larger local authority areas. They are important because they enable the service provisions of individual land holdings, or very localised schemes, to be aggregated and marketed in ways that are more likely to attract buyers or investors. They are also able to play a part in improving the integrity of transactions, the identification of priorities, and the public profile of nature markets.

Alongside the initiatives identified in this Section, there are a wide range of schemes across the UK that are seeking environmental improvement at a large scale. Regional 'forests' (typically woodland creation schemes) are one example; alongside the long-standing work of the National Forest for England (situated in the East Midlands), and England's network of 15 Community Forests, activity is underway to establish the Clyde Climate Forest (Scotland), the Northern Forest (England), the Heart of England Forest, and the Western Forest (England). All of these have an interest in attracting private money to deliver environmental outcomes from their work.

This Section is focused on the initiatives for which one or both of the following criteria apply.

1. Are already well-advanced in securing money from private sources.
2. Have positioned themselves at the interface of supply of and demand for environmental improvement outcomes.

Principal initiatives

Table 1 and **Figure 1** show a list of the main sub-national initiatives present across the UK. These need to be viewed alongside the place-specific projects that are assessed in the following section.

Table 1 — Sub-national enablers of nature finance transactions

Location on map	Name	Description
A	Cornwall LINC Nature Market Exchange	<p>An online platform designed to connect private buyers with suppliers of high integrity environmental restoration projects. It is led by Cornwall Council with support from the Local Investment in Natural Capital (LINC) programme. Currently it has a focus on biodiversity and nutrient credits. The Market Exchange is supported by EnTrade, which ensures that market rules are applied, alongside certifying and verifying projects that are supplying environmental outcomes.</p> <p>https://www.linc-cornwall.com/hub/home</p>
B	Nature South West	<p>Launched in 2025, Nature South West is a cross-sector regional partnership dedicated to accelerating large-scale nature recovery across South West England. Its mission is to attract and showcase funding and finance for nature recovery that delivers for the region's economic, environmental and social needs. The initiative aims to bring organisations together to overcome the barriers to this, and to find opportunities aligned with priorities for nature recovery in this region. It has formulated an initial three Investment Propositions: Critical Infrastructure Resilience, Resilient Coastline and Clean and Healthy Rivers.</p> <p>Natural England, National Landscapes and Wildlife Trusts are among those involved. Nature South West is working with The South West Infrastructure Partnership, a collaboration to advance built infrastructure in the region.</p> <p>linkedin.com/company/nature-south-west</p>

2. County and regional enablers

Location on map	Name	Description
C	Somerset Catchment Market	<p>The Market has been developed by EnTrade in consultation with the former South Somerset District Council, Natural England and the Environment Agency. Starting in 2023, there have been four market rounds, of which the first two resulted in trades in phosphorous credits in one river catchment.</p> <p>The first two trades totalled £1.1 million. In this, landowners agreed to take actions to reduce phosphorous release to water courses. This was additional to the requirements upon them by regulators and will be assured for over 80 years. The actions include the use of cover crops (avoiding bare soil) and the creation of new wetland. Businesses were able to buy these reductions as credits to gain consent for the construction of residential property, which was expected to lead to the loss of phosphorous to the same water course.</p> <p>https://www.somersetcatchmentmarket.uk/</p>
D	Bristol Avon Catchment Market	<p>A market mechanism to connect buyers of biodiversity with landholders supplying nature-based projects across the catchment of the Bristol Avon (encompassing large parts of Wiltshire, Somerset, Bristol and Gloucestershire). The market is operated by EnTrade, in partnership with the Wiltshire Wildlife Trust as a project developer. Three market rounds have been run, two of which matched Buyer Bids and Supplier Offers. The Market Reports outlining the range of bids and offers and the total value of trades in each Market Round can be found on the Bristol Avon Catchment Market webpages.</p> <p>https://www.bristolavoncatchmentmarket.uk/</p>

Location on map	Name	Description
E	Gloucestershire Nature and Climate Fund	<p>This fund is a not-for-profit broker of Biodiversity Net Gain Units for nature restoration in Gloucestershire. It was set up with backing from the Gloucestershire Local Nature Partnership and Local Enterprise Partnership. The Fund works between developers of built infrastructure, planning authorities, nature conservation organisations and private landowners. It supports landowners into the Biodiversity Net Gain market, providing a local biodiversity compensation options for developers. By aligning sites with the Local Nature Recovery Strategy, supports nature recovery in a strategic way across the County. The Fund aims to become a vehicle for other nature finance initiatives, such as those under development and research by a Natural Environment Investment Readiness Fund project led by the Farming and Wildlife Advisory Group South West.</p> <p>https://glosncf.com/</p>

2. County and regional enablers

Location on map	Name	Description
F	Nature Finance in Oxfordshire	<p>Oxfordshire Local Nature Partnership (OLNP) has been implementing a Nature Finance Strategy since its launch in 2022. The aim is to support the flow of private money for nature recovery. This includes the creation of NatureMark, the first high integrity standard for Biodiversity Net Gain, aligned to the BSI Nature Investment Standards. OLNPN plans to adapt this for nature-based carbon, based on its work to assess demand and supply for voluntary carbon credits. OLNPN involves Oxfordshire County Council and the district councils, working with not-for-profit partners and support from Oxford University.</p> <p>In partnership with the Trust for Oxfordshire’s Environment, OLNPN has also launched Oxfordshire Nature Recovery Fund. This innovative fund loans money to farmers and other land managers to develop and deliver projects that significantly enhance biodiversity.</p> <p>https://www.olnp.org.uk/partnership-publications</p> <p>http://www.onref.org.uk</p>
G	West Midlands Nature Investment Hub	<p>The West Midlands Combined Authority is creating a Nature Investment Hub which will be launched in January 2026. The hub is a culmination of their work over the past two years through the Local Investment in Natural Capital programme, drawing together their pipeline of projects that could attract private money for the delivery of environmental improvement. WMCA have also created a community of practice of over 450 stakeholders who want to work together to secure nature finance for the region.</p>

Location on map	Name	Description
H	Natural Capital East (and associated plans)	<p>Natural Capital East is a partnership between Natural England, Anglian Water, the Green Finance Institute and the Environment Agency to help businesses to manage environment-related risks such as flooding, groundwater protection and biodiversity loss, which could disrupt operations and supply chains. This is connected to extensive water resource planning that has taken place in the region, including work by Water Resources East (partnership with all the major water-using sectors in the East of England) and the Norfolk Water Strategy Programme.</p> <p>https://natural-capital-east-esriukutil.hub.arcgis.com/</p>
I	Landscape Enterprise Network East Anglia ²	<p>Landscape Enterprise Networks (LENs) are a system for organising the buying and selling of land management measures that deliver ecosystem functions, such as water quality management, flood risk management, resilient supply of agricultural products, removal of carbon from the atmosphere and habitat for biodiversity. Transactions for LENS in East Anglia began in 2021, when the total value was £1 million. In 2024 this value was £3 million. Trading occurs through the Resilient Landscapes East of England Community Interest Company. Buyers are food companies (seeking resilient supply chains for food commodities), a water utility company (seeking to secure water resources) and local government (seeking flood risk reduction).</p> <p>https://landscapeenterprisenetworks.com/lens-locations/east-of-england/</p>

² Note that the Leven LENS is considered as part of the place-specific projects (Section 4 of this report).

2. County and regional enablers

Location on map	Name	Description
J	Marches Forward	This initiative is enabling business buyers to secure services from land management practices across the counties of Herefordshire, Shropshire, Powys and Monmouthshire. It builds on the Severn Valley Water Management Scheme; a programme being developed by a cross-border, multi-agency collaboration to reduce flood risk to people and built infrastructure across the Upper Severn.
K	North Wales Nature Consortium	Third sector and public bodies operating in North Wales have come together to provide leadership for funding and financing nature improvement across the region. The North Wales Nature Consortium is assessing priorities and strategies for nature recovery that support jobs, local communities and the culture of rural Wales. The objective is a pipeline of programmes and projects underpinned by coherent strategies and suitable to attract a wide range of philanthropic, public and private funding sources. The Consortium includes North Wales Wildlife Trust, RSPB, National Trust, Eryri National Park Authority, Clwydian Range and Dee Valley National Landscape, Natural Resources Wales, Welsh Dee Trust, Cyngor Gwynedd (Gwynedd Council) and Cyngor Sir Ynys Mon (Isle of Anglesey County Council).

Location on map	Name	Description
L	Nature North	<p>Nature North is a collaboration between organisations in the North of England, which are working together to achieve climate resilience and a stronger economy through nature recovery. It has developed ‘investable propositions’ for different types of habitat. In 2025 it published a Strategic Investment Plan for the whole region. The initiative has developed strong connections with local government and attracted business involvement.</p> <p>The ‘investable propositions’ include the Northern Forest (an initiative 50 million new trees over 25 years) and the Great North Bog (restoring upland peat across Northern England). Due to its size and extensive experience with corporate engagement, the Great North Bog is also listed separately, below.</p> <p>https://www.naturenorth.org.uk/</p>
M	Great North Bog	<p>The Great North Bog is a landscape-scale approach to upland peatland restoration and conservation across nearly 7,000 square kilometres of peatland soils in the National Parks and National Landscapes of Northern England. This is based on the delivery of a steady and long-term pipeline of Peatland Code accredited carbon credits, generated by peat restoration projects in the region. The avoidance of greenhouse gas emissions from degrading peatland is an important part of this (rewetting of peat can change it from being a net emitter to being a carbon sink).</p> <p>The Great North Bog partners are working with corporates to provide them with options for managing their residual carbon emissions.</p> <p>https://greatnorthbog.org.uk/finance/</p>

2. County and regional enablers

Location on map	Name	Description
N	Cumbria Green Finance Initiative	<p>The Green Finance Community Hub is a Community Interest Company set up in 2022 to implement ideas within a Green Investment Plan for the Cumbria. The aim is to support and help develop local community projects to become more investable. The first action is Project Collette, which aims to be 1.2GW (80–100 turbines) offshore wind farm off the Cumbrian coast. Environmental improvement is, however, an important part of the Plan. Within this, the ‘ecosystem warehouse’ finance model aims to aggregate the provision of environmental outcomes across different projects and landholdings.</p> <p>https://greenfinancecommunityhub.co.uk/ecosystem-warehouse-model/</p>
O	Nature finance in Cumbria and the North West	<p>Westmorland and Furness Council, working with Cumbria Council have led a component of the Local Investment in Natural Capital Programme. This includes assessment of the mechanisms for new transactions. A large network of interested organisations has been formed.</p>
P	York and North Yorkshire Local Investment in Natural Capital programme	<p>The York and North Yorkshire Combined Authority is leading the York and North Yorkshire Local Investment in Natural Capital programme, working in partnership with North Yorkshire Council and City of York Council. The two National Parks in the area are involved. Over the past two years, the project has engaged businesses and investors in strategic opportunities for environmental improvement in the area. The partners are now initiating a Buyers Club, Revolving Feasibility Fund and progressing some ‘demonstrator’ projects to investor ready stage.</p>

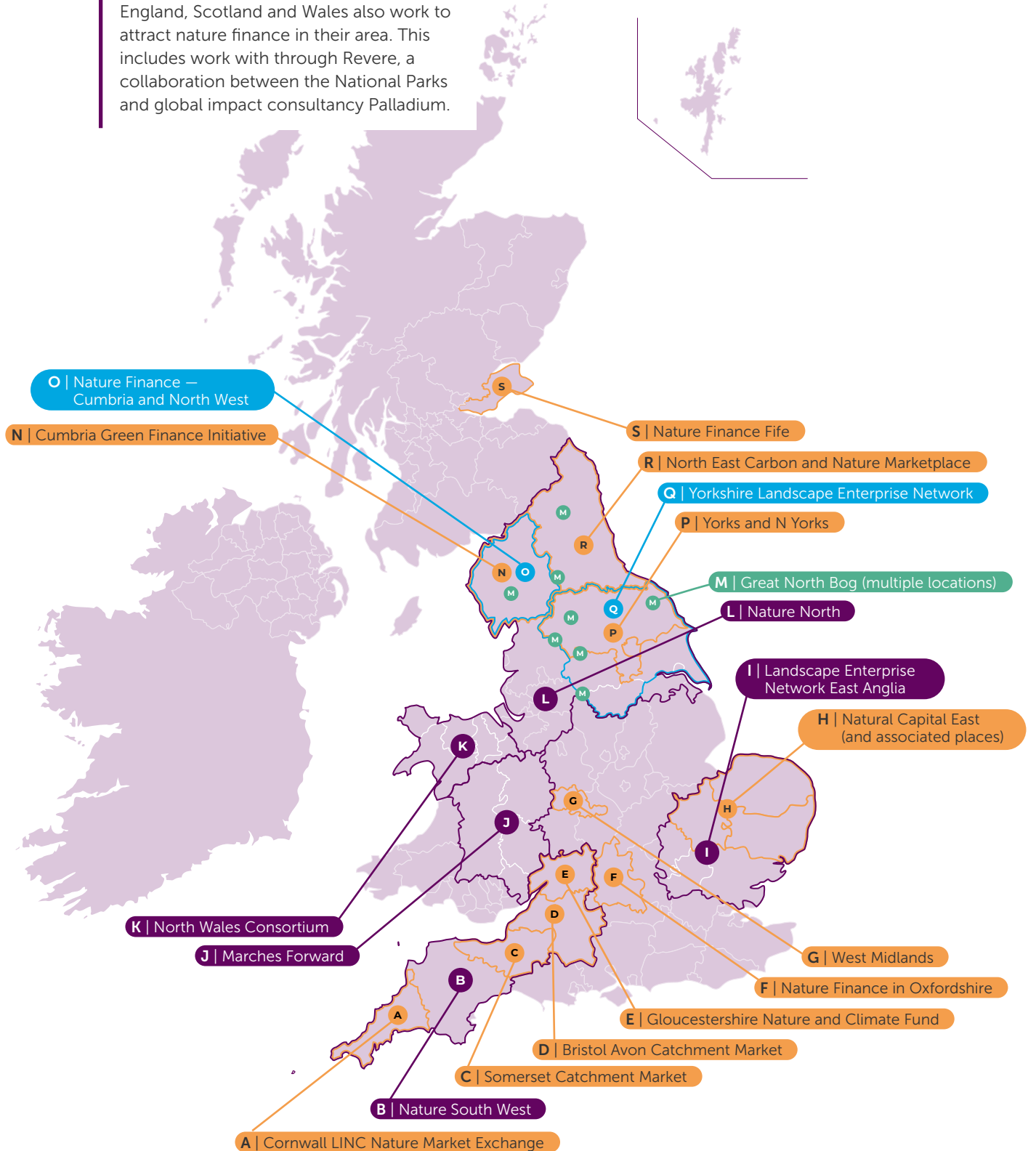
Location on map	Name	Description
Q	Yorkshire Landscape Enterprise Network	<p>Now in its second year, this initiative involves three food and beverage businesses: Nestlé Purina (pet care products), Diageo and PepsiCo. They are providing financial support for a range of regenerative agriculture practices. The companies seek to work with supply chain partners to build production resilience and farm business sustainability, as well delivering for biodiversity and water quality. Openfield Group and Frontier Agriculture (two grain marketing and crop production businesses) are involved as aggregators of the services provided by different farm businesses in the region.</p> <p>The first trade in Yorkshire took place in 2023, with Nestlé Purina and Diageo providing money for arable farms in their supply chains. Funded measures such as the use of nitrogen fixing crops and integrating organic manure. In 2024, 28 different types of regenerative practice were implemented on 3,205 hectares of arable farmland. Yorkshire Water is a partner in the programme. The York and North Yorkshire Combined Authority is also helping to increase the scope and impact of the initiative.</p> <p>https://landscapeenterprisenetworks.com/lens-locations/yorkshire/</p>

2. County and regional enablers

Location on map	Name	Description
R	North East Carbon and Nature Marketplace	<p>The North East Carbon and Nature Marketplace is funded by Defra’s Local Investment in Natural Capital Pilot Programme. It was launched in 2025 and is hosted by Net Zero North East England (funded by HM Government) and the North East Combined Authority. The online platform is designed to connect private buyers with high integrity nature recovery and carbon sequestration projects. It also lists voluntary carbon credit opportunities that are based on hard-engineered technology. It is expected that the Marketplace will enable trading in Biodiversity Net Gain units. The North East Combined Authority has been a participant in the Local Investment in Natural Capital programme.</p> <p>https://marketplace.netzeronortheastengland.co.uk/hub</p>
S	Nature Finance Fife	<p>Fife Coast and Countryside Trust is leading the development of a set of partnership-led, landscape-scale environmental restoration projects capable of attracting finance from private sources. Nature Finance Fife will channel new mixes of money from philanthropic, public and private sources into a ‘pipeline’ of high integrity nature-based projects across the county for the benefit of nature, people, and the economy.</p> <p>https://fifecoastandcountryside.co.uk/projects/nature-finance-fife/</p>

Figure 1 — Map showing the location of place-based initiatives included in Table 1.

Note: Some National Park Authorities in England, Scotland and Wales also work to attract nature finance in their area. This includes work with through Revere, a collaboration between the National Parks and global impact consultancy Palladium.



Observations

Many enablers are oriented around the supply of services rather than proven demand for them

A wide variety of approaches have been developed for sub-national co-ordination of nature markets, and the promotion of nature finance within the four jurisdictions of the UK. Most have started from the point of view of the *potential* service offerings within an administrative district or set of landscapes. They were not established based on known needs and capacities of specific groups of businesses that have dependencies on land or water in their area. Assessment of demand for environmental improvement has come after the initiative has begun.

Nature North, for instance, was launched with a set of 'investable propositions' (focal points for increasing the role of private money) that aligned with the capabilities, insight and interests of the organisations involved in this partnership. These covered key habitats and land uses that are recognised for their economic and cultural importance. Detailed assessment of the specific needs of potential business buyers has been undertaken subsequently.

Many of the initiatives centred on online platforms present a 'portfolio' of project offerings available for businesses. The estimated carbon removal or biodiversity benefit is often advertised as part of this. The organisations behind the platforms then promote this set of projects in the expectation that buyers will see the benefit of doing so. This has also been attempted by Projects for Nature, an initiative for all of England that has been led by HM Government.

The Landscape Enterprise Networks (LENs) approach is distinctive it starts by assessing the collective needs of businesses in an area. It then works back to finding ways that these needs could be met by land managers. The ability of the Yorkshire and East Anglia LENs schemes to deliver transactions has arisen through this 'needs first' approach. A notable feature of the Bristol Avon and Somerset Catchment Markets is that they match buyers' bids and suppliers' offers in a simultaneously cleared market. They protect the commercial interests of buyers and suppliers, and offer external and scientific oversight by the Environmental Markets Board.³

Initiatives vary in their arrangements to ensure good governance and integrity

In many cases, the county and regional enablers place an implicit reliance on the reputation of the organisations that are involved. This includes public bodies (as in the case of the North East Carbon and Nature Marketplace) or third sector organisations (as in the case of Nature Finance Fife). Independent oversight, including accreditation, is an additional layer that has yet to be formally adopted by many of the initiatives directly involved in transactions.

Many enablers will be keen to ensure that buyers and sellers can be regarded as 'high integrity'. Nonetheless, the boundaries of what is considered to be 'high integrity' remain unclear. County and regional enablers have overall not adopted (or published) the type of Approved Buyer procedure adopted by national schemes such as Wilder Carbon — safeguarding against buyers that may want to make misleading claims about their 'green' credentials.

3 The Environmental Markets Board has been established to provide oversight of the governance aspects of place-specific nature markets in the UK. <https://www.environmentalmarketsboard.org.uk/>



View of the Somerset levels. © Anthony Brown/Adobe Stock.

County and regional enablers have set out their own ways of ensuring quality in the provision of services. This includes Oxfordshire Local Nature Partnership's NatureMark scheme for sites providing biodiversity units under Biodiversity Net Gain (a voluntary certification initiative). On the whole, the enablers have not yet made clear their adoption of, alignment with, or insistence on, the BSI Nature Investment Standards. EnTrade's decision to seek oversight by the Environmental Markets Board for the Somerset, Bristol Avon and Cornwall markets evidences one practical response to the recommendations of the Nature Markets Dialogue⁴, which has produced a governance framework for nature markets. Other enablers have yet to set out a detailed position with regard to all the aspects of nature market governance.

The unique value of sub-national schemes

The services provided by the improvement of natural habitat or changes to land management practice are often dependent on local circumstances. This is particularly the case with flood risk reduction. It also applies to the avoidance of the loss of nutrients from farmland beyond what is required by regulation or associated with good practice. In the case of Biodiversity Net Gain in England, the arrangements dictate that sites providing biodiversity units need to be in close proximity to the loss of habitat. For this reason, county and regional enablers will continue to play an important part in nature markets in the UK. These initiatives are more likely to be able to attract offers to supply services, and more able to stimulate demand among Small and Medium Sized Enterprises.

4 The Nature Markets Dialogue has convened conversations between sectors and professions to build a consensus on nature market policy, infrastructure and governance. <https://www.naturemarketsdialogue.uk/>

2. County and regional enablers

Some initiatives are focused on the unique 'brand' and identity of a county or region. Nature North is a good example of this, reflecting the long-standing interests of the northern part of England in attracting both public and private money. The work of National Landscapes (in England, Wales and Northern Ireland) and National Parks (in England, Wales and Scotland) to attract private finance also demonstrates the value of the distinctive characteristics of a landscape in adding value to the nature finance project pipeline.

The enablers listed in **Table 1** have arisen out of a need to provide the scale and resilience required by buyers (even if the understanding of buyers has been limited). Businesses who understand their dependence on a landscape now are looking for access to large scale interventions through 'one stop shop' mechanisms. Water utilities are one example. Buyers are looking for low transaction costs, reliable partners with established legal structures and a track record of entering and delivering deals. County and regional initiatives can go some way to helping with this, especially where they provide actual trading mechanisms.

On the supply side, individual land managers who can deliver the nature improvements often need to aggregate these improvements. Regional enablers can help with this, especially in cases such as the provision of biodiversity units associated with Biodiversity Net Gain in England. In many instances, however, farmer clusters and will be the first point of call to bring together the service offerings of individual land managers.

Distribution of enablers across the UK

At present, the density of regional enablers in England is greater than elsewhere in the UK. This may reflect the competition between administrative areas (especially Counties and Combined Authorities) for what they see as progressive or resilient forms of economic development. County-based schemes such those in Oxfordshire and Cornwall reflect the economic development strategies for these regions. Northern Ireland does not have any initiatives to support or promote nature finance within its jurisdiction, although it does have a Natural Capital Investment Strategy. Additional regional schemes are likely to begin in Wales, such as through the emergent West Wales Landscape Enterprise Network scheme. In Wales, Corporate Joint Committees — regional corporate bodies established to enhance collaboration and strategic planning — have strong potential to act as enablers for nature markets.

The work of the National Parks (England, Scotland, Wales) and National Landscapes (England, Wales, Northern Ireland) is an important mechanism for ensuring good distribution of nature finance enablers in the UK. Some, such as South Downs National Park Authority, are initiating replicable mechanisms such as the ReNature credits scheme, which could operate at the county or regional scale.

Conclusions

County and regional enablers will play an important part in nature market development in the UK.

This is particularly the case in terms of improved visibility and the provision of a 'brand' under which individual project offerings can exist. Where set up to facilitate trading directly, they will deliver efficiency and assurance for buyers and sellers. In most cases though, it remains to be seen whether these enablers will in fact scale-up the volume of transactions, or stimulate private sector demand. Attribution of transactions to the work of these initiatives may be hard due to the number of factors affecting business decisions, and the fact that some larger businesses may wish to interact direct with projects run by individual organisations (such as large nature conservation charities).



View of English farmland © fotoVoyager/istock.

Nature-based carbon markets

3

*Aerial view of the New Forest, England.
© yujie/Adobe Stock.*





3.1 Introduction

The UK's nature-based carbon market continues to progress from a narrowly defined set of woodland and peatland frameworks into a diversified ecosystem of standards, methodologies, and governance initiatives.

The Woodland Carbon Code (WCC) and Peatland Code (PC) remain the foundation of verified domestic sequestration, yet the system is now expanding into regenerative agriculture, soil carbon, and multi-benefit habitat restoration. This diversification is being accelerated by improvements in monitoring, reporting and verification (MRV) and a clear shift in investor demand toward measurable, high-integrity local outcomes.

Together, these developments mark a structural transition, from discrete carbon projects to integrated natural-capital markets where carbon, biodiversity, and community value are assessed under shared integrity principles. For investors, this evolution broadens the opportunity set while also introducing new governance and valuation complexities.

Nature-based carbon standards form the institutional backbone of the UK's emerging nature-finance system. They translate ecological outcomes into recognised environmental units, providing the assurance and permanence required for private investment. The WCC and PC have anchored this framework for over a decade, providing government-endorsed verification and robust scientific modelling. Around them, a second generation of codes and methodologies have arisen. This includes the UK Carbon Code of Conduct (UKCCC) for a whole-farm approach, Wilder Carbon Standard for a restorative nature approach, and soil-focused programmes like Ecometric and Regenerate Outcomes. Together, these are extending market reach.

This expansion reflects both technological and financial drivers. On the technical side, digital Monitoring, Reporting and Verification (MRV), remote sensing and machine-learning models are lowering measurement uncertainty and enabling shorter verification cycles. On the financial side, investors are seeking credible, place-based assets that align with corporate net zero strategies and evolving regulatory expectations such as the Taskforce on Nature-related Financial Disclosures (TNFD).

3.2 Established Carbon Codes



View of Sugar Loaf mountain and farmland in Monmouthshire, Wales. © steved_np3/istock



Woodland Carbon Code (WCC)

Launched by the Forestry Commission in 2011, the WCC remains a pillar of the UK's nature-based carbon market. It provides the scientific and regulatory foundation for woodland creation projects, integrating Forest Research's carbon modelling and government-backed validation. As of 2025, over 2,200 projects are registered under the Code, representing roughly 24 million projected tonnes of CO₂e (**Table 3.1**). **Tables 3.2** and **3.3** provide further detail on the character and distribution of WCC projects.

Table 3.1 — Woodland Carbon Code projects, by jurisdiction and status

Number of projects	England	Wales	Scotland	Northern Ireland	UK
Under development	714	183	385	87	1,369
Validated only	156	55	434	18	663
Verified at year 5	56	13	112	1	182
Total validated	212	68	546	19	845
All projects	926	251	931	106	2,214

Data as of October 2025

Table 3.2 — Woodland Carbon Code projected units, by jurisdiction and status

Projected units	England	Wales	Scotland	Northern Ireland	UK
Under development	3.04	0.48	8.56	0.24	12.32
Validated only	1.04	0.4	8.08	0.08	9.6
Verified at year 5	0.4	0.08	1.76	0.0024	2.24
Total validated	1.44	0.48	9.76	0.08	11.84
All projects	4.48	0.96	18.4	0.32	24.16

Data as of October 2025

WCC data show that while England and Scotland host a similar number of projects, the scale disparity is substantial: average Scottish projects exceed 100 hectares compared with around 20 hectares in England. This reflects structural land-use differences, grant design, and lower opportunity costs in upland regions. As a result, Scotland accounts for roughly three-quarters of projected carbon units.

The market is moderately concentrated: the ten largest developers, including Forest Carbon, Scottish Woodlands, Tilhill Forestry, and BP Exploration, manage nearly half of all verified or pending issuance. Such concentration suggests barriers to entry for smaller developers, largely driven by the capital intensity and long payback periods inherent to forestry projects, but also provides buyers with confidence in professionalised delivery and monitoring capacity.

Table 3.3 – Woodland Carbon Code top developers, by area under management

Top developers:	Projects	Predicted units	Total hectares under management (HUM)	% of HUM that is validated/verified
Scottish Woodlands Ltd	173	2,382,461	11,400	61%
Forest Carbon Ltd	300	2,821,408	9,345	76%
Forestry and Land Scotland	35	781,540	9,257	5%
Wildland Limited	5	1,085,405	6,670	11%
Tilhill Forestry	139	1,332,547	5,834	64%
BP Exploration Operating Company Limited	16	1,210,513	4,802	100%
EJD Forestry Limited	35	857,758	3,471	7%
Savills (UK) Ltd	50	835,493	2,747	5%
Woodland Trust	97	720,304	2,488	42%
Cawdor Forestry Limited	23	408,340	2,183	18%

Data as of August 2025

While the WCC has achieved institutional credibility, its long project lifecycles (average of 85 years) slow capital recycling. Developers are increasingly combining WCC-registered woodlands with complementary revenue streams such as Biodiversity Net Gain (BNG) or Natural Flood Management (NFM), signalling a gradual shift toward blended environmental finance.



Peatland near Glencoe in the Scottish Highlands. © Shawn Williams/istock.



Peatland Code (PC)

Managed by the IUCN UK Peatland Programme, the Peatland Code provides a parallel framework focused on emissions avoidance through peatland restoration. Although smaller in project count, its climate significance is considerable: degraded peatlands account for around 5% of the UK's territorial emissions of greenhouse gases.

As of 2025, roughly 365 projects are registered, representing 8.8 million tCO₂e of projected abatement. Over 80% of this area lies in Scotland, where restoration incentives and spatial suitability are highest. The code's gradual inclusion of new peat types and restoration methods has widened eligibility, and partnerships such as Peatland ACTION and the FIRNS (Facility for Investment Ready Nature Scotland) programme have expanded delivery capacity. Details are found in **Tables 3.4, 3.5 and 3.6.**

Table 3.4 — Peatland Code projects, by jurisdiction and status

Number of projects	England	Wales	Scotland	Northern Ireland	UK
Under development	26	10	200	3	239
Validated / restoration validated	15	6	104	0	125
Verified	0	0	1	0	1
Total validated	15	6	105	0	126
All projects	41	16	305	3	378

Data as of October 2025

Table 3.5 — Peatland Code projected units, by jurisdiction and status

Projected units (million tCO ₂ e)	England	Wales	Scotland	Northern Ireland	UK
Under development	0.35	0.04	5.32	0.03	5.73
Validated only	0.25	0.05	2.78	0.00	3.08
Verified at Year 5	0.00	0.00	0.01	0.00	0.01
Total validated	0.25	0.05	2.79	0.00	3.09
All projects	0.60	0.09	8.11	0.03	8.82

Data as of August 2025

Verification timelines remain lengthy due to hydrological recovery periods, yet improved baselining technologies and high-resolution imagery are shortening the lag between validation and issuance. Leading developers, Angus Davidson, Caledonian Climate, Forest Carbon, and Scottish Woodlands, now account for most verified units.

Compared with woodland projects, peatland restoration offers earlier climate impact per hectare but greater monitoring complexity and lower unit density. For investors, these attributes create an interesting portfolio complement: shorter-term impact with moderate financial return but high climate relevance and policy support.

Table 3.6 — Peatland code largest developers, by area under management

Top developers:	Projects	Predicted units	Total hectares under management (HUM)	% of HUM that is validated/verified
Land Carbon Ltd	46	1,483,619	7,799	6.9%
Angus Davidson Ltd	34	1,126,842	6,127	21.0%
Caledonian Climate	37	1,147,480	5,806	23.4%
Forest Carbon Ltd	26	590,532	3,444	55.9%
Bidwells LLP	18	451,040	3,146	42.8%
Strath Caulaidh Ltd	35	592,658	3,010	41.6%
Scottish Woodlands Ltd	9	502,617	2,297	83.3%
Yorkshire Wildlife Trust	12	132,099	1,598	19.1%
Forestry and Land Scotland	13	229,981	1,548	33.6%
RSPB	17	276,141	1,538	37.7%

Data as of August 2025

Comparative Overview

Together, the WCC and PC account for more than 30 million tCO₂e of projected sequestration and avoidance, underpinning the UK's verified nature-based carbon market. Approximately one-third of all claimable units originate in the Scottish Highlands, underscoring how geography, land ownership patterns, and devolved policy incentives influence supply distribution.

Market concentration remains pronounced: ten of over 270 registered developers hold roughly 50% of projected units. This level of concentration is high for a nascent market but typical of early-stage environmental finance, where technical expertise and upfront capital requirements limit participation. As data availability improves and MRV costs fall, more diversified participation can be expected, potentially lowering project origination costs and improving liquidity.

Table 3.7 — WCC and PC projects, split by principal regions

Region	Total projects	Total area (hectares)	Claimable units	Market share (%)
Scottish Highlands	397	56,421	12,027,689	36.45%
Perth and Kinross	106	10,578	2,587,014	7.84%
Dumfries and Galloway	120	9,586	2,243,881	6.80%
Argyll and Bute	85	7,580	1,983,813	6.01%
Scottish Borders	131	6,504	1,563,685	4.74%
Stirling	39	10,007	1,328,978	4.03%
Aberdeenshire	90	5,734	1,141,340	3.46%
Cumbria	59	2,699	686,655	2.08%
North Yorkshire	96	2,984	565,422	1.71%
Angus	33	3,116	536,971	1.63%

Table 3.8 – Woodland Carbon Code and Peatland Code principal project developers

Developer	Claimable units	Market share (%)
Forest Carbon Ltd	3,411,940	10.3%
Scottish Woodlands Ltd	2,885,078	8.8%
Land Carbon Ltd	1,483,619	4.5%
Tilhill Forestry	1,364,045	4.1%
BP Exploration Operating Company Limited	1,210,513	3.7%
Caledonian Climate	1,147,480	3.5%
Angus Davidson Ltd	1,126,842	3.4%
Wildland Limited	1,085,405	3.3%
Forestry and Land Scotland	1,011,521	3.1%
EJD Forestry Limited	857,758	2.6%

3.3 Emerging codes and methodologies



The UK Carbon Code of Conduct (UKCCC)

Established in 2022, the UKCCC represents the first coordinated attempt to extend verified carbon accounting into regenerative agriculture and broader land management. It operates under four integrity pillars, additionality, permanence, leakage avoidance, and avoidance of negative outcomes, and functions both as registry and standards body.

Current registration data show eight projects across England totalling about 200,000 units. Beyond Zero Carbon is the leading developer. The shorter verification cycles (baseline verification every 5 years with annual monitoring in between) allow earlier revenue realisation, improving cash-flow dynamics relative to forestry and peatland projects. As methodologies stabilise, the UKCCC is likely to serve as the reference framework for a whole-farm approach to carbon sequestration and net zero, integrating previously fragmented and sub economic intervention schemes into a unified governance model to deliver enterprise-wide improvement.



Wilder Carbon

Wilder Carbon, launched by Kent Wildlife Trust in 2021, represents a conservation-grade model that integrates carbon, biodiversity, and social outcomes within a single transparent standard. Its project eligibility is limited to organisations meeting strict ESG criteria, reinforcing credibility for mission-driven buyers.

Although small in scale, five registered projects producing roughly 200,000 units, it demonstrates a replicable template for 'charismatic carbon', where measurable co-benefits form the basis for price premiums. Transparency is a defining feature: project partners, buyers, and outcomes are publicly disclosed, building trust in a market often criticised for opacity. Wilder Carbon has influenced broader policy discourse on how to operationalise co-benefits without compromising carbon integrity.

Soil-Focused Developers and Standards

Soil carbon is the most dynamic area of market innovation. Developer-led methodologies have moved from concept to verified issuance, leveraging digital MRV and data-driven estimation.



Ecometric

Ecometric applies a proprietary methodology (Soil Organic Carbon Estimation in Regenerative Cropping and Managed Grassland Ecosystems) combining soil sampling, multispectral imagery, and machine-learning models. The firm's 20 projects, which involve approximately 4,600 hectares of land, illustrate how precision data can quantify soil organic carbon at landscape scale. Variation in unit density, from fewer than 10 to more than 700 units per hectare, reflects the diversity of UK soil types and management systems, and highlights the challenge of comparability across projects.



Regenerate Outcomes

Regenerate Outcomes operates an aggregated farm-portfolio model in the UK. It currently works with over 100 enrolled farms, covering approximately 50,000 hectares of farmland across Northern England (Tyne Valley / North East), the central belt of Scotland and the Scottish Borders. The programme began as a pilot in 2020 (with around 12 trial farms) and scaled nationally in 2022 and 2023.

The methodology centres on physical soil sampling at depth (down to 60 cm) by Agricarbon, aligned with the Verra VCS methodology VM0042: Improved Agricultural Land Management, with third-party validation and verification. Farmers receive around two-thirds of the credit revenue (~67%), aligning incentives for long-term soil stewardship and participation in the programme.

The logo for Agreena, featuring the word "Agreena" in a bold, serif font, enclosed within a thin black rectangular border.

Agreena

Agreena

Agreena operates one of Europe's largest soil carbon programmes under its "AgreenaCarbon" brand. It works with over 2,300 farmers, covering approximately 4.5 million hectares across 20 countries. Its programme has been validated and verified by DNV and adheres to ISO 14064-2 standards. It also reports the issuance of 2.3 million Verified Carbon Units (VCUs) under Verra's VM0042 methodology as of 2025.

The programme supports the transition to regenerative practices (reduced tillage, cover crops, crop-diversification) and uses a fully digital MRV platform (dMRV) integrating remote sensing, field data and sensor networks. Farmers receive the majority of sale proceeds through direct contracts rather than brokerage, and corporates access high-quality soil carbon credits through the system.

Collectively, these methodologies represent the early commercialisation of soil-based carbon finance. While verification and permanence remain debated, they offer an important diversification pathway for investors seeking shorter project cycles and direct alignment with agricultural transition policies.

3.4 Standardisation and governance architecture

As the number of codes expands, ensuring interoperability and integrity across frameworks has become critical. Several governance initiatives are emerging to provide consistency and comparability:

- The Integrity Council for the Voluntary Carbon Market (ICVCM) launched its Core Carbon Principles (CCPs) in 2023, setting global benchmarks for additionality, permanence, transparency, and robust MRV. UK codes are progressively aligning to these principles to facilitate cross-recognition in international portfolios.
- The Community Inclusion Standard (CIS) developed under the Scottish Government's FIRNS programme, provides a social integrity layer, ensuring that nature-based projects deliver measurable community benefit, consultation, and grievance redress. Community inclusion is a desirable requirement for project buyers and whilst the majority of projects undertake community liaison as part of their establishment process the CIS represents a mechanism to audit that in a systemic way. The CIS is currently a "bolt on" to projects, codes and standards but it is anticipated that it becomes more directly adopted by the codes over time.

- The BSI (British Standards Institution) Nature Investment Standards Programme (BSI NISP) is developing technical guidance for measuring and reporting environmental outcomes across carbon, biodiversity, and water. Its first public drafts (2025) outline consistent assurance processes designed to reduce market fragmentation and support stacking of multiple credits.⁵

These frameworks are helping to transition the UK voluntary carbon market from self-regulation toward a formalised standards-based system. The alignment of domestic codes with international integrity principles will also support fungibility, enabling UK-issued units to be traded or recognised alongside global counterparts without compromising national assurance.

5 The BSI NSIP is described at <https://www.bsigroup.com/en-GB/products-and-services/standards-services/the-nature-investment-standards-programme/>

3.5 Growth and opportunity analysis

Despite strong momentum, the UK's nature-based carbon market remains undersized relative to national climate goals.

The Climate Change Committee's Seventh Carbon Budget sets clear benchmarks for land-use change and carbon removals, calling for woodland cover to rise from around 13% of UK land today to 18% by 2050, equivalent to roughly 460,000 hectares of new woodland by 2035, and for the restoration of 49,000 hectares of peatland per year by 2030. Current planting and restoration rates fall far short of these ambitions, with annual woodland creation over the year 2024 to 2025 being 15,500 hectares (Forest Research) and only 18,500 hectares of peatlands restored in the year 2023 to 2024.

This shortfall is reflected in the UK's carbon balance, and presents an issue for the expected demand for units in 2030 and 2050, based on net zero pledges. Over 3.5 million Pending Issuance Units (PIUs) are expected to convert into verified credits between now and 2050, yet the majority of projects will not reach peak sequestration rates until the second half of the century. This lag underscores a core market risk, supply growth is real but slow to monetise, while also signalling a long-term investment horizon for capital seeking predictable, high-integrity returns.



Aerial view of a section of the Caledonian Canal with commercial forestry on one side. © lasuerte/Adobe Stock.

3.6 Stacking, bundling and multi-outcome markets

The idea of stacking multiple environmental credits from the same intervention (for example, generating separate units for carbon, biodiversity, and water), remains one of the most discussed yet least resolved frontiers in UK nature markets.

In principle, stacking could unlock significant value by rewarding all ecosystem benefits delivered by a single project. In practice, no standard has yet fully operationalised it. Current frameworks such as the Woodland Carbon Code and Peatland Code recognise the concept but treat additional services as bundled co-benefits within a single carbon unit, rather than distinct tradable credits. The Peatland Code's 2024 guidance, for instance, allows projects to market wider ecosystem benefits alongside carbon but not to issue multiple unit types; work is ongoing, supported by the Facility for Investment Ready Nature Scotland (FIRNS), to explore biodiversity crediting pilots that could eventually enable true stacking within peatland and woodland systems.

From a buyer perspective, demand is shifting toward bundled products rather than fully stacked ones. Corporate and compliance buyers increasingly want to purchase a single, credible unit that represents carbon plus measurable biodiversity, water or community outcomes. Carbon remains the underlying 'currency' of these transactions (the common metric of value and verification) while co-benefits add relevance and price differentiation. Buyers are often willing to pay a premium for "charismatic carbon" linked to visible co-benefits or social impact, but expect such claims to be evidenced through standards like the Community Inclusion Standard, habitat mapping, or biodiversity metrics. Compliance-driven purchasers, such as those fulfilling

Biodiversity Net Gain obligations, similarly seek to meet regulatory requirements at lowest cost but with maximum local or thematic relevance, making well-designed bundled projects particularly attractive.

Institutionally, the market is beginning to converge around the governance foundations required to support multi-outcome crediting. The British Standards Institution's Nature Investment Standards Programme (BSI Flex 701) provides the first formal framework for transparency, double-counting, and integrity across multiple ecosystem services, while forthcoming thematic standards (Flex 702–703) are expected to define the mechanics of stacking and bundling in more detail. These developments suggest that multi-outcome markets are moving from concept to pilot stage: technically feasible, commercially desirable, but not yet ready for scale. For now, bundling remains the practical model, carbon-anchored credits enriched with biodiversity or social co-benefits, while stacking remains an aspirational goal awaiting consistent policy, registry, and accounting infrastructure.

3.7 Conclusion

The UK's nature-based carbon market has entered a decisive maturation phase: technologically enabled, governance-rich, and increasingly aligned with institutional capital requirements.

The Woodland Carbon Code and Peatland Code remain the foundation of credibility, while emerging soil and hybrid methodologies broaden both ecological reach and financial optionality.

The trajectory is clear: from discrete carbon accounting toward integrated natural-capital markets where carbon, biodiversity, and social outcomes are valued together. For investors, this transition presents both opportunity and complexity, an expanding investable 'universe' underpinned by long-term stability, yet requiring careful navigation of standards, integrity frameworks, and evolving policy.

If effectively coordinated, the convergence of these codes and governance systems could transform the UK's fragmented project landscape into a scalable, high-integrity market capable of delivering durable climate and nature outcomes, an asset class where environmental performance and financial performance increasingly align.



View over farmland in the South Downs of England. © lemanieh/Adobe Stock

Place-based initiatives with a public profile

4

Housing and farmland near Bath, England
© Anthony Brown/AdobeStock







4.1 Introduction

Throughout the UK, place-based environmental improvement initiatives are pursuing income from the private sector through nature markets. There are two main categories:

- Activities on contiguous areas of land. This may include parts of a farm, rural estate, public open space, or charity-run nature reserve.
- Co-ordinated provision of outcomes from clusters of nonadjacent land holdings. These include those dispersed across a small river catchment, an urban area, or along a length of coastline.

Some of these initiatives are seeking equity or debt finance to enable their project to begin or their enterprise to grow. A few already have already attracted this for the purchase of land or other costs for start-up or scale-up. Some of these initiatives are led by private entities themselves, whether this is farm businesses or larger businesses such as a water utility companies.

This section of the Nature Finance UK Project Pipeline Review provides an overview of the array of place-based projects that are active in the UK. Active means that the projects are trading or have taken tangible steps towards trading. Projects funded through the Natural Environment

Investment Readiness Fund in England and the Facility for Investment Ready Nature Scotland form an important part of the pipeline. There are also a growing number of projects and enterprises that are operating without support from government, philanthropy or lottery funding.

As mentioned in **Section 1**, EKN conducted a voluntary survey in early 2025 to identify people and organisations involved in place-based initiatives involved in nature markets. The survey attracted 43 responses, representing initiatives ranging from regional schemes to very localised ones. It was not considered appropriate to analyse these as a single cohort. This was because of their diversity, and the fact some of the entries were also participating in publicly funded 'investment readiness' schemes. Entries relating to county or regional enablers were included in the listing in **Section 2**. The present section summarises place-based environmental improvement initiatives in six broad categories. The map in the final section shows the array of projects across the UK.

4.2 Natural Environment Investment Readiness Fund (England) and its precursor

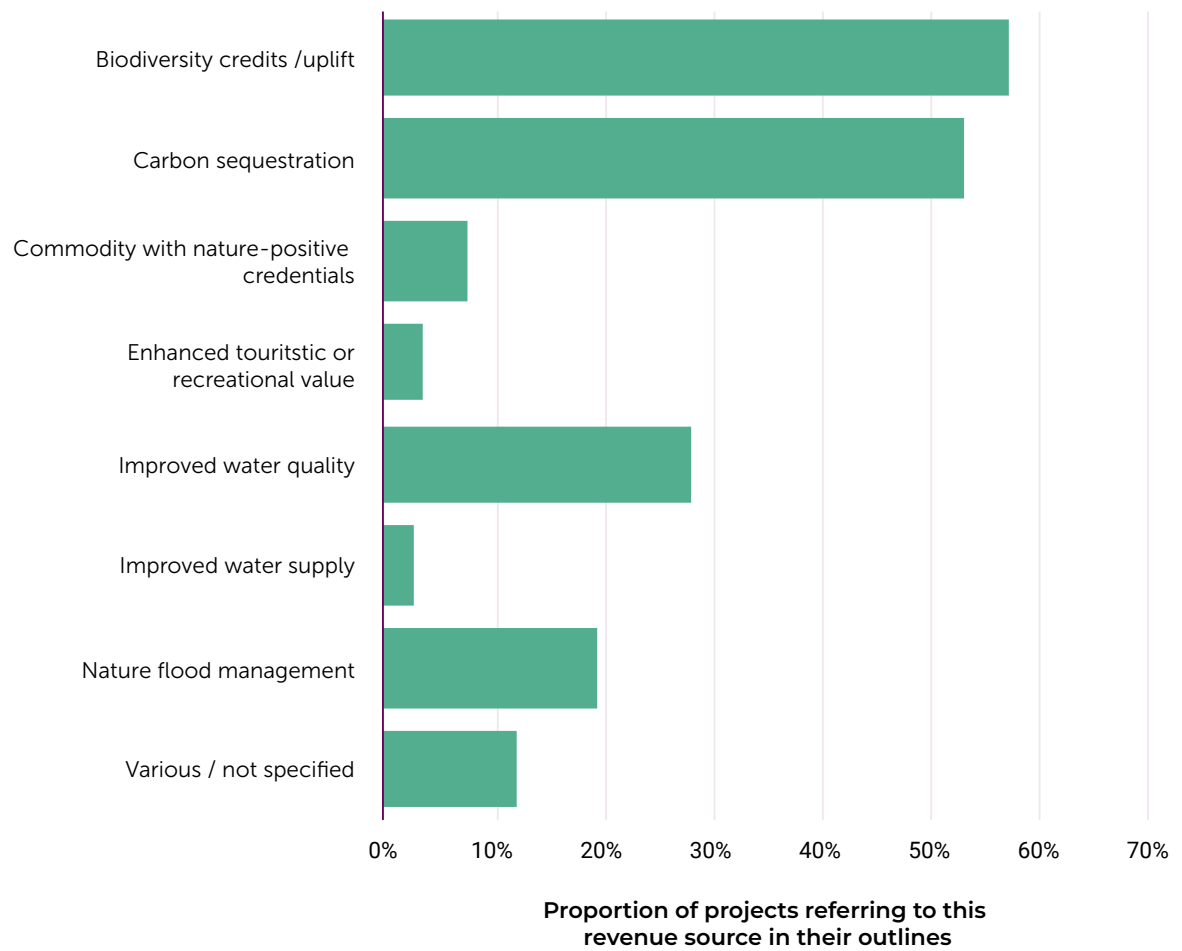
The aim of this HM Government grant scheme has been to stimulate a pipeline of scalable and replicable projects that are attracting new revenue associated with environmental improvement.

In some cases, projects participating in the programme are also seeking (or have attracted) genuine investment. Over three grant rounds and a period of four years, the Natural Environment Investment Readiness Fund (NEIRF) has supported 136 projects across England. Of these, 117 were mainly or solely about a single place (or were centred on place-based pilots). The first two rounds were dominated by charities (lead applicant for 51% of successful grants). The projects participating in Round 3, all of which will be due for completion by March 2026, are focused on supporting the participation of farms and rural estates in nature markets. The most frequently represented habitats within the NEIRF programme grants were rivers, wetlands, farmland and woodland.

The NEIRF grants were for up to £100,000. They enabled the lead organisations to gain specialist advice to understand the baseline environmental conditions in their locality (a pre-requisite to sales), to determine how to become ready to trade (legal aspects, business case), or to gain insight into potential buyers.

NEIRF projects have pursued a wide range of revenue streams as shown in **Figure 4.1**. Biodiversity and carbon credits have been the most important source of intended income. Commodities with nature positive credentials have included biochar (a form of charcoal that improves soil texture) and textiles for clothing that is marketed on its sustainability credentials.

Figure 4.1 — Revenue streams referenced in the descriptions of place-based NEIRF grants



Rounds 1, 2 and 3. Total 117 projects.

4. Place-based initiatives with a public profile

Examples of projects in the NEIRF programme are:

- The Swinton Estate in Yorkshire developed a business case for 'multi-functional' forestry on its land. With support through Round 1 of the NEIRF, the project examined how to make woodland creation financially viable through the sale of carbon credits units 'bundled' with additional services alongside timber production. Alongside this, the Estate has proceeded to establish North Yorkshire's first habitat bank and is selling biodiversity units through Biodiversity Net Gain. The Estate's 'Nourish Partnership' provides a forum for engagement of businesses in the region who may wish to buy credits.
- The North East Cotswold Farmer Cluster Community Interest Company⁶ has worked with Network Rail, Thames Water, Great Yellow (advisors) and AtkinsRéalis to develop and test farm revenues associated with built infrastructure from water related risks (especially flood risk). It has been supported through Rounds 2 and 3 of the NEIRF. It is also part of a Landscape Recovery scheme that is expected to progress to development phase.
- The Blackwater Environmental Investment for Conservation, developing a set of investment propositions for developers and businesses focusing on Biodiversity Net Gain (BNG), saltmarsh carbon, and water quality improvements on a 150-hectare coastal farm in the Blackwater Estuary on the Essex coast. This has been supported through Round 3 of the NEIRF.

Collection of data relating to the revenue attracted by NEIRF grantees (either during or after their grant period) is challenging because not all projects are happy to share this information and some projects supported through the NEIRF are now embedded in schemes such as Landscape Recovery (**Section 4.4**). Nonetheless, during the evaluation of the first two rounds, four projects reported a total of £1.8 million of income from private companies (a portion of which will be sales of services and not donations).⁷ It is likely that a small number of the projects will, however, have now attracted revenue worth many times this, and that they will access repayable finance too.

The NEIRF was preceded by a pilot fund in 2020 supported by the Esmée Fairbairn Foundation, the Environment Agency, Defra and Triodos Bank UK. Three of the four pilot projects have successfully attracted private finance:

6 A Community Interest Company is a form of legal entity in the UK that is intended for situations where there are multiple businesses or other participants seeking to work together.

7 Ecorys (2024) Evaluation of the Natural Environment Investment Readiness Fund. Final Report – Year 3. <https://randd.defra.gov.uk/ProjectDetails?ProjectId=21027>

The numbers next to the name of each initiative corresponds with locations indicated in **Figure 4.3** at the end of this section.

<p>Poole Harbour Nutrient Management Scheme</p> <p>1</p>	<p>This farmer-led scheme on the south coast of England provides the option for farmers to be paid to take actions that reduce nitrate loss from their land beyond regulatory requirements and best practice. Nitrate neutral development is now a requirement in the Poole Harbour catchment. This means that housing developers are willing to buy credits. To take part in the scheme, farmers must join the Poole Harbour Agricultural Group, which has over 200 members.</p>
<p>Wyre Catchment Natural Flood Management Project</p> <p>2</p>	<p>This project, situated in Lancashire (Northern England), is a pioneer in the role of private finance for natural flood management. It involves 1,000 targeted land management actions taken by a group of landowners to store, slow and intercept water in the catchment of the River Wyre. The actions included planting of vegetation and ‘leaky dams’ to slow the flow of water in smaller tributaries. Beneficiaries of the reduced flood risk, including United Utilities (the regional water utility company) are paying for these actions. The Community Interest Company that was set up to deliver the programme of work has raised a £825,000 private loan facility to help fund the actions, alongside a £627,500 of hedgerow and tree planting grant money originating from Government. The loan is being paid back over nine years.</p>
<p>Moors for the Future</p> <p>3</p>	<p>Moors for the Future Partnership restores degraded peatland in the Peak District and South Pennines of England. In 2022, the partnership raised £830,000 from Nestlé, Severn Trent (water utility), the Harris & Sheldon Group (property investors) and the Environment Agency to restore Combs Moss moor near Buxton. Environmental improvement outcomes included biodiversity, natural flood management, water quality improvement and carbon sequestration. Each of the contributors claimed one of the outcomes. Moors for the Future Partnership has recently secured £25 million of money from various companies for a five-year peatland restoration programme.</p>

4.3 Facility for Investment Ready Nature in Scotland and its precursor

Scottish Government and NatureScot (Scotland’s public agency responsible for nature), working in partnership with The National Lottery Heritage Fund, have funded three rounds of the Facility for Investment Ready Nature in Scotland.

There has been one round in each of the years 2023 to 2025. The aim of the grant programme was to advance the use of private money and market-based mechanisms to support the restoration and improvement of the natural environment in Scotland. Two rounds are complete (each offering up to £100,000). A third is now underway, with grants of up to £240,000 for market and investment readiness projects. The third round is focused on projects that are creating business cases and financial models. Projects in the first two rounds were arranged in the following categories.

1. **Market and Investment Readiness** — these projects will demonstrate a credible ability to progress through to the latter stages of the investment-ready pipeline to establish legal contracts and secure private money.
2. **Development Phase** — these projects will assist project developers in the early stages of attracting private money. This grant will help to scope projects, identify and work with buyers and sellers and otherwise progress towards being an investable project.

In Round 3, a separate market infrastructure category was added. These projects are to address a challenge in nature markets and don’t relate to a specific locality.

The projects are summarised in **Table 4.1** below and in **Figure 4.2**.

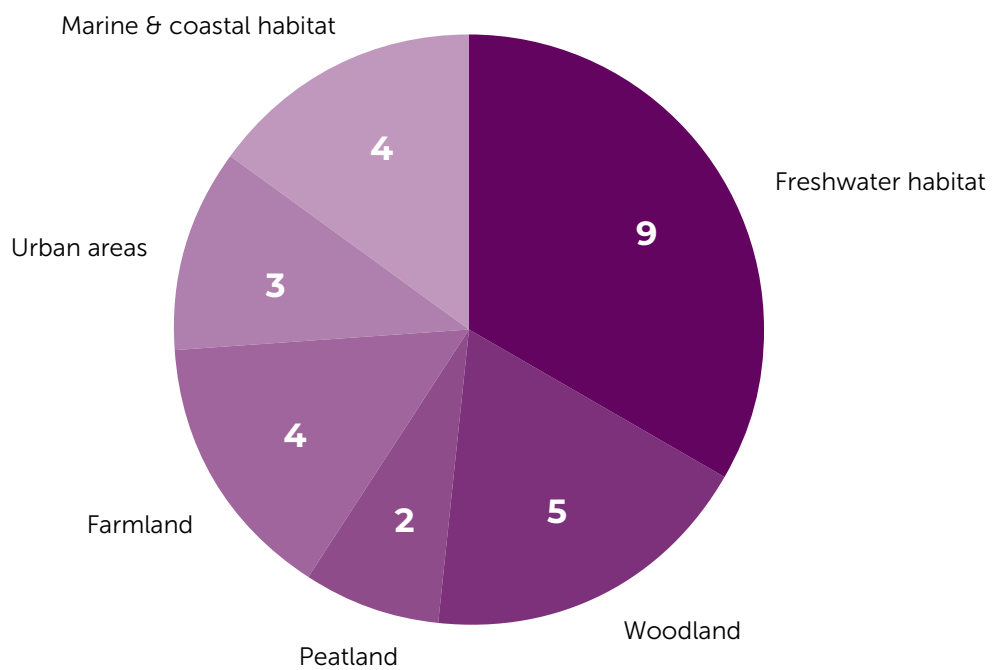
Table 4.1 Types of projects involved in the Facility for Investment Ready Nature in Scotland.

	Development phase (undertaking essential precursor steps to being able to trade)	Market and investment readiness projects (ones in which the focus is on trading and investment)	Market infrastructure
Likely focus — GFI Toolkit ⁸	Steps 1–4	Steps 5–8	-
Round 1 (complete)	16	11	-
Round 2 (complete)	2	6	-
Round 3 (ongoing)	-	10	1

8 <https://www.greenfinanceinstitute.co.uk/gfihive/toolkit/>

Approximately half of the applicants in the first two rounds were led by partnerships of organisations. The other half were led by public bodies (including local government) and private companies. The locations range from Shetland to the Solway Firth. The coastal habitat projects include saltmarsh, biodiversity enhancement and products such as oysters.

Figure 4.2 Principal focus of place-based Round 1 and 2 FIRNS grants (27 grants in total)



4. Place-based initiatives with a public profile

The following two examples illustrate the diversity of projects supported by FIRNS.

Leven Landscape Enterprise Network

LENs is a model that is being applied at a regional level in the UK (see **Section 2**), as well as within specific catchments. LENs engages organisations with a shared dependency on a landscape and facilitates the co-funding of on-farm measures where interests overlap. This enables organisations to meet environmental goals spanning carbon, biodiversity, water, soil health, and resilience – whilst reducing costs and maximising scale.

The Leven catchment, situated in Fife, eastern Scotland is an important area for agricultural production. There are widely-recognised needs within it to improve water quality, to ensure greater resilience of food production, to support the management of residual greenhouse gas emissions, and to increase biodiversity. Development work for a LENs scheme in the Leven Catchment began in 2022, supported by the FIRNS programme. The first transaction occurred in 2025 involving 700 hectares of measures across twelve farms, funded by Diageo, Scottish and Southern Electricity Networks, and Perth and Kinross Council. The programme is expected to grow from ~£150k of measures in 2025 to ~£450k in 2026. The key delivery partners in the Leven LENS include Forth Rivers Trust, Scottish Agronomy, NatureScot and Scotland's Rural College

Flow Country Green Finance Initiative

The Flow Country Green Finance Initiative is a locally led initiative in North West Scotland that is raising money to restore peatland. The Flow Country is a large (400,000 hectares) area of peatland habitat known as blanket bog, situated in Caithness and Sutherland. It is an important natural store of carbon in the UK. This habitat can emit greenhouse gases when it degrades but can sequester carbon when restored.⁹ The initiative aims to support community development goals, provide livelihoods and support broader targets for net zero, biodiversity improvement and the green economy. The aim of the initiative – and the FIRNS grant it received – was to find ways to combine public and private finance to maximum benefit. Profits from private income are expected to be spent on actions that will directly benefit the local communities in this area.

The project established 'Flow Country Carbon' as a premium product (attracting a relatively high price) because of the ecological, social, and economic benefits in this part of Scotland. The work was centred on three sites that represent three forms of land ownership, agricultural needs, and crofting law commonly found in this part of the UK.¹⁰

9 Peatlands are the UK's largest carbon store (estimated to be twice that held in woodland). Degradation of peatland modified by humans – such as through drainage – accounted for 4% of the UK's greenhouse gas emissions in 2020. <https://www.iucn-uk-peatlandprogramme.org/peatland-benefits/climate-regulation>

10 <https://theflowcountry.org.uk/wp-content/uploads/2025/11/FCGFI-FIRNS-End-of-Project-Report.pdf>

Carbon removal from the atmosphere into vegetation, saltmarsh, soils and peat was the principal revenue stream that was pursued — and advanced — across the FIRNS programme. An interim evaluation of the Rounds 1 and 2 of the programme highlighted that it takes many years to develop a project to a stage at which it can attract revenue (and therefore any investment that might be required).¹¹ Development support may be required for many years before a project results in transactions or becomes financially sustainable. The River Ericht Restoration Initiative is an example of this (**Box 4.1**).

The FIRNS programme also provided evidence that blending or stacking of revenue for different outcomes will be important in the viability of many initiatives in the nature finance project pipeline.

The FIRNS programme was preceded by the Investment Ready Nature Scotland (IRNS) scheme, launched in 2022. It was funded by NatureScot, the Esmée Fairbairn Foundation and the National Lottery Heritage Fund. Seven projects were funded via IRNS, most of which were centred on capacity building, education and data gathering. The Flow Country Green Finance Initiative received an IRNS grant and remains active.

11 <https://www.nature.scot/sites/default/files/2025-07/firns-review-round-1-and-2-infographic.pdf>



Box 4.1

River Ericht Catchment Restoration Initiative

This initiative in Perthshire aims to combine public and private finance to improve the condition of habitat along this watercourse. It was one of two in Scotland to receive funding through the Riverwoods Investment Readiness Pioneers programme in Scotland (led by Scottish Wildlife Trust and funded by the Esmée Fairbairn Foundation).

The River Ericht Catchment Restoration Initiative seeks to put local communities at the heart of decision making and to ensure that they benefit from transactions that arise. The project began with detailed assessment of the current environmental condition of the habitat and opportunity for restoration. Potential for the sale of carbon and biodiversity credits was evaluated, along with requirements for investment and the structure of the future governance arrangements which would ensure that all communities of interest and place in the catchment were involved. The initiative concluded that with the current emergent state of nature finance markets, it will take some years to engage buyers. Nonetheless relationships with landowners and

managers are growing with a first wave already designing nature restoration projects through the support of public finance from the Nature Restoration Fund and further work on developing the Restoration Vision being supported through philanthropic funding from Commonland (a Dutch not-for-profit organisation with a mission to restore degraded land).

Initiatives such as this are in a good position to attract private finance soon due to:

- The pressures arising from increased frequency and severity of drought and flooding.
- Recognition by business of the need for a wider range of market-based mechanisms and standards beyond carbon codes.
- Initiatives led by Scottish Government to attract private investment into catchment scale nature restoration initiatives.

They illustrate the time required to enable transactions, and the need for long-term support to facilitate dialogue with communities and organisations working at a local level, as well as with buyers and investors.

4.4 Landscape Recovery (England)

Landscape Recovery is a component of HM Government's Environmental Land Management scheme for England.

It is designed to support long-term (multi-decade) initiatives that improve biodiversity and achieve environmental benefit at the landscape scale. The expectation is that money from private sources (often referred to as private 'investment') will be combined with — and catalysed by — the availability of public finance.

In 2022, 22 projects were chosen for the development phase of Landscape Recovery. This funding helped them to formulate plans to restore nature across large areas of land. The emphasis was on collaboration and the optimisation of environmental improvement outcomes. At the end of the development phase, projects were invited to apply for funding for an 'implementation phase'. Applications are assessed for the quality of their plans, including steps to attract private money (funding, revenue and investment). The provision of Biodiversity Net Gain units, carbon credits and flood risk reduction are among the outcomes expected to attract money from private sources.

As of autumn 2025, the first two Landscape Recovery projects to progress to implementation phase had been announced publicly — one to a site of Nattergal (Boothby Wildland, Lincolnshire) and one to work to improve the Upper Duddon catchment in Cumbria. Boothby Wildland is a single landholding, with the owner working in partnership with others. The Upper Duddon scheme involves farmland and forested land with a mix of ownership.

It is expected that the implementation phase of Landscape Recovery will form an important component of the English nature finance project pipeline in future. This is because of the expectation that public finance and private finance will work together. Details of the exact requirements for securing private money are yet to become clear. Further announcements regarding additional implementation phase projects are expected in early 2026.

4.5 Bespoke initiatives

Around the UK, there is a wide array of one-of-a-kind initiatives working at a relatively local level to stimulate transactions for environmental improvement that involve private money.

Some of these have received support through the NEIRF and FIRNS programmes (Sections 4.2 and 4.3) but now operate as enterprises that can be expected to endure because of established trading activity.

Some initiatives have been fixed term, and don't have a prospect for long-term activity. Others, such as the River Erich Catchment Restoration

Initiative (Box Insert 4.1) have conducted exploratory work but are now limited by resources.

Examples of initiatives with ongoing staff capacity and or trading potential are provided here. There are likely 20 to 30 around the UK, but some have not yet taken tangible steps along the path to being ready to trade. The numbers next to the name of each initiative corresponds with locations indicated in Figure 4.3 at the end of this section.

Aire Resilience Company (ARC)

4

This is a Community Interest Company established in August 2025 and preparing to start trading in December 2025 to enable the financing and delivery of long-term natural flood management (NFM) activity in the catchment of the River Aire, upstream of Leeds. It was created through a collaboration between Leeds City Council, Yorkshire Water, the Environment Agency and the Rivers Trust. ARC will focus on slowing the flow of water in the catchment to reduce pressure on hard-engineered flood defences in the city. The actions include woodland and wetland creation as well as work with farmers to reduce run-off from fields. ARC receives revenue funding of £225k per year through five year contracts with a consortium of businesses in Leeds – or connected to the Aire Valley – who are affected by flood risk or are keen to support activities to create a more climate resilience catchment. The plan is to increase the revenue stream to £400,000 per year over the next two years by engaging more businesses in Leeds.

The Ecosystem Enterprise Partnership – Building Natural Solutions

5

The Ecosystem Enterprise Partnership is led by Pembrokeshire Coastal Forum. It is working with land managers, other businesses and not-for-profit organisations to find ways of enabling economic activity in this part of South West Wales while also improving water quality. It has been developing a framework for an enterprise capable of running a nutrient trading scheme in the vicinity of Milford Haven (designated as a Special Area of Conservation). The initiative was preceded by the Building Resilience in Catchments project, which was centred on reducing the loss of nitrate from land in the catchment of the River Cleddau, where dairy farming is particularly important.

<p>Landscape Enterprise Network West Wales</p> <p>6</p>	<p>This initiative is working with food and leisure businesses in West Wales to provide revenue for farmers able to deliver environmental outcomes.</p>
<p>Avon Needs Trees</p> <p>7</p>	<p>In 2024, Avon Needs Trees, a charity, purchased 171 hectares of land to create new woodland. Triodos Bank provided a £3.85m loan and advised the charity on sourcing repayable capital. The project is based on a diversified revenue model.</p>
<p>Heal Rewilding</p> <p>8</p>	<p>Heal Rewilding is a registered charity raising money to purchase land and restore natural habitat on it. It began in 2020 and acquired a 186 hectare 'foundation site', Heal Somerset, in 2022. To acquire the site, the charity combined a £3 million concessional loan from Direct Line Group (insurer) and a £3.75 million commercial loan from Triodos Bank UK. This was supplemented by public and corporate donations. Heal Rewilding has a scheme whereby individuals or companies can sponsor the purchase of a 3 m by 3 m area of land for habitat restoration, with the option to pay an annual fee for management of the habitat. Habitat restoration at the former dairy farm has been paid for through the sale of biodiversity units through Biodiversity Net Gain (an aspect that has received support through the Natural Environment Investment Readiness Fund). The goal is a comparable site in every English county.</p>
<p>Wendling Beck Environment Project</p> <p>9</p>	<p>This is an initiative of a group of private land managers between Norwich and Kings Lynn working to diversify farming in favour of environmental improvement. They have begun a co-ordinated programme of habitat restoration across over 800 hectares, including transition to species-rich grassland, woodland and hedgerows. This is being used to create a bank of biodiversity units and nutrient credits that are available for sale to developers of housing and built infrastructure in the region. Over 3,000 Biodiversity Units have been created from 161 hectares of restored habitat. Income from credit sales is supplemented via the provision of eco-tourism. Limited Liability Partnership (LLP) called the Wendling Beck Operating Company (Op-Co) was established to operate the project. It is wholly owned by the farmers/landowners.</p>

Project developers are actively involved in providing advice to bespoke place-based initiatives, and in bringing buyers and sellers together for this. These include entities such as RESTORE (Restored Land Ltd) and Zulu Ecosystems, as well as members of the UK Nature Projects Association <https://www.uknpa.com/>



CASE STUDY



*View of a valley within the
Ceannacroc Estate © Zulu Ecosystems*

Ceannacroc Estate

The Ceannacroc (“*Kyan-uh-krok*”) Estate in the Scottish Highlands contains some of Scotland’s last remnants of ancient Caledonian forests. The Ceannacroc Lost Woods programme — recently Highly Commended at the Scotland’s Finest Woods Awards — is bringing these fragments back to life, regenerating native woodland and creating a connected, resilient landscape that can thrive.

The project is about delivering lasting, multi-dimensional impact: regenerating native woodlands to protect endangered habitats and strengthen species networks, enhancing river and catchment health through shading, bank stabilisation, and integration with wider peatland and run-of-river hydro schemes. It supports local communities directly by maintaining public access, connecting them to the local landscape, and involving local contractors in the project’s delivery. Each of these outcomes is central to the project’s purpose, ensuring that nature restoration goes hand-in-hand with tangible benefits for people and place.

As the project is maturing, these benefits become ever clearer. Andrew Painting, Conservation Officer at National Trust for Scotland Mar Lodge, observed during a recent visit: “I was absolutely blown over by some of the Alder regeneration — forming proper waist-high thickets already. Great to see that the lost woodlands scheme is already paying dividends.”

This project was delivered by Zulu Ecosystems in partnership with three generations of the Girvan family, Scottish Forestry, and the Woodland Carbon Code, and is the first of its kind project to be validated under the Woodland Carbon Code’s natural regeneration guidance. Carbon credits are now available for purchase, offering investors a direct way to support climate action that drives measurable, multi-dimensional outcomes for nature and people, and supports the vision to have a lasting, positive impact on the environment.

4.5 Multi-site land purchase and stewardship initiatives



Highlands Rewilding

Highlands Rewilding was established to enable nature recovery and benefit local communities through 'rewilding' at a scale rarely achieved in the UK.¹² Specific activities undertaken by the company include woodland creation, peatland restoration, restoration of marine habitat, and maintenance of grassland with a particularly high number of plant species present. The woodland creation includes components of Atlantic Temperate Rainforest — a rare and ancient habitat type for which remnants are found along the west of Britain. Land and water within the estates are managed with a view to measurable uplift in biodiversity value and carbon sequestration. There are also socio-economic objectives, including the provision of livelihoods in rural areas.

Highlands Rewilding has three sites, with a current focus on nature restoration at the following two:

- **Bunloit** — a 530-hectare site on the shores of Loch Ness, acquired by Highlands Rewilding in 2020. It comprises a network of woodland, peatland and grassland habitat.
- **Tayvallich Estate** — a 1,370-hectare site is situated on a peninsula in mid-Argyll, on the west coast of Scotland. Working closely with local communities in the area, it was acquired in 2023. It is the site of species-rich fenland, juniper heath, and fragments of Atlantic Temperate Rainforest.

Since 2020, Highlands Rewilding has raised £11 million in equity investment. The company has over 800 shareholders, with no individual or organisation owning more than 13% at present. In the year 2020 to 2021, Highlands Rewilding raised £5.6 million in bonds to purchase the Bunloit and Beldorney estates (Beldorney is a third property, situated in Aberdeenshire). This was followed by a first equity funding round raising £7.6 million from 53 founding funders. A subsequent investment round which brought in more

12 Rewilding refers to long-term, large-scale restoration of natural habitat and ecological processes.

4. Place-based initiatives with a public profile

than £3.5 million, including investment crowdfunding. In 2023 — UK Infrastructure Bank (now the National Wealth Fund) provided a £12 million loan, which allowed Highlands Rewilding to purchase the Tayvallich Estate.

Highlands Rewilding has sold some of its land and property to organisations with a similar vision for large-scale nature restoration, including OSPREY partners (Operating System Partnership for Rewilding).¹³



Nattergal

Nattergal is a company established to buy or manage large areas of ecologically degraded land and coastal area across the UK and Europe to achieve nature recovery and associated environmental outcomes. It has three sites in England:

- Boothby Wildland, Lincolnshire — a 617-hectare former arable farm.
- Harrold's Park Wildland, Essex — a 206-hectare site on the northern periphery of Greater London, that comprises former arable fields, intensive grassland and former Christmas tree plantation.
- High Fen Wildland, Norfolk — a 292-hectare grassland in the Fenland of East England.

(For reference, the area of Hyde Park in London is 142 hectares and Holyrood Park in Edinburgh occupies 263 hectares.)

Boothby was the first site in England to move to the implementation phase of the Landscape Recovery scheme (**see Section 4.5**). The aim is to allow natural vegetation to colonise the site, following the phaseout of arable farming over the past few years. Hedgerows are being encouraged to grow in a more natural fashion. Streams on the site — as well as the River Glen into which they flow — will be allowed to follow a more natural course. A recent river restoration project has paved the way for a release of beavers — the largest pen in the UK — over the 2025 to 2026 winter period. The Nattergal sites are subject to rigorous monitoring so that the uplift in biodiversity, carbon and other value can be proven. There are also extensive efforts to ensure that local

13 OSREY is an initiative designed to support approaches to land management that are nature-positive and profitable.

communities in the vicinity of their sites can be involved in the activities, and that they are assured of the economic and social benefits that will result.

Income from the sites includes payments for the provision of off-site biodiversity units through Biodiversity Net Gain. Over 2,400 off-site units have been registered as available from Nattergal sites so far. Carbon credits and ecological tourism activity (such as corporate away days) will provide additional revenue. In 2025, professional services business Arup announced its purchase of £1 million worth of carbon credits at the Boothby site for £100 per tonne, delivered through the Wilder Carbon Standard.

Nattergal completed its seed funding round in 2024, attracting £40 million to secure the first three sites.



Oxygen Conservation

The mission of Oxygen Conservation is to scale-up nature conservation to achieve environmental improvement alongside social benefit. The business is building a portfolio of land holdings across the UK, from Cornwall to the Highlands of Scotland. There are currently 12 sites. Each site is intended to provide opportunity to learn and apply strategies to achieve sustainable land management and restore natural processes. Alongside grants, revenue sources are as follows:

- Biodiversity Net Gain (English estates)
- Woodland carbon units (UK wide)
- Peatland carbon units (Scottish estates)
- Property rental income
- Ecotourism income (so far at four estates)
- Agricultural income
- Renewables rental payments

A purchase of 8,000 'premium' (nature-rich) carbon credits from Oxygen's Leighon Estate in Devon by law firm Burgess Salmon was announced in November 2025.

The land purchases and other capital expenditure of Oxygen have been enabled through equity investment¹⁴ and loans provided by Triodos Bank.

14 Oxygen House Group, an impact investor, together with Blue and White Capital, a family office.

4.6 Biodiversity Net Gain

Biodiversity Net Gain (BNG) is a planning policy for England that was introduced in the Environment Act 2021.

It aims to ensure that built development leads to a measurable improvement in the extent and condition of natural habitat by at least 10%. The policy became mandatory for all major developments and for small sites in 2024.¹⁵ The requirement for BNG from Nationally Significant Infrastructure Projects is pending (currently set for May 2026). Biodiversity uplift can be delivered on the development site or off it.

Income from the sale of off-site Biodiversity Units through the Biodiversity Net Gain (BNG) requirement for built development in England is important. According to the Natural England Register of Biodiversity Net Gain sites in November 2025, there were 159 agreements for the purchase of biodiversity units situated outside of development sites. These are intended to assure provision of the habitat for at least 30 years.

Habitat banks are an important part of off-site Biodiversity Net Gain provision — they restore the nature conservation value of land ahead of sales. According to a survey by Biodiversity Units UK completed in July 2025, there were 93 operating habitat banks in the UK, comprising 8,500 hectares of land.¹⁶ (For reference, the area of Loch Ness is 5,640 hectares). Some of these habitat banks are national (such as Environment Bank, which serves local authorities across England). Others are very local.

15 Broadly, for residential development, “small sites” are those with no more than nine houses and that occupy less than 1 hectare of land.

16 Biodiversity Units UK is a business that helps developers meet their obligations for Biodiversity Net Gain

4.7 Solicitation of donations from the private sector for place-based nature conservation

Across the UK, there are a wide range of initiatives designed to attract funding from private sources in support of nature conservation goals.

These are not about the provision of a service of direct material benefit to a business in exchange for a fee. Instead, they are soliciting donations that may provide a business with the ability to promote itself as one committed to nature recovery. The funding does constitute a contribution towards nature recovery. Money provided is likely to come from the 'Corporate Responsibility' or philanthropic divisions of businesses, rather than from their operational funds.

An example of this solicitation at a local level is the 'project pipeline' created by a farmer-led group in Cumbria, the Ullswater Catchment Management Community Interest Company. This provides a set of habitat restoration projects that are ready for implementation but that don't yet have funding (or finance). This initiative has been supported by the North West Local Investment in Natural Capital programme.

At the scale of a whole jurisdiction, the Projects for Nature initiative has sought to publicise a set of nature conservation activities across England. Projects for Nature is an initiative of Defra, supported by Natural England and other conservation organisations. During its first phase, it attracted funding from three businesses, Lloyds Banking Group, GSK (pharmaceutical business) and Scottish and Southern Energy Networks. A total of £735,000 was given to projects in the portfolio (each business supported a chosen sub-set of projects). A further phase of Projects

for Nature was announced in November 2025, to be offered through a crowdfunding service called Spacehive.

These payments, while often labelled as "investment", fall outside of what can be considered as the core of nature finance. They do, however, provide a path for businesses to become involved in transactions in which environmental improvement provides some direct and measurable benefit to them.

In some circumstances, carbon credits may be an agreed part agreements by businesses with charitable initiatives. An example is the £38 million donation provided by Aviva to The Wildlife Trusts for the restoration of Atlantic Rainforest, which forms part of its commitment to be net zero by 2040. The same applies to the money provided by Utility Warehouse to the Bryn Arw project of Stump up for Trees, working in the Bannau Brycheiniog (Brecon Beacons) area of Wales.¹⁷

17 Bryn Arw is registered through the Woodland Carbon Code.

4.8 Summary

England and Scotland now host a wide array of place-based nature finance initiatives, led by private and third sector organisations.

They are supplemented by private sales registered through the UK Land Carbon Registry and the Biodiversity Net Gain Register for England. Many aspire to sell services but don't yet have buyers that are willing or able to transact. Some are not yet ready to supply of services because of the need to engage more landowners, or because of regulatory or other issues beyond their immediate control. There are relatively few place-based initiatives designed around the presence of specific buyers, meaning that the pipeline is not demand-led. **Figure 4.3** provides an overview of the geographic distribution of the initiatives referenced in this section. It is notable that Wales and Northern Ireland are much further behind in their provision of projects that are preparing to sell environmental improvement outcomes.

Investment managers such as Rebalance Earth are now actively deploying pension fund capital in habitat restoration businesses such as RESTORE Nature and Oyster Heaven. This is likely to lead to a significant increase in place-based projects in future.

Figure 4.3 — Examples of place-based projects that are or engaged in private finance for environmental improvement

Note

These projects are separate to the regional enablers showing in **Section 2**.

Descriptions of NEIRF Projects, along with video portraits, are available at:

<https://ecosystemsknowledge.net/neirf/>

FIRNS projects (Scotland) are described at:

<https://www.nature.scot/funding-and-projects/firns-facility-investment-ready-nature-scotland>

Technology providers, advisors and enablers such as Kana Earth, Zulu Ecosystems and RESTORE (Restored Land Ltd) feature place-based projects on their websites.

KEY

● Bespoke projects (page 55, 66, 67)

GRANT PROJECTS (MANY LEADING TO LONGER-TERM INITIATIVES)

● FIRNS projects

● NEIRF projects

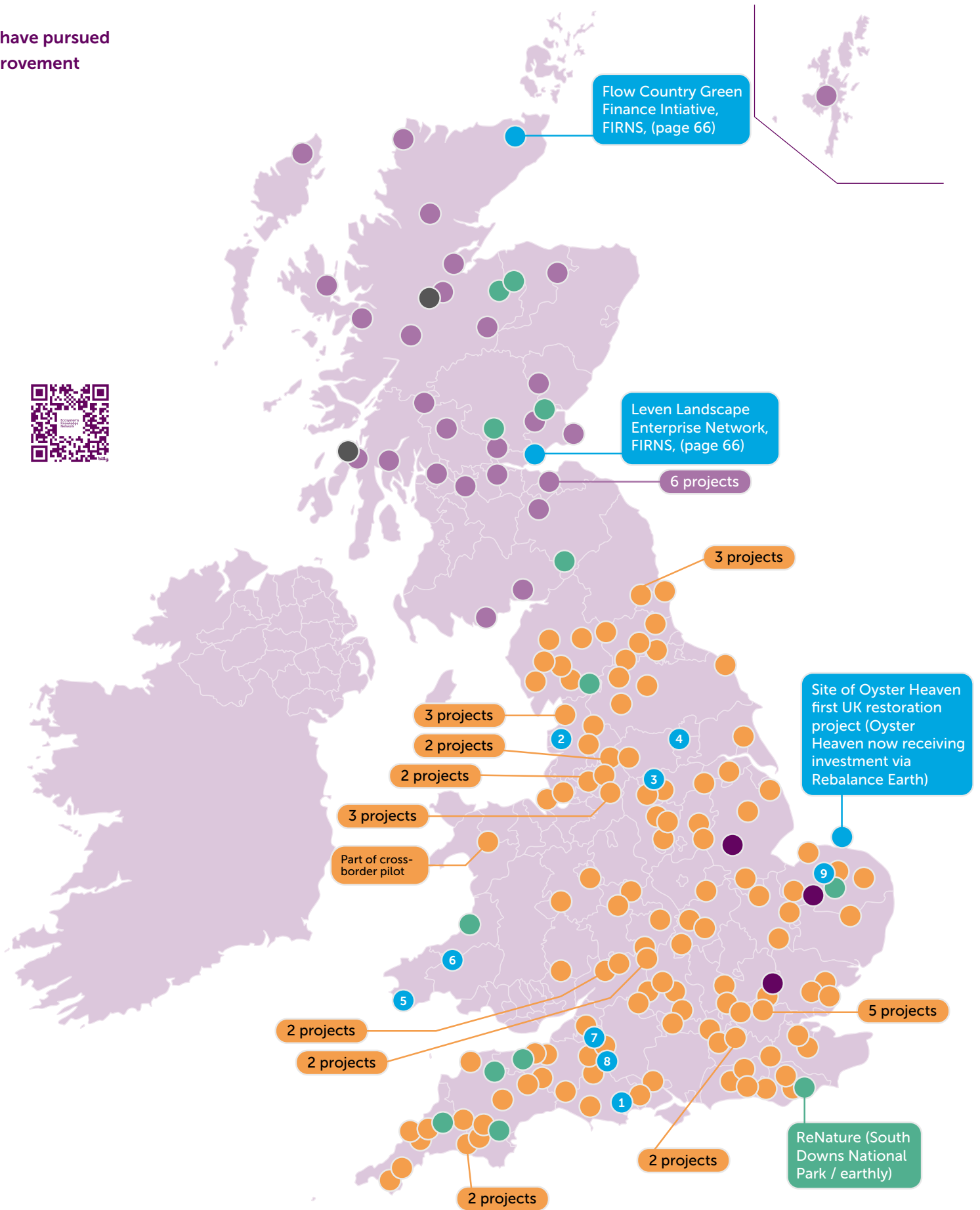
LAND-PURCHASE SCHEMES (LIMITED COMPANIES)

● Nattergal sites

● Oxygen Conservation sites

● Highlands Rewilding sites of current focus

at have pursued
improvement



5

Synthesis & Conclusions

Aerial view of Reading, Berkshire.
© gormakuma/Adobe Stock





Character the pipeline

Overview

The UK nature finance project pipeline comprises a diverse arena of transactions, trading ambitions and investment potential. Projects that provide carbon credits through the Woodland Carbon Code and Peatland Code remain at the core of the pipeline, both in terms of total monetary value and number. The presence of standards, codes and project developers¹⁸ relating to nature-based carbon is the principal explanation for this. The availability of government grants to pay for most of the up-front cost of peatland restoration is also a factor. Projects that can demonstrate added value beyond carbon sequestration are important. Initiatives such as the Wilder Carbon Standard are now providing an important mechanism by which buyers of carbon credits can be assured of long-standing biodiversity benefit.

Many initiatives in the pipeline are seeking to attract 'stacked' revenue from multiple environmental improvement outcomes delivered within the same geographical area (even if from different areas of land or water). Very few projects in the pipeline have achieved this, though. This is partly a reflection of the immaturity of the project pipeline. It is also because trading of some environmental improvement services, such as the provision of nutrient credits or the reduction of flood risk, is heavily dependent on the local environmental context and the very specific requirements of buyers.

The UK project pipeline has many attractive features, including the 'brand' associated with landscapes of historic and cultural importance — many of which are of world renown. The work of the National Parks (England, Scotland and Wales) and National Landscapes (England, Wales and Northern Ireland) has the potential to harness this value. The mission, values and reputation of individual landowners is an important consideration. This includes land-owning national registered charities and private rural estates with a long history. Newer entities such as Highlands Rewilding, Oxygen Conservation and Nattergal place strong emphasis on their integrity. In the pipeline, a lot of reliance is being placed on the credentials of organisations involved (and the individuals who lead them).

Table 5.1 provides an overall assessment of the current character of the UK nature finance project pipeline. It is important to note that this is not based on a scoring of individual projects, which vary greatly in their size and in their journey towards becoming ready to trade or gain investment. The scorings are based on the judgment of the authors and their assessment of what a thriving nature finance project pipeline could look like within the next five to ten years.

18 Project developers are intermediaries with expertise in originating projects (working with land and marine managers), verifying outcomes and then connecting sellers and buyers.

Land-based projects dominate the UK pipeline. While initiatives securing revenue and investment for the improvement of coastal habitat are in existence, they are much less well developed. 'Blue finance' is centred on aquaculture and products derived from seaweed. An extension of the Biodiversity Net Gain requirement to built development affecting marine habitat England could change this.¹⁹ Opportunities for the restoration of saltmarsh and seagrass habitat to provide services to business are much less well developed.

Northern Ireland is under-represented in the project pipeline, despite the presence of substantial environmental improvement challenges within this jurisdiction. In Wales and Northern Ireland, the relatively small size of landholdings is a particular challenge for participation in nature markets.²⁰ Mechanisms do not exist to aggregate any nature market service offering that they may be able to provide.

England has a particularly high density of nature market projects. This is partly because transactions relating to the provision of off-site Biodiversity Net Gain in England have grown substantially since the first Nature Finance Review in 2023. The level of uplift in the extent and condition of habitat (typically 10 or 20%) means that Biodiversity Net Gain is principally a compensation (offset) mechanism, and not a strategic mechanism by which private money will bring about environmental improvement at the national level.

19 Examples include pipelines, cables, ports and offshore renewable energy

20 Average farm size in 2024: Northern Ireland 48 hectares, Wales 40 hectares, UK average 80 hectares.

Table 5.1 — Overall status of the nature finance project pipeline in the UK

Consideration	Assessment focus	Rating (out of five)	Explanation of current status
1. Scalability	Capacity of the pipeline to meet growth in demand over the coming 20 to 30 years.	★★★★☆	Many local and regional achievements to date. Nature-based solutions clusters have much-increased activity. The Environmental Finance Networks with growing environmental outcomes.
2. Replicability	Availability of approaches that could be applied in numerous environmental and business contexts.	★★☆☆☆	Trading of voluntary carbon credits on the Peatland Code is becoming more regular. The same approach is being applied to the Biodiversity Net Gain. Natural flood management schemes and privately-financed initiatives are diversifying income streams. Some are established and providing services.
3. Discoverability	Likelihood of the initiatives being able to attract widespread public awareness and understanding.	★★☆☆☆	Online platforms such as Nature Finance are attracting private sector. Landowners are getting media attention. Non-governmental organisations offer a myriad of service offerings.
4. Demand-orientedness	Centred on meeting the defined needs of specific groups of businesses or other organisations.	★★☆☆☆	Landscape Enterprise Schemes such as Wildlife and Countryside based carbon credits are a form of place-based nature-based solutions. Local business groups are playing a place in the Nature Finance pipeline.
5. Governance and assurance	Tangible action by market participants in response to a recognition of the importance of oversight, accreditation, community inclusion and other aspects of high integrity.	★★☆☆☆	EnTrade, an active market participant, has been recognised by the Markets Board for its role. In contrast, most nature-based solutions organisations involved in the project pipeline in any form are not accredited and certified by BSI Nature Investment.
6. Geographical extent	Presence of a credible nature market project pipeline across the four jurisdictions of the UK.	★★☆☆☆	Scotland and England have more nature enterprises, with initial activity and growing interest in the market. Northern Ireland has a pipeline. The number of peatland is much less.

Current star rating	What five stars could look like
<p>Formal projects remain relatively small scale in their aspirations and (few have turnover of more than £1 million. Newly formed farm increased capacity to trade, accelerated through bodies such as Farmers Group, and the presence of several Landscape Enterprise trading activity. Formal farmer-led cooperatives to sell schemes are under development.</p>	<p>Projects are able to reach their full potential rapidly, through aggregation of landholdings, ease of Monitoring, Reporting and Verification, and the capacity to attract investment.</p>
<p>Carbon credits through the Woodland Carbon Code and becoming more routine. Both codes are well respected and updated applies to the provision of biodiversity units for purchase due to Net Gain requirement in England. Models for privately-financed investment are advancing but not yet replicable. There are very few initiatives that are delivering environmental improvement with streams. Several Landscape Enterprise Networks are, however, well-serve as a replicable model.</p>	<p>A set of blueprints for diversified income streams from specific places (river catchments, local authority areas). Viable business models are routinely shared within and between UK jurisdictions.</p>
<p>Such as Kana and EnTrade are increasingly well-recognised by the growing initiatives such as Nattergal are attracting positive mass attention. Nonetheless, it remains difficult for businesses to sift through the offerings of programmes such as the NEIRF and FIRNS.</p>	<p>Businesses are able to find nature-based projects relevant to them, quickly finding the services they need.</p>
<p>Enterprise Networks in England involve transactions worth £millions. Under Carbon are emerging in response to demand for nature-based products that provide assured biodiversity benefit (bundling). Awareness of nature finance schemes among Chambers of Commerce and other organisations is low. The UK Nature Finance Project Pipeline is yet to find its positive Pathways of UK corporates.</p>	<p>Projects and enterprises communicate in ways that are appealing and meaningful to buyers and investors.</p>
<p>Market operator has arranged oversight by the Environmental Protection Agency for active trading schemes (currently all in South West England). Nature market initiatives appear to rely on the credentials of individuals involved as opposed to assurance gained through third party certification. There is no-overarching market framework in which the market by UK jurisdiction operates. Trials for adoption of the overarching Nature Finance Standard have just begun</p>	<p>Nature markets are operating efficiently. Accusations of mal-practice are able to be dealt with without upsetting wider confidence in the arena.</p>
<p>Scotland and Wales are each innovating in the supply of nature finance projects and initiatives attracting revenue and investment. Across Wales, there is a growing nature finance arena, and some regional schemes, but very few in Northern Ireland has yet to embark on activities to stimulate a project pipeline. A number of projects registered through the Peatland Code per unit area of land in Wales and Northern Ireland than Scotland or England.</p>	<p>All four UK jurisdictions have projects that are trading. Income from nature markets is a routine part of land management businesses. Coastal and marine projects are numerous.</p>

Prospects

There are many factors affecting the initiation and development of new place-based projects, especially in landscapes in which agriculture is the principal land use. Uncertainty over price and demand is important, especially for activities that require substantial up-front costs and years of management cost before the units or credits can be verified. Woodland creation is the prime example, in which net sequestration of carbon may only begin a decade after planting. There are also substantial costs involved in understanding the baseline conditions of a site (necessary to prove 'uplift' in environmental improvement) as well as in obtaining the necessary legal advice and identifying potential buyers. Should businesses be enabled to count advance purchase of nature-based carbon credits as an asset on their balance sheet (as opposed to a cost) and hold them until they are 'retired' (used as an offset) or resold, this may provide a further stimulus for the UK project pipeline.²¹

The historical reliance of farm businesses on government subsidy (including schemes aimed at environmental improvement) may also be a factor that limits interest in diversification of income through nature markets. Levels of understanding and acceptance of the vulnerability of farm businesses to climate change are a consideration — participation in nature markets can be a route to greater resilience. Investment in regenerative agriculture is making a new connection between private money and environmental improvement.

Further work is required for the UK pipeline to compete more effectively in voluntary carbon or biodiversity markets worldwide. The first Request for Proposals from the Symbiosis Coalition²² of global technology companies is an example of this; it has not led to any purchase of carbon credits within the UK. Symbiosis requires alignment of carbon projects with the standard set by the global Integrity Council for the Voluntary Carbon Market (ICVCM). The secretariats of both the Woodland Carbon Code and Peatland Code are seeking formal assessment by the ICVCM, with a view to recognition of them in global voluntary carbon markets. Global standards and appraisal methods are critical in influencing demand. This includes the current position of the Science Based Targets initiative not to allow emission reduction carbon credits from peatland projects to be included in businesses' net zero targets.

A growing dimension of the nature finance project pipeline in coming years will be the protection of water resources and the climate resilience of built infrastructure. In the East of England, for example, the protection of the quality and quantity of groundwater is likely to be an important basis for growth in privately-financed habitat restoration and environmental measures on farms. Schemes such that provide a flood or fire risk reduction service to operators of linear infrastructure can be expected to grow. An example is the service that the North East Cotswold Farm Cluster is set to provide to Network Rail. There may be more schemes for flood risk reduction in urban areas, such as that being pursued by the Aire Resilience Company in Leeds.

21 The work of Nature Broking is involves enabling corporate buyers to count advance carbon purchases as an asset rather than a cost.

22 This group has made an advance market commitment to procure 20 million nature-based carbon credits by 2030. <https://www.symbiosiscoalition.org/>

The project pipeline is most likely to accelerate when there are measures to stimulate demand²³ or the introduction of more elements of a market governance framework (alongside the BSI Nature Investment Standards).

23 This includes, for example, advance purchase of Pending Issuance Units for nature-based carbon for onward sale after they become verified units. It also includes measures that incentivise — or otherwise enable — businesses to purchase nature market credits in the UK.

Conclusions

Despite some privately-financed environmental improvement initiatives now being five years old, the UK nature finance project pipeline is only just beginning to flow.

There are substantial challenges in making participation in nature markets attractive to smaller landowners. Concerns remain about the integrity of nature markets, especially in the absence of a detailed market roles and oversight established by government or business organisations. The project pipeline is vulnerable to the critique of those whose default position is to distrust the motivations and intentions of large organisations, especially those in the private sector. Substantial uncertainty remains, especially with new policies such as the proposed Nature Restoration Fund for England. There is also political uncertainty as governments work out their view on the role of private money in environmental improvement.

Recent advances in the UK nature finance project pipeline can be attributed to the stimulus provided by 'investment readiness' schemes in England and Scotland supported by philanthropy, lottery proceeds and government. It is also aided by the presence of independent businesses providing the interface between buyers and sellers. A growing number of enterprises have committed a significant private capital and resources into the provision of environmental improvement outcomes, based on an expectation that demand from private buyers will grow. This is particularly the case for

habitat banks created with a view to demand for biodiversity credits.

Demand and supply in UK nature markets are not yet aligned. There remains a paucity of transactions to provide market confidence. Shared learning between representatives of the project pipeline will remain very important in stimulating innovation and in ensuring that the UK has a co-ordinated offering to meet the needs of business buyers.

Early lessons from the project pipeline are that it takes many years to develop projects to a stage that they have bankable business plans and revenue streams that can be scaled.

*View of fields and hills in Llangedwyn Valley,
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