

Corporate Social Responsibility (CSR)

Priority 1=top	Thematic group	Positive Examples	Challenges	Possible solutions to challenges
1	Co-funding / leverage	Ability to leverage CSR budgets to co-invest with others; partnership working to get wider environmental benefits; businesses have funding available; lots of existing partnerships that can help coordinate finance (NFM/CSR)	CSR budgets are a “nice to have” and often cut in difficult economic conditions	- Position CSR as risk reduction / resilience (not optional add-on); package projects as co-funding offers with clear outcomes; create “ready-to-fund” opportunities partners can plug into
	Understanding & alignment	CSR is gaining traction in engaging communities & private sector; ability to link CSR to wider organisational outcomes (early catchment partnerships seed-funded by water companies); increased public interest	Corporate/social responsibilities not well understood (often seen as narrow); CSR not aligning with statutory duty / wider council priorities; lack of understanding from business of risk/impact/opportunities	Produce a simple CSR/NFM “playbook” (what counts, why it matters, what outcomes look like); clearer language + shared framing around risk/impact; better “matchmaking” between business drivers and NFM outcomes
	Delivery barriers / incentives	Using CSR initiatives to reduce corporate risks	Clash of interests; lack of CSR focus “based on costs”; barriers to implement	Clarify governance + roles early; create clear project scopes and “routes to delivery” (who does what); use trusted intermediaries/partners to broker relationships

Credit Markets

Priority 1=top	Thematic group	Positive Examples	Challenges	Possible solutions to challenges
1	Standards, credibility & governance	Principle is positive; quality of intervention; ecology discussed earlier in process	“No standards”; multiple standards for carbon (not always recognised); “no water credit/co-benefit” noted; concerns around quality credits and what is/ isn’t counted (e.g., social/health/wellbeing not included)	Push for clearer standards/validation + governance; shared guidance on what “good” looks like; transparent rules for co-benefits and credit integrity
2	Additionality & silos	Credits can unlock opportunities that may not exist without a funding mechanism	Markets can work in silos; “negative conditions around additionality”; complexity across separate markets; desire is always best outcome for nature (but system may not ensure this)	Design projects for stacking/blending where appropriate; shared frameworks to handle additionality consistently; coordination to avoid siloed schemes
3	Permanence / long-term commitments	Long-term (legacy) NBS – landowner funding; provides financial upside for landowners from NBS projects	Permanence issues: long (e.g., 30-year) agreements put landowners off (inheritance, land management restrictions)	Make terms more workable (e.g., clearer exit/transfer rules); support mechanisms that reduce perceived lock-in; better advice for landowners at sign-up stage
			How to ensure a return on investment for private investors with small projects	
4	Perverse incentives & early adopters	BNG isn’t perfect but “better than nothing”; market provides financial upside	Perverse incentives: keeping land in poor condition until credits worth more; early adopters lose out (restoration already done can’t claim credits); not all-important impacts are easily creditable (e.g., flood/NFM)	Recognise/compensate early action; safeguards against gaming; broader recognition of “non-creditable but high value” benefits via blended finance
5	Market maturity, volatility & capability	Markets slowly maturing; landowners see potential for future revenue (motivating/diversity); provides financial upside	No experience of trading credits; general knowledge gaps (BNG/water policies/credit requirements); volatility: “are there stable carbon credits?”; voluntary market power imbalance/bias	Capacity-building for practitioners/landowners; simple explainers + trusted broker support; improve transparency in pricing/market rules

Payment for ecosystem service

Priority 1=top	Thematic group	Positive Examples	Challenges	Possible solutions to challenges
1	Uncertainty Uncertainty of funding, Rules, regs etc	Landowners receiving maintenance payments for NFM measures via the Aire Resilience company	A lack of clarity around future funding in both public (ELMS) and private finance makes project planning and continuity very difficult	- Use a national data set as a standard baseline when submitting business cases – removing the needed for modelling and evidencing which uses alot of project resources - Shift from the cost benefit business case model to a strategic business case model – which aligns with recent greenbook recommendations - Establish a system that enables schemes to be locked in for longer perhaps using a inheritance tax exception mechanisms
		Receiving long-term grant funding to deliver NFM and water quality improvement interventions in the upper AIRE – 15years and counting	Lack of confidence creates short term funding and a demand for monitoring/modelling which consumes both time and money	
			Funding for NBS being too strict on outcomes – e.g number of HA restored, number of owners engaged. Needs more flexibility	
			Quantifying benefits of the measures installed. Unknown funding future for the life time of the measures use. Defining what the payment is for to make this ‘attractive’ or evidencing that the ecosystem has been improved.	
2	Alignment Aligning policy, strategy and aims	Partnerships like Ousewem are looking at creating base knowledge and brining in other organisations to understand the diverse benefits	Each different funding stream has stringent rules that make it difficult to work in partnership (EA vs YW)	
		Collaboration with partner groups leads to shared learning, positive relationships and alignment of priorities		
3	Scale of investment V Project scale		Finding and onboarding private investors to fund projects is challenging – relies on partnership working – the scale of projects are	

			generally small and not likely to attract private investors	
			How to ensure a return on investment for private investors with small projects	
	Public / Landowner Opinion	Sustainable Farming Incentive measures have worked really well due to their flexibility and short contract length. Lots of buy in from landowners	Some lack of understanding is hard to overcome by simply explaining NBS – e.g. people want to use dredging still	- Influence the influencers – get landowner buy in by utilising agronomist and farm/land advisers - Use non-traditional engagement activities such as performance art to increase public awareness
		Members of the public can really see and appreciate NBS as a positive when they are done well and are explained – ARC performance pieces		
	Maintenance cost		Not funding ongoing maintenance only capital delivery takes incentive away from landowners	
	Benefits -Measuring and attributing	Organisations that can provide or facilitate funding for NBS having the incentives to do so	The burden of proof for ecosystem services is often disproportioned to the interventions themselves. Hydraulic modelling is very expensive for NFM	- Better access to existing data on the benefits - Match make the benefactors of the intervention (down stream flooding) to identifying possible funding sources.
		Emerging evidence base for multiple benefits – greater interest in identifying these to help secure funding	Organisations that can provide funding for NBS not having the incentive to do so – No perceived benefit to fund	
		Having freedom through grant funding to deliver interventions across an entire catchment – not focusing on a specific area	Quantifying benefits from ecosystem services project to enable funding applications is hard, Many side benefits that aren't costed or relevant to the fund – health, air quality etc	
		Interest/buy-in from statutory undertakers like YW who are interested in multiple benefits such		

		as reducing surface water into the combined sewage networks		
		Provide multiple benefits from more traditional funding sources e.g. flooding funding being used for NFM gives far more benefits for ecosystem services than traditional hard engenering		