



## **Developing a portfolio of river restoration projects and delivery support measures for a river catchment restoration fund**

### ***Where have we been?***

This new project stems from a project that concluded in March 2024<sup>1</sup> that aimed to explore the establishment of a national river catchment restoration fund alongside or integrated within the existing Scottish Marine Environment Enhancement Fund (SMEEF)<sup>2</sup>. The SMEEF financing mechanism for coastal and marine restoration actions provided the basis for our thinking to expand its remit to include river catchments as part of a ‘source to sea’ approach. Work to progress the creation of such a fund, including its governance structure, will continue alongside this new FIRNS-funded project, which we will refer to as the “River Catchment Restoration Portfolio Project”. Both projects are supported by The Facility for Investment Ready Nature in Scotland (FIRNS), delivered by NatureScot in collaboration with The Scottish Government and in partnership with the National Lottery Heritage Fund.

### ***Where are we going?***

These two projects together aim to open up nature financing opportunities<sup>3</sup> for catchment restoration work that will improve the ecology of our rivers and benefit the people who depend on and value them.

The River Catchment Restoration Portfolio Project, which will run May 2024 to March 2025, will use information from the recently published Fisheries Management Plans (FMPs)<sup>4</sup> for Scotland’s 44 fisheries districts as its foundation. The FMPs were produced by members of Fisheries Management Scotland (FMS) with the support of the Scottish Fisheries Coordination Centre, to facilitate the collation of local knowledge and highlight important management actions across Scotland’s fisheries and river catchments to benefit the habitats and ecology of our rivers. These plans will now be used to develop a portfolio of river restoration propositions through a process of identifying FMP actions that are in a state of readiness for delivery subject to the availability of finance.

The aim is that this portfolio will attract investment into a river catchment restoration fund, which will continue to be developed throughout the year building on the momentum gained in the earlier FIRNS funded project. Potential propositions that may be attractive to a corporate or private investor, would include catchment scale habitat restoration works such as, riparian tree planting, control of invasive species and improvements to geomorphological conditions (bankside, water margins and instream) to provide improved habitat and sustainable flows of water, nutrients and sediments. Some of the actions identified in the FMPs, such as those in relation to fisheries enforcement, may not be a good fit for the fund since they may not align with investor priorities.

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<sup>1</sup> These project findings will be made available on the FMS website in due course. We will follow up when this is ready to share.

<sup>2</sup> <https://smeef.scot/>

<sup>3</sup> Nature finance is a broad term used here to refer to financial support from a range of sources such as private donations and corporate investors for ecosystem restoration.

<sup>4</sup> <https://storymaps.arcgis.com/collections/0f6b2fbb82cd4785b29b268aebce38a9>

### ***Where would the £££'s come from?***

The intention is that the fund will attract contributions from corporate sources through Environmental, Social and Governance (ESG) commitments, and potentially biodiversity net gain/strategic compensation contributions and voluntary offsetting mechanisms in subsequent years. Reporting on the impacts that accrue from nature finance interventions is an evolving requirement for investors as nature markets mature. Appropriate metrics that measure these impacts effectively will be an important project component. The project will seek to explore outcome-based metrics (those that measure the effect of an intervention against a baseline) for both nature and people.

Some of the actions described in the FMPs may be large and complex and so may not fit the criteria for a river catchment restoration fund. Therefore, we will explore the possibility of developing larger-scale “nature investment packages” that might be attractive to impact investors as bespoke investment opportunities. This will include the possibility of aggregating actions to achieve a viable scale for investment. All projects should integrate community engagement activity and provision of benefit for communities in a way commensurate with the scale of each project. For this the Portfolio Project team will provide guidance in the form of a community benefits realisation strategy.

### ***Who is working on this?***

The Portfolio Project will be delivered by FMS in close collaboration with our network of members and overseen by a representative Steering Group. The key project contacts will be Paul Sizeland as Project Manager, and Leah Reinfranck as Project Officer, who will lead the member engagement part of this project. This engagement with FMS members will involve piloting data collection approaches, undertaking site-visits to understand local catchment contexts, ranking local priority restoration actions described in the FMPs to assess readiness for investment, gaining costing information confidence, assessing delivery capacity, and identifying community engagement opportunities and challenges.

We look forward the year ahead and for the opportunity to work more closely with our members. If you are interested in learning more about the project at this stage, please contact [paul@fms.scot](mailto:paul@fms.scot).