

## 24.14 Private finance attracted to the NBS site

**Project Name:** CONNECTING Nature (Grant Agreement no. 730222)

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Private Finance / investment in NBS / Bioeconomy	New Economic Opportunities and Green Jobs
<b>Description and justification</b>	This indicator seeks to capture the level (in monetary terms) of non-public (“private”) in nature-based solutions and/or the ‘bioeconomy’. The indicator will provide information on the extent to which private investors (or philanthropists) value nature-based solutions or nature-based enterprises that have a positive, or at least a neutral impact on the environment. It will also provide information on the long-term sustainability of nature-based solutions.
<b>Definition</b>	<p><i>Private investment and/or finance</i> is defined as financial resources that are deployed by non-governmental agencies and sourced from monies that were not raised through taxes or other public fees / fines / assessments. Monies raised through the provision of goods/services relating to the NBS should not be included here.</p> <p>Note that this will include monies that are deployed with an expectation of financial return and those that are ‘concessionary’ – philanthropic grants and ‘impact investments’ that do not required a financial return.</p> <p>While nature-based solutions are defined elsewhere in this document, the definition of the ‘bioeconomy’ is less well-covered and is worth repeating here. The European Commission states that the “bioeconomy comprises those parts of the economy that use renewable biological resources from land and sea – such as crops, forests, fish, animals and micro-organisms – to produce food, materials and energy”  <a href="https://youmatter.world/en/definition/bioeconomy-definition/">(https://youmatter.world/en/definition/bioeconomy-definition/)</a></p>
<b>Strengths and weaknesses</b>	+ The indicator is a meaningful and comparable at multiple levels of aggregation

	<ul style="list-style-type: none"> <li>- The causal relationship between the NBS and other bio-economy private finance activities may be difficult to establish</li> <li>- The data will be widely dispersed and maybe difficult to collect</li> </ul>
<p><b>Measurement procedure and tool</b></p>	<p>Data collection will need to be planned with the NBS project team in order to identify firstly any private finance that has been deployed in the planning, development and/or maintenance of the NBS itself. If this has occurred, then it will be meaningful to report not only the absolute amount of private investment, but also the percentage of the total finance for the project arising from private sources.</p> <p>In addition to the private finance for the NBS itself, the evaluation team will need to consult with the project team - and perhaps more widely - to determine what, if any, other bio-economy related activities may be linked to the NBS and the period over which this influence may be reasonably expected to occur. If no other criteria are deemed relevant, then the evaluation team should set a geographic boundary around the NBS being evaluated and choose a relatively short time period that would begin with the development of the NBS and extend to some agreed period (defined in years) following completion. Any bio-economy related activities occurring within the time/space boundaries agreed would be surveyed to assess: a) the extent to which the stakeholders involved in the activity attribute their actions to the existence of the NBS, and b) the value of private finance attracted by this activity.</p> <p>In both cases (the NBS itself and related bioeconomy activities), the data collected should be categorised by the type and source of private finance received. While there are numerous typologies for classifying finance type, the main one is between 'grant' finance –requiring no financial return – and 'commercial' finance, which requires / expects a financial return.</p> <p>In the case of 'commercial' finance, this is generally sub-divided into loan vs. equity finance. 'Loan' finance is provided in return for a promise by the 'borrower' that the total amount of the loan ('principal') plus an agreed amount of interest will be paid back to the 'lender' over a specified period of time. 'Equity' finance is provided in return for an ownership percentage in the asset(s) being financed. Equity owners are generally entitled to a share of any income generated from the asset(s) and a percentage of the proceeds if the asset is sold.</p>

	<p>In the past, private 'grant' finance was largely provided by philanthropists with no further expectations on those being funded other than the money would be used for the purposes agreed. Recently, however, the emergence of 'venture philanthropists', 'crowd-financing' (which may or may not be commercial) and 'impact investors' has given rise to new expectations around what is required from those in receipt of grant finance. Again, there are many ways to classify the different conditions under which private grant funds might be provided and the evaluation team should be guided by their own context. If no other classification scheme is selected, then it is suggested that private grant funding be classified as either 'formal impact reporting' or 'other'. 'Formal impact reporting' is present when the grant finance comes with a requirement that those in receipt of the funding must provide the granting body with reports on the 'impact' of their activity using a standard set of procedures (e.g., Social Return on Investment) or indicators (e.g., <a href="#">IRIS</a> or SDGs). 'Other' is any grant finance that does not have formal impact reporting requirements associated with the receipt of funding.</p> <p>The source of the finance may be classified in any number of ways that is relevant to the evaluation being undertaken. Again, if the evaluation team has no other preferred way of classifying the source of finance, then the sources might be typed as: 1) Firms; 2) Philanthropic organisations; 3) Individual / Community, or 4) Other.</p>
<b>Scale of measurement</b>	NBS location to regional scale
<b>Data source</b>	
<b>Required data</b>	<ul style="list-style-type: none"> <li>- Amount (in monetary terms) of investment in NBS-related bio-economy activities over a specified period</li> <li>- type of finance provided</li> <li>- source of finance provided</li> </ul>
<b>Data input type</b>	Quantitative
<b>Data collection frequency</b>	Annually
<b>Level of expertise required</b>	Moderate
<b>Synergies with other indicators</b>	Synergies with <i>Benefit/Cost indicators and Social Return on Investment</i>
<b>Connection with SDGs</b>	SDG 9 Industry, Innovation & Infrastructure; SDG 13 Climate Action

<b>Opportunities for participatory data collection</b>	
<b>Additional information</b>	
<b>References</b>	

## 24.15 Increase in tourism

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Increase in tourism	New Economic Opportunities and Green Jobs
<b>Description and justification</b>	Many EU countries rely on tourism as a major contributor to the economy. Area improvements brought about by NBS implementation may provide increased incentives for visitors to the area, thereby increasing the number and amount spent by tourists.
<b>Definition</b>	The increase (or decrease) in number of visitors per day that is seen as fully or partially connected to the NBS at a local or international level.
<b>Strengths and weaknesses</b>	
<b>Measurement procedure and tool</b>	
<b>Scale of measurement</b>	Location up to region
<b>Data source</b>	
<b>Required data</b>	number of visitors to NBS area (generally broken down by local / international)
<b>Data input type</b>	Quantitative