



Fernando Romao owner of Wildlife Portugal runs a successful business on wildlife photography and guiding in the Greater Côa Valley.

A Model Approach



REWILDING EUROPE'S ENTERPRISE-FOCUSED BUSINESS MODELS ARE AMPLIFYING THE POSITIVE IMPACT OF EUROPEAN REWILDLING.



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“BY MAKING REWILDLING INVESTIBLE, SUCH MODELS ARE DESIGNED TO AMPLIFY THE POSITIVE IMPACT OF REWILDLING TO THE FULLEST EXTENT POSSIBLE.

the commercial value of wild nature is poorly understood, access to finance for enterprises working with nature is incredibly limited.

This is the reason that **Rewilding Europe Capital** (REC) was founded in 2014. As Europe's first rewilding enterprise funding facility, REC provides financial loans to new and established European businesses that support rewilding and local livelihoods. By the end of 2018, 20 rewilding-related enterprises had received such loans, which totalled more than 1.3 million euros.

“Through the work of Rewilding Europe Capital, today rewilding is creating thriving wildlife and nature-focused enterprises right across Europe,” says Rewilding Europe’s Head of Enterprise Timon Rutten. “This is generating new business opportunities, jobs and income for Europeans on a growing scale.”

Of course, nurturing businesses which have a positive impact on rewilding isn't just about lending money. Rewilding Europe's dedicated enterprise team provides technical and promotional support too. By the end of 2018, 140 enterprises had received such support from Rewilding Europe, of which 51 had received dedicated training. Many have also received advice on promoting their business through marketing, social media and an impactful online presence.

BY THE NUMBERS



140 businesses had been supported by the Rewilding Europe enterprise team by the end of 2018. **20** loans totalling

1.3 million euros had been disbursed by Rewilding Europe.

51 rewilding-related enterprises had received training.

39 rewilding-related enterprises had achieved business growth. Enterprise support had led to the creation of **30** new jobs.

Investible innovation

In its first phase, REC disbursed loans to 18 small and medium-sized rewilding enterprises that were mainly linked to visitor-oriented models. In 2017, this development saw the European Investment Bank provide Rewilding Europe with a 6 million euro loan agreement through its Natural Capital Financing Facility, ushering in the second phase of REC.

This evolution has seen us scale up our work, providing larger loans to rewilding enterprises across a wider range of sectors. These now comprise forest management, water management, private estates, wildlife management, offsetting and nature-based tourism.

Working within these sectors, we are making promising progress on the development of new,

Rewilding is as much about people as it is about restoring natural processes, landscapes and wildlife populations. At Rewilding Europe, we want to see Europeans and European wild nature thriving alongside each other, not separated by fences or divided by human-wildlife conflict. And we understand that if rewilding efforts are to have the best possible outcome, we also need to explore how people can benefit from those efforts in a variety of ways, including economically.

In contrast to many other parts of the world, there is still little awareness in Europe about the potential for developing businesses that engage with and support the conservation and rewilding of natural landscapes. In rural areas where



At the signing ceremony of the loan agreement between European Investment Bank and Rewilding Europe, from left to right: Karmenu Vella, European Commissioner for Environment, Maritime Affairs and Fisheries; Frans Schepers, Managing Director of Rewilding Europe; Christopher Knowles, European Investment Bank, Head of Climate Finance; and Jyrki Katainen, European Commission Vice-President for Jobs, Growth, Investment and Competitiveness.



A loan from Rewilding Europe Capital enabled Finland-based Snowchange Cooperative to purchase the 110-hectare Linnunsuo wetland area in April 2017.

scalable business models. By making rewilding investible, such models – which encompass everything from the transformation of forests and restoration of peatland to wildlife photography and dam removal – are designed to amplify the positive impact of rewilding to the fullest extent possible.

Peatland potential

Based on two new and substantial REC loans, 2018 saw particularly encouraging advancement in two sectors – offsetting and forest management – employing business models that

have huge upscaling potential if they become successful.

In December 2018, a 200,000-euro REC loan saw a series of wetland restoration projects begin in Finland. These will involve the purchase and restoration of three peatland sites totalling 209 hectares. The development of these projects will have a positive rewetting impact across 19,000 hectares of water catchment area.

These projects are being managed by Snowchange, a Finnish NGO and European Rewilding Network member that specialises in the restoration and recovery of damaged landscapes caused by commercial exploitation, with a particular focus on sites formerly used for intensive forestry and peat mining.

“By restoring degraded wetlands and boreal forests, this hugely exciting and transformative loan will enable us to enhance wild nature and create new carbon sinks across Finland,” says Snowchange director Tero Mustonen. “Our scalable model, which takes account of the expertise and culture of indigenous Sámi communities, can mitigate climate change and benefit local stakeholders through the development of new nature-based business models.”

There are over 5 million hectares of drained peatland in Finland, presenting an unprecedented opportunity to select high natural value locations for rewilding and restoring natural ecosystems. The rewilding of drained forests and rewetting of peatlands is an attractive strategy, combining climate adaptation with land use models that support wild nature, wildlife and nature-based economies. With a growing need to mitigate and offset carbon emissions and counter climate change, carbon credits could become an important tool for Finnish climate change policy and rural economic development.

“Peatland restoration has huge potential for scaling up, both in Finland and other parts of Europe,” says Timon Rutten. “We anticipate that the inclusion of carbon offset buyers in 2019 will further accelerate the pace of Finnish peatland restoration, and by the 2020s this initiative could see tens of thousands of hectares of restored wetlands acting as carbon sinks.”



In the Montesinho Natural Park, a Natura 2000 site, the large scale transformation of forest plantations towards a more natural forest is supported with a loan through Rewilding Europe Capital.

Forestry focus

At the end of 2018 a second REC loan of 600,000 euros was also made to the Sociedade Agro-Florestal do Rio Maçãs. This recently founded Portuguese start-up is focused on securing communal (largely monoculture) forests and transforming them into more natural forest and woodland habitat. This will enhance wild nature and boost the value of the forest in terms of nature-based services.

Many forests in Portugal are located on rural communal land. They are intensively managed for the production of low-grade timber, primarily in monoculture stands containing pine and exotic pioneer species such as eucalyptus. Their development often results in clear-cut deforestation, creating contiguous forests that are of little value in terms of wild nature. They are also increasingly vulnerable to large-scale wildfires, compared to the more open mosaic landscapes of the past.

The Sociedade Agro-Florestal do Rio Maçãs will use the new loan to lease 3,893 hectares of communal forest in northern Portugal. Most of this forest is located in an area of high conservation value around the Montesinho Natural Park, and is classified as a Natura 2000 site.

"We are working to promote and diversify native species forest management in Portugal," explains André Rebelo, a timberland management specialist who co-owns the start-up. "This will bring a financial return by allowing us to blend sustainable harvesting with complementary commerce, such as the provision of non-timber forest products, carbon offsetting and nature-based tourism."

As with peatland restoration in Finland, this business model also has great scalability potential.

INVESTIBLE AND SCALABLE MODELS CAN ACCELERATE REWILDING ACROSS EUROPE.

"Portugal has around 400,000 hectares of designated, communally-owned production forest," says Timon Rutten. "Several hundred thousand hectares of such forest could be restored, involving an investment of 40 to 50 million euros. This approach could be further exported to other parts of the Mediterranean region, such as Spain, where similar conditions and challenges also exist."

Building a business case for rewilding

Empowered with burgeoning financial resources, Rewilding Europe's experienced and highly skilled enterprise team are now looking to scale up their efforts across sectors. Leveraging growing interest from financial institutions and investors, the aim is to generate a sizeable and growing impact on European wild nature and nature-based economies through our innovative business model approach.

As we take our enterprise work forward, Rewilding Europe is looking to collaborate with entrepreneurs, corporations, investors, governments and municipalities.

"We invite prospective enterprises that have the envisaged impact to contact us at any time" says Timon Rutten. "We also look forward to strengthening our partnerships with the private sector, as we continue to develop investible rewilding models and provide finance to accelerate rewilding across Europe."