



Lancashire,
Manchester &
N Merseyside

**GREATER
MANCHESTER**
DOING THINGS DIFFERENTLY FOR THE ENVIRONMENT

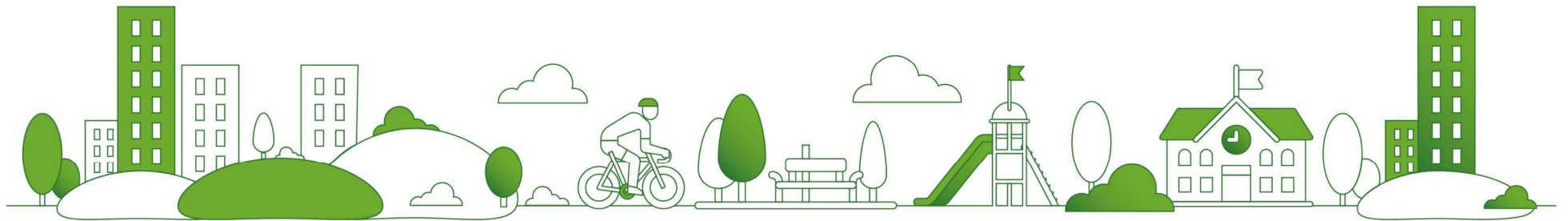


**Environmental
Finance**



Greater Manchester Environment Fund Opportunity Overview

Executive Summary



Introduction

Purpose of this document

- This document provides an overview of the opportunity to establish a Greater Manchester Environment Fund (GMEF) with information on its purpose, strategy, governance and next steps to launch the fund.
- This document will be used to:
 - Raise the profile of GMEF;
 - Gather feedback from key stakeholders on GMEF's strategic objectives;
 - Engage with prospective funders.

Support requested

- We are seeking support with the set up of GMEF to ensure that it can best support the city region in achieving its environmental ambitions, including:
 - Advice on how GMEF can best support the delivery of Greater Manchester's environmental ambitions.
 - Support from philanthropic, private and public sector funding partners to bring in much needed development capacity to launch GMEF, implement pilot projects and showcase the benefits that the fund has to offer.



“We are leading the way in the creation of a Greater Manchester Environment Fund to ensure our environment is fit for the future.”

***Councillor Andrew Western,
Greater Manchester Green City
Region Portfolio Lead***

Acknowledgements

- GMCA has committed substantial funding and resources since 2016 to support the development of GMEF as an independent public, private and third sector initiative with the aim of securing more sustained investment in GM's natural capital.
- GMEF has been designed in consultation with an Advisory Group made up of key local stakeholders, who have kindly provided their time and guidance to support the development of the fund.
- The development of GMEF has been funded through generous contributions from Peel Group, United Utilities and the Environment Agency.



GM's Environmental Ambitions

The Greater Manchester Environment Fund (GMEF) is a pioneering regional impact investment vehicle that unites public, private and philanthropic funding partners with a mission to tackle the urgent environmental challenges facing the Greater Manchester (GM) region.

- **GM faces major environmental challenges that threaten the future health and prosperity of the city region**, with dangerous levels of air pollution, degradation of priority habitats and increasing risks from climate change.
- In response, GM launched its 5-Year Environment Plan with the ambitious vision **for a “clean, carbon-neutral, climate resilient city region with a thriving natural environment”** and demanded urgent action to achieve this.
- Recognising that **traditional grant and public funding will be insufficient alone** to deliver the Mayor’s ambitions, Greater Manchester Combined Authority (“GMCA”) is pioneering a new approach to take on these challenges and safeguard GM’s natural environment for the future.
- A partnership between GMCA, Lancashire Wildlife Trust and Environmental Finance has developed GMEF as an independent vehicle to support GM’s ambitions for the restoration and improvement of the natural environment.
- **GMEF is the UK’s first regional environmental impact fund**, targeting social, environmental and financial outcomes and seeking to recycle capital back into realising GM’s environmental ambitions over the long-term.



“We need to act now to tackle the environmental challenges we face”
Andy Burnham, Mayor of Greater Manchester

Greater Manchester Environment Fund Opportunity

GMEF is now ready for launch with a developed pipeline of investment opportunities and is seeking long-term philanthropic funding partners to enable it to scale and leverage significant additional funds.

- GMEF will be set up as an independent charitable vehicle to:
 - **Align existing restricted and unrestricted public funding streams** for strategic use to benefit the environment;
 - **“Crowd in” and leverage private and philanthropic capital to catalyse further investment** into the environment;
 - Deliver grant funding, capacity building, repayable investment and seed funding for strategic environmental projects and funds, ultimately to help **build a self-sustaining local environmental impact investment sector**; and
 - Deliver a **consistent and transparent governance framework** for funders and delivery bodies to set priorities, access funds and deliver accountable results.
- GMEF is structured as a **charitable body, managed by Lancashire Wildlife Trust with independence from GMCA** and with representation from public, private and philanthropic sector stakeholders, enabling it to:
 - Benefit from a **diverse range of informed stakeholders** while being mission-driven in its chosen activities;
 - **Champion local policies and innovations** to enable the GM natural environment to flourish; and
 - **Coordinate public sector funding efforts with the private and philanthropic sectors** to deliver significantly greater benefit.
- **GMEF is seeking long-term funding partners, having already secured a commitment of £200,000 per year from SUEZ**, the global waste management group, to fund environmental schemes that support communities across the city region, and to cover GMEF’s operational costs for programme delivery.



**GREATER
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Background



Context: GM's Environmental Challenges and Ambitions

GM's 5-Year Environment Plan (5YEP) sets out an ambitious vision for a “clean, carbon-neutral, climate resilient city region with a thriving natural environment”, and demands urgent action to achieve this.

Threats facing GM's natural environment...

Land	Unsustainable land management; GM accounts for 3.6% of the UK's annual CO ₂ emissions
Water	Over 90% of GM's waterbodies fail to meet quality standards; over 50,000 properties at risk of flooding
Biodiversity	Biodiversity net gain approach not yet adopted across districts; lack of green space and ecological networks
Investment	Insufficient funding available to protect nature; lack of business models to attract alternative sources
Environment engagement	Lack of public recognition of the wide range of benefits that nature delivers for the economy and society

...5YEP ambitions

Plant 1m trees by 2024, 3m by 2035
Restore 50-75% of GM's peatlands by 2040
Carbon neutral city region by 2038

Improve GM waterbodies to achieve standards by 2027; shift to more nature-based solutions for flood alleviation schemes

Embed biodiversity net gain for developments and accelerate the delivery of a GM Nature Recovery Network

Develop GMEF to broaden the range of funding sources; deliver investment readiness support and proof-of-concepts

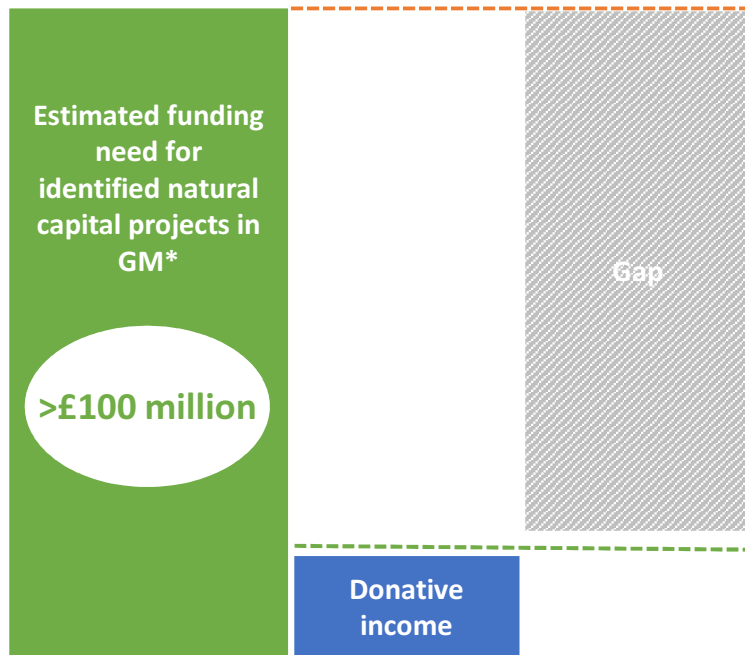
Widen engagement via volunteering and employment opportunities; build on evidence base to promote benefits

The Covid-19 pandemic has only increased the importance of delivering on these ambitions as soon as possible to boost the local economy, create jobs, increase climate resilience and enhance the wellbeing of GM's residents.

Funding Need for the Environment

A significant amount of additional funding is needed to deliver GM's environmental objectives and develop and deploy local Nature-Based Solutions (NBS), much of which will need to come from non-public sources. Delivering NBS will lead to green jobs, greater wellbeing and economic resilience.

Funding gap for GM's natural capital



** Based on initial review of 26 projects with cost estimates; a further 25 projects have been identified but not yet costed. This is therefore likely to be a significant underestimate of the actual need.*

- Public and philanthropic capital is insufficient alone to meet the funding needed to protect GM's natural environment.
- Public funds that are available are segregated and managed independently preventing strategic allocation for target projects.
- NBS such as ecological restoration and urban green infrastructure currently draw upon limited funding resources.
- NBS project developers tend to suffer from a lack of:
 - Proven business models to access private investment;
 - Project scale and aggregation opportunities;
 - Arrangements for accountability and governance;
 - Detailed understanding of the value of benefits provided by NBS; and
 - Capacity to innovate and develop new funding opportunities.
- There is an urgent need to attract new sources of funding such as impact investment to protect the city region's natural environment, and to deploy existing sources more strategically.

GM is uniquely placed to act as a pioneer in the NBS investment sector thanks to the recognition of its devolved leadership of the importance of protecting nature for future generations and the unique ecological restoration opportunities that exist across the city region.

Greater Manchester Environment Fund Opportunity



GMEF Opportunity

Extensive consultation with GM-wide stakeholders and project developers has demonstrated the considerable need to create GMEF in order to mobilise the additional funding and investment required to deliver GM's ambitions of becoming a leading green city.

Status-Quo

Project developers



- **Funding pressures** – ad-hoc and typically short-term grants are available from disparate sources for environmental NGOs, facing greater pressure due to Covid-19.
- **Capacity constraints** – limited capacity and technical expertise available to create investable propositions to secure new sources of investment.

Donors and Investors



- **Growing interest in environmental initiatives** – funders are seeking new opportunities to deliver environmental impact alongside financial returns.
- **Lack of investment-ready projects** – limited pipeline of projects that demonstrate robust business models at sufficient scale to attract new sources of private capital.

GMEF Opportunity

- **Reduce funding pressures** – provide a coordinated approach and governance framework involving public, private and third sector stakeholders to source and channel funding.
- **Increase capacity** – deliver funding for technical assistance and capacity building to enable organisations to access blended finance opportunities.
- **Develop investable business models** – deploy funding strategically to develop investable business models that can attract private investment
- **Aggregate and leverage new funding sources** – provide a transparent mechanism to align public and private funds and to use repayable finance where appropriate to free up grant resources for high impact but non-investable projects.

GMEF provides a transparent framework for funders and delivery organisations to set regional priorities and facilitate projects that can deliver substantial local social and environmental impact.

GMEF: A Pioneering Regional Environmental Fund

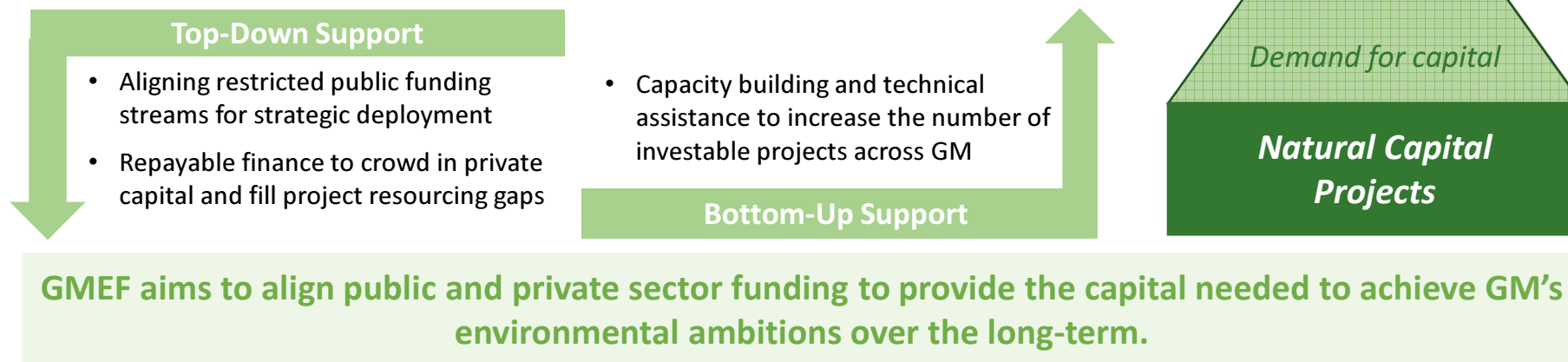
GMEF has been designed to attract and leverage capital to facilitate investment into environmental projects across the GM region.

GM is leading the exploration of innovative approaches to natural capital investment



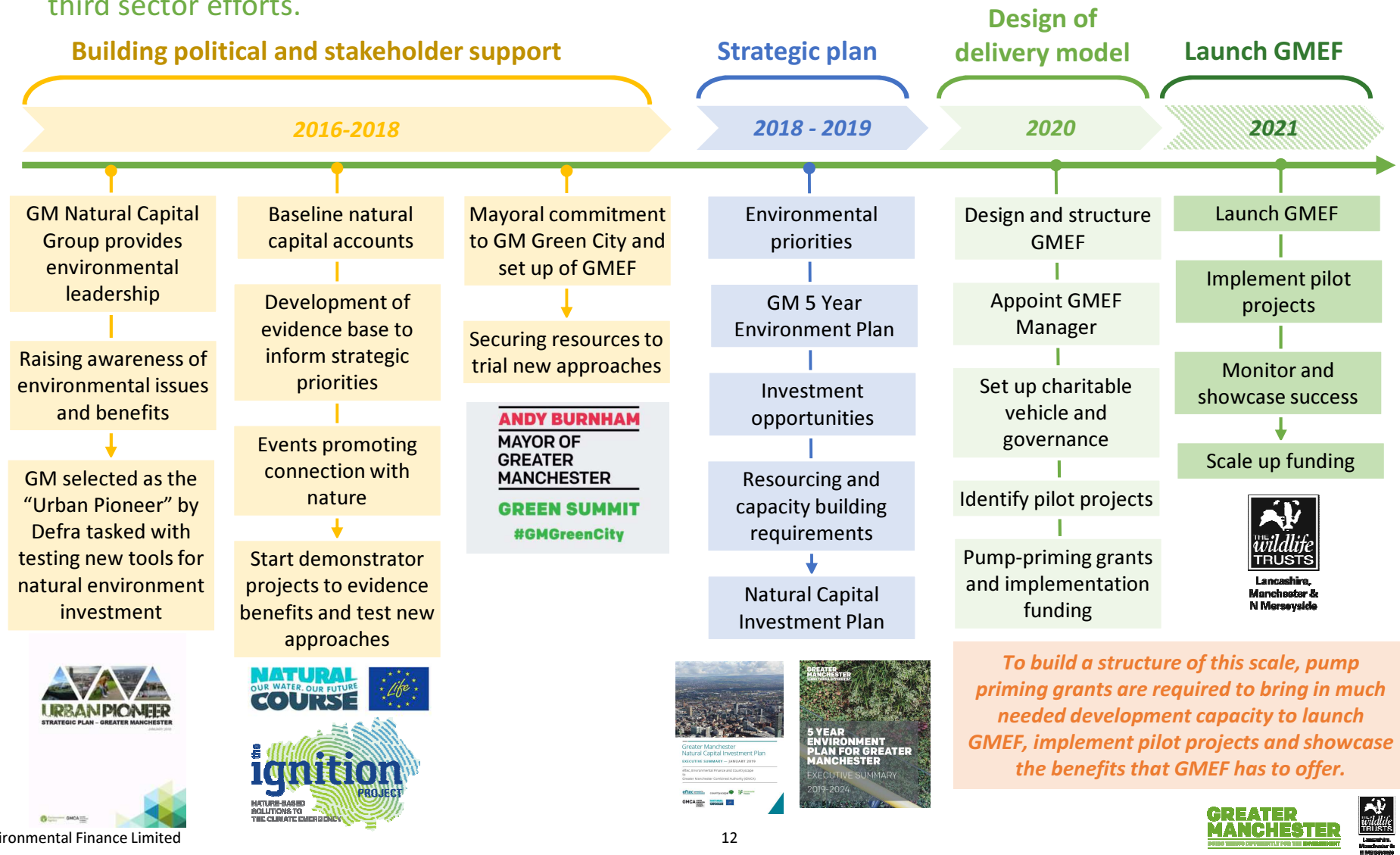
- In 2018, GM was granted “**Urban Pioneer**” status by DEFRA, tasked with trialling new methods to funding natural capital to inform the delivery of the Government’s 25-Year Environment Plan.
- GM created the first Natural Capital Investment Plan (“NCIP”) for a city region to establish a natural capital baseline and stimulate new sources of sustainable investment.
- The work identified a critical need for **project developer capacity building** and **technical assistance** to facilitate the development of investable business models.

GMEF will build on this experience to develop and implement opportunities and unlock new investment sources by providing:



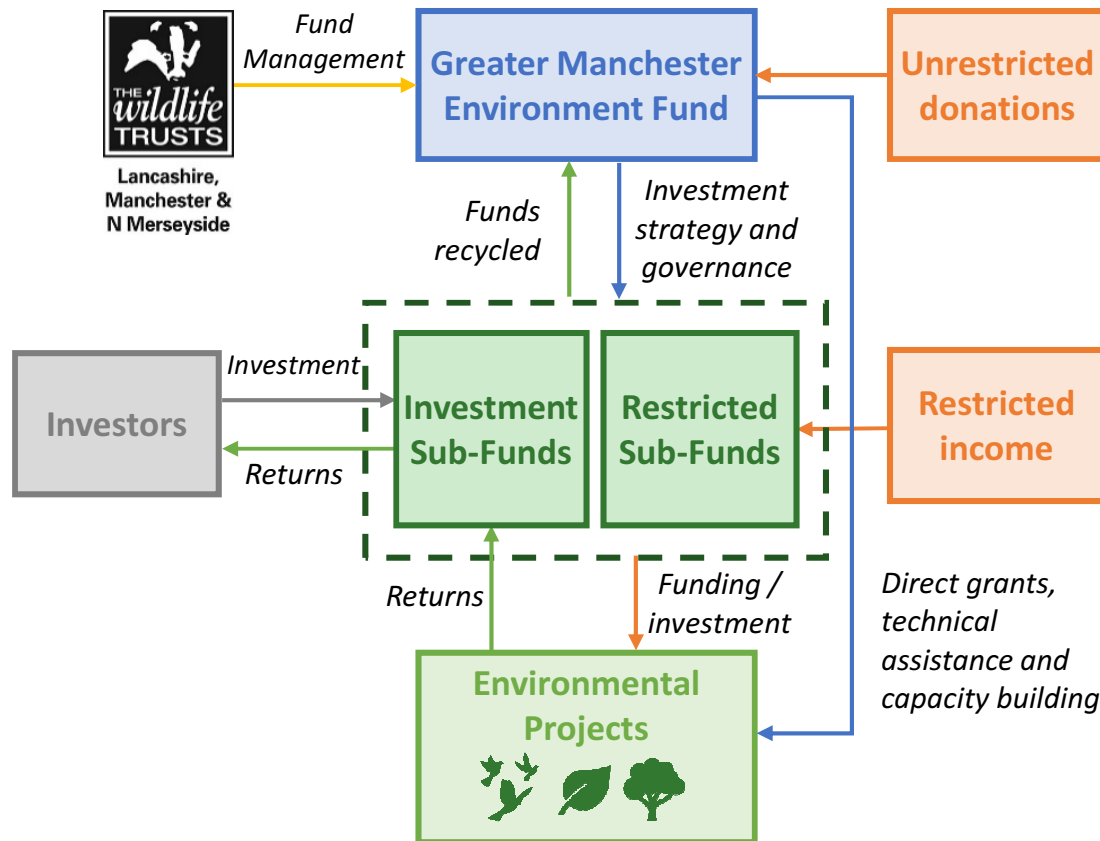
Greater Manchester: The Urban Pioneer

Through its journey of building political and stakeholder ambition that has culminated in GMEF, GM is at the forefront of the nascent environmental impact investment sector, unifying public, private and third sector efforts.



GMEF Structural Overview

GMEF is a unique approach taken by a UK city region to strategically aggregate and leverage funding through an independent governance vehicle to deliver its environmental ambitions.

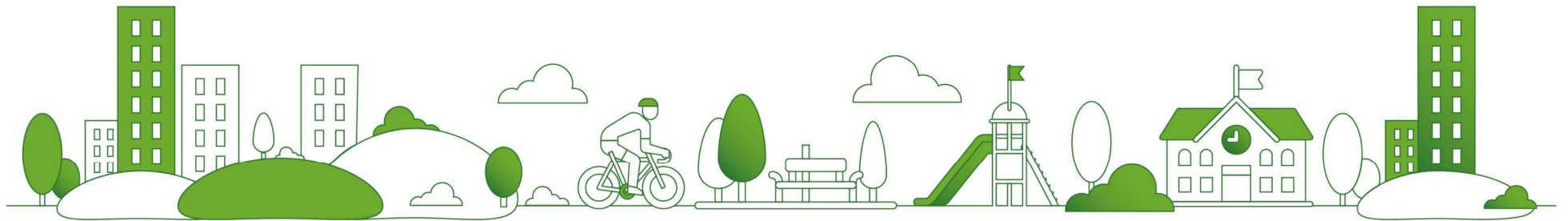


Overview of GMEF Approach

- GMEF is a charitable vehicle managed by Lancashire Wildlife Trust ("LWT").
- LWT provides technical expertise, local network and experience in running charitable vehicles for fund deployment.
- GMEF will collate a range of non-restricted funds (such as public and philanthropic sources) and restricted funds (such as enforcement funds) to strategically channel into delivering GM's environmental priorities.
- GMEF will use funding for:
 - Strategic direct project support; and
 - Creating specialist sub-funds focusing on natural capital business models that unlock restricted funding streams and mobilise private capital.
- Returns beyond those due to other investors will be recycled back into GMEF to support its environmental aims.

GMEF provides a transparent mechanism to collate funding sources and provide a governance framework to house further vehicles designed to fund specific natural capital projects in GM.

Investment Opportunities

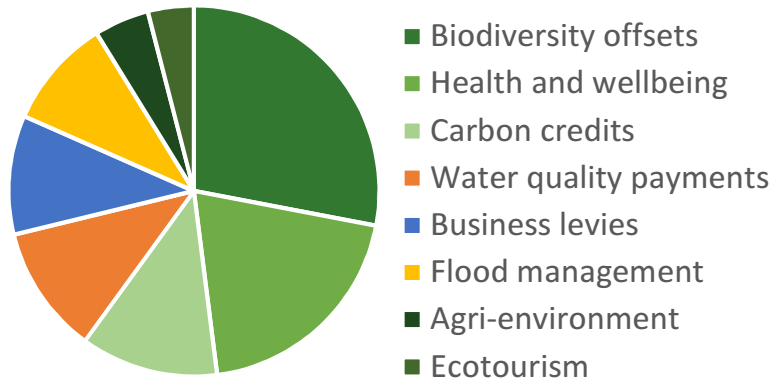


Investment Opportunity Analysis

Over the course of 2020, the GMEF partnership engaged with a wide range of stakeholders in the city region to support the design of GMEF and assess funding and investment opportunities.

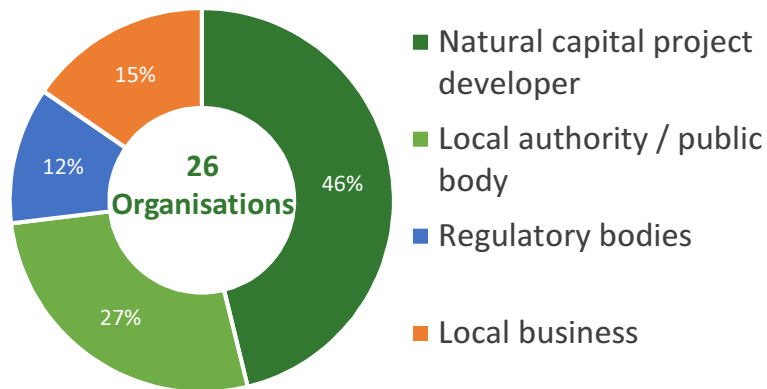
Investment model prioritisation and assessment

Project revenue opportunities



- Over **50 natural capital projects** in development in GM were put forward by key partners. A **project level funding gap of well-over £100 million** was identified from projects that provided cost estimates.
- Major opportunities were identified to mobilise private investment in habitat creation and restoration through **biodiversity net gain** and **carbon income streams**.
- The establishment of a **Habitat Banking Facility and Carbon Offsetting Facility** was prioritised for further assessment based on the revenue opportunity review.

Investment model analysis



- Over **50 stakeholder conversations** were held with 26 organisations across the private, public and third sectors.
- The process evidenced the opportunity for **GMEF to better align public and philanthropic funding sources and expand private investment** into GM's natural capital.
- The results were used to **refine the proposed investment opportunities and tailor the design of GMEF** towards the distinct attributes of the GM region and the needs of its stakeholders.

GMEF Funding Opportunities Horizon

Liaison with a broad range of GM stakeholders and a dedicated GMEF Advisory Group has evidenced the significant opportunity for GMEF to raise public, philanthropic and private funds to deliver a thriving natural environment in GM and become self-sustaining over the long-term.

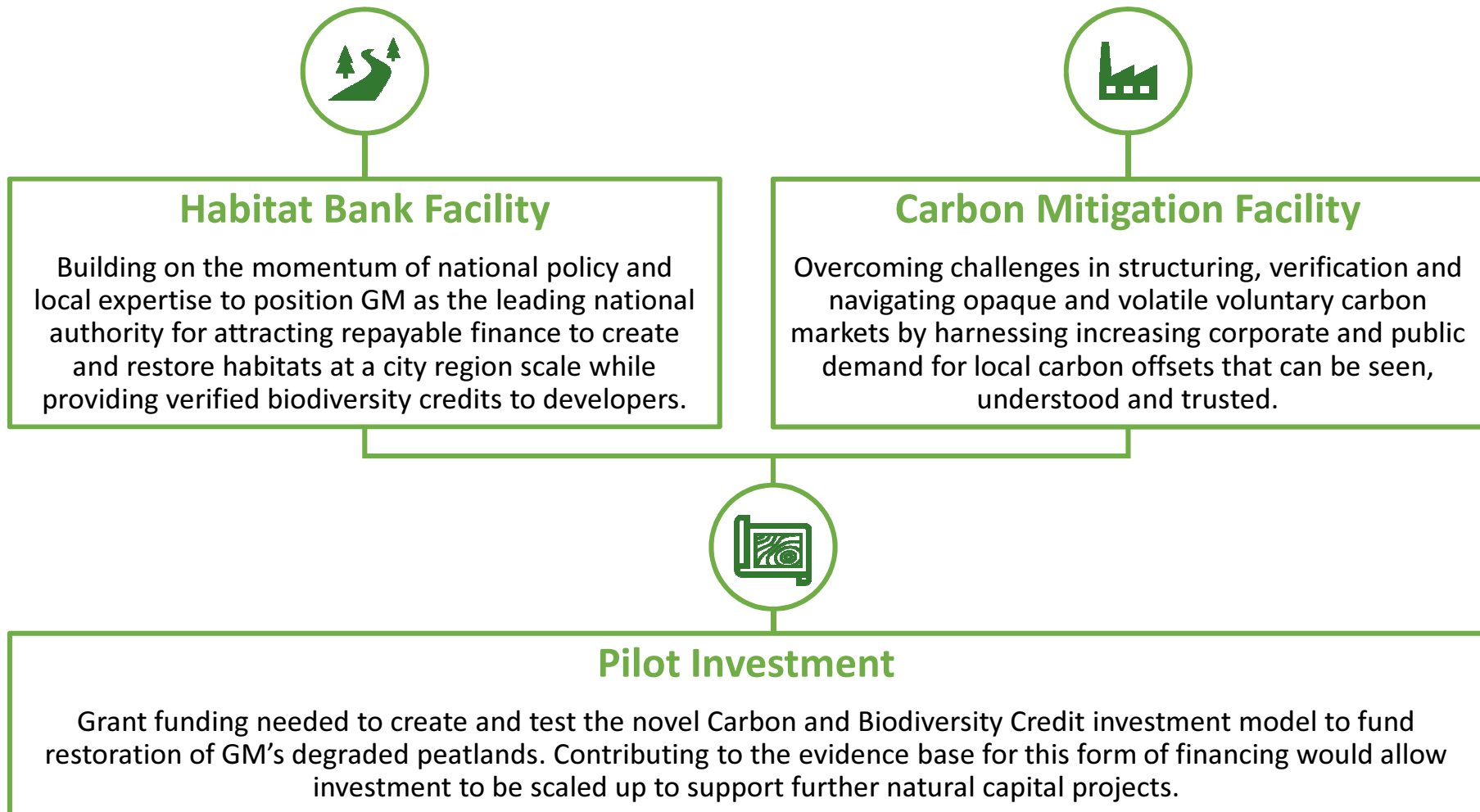
	Short Term (<1 year)		Medium Term (1-3 years)*		Long Term (3-5 years)*	
Non-repayable funding sources	Pump-priming public and philanthropic grants	To provide much-needed development capacity and to pilot approaches	Clean Air Fund	Ambition to launch a Clean Air Zone plan to reduce emissions through taxation	Corporate sponsorship and individual giving	Long-term corporate partnerships and individual giving based on GMEF showcasing success
	Corporate funding programmes	Deliver corporate programmes – £200k committed from Suez Community Fund	Landfill funds	Surplus landfill funds	Plastic bag / waste levies; business levies	Levies through retail partnerships and / or Business Improvement District initiatives
			Enforcement undertakings	Fines for pollution issued by the EA		
Repayable investment funds	Habitat Bank Facility	Further detail provided on pages 18-21	Sustainable Drainage Scheme ("SuDS") fund	Private investment mechanisms for SuDS are in development through the EU-funded IGNITION programme	Built environment carbon fund	GM is considering a mandatory carbon offsetting approach to delivering net zero carbon development
	Carbon Mitigation Facility		Environmental Impact Bonds	Results-based payment models are being explored to finance NBS	Low-carbon / circular economy	Incorporate investment funds to achieve wider low carbon ambitions

Within 5 years, GMEF aims to accumulate sufficient funding, levies and private investment to become a self-sustaining funding source to support the delivery of GM's environmental ambitions.

**Funding opportunities are indicative based on market analysis and stakeholder engagement. Other funding opportunities may also be available.*

Investment Opportunity Deep Dives

Three opportunities have been identified as the initial focus of GMEF. Deep dives on each of these are on slides 18-24.



Investment Model Opportunity 1: Habitat Bank Facility



Greater Manchester has ambitious targets to embed Biodiversity Net Gain (BNG) policy within development as part of its commitment to becoming a green city region.

National BNG Policy

- 10%** ▶ **Minimum BNG requirement for all new developments** by 2022 through the incoming Environment Bill
- £200m** ▶ **Estimated future annual revenue for habitat creation** from developers in England (Defra, 2019)
- \$4bn** ▶ **Annual habitat credits transacted in the US** (Conservation Finance Network, 2020)




GM could lead the way in building this market in the UK, by attracting repayable finance to create and restore habitats at a city region scale.

Greater Manchester Local BNG Policy Development

-  Widespread political and stakeholder support is in place to support BNG policy development and implementation in GM.
-  Significant evidence base to inform strategic policies developed across a broad group of industry experts within GM Natural Capital Group

Significant Benefits of a GM BNG Approach

-  Increasing the quality and quantity of local greenspaces to benefit community well-being
-  Supporting a green city region and delivering the Mayor's zero carbon target
-  Generating new investment in strategic delivery of GM's Nature Recovery Network and ensuring funding is optimally spent

-  Implementation of BNG is part of a broad range of GM green city region initiatives, including:
 -  Prioritisation and commitment to BNG in the GM 5-Year Environment Plan and the GM Spatial Framework
 -  Salford City Council (within GMCA) is a leader in BNG and plans to introduce BNG policy in 2021 ahead of national policy

GM has been developing a BNG funding and delivery model since 2018 to inform best practice to strategically enhance biodiversity ahead of national legislation.

Investment Model Opportunity 1: Habitat Bank Facility

GM plans to lead the delivery of strategic habitat creation by setting up a dedicated Habitat Bank Facility to provide funding and support for local project developers seeking to deliver BNG at a city region scale, building on approaches in more developed markets.

A dedicated Habitat Bank Facility could...



Increase access to financing to enable districts to create and restore strategic habitats, and accelerate a GM-wide Nature Recovery Network



Streamline development in GM by developing habitat banks, providing developers with high quality “off-the-shelf” offsite BNG



Unlock Co-funding for projects with multiple outcomes e.g. flood defence, stacking carbon income streams



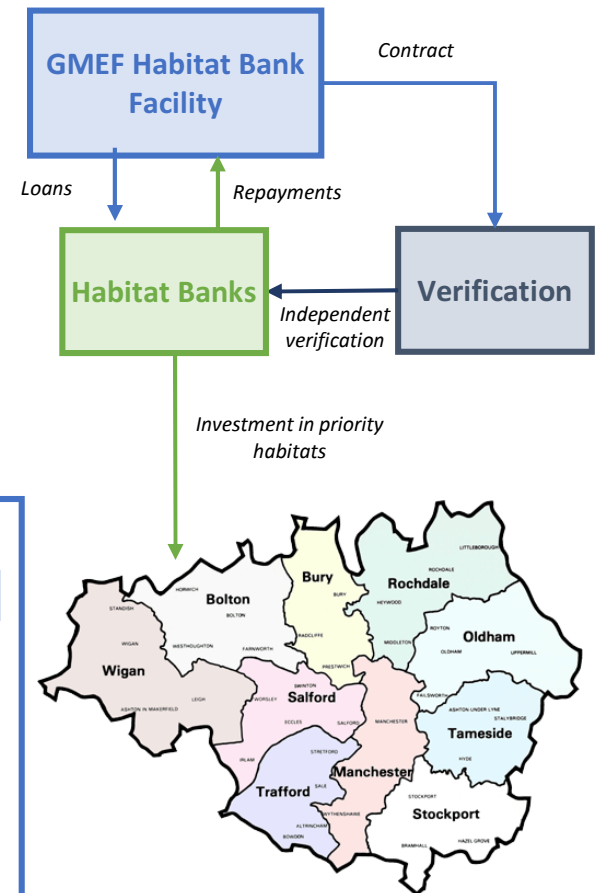
Reduce development and verification costs by centralising these across habitat projects in GM



Diversify local NGO income sources Thus building delivery capacity and financial sustainability



Support GM’s position as the BNG pioneer region Demonstrating how to effectively balance economic and environmental objectives



GM market opportunity analysis

Salford

Identified as the clear leader in **BNG development**, on track to implement ahead of national policy by early-mid 2021.

Investment opportunity

>£300k annual income for offsite BNG, attracting **>£1m** investment to the area

BNG proof of concept pilot funding is urgently required, to provide policy development and regional learnings to scale up BNG across GM.

Whole GM Region

£5m-£7m

annual offsite BNG income reflecting a sizeable habitat bank investment opportunity

Investment Model Opportunity 2: Carbon Mitigation Facility

With GM's ambition to become carbon neutral by 2038, interest from GM corporates in locally based offsets, and a major need for restoration of GM's carbon sink landscapes, there is a clear opportunity for GMEF to develop business models based on income generated by voluntary carbon credits.

Clear opportunities for carbon sequestration in GM

Peatland⁽¹⁾

17,500ha

of which

98%

180,000t

of peatland in GM with huge potential to store carbon, reduce flood risks and provide key habitats

has been destroyed and the remainder is badly degraded, emitting huge amounts of CO₂

potential annual reduction of CO₂eq from restoring degraded peatlands

Woodland

1 million

trees to be planted by 2024 which will:

- Lock up carbon
- Alleviate air pollution
- Reduce flood risk
- Improve biodiversity



Need for supportive market infrastructure

Market infrastructure to develop new funding mechanisms will enable restoration of these landscapes and creation of new habitats to deliver GM's carbon ambitions.



Corporate appetite for local carbon mitigation is increasing driven by growing consumer awareness and net zero commitments, providing new funding opportunities.



GM policy targets for mandatory net zero developments introduces a need for a vehicle to aggregate district offset funding and deploy into strategic projects.



Locally generated offsets have a major appeal in providing real, local benefits that can be seen, understood and trusted by corporate buyers.



Local project developers and landowners face major challenges in navigating opaque and volatile voluntary carbon markets and assessing income stacking opportunities.

(1) Natural England (2020). England Peat Strategy: Greater Manchester Combined Authority Peat Pilot Report for Defra

Investment Model Opportunity 2: Carbon Mitigation Facility

Engagement with local stakeholders shows there is an opportunity to provide funding and support in monetising carbon credits to developers of natural capital projects in GM. A proof-of-concept pilot is the next stage to implement and refine the business model.

A GM Carbon Mitigation Facility could...



Secure offtake agreements with corporates with carbon targets to generate income streams from corporates offsetting emissions



Reduce set up and verification costs and access higher, more consistent carbon prices by aggregating local projects and centralising marketing.



Attract private investment into carbon sink projects requiring funding, allowing GM to meet its carbon targets through restoring its natural assets.



Act as a regional hub for information sharing and capacity building for local organisations developing carbon capture projects.

Building on existing work in GM

In 2018, LWT partnered with Heathrow Airport to support its plans to become carbon neutral through a £94,000 investment in peatland restoration.

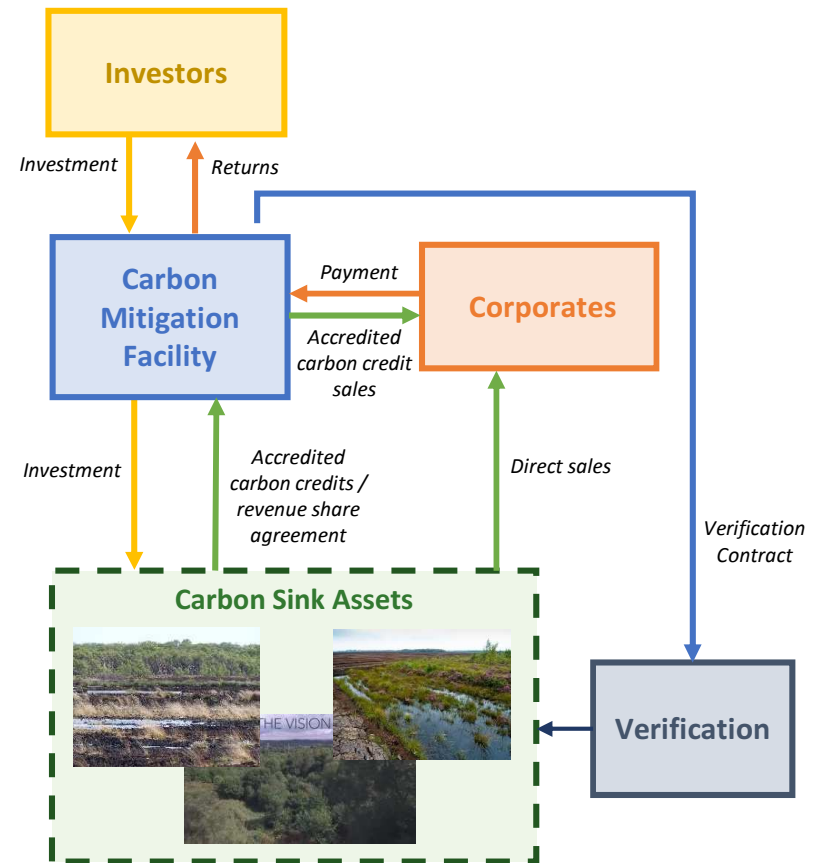
The 70 ha project at Little Woollen Moss is expected to reduce emissions by 22,427 tCO₂eq over 30 years.

There is a significant opportunity to build on this pilot and scale up carbon projects by providing upfront capital for habitat restoration and secure long-term carbon purchase commitments from corporates.

Heathrow
Making every journey better



Indicative investment structure



Pilot Investment Opportunity: Chat Moss

Delivery of a pilot investment would enable the restoration of GM's hugely valuable peatland habitat, whilst proving the BNG and carbon investment models to enable scale up.

Carbon Storage Potential

Chat Moss is the largest remaining fragment of lowland peatland within GM. It is currently a huge Green House Gas emitter, having experienced severe degradation through intensive agriculture, industrial pollution and peat extraction.

5m tonnes CO₂eq storage potential*  **80k tonnes** Potential annual CO₂eq emission reduction*

Demonstration pilots are critical to evidence the opportunity to avoid significant emissions through peatland restoration.

Strategic Local and National Priority to Restore Chat Moss

Local Policy Support

Salford City Council:

- Has established Chat Moss as a "Biodiversity Heartland";
- Aims to enhance local biodiversity through lowland raised bog restoration.

GMEF opportunity

- 1 Test approaches to fund GM's Nature Recovery Network through 'stacking' carbon with BNG credits.

National Policy Support

Natural England:

- Recently selected a site at Chat Moss as one of nine (out of 90) applicants to be a BNG Credits Scheme pilot project;
- Will provide resources to develop BNG calculations and management plan to provide learnings for BNG delivery.

- 2 Secure private investment into peatland restoration based on blended income streams.



A pilot investment would build on Salford's ambitions and LWT's carbon funding experience to provide the evidence base to scale up the Habitat Bank and Carbon investment models, to include:

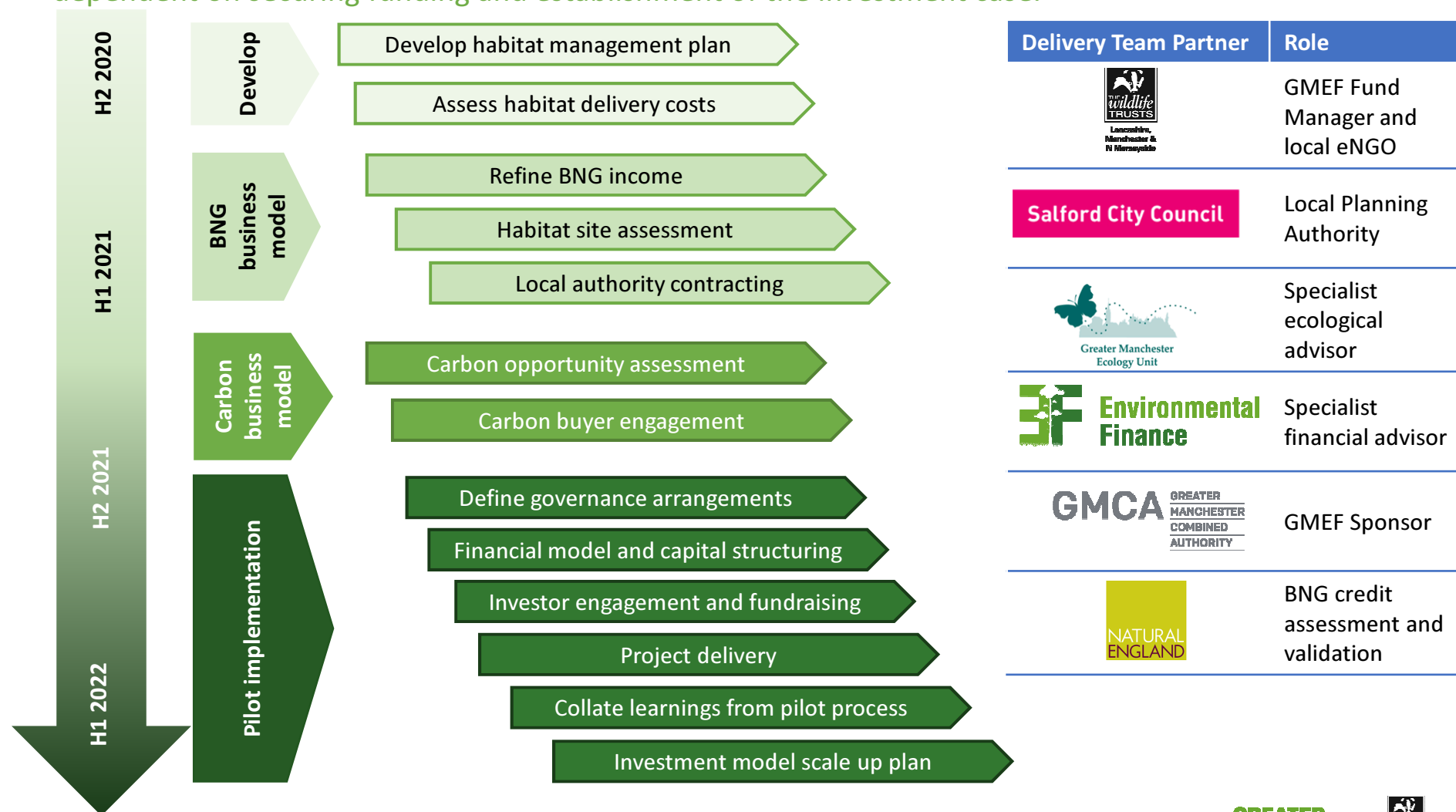
- Quantified carbon and biodiversity credits
- Verification requirements and process
- Monetisation of biodiversity and carbon outcomes
- Financing structure to support delivery
- Delivery process

GMEF is seeking a revolving grant of c.£175,000 to support the design and implementation of the BNG and carbon investment pilot over the next 18 months.

*Defra, 2020

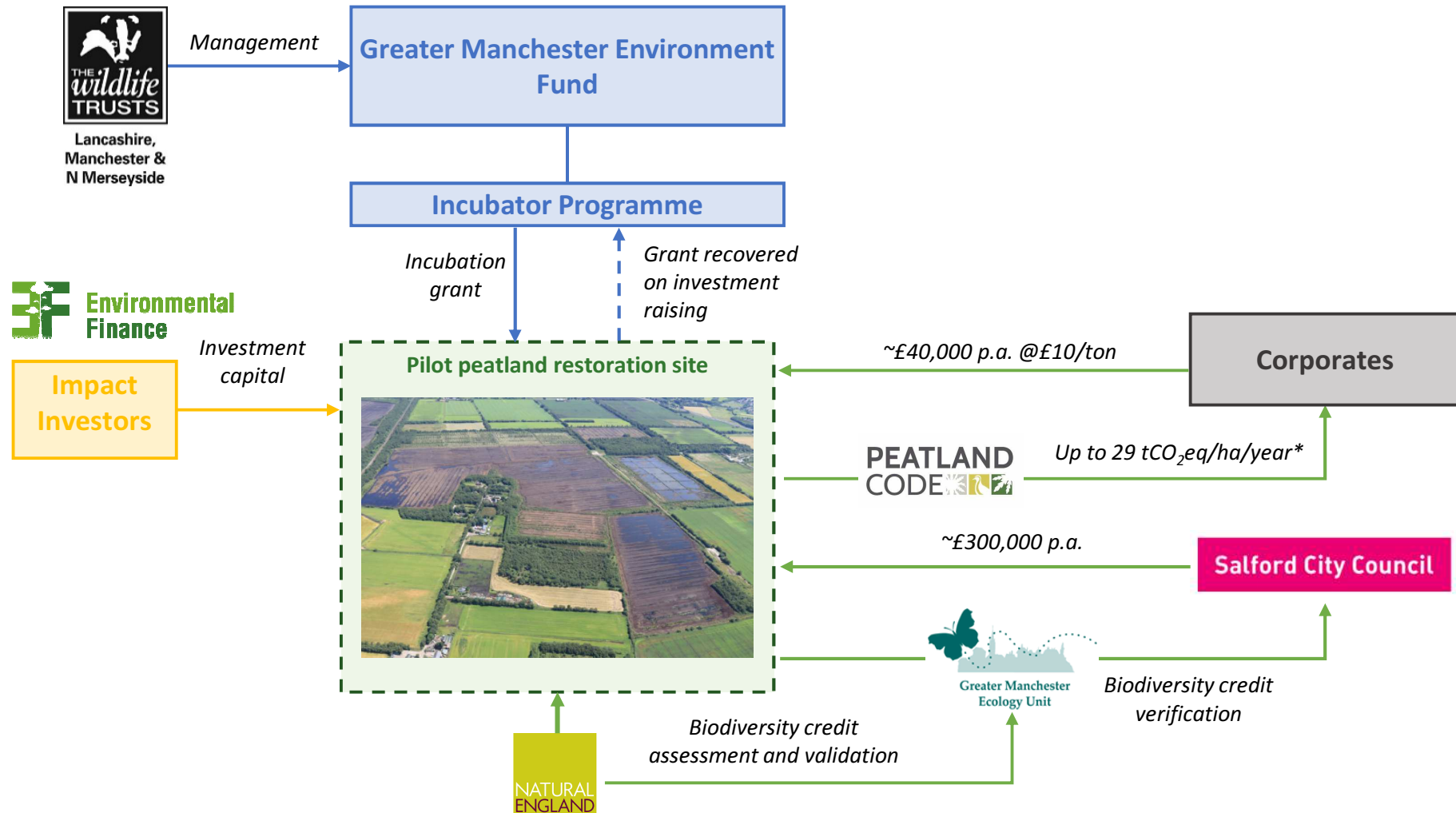
Pilot Implementation and Scale Up Plan

Learnings provided during the pilot process will be used to scale up the Habitat Bank and Carbon investment models to deliver additional funding for habitats across GM. Pilot implementation is dependent on securing funding and establishment of the investment case.



Proposed Structure of Pilot Investment

Indicative transaction structure



* Findings from study of 2,802 ha site on Chat Moss by Natural England in the Peat Pilot Report for Defra (2020)

Pilot Investment Programme Budget

GMEF's proposed pilot programme requires a revolving grant of c.£175k to deliver a proof-of-concept for BNG and carbon investment. This is intended to be recoverable to create legacy funding through an Incubation Programme for further pilot investments.

Role	Budget (£'000)	Key responsibilities
Financial advisor	90	<ul style="list-style-type: none"> BNG and carbon business model development Financial model and capital structuring Investor engagement and fundraising Investment model scale up delivery plan
Carbon assessment	10	<ul style="list-style-type: none"> Emissions reductions projections Carbon verification methodology
GMEF Manager	20	<ul style="list-style-type: none"> Stakeholder engagement Investment model scale up delivery plan
Ecologist	10	<ul style="list-style-type: none"> Habitat management plan BNG unit calculations and costings Monitoring and reporting
Legal and other fees	20	<ul style="list-style-type: none"> Legal structuring, documentation and related costs
Net budget total	150	
VAT	25	
Grand total	175	<i>Revolving grant to support pilot implementation work streams to March 2022</i>

Incubation Programme

- The pilot programme is intended to provide a 'proof of concept' investment to allow the Habitat Bank and Carbon investment models to be scaled up to deliver greater investment in GM's natural capital.
- The pilot programme can be run independently from GMEF Manager scale up grant.
- The initial grant is intended to be recoverable from the realised follow-on investment to create legacy funding for a long-term Incubation Programme to deliver further pilot investments.
- Recovery of the repayable grant depends on the success of the pilot and subsequent fundraising for the launch of investment funds.

Scale Up Funding Need

Further pump priming grants would bring in much needed development capacity to attract a broader range of funding streams to accelerate GMEF growth and increase the impact it can achieve.

Scale Up Funding Request

- GMEF has already successfully secured funding commitments from Suez community fund to deliver grants of £200,000 per year into environmental projects for the benefit of the GM communities.
- While this funding source covers the operational costs to deliver the programme, further pump-priming grants are needed to:
 - Bring in much-needed capacity to build on this success by leveraging identified additional funding streams to meet GM's long-term environmental objectives
 - Put GMEF onto a sustainable long term footing to continue its mission and fulfil its potential to be the UK's leading regional environmental impact vehicle and a blueprint for other regions to follow.
- A grant funding request of £150k would cover the next 15 months of GMEF development work to support ambitions to scale up funding and investment to over £1m and showcase the benefits GMEF has to offer. Over 5 years, funding levels are projected to scale to nearly £4.7m.

Scale Up Funding Need	Organisation	Costs (incl. VAT) (£'000)
Corporate funding streams (e.g. CSR, carbon market, waste levies)	GMEF Manager*	75
Enforcement undertakings		15
Local authority funding		10
Clean Air Fund distribution		10
Project management and other costs		10
Further investment model development	Financial Advisor	30
Net total		150

Projected GMEF funding raised

Funding sources (£'000)	2 Year Total	5-Year Total	Confidence
Suez Community Fund	400	1,000	High - committed
Corporate donations	100	900	Medium – strong local appetite from initial engagement
Clean air fund	-	420	Low – early development stage
Enforcement undertakings	60	300	Medium – historical analysis
Local authorities	8	68	Medium – high engagement; but local budget pressures
Individual giving	-	60	Low – resource intensive to secure
Private repayable investment funds	500	2,000	Medium – strong business model for BNG and carbon with other investment funds already in development
Total	1,068	4,668	

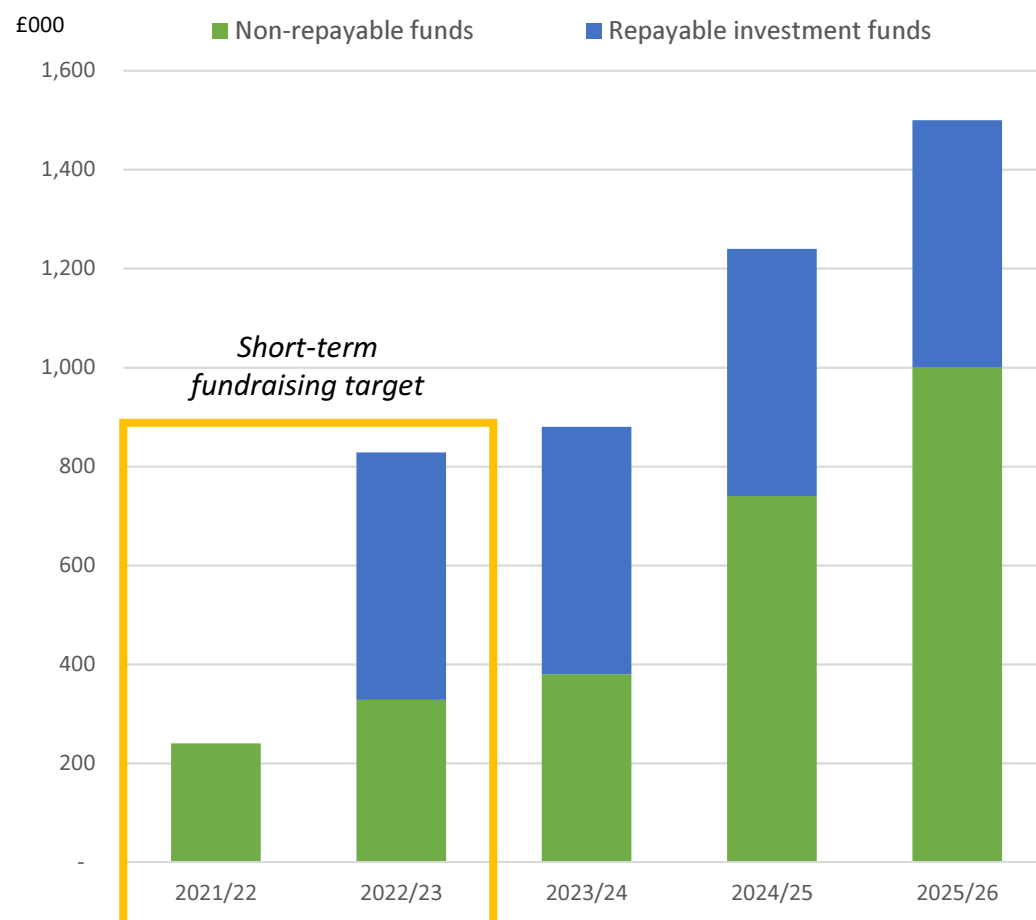
*Includes staff costs (for a Programme Manager, Communication Officer and LWT Senior Management support) and associated office costs to March 2022

Total Grant Request Summary

A short term grant of £325,000 in total will accelerate GMEF by providing the development capacity to implement GM's first natural capital investment fund within 18 months and further funding to be raised to support GM's natural capital priorities.

	Amount requested (£000)
Pilot programme revolving grant	175
GMEF scale up funding grant	150
Total funding request	325

Annual Projected GMEF Funding Mobilised

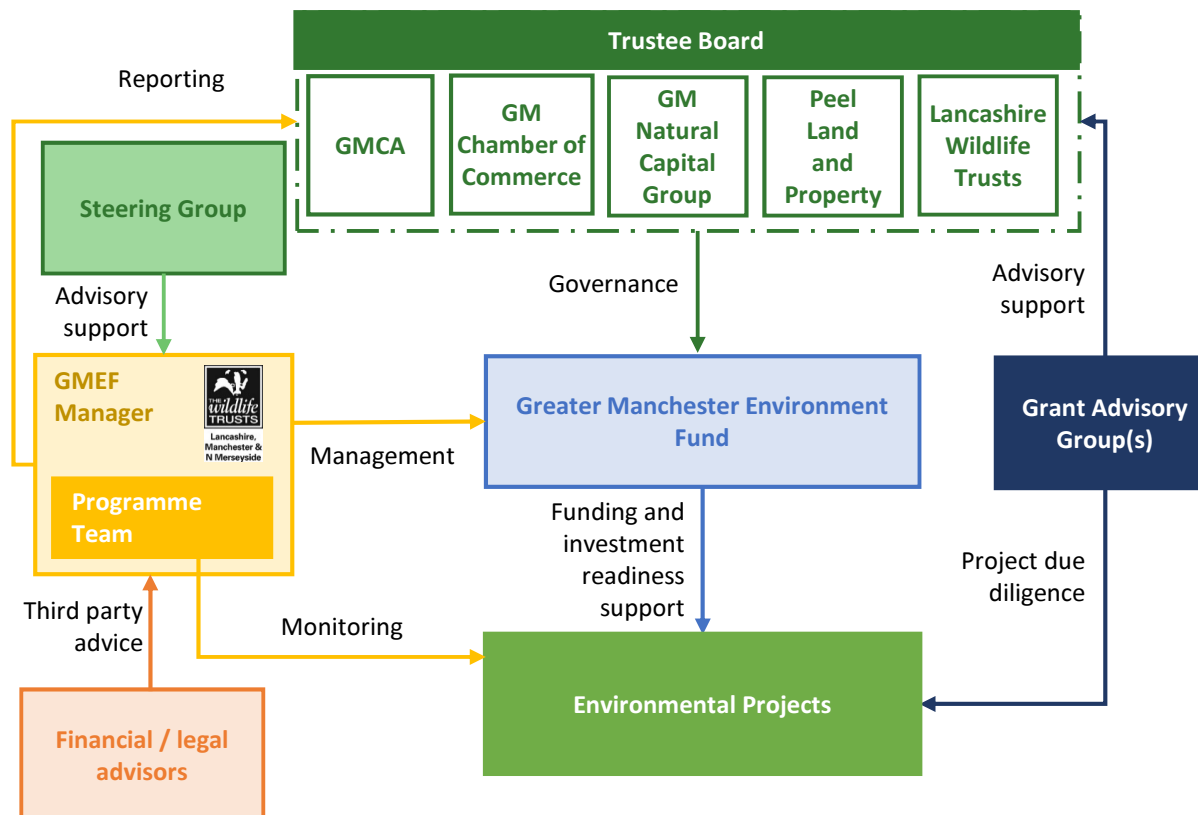


GMEF Delivery



GMEF Governance Structure

GMEF will be structured as a charitable company limited by guarantee using a similar model as the Lancashire Environment Fund, which LWT designed and has managed effectively over the last 20 years, deploying over £25 million of grants.



Indicative Governance Structure

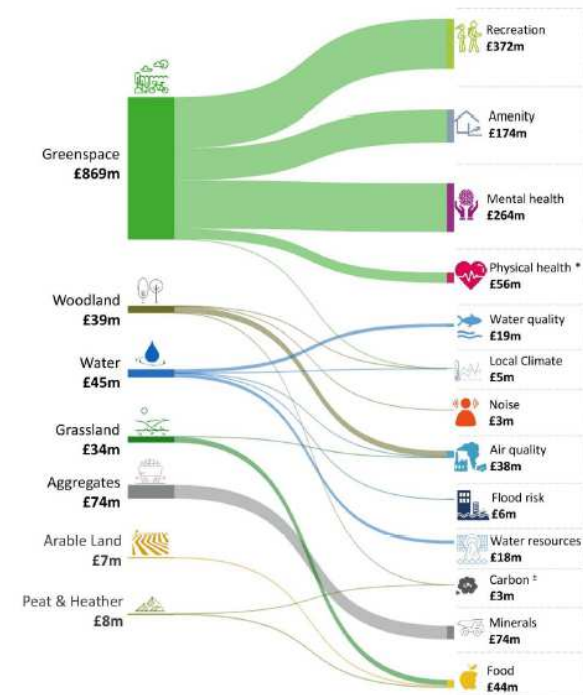
- GMEF is set up as a charitable company, with LWT contracted as its manager.
 - LWT’s experienced Programme Team monitors day-to-day operation, project delivery and compliance.
- An independent Board of Trustees provides strong governance and oversight to ensure GMEF delivers GM’s environmental ambitions.
 - Includes members from GMCA, LWT, GM Natural Capital Group Chair and business representatives to provide a wealth of diverse knowledge and experience.
- An independent project Steering Group provides strategic oversight and potential access to funding streams.
- Grant Advisory Groups support the Trustee Board with project due diligence and verification for specific funding streams.
- Specialist financial and legal experts can be brought in to support as required to implement new investment sub-funds.

GMEF Sponsor: Greater Manchester Combined Authority

GMCA is working together to improve the lives of people in Greater Manchester.

- GMCA is made up of the ten GM councils and the Mayor, who work with other local services, businesses, communities and other partners to improve the city region.
- GMCA's vision is to make GM, home to more than 2.8 million people, one of the best places in the world to grow up, get on and grow old.
- As a devolved city region, GMCA gives local people more control over issues that affect their area. GMCA enables the region to speak with one voice and can make a strong case for resources and investment to help the entire north of England achieve its full potential.
- GMCA recognises that the natural environment in the GM region is fundamental to the health and wellbeing of the residents and the foundation of the local economy.
- GMCA has set out bold plans to create a city region that is fit for the future and will lead a new environmental revolution in the UK.
- GMCA is working to ensure that immediate environmental leadership and action will tackle the scale of the environmental threats facing the region and secure a cleaner and healthier environment for all.

Benefits of GM's Natural Environment



#GMGreencity

**GREATER
MANCHESTER**
DOING THINGS DIFFERENTLY

GMEF Manager: Lancashire Wildlife Trust (LWT)

Founded in 1962, LWT has over 50 years of experience in managing large-scale projects, partnerships and funding programmes to protect and enhance the natural environment, build a strong voice for wildlife, and inspire people to connect and engage with nature.



Lancashire,
Manchester &
N Merseyside

LWT's Experience

- LWT has 30,000 members, 4,000 volunteers, 190 staff, manages around 200 ha of nature reserves and delivers environmental education to 20,000 children per year.
- LWT is well-known for its science-based conservation expertise and is at the forefront of bringing species such as red squirrels back from the brink. LWT has recently reintroduced the Manchester Argos butterfly to Greater Manchester after an absence of 150 years.
- LWT has a range of environmental expertise including in advocacy, campaigning, land management and partnerships; programme management, wider stakeholder engagement, consultation and communication; and fundraising, including experience in new and more diverse income streams and fund distribution.
- With an annual turnover of £5 million, a £1 million trading arm and a £1 million landfill distribution arm, LWT is experienced at managing large-scale projects including:
 - Chat Moss - major lowland peat land acquisition, restoration and habitat creation;
 - Bickershaw Country Park - natural flood storage;
 - Wigan Flashes - land reclamation and transformation into the country's first proposed National Nature Reserve; and
 - Great Manchester Wetlands Partnership - areas designated as a Nature Improvement Area.

“If we are going to turn the tide and meet the double challenge of climate crisis and biodiversity crisis, then developing approaches such as the Greater Manchester Environment Fund are crucial. We aim to trailblaze and to turn theory into delivery.”

Anne Selby, CEO

GMEF Investment Advisor: Environmental Finance

EF is the UK's leading environmental impact investment boutique, offering corporate finance advisory and fund management services across the natural and built environment.



EF's Experience



EF has the leading UK track record of designing combined environmental and social impact funds.



EF currently manages over £50 million of blended or aligned social and environmental impact funds.



EF's team has designed over £200 million of impact investment structures.



EF has strong stakeholder relationships with leading environmental organisations.



EF has extensive experience in both innovative financing and natural capital asset management.



EF is a wholly employee-owned social enterprise, with 51% of profits being delivered to on-mission activities and investments.

EF's Clients

Fund Management



Fund Advisory and Creation



Investment Advisory



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