

SUSTAINABLE FINANCE INVENTORY

Find the complete Ponderful Sustainable Finance Inventory at the <u>Ecologic Institute website</u> or click on the instruments below to learn more

MAIN CATEGORY	CATEGORY DEFINITIONS	INSTRUMENTS	+EXAMPLE
1. Income instruments	Instruments for raising revenue that can then be used to finance NbS. Some can be used by landowners (1.1, 1.4, and 1.5); others can only be levied by government-sanctioned associations (1.2 and 1.3) or governments (1.6).	1.1 <u>User fees</u>	+Altnabrocky
		1.2 <u>Business improvement</u> <u>districts</u>	+Vauxhall
		1.3 <u>Betterment levies</u>	+Wimbledon
		1.4 <u>Development rights and</u> <u>leases</u>	+SANPark
		1.5 Sale of market goods	+Bavaria
		1.6 Other revenue raising	+UK Network Rail
		measures	+Port Townsend
2. Contracting approach (cost	Legal agreements that reduce or restructure the	2.1 <u>Community asset</u> transfer	+Chapman Pond
approach (cost reduction/ restructure)	costs of financing NbS, either by providing assets or use of assets at below market rates (2.1) or by shifting financing of upfront costs in return for ongoing payments (2.2).		N/- II Chata
		2.2 <u>Public private</u> partnership	+Valley State
3. Voluntary contributions/ donations	Voluntary payments made of own free-will, whether a direct beneficiary of the NbS (3.2) or simply to contribute (3.1, 3.3)	3.1 Philanthropic	+Living Danube
		<u>contributions</u>	
		3.2 Voluntary beneficiary contributions	+Haweswater
		3.3 Crowdfunding	+Treflach Wetland
4.Tradable Rights/permits and payment for ecosystem services	Revenue is raised by selling the 'rights' to ecosystem services generated by the NbS. This payment can be relatively informal (4.1) or through structured markets for climate mitigation (4.2), for offsetting damage to biodiversity elsewhere (4.3), or for reducing water pollutants (4.4).	4.1 Payment for ecosystem	+Vittel
		services	
		4.2 <u>Transfer-based</u> instruments: voluntary	+MoorFutures
		carbon markets	
		4.3 Transfer-based	+Eco-Accounts
		instruments: Biodiversity	+District Licensing
		offsets and habitat banking	
		4.4 <u>Transfer-based</u> instruments: Water quality	+Pennsylvania
		trading systems	
5. Subsidies	Subsidies are a financial contribution from the government to a person, company or	5.1 Environmental subsidies	+Petra Marada
	organisation to promote socially beneficial		
	outcomes. They can be ongoing payments (or tax breaks) linked to outcomes or production (5.1, 5.2)	5.2 Tax concessions	+West Australia
6. Grants	Direct contribution from government (local,	6.1 Grants	+Hunte-Leda
	national, or EU) to a recipient in return for		
	undertaking a specific activity. Grants are		
	generally one-off payments (though they may be paid in instalments), and often competitive (6.1).		
7. Debt	Transfer of capital in return for a promise to	7.1 Loans and green loans	+Linnunsuo
instruments	repay that capital over time, generally with interest. This can involve direct lending from a		+Winona Wetland
		7.2 Bonds and green bonds	+DC Bond
	lender to a borrower (7.1) or be mediated through debt markets (7.2).		+TCF Green Bond
8. Ownership	Financing raised by selling an ownership share of	8.1 Impact investing	+Sumatra Merang
models (equity finance)	the NbS, potentially with a claim to some of its profits. This can be motivated by a desire to have		
		8.2 Commercial investing	+Mill Creek
	impact (8.1) or be purely commercial (8.2)		



McDonald, H., Seeger, I., Lago, M., & Scholl, L. (2023) Synthesis report on sustainable financing of the establishment of ponds and pondscapes. PONDERFUL Project (EU Horizon 2020 GA no. ID869296), Deliverable 1.4., ecologic.eu/19473