



KNOYDART CREDIT PROJECT EVALUATION REPORT

DECEMBER 2025



EXECUTIVE SUMMARY

The Knoydart Credit Project (KCP) is a partnership between the Knoydart Foundation and Knoydart Forest Trust, with Trees for Life and Zulu Ecosystems acting as advisors. This evaluation marks the conclusion of an 18-month development grant from the National Lottery Heritage Fund (NLHF), delivered through the Facility for Investment Ready Nature in Scotland (FIRNS) programme.

The project explored how natural capital finance could support the community's ambitions for land and community regeneration through the development of a 'Knoydart Credit', with its focus evolving over time in response to identified knowledge gaps and the increasing complexity of natural capital markets.

- **Four core areas underpinned the work:** developing a land management vision for the community, identifying key indicators of success, sustained community engagement, and ultimately the creation of a natural capital masterplan.
- **Key outcomes include:** a stronger understanding of the community's landholding and future management aspirations, and the most appropriate mix of current and emerging funding mechanisms to support delivery.
- **Project outputs include:** a community land management plan, a Wild Trees Survey, ecological survey training for nine local residents, a broad range of engagement events, and the establishment of productive partnerships.

Given the dynamic and evolving nature of natural capital markets, continued engagement with partners and peer organisations is recommended, alongside the adoption of a blended funding approach combining public funding and private investment. This could also potentially include loan finance and selective use of community reserves.

The importance of partnership working has been clearly demonstrated and should be further strengthened, particularly as many of the challenges and opportunities identified are common across community landholdings and natural capital initiatives elsewhere in Scotland.

Sustained community involvement, supported by ongoing learning, training and skills development, is essential to enable informed decision-making and to build the local capacity needed to deliver future work. This is critical to ensuring benefits are retained within the community and that long-term ownership, stewardship and resilience are maintained.



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BACKGROUND

This evaluation report has been prepared by the Knoydart Credit Project team, at the conclusion of an 18-month development grant, supported through the National Lottery Heritage Fund (NLHF) as part of the Facility for Investment Ready Nature Scotland (FIRNS) programme.

The Knoydart Credit Project (KCP) is a partnership between the Knoydart Foundation and Knoydart Forest Trust, with Trees for Life and Zulu Ecosystems involved in an advisory capacity. The project set out to investigate the role that natural capital finance might play in supporting the community to realise its ambitions for land and community regeneration. It sought to consider the viability of developing a 'Knoydart Credit' which would represent the combined biodiversity, community and carbon benefits that any investment in Knoydart's natural capital would enable.

The project had four main areas of focus:

1. Develop a vision for the next 25 years of community land management
2. Decide on the key things that should be measured to illustrate and communicate the ongoing positive carbon, biodiversity and community impacts
3. Work closely with the community throughout the project, testing ideas, exploring different models and gathering feedback on the evolving plans
4. Produce a 'Natural Capital Masterplan' to demonstrate why investment is needed, for what purpose it will be used, and how the anticipated carbon, biodiversity and community outcomes will be delivered

The project also undertook to engage with the world of natural capital finance, learn about current trends and initiatives, and have exploratory conversations with potential investors to help the project evolve and develop.

This report outlines the project's outcomes and outputs, then considers reflections and findings from the past 18 months, before concluding with recommendations and next steps. It is intended to be of use to a variety of audiences, including but not limited to;

- The National Lottery Heritage Fund
- The Knoydart Community
- The FIRNS Community of Practice
- Other community groups and organisations



PROJECT OUTCOMES

1 Natural Capital Market Learnings

The project has enabled the time and resource to engage with a variety of initiatives and networks to gain a greater understanding of natural capital markets, current trends, short-comings and future areas of development. The summary document, jointly produced with Community Land Scotland following the co-hosted October 2025 event at Inverie, explores these areas in greater detail and can be found [here](#).

2 Understanding the Community's Land

The project reviewed a large range of survey and monitoring work undertaken over the past 25 years to inform specific project delivery (such as new woodland creation sites) and ongoing deer management (herbivore impact assessments). What was found to be missing was a landscape-scale investigation of the potential for habitat regeneration. Working with Trees for Life and supported by funding from Highlands & Islands Environment Foundation and a Trees for Life corporate donor, the project was able to undertake a 'Wild Trees Survey' across the Foundation's landholding, and that of neighbours in the Black Hills area. The survey mapped the distribution, condition, and regeneration potential of remnant and recovering native woodlands, providing a landscape-scale baseline to guide future habitat restoration. The work has significantly increased our understanding of the current extent of woodland and associated species, the threats to recovery and the potential for woodland and associated habitat regeneration. The survey report can be found [here](#).

3 Capitalising on Funding Opportunities

In 2018 the Foundation commissioned a survey to establish and identify opportunities for peatland restoration. A report was produced, but the opportunity to move this forward (principally time and money) did not materialise. In May 2025 NatureScot opened a funding stream providing support to develop peatland restoration opportunities into deliverable projects, through the Peatland ACTION fund.

Proposals were sought from two established peatland project developers, and following a competitive process we opted to work with Zulu Ecosystems' (ZE) peatland team. ZE have now submitted a further detailed application for a first phase of restoration work, covering 180ha. We hope there will be a further two phases, allowing for a total of 840ha of peatland to be restored over the next 3 to 4 years. Further details can be found [here](#) and an overview [map](#)

PROJECT OUTCOMES

4 Increasing Local Skills

One of the key principles of delivering any project on Knoydart is to use locally based employees, contractors and volunteers wherever possible – keeping place-based skills, knowledge and spending local. The Wild Trees Survey was a case in point. Training was delivered to 9 locally based employees / contractors, enabling a sizeable portion of the work to be undertaken locally. These skills and experiences have already been put to use, with the team undertaking survey work on neighbouring estates. The retained place-based knowledge will be central to delivering the community's land management aspirations in the future and ensuring that ongoing management is embedded within the community's approach.

In a similar vein the peatland restoration work has been tendered and awarded to a local machine operator. There is the potential to run further training opportunities alongside the restoration project – particularly around ongoing maintenance and monitoring – thus future proofing the project's outputs, increasing local expertise, and allowing for these services to be contracted out to third party landowners in the future.

5 Community Engagement

“

In the context of the climate and biodiversity crises it is exciting to think that our community has the opportunity to do something that will make a difference for the environment for the future generations of Knoydart & wider, alongside our community being able to grow and thrive. We are very lucky to be able to shape the future in this way.

”

Ref: Land Management Plan Community Consultation Response

Community engagement was an integral part of the project. A variety of different events have been hosted, around different focuses, with varied formats and external speakers to bring new perspectives and ideas. The events held have been well attended (an average attendance of 20 people per event), with positive engagement and feedback received. The ideas and information shared by the community have helped the project to develop and evolve. Balancing a community's diverse needs and ambitions can be challenging, but we have sought to develop a framework of objectives for the land management plan which allows for the delivery of multiple outcomes, based around several key themes and shared vision. Additionally, a workshop hosted in February 2025 had more of a socio-economic focus, and from which a report sketching out 'community values' was developed along with the start of socio-economic baselines. Further info: see the [Knoydart Foundation Land Management Plan & Feb '25 Workshop Report](#) ("The Value of Nature & Community").



PROJECT OUTCOMES

Community Feedback

“ I think this plan is a fantastic step forward, toward defining and achieving community land aspirations. It is clear that the team have made a huge effort to make it's development as inclusive as possible and I appreciate it can sometimes be difficult to arrive at a consensus with differing points of view to consider. ”

(Ref: Land Management Plan Community Consultation)

“ ...It felt like a real adventure and I learnt a lot about the land here in the Scottish Highlands and how we can all play a part in helping to regenerate [it] with the right awareness and action. ”

(Ref: WTS Community Open Day)

“ [A highlight was]... getting to explore a completely new part of Knoydart which I wouldn't otherwise have had the opportunity to discover. ”



PROJECT OUTPUTS

The section below quantifies what the project has delivered for the Knoydart community.



PLANS / REPORTS / FUNDING APPLICATIONS:

- Knoydart Foundation Land Management Plan
- Wild Trees Survey
- Peatland Action Funding Application (and survey work for Phase 2 & 3 underway)
- Knoydart Natural Capital Plan (a live document, under development)



TRAINING & VOLUNTEERING OPPORTUNITIES:

- 9 community members completed Wild Tree Survey (WTS) Training
- 9 community members gained new knowledge & experience through a WTS open day
- 8 local primary school children attended a biodiversity workshop in Inverie



COMMUNITY ENGAGEMENT & CONSULTATION:

- 5 community events held with an average of 20 people attending each
- 3 community consultations undertaken, with approximately 40 responses received



RELATIONSHIPS DEVELOPED & EXPLORED:

- Trees for Life
- Zulu Ecosystems
- Community Land Scotland's Natural Capital Community Partnership Project Team
- FIRNS Community of Practice
- Triodos Bank
- Social Investment Scotland



REVIEW & KEY LEARNINGS

The project evolved and adapted in response to; community feedback, gaps identified with baseline data, and the general backdrop of uncertainty and volatility within natural capital markets.

Below we reflect on the success achieved and the challenges encountered.

NATURAL CAPITAL MARKETS

SUCCESSSES

- The opportunity to engage in meaningful dialogue with potential investors (Triodos and Social Investment Scotland) has helped focus minds and gain a better understanding of the sort of terms on which investment might be secured, what that might mean for the community, and what might attract investors. In some ways these conversations have raised as many questions as they have answers but overall have aided the team's understanding of the market.
- Establishing a relationship with Community Land Scotland's Natural Capital Community Partnership team led to valuable information sharing events for the Knoydart Foundation and Knoydart Forest Trust boards and the community increasing understanding of real life natural capital scenarios. Access to the team's expert knowledge and peer learning will continue.

CHALLENGES

- The natural capital market is fast evolving and often seemingly volatile, with external forces having a big impact on demand. There appears to be a generally held view that Government regulation of these markets would be a positive intervention, but equally widely held view that this is unlikely.
- Numerous new metrics and initiatives are currently under development. There are positives around this, but this dynamic adds to the general uncertainty. Further detail can be found [here](#).
- In this context trying to develop a new bespoke metric for Knoydart, the Knoydart Credit, has been a challenge. Establishing a baseline (across biodiversity, carbon and socio-economic measures) from which future progress can be built has been a big focus of the past 18 months.
- Debt finance is an expensive way to deliver nature restoration work. Ideally work would be funded through a combination of grant funding, income from land management activities (such as deer stalking and carcass sales) and capital reserves.
- It is currently unclear which existing models/metrics have the best chances of longer-term success and sustainability (ie WCC is the longest established metric, but is less than 15 years old), which is particularly challenging when the community is taking a long-term view.

REVIEW & KEY LEARNINGS

LAND MANAGEMENT PLANNING

SUCCESSSES

- The Wild Trees Survey has generated a wealth of information and data and will be a key information resource to help guide and assess future land management interventions against. It also provided a valuable training and engagement opportunity, creating a buzz and excitement around the process and findings.
- Moving forward peatland restoration ambitions, supported by Peatland Action funding, is a significant step for the community's ambitions to respond positively to the climate and biodiversity crises. Once delivered the restoration projects will be registered with the Peatland Carbon Code, generating Peatland Carbon Credits which the community can retain or sell to generate capital for investment in future activity or projects.
- Relationship building has been a key feature of the project. This has enabled experience, ideas, expertise and further capacity from other organisations, expanding the project's reach and developing relationships which should serve the community well into the future.

CHALLENGES

- More work is needed to determine what the best approach to deer management might be, to ensure that any negative consequences such as a fall in stalking guest numbers and income and supply of carcasses to Knoydart Wild Venison can be suitably mitigated against.
- Collaboration across ownerships, particularly around deer management and grazing, is crucial to delivering landscape scale habitat regeneration. Finding an approach that is financially sustainable, compatible with differing objectives across neighbouring properties, and has strong community backing remains a challenge, but the process to address and navigate a path through these challenges has been started, a positive in itself.
- Whilst the community has a great story and strong brand it's not clear whether the 'market' is 'mature' enough to pay a premium, nor to invest in a new bespoke metric, or whether basing any investment around established code (ie the WCC and PCC) would be the most pragmatic approach.



REVIEW & KEY LEARNINGS

COMMUNITY ENGAGEMENT

SUCCESSSES

- Positive ongoing community engagement, which has helped raise the profile of the community's 'land management' and enabled positive discussions about how and for what the land should be managed, resulting in the community's first land management plan in over 15 years
- Socio-Economic values workshop (February 2025) providing feedback and data to enable ongoing thinking and development around the key themes emerging and the development of a robust and wide-ranging baseline to help shape and inform future projects.
- Ongoing communication and engagement is vital to build trust, understanding and allow for meaningful dialogue and debate.
- Hosting a natural capital information event (October 2025) with Community Land Scotland, allowing the Foundation & Forest Trust boards the opportunity to learn more about key concepts, market developments and some real-life examples.

CHALLENGES

- Community owned land management is by nature risk averse, and so carbon credits generated would ideally be 'banked' until verified and then sold once the projected carbon sequestration is confirmed (perhaps as part of a high value Knoydart credit bundle), to fund additionality in land management and potentially social infrastructure development.
- A degree of risk taking and speculation is required and inherent within natural capital markets. This can sit somewhat uncomfortably with community ownership and prudent financial management. Considering whether to take on debt would need careful consideration and balancing against other development and investment priorities such as affordable housing and local infrastructure needs.
- The time required to properly develop projects, ensuring sufficient time for consultation and meaningful dialogue with the community and other stakeholders should not be underestimated.
- Balancing social, economic and environmental considerations and ambitions can be a challenge, particularly with finite human and financial resources. Alongside this recognising the diversity of views that exist with the community.

RECOMMENDATIONS & NEXT STEPS

Natural Capital Market Development

Maintain engagement with natural capital market developments through initiatives such as the FIRNS Community of Practice and Nature Finance Pioneers, ensuring that the profile of Knoydart's work and ambitions remains high.

Continue the positive collaboration with Community Land Scotland to leverage experience and networks, including dialogue with other community-led organisations exploring natural capital finance.

Funding

Engage in exploratory discussions with investors, partners, and buyers without any commitment, to build a clearer, real-world understanding of potential opportunities and approaches.

Prepare and submit an Expression of Interest to the National Lottery Heritage Fund for delivery of the projects and activities identified through the Land Management Plan.

Explore Social Investment Scotland support, by way of loan finance, for projects requiring capital of £100k–£1m.

Develop a blended funding model to mitigate against the risks and uncertainties of natural capital finance, ensuring that long term management and maintenance of projects can be sustained.



RECOMMENDATIONS & NEXT STEPS

Programme Developments

Continue to engage with NatureScot's Landscape Exemplar Programme, including working with neighbouring landowners to develop a collaborative approach to deer management.

Follow NatureScot's aspirations to launch a 'Nature Investment Prospectus' in the first quarter of 2026.

Partnership Building

Build on the positive working relationship established with Trees for Life to explore innovative approaches to funding deer management activity.

Define a set of criteria to assess potential partners against the community's values and principles, ensuring alignment before engaging in formal discussions. An example of this sort of assessment: [Integrity Charter for Landscape Scale Rainforest Restoration](#)





RECOMMENDATIONS & NEXT STEPS

Knoydart Community Land Management Team Actions

Ensure that all plans are purpose led, rather than being tailored towards securing specific funding, investment and / or returns.

Start delivery of the community's land management plan, pending funding applications.

Continue to work across community organisations in Knoydart to identify opportunities for collaboration and to ensure alignment with wider community development plans.

Continue to collaborate with neighbouring landowners to acknowledge and maximise the scale of nature regeneration on Knoydart.

Develop and implement the storytelling strategy, making use of the updated Knoydart Foundation website, the Knoydart Forest Trust website, and social media platforms.

Establish a carbon registry account to enable all existing and future qualifying woodland carbon projects to sit on a central register, managed and maintained by the Forest Trust.

Provide regular updates to the community on market developments, opportunities, and progress against these next steps

RECOMMENDATIONS & NEXT STEPS

Learning & Development

Identify locally relevant training opportunities (e.g. drone monitoring with Edinburgh University, Peatland Restoration project design with NatureScot).

Advance opportunities for continued learning and training with the wider community, including an ongoing programme of events, talks, films to maintain and develop interest in the potential for habitat regeneration.

Develop the next stage of social, economic and environmental impact evaluation and monitoring framework from baseline work undertaken.





ACKNOWLEDGEMENTS

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The success of the project is a result of valuable input and support from the Knoydart community and the collaboration of the Knoydart Foundation and Knoydart Forest Trust with advice and support from Trees for Life and Zulu Ecosystems.

The Wild Tree Survey was designed and facilitated by Trees for Life, in particular James Rainey (Senior Ecologist) with additional funding support from the Highlands & Islands Environment Foundation and a Trees for Life corporate donor.



Trees for Life

