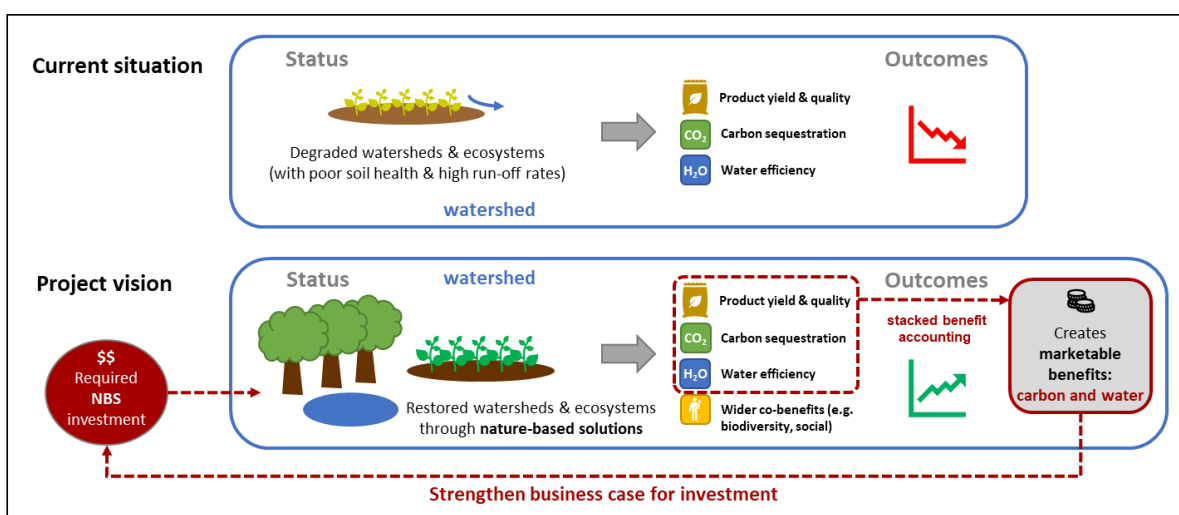


1. **Title:** Building the business case for nature-based solutions for watersheds
2. **Context and rationale:**
 - Watershed health and ecosystems are increasingly degraded with decreasing capacity to sequester carbon, retain water and sustain agricultural productivity.
 - Scaled implementation of nature-based solutions to restore watershed and ecosystem health has the potential to break and reverse this cycle – with many wider co-benefits including for biodiversity, social wellbeing, and local livelihoods/economic development.
 - However, scaled implementation requires scaled investment. This initiative looks to scale private sector investment by developing a standardized framework to demonstrate and value stacked water and carbon benefits, and map wider co-benefits, associated with nature-based solution projects; and mainstream innovative finance mechanisms.
3. **An overview of the contribution:** A private-public initiative to scale private investment in nature-based solutions by developing:
 - a standardized framework to demonstrate and value stacked water-carbon benefits associated with the implementation of nature-based solutions for watersheds – which interfaces with established voluntary carbon markets; and identifies a range of locally relevant mechanisms for marketing water benefits (leveraging existing models); and
 - a platform to match investment opportunities with potential projects.



Summary overview: building the business case for nature-based solutions

4. **How the contribution leverages living natural systems as a solution to avert climate change?**
This initiative will demonstrate the capacity of natural systems, particularly watersheds, to avert

climate change by measuring and communicating stacked water-carbon benefits in a consistent and relevant way.

5. **How might the contribution support both climate, mitigation and adaptation as well as other important co-benefits and social, economic and environmental outcomes in coming years.**

They may include:

- **Reduction in carbon emission and carbon capture (GTonnes)**
- **Increasing climate resilience**
- **Social impact (job increase; poverty reduction; Just transition, etc.)**
- **Net economic impact (total in US\$; how was it achieved?)**
- **Impact on realization of the 2030 Agenda for Sustainable Development (in particular SDGs 1,2,6,12,13,14,15,16)**
- **Food security**
- **Minimising species extinction and ecological losses and fostering an increase of biodiversity.**

This initiative seeks to scale the implementation of nature-based solutions for watersheds at the global scale – each project implemented has the potential for many or all of the above co-benefits. A snowball effect is envisaged – where, once developed, the framework will demonstrate the water-carbon benefits (and investment returns) of each project implemented, continually enhancing interest and increasing private sector investment. It is envisioned that the over time, the framework will build in other co-benefits (social, economic, biodiversity) in order to continue to build the business case for further investment in nature-based solutions.

6. **Which countries and organisations are involved in the contribution?** UN Global Compact CEO Water Mandate, Pacific Institute, Danone, TNC, RAMSAR, Gold Standard
7. **How have stakeholders (for example local communities, youth and indigenous peoples, where applicable) been consulted in developing the contribution?** At this stage, feedback from relevant external stakeholders including civil society organizations working on implementation of NBS, a wide range of companies, and investors has been sought to refine the scope of this initiative.
8. **Where can the contribution be put into action?** Global application – with early plan for initial pilot testing in three regions (e.g. Brazil, India and Indonesia)
9. **How the contribution will be delivered? How will different stakeholders be engaged in its implementation? What are the potential transformational impacts?** This is a highly collaborative initiative which seeks to leverage, align and scale existing successful practices with input from the private, civil society (NGO) and public sectors. The focus of this work will range from the global scale (to identify best practice) to the local scale (to understand local implementation requirements and interfaces with local governance, during pilot testing). As above, this work has the potential to transform private sector awareness, understanding and investment in nature-based solutions for watersheds at the global scale.
10. **Is this initiative contributing to other Climate Action Summit workstreams (industry transition; energy transition; climate finance and carbon pricing; infrastructure, cities and local action; resilience and adaptation; youth and citizen mobilization; social and political drivers;**

mitigation strategy)? This has the potential to also provide input into the resilience and adaptation workstream.

11. **How does this contribution build upon examples of experience to date? How does the contribution link with different ongoing initiatives?** This is a highly collaborative initiative which seeks to build on and sign-post existing mechanisms and frameworks for accounting, valuing, marketing carbon and water benefits – including:
 - existing carbon and water benefit accounting frameworks: e.g. WRI GHG Protocol, Gold Standard certification, Water Stewardship Benefit Accounting Methodology (WSBAM) and WRI Volumetric Benefit Accounting (VBA)
 - relevant marketing and governance models: e.g. TNC Water Funds, VEERA's Verified Carbon Standard, UNFCCC Clean Development Mechanism (CDM), UN REDD+ Programme,
 - finance scaling initiatives: e.g. WBCSD's Natural Infrastructure for Business, OECD's Roundtable on Finance, WWF's blended finance work
12. **What are the mechanisms for funding (with specific emphasis on potential for partnerships)?** Fundraising efforts are underway to secure investment from the private and finance sectors.
13. **What are the means of stewardship, metrics for monitoring?** Success metrics will be developed to monitor and evaluate the implementation of the framework and resulting scaling in investment achieved; and are directly consistent with the nature of the framework to be developed.
14. **What is the communication strategy?** Broad outreach and external communication across private and public networks – as raising awareness is a key objective of this initiative, both in terms of the potential contribution of nature-based solutions; and the framework to be developed.
15. **What are the details of proponents (indicating the degree of commitment among the countries and organizations that are named)** Confirmed commitment from coalition partners, plus strong support from the UN Global Compact CEO Water Mandate's corporate network.