

## Joint Response to the [Call for Input](#) regarding the UNFCCC Standing Committee on Finance (SCF) Forum on “Financing for Nature-Based Solutions”

The [Pacific Institute](#) creates and advances solutions to the world’s most pressing water challenges. Its vision is to create a world in which society, the economy, and the environment have the water they need to thrive now and in the future. In partnership with the CEO Water Mandate, The Nature Conservancy, Danone and LimnoTech, the Institute is currently undertaking a project which aims to build the business case for nature-based solutions<sup>1</sup> (NBS). The objective is “to scale awareness and investment by developing a standardized method to identify and quantify stacked water, carbon and biodiversity benefits, and map wider co-benefits associated with NBS for watersheds. This work is critical in demonstrating investment returns, mainstreaming innovative finance mechanisms, and supporting effective policy reform”. The Pacific Institute Project Lead for this study is Dr Gregg Brill.

[Incitäre](#) is a Geneva-based platform for futures-oriented collaboration, leveraging the collective experience of multi-stakeholder networks in support of efforts to promote “accelerated action along transformative pathways” to achieve the Sustainable Development Goals. With the Polish Environmental Partnerships Foundation, Incitäre has created a space for the pooling of expertise on NBS for water and waste management in rural and urban contexts with implementing and institutional partners in southern, eastern and West Africa, Australia, Europe and the European “neighbourhood”, India, the Middle East, Netherlands, Philippines, Sweden, Switzerland and the USA. Its active involvement in “innovative financing” is supported by academic and private sector associates in Australia, Canada and Switzerland. Both constituencies were represented at a roundtable on “Impact Investing: Trickle Down or Transformation” in April 2020 that focused on real and perceived barriers to investing in NBS at scale. Incitäre’s lead facilitator is Beris Gwynne.

The Pacific Institute and Incitäre warmly welcome the UNFCCC Standing Committee on Finance’s decision to recommend “Financing for Nature Based Solutions (NBS)” as the focus for the next Forum and stand ready to contribute to its success in relation to the following:

### Scope and Purpose of the Forum

The Pacific Institute and Incitäre endorse the objectives identified by the COP, namely, “the (better) communication and continued exchange of information among bodies and entities dealing with climate finance to promote linkages and coherence” and the desire for further strengthening of stakeholder participation with the involvement of private sector, financial institutions, academia and other not-for-profit actors. Through our participation in the documentation of viable business models and resource mobilisation for “business unusual”, we hope also to increase the likelihood of the Forum leading to a visible and measurable acceleration of NBS at scale. The themes and sub-themes outlined in the [Co-facilitators’ note](#) align closely with our understanding of priority topics for discussion at the Forum, assuring multi-dimensional inputs in a “whole systems transformation” approach, local to global.

### NBS related papers and case studies

The Pacific Institute is already well advanced in its compilation of over 100 case studies and has welcomed expressions of interest from individuals, companies and organisations in Incitäre’s networks in contributing case studies and mobilising resources for proof of concept for SDG purposed business models. We would welcome the opportunity to contribute to the design and delivery of specific sessions and/or nominate moderators and/or speakers. Our topics of interest include:

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<sup>1</sup> <https://ceowatermandate.org/nbs/>

1. The science – demonstrating the efficacy of NBS and enabling comparisons with alternative solutions – with several research proposals in the pipeline and distributed capacity among academic partners;
2. Case studies of NBS in different rural, urban and ecosystem contexts, in different regions (Europe, South Asia, South-east Asia/Pacific, Africa (southern, East/Horn and West), and Middle East and the Caucasus, at different scales, and with different but linked purposes;
3. Presentation of the current funding and financing landscapes – surveying the breadth and diversity of available opportunities, including blended financing (with use of public and philanthropic funds to minimise risk and assure returns on investment and/or optimise NBS in humanitarian contexts);
4. The business model(s) that assure sustainable livelihoods and decent work, with progress to report in Australia, Canada, and the United Kingdom, on the recalibration of understandings of profitability and invest-ability;
5. Current barriers and opportunities to entry, noting:
  - the limitations of current cost:benefit analyses and need for more inclusive methods to incorporate broader social, ecological and economic costs and values; and
  - the need to move away from short-term policies and practices as benefits/returns from NBS are generally seen over medium to long-term;
6. The need for policy-investment alignment such as spatial and urban development policies, which should encourage green roofs, rain gardens, permeable paving in all new urban developments, incentive schemes for those who invest in NBS over grey infrastructure, lower interest rates or longer payback periods for green projects, etc.;
7. Better articulation and communication of the pros and cons of debt for nature – with more determined outreach to gate keepers and key stake-holders;
8. Building on the above, documentation of best practices in innovative financing, surveying recently launched “platforms” in a number of countries, including the [Sanitation and Hygiene Fund](#);
9. With the [SDG Transformations Forum](#) “Transforming Evaluation” Working Group, mapping of work currently underway on a framework for evaluating and reporting on “transformation” to measure and incentivise more purposeful investment in NBS business models that integrate inequality-reducing and social inclusion objectives, including consideration of marginalised voices, integration of indigenous knowledge, etc.; and
10. Mechanisms to enable and support just transition(s) and a shift to a greener economy.

Potential institutions and events to partner with in the organisation of the Forum.

We have made tentative inquiries regarding potential institutions, and water and climate events in the first half of 2021, in several countries in Europe that we know have particular interests in NBS for water and waste management and the capacity to offer suitable venues. Some may also be able to help with the identification of sources of financial and/or other support. We will be in a position to share the responses to our inquiries in the coming weeks.

We understand the requirement for a face-to-face meeting, but would like to suggest that there is scope for targeted use of online conferencing (with which we are increasingly familiar given COVID19 restrictions) to extend participation in advance of and for key sessions of the Forum, as well as after the event.

Contributors to the preparation of this “joint response” include Dr Gregg Brill (Pacific Institute), Mr Sanjay Deshpande (Clearford, India), Dr Stan Lazarek (Carex of Sweden), Mr Ray Borg (Sustainable Ideas, Australia) and Ms Beris Gwynne (Incitäre). For further information, please contact

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For your consideration.  
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