

1. Title

Launching the Nature-Based Solutions Project Preparation Financing Facility

2. Context and rationale

To generate a pipeline of bankable Nature-Based Solution (NBS) projects, the necessary tools, approaches, and capabilities already exist—but, they must be used by those driving infrastructure and development decisions. Currently, cities, infrastructure providers, governments, and financial institutions have yet to integrate NBS into their projects at a meaningful scale. By their own accounts, they lack the capacity and resources to augment the standard infrastructure project preparation process so that NBS can be as rigorously evaluated and carefully designed as conventional infrastructure projects.

Demand for more resources to design and implement larger-scale NBS has grown rapidly, particularly among cities. With 75 percent of humanity projected to live in urban areas by 2050, cities are already struggling with mitigating heat island effect as temperatures rise; improving water management despite more extreme droughts; and, safeguarding communities along coastlines and rivers from sea level rise and floods. Protecting populations from the multiplying threats of today, using yesterday's infrastructure strategies alone, is insufficient.

Responding to the challenge, 60 city mayors from Jakarta to Accra and Quito to Vancouver have committed through the new [Cities4Forests platform](#) to ***harness the power of trees, forests, and green infrastructure to help achieve climate goals, secure clean and stable water supplies, reduce stormwater runoff, improve public health, provide recreation, and other benefits*** by 2022. These cities can offer leadership that helps nations meet their NDC ambitions—but these cities need resources to develop their NBS and to access finance for implementation.

3. An overview of the contribution

WRI is calling for the creation of the Nature-based Solutions Project Preparation Financing Facility (NBS PPF), a multi-donor trust fund to provide the resources and capacity for cities, infrastructure operators, governments, civil society, and development banks to plan and implement bankable NBS.

Once capitalized, this facility will deploy grants, low-interest loans, and/or technical assistance to support the development and scaling of an NBS project pipeline. It will particularly address early-stage project preparation needs, helping NBS project developers move from planning towards designing for optimal performance, structuring support, and preparing for investment. The PPF is an essential vehicle for governments, infrastructure providers, and development banks to consider NBS as viable options to meet development goals and to increase climate resilience.

4. How the contribution leverages living natural systems as a solution to avert climate change?

The NBS PPF will enable cities, governments infrastructure service providers, and development banks to use NBS to address climate change mitigation and adaptation needs (further described under point 5).

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:

a. Reduction in carbon emission and carbon capture (GTonnes)

The NBS PPF provides an avenue to displace some of the most carbon-intensive processes on the planet. About 8% of global carbon emissions are due to cement production, the backbone of most cities. The PPF will enable cities and infrastructure to be redesigned using NBS components (instead of only built systems)—and these NBS components are a potentially huge carbon sink.

b. Increasing climate resilience

The NBS PPF will significantly improve the way cities, infrastructure providers, governments, and development banks address climate risks. Those responsible for managing disaster risks and delivering infrastructure services are seeking resources to integrate NBS into their strategies to improve resilience. The NBS PPF will provide those resources.

c. Social impact (job increase; poverty reduction; Just transition, etc.)

The city agencies and infrastructure operators essential to scaling up NBS do not typically have skills to design socially-inclusive, community-driven NBS. The NBS PPF will provide funds to cover the cost of building or contracting these skills so that NBS is adequately designed to deliver social benefits.

d. Net economic impact (total in US\$; how was it achieved?)

If capitalized with US\$100 million, we estimate this NBS PPF could potentially leverage up to US\$3 billion in traditional infrastructure finance for NBS in 10 years. We also expect to leverage private finance. This estimate will be refined prior to the Summit.

e. Impact on realization of the 2030 Agenda for Sustainable Development

The world will need to invest an estimated \$171-229 billion on water supply and sanitation, \$23-335 billion on flood protection, and \$43-100 billion on irrigation *every year* from now until 2030 to meet the Sustainable Development Goals. NBS can reduce the costs needed to fill these service gaps and bring new funders to the table.

f. Food security

The NBS PPF could help prepare for investment for NBS projects that directly support food security goals, and that address broader land and water management issues that impact food security.

g. Minimizing species extinction and ecological losses and fostering an increase of biodiversity.

The NBS PPF will help make projects that protect and restore habitat bankable, allowing them to access finance for accelerated implementation and sustained impacts.

6. Which countries and organizations are involved in the contribution?

This contribution is led by WRI, Pilot Projects, and Revolve, and reflects early input from the World Bank, BMZ, SIDA, DFID, and others. We will bring in more partners imminently: countries such as China, Egypt, New Zealand, Norway, the UK; civil society; and, the 60 global Cities4Forests members.

7. How have stakeholders (for example local communities, youth and indigenous peoples, where applicable) been consulted in developing the contribution?

So far, development banks and bilateral agencies have provided input. Ensuring community engagement in NBS project design and preparation will be a priority of the PPF.

8. Where can the contribution be put into action?

It is global.

9. How the contribution will be delivered? How will different stakeholders be engaged in its implementation? What are the potential transformational impacts?

We aim to co-create and capitalize the NBS PPF as a multi-donor trust fund housed in a development bank (or similar), with involvement from development banks, bilateral and national funds, and others.

The first generation of projects supported through this facility will be flagships that demonstrate how to effectively design and finance NBS. The facility will thereby enable the creation of a pipeline of bankable NBS projects, linking these projects to larger-scale infrastructure finance and/or private capital.

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 is relevant to the climate finance and carbon pricing; industry transition; cities and local action; and resilience and adaptation tracks.

11. How does this contribution build upon examples of experience to date? How does the contribution link with different ongoing initiatives?

The 60 Cities4Forests members are eager to prepare NBS projects to improve resilience within and around their cities.

This contribution also fulfills a recommendation from the World Bank and World Resources Institute's recent flagship report "Integrating Green and Gray" which calls for development banks and their country clients to consider NBS as a means of achieving development goals, and to appraise NBS on equal footing with gray infrastructure in routine decision making.

12. What are the mechanisms for funding (with specific emphasis on potential for partnerships)?

This contribution creates a multi-donor trust fund.

13. What are the means of stewardship, metrics for monitoring?

This will be co-developed by an advisory committee comprised of development banks, private financial institutions, cities, technical service providers, community stakeholders, and NGOs.

14. What is the communication strategy?

WRI and Cities4Forests are committed to utilizing their wide-reaching platforms to communicate about this contribution. A detailed strategy will be developed in the coming months.

15. What are the details of proponents

This effort is led by Cities4Forests Partners WRI, Pilot Projects, and Revolve and actively engaging more partners.