Towards Investable NBS Propositions

Financing Framework for Water Security

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CLOSING THE IMPLEMENTATION GAP

Challenging perceptions – action research of key bottlenecks

1. Future proof investments? nature-based solutions and climate change
   - Risk-based Asset Management

2. Creating demand for investments in nature-based solutions
   - Governance structures for collective investments

3. Creating markets for implementing nature-based solutions
   - Market sounding + blueprint for P3

Financing Framework for Water Security

Collaborative modelling protocols to design implementation strategy

Handbook for the Implementation of NBS for Water Security
FINANCING FRAMEWORK FOR WATER SECURITY

1. Transaction – technical and financial
2. Level of service over lifecycle
3. Institutional setting insurance role, (dis)incentives and expertise and implementation strengths public, private, communities

STRATEGIC
- Is there a compelling case for change?

MANAGEMENT
- How will the proposal be successfully delivered?

FINANCIAL
- Is the spending proposal affordable?

COMMERCIAL
- Is the deal achievable & attractive for the market?

ECONOMIC
- Does the selected option optimize public value?
Phase 1: Zooming out Strategic and economic BC’s

► Ecosystems – enablers of a paradigm shift?

Theory of Change

Phase 2: Zooming in Commercial and Financial Case

Cash profile + Risk profile

- Hierarchy of functions and services
- Level of Service
- Risk - to functionality throughout LCC
- Life Cycle Costs
- ESG risks & safeguards

Management BC = capacity to procure

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<tr>
<th>Measure</th>
<th>Functions</th>
<th>Service</th>
<th>Level of Service</th>
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<tr>
<td>Measure 1</td>
<td>Function 1</td>
<td>Service 1</td>
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<td>(infra-NBS)</td>
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<td>Measure 6</td>
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Financing Framework Building Blocks

1. Mode of governance
2. Funding Strategy
3. Financing Strategy
4. Procurement Strategy
<table>
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<tr>
<th>Typology of NBS/watershed conservation implementation arrangements</th>
<th>Public project procurement</th>
<th>Water stewardship</th>
<th>Collective investment schemes</th>
<th>Environmental markets</th>
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<td>Public commissioner develops a project and tender it in the market through traditional or PPP/Performance-based contracts</td>
<td>Private company invests and commissions a 3rd party to implement watershed conservation measures to reduce their water risks</td>
<td>Entity that pool resources from different beneficiaries and invest them in a variety of NbS and hybrid measures</td>
<td>An ecosystem service itself is marketed and sold as a commodity to a beneficiary (usually an institution rather than individual) in the context of a dedicated market, usually subject to oversight by a regulatory body</td>
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Thank you for our attention. Questions?

Stay tuned – #ClosingtheImplementationGap #watersecurity

#GreenInfraMarkets

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