Dear Colleague,

The Natural Capital Project and the Latin America Water Funds Platform are developing a tool for targeting investments in watershed conservation. Water funds are an emerging conservation mechanism that match beneficiaries of watershed services (i.e. water providers that benefit from water supply, water quality regulation, etc.) with opportunities to invest in activities that help to ensure that watersheds continue to provide those services. The idea is to bring a standardized, transferable scientific return on investment basis to the design of this specialized type of payment for ecosystem service program. The tool will be used by about 30 new water funds being developed across Latin America to decide where and in what activities to invest their money.

We would like to ask for your participation in an expert elicitation survey we are doing as part of the tool development process.

Generally, the tool uses spatially explicit, relative ranking models for each of 6 possible water-related ecosystem services. The models rank how effective a land use-land cover change (transition) is likely to be in achieving a change in each service. Examples of land use-land cover transitions that we are considering include restoration from degraded vegetation (i.e. abandoned pasture, cleared forest, etc.) and avoided conversion from native habitat through protection. The tool uses a multi-objective optimization approach, so we need a way to weight each of the transitions in terms of their effectiveness in changing each service.

This is where the expert elicitation process comes in. We have been unable to find published literature with global and consistent representation of the impact of different land management actions on different hydrological processes that would allow us to derive these weights empirically. Therefore we have designed an expert elicitation procedure, that we would like you, as an expert, to participate in to help us better understand the likely impact of different water fund investments.

We anticipate that the entire process will require 4 hours of your time, over the course of one month. The time will consist of an introductory phone call giving you more information about the transitions we are considering and the models, 1-2 hours to complete the survey, a 1 hour open discussion with other experts and $\sim\!30$ minutes in a follow up survey that provides the opportunity to modify your original input if you desire.

As a way to say "thank you" for your time, we are offering a \$50 honorarium for your participation. In addition, the analyzed results will be made public (although your individual input will remain anonymous) and will be incorporated into the tool that will be widely used in watershed management. We will also recognize your contribution in any publications stemming from this work, with your permission.

If you have any questions, please let us know and we are happy to provide more information. Also, regardless of your participation in the study, we would greatly appreciate it if you could suggest other experts we should invite to participate. Our goal is to recruit experts with a broad range of expertise in watershed management, conservation, and hydrology relating to flood mitigation, sediment and nutrient management, groundwater recharge, and water supply.

Thank you for your time, Heather Tallis Adrian Vogl