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Nature and Climate Nexus: Promoting Nature-based Solutions (NbS) for Sustainable Infrastructures in Asia and the Pacific

Challenges and Approaches in **Quantifying NbS Benefit Streams**

Event Details

Challenges and Approaches in Quantifying NbS Benefit Streams

Organized by the ADB Environment Thematic Group (ETG) and Urban Sector Group (USG) through the Urban Climate Change Resilience Trust Fund (UCCRTF)

This is Webinar 3 under Nature and Climate Nexus: Promoting Nature-based Solutions (NbS) for Sustainable Infrastructures in Asia and the Pacific

24 October 2022 | 2:00 - 3:00 p.m. Philippines (GMT+8) Moderator

- Joy Amor Bailey, Urban Climate Change Resilience Specialist (Consultant), ADB UCCRTF **Opening Remarks**
- Qingfeng Zhang, Chief, Rural Development & Food Security (Agriculture) Thematic Group & OIC Chief of ETG, ADB
- Presenters
- Safiah Moore, Associate, Arup and TA 9217 Consultant
- Matthew Savage, Director, Oxford Consulting Partners and TA 9217 Consultant

Reflections and Commentary

- Aimee Hampel-Milagrosa, Economist, ADB Stefan Rau, Senior Urban Development Specialist, ADB
- Lara Arjan, Urban Development Specialist, ADB Jos Timmerman, Senior Expert, Water and
- Climate, Waterframes and TA 9329 Consultant **Closing Remarks**
- Jingmin Huang, Director, Pacific Regional Department, Concurrently Chair, USG Committee, ADB

Making the business case for NbS

Nature-based Solutions (NbS) represent a shift from 'business-as-usual' approaches towards tackling multiple and interrelated societal and biodiversity challenges. NbS can support resilience-building of cities and communities across ecological, physical, social and institutional, and financial dimensions and is a key measure to achieving the goals under the Paris Agreement on Climate Change. It has great potential to support ADB's Strategy 2030.

To enable the uptake of NbS in cities and communities especially in developing countries, key barriers must be addressed including: (i) limited examples of application of NbS in developing country context; (ii) the perception

Further Information

that NbS are complex, costly, and uncertain, compared to grey infrastructure; and (iii) challenges in quantifying multiple benefits of NbS.

"Shifting this perception on NbS requires a strong evidence base which in turn requires measuring and monitoring the potential multiple benefits of NbS which proves to be challenging at present."

Qingfeng Zhang, Chief, Rural **Development & Food Security** (Agriculture) Thematic Group & OIC Chief of ETG, ADB

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The webinar organized by ADB's ETG and USG through the UCCRTF discussed the factors that make it challenging to quantify socioeconomic, ecological, and financial benefits of NbS. Matthew Savage, Director of Oxford Consulting Partners and TA 9217 Consultant, emphasized that indicators and methodologies do exist and are well established, and there is just the need to have a more coherent framework in measuring NbS benefits.

He presented a quantification framework which addresses how physical, social and institutional, financial and economic, and ecological benefit streams can be broadly grouped into key economic benefits namely cost reductions: added economic value, and lower socioeconomic impacts. A review of the potential benefits of NbS using such approach have been explored in two UCCRTF-supported projects, namely New Clark City Master Plan review (Philippines) and Revitalising Informal Settlements and their Environments (Indonesia).

ADB Project Officers and NbS experts, then, provided reflections on how to address challenges on NbS benefit streams quantification at various scales, as well as on the feasibility of implementing the presented approach. Discussion highlighted that there is a need to review ADB guidelines on economic analysis of projects to capture resilience costs and benefits.

Around 80 participants from ADB and external organizations have joined the webinar. The presentation draws on UCCRTF's knowledge product on NbS developed through TA 9217 UCCRTF's Sub-Project 2: Resilience Measurement, Capacity Development and Knowledge Sharing implemented by a consortium led by Arup. The knowledge product will be published soon. The recordings of the session and presentation materials can be accessed HERE.

Key takeaways

- Challenges in measuring NbS benefits include: (i) wide ranging benefits; (ii) challenges in data collection as potential benefits across all metrics may not be immediately available, and requires planning for data collection input from early stages of project development; (iii) longer timescales for benefit delivery which make it difficult to model returns for investment and compare future benefits against current costs; (iv) lack of familiarity of the process among policymakers; and (v) NbS benefits going beyond administrative boundaries.
- There is need to expand the economic assessment framework to capture natural capital. Within ADB, there is a need to take the discussion in the upstream level shifting policies, strategies, and processes so that natural capital, NbS, and other greener interventions are more acceptable, can be compared more easily to traditional grey solutions, and are likely to be implemented successfully.

"I would like to encourage further action on how to take forward the discourse on expanding the economic assessment framework to capture natural capital within ADB and in our dialogues or conversations with our partners." Jingmin Huang, Director, Pacific Regional Department, Concurrently Chair, Urban Sector Group Committee, ADB

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