NATURE 4 CITIES

Be Part of the Green Transition

NBS Breakfasts

#4 Ensure the economic feasibility of NBS projets

NATURE4CITIES AND WEBINAR PROGRAM

#1 The NBS concept : an approach for more resilient cities?	October, 14th 2020 9:00 – 10:00 GMT+2
#2 Choose the most suitable NBS for your local context : from diagnostic to assessment	November, 4th 2020 9:00 – 10:00 GMT+1
#3 Change mindsets and involve all stakholders	December, 9th 2020 9:00 – 10:00 GMT+1
January, 13th 2021 9:00 – 10:00 GMT+1	**#4 - Ensure the economic feasibility of NBS projects**
#5 Nature4Cities platform : one stop-shop for your urban project	February, 10th 2021 9:00 – 10:00 GMT+1

Watch the replays!

Register!

TODAY'S BREAKFAST

1. NBS ECONOMIC FEASIBILITY

NBS economic barriers and levers

NBS are economically relevant

How can I finance NBS projects?

2. NBS ECONOMIC ASSESSMENT WORK IN NATURE4CITIES

3. NATURCENT, URBAN NATURE FINANCING TOOL IN HAMBURG

January, 13th 2021
9:00 – 10:00 GMT+1

#4 - Ensure the economic feasibility of NBS projects

>> Why can NBS be relevant from an economic point of view?

>> How to grasp the economic impacts of NBS projects?

>> How to finance and create sustainable business models for NBS?

Speakers:

Intro: Marion Daniel, Plante&Cité, France
NBS economic assessment: Benedetto RUGANI, List, Luxembourg
Naturcent Hamburg's financing tool to enhance urban nature : Justus A. Quanz, Germany

INTRO: NBS ECONOMIC FEASIBILITY

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NBS MUST BE FUNDED PROPERLY

>> NBS: strategies, actions or physical projects conceived to address increasing urban challenges like climate change, biodiversity loss…

>> Taking action is urgent and NBS can make cities more resilient

To enhance NBS implementation, we have to switch **our economic approach** of urban projects:

>> NBS relevancy and advantages from an economic point of view
>> find adapted tools to finance them

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ECONOMIC BARRIERS TO NBS IMPLEMENTATION

Grey solutions:
Perceived as lower risk investment

Nature-based solutions:
costs and benefits not easily quantifiable and unclear return on investment

Before and after project pictures / French NBS project "lisière d'une tierce forêt"

>> Usual short-term vision based on rentabillity and short-term political decisions lead to often choose grey solutions rather than NBS

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NBS PROJECTS NEED A LONG-TERM ECONOMIC APPROACH

Usual short-term approach is not adapted to NBS projects:

>> too much focus on investment and not enough consideration for long-term sustainable business models

>> NBS costs and benefits distribution in time: different from grey solutions

>> On-going management costs: very important to secure NBS ecosystem services

Investment and on-going maintenance costs should be rebalanced:

Often less investment budget needed

Increase of available on-going maintenance budget compensated by NBS long-term benefits

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NBS ENABLE TO SAVE COSTS

	Grey solutions	Nature-based solutions
IMPLEMENTATION PHASE	+ Often less maintenance on the beginning - But more resources and energy use - Sectorial response to one challenge	- Variable needs of maintenance on the beginning + Ressources and energy savings + Cross-sectorial response to several challenges: co-financing opportunities
LONG-TERM	- Deterioration - More maintenance needs	+ Expected increase of benefits and efficiency + Limited replacement needs

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NBS CAN CREATE ECONOMIC VALUE

- Ecological engineering techniques mobilize local resources and are often less expensive
- Greener urban spaces are more attractive and NBS implementation can open possibilities for new sustainable economic models

***Return on investment**: in New York, each dollar invested in a tree generates 5,6 dollars of ecosystemic services (PlanNYC)*

Sustainable economic models:
Urban farming managed by the municipality supply 85% of school canteens food in Mouans-Sartoux, France

Urban forestry partnership for a local supply in firewood chips and building timber in Lorient, France

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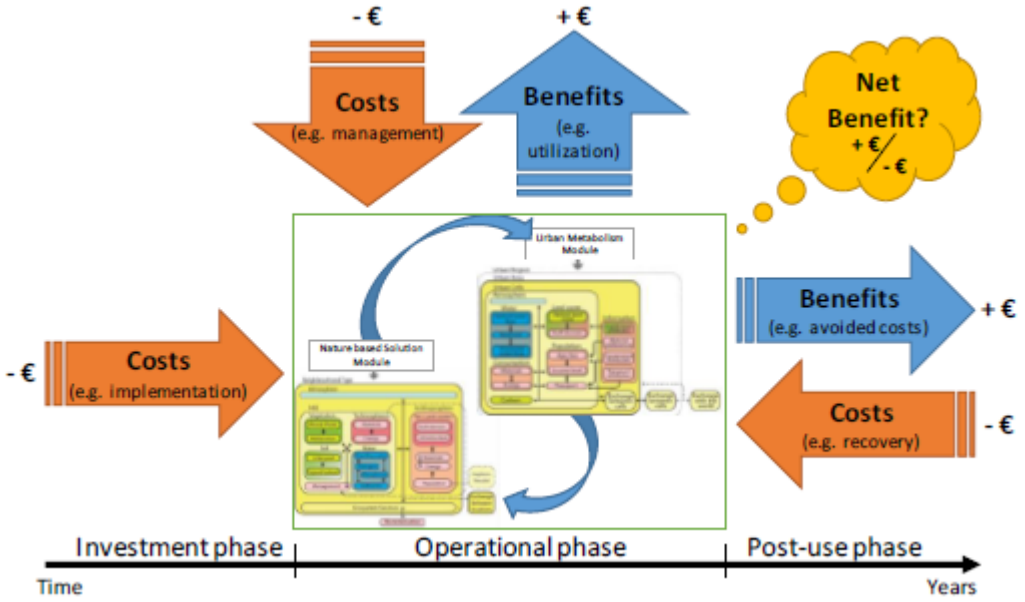
ASSESSMENT OF NBS ECONOMIC IMPACTS

>> Holistic vision of costs and benefits

>> Life cycle costs analysis

….And other methods!



Assessment results
= convince that NBS are profitable

*A projection showed that in England, green spaces access for all would help the country **to save 2,1 billion pounds** every year for healthcare (Natural England, 2009)*

*European Commission predictions show that creating wetlands upstream a city could bring **benefits 3 to 6 times higher** than the expected costs of its implementation*

Nature4Cities' socio-economic values assessment:

Monetary value scale: NBenefit$

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FUNDING SOLUTIONS FOR PROJECT LEADERS: FINANCING DIRECT INTERVENTIONS

>> Innovative use of existing sources of funding

Innovative use of public budget

Taxes redirection

>> Explore new sources of funding

Local or regional structures propose funding thanks to NBS concept increasing, EU grants

Private structures, charities and philanthropic organisations

Crowdfunding

NBS planning or implementation funding in pilot cities through EU grants such as Horizon2020, LIFE programme…

Newcastle Parks Trust: independent charity promoting public health objective of parks in Newcastle and supporting their maintenance and development

my park Scotland

MyParkScotland includes a crowdfunding platform used to raise funds for Scotland's public parks

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INCENTIVES TO MAKE NBS ATTRACTIVE: FINANCING INDIRECT INTERVENTIONS

>> Direct interventions are not always possible: economic incentives can be used to encourage action and stimulate private investment in NBS

Innovative tax use and subsidies

New financing tools

Green roof subsidy, Rotterdam: subsidy of €30 per m² of installed green roof to encourage their implementation

Payment for Ecosystem Services PES: *payments to land or natural resource owners in return for a guaranteed provision of ecosystem services*

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COLLABORATION IS A KEY TO SECURE NBS FINANCING

>> Involving multiple stakeholders and having multiple funding partners through hybrid or blended financing: key to secure NBS funding

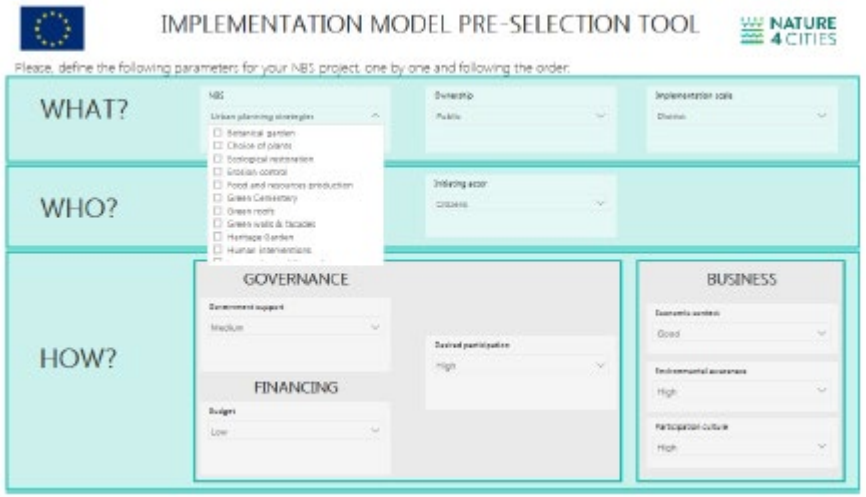
>> Distributed responsibilities can generate a shift from risk aversion to sharing the perception of risk of new approaches like NBS projects

Public-private partnership between governments and businesses to fund NBS projects:

Genk city, Belgium, leader in the use of public financing to leverage other sources of funding from charities, philanthropists and businesses (more information in Connecting Nature project)

Fix your business model with Nature4Cities

Who can I collaborate with?
Who can pay for NBS?
What model of financing will be the most sustainable?



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NBenefit$

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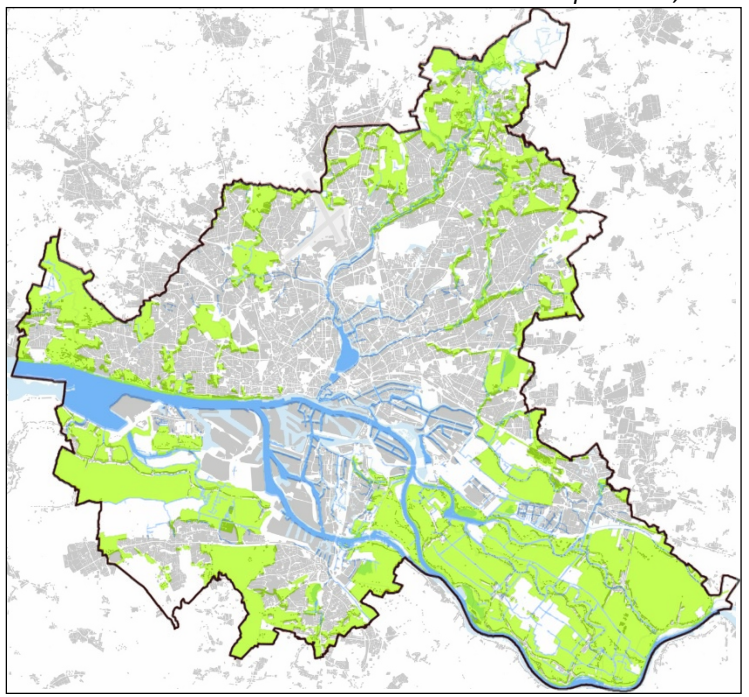
Map: BUKEA, 2020



NaturCent, urban nature financing tool in Hamburg

Thank you for your attention!

NATURE 4 CITIES

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And follow us on the social media:

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