



CLIMATE

The Multiple Resilience Dividends Framework: Rethinking Adaptation Decision-Making as a Transformative Approach for Sustainable Development

Presented by:

Oscar Higuera Roa

Systemic Risk and Resilience (SYRR) Group

4.4.2024

Co-authors:

Michaela Bachmann Reinhard Mechler Robert Sakic-Trogrlic



Funded by the European Union under grant agreement No 101093942. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or of CINEA. Neither the European Union nor the granting authority can be held responsible for them.

Context



A PROGRAMME SUPPORTING THE EU MISSION ON ADAPTATION TO CLIMATE CHANGE EU Adaptation Mission "[...] aims to create resilient regions [...] through smarter, swifter, and more systemic adaptation" (European Commission, 2021)

P2R will empower the most vulnerable European regions and communities to design locally-led pathways towards a climate-resilient future.







Current Issues on Climate Adaptation

There is a need to reshape adaptation planning and decision-making (Helgeson and O'Fallon, 2021; Rözer et al., 2023).

- <u>SIZE & SCOPE</u>: Climate Change Adaptation is "fragmented, small in scale, incremental, sectorspecific, designed to respond to current impacts or near-term risks, and focused more on planning rather than implementation" (IPCC, 2022, p. 50).
- FINANCE GAP: The overall funding allocated for building climate resilience, particularly the financing flow towards adaptation, has been slowing down lately (United Nations Environment Programme, 2023).
- <u>PERCEPTION</u>: Misconception that investing in climate resilience is unnecessary unless there is an imminent disaster event (Keefe, 2018; Helgeson and O'Fallon, 2021). Therefore, adaptation fails to find a place in community priorities (Keefe, 2018).

Emerging Questions



How can we help regions build climate resilience through smarter, swifter, and more systemic adaptation?

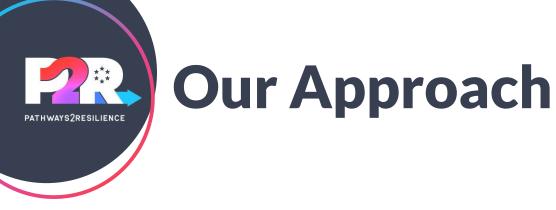


How can we make adaptation more compelling for decisionmakers and appealing for investment?



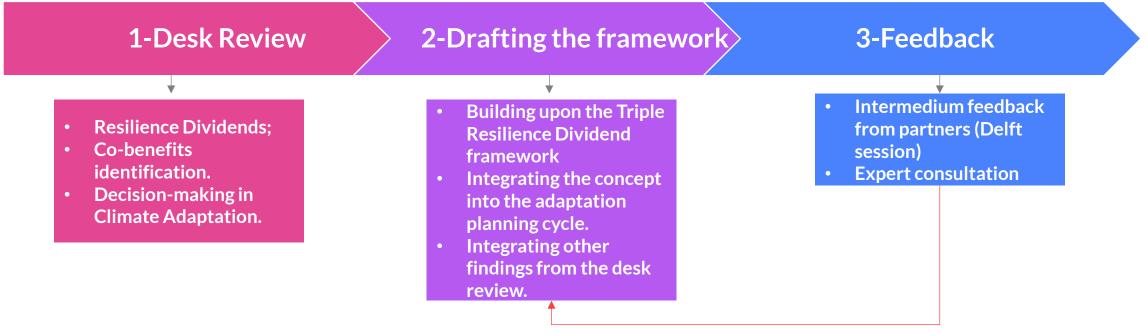
How do we design for such an adaptation while supporting multiple societal objectives in practice?







Objective: To provide a decision-making framework that helps European regions identify, evaluate, and select adaptation options capable of delivering multiple resilience dividends across sectors.



Resilience benefits as a continuum



- Building resilience can have broad and far-reaching positive impacts across various sectors and domains
- An **opportunity** to inform decision-making and **adaptation planning** better.
- Build the case for investing in climate adaptation, going beyond risk reduction outcomes.

Environment				Society				Economy				
:	Benefit 1	Benefit 2	Benefit 3	Benefit 4	Benefit 5	Benefit 6	Benefit 7	Benefit 8	Benefit 9	Benefit n	:	

魞

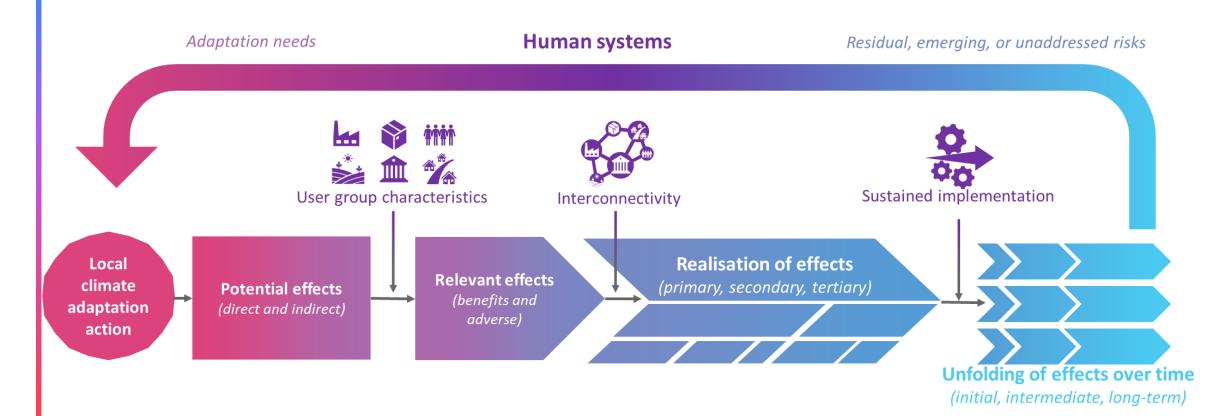
Receptivity

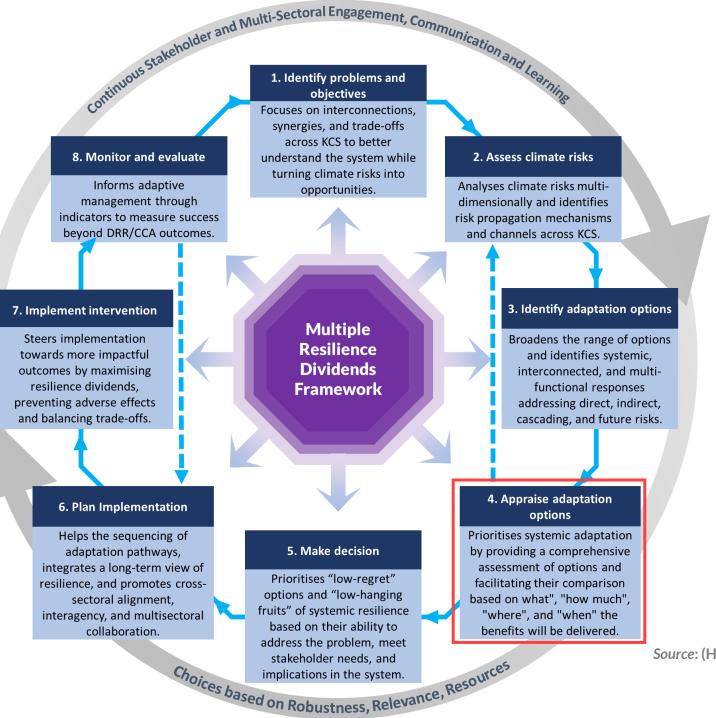


Temporality

Dividends' realisation



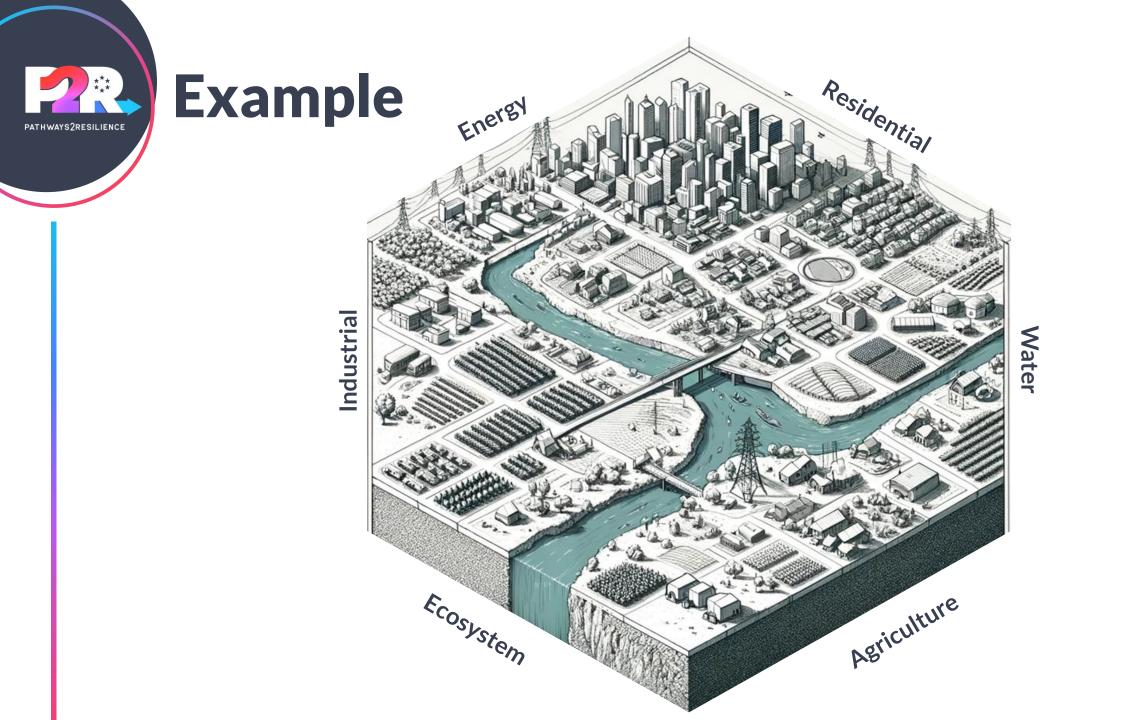


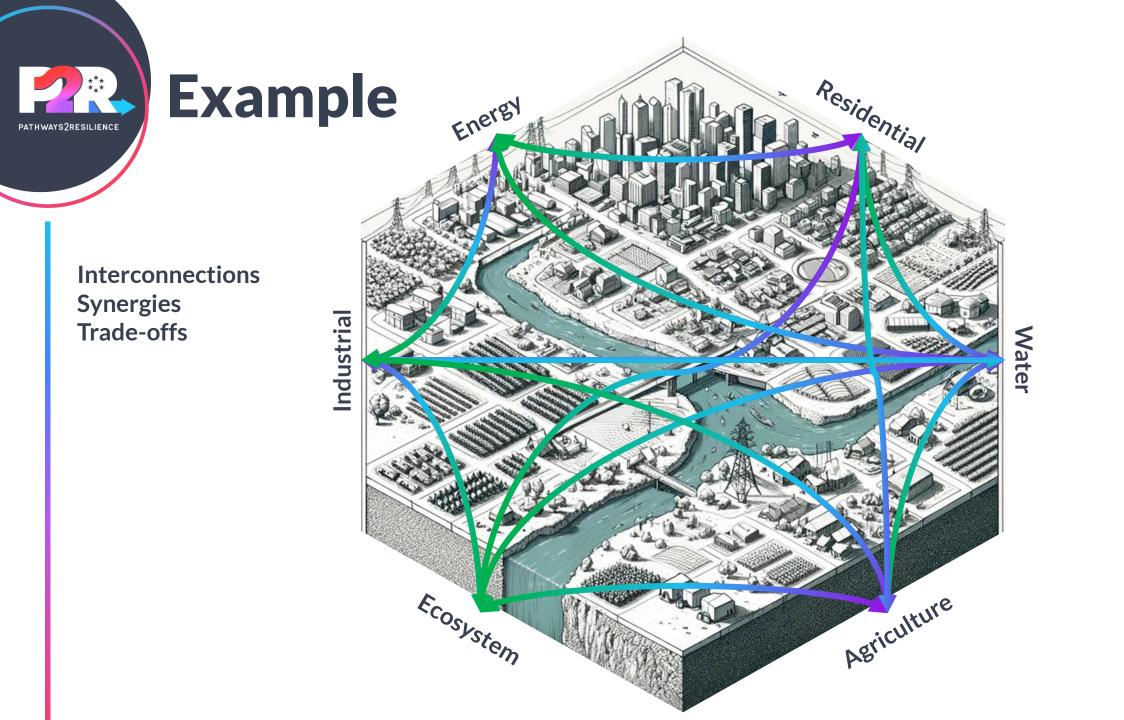


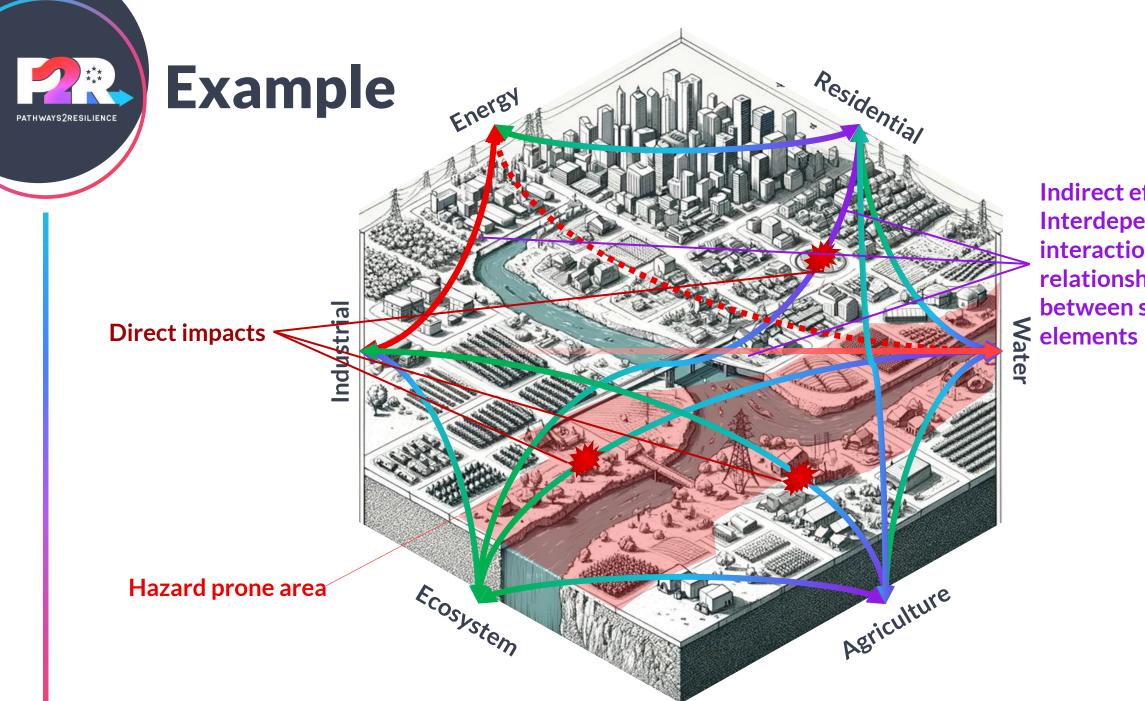


PATHWAYS2RESILIENCE

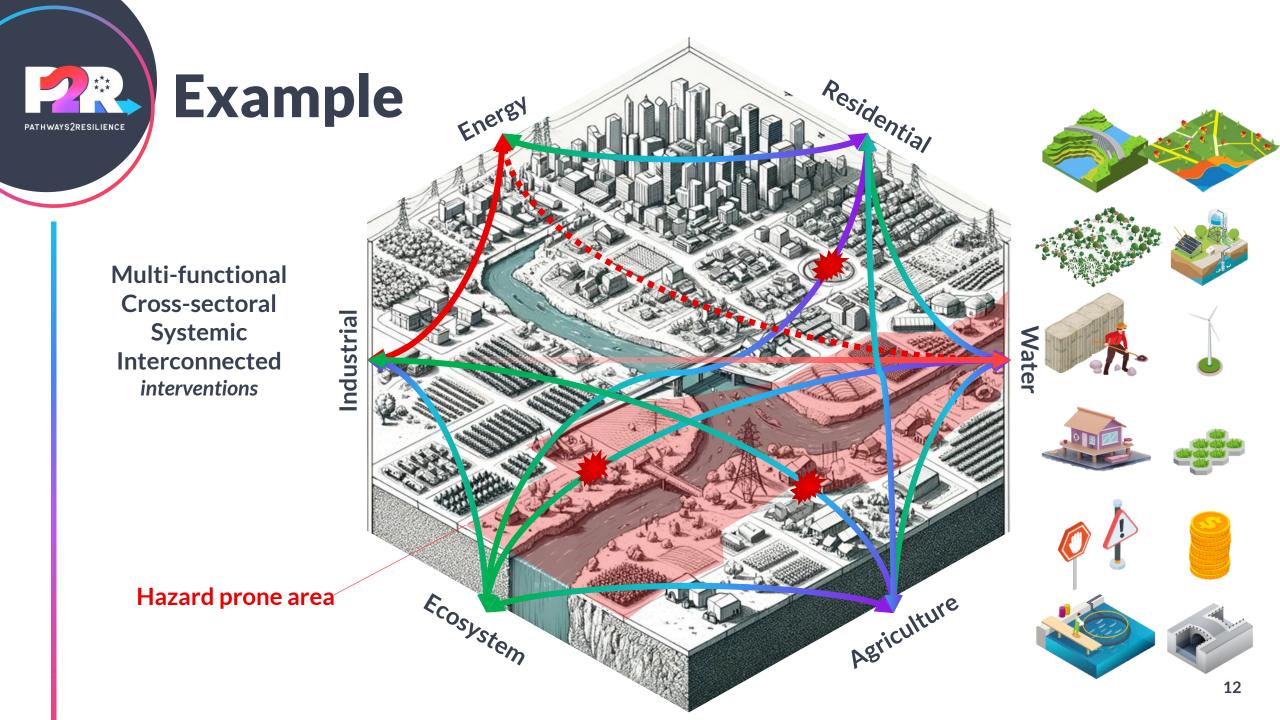
Source: (Higuera, Bachman & Sakic, 2024)

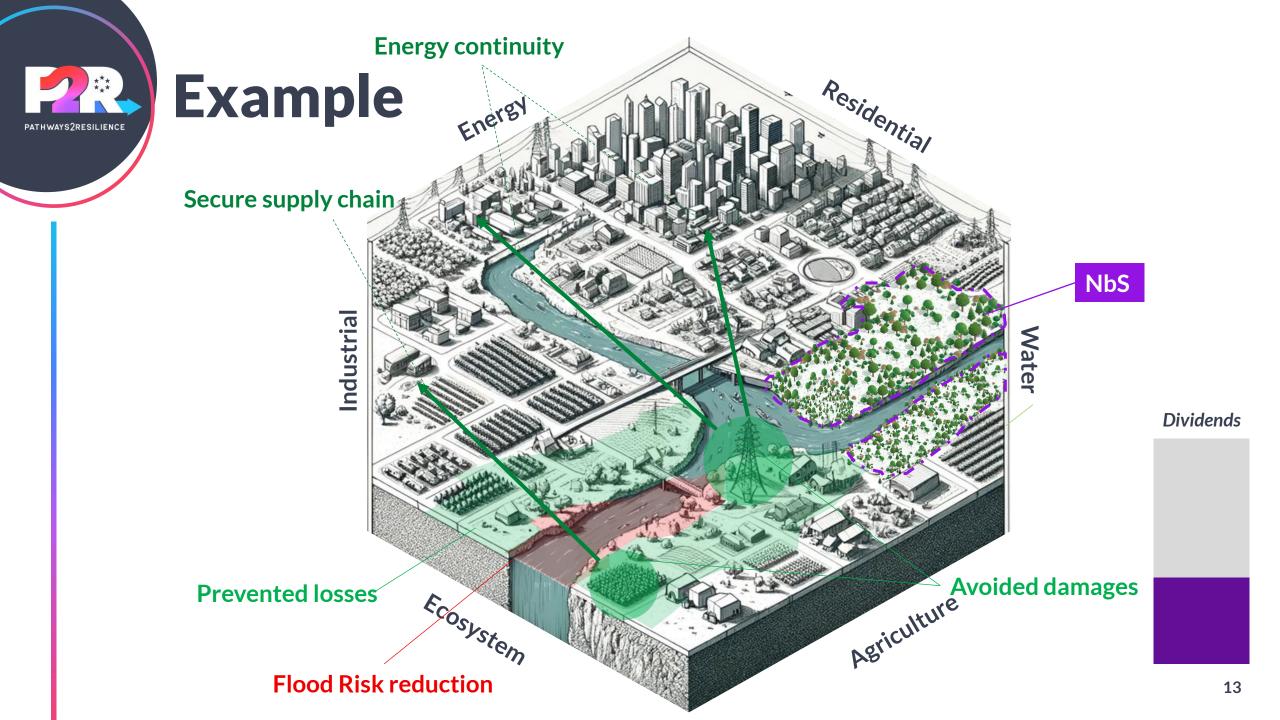


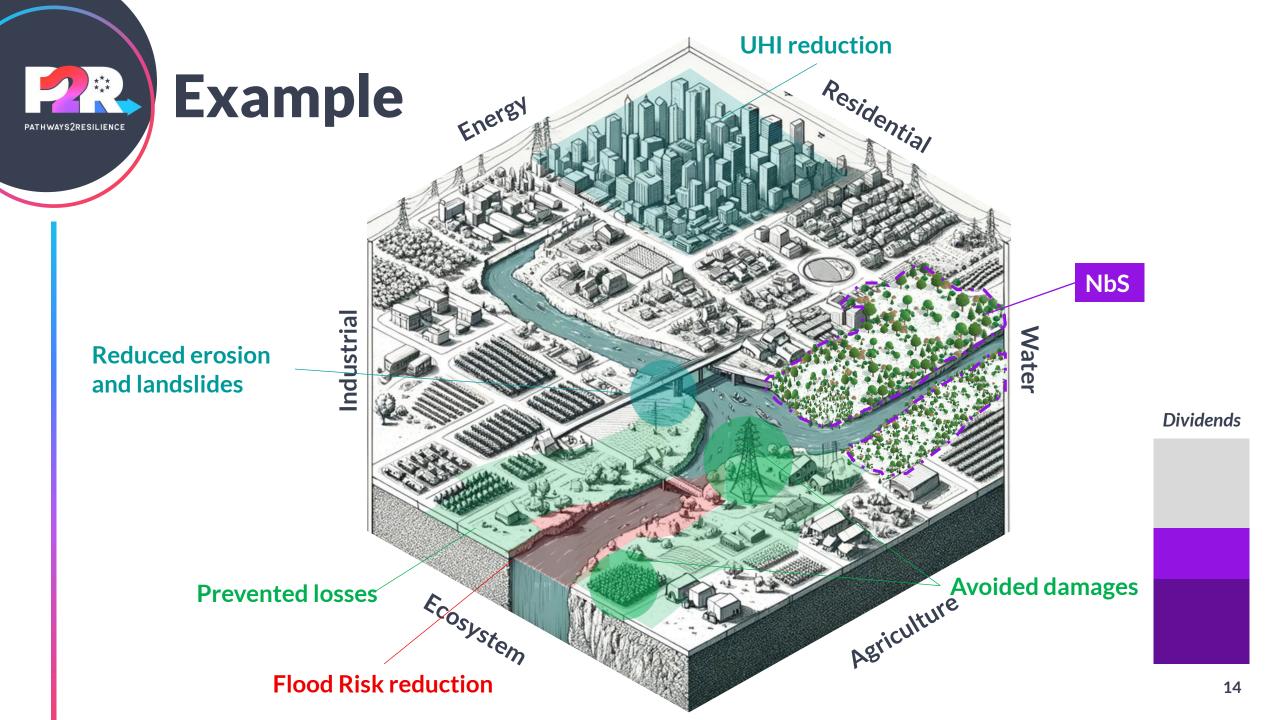


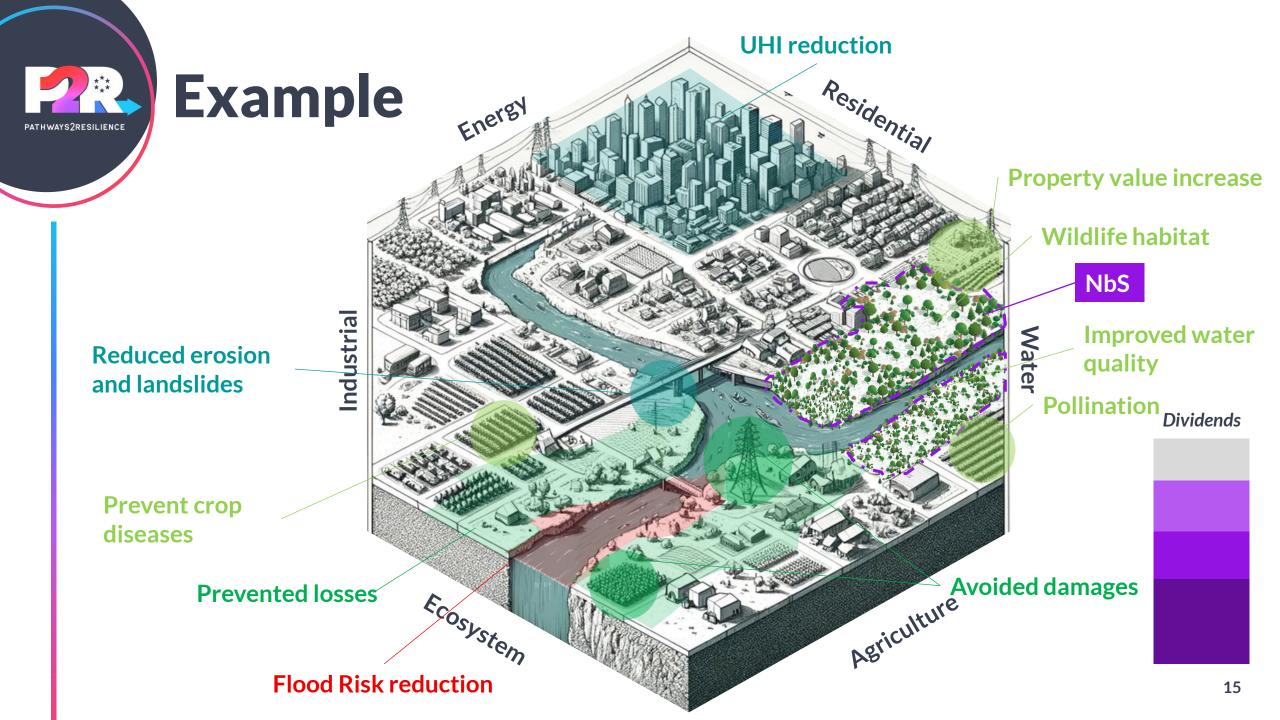


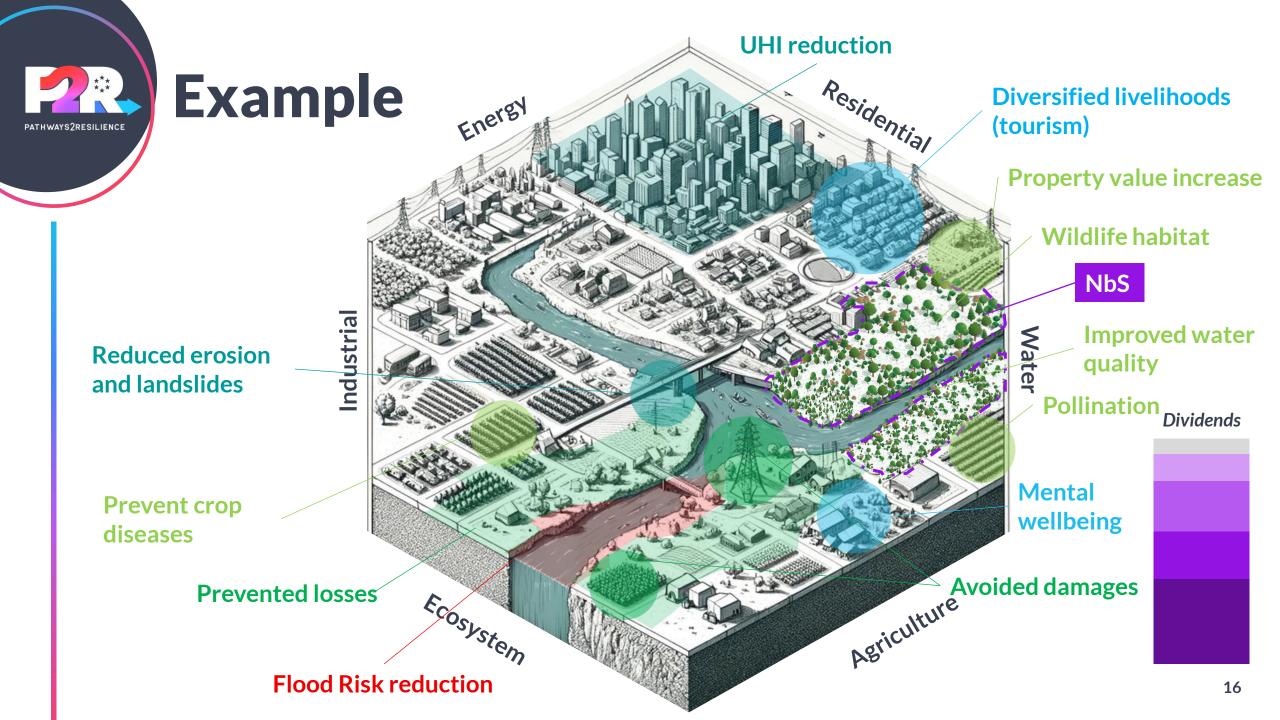
Indirect effects Interdependencies, interaction and relationships between system

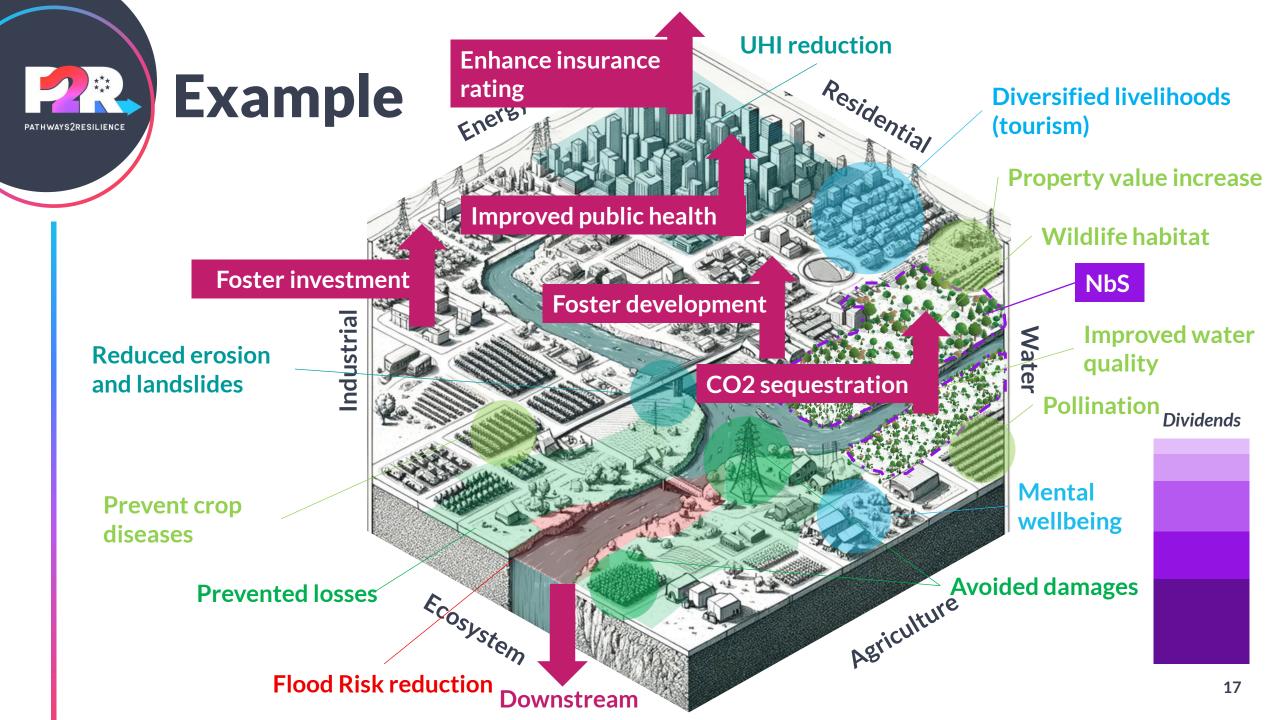












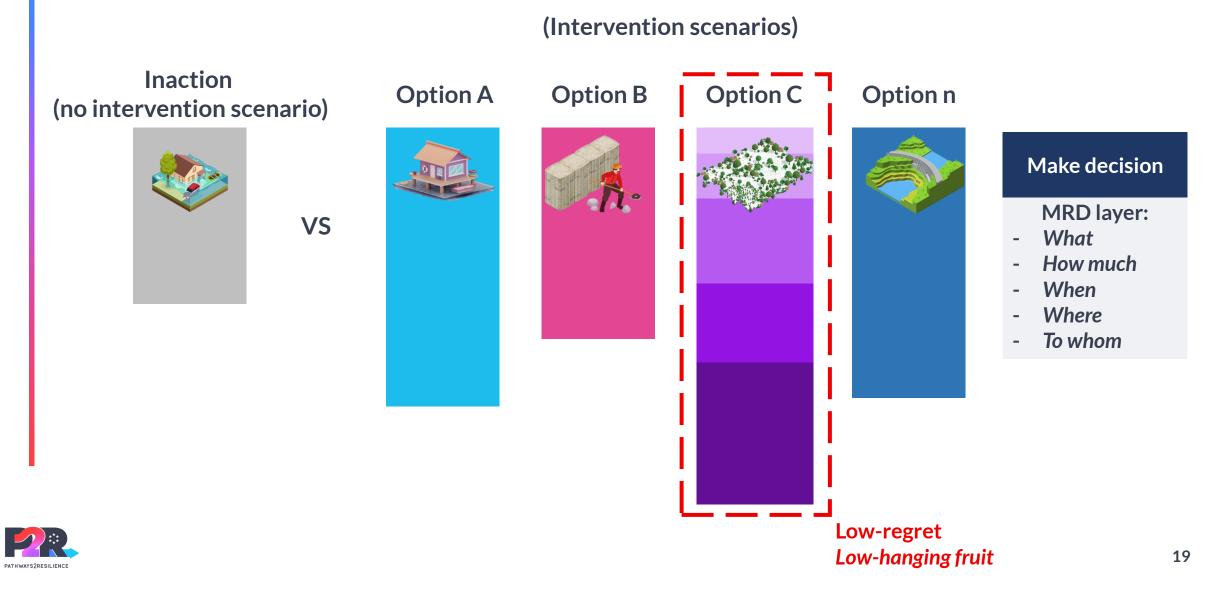


Independent of a disaster event Captured by the MRD framework

Dependent on a disaster event Normally captured by conventional approaches Dividends

System-wide benefits Linked to other societal goals **Creating value for other sectors/domains** Induced resilience to other phenomena Avoided losses & damages (direct and indirect)

Multiple Resilience Dividends





Outlook: Making it a flexible and actionable approach



Various methods can characterize the MRD:

- Cost-Benefit Analysis
- Cost-Efficient Analysis
- Multi-Criteria Analysis
- Robust Decision Making
- Portfolio Analysis
- Real Option Analysis
- Computable General Equilibrium
- Analytical Economic Modelling (e.g., agentbased, micro- and macroeconomic models).
- Participatory Assessments (e.g., Delphi method, Focus Group Discussions)

Integrate the MRD framework as part of the formulation of Adaptation Pathways

Test, validate and improve it together with the P2R regions.



Recognising the full potential of building climateresilience re-frames adaptation as a lever for broaderClosing
development objectives, a catalyst for growth and
shared prosperity.

Under this analytical approach, building climate resilience and societal development is only a matter of perspective.





References



- Doeffinger, T. and Rubinyi, S. (2023) 'Secondary benefits of urban flood protection', *Journal of Environmental Management*, 326, p. 116617. Available at: https://doi.org/10.1016/j.jenvman.2022.116617.
- European Commission (2021) 'Climate Change Adaptation Mission Implementation Plan'. Available at: https://research-and-innovation.ec.europa.eu/system/files/2021-09/climat_mission_implementation_plan_final_for_publication.pdf (Accessed: 19 December 2023).
- Fung, J.F. and Helgeson, J.F. (2017) *Defining the resilience dividend: accounting for co-benefits of resilience planning*. NIST TN 1959. Gaithersburg, MD: National Institute of Standards and Technology, p. NIST TN 1959. Available at: <u>https://doi.org/10.6028/NIST.TN.1959</u>.
- Helgeson, J. and O'Fallon, C. (2021) 'Resilience Dividends and Resilience Windfalls: Narratives That Tie Disaster Resilience Co-Benefits to Long-Term Sustainability', *Sustainability*, 13(8), p. 4554. Available at: <u>https://doi.org/10.3390/su13084554</u>.
- Heubaum, H. *et al.* (2022) 'The Triple Dividend of Building Climate Resilience: Taking Stock, Moving Forward', *World Resources Institute* [Preprint]. Available at: https://doi.org/10.46830/wriwp.21.00154.
- IPCC (2022) Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Edited by H.-O. Pörtner et al. Cambridge, UK and New York, USA: Cambridge University Press.
- Keating, A. et al. (2017) 'Disaster resilience: what it is and how it can engender a meaningful change in development policy', Development Policy Review, 35(1), pp. 65–91.
- Keefe, K.E. (2018) Beyond one bad day : exploring social, economic, and environmental co-benefits of resilience in the National Disaster Resilience Competition. Graduate Thesis. Massachusetts Institute of Technology, Department of Urban Studies and Planning. Available at: http://hdl.handle.net/1721.1/118250.
- Mechler, R. and Hochrainer-Stigler, S. (2019) 'Generating Multiple Resilience Dividends from Managing Unnatural Disasters in Asia: Opportunities for Measurement and Policy', SSRN Electronic Journal [Preprint]. Available at: https://doi.org/10.2139/ssrn.3590874.
- Rodin, J. (2014) The resilience dividend: being strong in a world where things go wrong. First edition. New York: PublicAffairs.
- Rözer, V. et al. (2023) 'Multiple resilience dividends at the community level: A comparative study of disaster risk reduction interventions in different countries', *Climate Risk Management*, 40, p. 100518. Available at: https://doi.org/10.1016/j.crm.2023.100518.
- Tanner, T. *et al.* (2015) *The Triple Dividend of Resilience*. Washington DC: Overseas Development Institute (ODI), and The World Bank. Available at: https://www.gfdrr.org/sites/default/files/publication/The_Triple_Dividend_of_Resilience.pdf (Accessed: 7 October 2023).
- Tanner, T. and Rentschler, J. (2015) 'Unlocking the 'Triple Dividend' of resilience. Why investing in disaster risk management pays off. Interim Policy Note'.
- United Nations Environment Programme (2023) Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate investment and planning on climate adaptation 22 leaves world exposed. United Nations Environment Programme. Available at: https://doi.org/10.59117/20.500.11822/43796.



Thank you.

International Institute for Applied Systems Analysis (IIASA) Schlossplatz 1, A-2361 Laxenburg, Austria





iiasa.ac.at/contact

iiasa-vienna

@IIASALive

 (\mathbf{f}) IIASA

(in)

 \bigcirc

@iiasavienna





Pathways2resilience.eu