

Addressing the Financial Feasibility Struggles of Adaptation Projects: Appreciating the Significance of Secondary Benefits

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1. Introduction

Many adaptation projects struggle with financial feasibility in the current financial system and consequently face a decreased implementation probability. One means of addressing this challenge is the accurate valuation of secondary benefits, for example (social) marketing potential, employment and knowledge development. Based on personal experience with real cases in The Netherlands, the authors of this paper have identified the (social) marketing potential of 'sustainable development (SD) icon projects' (highly visible SD features/characteristics) as a significant driver of stakeholder value. However, utilization of this driver of stakeholder value demands accurate valuation and subsequent integration into the financial feasibility evaluation of adaptation projects.

2. Objectives

In order to explore the significance of accurate valuation of the (social) marketing potential of 'SD icon projects' on the financial feasibility of adaptation projects, the objectives of this study are to (1) create an inventory of 'SD icon projects', (2) conduct a preliminary analysis and evaluation of the impact of valuation of the (social) marketing potential of 'SD icon projects' on the financial feasibility of adaptation projects, and (3) conduct a preliminary analysis and evaluation of various drivers of stakeholder value in 'SD icon projects'.

3. Method

The method used to meet the objective of (1) creating an inventory of 'SD icon projects' is a general internet/web search. The method used to meet the objectives of (2) conducting a preliminary analysis and evaluation of the impact of valuation of the (social) marketing potential of 'SD icon projects' on the financial feasibility of adaptation projects and (3) conducting a preliminary analysis and evaluation of the various drivers of stakeholder value in 'SD icon projects' is semi-structured interviews with key stakeholders of 'SD icon projects'.

4. Findings

Many of the 'SD icon projects' attract attention and interest by communicating the highly visible SD features/characteristics, and therefore deliver value. Accurate valuation of the (social) marketing potential of 'SD icon projects' can have a significant positive impact on the financial feasibility of adaptation projects. Drivers of stakeholder value in 'SD icon projects' are diverse and numerous; however, the most significant drivers derive from regional, national and international recognition. This is linked to motives of building consensus on adaptation action and building legitimacy for public expenditure.

5. Significance of the work for policy and practice

Adaptation implementation opportunities in the built environment created by demand for 'SD icon projects' are significant and should be proactively identified and exploited as much as possible to the benefit of adaptation action. The significant positive impact of accurate valuation of the (social) marketing potential of 'SD icon projects' on the financial feasibility of adaptation projects should not be underestimated. Secondary benefits, of which (social) marketing is but one, should be proactively identified and accurately valued as early as possible in order to counteract the struggle with financial feasibility in the current financial system facing many adaptation projects.