



## Mainstreaming Nature in Policy and Investment Decisions

# Pilot Project Fact Sheet Cook Islands

Financing nature-based solutions for flood mitigation and water quality by developing capacity for natural capital approaches and valuation



### Country context

The Cook Islands is a nation of 15 islands, scattered over an exclusive economic zone in the South Pacific Ocean of 1.8 million square kilometers. The country is vulnerable to climate change and natural disasters, and its economy is largely driven by tourism. The Muri Lagoon on the eastern coast of Rarotonga (the largest island in the Southern group) attracts the most tourist revenue in the Cook Islands. However, there are serious issues with coastal flooding and wastewater pollution. Currently, the Asian Development Bank (ADB) is supporting the government and coastal communities with research to inform the design of nature-based solutions to mitigate flooding and water quality impacts. There is now an opportunity to seek creative co-financing opportunities and ensure the values nature provides to both the local community and the private sector are factored into decisions.

### What will this pilot project do?

Natural capital approaches can help development efforts strategically preserve the ecosystem services important to a region or community. This project will co-develop a roadmap for conducting natural capital assessments and economic valuation of nature's benefits in the Cook Islands that reflects the values of Cook Islanders, and a process for integrating these approaches into ADB's loan process for green infrastructure development in the country. The team will also co-develop a training for the local context to expand capacity for continued use of these approaches. They will conduct a baseline ecosystem services assessment and economic valuation for the Muri Lagoon area, as a pilot for incorporating nature's value into the design of such infrastructure and as a use case for the training.

*Note that this is an iterative process and the specifics of the project may evolve.*

### Key steps

**Working with different groups within ADB** (Economic Research and Development Impact Department; Water and Urban Development Sector; and Climate Change and Sustainable Development Department), identify entry points for incorporating natural capital assessments and economic valuation of ecosystem services into ADB's loan process for urban and water projects.

**Co-design training material to increase literacy** around established methods to assess, account for, and value natural capital in the Cook Islands; equip local government enforcement officials to undertake natural capital assessments and use results for outreach with local community members.

**Pilot key elements of these approaches** using the Muri lagoon wastewater infrastructure project as a test-case.

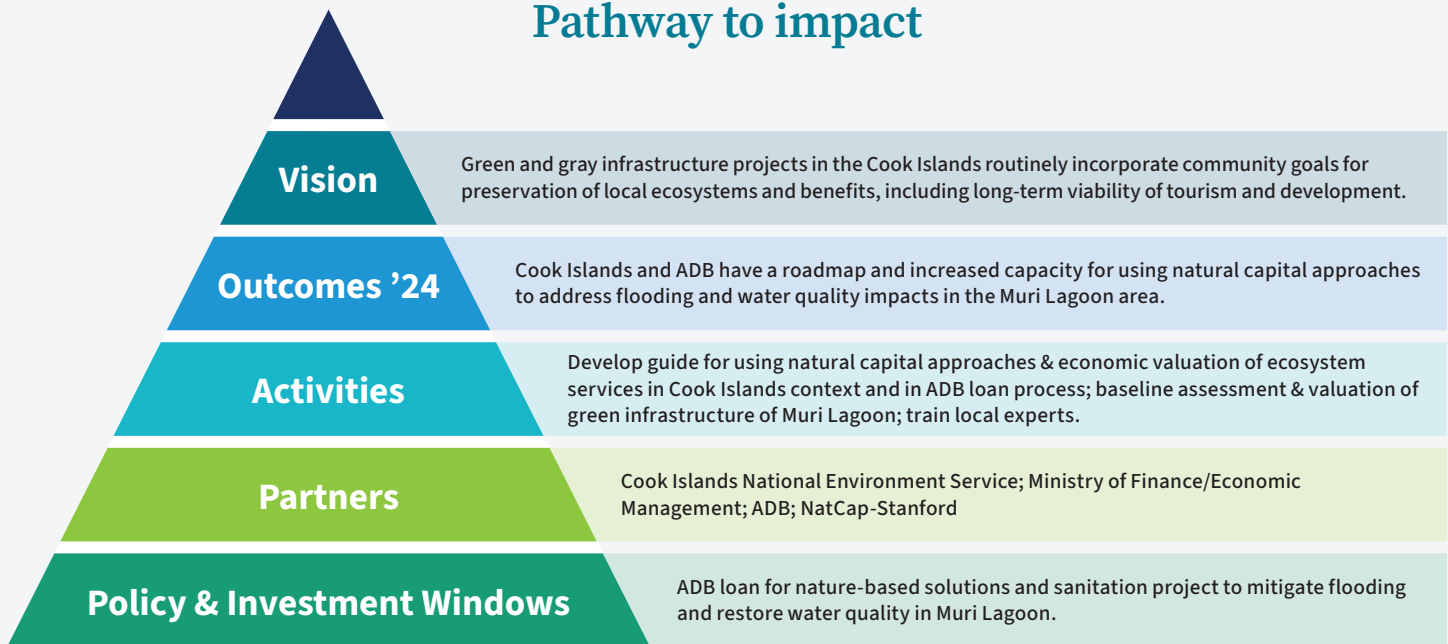




## Project-at-a-glance

Type of policy or finance mechanism this will inform:	Infrastructure loans and nature-based solutions
Planned methods for natural capital approach:	Mapping natural capital; economic valuation; process guidance; capacity development
Key issues to be addressed:	Coastal flooding and water quality
Geographic scale:	Watershed-scale and downstream coastal and marine ecosystems
Ecosystem services to be assessed:	Tourism, water quality, coastal vulnerability

## Pathway to impact



For more information, please visit the project page: [bit.ly/peopleplanetprosperity](https://bit.ly/peopleplanetprosperity).  
Please contact [naturalcapitalproject@stanford.edu](mailto:naturalcapitalproject@stanford.edu) with questions about this project!

