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*Nature-Based Solutions in Asia & the Pacific: How to Achieve Quality and Scale  
Johor Bahru, Malaysia – Nov 15, 2023*

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Investments to conserve and restore forests, other terrestrial and coastal habitats, and working agricultural lands—known collectively as “nature-based solutions” (NBS)—are essential to mitigate climate change, preserve biodiversity, and advance sustainable development. They provide multiple benefits for society.

Carbon markets offer a source of funding for natural ecosystems at risk, but conflicts over carbon offsets threaten to block needed investments. On one hand, companies and countries with decarbonization commitments are attracted to low-cost, immediately available opportunities for carbon sequestration through NBS. On the other hand, stakeholders worry that nature-based offsets may not be permanent, may discourage industrial emissions reductions, and may create unjust outside influence in local land-use decisions. Key questions included:

- What are the barriers to scaling investment?
- How can we evolve quality and integrity?
- What frameworks would encourage a flourishing carbon market, delivering robust carbon impact while also delivering benefits to local communities and biodiversity?

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In partnership with: 

**Flora Ji**, Vice President Nature-Based Solutions, **Shell**

Speakers:

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-**Dr. Wei-nee Chen**, Executive Vice President and Head of Carbon Market, **Bursa Malaysia**

-**Ling Min Hoon**, Director, Investments, **GenZero**

-**Allison Lewin**, Director, Climate Partnerships, **The Nature Conservancy**

-**Ritesh Thakkar**, Senior Advisor Asia Pacific, **Convergence**

**Moderator: Glenn Prickett**, Former CEO, **WEC**

Participants

40 participants from business, government, and academia/NGOs operating in South-East Asia shared their practices in working with Nature-Based Solutions, i.e. how they plan to achieve quality and scale in NBS.

Key Learnings

- (1) **Nature-Based Solutions can contribute up to 30% of what the world needs** to abate to limit global temperature rise to 1.5°C, according to participants. Approximately 1/3 of that NBS potential resides in the Asia region.
- (2) **A major point of discussion with the group was the fact that carbon credits are generally undervalued.** This is due to an excess supply of low-integrity credits coupled with the increasing costs for high-quality projects (due to higher monitoring standards and safeguards from leakages). Consequently, companies interested in investing in high-quality credits have difficulties to find projects that match their aspirations – and if they find them, not everyone wants to pay the higher price when alternatives, that are also accepted to be traded as carbon credits, are available. Participants explained that “handrails” and quality/pricing clarity are needed.
- (3) **Companies may connect with partners who can co-finance quality solutions** once the many co-benefits beyond carbon credits are understood as additional business opportunities (like biodiversity, improved air quality, and new sources of employment/livelihood). Furthermore, these long-term off-takes to capture the premium together with developers, corporates and e.g. communities also help avoid having to deal with the volatility of carbon markets. Currently, however, most investments concentrate on carbon credits.
- (4) **The permanence of Nature-Based Solutions was a major point:** there was agreement that any project that requires behavior change is also an opportunity for permanence. Projects depending on communities’ populations must take into consideration needs beyond carbon that must stay: economic stability, safety, intact forests, clean water, etc. If the co-benefit is carbon savings, then it is also a win for the climate.