

IMPACT OF FINANCING **NATURE-BASED SOLUTION THROUGH SUSTAINABLE MANAGEMENT AND DEVELOPMENT IN AFRICA AND IT SUB REGIONS (CASE STUDY GHANA)**

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INTRODUCTION

- Climate change sustainability and conservation has become a global issue, which needs a joint effort from all persons in the world, the children, youth and adult folk in this continent and its sub regions.
- A quick appraisal of the phenomenon in Africa is a timely and laudable. From our environmental research perspective, this presentation seeks to highlight notable thematic areas which calls for the attention to address any unforeseen consequences in the future on our continent – Africa.
- However, amid the climate and biodiversity crises, **nature-based solution** are significantly seen as important to reduce the impacts of climate change as well as to protect ecosystem and biodiversity.



Definition of Nature Based Solution (NBS) Concepts

- They are actions to protect, sustainably manage or restore natural ecosystems that address health, food and water security and disaster risk reduction effectively and adaptively, simultaneously providing human wellbeing and biodiversity benefits. (Gato Batmanian-World Bank Environmental Specialist) & IUCN.
- European Commission defined “NBS as solution inspired and supported by nature, designed to address societal challenges which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience.



Continuation

- Thus, NBS are actions inspired by, supported by, copied from nature that aim to help societies address a variety of **environmental, social and economic** challenges in sustainable ways.
- The concept came into inception in the 2000s to promote nature as a source of solution to challenges associated with Climate change.
- It has been supported and promoted by the International Union for the Conservation of Nature and later by the European Commission.



NBS Cont'd

- Invariably, more than 60% of signatories to the Paris Agreement cited 'NBS' in Nationally Determined Contribution (NDC) actions. The Communiqués of 2021 G7 and 2020 G20 meetings solutions to climate change, biodiversity and human society.
- The UN Convention on Biological Diversity (UNCBD) Draft post – 2020 Biodiversity Framework references 'NBS' in two proposed action targets No7 and No10 and two resolutions: Resolution 75/220 – harmony with nature and Resolution 75/219 – Implementation of CBD and Contribution to sustainable development.



NBS Cont'd

- The 2019 UN Climate Action Summit convened as a rum up to UNFCCC-COP 25 launched a climate manifesto with aim of releasing the pull impact of NBS. Remarkably supported by more that 70% governments, international organizations, civil society and the private sector.
- Apparently in COP26 UNFCCC Conference of parties featured 'NBS' prominently with the goal “protection and restoration of the ecosystem.



Categories of Nature-Based Solutions

NBS practices globally can be grouped based on scale and locations:

- **Watershed or Landscape scale**”
Interconnected systems of natural areas and open space, these are large-scale practices that require long term planning and coordination.
- **Neighbourhood or Site scale**: Distributed storm water management practices that manage rainwater where it falls. These practices can be built into a site, or neighbourhood without requiring additional space.
- **Coastal areas**; nature-based solution that stabilize the shoreline, reducing erosion and buffering the coast from storm impacts.



FINANCING NATURE BASED SOLUTIONS - CLOSING THE GAPS

- In the global space, NBS has gained a substantial visibility as to how climate change, biodiversity loss, land degradation and ecosystem restoration and its effects on human health and well-being can be addressed. Despite the fact that half of the world's economy depend on **nature**, this sector receives little in terms of **investment**.
- Approximately **US\$133 billion** per year is currently directed towards NBS; (represents 86% public financing & 14% private sector finance,(WEF, 2020). This fell short of the annual investment required to meet cross-cutting targets under Rio Conventions (UNEP, 2021).
- To meet these targets, it is estimated that up to **US\$8.1 trillion** worth of investment in NBS is required (Ibid)



Financing NBS Cont'd

- However, several funding avenues exist for NBS: **Green Climate Fund (GEF)**, dedicated to fund NBS related actions and **Global EBA fund**.
- Funds for NBS are low in climate finance space; e.g. only 2% of public adaptation financing went to NBS in 2018.
- NBS financing is hugely dependent on public sector unlike the climate finance where the private sector investment accounts more.



Meeting the funding GAP

- **i. GREEN FINANCIAL PRODUCTS (GREEN BONDS)**

They are debt instruments used to generate capital and are among the most visible green financial products for NBS. E.g. Fiji gov't issued a sovereign Green Bond in 2017 aimed at mobilizing funding to build climate resilience.

- **ii. DEBT -FOR-NATURE SWAPS**

This is a scheme used to leverage on NBS. It is a mechanism that allows gov't to write off a percentage of their foreign debt. The savings are channelled to trust funds utilized for conservation and climate actions.

- **iii. ECOLOGICAL FISCAL TRANSFERS (EFT)**

EFT distributes public revenues between gov'ts in a way based on ecological indicators. eg Protected areas and conservations.



Meeting the funding GAP Cont'd

- **iv. PAYMENTS FOR ECOYSTEM SERVICES(PES)**

PES is done for NBS to accrue funds for private sector initiatives. This is based on the user pays concept,. With this scheme, payments are usually made through contracts or through gov't in the form of taxes/fees. E.g. Uganda in 2014 practiced it and received GEF grant in a project that covered 400 farmers for forest conservation.

- **v. REDUCED INSURANCE PREMIUMS**

This scheme works with an NBS assets such as forests to be insured against damage through already-existing insurance schemes that provide cover for losses resulting from natural disasters and extreme weather events. E.g. Santam an insurance project in Port Elizabeth catch area in South Africa in 2014



ACCELERATING THE FLOW OF CLIMATE FINANCE TOWARDS NBS

- **Pathways toward common understanding and measurement of the meaning NBS.** To adopt a common understanding of NBS, its objectives and measurement metrics to facilitate/promote the design, valuation and monitoring of NBS projects that can attract investment and deliver impact.
- **Scalability:** There is the need to scale up NBS at a greater extent and in a way that could ensure that the current and future generations be able to acquire the benefits of healthier natural environments.
- **Increased Private Sector participation and funding:** Efforts and finances be directed to the private sector in order to achieve the required scale for transformational NBS and to bridge the big financial gap which cannot be met solely by the public sector.
- **Technical Assistance and Capacity Building:** This is required to support the development of a strong NBS project pipelines to secure climate finance.
- **Increased Mainstreaming and Embedding NBS** into International, National and Local policies and Legislation

SHORTCOMINGS OF MAJOR CLIMATE INVESTMENTS FUNDS

- The Environmental and Social management system (ESM) and Environmental & Social Policy (ESP) needs the inclusion of environmental and social considerations in ways that include safeguard measures of “Do no harm” but also improve environmental and social outcomes.
- It must also generate co-benefits to the environment and the indigenous people.



Coastal wetland mangrove forest restoration at Akwidaa W/R of Ghana



CONCLUSION AND WAY FORWARD

- **NBS** is world wide accepted as a potential natural solution to climate change crisis, biodiversity loss, land degradation etc and its societal challenges to human existence. It can contribute towards cost effectiveness as stated in the RIO Conventions, by maximizing synergies and achieving multiple co-benefits for nature and human well-being.
- It is not underestimated fact that the adoption and financing of **NBS** is still not happening at a pace and scale required to achieve the transformational shifts required to tackle pressing global challenges.
- It is therefore crucial that all sources of funding and innovative mechanisms are made available and to fund **NBS** at scale to reach a high quality level.

