



# Enhancing the integration of nature-based solutions in climate-related finance: Some whys and hows

Aleksandar Rankovic, Judith Voss-Stemping, Lola Vallejo, Yann Laurans

Workshop on Implementation of  
Nature-based Solutions to tackle climate change  
**Session 3b : Financial instruments and policy  
framework**

*Marseille (France)  
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# A few steps back...

IDDRI

## ISSUE BRIEF

N°05/16 APRIL 2016 | BIODIVERSITY

### Counting on nature: how governments plan to rely on ecosystems for their climate strategies

An analysis based on Intended Nationally Determined Contributions and the Paris Agreement

Yann Laurans, Rémy Ruat, Pierre Barthélemy (IDDRI)

In Warsaw in November 2013, by its decision 1/CP.19, the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) invited "all Parties to initiate or intensify domestic preparations for their intended nationally determined contributions (...) towards achieving the objective of the Convention (...)". In response to this invitation, we now have 188 intentions for national policies on climate change, and/or on adaptation.

This *Issue Brief* looks at how these contributions, or "INDCs", translate intentions in terms of nature and biodiversity policies. The INDCs have been screened for that purpose, as well as the content of the Paris Agreement adopted on 12 December 2015. The brief identifies the countries which, in their commitments, have placed great emphasis on what are known as "nature-based solutions" (NBS), especially since the International Union for Conservation of Nature called for the development of such approaches in April 2015.

What importance is actually given to ecosystems, to nature and to biodiversity in these INDCs? In what way is "nature" put to use, and similarly, how are climate policies mobilised as a means of strengthening the protection of natural resources? How are the different countries positioned on this question, and what are the dynamics at work?

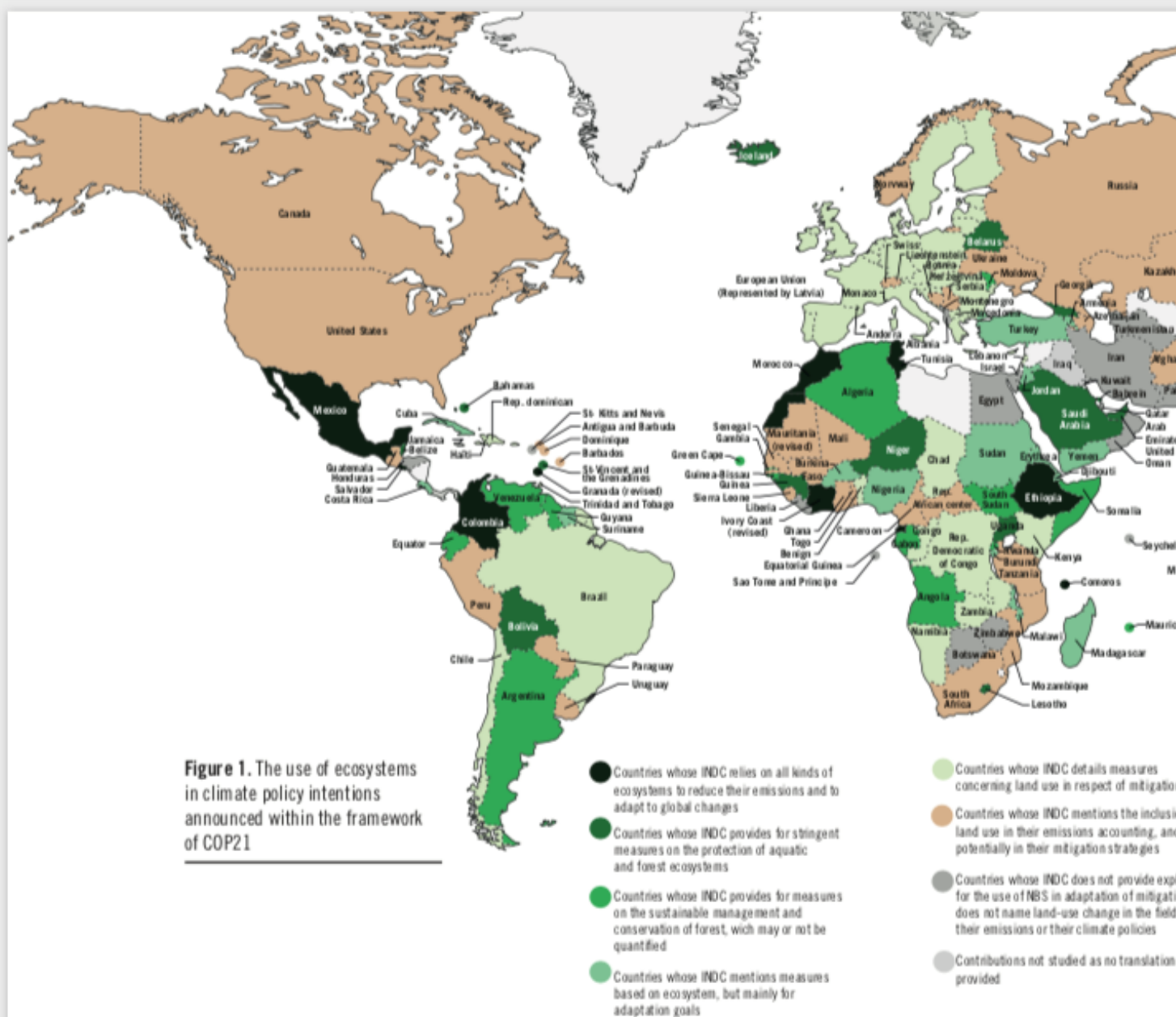
The analysis concerns 159 INDCs (including a single INDC for the EU) representing 186 contributions, which have been read and analysed individually<sup>1</sup>.

1. For *Intended Nationally Determined Contributions*.

2. Iraq and Kuwait submitted their contributions in Arabic with no translation at the time of this analysis; these INDCs have therefore not been taken into account.

#### KEY MESSAGES

- In terms of both climate change mitigation and adaptation, ecosystems represent an important element in around 40 INDCs, which have placed "nature-based solutions" (NBS) in a highly visible position. The use of NBS is common especially in Africa and South America/the Caribbean, and far less so in Asia (excluding China) and Europe.
- The drafting of the Paris Agreement confirms this importance by acknowledging the pivotal role played by nature in mitigation and adaptation. The Parties must ensure ecosystem resilience, especially in order to preserve the capacity of carbon sinks and reservoirs, and more specifically of forests.
- Most INDCs still fall very short of truly coherent mitigation and adaptation policy programmes. The diversity and heterogeneity of the commitments made by the different countries mean that the question of the effective organisation of policy capable of implementing these commitments is still unresolved. The countries that find themselves "leaders" in terms of NBS could contribute to maintaining and facilitating this governance.



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www.iddri.org

Institut du développement durable et des relations internationales  
27, rue Saint-Guillaume  
75337 Paris cedex 07 France

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A few steps back...

## A pilot project



- Iddri & UICN-Med, in collaboration with Morocco and Tunisia (second half of 2016)
- Two workshops, in Rabat and Tunis, with members from the administration, national and international experts, civil society
- Side event at COP22



## STUDY

N°07/17 MARCH 2017

### Implementing nature-based solutions in climate policies: What's in it for biodiversity?

First lessons from Morocco and Tunisia

Aleksandar Rankovic, Stéphanie Char, Yann Laurans (IDDRI)

#### NOT ALL NATURE-BASED SOLUTIONS HAVE THE SAME LEVEL OF AMBITION FOR BIODIVERSITY PROTECTION

The actions contained in the nationally determined contributions (NDCs) that correspond to "nature-based solutions" (NBS) can be listed and ranked according to their level of ambition for biodiversity protection. In the NDCs, the most ambitious climate NBS in terms of biodiversity are the minority.

#### DIFFERENT CATEGORIES OF CHALLENGES FOR BIODIVERSITY

The most ambitious NBS come from biodiversity-friendly energy and nature conservation policies, during the implementation of the NDCs, additional financial and human resources will need to be mobilised in order to strengthen the effective implementation of these conservation policies. For the other types of NBS, the key requirement is raising better management of biodiversity, not only in the technical characteristics of projects, but also in decision-making during sectoral and territorial reorganisation processes.

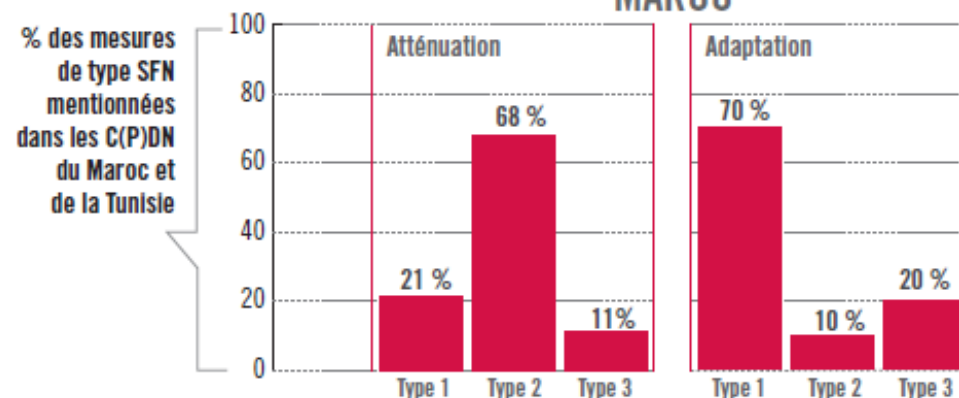
#### DEVELOPING AND SUPPORTING NATIONAL TASK FORCES FOR THE INTERSECTORAL IMPLEMENTATION OF NBS CONTAINED IN THE NDCs

It will be necessary to identify and support the actors capable of coordinating and implementing in both the public services and civil society, in order to ensure biodiversity challenges are taken into account throughout NDC implementation. Coordinating public services, in consultation with the national focal points of the three Rio Conventions (climate, biodiversity, desertification), joined by those responsible for implementing the Sustainable Development Goals, could form an initial step within each country.

#### FIVE RECOMMENDATIONS TO GUIDE THE IMPLEMENTATION OF CLIMATE NBS

We make five recommendations to support biodiversity during national NBS implementation: (1) Analysing NDCs in order to identify the NBS they contained and classify them according to their level of ambition and the guarantees they provide for biodiversity protection; (2) Prioritising NBS measures relying on policies that already explicitly integrate ecosystem protection or restoration targets; (3) Integrating biodiversity objectives into climate NBS that do not give them explicit attention; (4) Identifying the additional resources required to implement biodiversity-friendly climate NBS; (5) Identifying and supporting project leaders capable of intersectoral implementation of NBS.

## MAROC



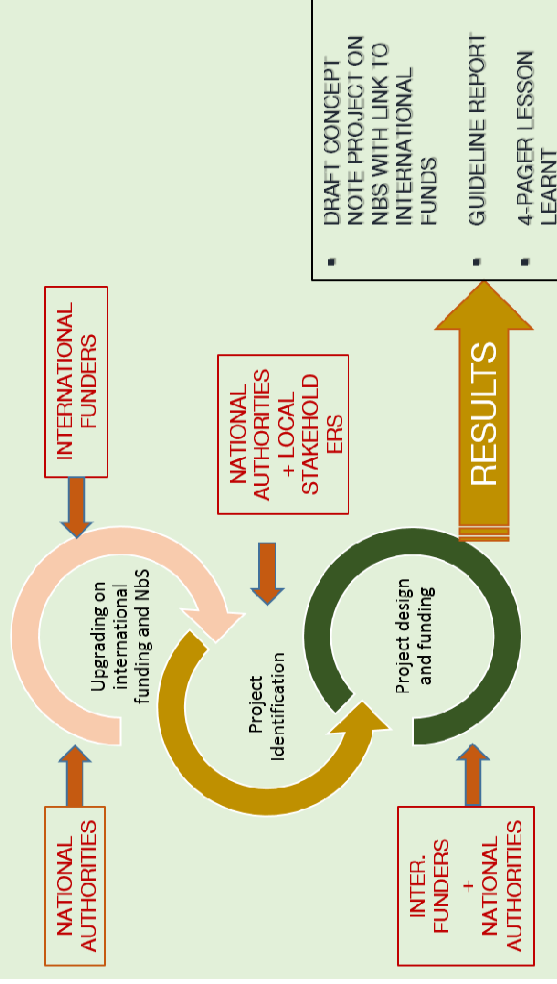
#### SFN dans les actions conditionnelles dans le portefeuille d'actions du Maroc pour le volet atténuation de sa CDN

	Page de la CDN	Type de SFN
<i>Programme oléicole 2020-2030 :</i> extension de l'action 15 sur 232 000 ha (Action 44)	35	2
<i>Programme arboriculture fruitière (hors agrumes et hors olivier) 2020-2030 :</i> extension de l'action 16 sur 112 000 ha (Action 45)	35	2
<i>Programme de plantation des agrumes 2020-2030 :</i> extension de l'action 17 sur 28 000 ha (Action 46)	35	2
<i>Programme de plantation de l'arganier 2020-2030 :</i> plantation de l'arganier sur une superficie de 38 000 ha afin d'améliorer la résilience des populations vulnérables au changement climatique, d'augmenter le stockage de carbone dans la biomasse et les sols et de réduire indirectement la pression anthropique et industrielle sur les forêts d'arganier sauvage (Action 47)	36	2
<i>Projet de plantation de cactus 2020-2030 :</i> extension de l'action 18 sur 66 162 ha (Action 48)	36	2
<i>Projet de plantation d'autres arbustes fruitiers 2020-2030 :</i> plantation d'arbustes fruitiers sur 15 000 ha afin d'améliorer et de diversifier les revenus des petits agriculteurs (Action 49)	36	2
<i>Programme de plantation de palmiers dattiers à l'horizon 2020-2030 :</i> extension de l'action 19 sur 1,5 million de palmiers dattiers (Action 50)	36	2
<i>Programme national de développement des parcours et la régulation des flux de transhumants 2020-2030 :</i> extension de l'action 20 sur 300 000 ha entre 2020 et 2030 (Action 51)	36	3
<i>Programme de reboisement et de reforestation 2020-2030 :</i> extension de l'action 21 pour atteindre 60 000 ha par an (Action 52)	36	1
<i>Programme de lutte contre l'ensablement 2020-2030 :</i> extension de l'action 22 pour atteindre 800 ha de végétation par an (Action 53)	36	2
<i>Gestion des risques climatiques forestiers 2020-2030 :</i> extension de l'action 23 pour atteindre une superficie sauvée de 2 304 ha par an (Action 54)	36	1





## IDDRI – IUCN: OPTIMISING AND FUND PROMISING PROJECT ON NBS



# Climate-related finance and deployment of NBS

- NBS: Potentially strong co-benefits for climate (mitigation + adaptation) and biodiversity
- In developing countries' NDCs, the implementation of numerous actions is conditioned to international cooperation, including for NBS



## #THEFORGOTTENSOLUTION

Protecting and restoring forests.  
Producing food more sustainably.  
Improving land use.

These natural climate solutions are affordable, scalable and available right now.

They can deliver 30% of the climate solution needed by 2030.  
But are less than 1% of the conversation.  
And receive less than 3% of climate funding.

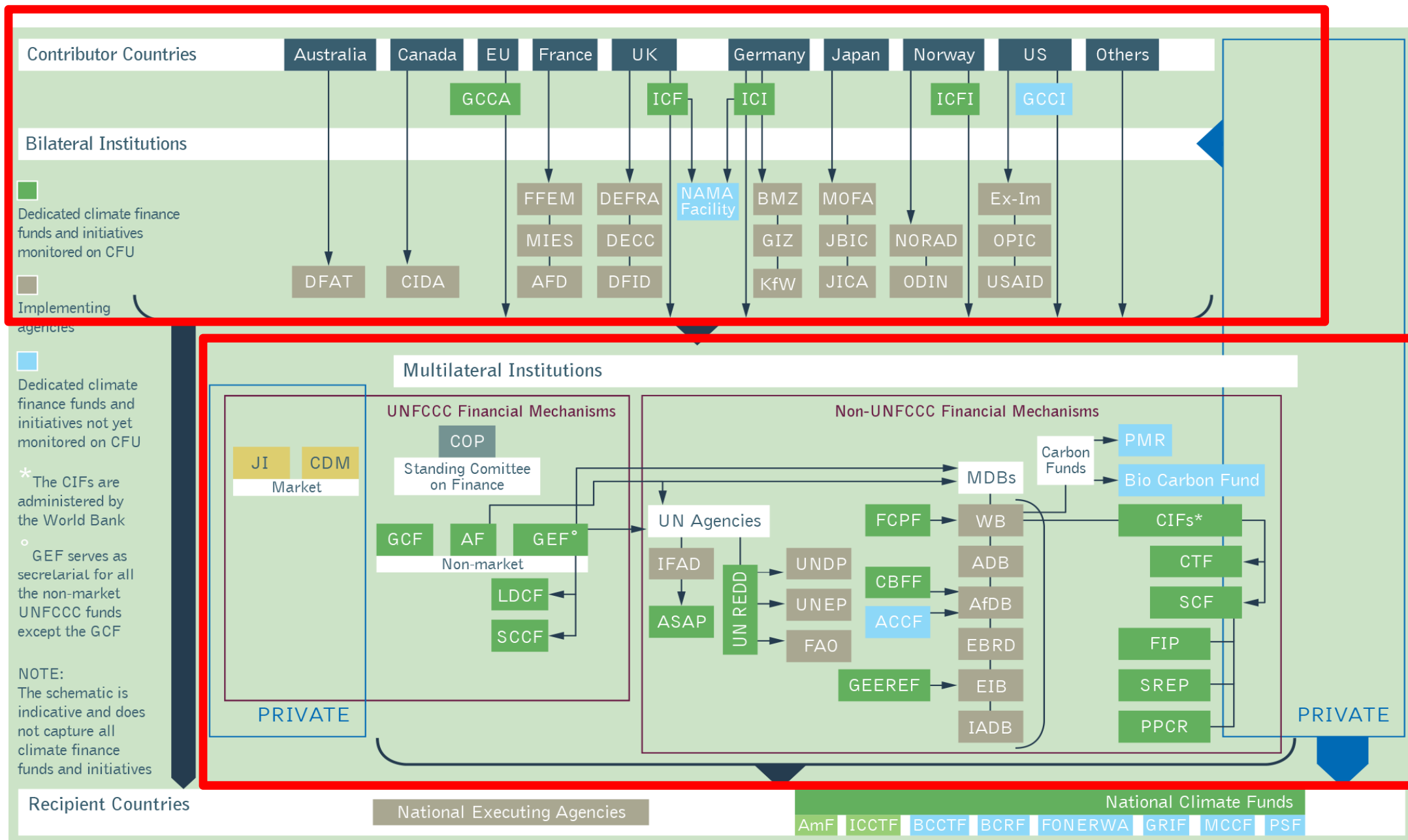
Don't let nature be #TheForgottenSolution

# Climate-related finance and deployment of NBS

- Chronic lack of funding identified for both biodiversity and climate policies; possible to work together? (= synergies during implementation)
- Why NBS are not more present in climate-related projects? How can we do better?



# Climate-related finance and deployment of NBS



# Methods

- Semi-structured interview campaign with MDBs, DBs, multilateral funds, experts (n=25)
- Document analysis





## Some first results



# Some first results

- Challenges to NBS deployment:

## 1. Development culture

- “Our DNA has been grey infrastructure for 75 years”; not a reflex at all
- We see them as solutions for the poor and so do countries. “We want the shiniest thing on the shelf”
- Dev Bank business model: loans, and big loans, more interesting
- Doing NBS without realizing it, lack of recognition



- Challenges to NBS deployment:

## 2. NBS as technique / as infrastructure

- Demonstration, and demonstration at scale (need some big big projects, landmark projects)
- Comparative advantage compared to grey techniques
- Combinability with grey techniques
- Increase risk-based approaches and their robustness
- NBS business model (how to generate revenues)

- Challenges to NBS deployment:

### 3. The NBS “sectoral landscape”

- General lack of capacity in project development, especially compared to grey infrastructure. Role of private sector.
- Lack of “facilities” to project preparation
- Consultancies not ready either
- Lack of result objectives for funders (have objectives for climate, for biodiversity... Rarely for hybrid objects like NBS)

- Challenges to NBS deployment:

## 4. NBS *versus* drivers of biodiversity loss

- NBS need space (are pushed back)
- NBS need time (are easily overturned or destroyed, degraded)
- NBS need *timing* (spatial planning, planning in general, is often lacking)
- Sectoral policy silos
- Perverse incentives...

# Some first results

- Challenges to NBS deployment:

## 5. Demand versus supply: cross-cutting reflection

- Two contrasted diagnoses:

“Lack of demand (countries)” *versus* “lack of supply/willingness (funders)”

### Proposal:

*There are actors in countries who have stronger interest for NBS, but their projects are less well prepared and their allies (including among funders) are less well equipped.*

*There are actors in countries who have stronger interest for grey solutions, and they are better prepared and their allies (including among funders) are better equipped.*

➔ *Add to this development culture and dominant models...*

➔ **Grey wins**



# Some first results

## ● Solutions ?

Challenges	Solutions
<b>1. Development culture</b>	<ul style="list-style-type: none"><li>• Make the case internally for funders (cf WB 2008 report)</li><li>• Make the case to countries, make NBS a reflex</li></ul>
<b>2. NBS as technique/infrastructure</b>	<ul style="list-style-type: none"><li>• Need of a flagship demonstration report? (IDFC?)</li><li>• Flagship guidelines?</li><li>• Business model of NBS</li><li>• Develop research to answer questions</li></ul>
<b>3. The NBS “sectoral landscape”</b>	<ul style="list-style-type: none"><li>• Involve the interested private sector (ecol engineering)</li><li>• Support capacity of consultancies</li><li>• Create facilities</li><li>• Create NBS objectives for funders (role of governments)</li></ul>
<b>4. NBS <i>versus</i> drivers of biodiversity loss</b>	<ul style="list-style-type: none"><li>• Very hard, but need to address drivers... Way to increase project amounts? 😊</li></ul>

*For be continued...*





**Thank you**

**For more information :**

**[aleksandar.rankovic@iddri.org](mailto:aleksandar.rankovic@iddri.org)**

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