

ACCESSING CLIMATE FINANCE FOR NATURE-BASED CLIMATE ACTIONS

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As we have seen already, accessing biodiversity and climate finance for 'nature-based' climate actions by developing countries, including by civil society organisations, local community groups and indigenous peoples' organisations are not new.

Examples involve ecosystems-based approaches including for adaptation and mitigation such as agroforestry, agroecology, forests conservation and rehabilitation such as mangrove related projects and others.

We have partners who have accessed resources from the UNDP-GEF Small Grants Programmes and the Adaptation Fund.

We share some lessons here.

Agroecology as adaptation by indigenous peoples in Sarawak, Malaysia



Agroforestry / Reforestation by indigenous peoples



Mangrove Rehabilitation

Penang Inshore Fishermen Welfare Association
Mangrove Nursery in Sg Chenaam,
PENANG, MALAYSIA



Key characteristics and lessons

Financial instruments : Mainly grants. All of the projects we know are either fully grant-funded and are non-debt creating.

There are simplified approval processes for project applications esp. for local communities through national steering committees that include all stakeholders, including civil society.

Co-financing is not mandatory and in-kind contributions are recognised.

Relationship-centered approaches that emphasize partnerships that are country-driven and community- controlled – With meaningful collaborations between local and national government, civil society, financing institutions, as key to achieving positive outcomes.

Recognition and respect for rights of indigenous peoples and local communities, including the poor and vulnerable. This included, in many cases, the right to community control over resources (like land and forests), and the promise that all members of a community share equitably in project benefits. These underscore fundamental principles of equity, access, control and sustainable use of natural resources.

Responsive to the sustainable development needs of the local communities through ensuring sustainable livelihoods, while providing climate solutions. Tailored solutions appropriate to local contexts to meet end-users' needs, in the context of broader development needs including poverty alleviation.

Recognition in use of local, traditional and indigenous knowledge and practices in contributing to climate adaptation and mitigation

Tremendous opportunity for up-scaling and mainstreaming



This can be through increasing resources to operating entities of the financial mechanism – GEF, GCF, and the Adaptation Fund.

DEVELOPING COUNTRIES AND THEIR COMMUNITIES ARE FAMILIAR WITH SUCH ECOSYSTEM-BASED APPROACHES. HENCE, INCREASING FINANCIAL RESOURCES IN THESE FUNDS IS KEY.

The sudden attention and focus on financing these ecosystem-based approaches in the name of NBS and in the context of climate actions, begs serious questions as to the motivation behind them:

- Whose problems are being resolved through such NBS approaches – is it the pressure for carbon offsets and trading in the context of Net Zero targets of governments and corporations?
- Who will really benefit from such approaches when carbon trading and offsets are involved, especially when developing country governments have their own obligations to meet their NDC targets?
- What does this mean for the rights of indigenous peoples and local communities over these natural resources? Are there implications for conflicts over land-use?

WE DO KNOW THAT THERE IS NOT ENOUGH NATURE TO ADDRESS ALL THE DEMAND FOR OFFSETS and that this is NOT the real solution to the climate crisis.

Concerns over 'New Asset Class' and financialisation of nature



Financiers are now riding the 'ESG' boom.

According to Fortune magazine, last month, 'the NYSE [announced](#) it had developed [a new asset class and accompanying listing vehicle](#) meant "to preserve and restore the natural assets that ultimately underpin the ability for there to be life on Earth."

'Called a natural asset company, or NAC, the vehicle will allow for the formation of specialized corporations "that **hold the rights to the ecosystem services produced on a given chunk of land, services like carbon sequestration or clean water.**" These NACs will then [maintain, manage and grow](#) the natural assets they commodify, with the end of goal of maximizing the aspects of that natural asset that are deemed by the company to be profitable.'

'Though described as acting like "any other entity" on the NYSE, it is alleged that NACs "will use the funds to help preserve a rain forest or undertake other conservation efforts, like changing a farm's conventional agricultural production practices." Apparently, according to reports, 'even the creators of NACs admit that the ultimate goal is to extract near-infinite profits from the natural processes they seek to quantify and then monetize.'

<https://unlimitedhangout.com/2021/10/investigative-reports/wall-streets-takeover-of-nature-advances-with-launch-of-new-asset-class/>

SOME ARE CALLING THIS THE WALL STREET TAKEOVER OF NATURE – SURELY THIS IS NOT WHAT NBS FINANCING IS ABOUT.

Market based approaches are NOT CLIMATE FINANCE. There is certainly a need to define what climate finance is, in order to avoid confusion.