

Africa Climate Week 2019 Ghana

NDC Investment Forum

Report from the Sessions

19th March 2019

Summary

Ghana's NDC Investment Forum was co-organised by the Government of Ghana and UNDP under UNDP's NDC Support Programme, which works in collaboration with the NDC Partnership and is funded by European Union, the Government of Germany and the Government of Spain.

The NDC Investment Forum served as a platform for policymakers, private sector and other relevant actors to share national best practices, success stories and key learning points, and discussed how to construct a policy-making environment that, accounting for the interrelated nature of climate action and the SDGs, will facilitate the mobilization of investments to implement Ghana's climate agenda.

Key Messages

This Forum aimed to catalyse private sector investment and to garner financial as well as policy support from all relevant stakeholders, in the process of moving towards implementation of Ghana's NDCs submitted in the context of the Paris Agreement. The Investment Forum showcased proven policy, technology and finance solutions to attract private investment, presented investment-ready climate NDC projects and introduced entry points for private sector to engage in NDC actions.

Key messages included:

- Climate change is the single greatest challenge humanity has ever faced, threatening water and food security, health, livelihoods, and the safety of billions of people.
- Yet, climate change is also the greatest investment opportunity in history, valued at about 10 percent of global GDP.
- Financing the global transition to a low-carbon and climate resilient economy will require an investment of at least 60 trillion USD.
- Some 85 to 90 percent of the funds needed to achieve this transition will have to come from the private sector.
- The 100 billion USD per year financing commitment from the public sector must be used to strategically leverage and de-risk private investment to accelerate climate action.
- Investment is urgently needed for new technologies where they are needed the most.
- This why the investment focus of this Investment Forum is so necessary and welcomed.

Contribution to UN SG summit/Ambition

Please summarize:

1. What were the main messages around ambition:

Increasing the levels of ambition in NDCs will require increasing the levels of investment and enhancing the supporting systems to accelerate the low-carbon transition. How do we accelerate investments in the right places?

Key messages:

Ambition:

Ample evidence that right policy decisions will lead to a low carbon transition. Implementation of the SDGs presents investment opportunities with the right enabling environment and strong political will.

There is the need to mobilize resources through the collaboration of government, development partners and the private sector to consistently implement their NDCs.

To combat climate change, Ghana is promoting the use of renewable energy, clean cooking stoves reducing deforestation, promoting low carbon electricity generation, building the resilience of farmers and investing in sustainable infrastructure, which has resulted in reduction in emissions of 42 million tCO₂e per year since 2011 against set targets of 2.2 million tCO₂e per annum.

There is the need to mobilize resources through the collaboration of government, development partners and the private sector to consistently implement the NDCs.

1. What were the key elements that should be feeding into the UN SG Climate Summit that were discussed at the event?

Climate change and environment is perceived by the Government as a way to leverage on technology to transform the economy. The NDCs and climate action also gives the opportunity for young people to be innovative and active researchers and participants in the economy towards delivering sustainable and green solutions.

To address the urgency of the issue, it's essential to increase the number of NDC actions implemented through increased level of innovative financial instruments such as green and climate-themed bonds, special purpose bonds, crowdfunding and special funding initiatives to accelerate the low-carbon transition. An estimated 1.45 trillion green and climate-allied bonds were issued in 2018 alone. Government and private sector have to play a role in accelerating investments in climate solutions.

Large private sector investment requires investor confidence and a good understanding of the macro-economic environment and how policy and financial de-risking measures can increase such confidence. Key macroeconomic policies are being pursued to drive investment and promote growth as well as create the necessary environment to implement the NDCs. Ghana's macroeconomic conditions have been stabilised to ensure accelerated growth. These include inflation and interest. There is a much-strengthened financial sector which is conducive to investments into the NDCs and together with macroeconomic indicators and ongoing efforts, have placed Ghana in a much better position for business. Ensuring that growth is not at the expense of the environment requires a framework for green technology.

Engaging private sector means focusing on de-risking. Funds can take a catalytic approach. Governments resort to guarantee funds to reduce risk. Linking financial returns to outcomes help investors directly see the outcome of their investment. Promoting private sector engagement involves low interest for the private sector, tax incentives for investors in the climate sector, expansion of risk sharing instruments through guarantee insurance, innovation grants and national Green Banks to focus exclusively on green business.

Considerations:

- *How could the region become a frontrunner in climate ambition?*
Setting-up Green banks, providing targeted private sector incentives, including governments resort to guarantee funds, stabilizing the macro-economic environment.
- *Where are the short and medium-term opportunities to increase ambition?*
Short and medium-term opportunities have to involve an increasingly engaged private sector through targeted incentives such as low interest for the private sector, tax incentives for investors in the climate sector, expansion of risk sharing instruments through guarantee insurance, innovation grants and national Green Banks to focus exclusively on green business.
- *What are the long-term prospects (e.g. by 2050) for achieving low emissions and climate resilient development?*
Ensuring that growth is not at the expense of the environment requires a framework for green technology. Key macroeconomic policies shall be pursued to drive green investment and promote sustainable growth. Stabilized macroeconomic conditions will ensure accelerated growth and a much-strengthened financial sector which is conducive to investments into low carbon development.
- *Who are the key non-Party stakeholders and how can their ambition be maximized?*
Private sector and civil society are key non-Party stakeholders. Opportunities include: Providing investment opportunities for young people, strengthening innovative and active research centres and a civil society that is part of the transition of the economy towards a low carbon and climate resilient economy through growing awareness and concrete and growing economic opportunities.