

RESOURCE MOBILISATION STRATEGY FOR NAMIBIA

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Focus Group Meeting on Options Prioritization

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Windhoek

Background

- The public funding for environmental initiatives and biodiversity is limited;
- The donor funding for environmental activities has been significantly reduced in the last years;

Aichi Target

Milestones: By 2014, parties developed country-specific strategies for resource mobilization as part of the NBSAP Process

Namibia

- By 2022, mobilization of financial resources from all sources has been increased compared to the period 2008-2012 to allow for the effective implementation NBSAP
 - *Develop new and revise existing market-based environmental market-based environmental revenue streams for sustainable financing of biodiversity priorities*

Objectives and Context

Objective

To the development of the Biodiversity Resource Mobilization Strategy.

Key Outputs

- Develop ResMob Strategy (Chapter 7 of the BioFin workbook, 2016)
 - Identify the most promising financing mechanisms
- Draft Cabinet Memo

Key Principles for Task Completion

- Outputs supported by empirical work (literature review)
- Highly interactive and participatory process (appropriate financing instruments)
- Broader and inclusive approach (assessing 200 financing options)

OUR APPROACH

- Review of existing studies and strategies on biodiversity finance
- Assessment of existing and already identified future financing options
- **Screening and prioritization of the finance solutions**
- Formulation of roadmap for priority solutions
- Formulation of a business case for bio financing plan and financing solutions
- Reporting/compile ResMob Strategy

Timeline



Methodological Approach: Prioritization

- Prioritization follows UN System.
- Tool based on scoring criteria.
- High level expert scoring of consultants plus four additional experts.
- Prioritized over 150 instruments and narrowed it down to 27.
- These are to serve as a guide for this meeting ultimate aim of narrowing it to 10 instruments.

SCREENING AND PRIORITIZATION

- Biodiversity offsets
- Bioprospecting
- Biosafety fee
- Conservation or wildlife themed items
- Corporate and corporate foundations' donations
- Crowd funding
- Disaster risk insurance
- Earmarking and retention of biodiversity revenues (self income)
- Ecological fiscal transfers
- Effective procurement
- Enterprise challenge and innovation funds
- Environmental risk insurance Fees, penalties, and management expenditures for Environmental (and Social) Impact Assessments
- Financial guarantees/Public Funding
- Green financing (lending, bonds, procurement and banking)
- Impact investment Incentives for sustainable business
- Increasing Official Development Assistance (ODA)
- Lotteries/Gambling
- Lower cost of capital for conservation investments (i.e. Economic Incentives)
- Mobilization of private donations
- Non-state Protected Areas
- Payment for Ecosystem Services
- Penalties and other compensation for unplanned environmental damage
- Project Finance for Permanence Social and development impact bonds
- Sovereign wealth funds
- Grants Deposit refund schemes
- Venture Capital Environmental
- Levies including plastic levies

CURRENT DEVELOPMENTS

- Environmental Levy-
 - Tyres, Carbon Emissions tax on vehicles and fluorescent bulbs-MOF-No earmarking
- Environmental levies in Development-MET/MOF/EIF at Cabinet Committees
 - (Lubricant oil and lithium batteries- E-waste was excluded)- No earmarking
- Plastic Levies-MET-Consultative Process
- EIF Fund Mobilization – GCF (>N\$ 400 millions)
- GEF Funding
- GIZ Funding
- Invader Bush Processing-Finnish Aid & UNIDO (2.7 million Euro)
- MAWF National Strategy on Invader Bush-Cabinet Submission-Subsidies led.
- Container Deposit Framework in existence but mostly driven by Industry and not linked to environmental fiscal reform or forthcoming National Consumer Protection Policy and Legislation. Reliance on a 1964 Price Control Act.

27 November 2017 view: Instruments

- Payments for Ecosystem Services
- Biodiversity offsets
- Lotteries
- Plastic Levies
- Tourism Entrance Fees
- Enhanced Public Funding (Optimised Treasury Allocations)
- Environmental Financing Products from DFIs
- Green Financing from Contractual Savings such as GIPF
- Optimisation of ODA flows (despite the risk of World Bank Income Classification)
- Optimisation of Natural Resource Rent pricing

27 November 2017 view: Risks

- What are some foreseen possible risks?
 - Narrow and thin financial markets (not catering for all instruments)
 - Absent or deficient deal structuring skills
 - Conceptual under appreciation of environmental fiscal reforms
 - National Fiscal duress leading to various pressures and competing interests on the fiscus and thereby limiting options for public treasury allocations.
 - Namibia's Income Classification as a Upper Middle Income Country and concomitant impact of ODAs flows (Official Development Assistance)

Key Theme of Prioritization

- Solutions should be **SMART, PRACTICAL AND POSSIBLE**
- Solutions should be fair and ensure amenable **distributional impacts** (guarding of low income households effects).
- Solutions need not to harm private and public sector's **competitiveness**.
- Solutions should help drive **Innovation**.

• **THANK YOU**