Addressing the Barriers to NBS Adoption for Climate, Water, and Biodiversity:
A workshop to Mainstream green-grey infrastructure solutions

Date: Wednesday, October 5, 2022
In-person: Social House
154 James Gichuru Road, Lavington, Nairobi, Kenya
Virtual: Link TBD
Time: 1:00 – 5:30pm (EAT)
Attendees: 20-30 people; 80-100 virtual

Participants: Selected representatives from the following sectors:

- **Governments:** national/regional/city experience in implementing NBS projects (identified through NBS project inventory or recommended by project partners) and National Climate Funds (Mali, Namibia, Rwanda).
- **Multilateral Development Banks (MDBs):** World Bank, African Development Bank (AfDB), *European Investment Bank (EIB)*
- **UN Agencies:** Green Growth Knowledge Partnership (GGKP), UNEP Africa and Headquarters, UNDP
- **Overseas Development Assistance (ODA) donors**: GIZ, SIDA, Netherlands, USAID, UKAID (DEFRA & FCDO), Canada
- **Civil society and technical representatives** from AFR100 including water, climate or NBS Networks, non-governmental organisations (NGOs), universities and research institutes.
- **Private sector:** infrastructure/engineering or consulting firms with NBS design, implementation, operations and maintenance (O&M) experience, investment or private equity firm investing in climate adaptation/NBS. Sectoral experts in water and sanitation, energy, transportation, & housing and urban development.

Background to Workshop:

The World Resources Institute (WRI), Cities4Forests, the World Bank, the Global Facility for Disaster Risk Reduction (GFDRR), the African Development Bank, the Green Growth Knowledge Partnership (GGKP), the Caterpillar Foundation and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have joined forces to evaluate the nature-based solutions (NBS) infrastructure investment opportunity in Sub-Saharan Africa (SSA).

This research will identify the barriers and opportunities to scaling NBS in SSA, inform strategies on how to invest in NBS, and create enabling conditions for scaling and replication in other locations. We are focussing on NBS with a strong connection to infrastructure in terms of its functionality and impact in the urban resilience and disaster risk management (DRM), water and sanitation, energy, housing and transportation sectors.

WRI is developing a searchable NBS Project Database and has catalogued 300+ projects from publicly available online databases, with an additional 50+ projects identified through our NBS project developer survey. We are now also conducting interviews for a deep dive into the barriers and enabling conditions for advancing and scaling up NBS investment. This multi-stakeholder workshop provides another opportunity to profile case studies of NBS projects across SSA and capture lessons learned.

Workshop summary:
WRI and project partners are hosting an NBS infrastructure workshop at the Social House in Nairobi, Kenya on Wednesday, October 5 with options for virtual participation. The workshop will feature leading thinkers on adaptation, climate policy experts, infrastructure funders, and NBS project developers. By participating, attendees will learn from experts in the NBS field; participate in cross-sectoral discussions on the barriers to mainstreaming NBS in policy/planning and infrastructure design and implementation and learn about new funding and financing strategies to scale up NBS investments. This workshop will build on existing collaborations and launch new communities of practice to address the urgent need for climate adaptation, water resilience, and biodiversity investments in Sub-Saharan Africa.

Workshop objectives:

The objectives of the workshop are to:

I. Present the initial findings, status and trends from the NBS Project Database, project developer surveys and expert interviews.
II. Facilitate cross-sectorial discussions to identify barriers to mainstreaming NBS in policy/planning, infrastructure design and implementation.
III. Build on existing collaboration to explore new partnerships to mobilise additional financing and policy action for NBS.
IV. Identify and prioritise strategies to develop an NBS project pipeline for future investments.

Addressing the Barriers to NBS Adoption for Climate, Water, and Biodiversity:
A Workshop to Mainstream Green-gray Infrastructure Solutions

Date: Wednesday 5 October 2022

Time: 13:00 to 17:00 (EAT)

Venue (in-person): Social House, 154 James Gichuru Road, Lavington, Nairobi, Kenya

Virtual: Zoom with breakout rooms: French or Swahili translation channel (if required for Francophone countries) *

Pre-Survey Online poll (Mentimeter) – *What are participants hoping to get out of the workshop? What are the topics they are hoping to discuss?*

Time	Activities	Presenter/Facilitator	Roles/Responsibilities

Introduction to NBS in Sub-Saharan Africa (SSA) for climate, water, and biodiversity			**Moderator:** Rory Hunter, titles, introductions
			Presenting (LM comp)
			
			Slides:
			- Title background
			- Speaker slides
			  - Wanjira
			  - Vanessa
			  - Julius

13:00 – 13:20 (3 min welcome + 17 opening remarks)	Opening and welcoming remarks: *Rory kicks off meeting and welcomes group. *Housekeeping reminders *Introduces Wanjira *Wanjira's remarks *Introduces Peter *Peter's remarks *Introduces Vanessa	Wanjira Mathai, Managing Director for Africa and Global Partnership, WRI Mr. Peter Waweru - Senior Deputy Chief Conservator of Forest - Head of Directorate of Forest	**Sadof:** Record session, welcome online comm (introduce yourself, qs in chat, change name on zoom to be name, org, country?)

	*Vanessa's remarks *Rory thanks Wanjira, Peter and Vanessa for their remarks. *Rory briefly introduces Emmie+Lizzie and passes it off.	Conservation and Management (SDCCF - DFCM) Dr. Vanessa Ushie, Ag. Director, Africa Natural Resource Management & Investment Centre, AfDB (Virtual participant)	**Note-taker** (Rory's comp): Lizzie **Online-liaison / Timekeeper** (emmie's comp): Emmie / Natasha
13:20 – 13:35 (15 min)	Meeting introduction ● Set the stage for the importance of NBS as a tool to promote African infrastructure development, meet infrastructure and food security needs of growing populations, adapt to climate change, conserve biodiversity. ● Introduce our project and why we are conducting this research. ● Introduce the workshop in context of the project ● Outline workshop agenda ○ Session II: Design and Implementation ○ Session III: How effective are our projects ○ Session IV: Scaling and replication Survey online poll (Mentimeter) ● •Workshop Goals ● •NBS Challenges ● •Enabling Conditions	Emmie Oliver, WRI Elizabeth Masters, WRI	**Slides**: - Agenda slide - Menti slide - Wifi - Presentation **Intros:** Emmie and Lizzie **Note-taker**: Rory **Online-liaison / Timekeeper**: Natasha / **Sadof:** drop Menti link and link to Ethiopian publication **Ethiopian Publication:** https://www.wri.org/research/financing-sustainable-watershed-management-ethiopia-exploring-innovative-financing

			Menti participant link: Go to www.menti.com and use the code 3612 7037 **FOR LIZZIE ONLY** **Menti presenter link:** https://www.mentimeter.com/app/presentation/d667cb1a0806a15471109401f727bd56/b723a7542812/edit username: harmon.center@wri.org pass: WRIpass18!
Session 1: Barriers in NBS project design and implementation: mainstreaming and adopting NBS infrastructure.			**Moderator:** *Lizzie Marsters* **Slides:** - Session 2 title slide - AfDB TBD - Green Roads for Water - Breakout instructions - Report back
13:35 – 13:50 (3 min opening remarks + 10 min	**Overview**: The focus of this session is overcoming barriers to incorporating NBS in project design and implementation. This session includes a case study of where and how this has been done in the key sectors (urban resilience and disaster risk	Dr. Al-Hamdou Dorsouma, Ag. Director, Climate Change & Green Growth Department, AfDB	**Note-taker**: Emmie **Online-liaison / Timekeeper**: Rory and Natasha. Noting that Case Study 2 is a video (https://www.youtube.com/watch?v=zm7n85TAhrM)

overview)	management (DRM), water and sanitation, energy, housing and transportation sectors) for locally led and large-scale projects. AfDB will set the scene for this session and discuss efforts in mainstreaming green growth and climate change into an investment portfolio.		
13:50 – 14:15 (10 minutes + 5 minutes Q &A). (5 min + 5 min Q&A)	**Case study 1**: Green Roads for Water (GR4W) to present challenges and successes in adopting green roads in Africa with a specific focus on Mukueni County, Kenya **Case study 2**: Building Resilience Through Green-Gray Infrastructure: Lessons from Beira, Mozambique **Play video (and combine into slide deck):** https://www.youtube.com/watch?v=zm7n85TAhrM	**GR4W**: Michael Maluki, Superintendent Roads Engineer GR4W Champion, Government of Makueni County, Kenya, Department of Roads, Transport, Energy and Public Works Theophilus M. Kioko, MetaMeta Research – Roads for Water Brenden Jongman, NBS Program Lead, World Bank (Virtual participant)	

		1) Brenden will introduce Beira case study. 2) Play video 3) Brenden will speak after the video.	
14:15 – 14:40 (2 min intro and then break out - 20 min breakout)	*Facilitated discussion (virtual and in-person) on barriers and successes to incorporating NBS into project design and implementation.* ***Intro to group:*** *Briefly introduce yourself (moderator only…we don't have time for roundtable intros)* *Ask someone from the group to volunteer to be a designated person to report out to the main group with main takeaways from conversation* *Moderator's role: take notes on conversation. After workshop, refer to notes and send a summary to Rory, with 3 main takeaways from discussion.* *Assign 2-3 Rapporteurs from each virtual group to report back to the chat. *A representative from Natasha's group will be ready to present ***Question 1:*** *What have been the biggest challenges you have witnessed or experienced in terms of the*	One or two groups (depending on the number of participants) for virtual and in-person. Explore Policy/legal, technical, financial, and social conditions. Moderators In-person: Rory Hunter, Emmie Oliver, Lizzie Marsters. Moderators online: Natasha Collins, Maria Santarelli, and Natalie von Turkovitch.	Breakout Sessions: **Trouble-shoot / Liaison**: Emmie **In-person leads**, 3 groups: (1) Rory Hunter (2) Nisha (3) Emmie **Online leads**, Sadof to break people into *4* groups: (4) Natasha (5) Sun (6) Maria (7) Natalie Internal: all breakout leads write down 3 take-aways for report, send to Rory, Lizzie, & Emmie

	assessment, design, and/or implementation of NBS projects in SSA? ****Pause and let discussion flow naturally.*** *If there is little response rates in the room, or if the challenges have concentrated around one of the sub-groups below, feed them this list to prompt discussion. For example, if they have only spoken about economic/financial challenges after the first few minutes and there is a natural pausing point, say *"it seems like economic/financial challenges are a big issue. Have you seen any other types of challenges manifest in these projects? For example:* ● *Policy/legal* ● *Economic/financial* ● *Technical* ● *Social* ● *Institutional* ***After ~7-8 minutes:*** ***Question 2:*** *In light of these challenges, if you could wave a magic wand, what would be the one thing that you would change to help increase NBS adoption in SSA?* **Pause and let discussion flow naturally. If there is little response rates in the room, feed them this list to prompt discussion*:* *For instance, would the following help these projects succeed?*		

	• *Project preparation support and technical assistance.* • *Assistance on developing business cases and financial plans for NBS projects* • *Policy reform at the local, regional, or national level?* • *Communities of practice of NBS project developers* • *Adding dedicated staff specialized NBS in infrastructure providers.* *If there is time, this is an additional question:* ***Question 3:*** • *In NBS projects that you have seen make progress in SSA, what have been the enabling conditions that have contributed to success?*		
14:40 – 14:50 (10 min)	**Reporting back:** 2 groups report back (1 virtual and 1 in-person) reports back on key findings. .	All	**Moderator:** Lizzie Marsters **Note-taker**: Emmie **Online-liaison / Timekeeper**: Rory and Natasha
Objective: • Explore the barriers to incorporating NBS during the design and implementation phases of investment/project development.			

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- Present case studies where NBS has been successfully integrated into project design and implementation.
- Discuss the enabling conditions that helped lead to success and any elements that failed due to the barriers.

Output:

- Summary of barriers and enabling conditions during the project development process for community-led and large-infrastructure projects (notes from the session and breakout groups)

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<tr><td colspan="3">Session 2: Challenges to owning, operating, and maintaining NBS: showing pathways to support Operations and Maintenance (O&M), Monitoring, Evaluation and Learning (MEL), and quantification methods for measuring co-benefits.</td><td>Moderator: Rory Hunter
Slides:
- Session 2 title slide
- KWTA
- Panel Session intro to speakers (Rory)
- Larissa Duma (WB) slide
- Break slide</td></tr>
<tr><td>14:50 – 15:05
(2 minutes orientation + 10 minutes + 3 min Q&A)</td><td>Kenya Water Towers Agency (KWTA) to set the scene by presenting Integrated monitoring systems for sustainable management of water towers in Kenya</td><td>Caroline Wangeci, Ag. Assistant Director, Ecosystem Research and Monitoring, Kenya Water Towers Agency (KWTA)</td><td rowspan="2">Note-taker: Lizzie

Online-liaison / Timekeeper: Emmie and Natasha coordinate for questions from online</td></tr>
<tr><td>15:05 – 15:30
(25 min)</td><td>Panel session:
Each panel member will be provided 2-3 minutes to introduce themselves and share their experiences</td><td>Panel:
Pegasys: Hannah Benn, Engagement</td></tr>
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	and recommendations for operationalizing NBS over the long term and quantifying benefits from NBS infrastructure investments. *How do we maintain NBS projects post-implementation? What is required for upkeep and maintenance? How can we quantify the benefits to showcase successful projects?* **Pegasys:** ● *Why is valuing the benefits of NBS important in developing robust monitoring, evaluation, and learning (MEL) framework?* ● *Pegasys has implemented NBS projects at the transboundary, national, city/municipal, and local levels, what do you see as the main opportunities in maintaining and monitoring NBS projects?* **ICLEI** ● *From your experience, what are the challenges for city/municipal actors in maintaining and monitoring NBS projects?* ● *What assistance do you think is needed most to support city/municipal actors in taking over (or operationalizing) NBS projects post-implementation?* **World Bank** ● *Related to Sierra Leone, what are the key successes in involving local communities in monitoring?*	**Manager (virtual)** speaking on developing feasibility studies/ecosystem valuation. (Virtual participant) **Kevin Mutia, Professional Officer, Urban Systems, ICLEI Africa** on the role of city/municipal actors in maintaining and monitoring NBS investments. **Larissa Duma, Urban Ecology and Resilience Specialist, World Bank** presents on using digital tools to encourage tree cultivation in cities (Resilient Urban Sierra Leone Project) **Melissa de Kock, Head of the Biodiversity, People and Landscapes Unit, UNEP**	

	● *From your experience across Africa, what are the main opportunities for enhancing post-project monitoring of NBS projects?* **UNEP** ● *The IUCN Global Standard for NBS promotes net gain for biodiversity and ecosystem integrity, what do you see as the main priorities for enhanced biodiversity monitoring in restoration and green-grey infrastructure projects?* ● *Who are the key stakeholders involved in biodiversity monitoring, and what innovative approaches or technology could be utilised in Sub-Saharan Africa?* **Q&A with panel members (in-person and virtual)**		
15:30–15:35 (5 min)	**Summary**	WRI	Rory Hunter
15:35 – 15:45 (10 min)	Tea/Coffee Break	All	
Objective: ● Explore the challenges to long-term funding and capacity to support O&M and quantify the co-benefits to NBS investments. Identify what additional technical assistance or capacity development is needed. ● Discuss how MEL is capturing lessons learned from NBS investments, and what is needed to enhance monitoring during operational phases. **Output**:			

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- Notes from panel and Q&A on the barriers and successes in O&M, MEL and quantifying co-benefits.

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<tr><td colspan="3">Session 3: Scaling and replicating NBS infrastructure investment</td><td>Moderator: Nisha Krishnan

Slides:
- Scaling / replicating
- Introduce Ms. Marie-May Jeremie
- Panel Session intro speakers</td></tr>
<tr><td>15:45 – 15:50
(5 min)</td><td>Scaling investment and replicating investment for NBS. How do we take successful projects and scale them to landscape-level or replicate them in new locations? Can we transfer any lessons learned across SSA to new sectors, partners, and locations?</td><td>Nisha provides a brief overview.</td><td rowspan="3">Note-taker: Rory

Online-liaison / Timekeeper: Lizzie and Natasha coordinate for questions from online</td></tr>
<tr><td>15:50 – 16:05
(10 min presentation + 5 min Q&A)</td><td>Case Study 3: Seychelles Debt-for-Nature swap.
This case study sets the scene for the panel session.</td><td>Marie-May Jeremie, Chief Executive Officer, Seychelles' Conservation and Climate Adaptation Trust (SeyCCAT)
(Virtual participant)</td></tr>
<tr><td>16:05 – 16:40
(35 min)</td><td>Panel session: Facilitated virtual and in-person Q& A on the barriers to scaling and financing NBS infrastructure investment in SSA:
What are the main barriers to scaling up NBS investments?</td><td>1. Kelvin Massingham, Director of Risk and Resilience, FSD Africa to discuss The African Natural Capital</td></tr>
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	What is needed to get projects ready for large-scale financing? *What are investors seeking to de-risk these project investments?* *What new partnerships are needed to mobilise funding and policy action for future NBS in SSA?* *Can you share one of the most exciting or inspiring things that makes you optimistic that finance can help solve?* Following the presentation by SeyCATT. The remaining panel members will be given 2-3 minutes to introduce themselves to share their experiences in financing nature, climate and getting projects ready for investment or "bankable". **FSD Africa** *How could the African Natural Capital Alliance accelerate funding for nature-based solutions and climate adaptation?* *What are the emerging financing mechanisms that can unlock more funds for NBS, climate adaptation and biodiversity?* **WWF Kenya** *From your experience with the Bankable NBS project, what is needed to get more projects ready for financing?* *What are the key lessons learned from the DFCD in relation to advancing NBS projects in Sub-Saharan Africa?*	Alliance and other emerging opportunities for NBS financing. 2. **Ian Isherwood, WWF Kenya, Bankable Nature Solutions, Dutch Fund for Climate and Development (DFCD)** to explore lessons learned from the Bankable NBS initiative. 3. **Marie-May Jeremie, CEO, SeyCCAT** (Virtual participant)	

<table>
<tr><td></td><td>SeyCATT
What did SeyCATT and its partners do to increase investor confidence in the debt-for-nature swap and the follow-on blue bonds? What would you describe as three of the enabling conditions that helped make these transactions occur?
There are many countries with high-debt loads that might be interested in pursuing a debt-for-nature swap. What lessons would you share with them?
If time: What are your greatest needs post-initial large-scale funding?</td><td></td><td></td></tr>
<tr><td>16:40 – 16:45
(5 min)</td><td>Summary: Moderator will summarise and provide three key takeaways from this session.</td><td>Moderator</td><td>Nisha Krishnan</td></tr>
<tr><td colspan="3">Objective:
● Discuss the main barriers to scaling up NBS investment and to have any sectors, locations or types of NBS investments been more successful in attaining funding/financing.
● Explores some of the financing/funding options and what is needed to get projects ready for financing.
Output:
● Summary of barriers and enabling conditions for scaling NBS investment (notes from the session).</td><td></td></tr>
<tr><td colspan="3">Session 4 NBS in SSA – closing and next steps</td><td>Moderator: Rory Hunter

Slides:</td></tr>
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			- introduce Brendan - Wrap up of 3 sessions - Next steps and how to engage - Project survey link
16:45 – 17:00 (15 min - 5 min per speaker)	• **Closing Remarks** • **Next steps**: WRI to present the project timeline and future opportunities for engagement.	Boris Ton Van Zanten, NBS and Disaster Risk Management Specialist, World Bank (Virtual participant) Sun Cho, Country Engagement Coordinator, Green Growth Knowledge Platform (GGKP) -TBC (Virtual participant) Rory Hunter, NBS Associate, WRI	**Note-taker**: Lizzie **Sadof:** drop in project survey link in chat. Emmie to hand out in-person paper surveys. Survey link: https://forms.office.com/r/aNuTEJD4pp **Online-liaison / Timekeeper**: Emmie and Natasha coordinate for questions from online if necessary.

Follow-up email Tuesday, October 12: thank you, presentations, 2 project surveys (developer and investor), Ethiopia paper link, additional feedback
Coordinator: Maria Santarelli
Lizzie, Emmie, & Rory to provide materials

Notes from workshop:

Session 2: Challenges to owning, operating, and maintaining NBS: showing pathways to support Operations and Maintenance (O&M), Monitoring, Evaluation and Learning (MEL), and quantification methods for measuring co-benefits.

<u>Caroline Wangeci Muriithi (East Mau Water Towers): The Kenya Water Tower Ecosystem</u>
The Kenya Water Tower Ecosystem: oversees protection, rehab, sustainable management of water towers in Kenya

Presenting NBS project in Kenya, water is threatened by invasive species and unsustainable land management practices. However, water is key to many sectors, agriculture, energy, tourism. The project is focused on Towers ecosystem restoration, through activities of awareness raising, scientific research.

- threats to water towers: farming on steep slopes, fire, gullies, invasive species, charcoal, unsustainable land practices
- gaps: lack of information and no centralized data platform, hard to share data, lack of coordination
- their approaches:
    - community meetings, state and non-state stakeholders
    - implementation and monitoring: developed a monitoring system (framework-> system-> stakeholder validation->presentations->implementation).
        - Technical working group including WRI
    - mapping (landcover, biodiversity hotspots, critical catchment, degradation), scientific research
- their results/outcomes, developed Integrated Monitoring System to manage and visualize information on water towers, technical report on this framework, Water Towers Interactive Map Portal (15 maps)
- challenges: funding, software updates, wear on equipment, data collecting and sharing, skilled personnel, modification GUI
- future plans: actualize data sharing guidelines, capacity building, develop mobile app, acquire ArcGIS Enterprise,

<u>Panel: Hannah Benn, Kevin Mutia, Melissa de Kock, Larissa Duma</u>

Hannah Benn (Pegasys): Nature for Water Facility Overview

- Quantify benefit of green infrastructure - aim to support 40-60 watershed investment programs by 2025
- target themes N4W seeks to address: water security and co-benefits: biodiversity, cc adaptation, improved livelihoods, cc mitigation

Kevin Mutia, Professional Officer, Urban Systems, ICLEI Africa

- Sharing regarding local water resilience projects
- pillars: governance, finance, urban planning
- Working in West Africa with learning labs where they bring decision makers to learn how to scale NbS
- How do local governments utilize financing? look at co-budgeting and co-financing. integrate NbS into housing development (energy efficient buildings). Look at urban planning tools to assign implementation partners, community involvement

Melissa de Kock, Head of the Biodiversity, People and Landscapes Unit, UNEP

- Some projects claim to be NbS projects but are not, for long-term success of NbS true benefits are needed
- Often don't monitor nature being used sustainably (focused on societal outcomes)

Larissa Duma, Urban Ecology and Resilience Specialist, World Bank

- Tree Tracking & Verification- Freetown, Sierra Leone: mobile app to encourage tree planting where individuals take photos, submit to app, it is verified and they are sent a payment. Created to track trees that are planted throughout urban landscape and create incentive structure to keep trees alive.

Q&A:

- Hannah on challenges: starts with seed funding but no self-sustaining funding mechanism. They try to connect with downstream users. Example: Water fund in Cape Town 2019. Greater Cape Town Water Fund Decision Support System: https://public.tableau.com/app/profile/waterfunds/viz/GCTWFDSSv1/PublicDSS. The fund was reestablished during a period of intense drought in the city, given the circumstances, stakeholders were willing to sit around the table and coordinate activities better.

Otherwise, some challenges of the projects were long-term funding for implementation and maintenance. Funding was initially provided by partners and complemented by the city of Cape Town but no long-term investment infrastructure.

- Larissa: monitoring success using LANDSAT(eg. water catchment) but are difficult to use in urban spaces. Urban NbS requires own monitoring tool and guidelines for engaging with stakeholders.
- Question about long-term financing for Sierra Leone project: the idea is to grow trees until establishment so that these trees don't need watering or maintenance.
- Kevin: Importance of partnerships and connecting upstream and downstream users, suggests having a city wide assessment

Session 3: Scaling and replicating NBS infrastructure investment

<u>Presentation: Marie-May Jeremie, Chief Executive Officer, Seychelles' Conservation and Climate Adaptation Trust (SeyCCAT)</u>

- Seychell journey in terms of financing mechanisms to raise resources for the country for ocean conservation, climate change resilience, and development of blue economy

Marie-May Jeremie, CEO, SeyCCAT

- SeyCCAT Model is an independent public-private trust fund. (took about 5 years to kick off the trust fund)
- Seychell government started to think about restructuring some debt as the country was in so much debt in 2008-9. Government started discussions with the Nature Conservancy, which proposed the possibility of entering into a debt for nature swap for marine conservation. The Seychell government decided to restructure sovereign debt, in particular debt with Paris club creditors (Europeans). The government was able to buy back 21.6M dollars and create SeyCATT.
    - The Government of Seychell has a loan agreement with SeyCCAT and SeyCCAT has a loan agreement with the government. The swap has two elements: a loan component (15.6 million that Seychell has to pay back) and 6 million dollar available for grants for marine conservation. → which led to the establishment of the Blue Grant Fund, a financing mechanism within the country that puts out calls for proposals and support projects on the ground for local businesses and NGOs in blue conservation activities
    - There is also a blue endowment fund, which is the long-term vision of the trust so that in 20 years, Seychell will still be able to have a fund to continue supporting the local projects run through the Blue grants fund.
    - Sovereign blue bonds of the Seychell for 15 million dollars, through a credit facility through GEF and World Bank. Seychelle received 15 million from main investors - of which, 3 million go to the blue grant fund. The remainder of the blue bond is for a loan facility for private investors in the country - 3 million per project maximum with a base rate of 3 per cent.

To summarize:

SeyCCAT: independent and public-private trust, governed by a board of directors, finance, and grants committee, managing a long-term (20 y) cash flows to repay impact investors, distribute funds via blue grants funds and capitalise blue endowment fund

Through the fund, Seychell has been able to:

- Label over 400,000 sq KM as marine protection areas
- Revise marine fisheries and marine policies
- Raise 8.6 million dollars for over 20 years
- Government has supported projects for river mapping and monitoring and mangrove habitat mapping project; working on roadmap to blue carbon opportunities; education is also another area of focus

Benefits:

- redirection of external debt service to investments in country and allow for breathing space as a country to allow for economic development
- Improved the fiscal space for the government

<u>Panel Session: Ian, Marie-May, Kelvin</u>

- Discuss the main barriers to scaling up NBS investment and to have any sectors, locations or types of NBS investments been more successful in attaining funding/financing.
- Explores some of the financing/funding options and what is needed to get projects ready for financing.

Ian Isherwood, WWF Kenya, Bankable Nature Solutions, Dutch Fund for Climate and Development (DFCD)

- Stepping away from early stage and smaller scale projects-> difficult to attract investors
- built pipeline of 200 projects in Kenya alone

Marie-May Jeremie, CEO, SeyCCAT

- challenges: enabling frameworks within the country needed to support the financing mechanism; making sure we are acting in a transparent manner

- trial and error at first- figuring out the process (e.g., how to attract the right investors)
- approach for government - need to look at national priorities and how to get them to commit. Needed to build trust with government so they had key commitments and long-term interest. this would cascade down to local governments.
- getting support from NGOs and private sector- strong involvement from local NGOs
- took 4-5 year for deal to be established

Kelvin Massingham, Director of Risk and Resilience, FSD Africa

- Working with the private sector and various stakeholders to mainstream commercial capital and increase investments in nature and nature capital. The industry's understanding of natural capital is very early on so we engage with the beginning with explaining what natural capital is and then make them understand the opportunities of nature.
- financing mechanisms for NBS: debt for nature swap and blue bonds are great. We need to develop new business models to invest in nature and steer away from business-as-usual model. We need investors to take more risks. Carbon markets are also a very good option. In West Africa, we are implementing a project in which we provide loans for agroforestry and the repayment is through carbon credits.
- Need aggregation of smaller projects

Q&A from the audience:

<u>What can we do to increase government participation?</u> Kelvin: governments should try to increase investment streams for NBS. Marie-May: in setting up the trust, the Seychell government would always have to play a role in delivering commitments. Such commitments casted down to local municipalities and regional government bodies.

Session 4 NBS in SSA – closing and next steps

Boris van Zanten (World Bank): The World Bank has deployed 2 billion worth of lending in NBS projects in Africa // huge opportunities for investments in nature capital in Africa // At the beginning of WB-WRI engagement, the question is how can we better understand the state of NBS projects in the region? How to find lessons learned, successful examples, and share challenges?

Sun (GGKP):