

New report makes business case for natural climate solutions

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Singapore
SOUTH-EAST Asia has the highest density of carbon prospecting for natural climate solutions (NCS) investments in the world and protection of these ecosystems could generate a return-on-investment of up to US\$27.5 billion per year according to a new report by Conservation International, DBS Bank, National University of Singapore, and Temasek.

Indeed, significant progress has been made to implement and incentivise NCS in the region with several countries developing relevant regulations, thus presenting major opportunities for encouraging the inclusion of NCS, which are climate mitigation technologies that harness natural processes to reduce or remove greenhouse gas.

These include the cap-and-trade bill in the Philippines, draft carbon pricing regulation in Indonesia, and the REDD+ nesting draft regulations in Cambodia, pointed out Shyla Raghav, vice president of climate change, global strategy group at Conservation International and one of the authors of the report.

"The potential climate mitigation and financial payoffs of NCS are comparable with engineered mitigation solutions. If other co-benefits that NCS provide are considered, such as clean air and water, coastal resilience, biodiversity conservation, food security safeguard, and flood prevention, they present even greater benefits," said Koh Lian Pin, director of the NUS Centre for Nature-based Climate Solutions.

At a panel discussion following the launch of the report on Tuesday, Prof Koh also noted that Singapore could

play a leading role by helping plug existing technology gaps.

"This has to do with coming up with new technology-based and cost-effective ways of monitoring, reporting and verifying carbon projects on the ground," said Prof Koh.

"There's a great potential for Singapore to play a leading role in this and there's an opportunity for us to improve the quality of these nature-based carbon credits, and ensure the integrity of the carbon projects on the ground."

Yet while studies have shown that NCS play an important role – with the potential mitigation impact of 11 gigatons of carbon dioxide annually, NCS can provide over a third of the mitigation action needed to meet the Paris Agreement Targets by 2030 – less than 3 per cent of global climate finance goes toward NCS.

To counter this, the report, titled

The Business Case for Natural Climate Solutions: Insights and Opportunities for Southeast Asia, highlighted five main areas of action businesses can focus on to help bridge the gap.

These include having investment in NCS and offsets as part of a broader portfolio of climate action that also includes decarbonisation; encouraging

the private sector to scale NCS by purchasing and committing to high-quality carbon credits and supporting national and jurisdictional government priorities; having companies apply a transparent price per metric ton that supports sustainable, high quality projects; investing in deeper science-based spatial analysis to quantify the

full scope of both NCS and co-benefits captured to ensure more targeted ROI; and better identification of blue carbon target areas given that it is a major opportunity in the region but is still poorly represented in carbon markets.

This is a first-of-its-kind study done in South-east Asia.