Taking Advantage of Opportunities in Climate Change

Climate change is real and affecting livelihoods. It offers both opportunities and risks, depending on how it is approached. This brief takes a look at the opportunities worth exploring to reduce Ghana’s vulnerability. Improving financial support, technology transfer, institutional and human resource capacity development, research and business development would help to explore opportunities that climate change offers.

Context and Importance of the Problem

Climate change offers not only risks (possible loss) but also opportunities (possible gains), despite the well-publicised adverse impacts of climate change on natural systems and consequently on economic and social development in Ghana. The trade-offs between opportunities to be exploited and risks to be avoided continue to pose a serious challenge to public policy makers and resource managers. Other countries have identified and explored opportunities offered by climate change. Unfortunately, Ghana is yet to take full advantage of the financial support, technology transfer, institutional and human resource capacity development, research and business development which climate change offers as a result of the world’s resolve to tackle this problem.

Critique of Policy Option(s)

Since 1996 Ghana has been developing and implementing frameworks to address the various development challenges including the Ghana Vision 2020 (1996-2000), whose First Medium-Term Plan (1997-2000) was implemented; Ghana Poverty Reduction Strategy (2003-2005) and the Growth and Poverty Reduction Strategy (2006-2009) which was fully implemented with varying degrees of success. These policies came at a time that issues of climate change were not as strong as it is today and as such could be pardoned for their lack of bearing on climate change issues, more specifically on the opportunities that it offers. Since 2010 Ghana has been implementing the Ghana Shared Growth and Development Agenda (GSGDA, 2010-2013). This comes at a time when issues of climate change are high on the global agenda, but so far all discussions on climate change impacts have have tended to focus on how to address negative effects with less emphasis on exploring the opportunities that it offers. The Food and Agriculture Sector Development Policy (FASDEP II, 2007), for example, focuses on addressing the risk that climate change poses with nothing on the opportunities. A dual approach that considers both risks and opportunities will allow the country to mitigate and adapt to climate change better.

Policy Recommendations

It should be recognised that implementing a universal climate change policy whose goal is to enhance society’s wellbeing should focus not only at reducing the risks that it poses but also the opportunities that it offers irrespective of how small it may be. This is due to the fact that ‘A lost opportunity can be as bad as a negative risk.’ Policies in this direction should focus on:

Financial Support - Although there are still some negotiations at the global level yet to reach completion on some funding mechanisms for climate change adaptation, there are many multilateral and bilateral
agencies that could be engaged in climate change adaptation and mitigation financing if the country carefully analyses those opportunities and puts in place adequate measures and programmes to tap into them. There are provisions for direct financing through various funds including the Green Climate Fund, Adaptation Fund, Fast-start financing and the Special Climate Change financing, among others. Also, available are market-based financing schemes which have not yet been adequately explored by the country. These include the regulated carbon market and the Voluntary Carbon Markets, where specific carbon mitigation projects can be implemented to attract funds through Certified Emission Reductions (CER). The National Climate Change Policy Framework (NCCPF) can provide concrete guidance in this direction in terms of the finance, technology and capacity needs of the country. The Forest Investment Fund (FIP) and other facilities which are administered by the World Bank are useful in developing the forest sector. It must be noted that financial support in climate change mitigation projects could also create jobs in the various sectors where they will be implemented.

**Technology transfer:** The country needs to do a comprehensive sector-wide assessment of our technology needs, based upon which we will be in a position to approach specific partners for support. Technology transfer in agriculture will be very beneficial in reducing vulnerability and enhancing the resilience of about 60% of Ghanaians who depend on agriculture for their livelihoods. Technology transfer in agriculture can focus on developing disease resistant breeds of crops and animals that can withstand changing climatic regimes; improving farming technology, irrigation development and sustainable land management techniques which have the capacity to build resilience of farming systems to climate change.

In order to make full use of the provisions under technology transfer, the country needs to clearly understand the current and potential impacts of climate change on all sectors of the economy and associated technology needed to adapt and mitigate.

**Institutional and human resource capacity development:** National institutions can be aligned to international ones where they can learn from best practices. Personnel from local institutions can be given scholarships and mentorships to develop themselves to better and efficiently operate in their organisations or sectors. Short courses and internships can be negotiated at the national level to develop the capacity of personnel responsible for climate change programmes in Ghana. Building institutions that can effectively and transparently implement and monitor climate change programmes and ensure that the goals of climate change adaptations and mitigation are achieved will be very vital. A vital organisation that can benefit from such arrangement is the Ghana Meteorological Agency (GMet). Also, it is imperative to engage planners and professionals effectively in the adaptation discussion since they have the knowledge required for adaptation in certain areas especially in the area of infrastructural development.

**Research and Development:** Climate change research must meet a specific need whether in mitigating greenhouse gas emission or adapting to the effects of climate change. It must be recognised that government alone cannot single-handedly finance research and development linked to climate change. There is therefore the need for a coordinated approach involving the public sector, private sector and development partners in climate change research.
research finance with the view to avoiding duplication of efforts and ensuring that research findings benefit the country.

Some research has been conducted on crops which have properties that make them resilient to changes in climate. In Ghana, the Crop Research Institute has developed species of some cereals which are tolerant to climate variations. More research is required in this direction for other crops and farm animals. There should also be research into the opportunities that changing weather patterns may offer for crop diversification; growing of new crops to take advantage of changed micro-climates; taking advantage of extended growing seasons in some regions as well as planting crops that will suit the altered climates in other regions. Example, research in Brazil demonstrated that elevated temperatures increases yield of rice and wheat. There should be research on crops known to have properties that makes them resilient to changing climate as well as developing crop varieties that are heat and drought-resistant, with particular emphasis on short rotation crops.

**Business development:** Many businesses stand to benefit from climate change if they recognise some of the opportunities that climate change offers. The insurance industry can take advantage of changing climate and the risks that it presents to design climate risk insurance products to take care of crop failure due to uncertainties associated with extreme weather events such as flooding, storm, dry spells and excessive temperatures. The banking industry can consider climate change in loan approval and team up with insurance industry to institute micro insurance for small scale farmers and businesses. This could provide the much needed buffer to the sustenance of rural economies and livelihoods. Also, this is a good business and elsewhere, companies are making money from it. Additionally, climate change brings diverse opportunities to forward-thinking businesses in risk management and reduction, including options for micro-insurance, resilience building and economic diversification. Unfortunately, much is not heard from the private business sector in the area of developing such businesses due partly to the lack of interest by the private sector or lack of information.

**Sources Consulted**