

Africa Natural Capital Accounting (NCA) Policy Forum

Using Natural Capital Accounting and Analysis to Inform Policies for Development, Climate Change and Nature Protection

Nairobi, September 6-7, 2023

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Contents

Summary	
Purpose and agenda of the 2023 Africa NCA Policy Forum	
Box 1 – Forum Agenda	4
2 Forum discussion of NCA meeting the climate, nature, and development 'triple c	:hallenge'4
Box 2 – Presentations to the Forum	4
Box 3 – The NCA journey: Forum reflections on 'the ingredients for success'	7
3 Forum call for action	9
Nairobi Declaration	9
Proposal for the Africa NCA Community of Practice	9
Annexes	10

Summary

120 participants from 30 African countries and international partners met as the guests of the Kenya Government for the 2nd Africa Natural Capital Accounting (NCA) Policy Forum. The Forum brought together both producers of accounts with the growing band of policy users of accounts. It linked statistical interests, environment interests and development interests in the further exploration of how natural capital approaches can help plan, achieve, and monitor sustainable development. The Forum was convened under the auspices of Africa NCA Community of Practice (CoP) and organized by a committee led by, Africa NCA CoP Secretariat, the Kenya National Bureau of Statistics, the World Bank's Global Program on Sustainability (GPS), and the United Nations Statistics Division (UNSD) and United Nations Environment Program (UNEP).

The Forum's timely focus was on using NCA to inform policies for the 'triple challenge' of climate change, nature protection and development. There was a strong sense of urgency to make progress on these three challenges together – given escalating climate change and its threats to both people and nature. Held alongside the Africa Climate Summit, also hosted in Nairobi, the 2023 Forum explored how NCA, and related analysis and modelling can offer compelling toolkits to monitor and evaluate the nature/climate/people nexus. Tough decisions need to be made now in implementing the new Global Biodiversity Framework (GBF), alongside implementing the Paris climate agreement, and making best use of climate finance and domestic investment, especially at a time of rising debt. But there are also many potentials for 'nature-based solutions' for moderating climate change while supporting sustainable development. NCA can help tackle these linked climate/nature problems and opportunities.

Good progress has been made in developing NCA in Africa – close to 20 countries are at various stages from producing pilot accounts to having a routine, embedded NCA system, as well as mainstreaming NCA into development planning. The Forum noted the value of focusing in particular on national development plans and budgets and called for National Biodiversity Strategies and Action plans (NBSAP) and climate change strategies to be informed by NCA. However, it also noted that – while NCA is urgently required to support integrated climate/nature/development action, there is still limited awareness, capacity, or readiness for it in many African countries.

The Forum recognized the Africa NCA Community of Practice (CoP) as a major catalyst to progress made and called for its further growth to meet growing needs. The CoP is a community of NCA developers and policy users that come from government, development community, Civil Society Organizations, private sector, research, and academia organizations. Established at the Kampala NCA Policy Forum in 2019, and now comprising over 500 members from 48 African countries, the CoP has helped to build peer support, capacity and confidence, share knowledge, and sustain enthusiasm despite having to operate online during the COVID pandemic. The Forum called for more support to enable the CoP's future growth, especially for training, knowledge exchange, experience sharing, lessons learned, as well as support leadership within Africa, and for the CoP to be embedded in African regional institutions and to embrace more languages than English. Participants mandated the CoP Secretariat and the Forum Organizing Committee to facilitate an ambitious plan for the CoP's future growth.

As a final declaration of the policy forum, the Africa NCA CoP issued the Nairobi Declaration Statement and Call to Action on NCA. The declaration emphasized the urgency to protect and harness Africa's vast natural capital for addressing Africa's development aspirations and addressing the triple challenges. And the need to improve awareness, capacity-building, and institutional embedding of NCA as a 'navigation aid' to achieve these aims. The declaration expresses CoP members'

commitments and calls on African governments, regional bodies, technical experts, business and finance sector, and the international community to collaborate and support its work.

1. Purpose and agenda of the 2023 Africa NCA Policy Forum

The Africa Natural Capital Accounting Community of Practice (CoP) aims to support the mainstreaming of NCA and related natural capital data and analysis into development policy, planning and budgetary processes, as well as related statistical policy and production. The 2023 Forum in Nairobi is the first time that the community has come together since the inception meeting in 2019. The Africa NCA CoP was set up in 2020 with World Bank support. The CoP supports best practices through facilitating exchange of experiences between countries, webinars and training, and peer-to-peer learning on the whole process from NCA start-up to its institutionalization.

The 2023 Forum addressed the urgent need to tackle the 'triple policy challenge' of climate change, protection of nature, and development. Firstly, to determine how NCA could inform better decisions on the triple challenge — including dismantling the decision-making silos between climate and biodiversity. And secondly, to discuss the needs and priorities for rolling out NCA across Africa, including building capacity on NCA and related analysis, and in particular the future role of the Africa NCA Community of Practice. Back-to-back with the Forum, UNSD held a 2-day training on climate-related accounts for participants from statistical offices.

120 participants from 30 African countries and international partners met for two days. The 2nd Africa NCA Policy Forum brought together producers of accounts with policy users of accounts; and linked statistics interests, environment interests with development interests. Close to 60 further participants were able to benefit from livestreaming. It was organized by a committee led by Africa NCA CoP Secretariat, the Kenya National Bureau of Statistics (KNBS), the World Bank's Global Program on Sustainability (GPS), and the United Nations Statistics Division (https://seea.un.org/) and United Nations Environment Programme (UNEP).

The Forum comprised a mix of presentations, panels, table 'buzz' sessions, breakout groups and plenary sessions, as well as a working group on a Forum Declaration. Interpretation between English and French was provided throughout. The agenda is summarized in Box 1. The Forum began with high-level perspectives on the climate and nature policy challenges to which NCA will need to respond, including a panel discussion. A background paper ¹, commissioned by the World Bank and written by Daniel Juhn and Rosimeiry Portela, was presented as a basis for the discussions on linkages between NCA and the challenges of climate change, nature protection and development. This was followed by a stock-take of how far NCA has progressed in Africa, and a 'clinic' on lessons of developing and using NCA – from early pilot accounts to regular use of accounts, to capacity building and institutionalization of NCA in government systems. The Forum participants were also provided with the opportunity to get an introduction to the ARIES for SEEA tool.

Experience-sharing sessions explored lessons of the use of NCA for climate and nature decisions and were supplemented by working groups to draw out from all participants the 'ingredients of success' for NCA helping such decisions. A plenary on the legacy and future of the African NCA Community of Practice recognized its role in forging good progress to date and concluded with a call for a plan to 'take the CoP to the next level' to meet Africa's growing needs.

¹ https://thedocs.worldbank.org/en/doc/208acc0da8426db139f54893110e5382-0320072023/original/Background-Paper-NCA-to-Inform-Climate-Biodiversity-and-Development-Policies-in-Africa.pdf

Box 1 – Forum Agenda

Session 1 – Statements and remarks from Government of Kenya, World Bank and UNSD

Session 2 - Setting the scene: high-level panel on major climate and nature policy agendas in Africa

Session 3 - Country experiences: addressing major agendas through NC data and analysis

Session 4 – Stock-taking NCA progress in Africa and around the world

Session 5 – Clinic on starting up and institutionalizing NCA in countries

Session 6 – African NCA experiences: using NCA for climate change and development decisions

Session 7 – African NCA experiences: using NCA for nature protection decisions

Session 8 - Combining learning: ingredients for NCA success informing climate-nature decisions

Session 9 – The Africa NCA CoP experience to date: what it has delivered

Session 10 – Way forward for the Africa NCA CoP: breakout groups and report back

Session 11 - Conclusions and closing

The full agenda can be found at (https://www.worldbank.org/en/events/2023/07/31/africa-natural-capital-accounting-policy-forum-2023)

2. Forum discussion of NCA meeting the climate, nature, and development 'triple challenge'

The rich range of presentations is summarized in Box 2. Rather than record each presentation and discussion one by one, in this brief report we draw out the key findings and recommendations across the two days of the Forum. This is partly for brevity; but also, because many of the findings and recommendations were common across several sessions.

Box 2 – Presentations to the Forum

Accounting for Climate, Biodiversity and Development in Africa – Forum background paper	Daniel Juhn and Rosimeiry Portela, Consultants, World Bank
Using Natural Capital Accounting and Analysis to Inform Policies for Development, Climate Change and Nature Protection	Thabiso Joseph Leballo, Department of Environment, Lesotho
Africa Natural Capital Atlas – an overview	Philip Osano Stockholm Environment Institute, Nairobi
Overview of the SEEA implementation globally and in Africa	Marko Javorsek, UNSD
South Africa's country experience in NCA: starting-up, institutionalization, mainstreaming and sustaining the gains	Aimee Ginsburg, South African National Biodiversity Institute, South Africa
La comptabilité environnementale - un levier de la planification stratégique du développement durable. Quelles réalisations et quelles perspectives? (Environmental accounting - a lever for strategic planning for sustainable development. What achievements and what prospects?)	Moulay Abdeljebbar Salim, Haut Commissariat du Plan, Maroc
Natural Capital Accounting - The Kenyan Case	Christine Magu, Kenya National Bureau of Statistics, Kenya
Integrated Landscape Planning in the Congo Basin region – a role for NCA	Kiruben Naicker, UNEP-WCMC

NCA in Uganda - Informing Economic Police	sies and Sam Mugume, Ministry of Finance,
Development Strategies	Planning and Economic Development,
	Uganda
Using Ecosystem Accounting for Nature Po	olicies: Lessons Kwame Fredua, Environment Planning
from Ghana	Agency, Ghana
Ecosystem Accounting in Uganda: Compile	ation, Analysis & Victoria Nansubuga, Uganda Bureau
Policy Implications	of Statistics, Uganda
ARIES for SEEA- a solution for NCA compile	ation Alessio Bulckaen, Basque Centre for
	Climate Change

^{*} Presentations can be found at (https://drive.google.com/drive/folders/1ibXr9CuvM5yZk-kRd3kUZZBJwBWsPSkS).

Combined climate change, nature loss, and pollution represent some of the most significant threats to greener, healthier development. These triple challenges threaten to severely undermine future economic growth and the fragile prosperity of growing economies, especially in many African countries that are particularly vulnerable to climate change and nature loss. With the Paris agreement on climate and the 2022 Global Biodiversity Framework now in place, the close linkage between climate change and biodiversity issues is increasingly being recognized. There is now a need to support effective evidence-based planning, monitoring and evaluation to support this action and accountability across this broad agenda: NCA can provide the necessary data and analysis.

NCA has increasingly been informing climate and nature policy and action on the ground. Since the Forum first met in Kampala in 2019, African countries' natural capital accounts have grown in number and richness. NCA has been used for increasingly ambitious policy decisions – informing government policies, plans and budgets not only in natural resource sectors like water, forestry, minerals and energy but also in infrastructure, tourism and 'upstream' in macro-economic planning. For example, in Uganda it has influenced a shift away from fossil fuel investment and towards more resilient green infrastructure. Countries have found it helps to focus the NCA process on informing national development plans and budgets. Today, alignment of these with National Biodiversity Strategies and Action Plans (NBSAPs) and Nationally Determined Contributions (NDCs) are a mainstreaming priority of climate and biodiversity initiatives. Indeed, participants called for NBSAPs and NDCs to be directly informed by NCA. Land degradation, driven in part by maldevelopment, is the biggest cause of both climate change and biodiversity loss in Africa. NCA, being a cross-sectoral framework that integrates information on all aspects around land use management, can provide the evidence for better land use planning, and for making the most of investments in e.g. land restoration.

Participants noted that climate, nature and people interact in intensely localized ways and blanket solutions can be harmful. They therefore also called for countries' NCA systems to be developed also at the local level, as this enables local authorities to play their roles in handling often very specific local trade-offs between climate, biodiversity and development. NCA therefore helps stakeholders to view the triple challenge in a positive light. Good NCA data and analysis can take stakeholders beyond simply seeing the climate/nature nexus as a problem, towards realizing the potentials for Africa to adopt nature-positive, climate-resilient approaches such as:²

Clean energy – Africa holds 45% of the global renewable energy potential.

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² A background paper for the Forum was prepared by Daniel Juhn and Rosimeiry Portela [link]. It provides useful material on the connections between biodiversity, climate change and development; on ways of integrating these into economic thinking and practical action (e.g. nature-based solutions); and on how NCA has helped and could help further.

- o Food security and business Africa has 16% of the global potential new arable land
- Key green economy minerals Africa could benefit from the 'green minerals economy'
 by sustainably producing e.g. cobalt and lithium that drive green power sources
- Empowering marginalized groups Africa has experience of many ways in which the GBF target of protecting 30% of land cover can help communities, rather than exclude them.
- Land restoration investment here has the potential to moderate climate change, protect biodiversity and drive sustainable development.

All of these potentials are tentative: they need to be done in the right way and in the right places. Participants repeatedly referred to NCA as offering 'an opportunity to reset', so that Africa's abundant natural capital can be deployed in ways that really help ambitious goals – evoking 'holistic statistics that make for holistic goals' and calling for integrated initiatives – such as inclusive green growth and climate-smart development plans – to support NCA for the evidence it can offer. In this way, NCA can 'help make the shift from deforestation-based economies to conservation-based economies. There is currently a search for the most cost-effective and equitable 'nature-based solutions' (NbS) to climate change and development that protect and restore nature alongside rapid reduction in greenhouse gas emissions. This search can be guided by NCA as a proven way to inform NbS at the level of both policy and individual project types. The background paper prepared for the Forum delved specifically into how NCA can support NbS interventions and gave examples of NbS studies in Africa from Guinea, Mozambique, Sierra Leone and South Africa.

Good progress has been made in developing NCA in Africa, and NCA is being increasingly institutionalized. As per UNSD's global assessment from 2022, 17 African countries are at various stages from producing pilot accounts to having a routine, embedded NCA system. Across the world (where over 90 countries are pursuing NCA) the commonest accounts are for water flows, forests, land, agriculture and energy – but many other accounts including for biodiversity and ecosystems are on the rise. The situation is dynamic and UNSD is currently working on the 2023 global assessment.

The Forum provided a timely opportunity to reflect on the ingredients for success in NCA informing nature and climate decisions. The Forum split into 12 table groups to share reflections on recent progress. Although countries are at different stages in both NCA and climate/nature policy, many common reasons for success were identified across the NCA establishment and use process (Box 3). A focus on informing and tracking national development plans has usually been the most successful route to NCA institutionalization, hooking NCA into the national planning and often also the national budgeting and expenditure system. This now bodes well for 'reciprocal mainstreaming' – ensuring NBSAPs and NDCs, for example, are development-aware and aligned with the national development plan. However, the Forum also noted that – with NCA now urgently required to support integrated climate/nature/development action, there is still limited awareness, capacity or readiness for it in many African countries.

The Africa NCA Community of Practice (CoP) has been a major hub for promoting NCA development and now needs to move to a more ambitious level. An informal group comprising NCA developers and policy users, the CoP now comprises more than 500 members from 48 African countries. It has been facilitated by the Global Program for Sustainability (GPS), a World Bank project that has funded the CoP secretariat and helped with many webinars, training sessions, and organizing peer exchange and peer support. In-kind support has been given from a host of organizations, including UNSD, UN Environment Programme (UNEP), UN Economic Commission for Africa (UNECA), the Green Growth Knowledge Platform (GGKP), Conservation International, African Union and African Development Bank. Participants were united in crediting the CoP with a great increase in capacity, confidence and

enthusiasm for NCA in Africa despite having to operate online during the COVID epidemic. Given the GPS project is soon ending, participants identified the need for the CoP new institutional setting and support as a priority for rolling out NCA across Africa so that it can help countries make best decisions, notably on climate change and biodiversity.

Box 3 – The NCA journey: Forum reflections on 'the ingredients for success'³

NCA development: Establishing and maintaining an NCA system is a journey and not an event. It involves a social learning process, building understanding, trust and joint activity among and between NCA producers and users. Countries can gain much from learning from other countries that are at different stages of NCA development.

NCA data: Existing data is usually enough to start building an account, and it is useful to make a full inventory of such data first to know which agencies to involve in NCA. Although initial accounts will not be perfect, their development need not be too demanding. But it should be guided by what data gaps really matter to decision-makers, such as, for example, putting in place baseline data for NBSAPs and NDCs. It is best to move towards data being collected so that it is both 'in-demand' by policy and 'account-ready'.

NCA strategy: Having a national strategy for advancing NCA is a good step towards institutionalization. An NCA development plan can take orderly account of the various policy decisions that will need to be made, such as in climate and nature, and it can provide a stepwise approach to reaching greater ambition e.g. more spatial or macro-economic coverage.

NCA entry point: The national development plan is a key entry point for NCA: as a holistic, high-level plan, it will have need for integrated NCA-type data; and it has government 'machinery' attached to it that can be mobilized). For climate, the NDC (or country net zero strategy) and for biodiversity, the NBSAP will be good entry points, too: the working groups of the NDC/NBSAP should overlap with the working groups for NCA.

NCA partnerships: Effective NCA can only ever be generated and used through partnerships: 'holistic data for holistic decision-making is by nature a collaborative exercise'. The CoP, and supporting programs such as WAVES, GPS and NCAVES have really helped NCA partnership-building. Links between national statistical agencies across Africa have also been helpful in internalizing NCA (Liberia) and for sharing ways of overcoming political and other constraints to developing NCA.

NCA coordination: While statistics offices need to play a central role in NCA production, it is good if line ministries can take charge of key data areas and 'own' them. Coordination of NCA use is preferably done by ministries such as Finance or Planning, but data repository might be separately organized. The compilation of accounts needs to be internalized as much as possible and so, if consultants are used, it is important to ensure they work interactively.

NCA legislation: With increasing demands for all kinds of data, a solid legal basis needs to be in place so that NCA has ready access to data and there are legal provisions for data sharing that will enhance NCA initiatives. Related legislation, e.g. the national asset register may also be required.

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³ Notes for OC:

Little of the table discussions was nature/climate-specific – much was generic but still useful.

[•] For each point, I have noted the main countries citing it – for our reference only.

I have noted a couple of other possible pull-quotes that could be inserted if helpful (paraphrased):

NCA offers proven and globally accepted standards to furnish the information needed for countries to take
integrated actions that respond to global climate and biodiversity goals. By structuring information on
nature's contributions to people and the economy, NCA offers a compelling framework to help African
countries design, monitor and evaluate integrated national plans – such as Rwanda's revised Green Growth
and Climate Resilience Strategy. (Hon Claudine Uweru, Rwanda)

o NCA is a way to give nature a seat at the table. (Salman Hussein, UNEP)

NCA valuation: What for some years has been a challenge – getting a credible and decision-centered value on diverse aspects of nature – is now a great opportunity. NCA can now play a key role in ecosystem services valuation e.g. determining the economics of carbon trading.

NCA influence: Policy players need to be involved from the beginning so that the results of NCA do not take them by surprise – but instead they are ready to act on the results. Integrating NCA into regular reports like the Economic Survey can make NCA have a wide influence.

NCA communications: Investing in good data interpretation, open publishing and messaging is key. It is important to showcase the results of NCA and not simply assume people will pick up the accounts, understand them, and act on them. Graphs and maps grab more people's attention than a long series of tables (although the latter is still needed). Powerful headlines strongly influence politicians and encouraging feedback and discussion on the accounts can bring them into public and political debate.

3. Forum call for action

Nairobi Declaration

The CoP issued a 'Nairobi Declaration and Call to Action on NCA' – a core text asserting the timeliness and value of NCA in tackling climate and nature challenges. The Forum found a very strong consensus – firstly on the urgency to tackle the triple planetary crisis (climate change, nature loss, and pollution), the main development challenges of our time. Secondly, to protect and harness Africa's vast natural capital to meet Africa's development aspirations. Thirdly, to roll out NCA as an integrated approach to the triple challenge: one that 'measures what matters' so we can 'manage what we measure' (a repeated refrain in the Forum); and one that produces the evidence to develop promising NbS that work for people and nature in a changing climate. And finally, on the need to improve awareness, capacity-building, and institutional embedding of NCA as a 'navigation aid' to achieve these aims.

The Declaration also expresses CoP members' commitments and calls for a regionally-driven approach to collaborate and support the CoP's work – involving African governments, regional bodies, technical experts, business, the finance sector, and the international community. Participants called for the Declaration to influence for such as UN Environment Assembly (UNEA) and the MEAs and to support the development of sustainable funding mechanisms for NCA in Africa.

Proposal for the Africa NCA Community of Practice

The Forum concluded with a unanimous call for an expanded, refreshed, and regionally embedded NCA Community of Practice to drive the data and analysis needed for solving Africa's future challenges. It asserted the value and urgency of the CoP's future growth, especially for training, peer exchange, and leadership within Africa. But it also emphasized that the CoP should be embedded in African regional institutions if it is to play a leadership role in the roll-out and use of NCA in Africa. It should also encompass different languages, the French-English interpretation at the Nairobi Forum being a welcome start – but inadequate to include the whole community effectively and equitably.

The Forum mandated the CoP Secretariat and the NCA Policy Forum Organizing Committee to prepare a plan for mobilizing CoP members and resources into an expanded, regionally owned CoP. Regional and international funders are encouraged to step in and take on a leading role for the CoP. The vision is for the CoP to 'move to the next level' in driving the data production and analysis needed to leverage Africa's natural assets to meet the continent's challenges.

Annexes

Policies-in-Africa.pdf]

- 1. Event Page: https://www.worldbank.org/en/events/2023/07/31/africa-natural-capital-accounting-policy-forum-2023
- Background paper –
 [https://thedocs.worldbank.org/en/doc/208acc0da8426db139f54893110e5382 0320072023/original/Background-Paper-NCA-to-Inform-Climate-Biodiversity-and-Development-
- 3. *Presentations* (https://drive.google.com/drive/folders/1ibXr9CuvM5yZk-kRd3kUZZBJwBWsPSkS)
- 4. África NCA Declaración –

 (https://thedocs.worldbank.org/en/doc/752f162084f9cb3209c187f0ecbc4aee0320072023/original/Africa-NCA-CoP-Policy-Forum-Declaration-For-PublicationFinal12Sept2023.pdf)
- Speakers Bio [https://thedocs.worldbank.org/en/doc/db6faaa036bef3b33da57d0153459e2f-0320072023/original/Speaker-Bios-Africa-NCA-2023-Formatted-Final-version-9Oct2023-GPSwebsite-upload.pdf]
- 6. Policy Forum Agenda (https://thedocs.worldbank.org/en/doc/e89484690149843d984d2c462efcb980-0320072023/original/Africa-NCA-Policy-Forum-Agenda-Final-Version-5September2023.pdf)