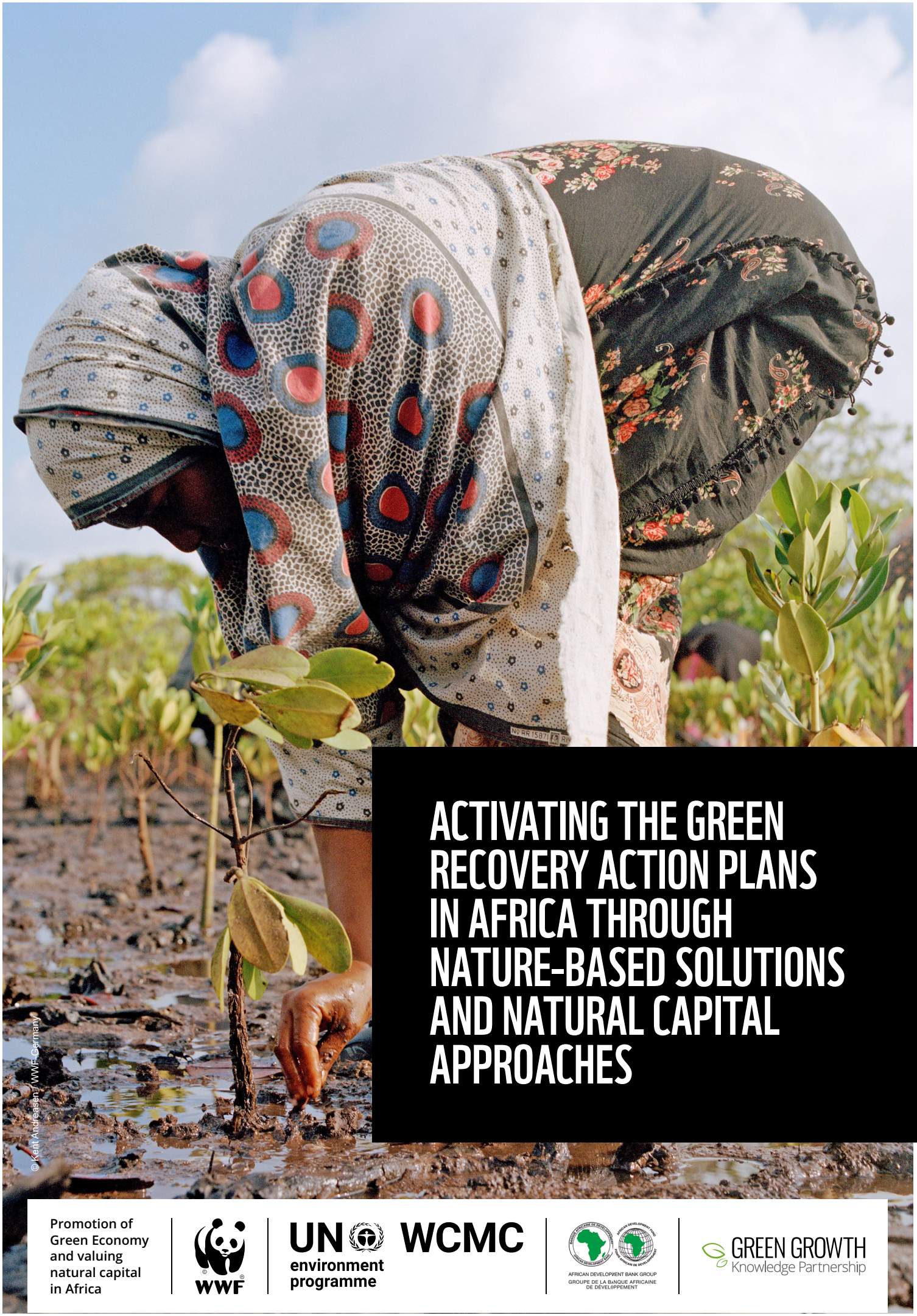

ACTIVATING THE GREEN RECOVERY ACTION PLANS IN AFRICA THROUGH NATURE-BASED SOLUTIONS AND NATURAL CAPITAL APPROACHES

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Promotion of Green Economy and valuing natural capital in Africa

WWF

UN environment programme

WCMC

AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE DE DÉVELOPPEMENT

GREEN GROWTH Knowledge Partnership

This policy brief was prepared for the Mainstreaming Natural Capital in African Development Finance (NC4-ADF) initiative led by the African Development Bank (AfDB), Green Growth Knowledge Partnership (GGKP) and the World Wide Fund for Nature (WWF) by: Hashim Zaman (UNEP-WCMC), Kiruben Naicker (UNEP-WCMC), Steven King (UNEP-WCMC), Qian Feng (UNEP-WCMC), and James Vause (UNEP-WCMC).

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Brief on NC4-ADF - Mainstreaming Natural Capital in African Development Finance

In 2020, the African Development Bank (AfDB) and the Green Growth Knowledge Partnership (GGKP) joined forces with the World Wide Fund for Nature (WWF) and the Economics for Nature (E4N) team to launch the Natural Capital for African Development Finance (NC4-ADF) initiative to lay the foundation for mainstreaming natural capital in African development finance. Throughout the last few years, we have worked through key activities, including generating evidence for integrating natural capital into AfDB's development finance operations, prioritizing the role of natural capital in Africa's post-COVID19 recovery, convening peer signatory MDBs to develop a common vision for mainstreaming nature-based solutions in support of the MDB Joint Nature Statement released at COP26 in 2021.

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THE AFRICAN CONTEXT

The COVID-19 pandemic has had severe impacts on African economies and livelihoods. These impacts are being exacerbated by climate change and the conflict between Russia and Ukraine, which is threatening food and energy security. Collectively, these impacts are estimated to push 1.8 million Africans into extreme poverty by the end of 2022, increasing to 3.9 million by the end of 2023[1]. Cumulatively, these issues have led to hard earned developmental gains being lost, jeopardising Africa's commitments to achieving the Sustainable Development Goals, Agenda 2063 and the Paris Agreement[2].

However, Africa has a wealth of natural capital and potential nature-based solutions (NbS) to enhance the natural capital stock providing a strengthened and sustained foundation for a green economic recovery from COVID-19. A recovery that addresses pre and post COVID-19 challenges to deliver improved human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities. The **African Union Green Recovery Action Plan** (2021-2027)[3] which is a high-level overarching action plan provides a continental vision to tackle the challenges of the COVID-19 recovery, as well as climate change, in Africa.

Through biodiversity and NbS interventions, the Action Plan aims to:

1. Enhance and support the implementation of several **initiatives aimed at combatting habitat degradation.**
2. Support the **development and management of national parks and other protected areas.**
3. Enhance commitment to providing adequate **resources to address the drivers of desertification, land degradation and drought** and support of existing programmes such as the Great Green Wall for the Sahara, Sahel and Southern Africa.
4. Develop and improve mechanisms for **protection of the ocean environment to support biodiversity, climate resilience and the blue economy.**
5. **Raise political ambition on nature-based solutions to climate change.** This intervention also links to nature-based solutions for climate change mitigation and the climate finance priority area of the Green Recovery Action Plan.
6. Support the **development and application of tools to better integrate nature and natural capital** including biodiversity in national, sectoral and urban recovery and development strategies and plans.

1 https://www.afdb.org/en/knowledge/publications/african-economic-outlook

2 https://au.int/en/documents/20210715/african-union-green-recovery-action-plan-2021-2027

3 https://wwfint.awsassets.panda.org/downloads/african_union_greeen_recovery_action_plan___2021.pdf

NbS is explicitly recognised as a priority intervention area of the Action Plan. This is because NbS potentially deliver economic development benefits alongside social well-being outcomes whilst at the same time addressing specific challenges i.e., improving water supplies. NbS have been shown to create job opportunities for the most vulnerable, whilst also delivering climate change adaptation, mitigation and biodiversity co-benefits. By delivering these wide-ranging benefits, NbS interventions can attract finance from a range of sources. Where NbS delivers across multiple agendas, e.g., climate change adaptation, mitigation and biodiversity, they may attract interest and finance from potential funders with different core interests, including in the context of climate and conservation finance. Multilateral development banks have also recognised the importance of NbS for a green recovery from the COVID-19 crisis. These collective funding opportunities highlight the potential for NbS to help mobilise and enhance funding for activating the African Union's Green Recovery Plan by diversifying potential funders. As such, they are a crucial part of the toolkit for activating green recovery in Africa following the COVID-19 pandemic.

To increase awareness on the roles that NbS and natural capital approaches can play in green recovery, the Natural Capital for African Development Finance (NC4-ADF) programme[4] in collaboration with the African Union Commission (AUC) and the UNFCCC Regional Collaboration Centre, Kampala, organised a webinar series, entitled "Mainstreaming Natural Capital in Africa's post COVID-19 Development Agenda". Building on these discussions, this policy brief provides an overview of key concepts relating to natural capital and NbS to better inform the practical implementation of a green recovery in Africa, targeting its policy makers and a wider audience. It introduces key entry-points for NbS in activating green recovery, as set out in the African Union's Green Recovery Action Plan. It also outlines successful NbS case studies for Africa, to build awareness of the role NbS can play in green recovery. It then proposes some key actions that can be implemented to deliver on the potential of NbS to activate green recovery in Africa (summarised in Box 1).

BOX 1: HOW NBS CAN BE SCALED FOR ACTIVATING GREEN RECOVERY IN AFRICA.

- Building awareness of NbS as viable alternatives to traditional grey infrastructure solutions
- Building the natural capital knowledge base to design and implement NbS.
- Building a pipeline of 'bankable' NbS projects based on the multiple benefits they deliver.
- Securing funding from multiple sources to ensure NbS delivers benefits.
- Good governance will build confidence and success of NbS for activating green recovery.

4 The NC4-ADF is a joint initiative by the African Development Bank, the Green Growth Knowledge Partnership and the World Wide Fund for Nature. They have joined forces with the Economics for Nature (E4N) partnership to mainstream natural capital in development finance in Africa. For more on this initiative, please refer to https://www.greengrowthknowledge.org/initiatives/NC4-ADF

NATURAL CAPITAL AND NATURE-BASED SOLUTIONS

Natural capital is the stock of natural resources that yields a flow of benefits to people. It is estimated to make up 30-50% of the total wealth of the African continent and supports millions of livelihoods across Africa[5]. The African Ministerial Conference on the Environment (AMCEN) affirms that natural capital underpins the economy of member states and serves as a gateway to wealth creation for the achievement of the Sustainable Development Goals (SDGs) and the African Union 2063 Agenda[6].

A common way to describe the renewable or 'living' components of natural capital is as ecosystems (e.g., forests, wetlands, croplands) in the landscape. The concept of ecosystem relates to a community of species and their non-living environment acting as a functional unit. These functions lead to the supply of ecosystem services, which are the contributions of ecosystems to economic and wider social welfare benefits (e.g., global climate regulation, flood mitigation and crop provisioning)[7].

These so called natural capital approaches recognise and incorporate the values of ecosystems and the services they supply into decision-making and can drive changes in policy and/or investment decisions[8]. They are increasingly being implemented for nature-based solutions (NbS). These are actions to protect, conserve, restore, sustainably use and manage ecosystems to deliver benefits that address social, economic and environmental challenges[9]. Natural capital approaches aim to improve the design of development interventions by highlighting options to deliver on development objectives via ecosystem services. These options can be implemented as NbS.

NbS are viewed as fostering a more integrated planning approach, which recognises synergies between environmental, economic and social development objectives and mitigates trade-offs. This is illustrated in Figure 1, which highlights how NbS interventions can help deliver on the SDGs.

5 https://africa.panda.org/?32622/Africa-in-the-context-of-COVID-19

6 https://www.unep.org/news-and-stories/story/africas-natural-capital-gateway-finance-its-development

7 https://seea.un.org/sites/seea.un.org/files/documents/EA/seea_ea_white_cover_final.pdf

8 https://www.stapgef.org/resources/advisory-documents/natural-capital-approaches

9 UNEA. 2022. "Resolution Adopted by the United Nations Environment Assembly on 2 March 2022: Nature-Based Solutions for Supporting Sustainable Development

Figure 1. *Societal challenges and Nature-based Solutions interventions and its interlinkages with the SDGs*[10]

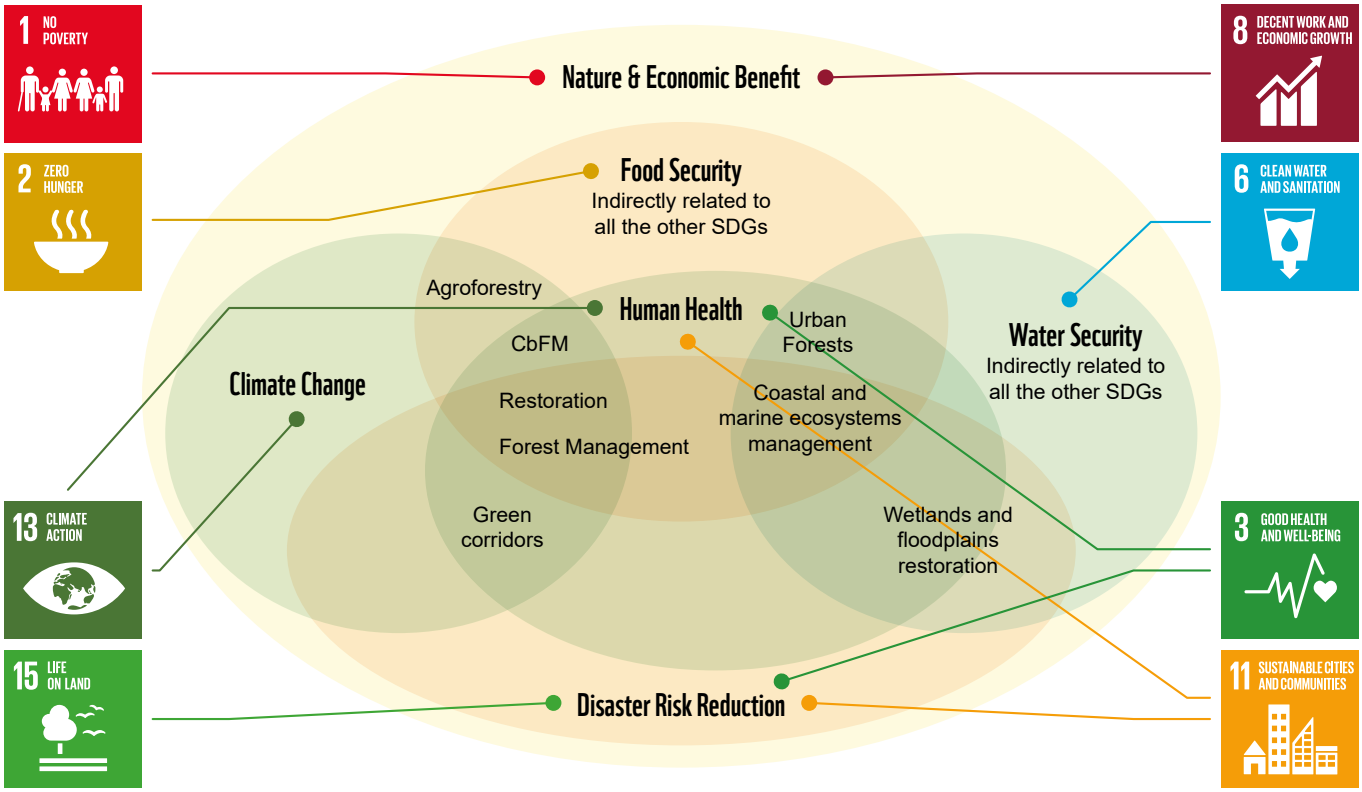
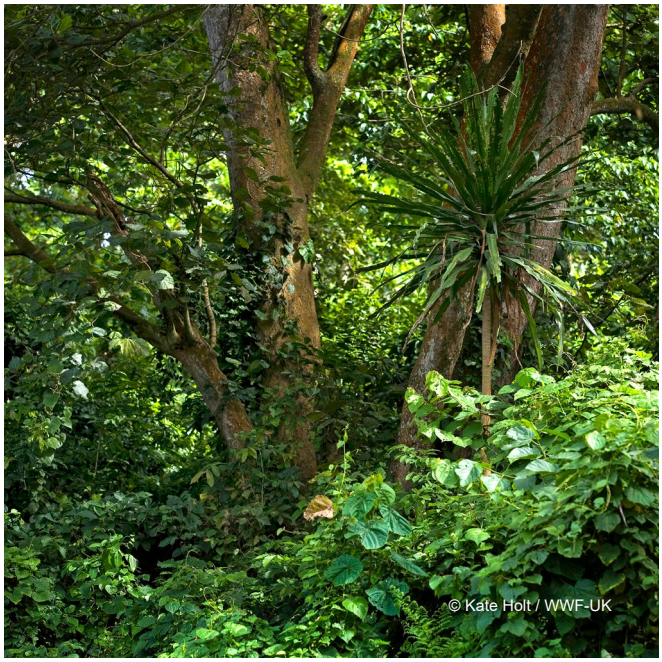


Figure 1 demonstrates an example of how agroforestry can deliver economic benefits while also contributing to food security and climate change mitigation and adaptation. Similarly, wetland restoration can deliver water security alongside disaster risk reduction benefits and associated human health benefits. NbS are also increasingly recognised as offering cost-effective alternatives to man-made, human engineered or grey infrastructure[11] solutions that have traditionally been implemented as responses to development issues. They are being recognised for their potential to deliver new business opportunities, jobs and increased human well-being[12].



10 https://www.ilo.org/wcmsp5/groups/public/---edemp/documents/publication/wcms_757823.pdf

11 https://royalsocietypublishing.org › doi › rsta.2019.0204

12 https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf

HOW NBS CAN ACTIVATE GREEN RECOVERY IN AFRICA: CASE STUDIES

NbS linked to the AU Green Recovery Action Plan interventions are a key part of achieving a sustainable green recovery in Africa. They have the potential to deliver long-term economic returns by securing the natural capital on which livelihoods depend. They also tend to create relatively high numbers of jobs, as much of the work involved with NbS on the ground is labour intensive[13]. These jobs can often benefit the most vulnerable, who need them most. As NbS may deliver multiple benefits related to health, food and water security, they can mitigate future health costs, improve productivity and reduce dependencies on imports, leading to long-term economic and social welfare co-benefits[14].

There are several high-profile case studies that demonstrate the success of NbS, both in terms of delivering on their primary purpose but also in terms of delivering important co-benefits that could help to activate green recovery. As demonstrated below, the areas of intervention in the case studies all correspond to the key nature- based actions proposed in the AU Green Recovery Action Plan.

South Africa's Working for Water (WfW) scheme is an excellent example of an NbS for water and is recognised as one of the most successful integrated land management programmes in the world[15].

Launched in 1995, the WfW scheme clears mountain catchments and riparian zones of invasive alien plants. Invasive alien plants tend to use substantially more water than natural vegetation, thus making it unavailable for other uses. The clearing of invasive alien plants from riverbanks is estimated to have increased streamflow by nearly 46 million m3 per year[16]. As of 2017, WfW supports 50,000 jobs every year, with over half of these job supporting the vulnerable and underprivileged.

Image of local communities participating in the Working for Water Program in South Africa

13 https://www.ilo.org/wcmsp5/groups/public/---edemp/documents/publication/wcms_757823.pdf

14 https://wwfafrica.awsassets.panda.org/downloads/africa_covid_hr.pdf?32622/Africa-in-the-context-of-COVID-19

15 https://www.greeneconomycoalition.org/news-and-resources/working-for-water-in-south-africa

16 https://doi.org/https://doi.org/10.1016/j.ecolecon.2007.12.024

South Africa's WfW is one of several **ecosystem restoration initiatives** in Africa, which could provide inspiration for scale up and implementation elsewhere. As ecosystem restoration tends to be labour intensive, it provides a means of addressing the employment crisis following COVID-19. The WfW is a state funded intervention, working in partnership with local communities, to whom it provides jobs and community-wide benefits of improved availability of water, and other government departments including the Departments of Forestry, Fisheries and the Environment, Agriculture, Trade and Industry, provincial departments of agriculture, conservation and environment, research foundations and private companies[17].

Similarly, the Greater Cape Town Water Fund has brought together a business case for implementing invasive alien plant removal projects to boost water supplies to the city which demonstrates how multiple partners and wider financial interests can support such initiatives. The Nature Conservancy describes water funds as "……organizations that design and enhance financial and governance mechanisms which unite public, private and civil society stakeholders around a common goal to contribute to water security through nature-based solutions and sustainable watershed management"[18]. They work by creating incentives for downstream water users to contribute resources to a fund which is managed to generate revenues which are invested in upstream watershed protection and restoration to boost water supplies. Users may be public or private, meaning that water funds can pool resources across multiple stakeholder groups with interests in the same outcomes.

The Great Green Wall Initiative (GGWI) of the Sahel is one of the continental scale NbS highlighted in the African Union's Green Recovery Action plan, which aims to upscale the security of **resources to address the drivers of desertification, land degradation and drought.** As the expansion of the Sahara Desert in the Sahel threatens food and water security in this region of Africa, the GGWI aims to halt this by restoring 100 million hectares of land. Collectively this is expected to address food security issues for 20 million people, create 350,000 jobs and sequester 250 million tonnes of carbon by 2030[19]. So far 12 million trees have been planted in Senegal; 5 million ha of degraded land restored in Nigeria; 3 million ha of land rehabilitated in Burkina Faso, 15 million ha of degraded land restored in Ethiopia and 5 million ha of degraded land restored in Niger. The restoration of land in Niger has delivered an additional 500,000 tonnes of grain per year, enough to feed 2.5 million people[20]. Box 2 provides a related example of NbS implemented under the Family Farming Development programme in Niger.

BOX 2: FAMILY FARMING DEVELOPMENT PROGRAMME TO ENHANCE PRODUCTIVITY AND RESILIENCE OF SMALL-HOLDER FARMS IN NIGER[21].

Farmland in the project area, used by 240,000 farming households has been degraded by erosion making the local communities vulnerable to food insecurity. The Family Farming Development Programme was initiated to address this via NbS. The broad objectives being to contribute to sustainable food and nutrition security, and improved resilience of rural households in the Maradi, Tahoua and Zinder regions. Co-benefits included climate change mitigation, job creation, ecosystem protection and enhancement of biodiversity. The project was supported via national government funding, the government of Italy, IFAD, the Global Environment Facility and The OPEC fund. The NbS interventions deployed included traditional Zai techniques to conserve water by removing invasive plants, planting local tree species, erecting pastoral half-moons and anti-erosion stone lines, planting living fences and digging pits in degraded land. The measures were adopted by 50-85% of targeted communities, leading to about 40% increase in yield of irrigated crops. Managing tree nurseries enabled women to generate additional income to purchase small livestock, thereby improving family nutrition. The project contributed to climate mitigation by sequestering 1.2 tCO2e per hectare per year.

17 https://www.dffe.gov.za/projectsprogrammes/wfw#:~:text=WfW%20currently%20runs%20over%20300,or%20burning%20invading%20alien%20plants.

18 https://waterfundstoolbox.org/

19 https://www.ilo.org/wcmsp5/groups/public/---edemp/documents/publication/wcms_757823.pdf

20 https://www.greatgreenwall.org/results

21 https://www.ifad.org/documents/38714170/40213192/asap_technical_nature_based_solutions.pdf/a59a082f-0694-4e9a-0079-2f4385957cfa?t=1634885949021%20pp%2052-56

The GGWI is an extraordinary collaborative effort on an unprecedented scale, it involves more than 20 African partner countries and a broad set of international partners[22]. The multi-stakeholder approach has unlocked funding from many sources. In 2021, during the One Planet Summit for Biodiversity in Paris, the Great Green Wall Investment Forum was organised under the leadership of the Presidents of France and Mauritania, Chairperson of the African Union Commission and HRH The Prince of Wales.

The Great Green Wall Investment Forum is a good example of stakeholder recognizing the need to **raise political ambition on nature-based solutions to climate change** highlighted in the Green Recovery Action Plan. This Forum led to total funding pledges of USD 19 billion for the GGWI 2020-2025 agenda, including from the Green Climate Fund, Global Environment Facility, International Fund for Agricultural Development and a range of multi-lateral and bilateral Development Finance Institutes, including the African Development Bank and World Bank[23]. 2.5 billion euro were also pledged by the Natural Capital Investment Alliance to invest in value chains and participate in land degradation neutrality efforts. The Forum also led to the creation of the GGW Accelerator, hosted by United Nations Convention to Combat Desertification (UNCCD), to set up a harmonized monitoring and evaluation system, publish an annual progress report and organize an annual follow-up meeting bringing together all stakeholders.

The African Union Green Recovery Plan also highlights the **development and management of national parks and other protected areas** is a key NbS intervention for green recovery. Box 3 provides an example of how Natural Capital Accounts have been used to plan nature-based tourism into Rwanda's green recovery.

Protection of the ocean environment to support biodiversity, climate resilience and the blue economy. The Mikoko Pamoja project is the world's first blue carbon project. This is a community led NbS project in Gazi Bay, Kenya protecting 107 ha of natural mangrove forest and expansion of forested areas by planting 2,000 trees annually. Climate change mitigation benefits are estimated to be 2,500 tonnes CO2 per year, which are derived via avoided deforestation and degradation, as well as new planting. The project also delivers local social welfare benefits, linked to ecosystem services for coastal protection, nursery habitat for local fisheries and water purification. The protection of natural habitat provides substantial co-benefits for biodiversity.

BOX 3: NATURE-BASED TOURISM, PROTECTED AREAS AND GREEN RECOVERY IN RWANDA[24].

Nature-based tourism is at the centre of Rwanda's recovery plan. Tourism services form by far the largest foreign source of economic revenue, accounting for USD 498 million in 2019, 10 times the value of 1998. Much of this is based on nature-based tourism in protected areas and related to iconic species, such as the eastern Gorilla. There would be no nature-based tourism without the conservation of biodiversity, which is why this has great economic benefits for Rwanda. The revenues from tourism in Rwanda collapsed in 2020, as it did around the world. Natural capital accounts (NCA) played a prominent role in the development of Rwanda's recovery plan, providing the evidence needed to ensure the protection of ecosystems by demonstrating the link to economic development (Benitez et al., 2021). With the evidence from NCA, the Rwandan Government has estimated the investment required to maintain and restore the environment to ensure that nature-based tourism can return to pre-COVID-19 levels and continue to grow, while also providing other ecosystem services including carbon sequestration. The resources needed for environmental management and restoration to achieve the long-term environmental and economic benefits are not fully funded, but the accounts and the plan provide a strong basis for seeking additional resources from donors and other investors.

22 https://www.greatgreenwall.org/partners

23 https://static1.squarespace.com/static/564a15a0e4b0773edf86e3b4/t/6152fd627c3cb34be41dbe29/1632828805698/Technical+brief+GGWA+sept21_clean.pdf

24 https://www.pbl.nl/sites/default/files/downloads/pbl-2021-greening-the-recovery-to-make-it-last-4458.pdf

It will raise income for the local community via carbon credits and other income-generating activities such as beekeeping and ecotourism. A monitoring and verification system is built into the NbS design, to demonstrate climate change mitigation returns to investors. Undertaken by a registered community organisation, the monitoring and verification process reports against a set of ecological indicators on the socio economic, environmental and biodiversity impacts which informs and enhances the future benefits of the project.

Development and application of tools to better integrate nature and natural capital into green recovery in Africa. Box 3 provides an example of using national accounts of natural capital to inform the planning the recovery of the tourism sector in Rwanda. Compiling these types of accounts at the national or subnational levels can help to identify opportunities for NbS and make the case for public and private finance. In parallel, natural capital accounting can also assist policymakers to scale up the use of NbS in the context of managing the wider natural environment. Box 4 provides a case study of how these types of accounts are being used to inform NbS investment in South Africa.

BOX 4: INFORMING THE INVESTMENT CASE FOR ECOSYSTEM PROTECTION AND RESTORATION INTERVENTIONS IN SOUTH AFRICA USING NATURAL CAPITAL ACCOUNTS.

South Africa's 2018 National Biodiversity Assessment (NBA) highlights that South Africa's biodiversity provides multiple benefits, but almost half of the ecosystem types are threatened and around one third of ecosystem types are not protected[25]. The issue of ecosystem degradation has also been highlighted in the Thukela River basin, KwaZulu Natal impacting livelihood options for rural communities. South Africa has a well-developed national statistical system and has institutionalized the application of the UN System for Environmental Economic Accounts which is a global standard to produce natural capital accounts. To this effect Statistics South Africa have published national river accounts, land and terrestrial accounts and accounts for protected areas. These accounts are already informing investments for ecological infrastructure which refers to ecosystems that deliver services, reflecting the idea of investing in NbS, rather than built infrastructure solutions. The ecosystem services monetary account for the Thukela River basin makes the economic case for ecosystem protection and restoration versus other more costly restoration interventions. The results show that there is a 1.7 x return on investment in ecosystem restoration. Removing invasive alien species in the catchment is expected to avoid losses in water benefits worth USD $39 million by 2030[26]. This case study highlights how investing in natural capital knowledge over a series of years can directly inform policy and NbS investment, as well as monitoring the outcomes from such investments.

25 http://hdl.handle.net/20.500.12143/6362

26 final_kzn_scenario_analysis_report_160621 (1).pdf

HOW NBS CAN BE SCALED FOR ACTIVATING GREEN RECOVERY IN AFRICA

The case studies presented in the previous section highlight why NbS are attractive investments for a green economy. As they are often labour-intensive, they can quickly deliver important livelihood opportunities, as well as improved economic output in key sectors of the economy in Africa, notable for agriculture, nature-based tourism and water. They provide key co-benefits that can address wider social and environmental risks linked to food and water security, climate change and biodiversity loss. Therefore, below are key action steps suggested to accelerate the NbS implementation in Africa.

Building knowledge on Africa's natural capital and the benefits they provide will help identify many NbS opportunities to activate green recovery. Developing capacity at multiple scales to understand and use this knowledge will also be key for upscaling NbS and informing NbS design.

Safeguards and standards for NbS can strengthen their quality of design and implementation. The International Union for Conservation of Nature global standard for NbS provides a guide for the design of NbS projects[27]. This standard aims to equip users with a framework for designing and verifying that NbS yield the outcomes desired. It highlights the importance of incorporating the monitoring and evaluation (M&E) process into NbS projects. This is essential to demonstrate success and build confidence for wider adoption, as shown for the Mikoko Pamoja project in Kenya.

To attract funding, NbS projects need to be designed as '**bankable**'. Simply put, an NbS project is bankable if someone is willing to finance it, whether from public or private sources. In practice, this means a funder will consider both the risks of failure and likely future returns before making any investment decision. NbS projects are often perceived to have higher uncertainty of success, which can affect their bankability[28].

However, as experience and confidence in NbS is built, uncertainty will be reduced. In the short run, furthermore; this can be mitigated by development financers underwriting these risks of failure.

Components that impact NbS bankability include their cost profile and the profile of returns. Like most infrastructure projects, NbS are typically associated with relatively high initial investment costs. For instance, investing in interventions to increase the sustainability of tea plantations compared to business-as-usual production will require more financial support[29]. Thus, more innovative approaches to NbS financing across scales is needed. The Cape Town Water Fund is one example of the public private partnership (PPP) schemes to help scale NbS investment. Other approaches include green financial products (green bonds) to fund investment costs or payments for ecosystem services (PES) to fund long-term maintenance costs. An example of an innovative financial model for Kigali wetlands is provided in Box 5. Many countries across Africa are already harnessing the benefits of investing in NbS. In Rwanda, the Rwanda Green Fund is modelling a Rwanda Green Investment Facility (RGIF) for catalysing private investments, with a focus on blended finance.

The bankability of NbS projects is also improved when the co-benefits they deliver are made explicit. These are the benefits in addition to the primary purpose of an NbS project. For example, South Africa's working for water programme aims to increase water availability. However, it also delivers jobs and better outcomes for biodiversity. Box 2 case study demonstrates how improvements for agricultural livelihoods also delivers climate change mitigation co-benefits. Integrating broader benefits into NbS projects facilitates the support base and makes a project more bankable for financiers. Mandates can then extend beyond economic development through co-benefits of complimentary funding from other sources.

27 https://portals.iucn.org/library/sites/library/files/documents/2020-021-En.pdf

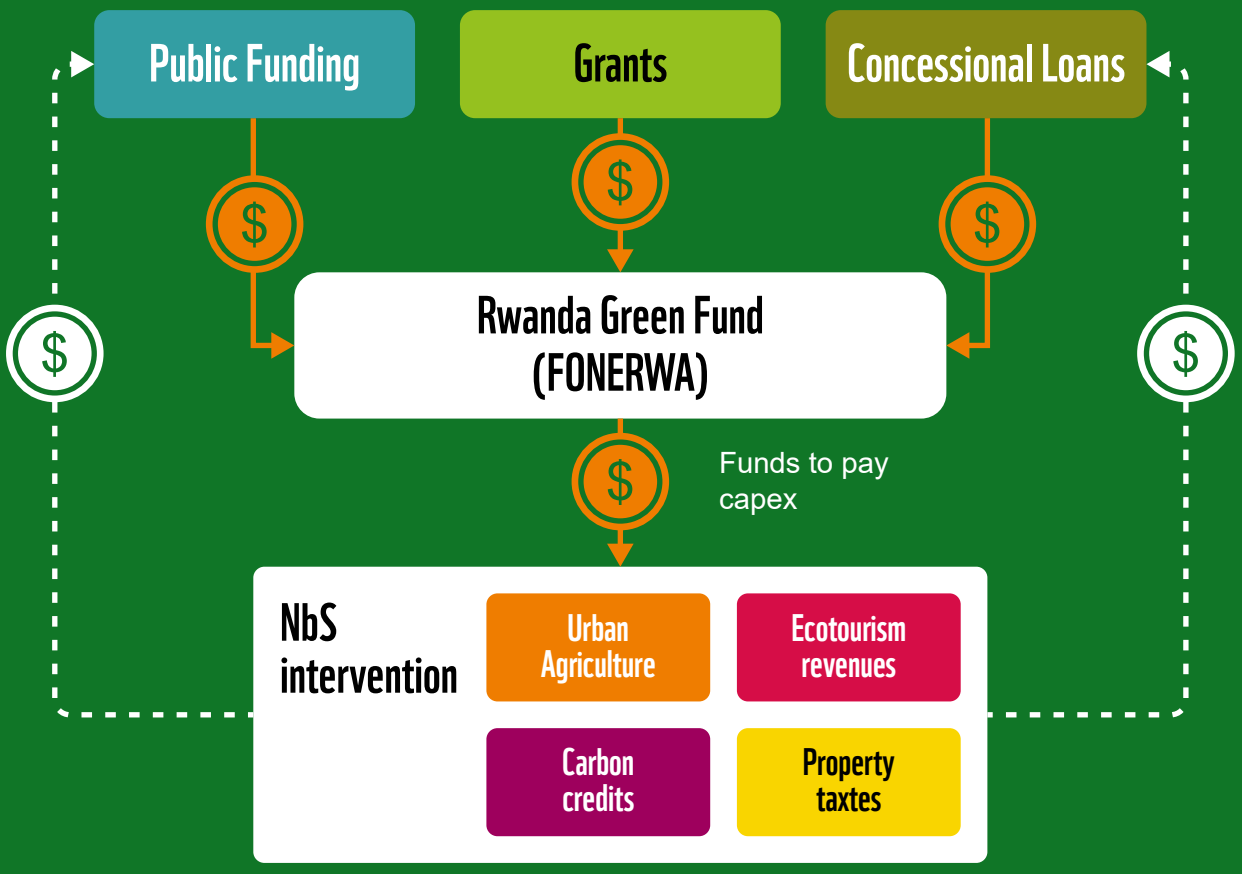
28 https://citiesclimatefinance.org/publications/what-is-bankability/#:~:text=A%20project%20is%20bankable%2C%20whether,financing%20to%20implement%20the%20project.

29 https://www.ifc.org/wps/wcm/connect/5c60c3de-598a-461e-a3a5-119000c498ec/EMCompass_Note+92-Natural+Capital_web_FINAL+2020_updated.pdf?MOD=AJPERES&CVID=nqgxc2W

BOX 5: A FINANCING MODEL FOR RESTORATION OF THE KIGALI WETLANDS, RWANDA[30].

The government of Rwanda, with the support of the World Bank and other donors, is preparing urban wetland rehabilitation plans with the intention to enhance the flood buffering capacity, improve water quality and enhance urban living through the provision of green recreational space. Financial models for large scale investment in NbS have been examined to help finance the restoration and preservation of wetlands in Kigali, specifically. The restoration of wetlands could potentially be financed by public entities, grants or concessional loans by regional development finance institutions, and by drawing upon the balance of three T's (taxes, tariffs, and transfers).

For the effective implementation of resources, Rwanda's existing National Fund for the Environment (FONERWA) can be used to attract various sources of upfront financing, and channel financing towards green projects. The Fund can seek to create new schemes through blended finance approaches, while potential revenue sources from ecotourism, urban agriculture, and property taxes can be used to pay back public monies or concessional loans. Thus, it can provide a mechanism to deal with upfront investment cost and long-term maintenance costs. It also creates an opportunity for Rwanda to make the case of NbS interventions sequestering carbon and as a result enabling them to sell carbon credits in the global market.



30 https://wwfint.awsassets.panda.org/downloads/waterways_to_resilience_naturebased_solutions_wwfabinbev.pdf

Another action point can be building a pipeline of bankable NbS projects which has the potential to attract funding from multiple sources due to the many benefits they deliver. Central to delivering on the potential for NbS to activate green recovery in Africa is good governance of these projects. Good governance establishes structures and processes on the global, national, and local level that ensure the functioning of a system. It includes: the legal and policy framework; institutions; and processes and mechanisms. Many studies have highlighted barriers for NbS implementation relating to governance factors. These include deciding on the subject matter, relevant interests and stakeholders, transparency and accountability[31]. These barriers need to be clearly addressed in the design of NbS projects, prior to their implementation.

The state has a principal role to play to ensuring good governance around NbS implementation. It is responsible for setting the national NbS agenda through coherent policy and strategy that recognises the multiple benefits of NbS. This needs to be underpinned by enhanced inter-department planning and implementation of national Nbs programs and ensuring other sector priorities do not conflict with NbS. They can build awareness and knowledge among actors on NbS via applied research and supporting and educating land managers, other private sector actors and civil society[32].

Engaging the private sector and civil society, at all levels and stages, will build understanding on how NbS can be implemented in an equitable manner that meets their needs. This will encourage the private sector participation in NbS projects as demonstrated by the Cape town Water Fund. Civil society must also be engaged to mobilise people's participation in NbS and NbS design and ensure their inclusiveness and legitimacy.

Development finance institutions can also act as a catalyst in supporting NbS implementation. For example, by strengthening the natural capital knowledge base for NbS and supporting countries to secure funding and mitigating some of the risks and costs associated with NbS. They can also serve to scale up implementation across Africa by communicating NbS successes to sustain a community of practice.

Overall, building trust across partnerships of actors in NbS governance will be essential for successful NbS implementation. This requires understanding of different needs, perceptions, skills and knowledge. Joint capacity building and learning to build awareness on NbS and knowledge on natural capital can help build a common vision for the most desirable NbS outcomes. This will greatly improve the potential for designing bankable NbS projects and securing the funds to implement them[33], while also providing viable alternatives to 'business as usual solutions 'to development challenges.

31 https://www.adaptationcommunity.net/wp-content/uploads/2019/09/giz2019-en-eba-governance-study-low-res.pdf

32 https://www.adaptationcommunity.net/wp-content/uploads/2018/07/EbA-South-Africa_v05-lr.pdf

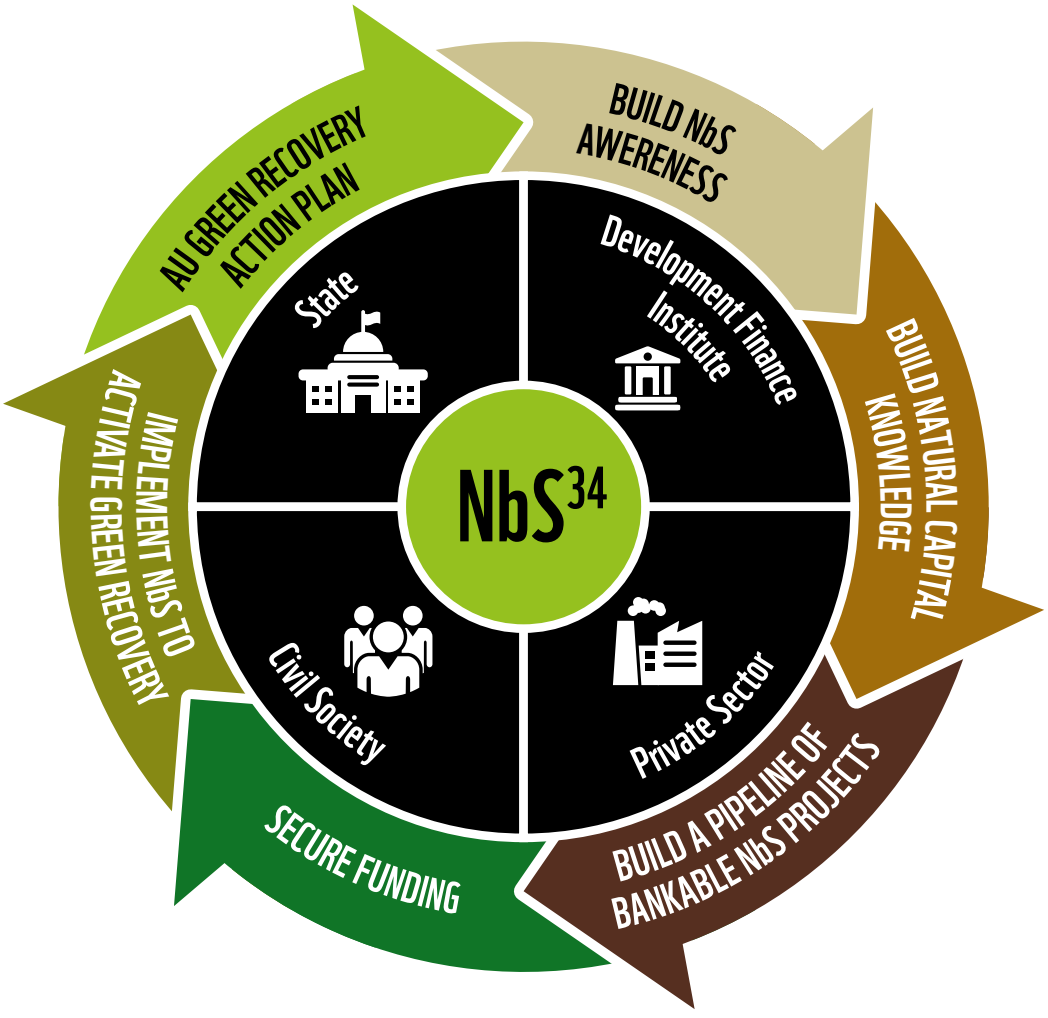
33 https://www.adaptationcommunity.net/wp-content/uploads/2019/09/giz2019-en-eba-governance-study-low-res.pdf

CONCLUDING REMARKS

The African Union Green Recovery Action Plan has provided high level political momentum to expedite action towards a green recovery across Africa. Africa's competitive advantage is that it does not have to start from scratch, its natural capital coupled with a host of plans and strategies serve as a good foundation for a sustainable and resilient green economic recovery from Covid 19. The case studies presented in this brief demonstrate the potential and opportunity to scale up natural capital approaches and NbS. The timing is also opportune following the adoption of a standardized definition of NbS by member States of the United Nations General Assembly, making way for broader and wide scale implementation of NbS.

However, good governance has emerged as central to activating green recovery in Africa. Figure 2 provides a summary of the key components needed for good governance. It shows the role of good governance across state, private sector, civil society and development finance actors in building confidence for successful NbS implementation. It highlights the actions that are needed to deliver NbS at the scale required in Africa. In this way, good governance is shown as the engine to activate and deliver green recovery in Africa via NbS- **A recovery that is socially inclusive, addressing environmental risks and delivers better outcomes for nature.**

Figure 2. *How NbS can be scaled for activating green recovery in Africa*



34 Good governance will build confidence and success of NbS

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