AGESI AFRICA GREEN ECONOMY AND SUSTAINABILITY INSTITUTE

POLICY BRIEF NATURAL CAPITAL · DEVELOPMENT FINANCE

Sustaining Africa's Natural Capital Momentum

From NC4-ADF Phase I to the launch of Phase II and the Africa NCA Community of Practice Strategy 2025–2030

3RD AFRICA NCA POLICY FORUM · ADDIS ABABA

6–7 October
High-level policy sessions

8 October
Launch of Phase II, Mainstreaming Natural Capital in Africa Development Finance

2025–2030
Launch of the Africa NCA Community of Practice Strategy

KEY MESSAGES

1. Phase I (2021–2022) laid the technical, institutional and policy foundations for mainstreaming natural capital in African development finance.
2. Phase II moves the agenda from piloting to institutionalisation across infrastructure finance, sovereign risk and national planning.
3. AfDB, GGKP, WWF and their partners kept the flag flying. The task now is to embed natural capital in everyday operations and country systems.

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INTRODUCTION

From Phase I to Phase II: a journey come to fruition

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It gives me great pleasure to see this journey come to fruition.

When Phase I of the NC4-ADF Programme began in 2021, the case for mainstreaming natural capital in African development finance still had to be made. Today, with the launch of Phase II and of the Africa NCA Community of Practice Strategy 2025–2030 in Addis Ababa, it is a continental agenda with a strategy, a community and a second phase behind it.

I write this brief through the lens of the role I held in Phase I, as Policy & Advocacy Coordinator of the programme. From that seat I saw at first hand what it took to launch NC4-ADF, to bring development finance institutions, governments and multilateral development banks to the same table, and to give natural capital approaches the political legitimacy they needed.

The pages that follow set out what Phase I achieved, why Phase II matters and what should come next. They are also a tribute to the African Development Bank, GGKP, WWF and every partner that kept the flag flying between the two phases.

WITH HINDSIGHT · THREE LESSONS FROM THE COORDINATOR'S SEAT

Legitimacy comes first

The technical tools gained traction only once policymakers and financiers owned the case for natural capital.

Institutions carry the agenda

Momentum survived between the phases because the Bank, GGKP and their partners held on to it.

Community outlasts projects

The Community of Practice proved the lasting asset, which is why its 2025–2030 strategy matters.

01
BACKGROUND

Natural capital is the foundation of Africa's development future

Africa's development future is inseparable from the health and productivity of its natural capital. Forests, soils, water, fisheries and biodiversity underpin the infrastructure the continent builds, the revenues it earns and the resilience of its people.

Recognising this, the African Development Bank (AfDB) and the Green Growth Knowledge Partnership (GGKP) jointly established the Natural Capital for African Development Finance (NC4-ADF) Programme to mainstream natural capital approaches in African development finance.

Implementation was led by the World Wide Fund for Nature (WWF), with oversight by a Joint Implementation Committee co-chaired by AfDB and GGKP. Phase I ran for two years, 2021–2022, and laid the technical, institutional and policy foundations on which Phase II now builds.

NC4-ADF PHASE I AT A GLANCE

JOINT INITIATIVE
African Development Bank and Green Growth Knowledge Partnership

IMPLEMENTATION LEAD
World Wide Fund for Nature (WWF)

OVERSIGHT
Joint Implementation Committee, co-chaired by AfDB and GGKP

FUNDING, 2021–2022
German Federal Ministry for Economic Cooperation and Development (BMZ) and the MAVA Foundation

PARTNER INSTITUTIONS
GIZ, UNEP, MAVA Foundation, IISD and Economics for Nature (E4N)

PILOT COUNTRIES
Nigeria[1], Tanzania, Madagascar and Mozambique

[1] In the course of implementation, the scope of the Nigeria engagement was redefined and did not ultimately include the natural capital accounting component.

02

PHASE I ACHIEVEMENTS

Four pillars that closed four gaps in Africa's finance architecture

Phase I was organised around four strategic pillars. Each addressed a critical gap in how development finance values nature. The programme brochure's own wording sits beside each result.

1 Natural capital in infrastructure finance

Showed that natural capital is a core determinant of project viability, long-term risk and national wealth.

"...the application of natural capital approaches to prioritized infrastructure projects in selected AfDB Regional Member Countries ... to inform investment decisions and infrastructure project finance in Africa."

2 Consensus among multilateral development banks

Catalysed a shared MDB narrative on natural capital and strengthened Africa's voice in global development finance reform.

"AfDB works with other multilateral development banks ... to advance a common vision and share best practices for mainstreaming natural capital in the development finance architecture."

3 Natural capital in sovereign credit ratings

Opened the door for Africa's sovereign risk profile to reflect ecological assets, resilience and long-term sustainability.

"...integrating green growth and natural capital considerations in sovereign risk and credit ratings of AfDB Regional Member Countries, in partnership with credit rating agencies."

4 Capacity through the AfDB Natural Capital Academy

Made the Academy the backbone of Africa's emerging technical community in natural capital accounting.

"Through the AfDB Natural Capital Academy, the program will build capacity for incorporating natural capital approaches in development planning and infrastructure finance..."

03
POLICY & ADVOCACY

Policy and advocacy coordination gave Phase I its continental voice

As Policy & Advocacy Coordinator of the NC4-ADF Programme throughout Phase I, I led the programme's policy engagement track. Under that mandate, six things were delivered.

1. Coordinated the launch of NC4-ADF across Africa, securing continental visibility and coherence.
2. Mobilised development finance institutions, government partners and MDBs behind the programme.
3. Drafted the Terms of Reference for the NCA Working Group on African Development Finance.
4. Developed the concept note for the AfDB Natural Capital Academy.
5. Strengthened the political legitimacy of natural capital approaches.
6. Set in motion the institutionalisation of the Africa NCA Community of Practice.

This foundational work directly enabled the emergence of Phase II.

04
THE FORUM

The 3rd Africa NCA Policy Forum is a continental turning point

Held in Addis Ababa, the Forum marks three milestones for Africa's natural capital agenda.

6–7 October

High-level policy sessions

Reaffirm Africa's commitment to integrating natural capital into policy, finance and investment decisions.

8 October

Launch of NC4-ADF Phase II

A scaling of ambition, from piloting to institutionalisation across African development finance systems.

2025–2030

Africa NCA CoP Strategy

Consolidates the Community of Practice as Africa's engine for natural capital knowledge, coordination and implementation.

05

WHY PHASE II MATTERS

Phase II moves natural capital from pilot to practice in development finance

Stronger policy–finance integration

Deepens the integration of natural capital into infrastructure finance, sovereign risk assessments and national planning.

Closer MDB alignment

Builds on Phase I to strengthen Africa's influence in global development finance reforms.

Capacity at institutional scale

Expands AfDB Natural Capital Academy training for policymakers, DFIs, credit rating agencies and infrastructure planners.

A transition to nature-positive growth

Aligns with AfDB's Green Growth Framework, the Climate Action Window and continental commitments under the African Union.

06

COMMENDATION

The institutions that kept the flag flying

The emergence of Phase II is a testament to the leadership and commitment of the institutions that sustained momentum after Phase I.

African Development Bank	For championing natural capital as a pillar of Africa's development future and sustaining NC4-ADF beyond Phase I.
Green Growth Knowledge Partnership	For intellectual leadership and coordination across the multilateral development banks.
WWF International	For the technical backbone and implementation leadership of Phase I.
GIZ, UNEP, MAVA Foundation, IISD and E4N	For funding, technical expertise and global advocacy.
Africa NCA Community of Practice	For growing from an informal network into a continental institution with a long-term strategy.

07 RECOMMENDATIONS

Five actions for AfDB and its partners

1	**Institutionalise natural capital in AfDB operations**	Embed natural capital metrics in project appraisal, risk assessment and investment decision-making.
2	**Strengthen country-level integration**	Support Regional Member Countries to adopt natural capital accounting and carry the results into national planning.
3	**Expand MDB collaboration**	Deepen partnerships with the World Bank, ADB, IADB, EIB and others to harmonise natural capital approaches.
4	**Accelerate capacity building**	Scale the AfDB Natural Capital Academy to reach DFIs, ministries, regulators and credit rating agencies.
5	**Back the Africa NCA CoP Strategy 2025–2030**	Provide technical, financial and institutional support to secure continental uptake.

08 CONCLUSION

A new era of nature-positive finance

Phase II of NC4-ADF and the Africa NCA CoP Strategy 2025–2030 are a historic consolidation of Africa's natural capital agenda. They build directly on the foundations laid in Phase I, including the policy and advocacy coordination that strengthened continental alignment and institutional legitimacy.

Africa is ready to integrate natural capital into the decisions that shape its development future. AfDB and its partners have kept the flag flying, and Phase II opens a new era of nature-positive, resilient and sustainable development finance.

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