



AMCEN AU

*African Ministerial Conference on the Environment*

## 6<sup>th</sup> Special Session of the African Ministerial Conference on the Environment (AMCEN), 16 – 19 April 2016 - Cairo, Egypt

### SIDE EVENTS

Date: 18/04/2016

**Title of side event:** Natural Capital Management in Africa: How Accounting and Valuation Can Help Achieving SDGs

**30 participants**

#### **Focus/ brief description/ major issues discussed:**

Mr. Pushpam Kumar, Chief, ESE Unit, UNEP opened the session by welcoming participants and giving a presentation of Natural Capital in the context of SDGs. The presentation was followed by key note from Mr. Roberto Ridolfi, DG DEVECO, European Commission, and a short presentation from Mr. Ruud Jansen, Executive Director, Gaborone Declaration for Sustainability in Africa. Discussion was very rich, and Mr. Ridolfi emphasized the importance of mainstreaming the Biodiversity to the stock markets as was done with the renewable energy by Bloomberg and others. This would be the only way to bring the trillions of dollars needed to biodiversity and natural capital conservation and sustainable use. There is a need to become “smarter” in measuring Natural Capital in monetary terms, which is the key issue for policy makers and businesses. Mr. Jensen however noted that the value of the nature does not necessarily mean “the money in the bank”, but that showing the value of natural resource and accounting them is needed in the policy making context. As an example 50% of the water in some African countries goes for Agriculture which contributes only 2% to the GDP.

Responses and comments from the audience including the permanent secretaries of Kenya, Botswana and Rwanda and several delegates gave examples what countries are currently doing in terms of natural capital accounting moment as well as called for actions, methodologies and capacity building. Botswana briefly presented the UNEA resolution on natural capital. There is a common consensus that if and when the UNEA resolution is approved, it will help and enforce the implementation of natural capital “thinking” including valuation and accounting. It was also mentioned that countries themselves must prioritize the accounting needs, and that the Governments must incentivise various initiatives to make them attractive for private sector as well. An important note was also made that lot of attention must be put also in preserving the natural capital because otherwise there won't be any natural capital to account for.

#### **Outcome / way forward:**

The DG, EC immediately promised Botswana that EC will both support the resolution as well as contact the few Governments currently blocking the resolution.

UNEP will stand ready to support Governments in mainstreaming Natural Capital, especially after the stronger mandate from UNEA resolution.

Gaborone Declaration is also about to start a multinational project on natural capital accounting in selected countries.

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**Conclusions / recommendations:**

UNEA resolution on Natural Capital is one of the key elements in achieving results and advancing mainstreaming of natural capital. It is especially important for African countries who suffer enormous economic, social and environmental losses due to decreasing natural capital. There seems to be political will and momentum in Africa to start taking natural capital better into account in order to preserve and use it in sustainable manner.

Traditional measures such as GDP do not capture the changes in natural capital enough, and this link needs to be made clearer. It is not possible to use natural capital in sustainable manner by omitting the real value of natural capital.

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