Over the past year, governments across Africa have been united in tackling the hugely challenging and distressing experience of the COVID-19 pandemic. Although the pandemic undoubtedly presents one of the most significant challenges to humanity since the Second World War, our anticipated recovery has opened a unique window of opportunity. This opportunity – if we have the willingness and the courage to seize it – may serve as a launch pad towards building a future that is green and equitable, that drives resilience and health in the face of future pandemic threats, and is both nature-positive and climate-neutral.

Green and blue investments (low carbon, resource efficient and socially inclusive) have often been seen as driven by pure environmental perspective. This report shapes this narrative and shows that the impact goes much beyond environment, with direct benefits to East African economies and people - because nature is already intricately at the centre of East African economies, livelihoods, and well-being. Green and blue investments go hand-in-hand with the priorities of the regional leaders, and will have a substantial impact on economic development, job creation, food security, and mitigating population displacements in the region.

This policy analysis by WWF and BCG highlights why it is important for countries in East Africa to Build Forward Better. It estimates that US $15 billion could be added to the overall East African Community (EAC) GDP, with direct improvement to the health and livelihoods of 22 million people, including 7 million new jobs created across sustainable agriculture, fisheries and aquaculture, wildlife-based tourism, and renewable energy by 2030. Going green could, prevent hunger for 13 million people currently at risk, through climate-smart practices to improve agricultural productivity, and save 2.5 million people at risk of displacement due to climate-induced natural disasters such as droughts and floods.

Building Forward Better requires country-level policymakers to establish enabling policy levers for investment in high-impact sectors that recognise their unique local contexts. It will also require the Eastern African Community to review and ensure consistency across member states and promote regional integration to amplify the impact of the efforts of individual member states. This report offers public sector decision-makers a proposed set of prioritised sectors, measures, and a framework to ensure consistency across the region.

Achieving truly sustainable blue and green economies is not an easy task and requires strong alignment and co-ordination between public sector policy measures, social sector funding and program assistance, and private sector initiatives and innovations. This report shows how the moment has come for action, in an unprecedented time in our history.
INTRODUCTION: BUILDING FORWARD BETTER IN EAST AFRICA

CASE FOR CHANGE: THE COVID-19 PANDEMIC HAS CREATED A UNIQUE MOMENTUM THAT CAN BE RALLIED TOWARDS INVESTMENTS INTO GREEN AND BLUE SOLUTIONS, WITH GOVERNMENTS REWORKING BUDGETS AND REVISIONING SECTOR-ECONOMIC PLANS IN ORDER TO LAUNCH RECOVERY PACKAGES. THIS HAS OPENED THE WINDOW TO DEVELOPING POLICIES AND CHANNELLING FUNDS TO BUILDING FORWARD BETTER.

East Africa’s vast natural capital and its majority rural and nature-reliant population present a singular competitive advantage that can drive green and blue investments:

- 40% of the EAC’s total wealth is derived from natural capital, with 70% of the population dependent on agriculture for their livelihood
- Building Forward Better will ensure livelihoods of local populations are protected and improved
- 70% of the EAC’s population lives in rural settings, with limited social safety nets in most countries
- Building Forward Better will strengthen resilience against climate-induced shocks such as droughts and floods, to which rural populations are especially vulnerable

This also presents an unparalleled opportunity to attract foreign investors, who are willing to pay a premium for lower carbon inputs such as energy from renewable sources, to the region.

More importantly, East Africa’s strong reliance on nature makes Building Forward Better essential to protect and ensure the livelihoods of local populations and alleviate poverty. Leveraging nature-based solutions to preserve natural capital will encourage healthy ecosystems and reduce negative climate impact.

Digital solutions can be catalytic to ensure just access to and amplification of the benefits of green and blue investment.

BENEFITS OF GREEN AND BLUE VERSUS BUSINESS-AS-USUAL BROWN INVESTMENTS

The report highlights four key benefits of Building Forward Better in East Africa:

First, sustained livelihoods: Enhanced economic gains including job creation and GDP contribution

- Poverty and livelihoods: There are increased job creation opportunities for green and blue solutions compared to brown solutions.
- Tax capture: Formalisation of activities currently undertaken through illegal and/or informal channels will help governments capture additional revenue, as well as introduce legislation that limits detrimental practices

Second, just and increased opportunities: Improved food security and new business opportunities, with more equal benefit sharing across communities

- Food security: Climate-smart practices, including application of digital solutions, will help improve agricultural productivity and boost overall self-sufficiency across communities
- Equality and equity: Community-level green and blue investment can safeguard the rights of indigenous peoples and local communities, ensuring just resource and benefit sharing

Third, avoided costs: Reduced costs when compared with business-as-usual, including costs to recover from climate-induced natural disasters and pandemics

- Natural disaster recovery: Reducing adverse environmental impact will mitigate costs associated with rebuilding communities and supporting populations affected by climate-induced shocks such as droughts and floods
- Health: A ‘One Health’ approach, as well as supporting healthy ecosystems through green and blue economies, will reduce the risk of future pandemics and avoid loss of life

+7 million new jobs by 2030 across sustainable agriculture, fisheries and aquaculture, wildlife-based tourism, and renewable energy

Prevent 13 million people from being at risk of hunger by 2030

Mitigate the internal displacement, in case of potential natural disasters, of 2.5 million people by 2030

* Total wealth comprises produced capital (GDP), human capital, natural capital, and net foreign assets.
Fourth, pre-emptive low carbon transition: Future brown-to-green and brown-to-blue transition costs and impact, including the risk of stranded assets, can be mitigated by applying green and blue policies, starting from the present

FOR THE EAST AFRICAN COMMUNITY (EAC), ESTIMATED GREEN AND BLUE BENEFITS CAN:

- Have an annual impact of up to ~$15 billion (~7%) on the GDP (Gross Domestic Product) of EAC countries
- Improve health and livelihoods of ~22 million (~11%) East Africans

INVESTMENT AND SECTOR IMPACT FOCUS AREAS FOR THE EAST AFRICAN COMMUNITY

Growth opportunities for the green and blue economy span multiple sectors across the country and regional levels. EAC member states can prioritise green and blue investments according to their potential impact on the intersection of people, economy, and environment; and should tailor their efforts to maximise benefits based on their specific contexts. Consistency across the region – led by the EAC – will be important to amplify impact and promote an enabling environment for integrated public, social, and private sector participation.

We have looked at eight sectors critical to Building Forward Better: Food (Agriculture & Aquaculture), Energy (Power & Electricity), Forestry, Tourism, Infrastructure and Construction, Water & Sanitation, Oil & Gas and Mineral Extraction.

For individual EAC countries, sector focus areas vary as illustrated in Figure 1 below:

**Figure 1 | Sector potential impact based on relative contribution to 2030 GDP and employment, and the potential for green adaptation**

**Country (total GDP in USD billions)**
- Burundi $3
- Kenya $100
- Rwanda $10
- S. Sudan $5
- Tanzania $65
- Uganda $35

**Sector potential impact**
- Food
- Energy
- Forestry
- Tourism
- Infrastructure and Construction
- Water & Sanitation
- Oil & Gas
- Mineral Extraction

**Note:** Sector relative advantage based on relative contribution to 2030 GDP, employment, and potential for green adaptation including secondary impact multiplier for Energy and Water & Sanitation calculated as ratio of access to GDP size; Qualitative ranking applied due to data limitations regarding South Sudan.

Source: African Development Bank, DataBank by World Bank, UNStats, WWF, BCG analysis

REGIONALLY, FOUR SECTOR FOCUS AREAS HAVE THE GREATEST POTENTIAL FOR GREEN AND BLUE INVESTMENT IMPACT

- Food (Agriculture & Aquaculture)
- Energy (Power & Electricity)
- Tourism (including Wildlife Economy)
- Forestry

These are embedded in the EAC Pillars for Vision 2050.

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* 2030 projections with focus on sustainable agriculture, fisheries & aquaculture, wildlife-based tourism, and renewable energy, regional GDP excludes South Sudan.
POLICY RECOMMENDATIONS

While EAC countries have demonstrated relatively high openness to green and blue investments, limited financial resources have been committed.

Bolstering green and blue investments within the region requires commitment from member state governments to create environments conducive to national-level investments, and from the EAC to ensure consistency across member states.

TO PROMOTE AND PROPAGATE BUILDING FORWARD BETTER, COUNTRY POLICIES AND REGIONAL CONSISTENCY ACROSS SIX LEVERS ARE REQUIRED:

- **Taking advantage of the current context to transition away from brown subsidies**
  Reduce existing subsidies for the brown industry and/or introduce new taxes on brown practices to generate additional revenue streams

- **Creating new incentives to support the green and blue economy**
  Introduce economic incentives that enhance interest in incumbent technologies, accelerate uptake of low-carbon technologies, provide tax and customs breaks, and create tariff incentives to attract private sector players to invest in green and blue solutions

- **Directing investment towards green and blue initiatives:**
  Deploy funds towards low-carbon technologies and shift government purchases towards low-carbon goods and services

- **Scaling-up skills development and manpower deployment to green and blue initiatives:**
  Leverage local communities to drive education programs and prioritise the deployment of available workforce for green and blue activities, alleviating unemployment in the process

- **Funding green and blue R&D to drive business opportunities**
  Invest in interventions to accelerate R&D and innovation in, and roll out of, low-carbon technology pilot projects

- **Ensuring the right enabling conditions to drive Building Forward Better**

  - **Legislation:** Ensure consistency across countries through mandatory regulations, and set periodic reviews to ensure regulations remain responsive to the EAC’s needs
  - **Regional integration and harmonisation:** Promote inter-country collaboration, including preferential trade and streamlined mobility of investments across the region
Effective implementation of green and blue economy policy rests on three key supporting pillars:

### FUNDING

**Public funding and private financing**

“Funding and viable inclusive green projects exist - the question is how to connect the two.”

- Increase awareness of available public and private capital flows
- Provide structured market support to develop institutional investment vehicles
- Implement market-led sustainable finance principles in the banking sector
- Support local businesses and entrepreneurs with business plans and funding strategies

### CAPACITY

**Upskilled human resources**

“Green jobs are expected to grow, and there will be a need for new types of skills to match new types of jobs.”

- Set up clear capacity development targets for sectors at institutional and organisational levels
- Localise specific technical skills associated with new technologies and infrastructure with relevant courses in universities and technical colleges
- Empower local communities to secure their active interest and participation

### DIGITAL

**Data and Digital**

“Capitalising on the power of digital technologies can bring the efficiency and safety critical to our sustainable future.”

- Upgrade physical assets with digital solutions to increase system efficiencies and effectiveness through automation
- Improve data collection and set up centralised information systems to facilitate data-driven decision-making
- Cultivate a green and blue innovation ecosystem that fosters community-led solutions tailored to local contexts

A regional, intersectoral, and multi-stakeholder approach that actively engages the public, private, and social sectors is crucial to the sustainable application of green and blue solutions. Successful and sustainable adoption hinges on responsible ownership across actors:

**Public sector**: Implements required policy and regulation amendments

**Energy**: Licensing exemptions for small-scale generators of renewable energy

**Social sector**: Facilitates resource mobilisation (including funding), capacity building, and technical assistance

**Tourism**: Funding SMMEs (Small Medium and Micro Enterprises) within the tourism industry

**Private sector**: Drives green and blue investment as well as just initiatives and innovations

**Agriculture**: Pricing and demand forecasts accessible to all farmers

**Rwanda** | Rwanda Green Fund is creating RGIF to catalyse private investments, with a focus on blended finance by providing financial instruments to projects that are commercially viable but not yet bankable

**Tanzania** | Mahinya Training Centre for Sustainable Agriculture offers action-oriented courses on Sustainable Agriculture and Animal Husbandry to smallholders

**Kenya** | KPLC power automation system reduces power supply interruptions to customers
OPPORTUNITY DEEP DIVE: ENERGY
Boosting renewable energy in East Africa

CONTEXT: ENERGY IN EAST AFRICA
The East African Community possesses an impressive starting point with 64% of its energy coming from renewable sources. Energy demands in the coming years will increase to cater to a growing population and economy. Continuing to boost renewable energy in East Africa to meet these growing needs involves a) redirecting efforts in the pipeline, like new coal and large hydro grid generation, towards renewables, and b) increasing off-grid renewable solutions to leapfrog access expansion. Upgrades to network and system management through improved data and digital interventions are a critical enabler for sustainable integration of renewables.

FIGURE 2
BOOSTING RENEWABLE ENERGY IN EAST AFRICA DEEP DIVE REFLECTS INCREASED RENEWABLE ENERGY RELIANCE

2030 projected generation for EAC (in TWh)

<table>
<thead>
<tr>
<th></th>
<th>BASELINE (2019)¹</th>
<th>BROWN SCENARIO (2030)²</th>
<th>GREEN SCENARIO (2030)³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar</td>
<td>1%</td>
<td>10%</td>
<td>33%</td>
</tr>
<tr>
<td>Other renewables</td>
<td>63%</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Other non-renewables</td>
<td>36%</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>Coal</td>
<td>1%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Potential to bolster access by 20% based on current access trajectory versus SDG 7’s 100% access by 2030

Note: 1. 2019 mix & generation. 2. Increased non-renewables vs. baseline. 3. Increased renewables vs. baseline. Source: WWF Africa Energy Access Initiative pitch deck, WWF, BCG analysis
PROPOSED INTERVENTIONS
Climate-friendly power generation solutions consider grid — including more sophisticated transmission and distribution — as well as mini- and off-grid last mile access needs.13

GRID
Adjust local and imported electricity sources
- Increase geothermal, solar and wind (be selective on hydro projects)
- Capitalise on regional integration to facilitate renewable energy imports in place of local, non-renewable energy developments
- Improve integration of renewable sources through:
  - Upgrades to the network and system management to manage intermittency
  - Battery storage to enhance predictability

MINI-GRID
Facilitate improved and equal energy access
- Scale mini-grid Commercial and Industrial (C&I) markets for industries in locations with unreliable or without energy access
- Extend electricity to rural populations currently lacking access through mini-grid solutions

OFF-GRID LAST MILE
Alternatives for wood- and charcoal-powered cooking
- Utilise high-efficiency cooking solutions as alternatives to wood and charcoal
- Leverage solar home solutions to increase electricity access and mitigate planned and unplanned grid supply interruptions

BENEFITS OF BOOSTING RENEWABLE ENERGY IN EAST AFRICA *
There are three categories of benefits of increased reliance on renewables (green scenario), when compared to the business-as-usual planned generation trajectory (brown scenario).1 See Figure 2 for reference.

<table>
<thead>
<tr>
<th>ECONOMY</th>
<th>ENVIRONMENT</th>
<th>PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>-30% (-$20) reduction in average cost to generate 1 megawatt-hour (MWh)</td>
<td>-60% (-11 million) lowered GHG (Green House Gas) and CO2 emissions (tonnes)</td>
<td>65% (-300) avoided deaths</td>
</tr>
<tr>
<td>+36% (+11K) increased jobs</td>
<td>Reduced disruption to conservation areas and biodiversity</td>
<td>20% (+50 million) more people with access (equalised, off-grid access in remote areas)</td>
</tr>
<tr>
<td>Enhanced, new, and diversified business opportunities</td>
<td>Decreased depletion of stranded brown assets (like wood for cooking)</td>
<td>Increased inclusion in power-reliant activities</td>
</tr>
</tbody>
</table>

* Benefits derived from the comparison of green and brown scenarios projected to 2030.
The six levers outlined below vary substantially across member states when it comes to relevant measures taken and their status of implementation. The EAC’s role is critical in ensuring consistency across member states and the amplification of impact.

<table>
<thead>
<tr>
<th>ENERGY (POWER &amp; ELECTRICITY)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gear Existing Initiatives</strong></td>
</tr>
<tr>
<td>Take advantage of the current context to transition away from brown subsidies</td>
</tr>
<tr>
<td>• Implement planned and gradual phase-out of incentives for projects that generate energy from fossil fuels; including tax exemptions, import duties exemptions, and sovereign guarantees under negotiation</td>
</tr>
<tr>
<td>Create new incentives to support the green and blue economy</td>
</tr>
<tr>
<td>• Create a tax and custom exemptions regime, consistent across the region, for renewable power plants, solar home systems, and cooking stoves</td>
</tr>
<tr>
<td>➢ Localise specific component manufacturing industries, including artisanal localised production (co-ordinated with the phase-out of tax and custom exemption for those specific components)</td>
</tr>
<tr>
<td>• Implement harmonised auctions and/or a bid mechanism for renewable projects to encourage competition and minimise governmental price guarantees</td>
</tr>
<tr>
<td>Direct investment towards green and blue initiatives</td>
</tr>
<tr>
<td>• Invest (or co-invest) in modern, large-scale renewable energy infrastructure, both centralised (solar, wind, small hydro, and power storage), and decentralised (micro-grids, solar home systems, high-efficiency cookstoves, and charcoal production)</td>
</tr>
<tr>
<td>• Commit necessary investments to modernise or automate national and regional transmission and distribution networks and system management, to ensure sustainable integration of renewables at the national and regional levels</td>
</tr>
<tr>
<td>• Require public authorities to procure renewable energy source (energy purchase for offices, schools, hospitals, etc.)</td>
</tr>
<tr>
<td>Scale-up skills development and manpower deployment to green and blue initiatives</td>
</tr>
<tr>
<td>• Include modules and courses on renewable energy in national curriculums (university and technical programs)</td>
</tr>
<tr>
<td>• Roll out community-level training programs for renewable energy skills development (like solar panel installation, cookstoves use and upkeep)</td>
</tr>
<tr>
<td>• Recruit and deploy staff in public institutions for green initiatives (like standardised cookstove testing and rating)</td>
</tr>
<tr>
<td>Fund green and blue R&amp;D to drive business opportunities</td>
</tr>
<tr>
<td>• Create national and regional programs to fund R&amp;D into improved and contextualised renewable energy solutions</td>
</tr>
<tr>
<td><strong>Invest in New Initiatives</strong></td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Enabling Initiatives</strong></td>
</tr>
<tr>
<td>Ensure the right enabling conditions to drive Building Forward Better</td>
</tr>
<tr>
<td>• Legislation: Promote mini- and off-grid projects through simplified licensing and by fast-tracking approval processes as relevant (like less stringent documentation requirements, including licensing exemptions, for small projects)</td>
</tr>
<tr>
<td>• Regional integration: Ensure that the EAC power master plan, regional power market, and energy security framework are aligned with proposed interventions to boost renewable energy in East Africa</td>
</tr>
</tbody>
</table>

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5 For example, Ghana eliminated fossil fuel subsidies in 2005, redirecting savings to social initiatives including daily minimum wage increase, healthcare in poor areas, and no public-school fees.

6 For example, South Africa introduced the Electricity Regulation Act 4 of 2006, which exempted licensing requirements for non-commercial, non-grid supply, and own-use generation.
OPPORTUNITY DEEP DIVE: FOOD
Climate-smart agriculture production in East Africa

CONTEXT: AGRICULTURE PRODUCTION IN EAST AFRICA
East Africa needs climate-friendly agriculture production to improve yields while feeding a growing population within resource boundaries. This involves a) enhancing agrobiodiversity, redirecting some hectarage towards new or less farmed crops, and b) promoting climate-smart agricultural production including regenerative practices and community-led localised solutions.

Sustainable and inclusive agricultural practices, as well as agroecological approaches that apply ecological and social principles to agricultural production, are central to equalised and just participation with benefit sharing across agricultural actors.

A ‘value chain’ approach ensures both supply- and demand-side value addition are promoted. Benefits may be amplified through digital and future-state solutions.

FIGURE 3
CLIMATE-SMART AGRICULTURE PRODUCTION IN EA INCLUDES DIVERSIFICATION AWAY FROM 5 TOP CALORIC CONTRIBUTORS

Caloric yield (x 10^12 kcal)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2030 WITH 2020 CROP MIX</th>
<th>2030 DIVERSIFIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>250</td>
<td>207</td>
<td>252</td>
<td>261</td>
</tr>
<tr>
<td>200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>50</td>
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<td></td>
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<tr>
<td>0</td>
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</tbody>
</table>

Top 5 aggregate

<table>
<thead>
<tr>
<th></th>
<th>170</th>
<th>210</th>
<th>190</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80%</td>
<td>80%</td>
<td>70%</td>
</tr>
</tbody>
</table>

New crops may be added to currently-consumed ingredients as nutritional fortification, or be consumed as additional food basket items

Note: 1. We only focused on Cereals, Pulses, and Roots & Tubers food groups (~70% of EAC cultivated land) where diversification is applied.
2. Top 5 crops in terms of absolute caloric yield when considering Cereals, Pulses, and Roots & Tubers.
3. Source: Africa’s Food Future Initiative concept note, Future 50 Foods by WWF and Unilever, WWF, BCG analysis

7 Diversity of agricultural plants & animals; consider only plants for this policy brief.
**PROPOSED INTERVENTIONS**
Climate-smart agriculture production aims to improve the efficiency and effectiveness of a sector that ~70% of East Africa’s population relies on.

---

**SUSTAINABLE & INCLUSIVE AGROECOLOGICAL APPROACHES**

Enhance agrobiodiversity through increased variety of farm crops
- Encourage increased farming of high-value, nutrient-dense, and climate-resilient crops
- Work with processors to increase demand for ingredients

Promote integrated land and water use planning and management to maximise effective use of currently-available resources

**CLIMATE-SMART AGRICULTURAL PRACTICES**

Use technologies for sustainable agriculture, including solar-powered irrigation and efficient use of agrochemicals
- Build skills capacity of farmers
- Encourage investment into relevant and enabling technologies like cold chain

Support regenerative practices like rotational farming which improves soil fertility

Leverage community expertise to create contextualised and targeted local solutions

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**BENEFITS OF CLIMATE-SMART AGRICULTURE PRODUCTION IN EAST AFRICA**

There are three categories of benefits of climate-smart production (green scenario), when compared to the business-as-usual planned agricultural activities (brown scenario).

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<table>
<thead>
<tr>
<th>ECONOMY</th>
<th>ENVIRONMENT</th>
<th>PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2 billion increased GDP contribution from higher-value crops</td>
<td>-1% (~4 million) lowered GHG (Green House Gas) and CO2 emissions (tonnes)</td>
<td>+1% (~80 kcal/ha or kilo calories per hectare) enhanced caloric yield from increased cultivation of nutrient-dense crops</td>
</tr>
<tr>
<td>2% (350K tonnes) of crop loss avoided due to climate-smart agricultural practices</td>
<td>-1% (~90 m³/ha or cubic metres per hectare) reduced water use with heat- and drought-tolerant crops</td>
<td>Fewer undernourished people due to higher overall caloric yields</td>
</tr>
<tr>
<td>Increased investment in value-adding technology</td>
<td>Improved regenerative practices such as rotational farming</td>
<td>Improved resilience for women, youth, and local populations</td>
</tr>
</tbody>
</table>

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*Benefits derived from the comparison of green and brown scenarios projected to 2030. Crop loss includes on-farm, storage, and during transport. Practices to rehabilitate and enhance entire farming ecosystem.*
The six levers outlined below vary substantially across member states when it comes to relevant measures taken and their status of implementation. The EAC’s role is critical in ensuring consistency across member states, and the amplification of impact.

### FOOD (AGRICULTURE & AQUACULTURE)

#### GEAR EXISTING INITIATIVES

**Take advantage of the current context to transition away from brown subsidies**

- Tighten enforcement of regulation against unsustainable practices such as overfishing or unauthorised use of land for cultivation (monitoring facilitated by drone and satellite imaging solutions)

#### INVEST IN NEW INITIATIVES

**Direct investment towards green and blue initiatives**

- Invest (or co-invest) in inputs that increase productivity and reduce post-harvest losses, such as cold chain solutions, which can be leased out at nominal fees to smallholders (who would otherwise be priced out of access)

- Introduce price guarantees to encourage production of select crops, minimising government exposure through pre-agreed tonnage ceilings with pre-specified farmers

- Upgrade state-owned commodity trading enterprises, introducing smaller facilities closer to producers (like silos)

- Invest in circular economy initiatives to ensure proper waste recycling and processing

**Scale-up skills development and manpower deployment to green and blue initiatives**

- Leverage community-level associations to provide extension services, including disseminating market and pricing information, and training farmers on how to leverage data for positive production outcomes

- Recruit and deploy staff in public institutions for green initiatives (like training smallholders on sustainable and regenerative practices such as crop diversification, and productive use of agrochemicals)

**Fund green and blue R&D to drive business opportunities**

- Create national and regional programs to fund R&D into improved and contextualised production techniques

- Research mitigation strategies for East Africa-specific production risks such as locusts and droughts

#### ENABLING INITIATIVES

**Ensure the right enabling conditions to drive Building Forward Better**

- **Legislation**: Promote land-use regulation that limits conversion of protected areas into land for cultivation, with clear priorities for land-use conversion where agricultural land-use expansion is unavoidable (like converting already-degraded forest areas first, before moving to still-preserved locations)

- **Regional integration**: Promote a special economic zone with zero duty on goods from the EAC, and a common external tariff on imports; conduct co-operative marketing to encourage value-adding export of commodities outside the EAC
OPPORTUNITY DEEP DIVE: TOURISM

Strengthening ecotourism at the centre of East Africa's wildlife economy

COVID-19 resulted in reductions of 65% and 60% in the respective direct contributions to GDP and employment by the EAC's tourism sector in 2020 compared to 2019. Recovery to pre-COVID-19 levels could take as long as 2025, with efforts combining immediate business rescue with longer term sector growth strategies.

CONTEXT: ECOTOURISM AND THE WILDLIFE ECONOMY IN EAST AFRICA

East African Community is home to 15% of Africa’s natural capital, and 20% of the continent’s protected areas. This vast wealth of natural resources makes for an active tourism sector; but visitors frequent some countries more than others, and within countries select some parks more than others. Redistribution of revenue from high-income parks to low-or no-income parks is an important enabler to ensure the conservation of the overall natural capital ecosystem.

The tourism sector in the EAC is sensitive to both man-made and natural shocks. Improving resilience requires a) bolstering sustainability of the sector and supporting growth, particularly of local and regional tourism, and b) reducing dependency on the sector by diversifying usage of the EAC’s natural resource wealth outside of tourism.

FIGURE 4
TOURIST VISITOR DISTRIBUTION IS CONCENTRATED TO SELECT COUNTRIES AND NATIONAL PARKS

Number of visitors to national parks per year (in millions)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
<th>Visitors (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KENYA</td>
<td>59%</td>
<td>2.5 m</td>
</tr>
<tr>
<td>TANZANIA</td>
<td>31%</td>
<td>1.2 m</td>
</tr>
<tr>
<td>RWANDA</td>
<td>2%</td>
<td>0.08 m</td>
</tr>
<tr>
<td>UGANDA</td>
<td>8%</td>
<td>0.3 m</td>
</tr>
<tr>
<td>MASAI MARA</td>
<td>12%</td>
<td>0.3 m</td>
</tr>
<tr>
<td>LAKE NAKURU</td>
<td>10%</td>
<td>0.25 m</td>
</tr>
<tr>
<td>NAIROBI</td>
<td>14%</td>
<td>0.35 m</td>
</tr>
</tbody>
</table>

Note: Excluding South Sudan and Burundi due to data limitations. Source: Oxford Economics Global Travel Service, World Travel & Tourism Council, WWF, BCG analysis.

1 country (out of 4) ~60% of visits

4 parks (out of 21) ~50% of visits
Proposed Interventions

Building Forward Better in tourism will involve strengthening natural resource protection, sustaining inclusive and resilient business models for Indigenous Peoples and Local Communities, and promoting sustainable tourism practices.

**Strengthened Natural Resource Protection**

Facilitate wildlife and natural landscape conservation and protection (including transboundary assets)

- Share revenue across high- and low-revenue attractions within interdependent ecosystems (shared natural capital)
- Reduce income volatility by building financial reserves during peaks to sustain planned and unplanned low traffic times

**Inclusive and Resilient Business Models for Communities**

Promote schemes and measures in the wildlife economy that local communities can participate in

**Broaden scope to wildlife economy**-sustainable activities beyond tourism (like non-timber forest products)

**Sustainable Tourism Practices**

Promote regional and local tourism, particularly for efforts to grow the sector

Enhance sustainable local practices: Consider entire value chain including transportation and accommodation, circularity, and consumption activities

Diversify products across two models: More affordable + higher volume (local tourist focus), and high-value + low-volume tourism model (local and international focus)

**Benefits of Strengthening Ecotourism in East Africa**

There are three categories of benefits of strengthening ecotourism at the centre of East Africa’s wildlife economy.

<table>
<thead>
<tr>
<th>Economy</th>
<th>Environment</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>+33% (+500K) increased contribution to employment from tourism</td>
<td>-86% (-2 tons per person) reduced CO2 emissions via more local and regional vs. long haul tourism</td>
<td>Improved livelihoods for IPLCs from sustainable peripheral businesses</td>
</tr>
<tr>
<td>Enhanced innovative financing revenue streams</td>
<td>Increased carbon capture from preserved forests</td>
<td>Just and increased benefit sharing and local participation in tourism</td>
</tr>
<tr>
<td></td>
<td>Improved resilience through sustainable use of natural capital</td>
<td>Increased leveraging of local approaches to conservation</td>
</tr>
</tbody>
</table>
POLICY RECOMMENDATIONS

The six levers outlined below vary substantially across member states when it comes to relevant measures taken and their status of implementation. The EAC’s role is critical in ensuring consistency across member states, and the amplification of impact.

<table>
<thead>
<tr>
<th>TOURISM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GEAR EXISTING INITIATIVES</strong></td>
</tr>
<tr>
<td>Take advantage of the current context to transition away from brown subsidies</td>
</tr>
<tr>
<td>Create new incentives to support the green and blue economy</td>
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<td></td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>INVEST IN NEW INITIATIVES</strong></td>
</tr>
<tr>
<td>Direct investment towards green and blue initiatives</td>
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<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Scale-up skills development and manpower deployment to green and blue initiatives</td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Fund green and blue R&amp;D to drive business opportunities</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>ENABLING INITIATIVES</strong></td>
</tr>
<tr>
<td>Ensure the right enabling conditions to drive Building Forward Better</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

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*More resilient to climate and weather extremes, requiring less energy to heat or cool.*
THE WAY FORWARD

To sustain livelihoods and enhance equalised and just participation in Building Forward Better, policymakers and political leaders need to create the conditions for sustainable investment in the green and blue economy. Green and blue investments present a huge opportunity for the EAC across social, economic, and environmental spheres; and leverage the competitive advantage of the region’s unique natural capital.

The policy recommendations outlined in this document aim to facilitate Building Forward Better, both at the regional and national levels of the EAC. While sector investment opportunities and potential impact vary across nations, national policymakers need to balance local needs with regional co-ordination in maximising transboundary growth opportunities and economies of scale. Intersectoral value chains also need to be considered in ensuring climate adaptation efforts adequately account for sector interconnectedness. This harmonises cross-sector interventions and prevents them from being too amplifying or too opposing. It also provides a baseline to map the investment required to create and maintain the right enabling conditions to foster the growth of the green and blue economy.

WWF and BCG underscore the importance of a multi-stakeholder approach to the green and blue economy, with active engagement of public, social, and private sectors. Building Forward Better is only possible when it tangibly benefits and is sustained by all stakeholders. To this end, WWF and BCG call on regional- and country-level decision-makers to promote enabling environments in which green and blue solutions not only thrive within the public domain but are actively adopted and applied by all sector participants.

The sample scorecard included in the following section serves as a starting point for a) country-level policymakers to identify the highest-impact investment opportunities and enabling policy levers for their unique local contexts, and b) the EAC to review and ensure consistency across member states to amplify the impact of Building Forward Better.
## SCORECARD FOR POLICY MAKERS

Use blank columns to score sectors of interest | Kenya provided as illustrative example

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub-Category</th>
<th>Country Kenya : Sector</th>
<th>Country : Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Relative advantage</strong></td>
<td><strong>Economy</strong> GDP contribution*</td>
<td>Low □</td>
<td>Mid □</td>
</tr>
<tr>
<td></td>
<td><strong>People</strong> Jobs contribution*</td>
<td>Low □</td>
<td>Mid □</td>
</tr>
<tr>
<td></td>
<td><strong>Environment</strong> Potential application and impact of green and blue solutions</td>
<td>Low □</td>
<td>Mid □</td>
</tr>
<tr>
<td><strong>Policy levers</strong></td>
<td>Take advantage of current context to transition away from brown subsidies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create new incentives geared towards the green and blue economy</td>
<td>VAT exemptions on renewable energy products (proposed finance bill)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Direct investment towards green and blue initiatives</td>
<td>Kenya’s Off-Grid Solar Access Project invests in off-grid electricity &amp; clean cooking solutions for remote &amp; underserved areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scale-up skills development and manpower deployment to green and blue initiatives</td>
<td>Kenya’s University of Nairobi offers certificate courses in renewable energy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fund green and blue R&amp;D to drive business opportunities</td>
<td>Kenya’s Climate Innovation Centre encourages renewable adoption by incubating clean technology businesses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ensure right enabling conditions to drive Building Forward Better</td>
<td>EAC Energy Regulators Association</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Supporting pillars</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Funding</strong> Public funding and private financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Capacity</strong> Upskilled human resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Digital</strong> Data &amp; digital</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Additional secondary impact multiplier for sectors that enable other sectors to function | relevant for only Energy, and Water & Sanitation when considering current eight sector selection - Energy (Power & Electricity), Food (Agriculture & Aquaculture), Forestry, Infrastructure / Construction, Mineral Extraction, Oil & Gas, Tourism, and Water & Sanitation

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REFERENCES

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5 World Bank DataBank: 2014 Wealth accounts
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22 WWF, BCG