



**RECOGNISING THE CONTRIBUTION OF NATURE IN
NATIONAL ECONOMIC DEVELOPMENT THROUGH
NATURAL CAPITAL ACCOUNTING IN MALAWI**

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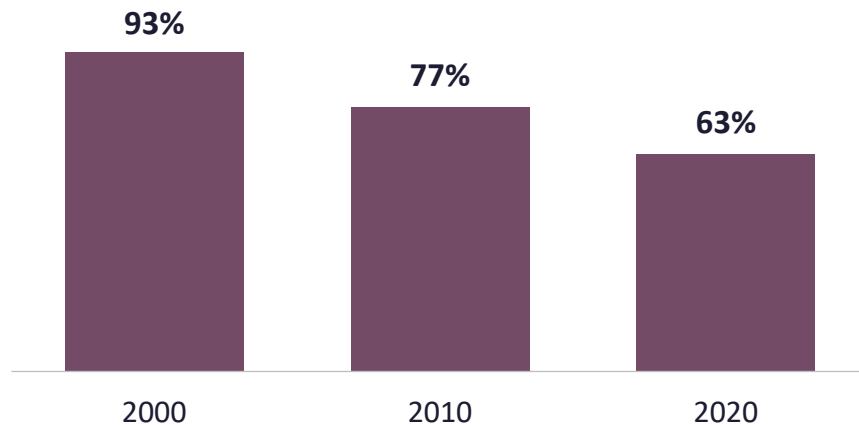
INTRODUCTION

- Natural capital accounts in Malawi focus on tracking specific environmental assets and ecosystem services using the international [System of Environmental-Economic Accounting](#) (SEEA) framework.
- Although Malawi has [attempted](#) to account for Natural Capital Account in the past (2011), proxy indicators have mostly been used and actual contribution of natural resources to GDP has not been fully determined.

MALAWI'S NATURAL CAPITAL

- 63% of Malawi's national wealth is natural capital - forests, land, water and fisheries

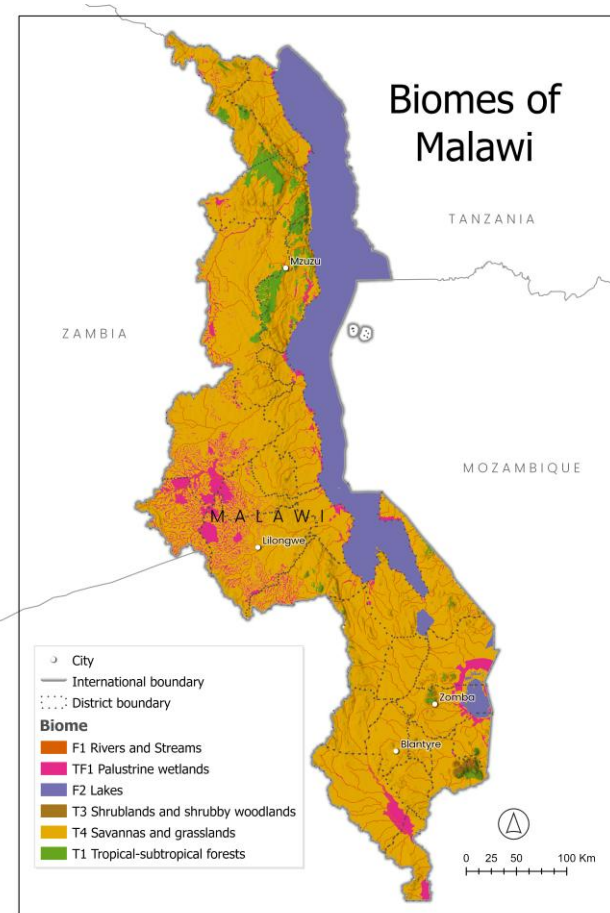
Yet that share is shrinking as the economy grows around it:

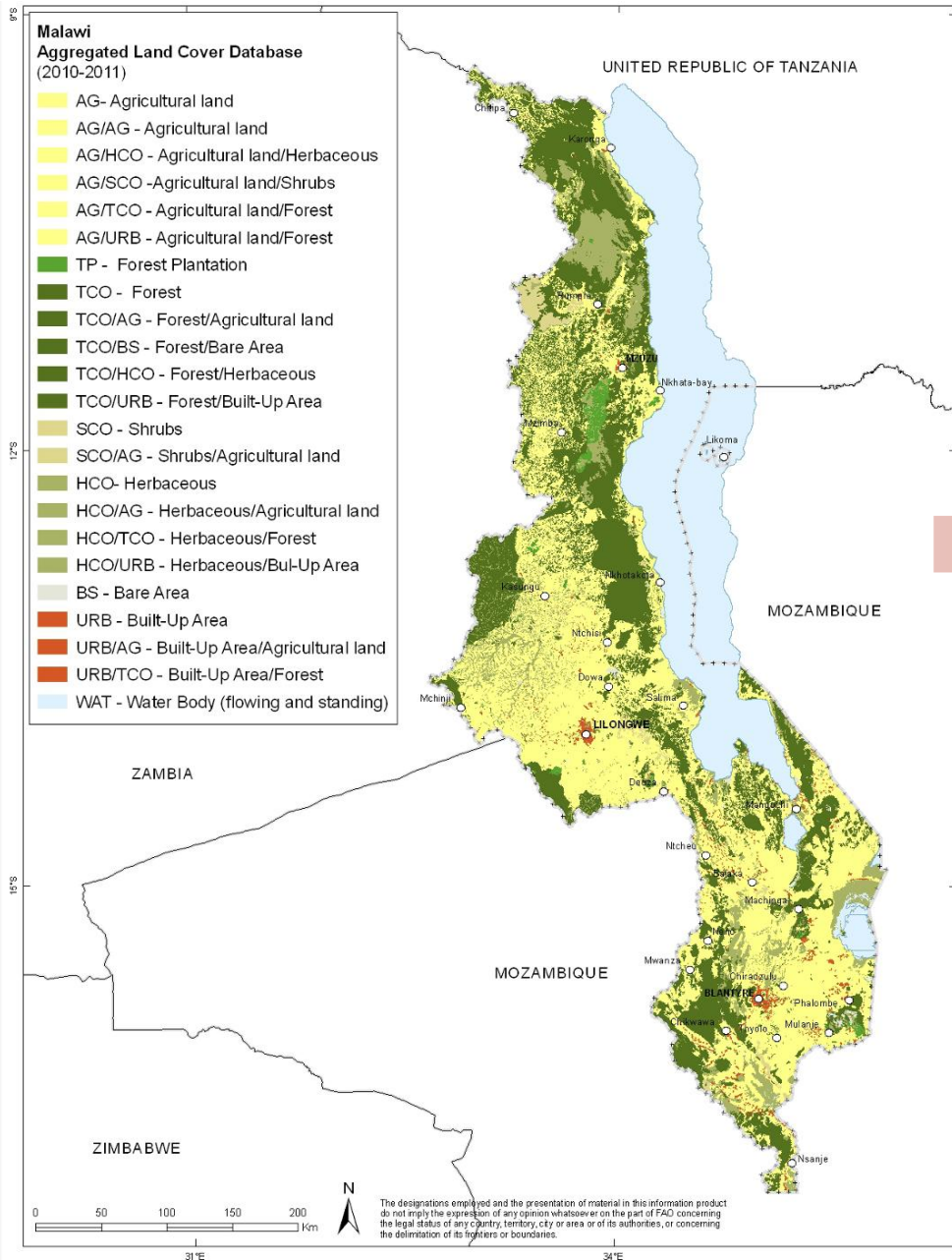


- 30 – 32 % of GDP comes from agriculture, forestry & fishing (2023–24)

- More than 80% of Malawi's workforce depends on agriculture for its livelihood

- More than 600 000 people rely on Lake Malawi's fisheries, directly or indirectly





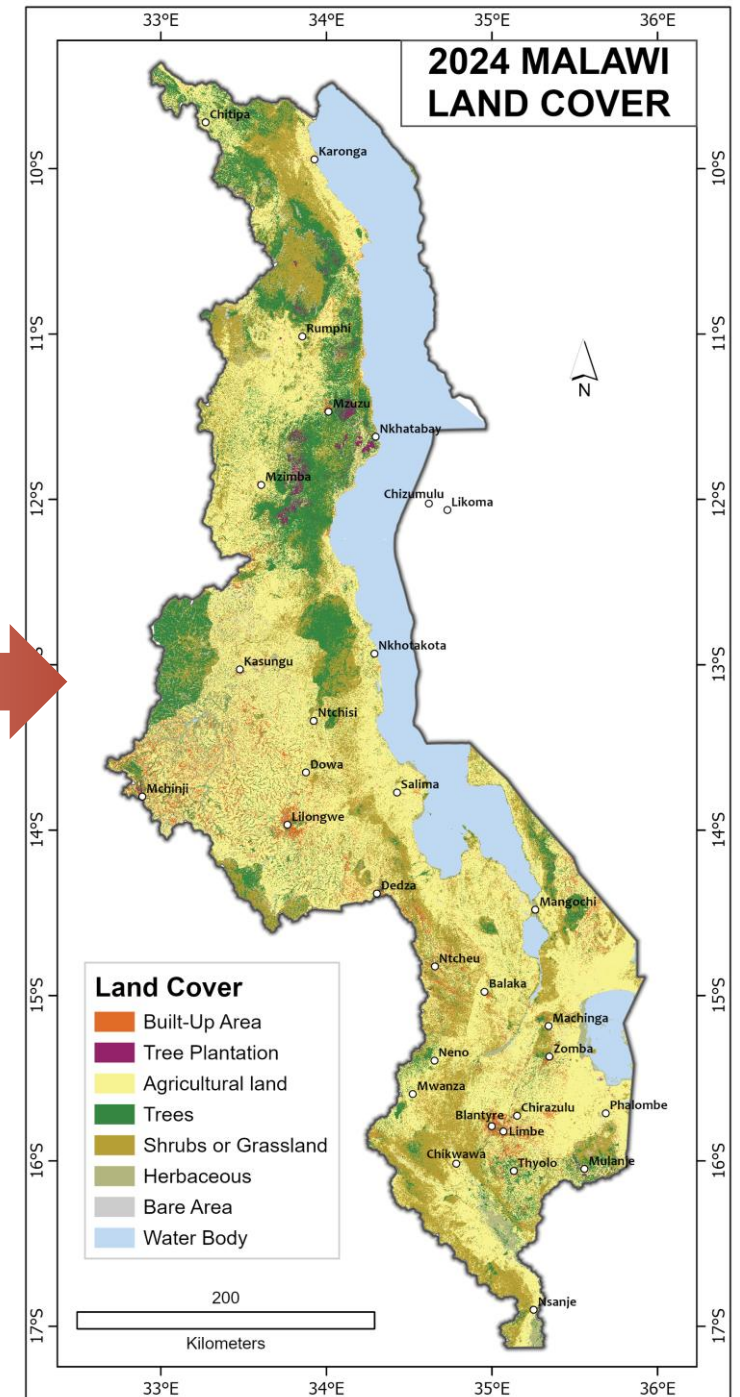
UNDER PRESSURE

7.7 million ha
of land - over 80% of Malawi

1,400 m³
of renewable water per person
the SADC region

wood or charcoal — the single biggest driver

Report: Malawi (2022); Global Forest Watch; Malawi



MALAWI WORK ON NCA

- The National Biodiversity Strategies and Action Plan (NBSAP 2015 to 2025) identified natural (biodiversity) capital accounting as a tool for integration biodiversity in development planning and recognition of natural assets and ecosystems services in the economy.
 - The Country Climate Development Report (CCDR) of 2023 further confirmed that NCA should be used in Malawi to demonstrate nature contribution to the economy and integration of climate in development planning.
 - After the CCDR , World Bank facilitated a high-level meeting on NCA and Development planning (attended by PS, Directors and Senior Government Officials) , the resolution for Malawi to have a National Steering Committee to spearhead NCA work (it didn't materialise)
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MALAWI WORK ON NCA

In 2023, technical working session on NCA was held . Environmental Affairs Department and National Statistic Office were the government departments that were coordinating the process



A request for development of satellite natural capital accounts was submitted but it did not materialise but the stakeholders were interested in holding other sessions which were not pursued



National Statistic Office and Environmental Affairs has have participated in series of training on Natural Capital Accounting from 2021 up to date .



NSO is the technical Lead in process whilst EAD support policy alignment

MALAWI WORK ON NCA

- In 2025: The NBSAP updating process with funding from UNEP, provided a window for developing natural capital accounting tool.
 - Prioritised Natural Capital Accounts for Malawi

PRIORITISATION OF ACCOUNTS

	Assessment Criteria				Score
Account Type	Economic Importance	Ecological importance	Political Relevance	Data Availability	
Agriculture Forestry and Fisheries account	3	3	3	2	11
Air Emission account	1	1	1	1	4
Energy account	3	1	3	1	8
Environmental Activity account	3	1	1	1	6
Ecosystems Accounts	3	3	1	2	9
Land accounts	2	2	1	2	7
Material flow accounts	1	1	1	1	4
Water Account	3	3	2	1	9
					-

EVIDENCE FOR THE PRIORITIES

Some baseline data already available for the accounts Malawi has prioritised – more data to be collected

AGRICULTURE, FORESTRY & FISHERIES

Priority score: 11/12

30–32% of GDP (2023–24)

80%+ of the workforce

WATER

Priority score: 9/12

~20% of Malawi's area is Lake Malawi

1,400 m³ renewable water/person/yr

ECOSYSTEMS

Priority score: 9/12

1.8M ha under formal protection

87+5+4 forest reserves, parks, wildlife reserves

ENERGY

Priority score: 8/12

~85% of energy supply is biomass

~26% of people have electricity access

LAND

Priority score: 7/12

7.7M ha degraded, needing restoration

4.5M ha pledged under the Bonn Challenge

ROAD MAP

- Engage a consultant to fully develop Agriculture, Forestry and Fisheries Account (Under BIOFIN Project) - the ToRs already developed
- Institutionalisation – NSO (Lead), Ministry of Finance, National Planning Commission, Ministry of Natural Resources, Malawi Environment Protection Authority (MEPA).
- Awareness of sectors on how to use NCA data



THANK YOU VERY MUCH

