

CONCEPT NOTE:

BIOECONOMY FINANCE HUB FOR AFRICA

Catalysing Investment for a Thriving, Nature-Positive African Bioeconomy

1. The Proposal: Unlocking Nature-Positive Bioeconomy Investments Across Africa

Headquartered in Africa and launched under South Africa's G20 presidency, the Bioeconomy Finance Hub will unite governments, investors, financial institutions, knowledge partners, and Indigenous Peoples and Local Communities (IPLCs) to catalyse finance for a thriving, nature-positive bioeconomy across the continent. Functioning as an independent, pan-African network of stakeholders, the Hub will build upon existing high-impact initiatives, amplify ongoing efforts, align fragmented activities, and bring coherence, ambition, and actionable scale to bioeconomy finance.

Established in collaboration with the African Natural Capital Alliance (ANCA)¹, the continent's premier coalition for nature-positive finance, and NatureFinance, a global thought leader in innovative nature finance solutions, the Hub aspires to become Africa's leading catalyst for scaling bioeconomy finance.

The Bioeconomy Finance Hub will focus its efforts across four critical thematic pillars:

1. **Driving enabling policy incentives** by supporting countries and regions across the African continent to translate bioeconomy policies, strategies and plans into actionable investment roadmaps and financial transition plans.
2. **Building capacity and leadership** to empower African financial institutions and decision-makers to accelerate national and international ambitions and cooperation.
3. **Accelerating investment pipelines** through innovation labs, de-risking mechanisms, partnership development and a dedicated bioeconomy accelerator.
4. **Advancing KPIs, data, and standards** to enable measurable impact, transparency and accountability.

Supported by the South Africa's G20 Initiative on Bioeconomy (GIB) Steering Committee and set for discussion at the GIB Second Meeting in May 2025, the independent Bioeconomy Finance Hub is to outlast South Africa's G20 presidency. Its goal is to help build a self-sustaining African bioeconomy—one that drives inclusive growth, climate resilience, and long-term sustainability. With one in four people projected to live in Africa by 2050 (UNECA, 2024), the continent's shift to a sustainable bioeconomy is both a regional imperative and a global opportunity to redefine the link between nature, finance, and development.

The aspiration: That by 2035, Africa captures up to 50% of the final value of its biomass—up from less than 10% today—through innovation, local value addition, and

¹ Founded by and embedded in the Financial Sector Deepening (FSD) Africa.

equitable market access, positioning itself as a key player in the global bioeconomy, a sector projected to exceed USD 30 trillion in value over the coming decades (NatureFinance, 2024).

2. Bringing Africa's Leading Nature-Positive Finance Leaders to the Bioeconomy

ANCA and NatureFinance: Leading Nature-Positive Finance for Africa and the World

The African Natural Capital Alliance (ANCA), established by FSD Africa in 2022, has emerged as the continent's leading platform for nature-positive finance. With more than 100 member institutions owning over £1 trillion in assets, ANCA is reshaping how finance integrates nature in policy and investment decisions. It works to shape regulation, build capacities, improve data access, and drive nature-aligned finance at scale across Africa.

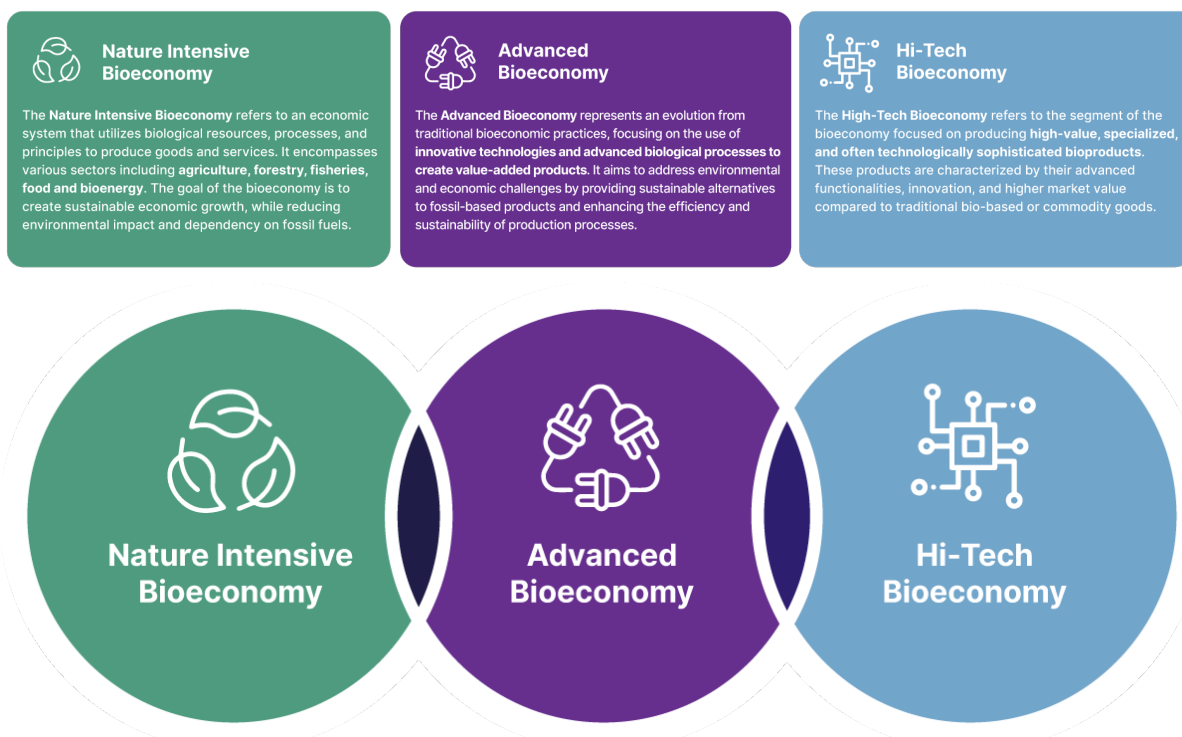
NatureFinance brings global Bioeconomy thought leadership and deep experience in aligning financial architecture with equitable, nature-positive outcomes. It operates as a non-profit think tank and solutions lab, working with governments, multilateral development banks, financial institutions and civil society to develop innovative financial instruments and policy reforms that help ensure natural capital is harnessed as a driver of resilience, sustainable development and economic opportunity.

Together, ANCA and NatureFinance are co-leading the creation of the Bioeconomy Finance Hub, as a collaborative Hub that serves and complements - rather than replaces existing initiatives. The Hub aims to tap into the leadership, expertise and engagement of a wide range of national, regional and international stakeholders (governments, international organizations, multilateral development banks, business, financial institutions and investors, and civil society organizations) to drive forward an ambitious bioeconomy agenda and generate substantial additional finance for it on the African continent over the next decade.

Unlocking Africa's Bioeconomy Potential

The bioeconomy is a rapidly evolving economic paradigm recognized globally as a key driver for sustainable development. Financing a Sustainable Bioeconomy (NatureFinance, 2024) with the support of the GIB identified three archetypical bioeconomy types (see Figure 1), encompassing a diverse array of sectors—from regenerative agriculture and high-value agro-processing to blue bioeconomy industries like kelp and seaweed farming, advanced biotechnologies such as synthetic biology and genomics, and bio-based products including packaging, fuels, and pharmaceuticals. While there can be overlaps between these bioeconomy types, they illustrate the broad, cross-cutting spectrum of the bioeconomy, as an alternative to the fossil-based economic paradigm.

Figure 1: Three bioeconomy types



This broad-based bioeconomy holds immense promise for job creation, food and health security, and increased climate resilience, positioning it as an essential component of any meaningful green and just economic transition strategy. Yet, its full potential remains largely untapped across the African continent due to persistent environmental degradation, depleting the very biomass which presents the foundation of a new economic paradigm represented by the sustainable bioeconomy.

Over 50% of Sub-Saharan Africa's farmland is degraded (CGIAR, 2024), nearly 10% of the Congo Basin's primary rainforest has been lost since 2001 (Tyukavina et al., 2018), up to 45% of the continent's land is threatened by desertification (UNEP, 2024), while 80% of rangelands show signs of ecological decline (Zingore et al., 2015). These concerning trends not only undermine and threaten livelihoods and biodiversity but also significantly weaken Africa's competitive position in the emerging global bioeconomy, a sector projected to reach USD 30 trillion in overall value by 2050 (NF/WBF 2024). Today, Africa captures less than 10% of the final value from its biomass on average (CIFOR, 2025), while natural capital continues to be lost at alarming rates—\$195 billion annually due to land degradation, deforestation, and unsustainable agriculture (UNEP 2016).

Investing in a nature-positive bioeconomy is critical—not only to reverse these environmental losses, but to secure long-term economic resilience and inclusive development for the continent and beyond. Capitalizing on these benefits requires substantial investment. For instance, Deutz et al. (2020) estimate that transitioning to sustainable agriculture globally will require annual investments of approximately USD 315-420 billion by 2030. Additionally, bioeconomy SMEs attempting to disrupt established industries in sectors such as plastics, textiles, fuels, construction materials and farming require specialised and dedicated, policy-enabled support to make it through the "valley of death" between innovation and commercial

scale. These enterprises represent the vanguard of sustainable alternatives to climate-destructive and nature-depleting conventional industries.

Four key, interdependent barriers currently limit the flow of finance into a sustainable bioeconomy:

- 1) **Financial market failures:** Lack of enabling financial sector policies and incentives to internalize the value of Africa's natural capital and drive investment in its conservation, restoration, and sustainable management.
- 2) **Lack of capabilities:** Investors and broader stakeholders often lack the sustainable bioeconomy-related technical expertise and market insights needed.
- 3) **High actual and perceived investment risks:** Bioeconomy investments are often seen as high-risk and uncompetitive due to, for example, lower immediate returns, small-scale projects, long gestation periods, and climate-related risks.
- 4) **Data and measurement challenges:** Accurately assessing the monetary environmental and social impacts of bioeconomy projects remains challenging due to inherent complexities and a lack of standardisation in monitoring, target-setting, and credible valuation—particularly for co-benefits like carbon sequestration, biodiversity, and social equity.

The Bioeconomy Finance Hub is designed to address these barriers—mobilising finance at scale to regenerate landscapes, strengthen circular bio-industries, and foster innovation. By working to align financial systems with national bioeconomy strategies and facilitating nature-positive transitions, the Hub aims to transform nature from an overlooked externality into a valued, investible, and protected asset—unlocking new markets, restoring ecosystems, and improving livelihoods across the African continent.

Seizing the G20 Opportunity

The launch of the Bioeconomy Finance Hub during South Africa's historic G20 presidency, the first ever led by an African nation, marks a pivotal moment to position nature as a core driver of jobs, economic resilience, and sustainable development across the continent.

The Hub will be established as an independent, multi-stakeholder entity, ensuring the agility and autonomy needed to innovate, respond to evolving market needs, and scale long-term impactful solutions across the continent. It is intentionally designed to outlast political cycles and G20 leadership terms—anchoring the bioeconomy transition in durable financial architecture. With one in four people projected to live in Africa by 2050, the continent's shift to a sustainable bioeconomy is not only essential for its own prosperity—it represents a global opportunity to redefine the relationship between nature, finance, and development.

While this Hub will initially focus on Africa, it will actively encourage collaboration with similar initiatives globally to ensure alignment around a common vision and methodology, and to avoid duplication of efforts. Where relevant, the Hub will encourage and help facilitate the emergence of parallel coalitions in other G20 regions and beyond, fostering cross-regional learning and coordination. Over the longer term, the Hub may also explore opportunities to expand its own activities beyond Africa as part of a broader, inclusive global effort.

3. Four Strategic Objectives to Build a Thriving Bioeconomy Finance Ecosystem for Africa

The Bioeconomy Finance Hub will collaborate with financial institutions, project developers, governments, and research organizations to tackle critical barriers to investment and foster a vibrant, enabling ecosystem for Africa's bioeconomy. Rather than competing with existing institutions, it will work to embed strategic partnerships with key institutions, sources of expertise and finance in the bioeconomy space. Its primary mission is catalytic - helping to stimulate and galvanize ambitious ideas, facilitate meaningful partnerships, create connections among diverse stakeholders to amplify collective impact and fill strategic gaps through the launch of new initiatives.

Through inclusive, multi-stakeholder collaboration, it will seek to drive progress across four core objectives critical to unlocking finance for a sustainable bioeconomy.

Objective 1: Drive enabling incentives and existing policy frameworks to unlock investment in the bioeconomy

Key Partners: Policy makers, incl. financial regulators and supervisors, financial institutions and real economy players, multilateral development banks (MDBs) and development finance institutions (DFIs), project developers/ implementers, IPLCs

- **Translate existing bioeconomy policy frameworks, Nationally Determined Contributions (NDC) and National Biodiversity Strategies and Action Plans (NBSAPs) into concrete investment priorities,** financial transition plans, sectoral transformation strategies and sustainable finance regulation.
- **Convene investors and project developers (including IPLCs) with policymakers** to ensure close public-private collaboration in financial planning, aligning transition plans with market realities to prevent perverse or ineffective outcomes.
- **Embed IPLC stewardship in bioeconomy finance roadmaps,** ensuring fair benefit-sharing and expanded market access.

Objective 2: Build capabilities of leaders and institutions to finance a catalytic bioeconomy

Key Partners: Financial institutions, universities, research- and training institutes, policy makers, project developers

- **Provide targeted training and capacity building** on the bioeconomy for financial institutions, government and not-for-profit agencies.
- **Establish regional bioeconomy technical advisory groups and finance knowledge networks,** enabling cross learning and best practice sharing across African markets.
- **Train emerging leaders** in bioeconomy finance via tailored executive training programmes.

Objective 3: Catalyse private investment and build strong pipelines for bioeconomy projects

Key Partners: Project developers, financial institutions and real economy players, DFIs and MDBs

- **Launch a bioeconomy business accelerator** to support high-potential projects and businesses in the bioeconomy and value-added bioeconomy products.
- **Provide technical assistance, seed capital, blended finance, and de-risking tools** to strengthen business models and scale impact.
- **Connect investors with high-potential projects**, including via speed-dating and idea pitching sessions, bridging the gap between capital and scalable, nature-positive businesses.
- **Set up a Financial Instruments Innovation Lab** to pilot innovative public and private financial mechanisms, ensuring long-term economic and ecological resilience, while advancing the valuation of social and environmental co-benefits.

Objective 4: Socialise bioeconomy data, metrics, KPIs and standards in the financial sector

Key Partners: Data and measurement, reporting and verification (MRV) providers, academic and research institutions, standard-setters, financial institutions and real economy players

- **Promote and support the adoption of bioeconomy metrics, KPIs, & standards** - developed by the FAO for the GIB - ensuring applicability and usability **in the financial sector** to drive accountable financing, better risk assessment and impact measurement.
- **Channel market feedback to metric, standard, and data developers**, building on the GIB FAO work to enhance practicability, relevance, and adoption.
- **Strengthen financial data and MRV infrastructures** to meet the needs of financial stakeholders, enhancing transparency and enabling data-driven investment decisions across the bioeconomy.

4. Strengthening the Bioeconomy Finance Ecosystem – Together

The Bioeconomy Finance Hub is designed to be inclusive and collaborative, inviting a wide range of partners to co-design and co-implement its activities. Building on the strong foundation of high-impact initiatives already underway, the Hub will serve as a strategic connector—amplifying existing efforts, aligning fragmented activities, and bringing coherence, ambition, and actionable scale to the space.

Indicative and initial exploratory partnerships include:

Bioeconomy Finance Hub objectives	Exploratory partners
Objective 1: Drive enabling incentives and policy frameworks to unlock investment in the bioeconomy	<ul style="list-style-type: none"> • G20 Initiative on the Bioeconomy • National Business Initiative • Climate Policy Initiative • World Bank • African Bioeconomy Policy Forum • Deep Transition Laboratory • Nova Institute
Objective 2: Build capabilities of leaders and institutions to finance a catalytic bioeconomy	<ul style="list-style-type: none"> • African Leadership University • Oxford Smith School - Oxford University • Cambridge Institute of Sustainable Leadership • World Bioeconomy Forum • WEF Bioeconomy Team • CGIAR (formerly the Consultative Group for International Agricultural Research) • Center for International Forestry Research (CIFOR)/ICRAF • World Resources Institute • Sustainable Finance Coalition • Capacity-Building Alliance of Sustainable Investment (CASI) • Deep Transition Laboratory
Objective 3: Catalyse private investment and build strong pipelines for bioeconomy projects	<ul style="list-style-type: none"> • Green Climate Fund • BioInnovate Africa • Banking Association South Africa (BASA) • Development Bank of Southern Africa (DBSA) • African Development Bank (AfDB) • Industrial Development Corporation of South Africa (IDC) • Department of Science, Technology and Innovation (DSTI), Republic of South Africa • FSD Africa Investments • FSD Africa Financial Markets Programme • FSD Africa Early-Stage Finance & Carbon Markets Programme
Objective 4: Socialise bioeconomy data, metrics, KPIs and standards in the financial sector	<ul style="list-style-type: none"> • Taskforce on Nature-related Financial Disclosures (TNFD) • Zoological Society London • African Organisation for Standardisation • Food and Agriculture Organization (FAO) • Finance for Biodiversity Foundation • CGIAR • CIFOR/ ICRAF • RSB • Sustainable Agriculture Initiative Platform • Bonsucro • Ecocert

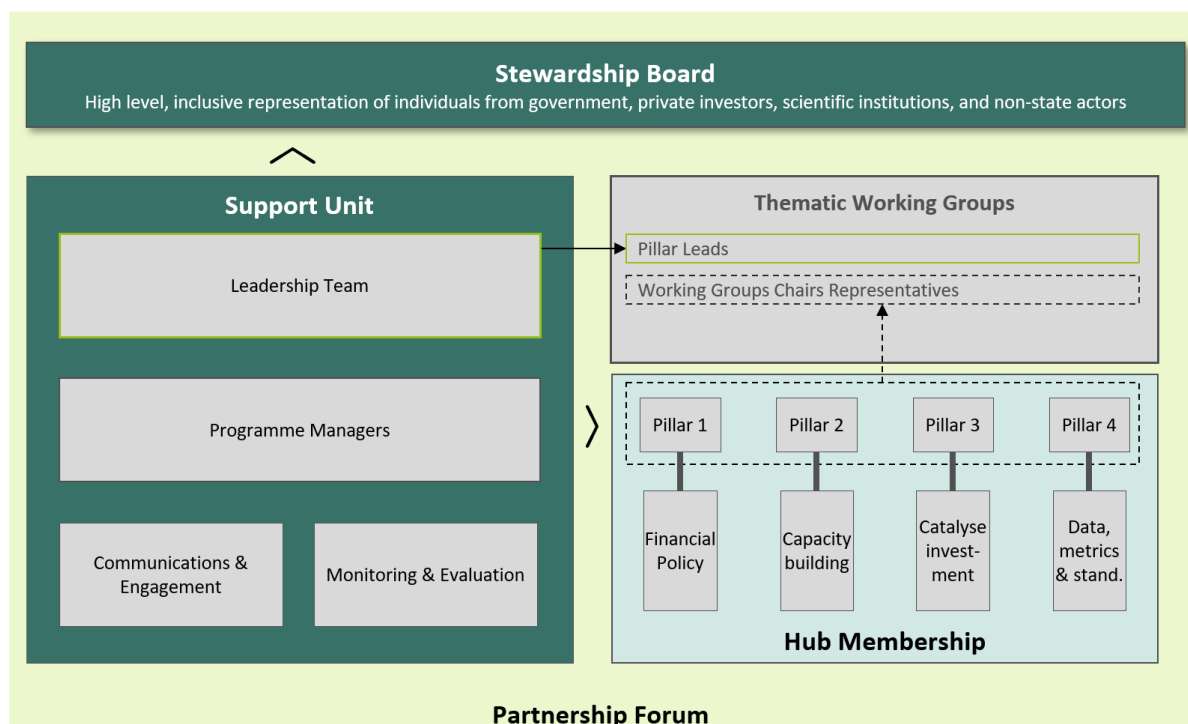
5. Inclusive Governance Model: Public-Private Collaboration Rooted in Science

The Bioeconomy Finance Hub will be anchored in a science-based, inclusive, and transparent governance structure with a multi-stakeholder ethos at its core. The Hub's governance will be designed to ensure shared ownership, strategic alignment, and high standards of integrity, while enabling agile decision-making, innovative approaches and ambitious action. This model will bring together key actors across government, the private sector, development partners, scientific institutions, IPLCs and civil society, ensuring the Hub reflects the diverse perspectives and needs of Africa's bioeconomy landscape.

The governance model will likely comprise the following interconnected components:

- **Stewardship Board:** A high-level, representative body responsible for safeguarding the Hub's mission, setting strategic direction, and upholding partnership principles and quality standards. The Board will include balanced regional and sectoral representation, including individuals from governments, private investors, scientific institutions, and non-state actors. While it will not manage individual partnerships, it will provide strategic oversight and ensure alignment with the Hub's long-term vision.
- **Support Unit:** FSD Africa - together with ANCA - and with support from NatureFinance, will serve as the initial Support Unit, responsible for the Hub's day-to-day coordination, stakeholder engagement, thematic working group coordination and operational management. This agile technical team will act as a neutral facilitator, providing critical services such as partnership brokering, fundraising, event management, knowledge management, and progress monitoring. The Support Unit will also maintain a dynamic pipeline of project opportunities, document lessons learned and support the development of new collaborations across sectors.
- **Thematic Working Groups:** Cross-cutting technical groups aligned to the Hub's four strategic objectives will provide subject-matter expertise and implementation support. Drawing from member networks, each working group will co-develop initiatives, tools, frameworks, share best practices, and help harmonize efforts across national and regional contexts.
- **Hub Membership:** An open and inclusive membership model, welcoming stakeholders committed to Africa's sustainable bioeconomy—including governments, private sector actors, development partners, research institutions, IPLCs, and civil society. Members will gain access to networking, contribute to- and benefit from the Hub's strategic initiatives, and help shape the Hub's direction and activities.
- **Partnership Forum:** A regular convening, held annually, will bring together the broader network of stakeholders to showcase partnership outcomes, address shared challenges, and foster new connections. Serving both as a physical and virtual convening forum, it will promote knowledge exchange and collective problem-solving, with regional event rotation to ensure equitable participation and relevance.

Figure 2: Exemplary governance model



Together, this governance model will create a flexible yet robust foundation for the **Bioeconomy Finance Hub**—enabling innovation, ensuring accountability, and driving inclusive, high-impact collaboration for Africa’s sustainable bioeconomy.

6. Ambitious Targets to Drive Impact at Scale

The **Bioeconomy Finance Hub** aims to deliver transformative, measurable impact across Africa’s sustainable development and climate goals. By 2035, the Hub will aim to catalyse bold, system-wide outcomes that reflect the scale of Africa’s bioeconomy opportunity and the urgency of global environmental challenges. These include:

- **Enabling 10 million+ farmers** to benefit from bioeconomy innovations that improve productivity, climate resilience, and livelihoods
- **Mobilizing over \$50 billion** in private and public investments into bioeconomy sectors across low- and middle-income countries (LMICs) across the African continent.
- **Achieving a 30% reduction in agricultural waste** through circular bioeconomy models that regenerate ecosystems and reduce emissions
- **Driving significant CO₂ reductions** by accelerating the adoption of bio-based energy and materials
- **Supporting 10–20 high-impact bioeconomy projects per year**, including in frontier markets
- **Scaling bioeconomy SME and Indigenous Knowledge Systems (IKS) ventures** that create synergies between agriculture, green technologies, biomaterials, and bioenergy

- **Fostering robust collaboration and knowledge transfer** between the private sector, governments, and research institutions to deploy bioeconomy solutions at scale
- **And, as a stretch ambition, capturing 50% of the final value** from Africa's biomass by 2035—up from less than 10% today—through upstream innovation, local value addition, and equitable market access.

These targets will guide the Hub's programming, inform its monitoring framework, and serve as a north star for partnership engagement and capital mobilization.

7. G20 Engagement: Shaping a Scalable and Impactful Bioeconomy Finance Hub

Though independent by design, the Bioeconomy Finance Hub welcomes the active input of G20 members in shaping its foundational vision, goals, structure and impact targets, to ensure that it resonates with this core group of potential stakeholders in the effort.

There are areas where we seek G20 member country participation in the Hub's efforts in terms of potentially contributing expertise, resources, and policy leadership to help drive the Hub's strategic pillars:

- 1) **Policy and Financial Transition Planning:** G20 members can support the translation of national bioeconomy strategies into finance-ready frameworks by appointing country representatives to work with the Hub on co-developing investment roadmaps, financial transition plans, and regulatory guidance. For countries involved in supporting African country platforms and green transition programs, they can consider how to incorporate bioeconomy ambitions in these broader partnerships.
- 2) **Capacity Building and Knowledge Exchange:** G20 countries are encouraged to identify key capability gaps the Hub should address through training, technical assistance, or peer learning. Members can also consider G20-hosted or affiliated mechanisms for knowledge exchange, peer-to-peer learning, and capacity development that the Hub can leverage across pillars of work and within specific priority bioeconomy sectors.
- 3) **Investment Pipeline Generation:** G20 partners can share national and regional project pipeline priorities that align with bioeconomy goals and have the potential to benefit from technical support or de-risking instruments. Where appropriate, G20 countries can consider investing public capital into blended finance vehicles that reduce risk and crowd in private sector finance for bioeconomy initiatives – the Bioeconomy Finance Hub aims to provide a place to connect actors to innovate on these finance solutions and investment pipelines.
- 4) **Data, Metrics, and Standards:** G20 countries can encourage public financial institutions and regulators to pilot bioeconomy KPIs, metrics, and disclosure standards together with the Hub.

Early engagement of non-public sector stakeholders from G20 countries—including investors, financial institutions, multinational enterprises, and centres of expertise spanning industry, science, IPLC representatives and academia—is equally vital. Their involvement is instrumental in assisting African countries and institutions in developing and implementing financeable bioeconomy visions. We welcome their feedback and contributions to the Hub.

To ensure global cohesion, collaboration, and a shared vision, we also invite G20 members and non-public stakeholders to connect the Hub with existing bioeconomy and nature-finance initiatives beyond the African continent. This will help build synergies, avoid duplication, and strengthen global coordination. Where appropriate, the Hub can play an advisory role in supporting G20 countries and stakeholders in establishing similar regional initiatives outside of Africa, offering guidance on methodological alignment, cross-regional learning, and contributing to a unified strategic direction.

By actively engaging with the Hub at this early and formative stage, G20 members and non-public sector stakeholders can help shape a globally significant catalytic connector that not only accelerates Africa's transition to a sustainable bioeconomy but also demonstrates how nature and finance can work hand in hand to drive inclusive growth and global climate resilience, working with existing initiatives, implementing partners and stakeholders to realise this.

For Inquiries and Partnership Discussions:

- **Dorothy Maseke**, Head of ANCA Secretariat and Lead, Nature Finance & TNFD, FSD Africa, dorothy@fsdafrica.org
- **Julie McCarthy**, CEO NatureFinance, julie.mccarthy@naturefinance.net