

# CONSERVATION POLICY IN BRIEF

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Amathole is a *triple return* investment:

- 1 **Environmental Stability**  
water regulation, carbon storage, disaster risk reduction
- 2 **Sustainable Livelihoods**  
jobs, food security, rural incomes
- 3 **Economic Resilience**  
lower public costs, climate finance, long-term returns

# Investing in the Amathole SWSA

*A Natural Asset for Water, Food and Climate Security*

Policy Insights from the Amathole Ecosystem Service Valuation Study, 2025

## Why Amathole Matters

South Africa's Strategic Water Source Areas (SWSAs) are the ecological engines of the national economy. The Amathole SWSA spans the Amathole and Chris Hani District, Municipalities, and the Buffalo City Metro, and it supplies 93% of the water stored in the regional dams that serve almost 2.7 million people. Today, this valuable landscape is at risk from invasive plants, land degradation, and limited management capacity. Protecting this landscape means protecting the ecosystem service that deliver about R777 million in benefits every year. With 75% of the landscape still natural, Amathole represents one of South Africa's most cost-effective opportunities to deliver climate action, water security, and rural jobs through Nature-based Solutions (NbS). Essentially, **Amathole is not only a conservation priority, it is critical economic infrastructure.**

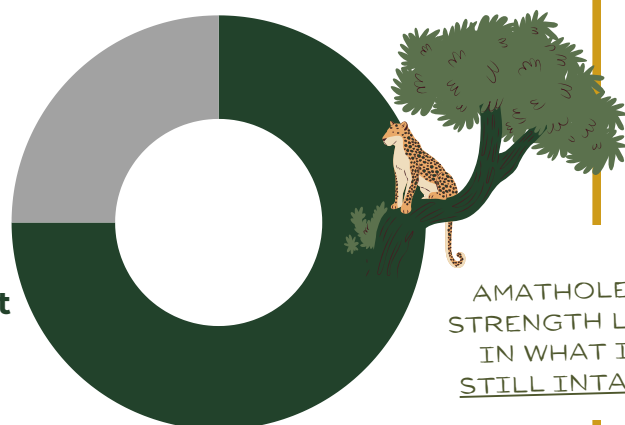
## Amathole as an Investment in South Africa's Future

New research by Conservation Strategy Fund (CSF) and The Nature Conservancy (TNC) reveals that Amathole's ecosystems generate hundreds of millions of Rand in benefits each year. Under improved management and restoration scenarios, combined ecosystem service values could reach up to R3 billion annually, particularly through enhanced carbon sequestration and sustainable food production. This research provides clear economic evidence that conservation is both an ecological necessity and a smart investment, offering the basis for green bonds, carbon markets, and payments for ecosystem services (PES) that can secure Amathole's future and the livelihoods it sustains.

### 75% of Amathole SWSA Remains in a **Natural State**

**Transformed & Degraded Ecosystems**  
**25%**

**Natural & Intact Ecosystems**  
**75%**



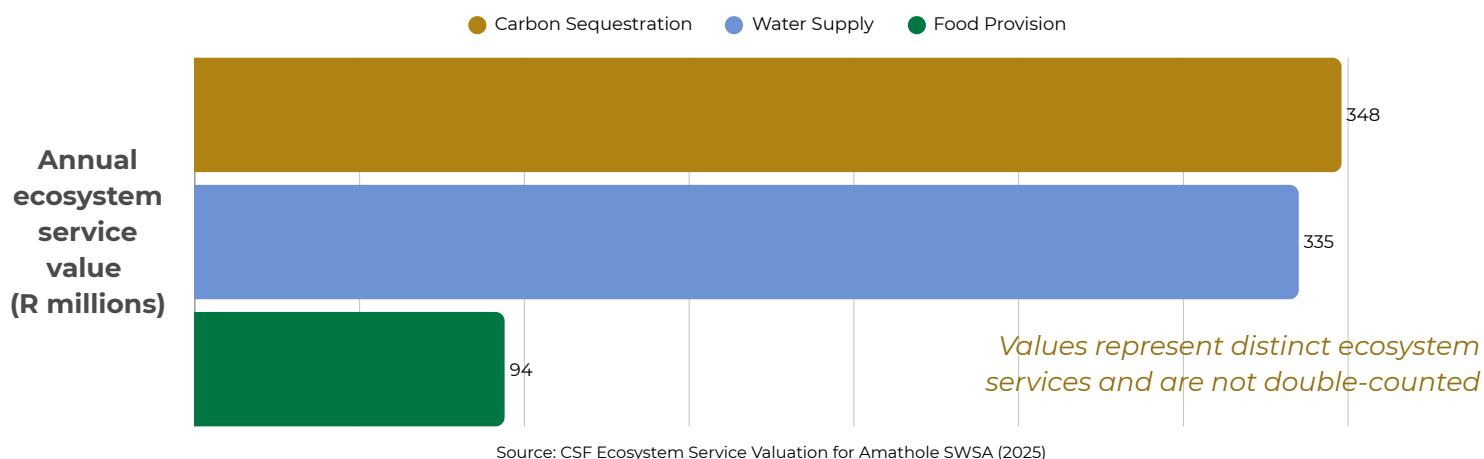
AMATHOLE'S  
STRENGTH LIES  
IN WHAT IS  
STILL INTACT.

Approximately 75% of the landscape remains in a natural state, making it one of South Africa's least transformed SWSAs. Protecting these intact ecosystems is the most **cost-effective** way to secure long-term water, food, and climate resilience for the Eastern Cape as it avoids far high future restoration or replacement costs.

## Why Prioritise Protection?

- Intact ecosystems capture up to **R267 million per year in carbon value alone.**
- They regulate water flows that **supply 93% of the water** stored in regional dams.
- These areas underpin food production and rural livelihoods.
- Once degraded, recovery is slow, expensive, and often incomplete.
- Protecting intact land avoids future costs and unlocks finance opportunities like PES.

## Amathole's Ecosystem Services Generate Over R770 million Each Year



### An economic case for preserving healthy ecosystems.

Amathole's intact forests, grasslands, thickets, and wetlands deliver **R777 million a year** in water, food, and climate services. This far exceeds the cost of conserving them. Additionally, with restoration practices enabled, Amathole's ecosystem services could deliver up to **R3 billion each year** in benefits for South African communities. Protecting and restoring this SWSA is a strategic economic investment that delivers long-term returns for people, nature, and local economies.

### Evaluation Methods

Using a benefit transfer methodology supported by spatial, hydrological, and agricultural data, the study quantifies the monetary value of nature's contributions to Amathole's economy and people. These findings provide a replicable model for integrating ecosystem service values into the country's strategic sustainable development planning, financing and community engagement.

### KEY INSIGHTS

#### Water is a national economic asset.

Watershed protection, invasive clearing, and wetland rehabilitation are not costs, but returns-generating investments.

#### Carbon is South Africa's hidden climate currency.

Conservation of Amathole's forests and thickets is both a climate mitigation strategy and a financing opportunity. It positions SWSAs as engines for South Africa's carbon market development and climate resilience goals.

#### Inaction costs millions every year.

Economic losses from land degradation and invasive species already amount to tens to hundreds of millions of Rand annually, through reduced water yields, lower agricultural productivity, and higher public infrastructure and disaster-response costs.

#### SWSAs are climate and development infrastructure, not just ecological assets.

More than 90% of the carbon value in this research comes from intact natural vegetation, demonstrating that conserving and restoring natural areas is one of the most effective local climate actions. There are opportunities for participation in carbon markets and climate finance initiatives.

**This research demonstrates that investing in NbS to strengthen this landscape is more cost-effective than the economic losses caused by a steady ecosystem decline already in progress.**

*Every Rand invested in Amathole strengthens water, food, climate, and economic resilience for decades to come.*



## What if we don't act?

### THE ESCALATING COSTS OF DOING NOTHING

- **Water security declines** as invasive species reduce runoff by 6% and raise treatment costs for households and municipalities, resulting in losses of R25 million per year.
- **Essential water services erode**, putting at risk water ecosystem services that support cities and industries, resulting in possible economic losses of R177–437 million per year.
- **Food production weakens** as soils, pollination, and water regulation degrade
- **Climate resilience collapses**, alongside carbon sequestration potential, and fewer opportunities to access climate finance. This could result in losses of R1.42 billion per year in carbon sequestration.
- **Intensified risks of floods**, fires, and droughts due to degraded wetland and grasslands.
- **Rural households and municipalities shoulder growing financial burdens**, from rising water tariffs to reduced harvests and higher service costs.
- **Future financing options shrink**, as declining ecosystem health makes PES and carbon projects less viable.

## What if we invest?

### THE ECONOMIC & SOCIAL RETURN ON PROTECTION

- **Water supply and quality improves**, delivering cleaner, more reliable water for households, agriculture, and industry while lowering long-term treatment costs.
- **Agriculture becomes more resilient**, with healthier soils, stabilised yields, and stronger food security for both subsistence and commercial producers.
- **Carbon assets grow**, unlocking potential revenues of up to R1.42 billion per year through verified climate and biodiversity finance.
- **Communities are safer**, as restored wetlands and catchments reduce flood, fire, and drought risks.
- **Strengthened sustainable livelihoods**. Green jobs expand, especially in invasive clearing, restoration, and catchment stewardship.
- **Sustainable finance becomes possible**, from PES schemes to blended-finance models that reinvest in watershed health.
- **SWSAs become economic infrastructure**, delivering ongoing returns for people, nature, and national development goals.

**Protection safeguards existing value, while targeted restoration enhances returns over time.**

# Investing in the Amathole SWSA

## CONCLUSION

Without action, the Amathole SWSA will continue to lose millions in water, food, and carbon value each year, undermining livelihoods and resilience across South Africa. Restoring and co-managing this landscape can secure clean water, strengthen food systems, create green jobs, and unlock carbon and climate finance opportunities, while advancing national biodiversity and climate goals.

The findings are clear: conservation is not a cost but a sound economic strategy. Protecting Amathole's ecosystems sustains biodiversity, drives rural prosperity, and reinforces South Africa's long-term climate and development ambitions with the additional benefit of turning national pride in nature into shared prosperity for all.

## POLICY RECOMMENDATIONS

### Integrate Ecosystem Values into Policy and Planning

Embed Amathole's ecosystem service valuations into national and local policy frameworks, including: South Africa's 30x30 planning processes, National Biodiversity Strategy and Action Plan (NBSAP), National Water Act (NWA), and Nationally Determined Contribution (NDC) commitments.

### Mobilize Sustainable Financing Mechanisms

Develop PES schemes linking downstream water users (industries, municipalities) to upstream conservation actions. Explore carbon finance opportunities (worth up to R1.42 billion per year) through verified carbon projects, biodiversity credits, and blended finance. Position Amathole as a NbS investment platform for development partners, private investors, and green funds.

### Scale Up Nature-Based Restoration and Management

Strengthen community-based stewardship and co-management structures to secure long-term restoration outcomes. Explore Working for Water-style initiatives to create green jobs while improving watershed health and climate resilience.

### Strengthen Evidence and Monitoring Systems

Address data and knowledge gaps by investing in integrated environmental-agricultural monitoring systems to track ecosystem health and service delivery, hydrological modeling to refine water valuation and invasive species impacts, and socio-economic surveys to improve understanding of ecosystem dependence, benefits, and Willingness to Pay. Use these data systems to refine and strengthen future ecosystem service valuations across South Africa's SWSAs.

### Position Amathole as a National Benchmark

Use Amathole as a pilot and demonstration site for scaling NbS and ecosystem service valuation methods. Showcase how SWSAs can simultaneously advance biodiversity conservation, climate mitigation, and rural development through integrated ecosystem management.

*This research demonstrates the value of partnerships between government, civil society, and organizations like TNC and CSF in delivering solutions at scale.*

