State of World Bank investment in Sustainable Livestock

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October 21st, 2021
The context

- IPCC: AR6 Climate Change 2021- The Physical Science Basis
- UNFCCC: NDC Synthesis Report
- UN Food System Summit
- G20 agricultural Ministerial

- WBG Climate Change Action Plan
- WBG Country Climate and Development Report

- Ongoing public debate on the livestock; its place in the food systems and its contribution to climate mitigation and adaptation goals.
A future where livestock make greater contribution to:

**healthy people,**
- Diets, food security and nutrition
- Improved food safety
- Preventing zoonoses and curbing antimicrobial resistance

**healthy planet,**
- Climate change mitigation
- Sustainable land management
- Pollution control

**... and healthy economies**
- Asset for the poor
- Shared prosperity
- Gender equality

*FoodSystems2030’s Theory of Change*

*2009 Minding the Stock*
Growth of the livestock sector

Despite stagnation observed for limited number of commodities and countries, the sector continues to grow, overall, steered by low- and middle-income countries.

Growth represents an opportunity to drive the sector on a more sustainable path.
We require all projects to complete five Climate Change related processes:

<table>
<thead>
<tr>
<th>Climate &amp; Disaster Risk Screening</th>
<th>GHG Accounting</th>
<th>Shadow Price of Carbon</th>
<th>Climate Finance Tracking (Co-Benefits)</th>
<th>Climate Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify projects’ exposure to climate and disaster risks</td>
<td>Ex-Ante determination of gross and net GHG emissions using the Ex-Act tool and other tools developed by FAO</td>
<td>Accounting for carbon externalities in economic and financial analysis</td>
<td>Determine projects’ share of climate finance by identifying adaptation and mitigation Co-Benefits</td>
<td>Monitor and track the progress of climate results; measuring outputs or outcomes of mitigation and/or adaptation interventions</td>
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</tbody>
</table>

**Operational commitments underpinning CSA mainstreaming: setting goals and measuring progress**
Growing active livestock portfolio

The average Climate co-benefits generated by the livestock portfolio in the last 2 and a half years is 61%, with 22% for adaptation and 39% for mitigation:

- higher than for the Agriculture portfolio (57);
- an improvement over the average for the three previous fiscal years (55%).

Raising from an average of US$150 million of new engagement per annum in 2010 to about US$700 million per annum in the last three years.
Moving towards low net GHG emissions livestock value chains

Three entry points for net GHG emission reduction in the livestock sector

- Increased **efficiency** and decreased GHG emission intensity through improved livestock management practices (e.g. feed management, genetics and animal health improvements, animal health, offtake and fattening strategies);
- increased **soil carbon sequestration** through improved grazing management practices (e.g. adaptative grazing; restoration of degraded lands); and
- adoption of **energy-efficient equipment** (e.g. cooling) and production of **renewable energy** (e.g. solar and wind) to reduce and displace fossil fuel energy consumption.
## Where investing in adaptation and mitigation makes economic sense

### Five main livestock operations approved during the last 3 fiscal years

<table>
<thead>
<tr>
<th>Country</th>
<th>Project development objective</th>
<th>Project financing (USD million)</th>
<th>Financial Internal Rate of Return</th>
<th>Economic Internal Rate of Return</th>
<th>Climate Co-Benefits (A-M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bangladesh</strong></td>
<td>Improve productivity, market access, and resilience of small-holder farmers and agro-entrepreneurs operating in selected livestock value chains in target areas.</td>
<td>500</td>
<td>17-47%</td>
<td>23.50%</td>
<td>60% (25%-35%)</td>
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<td><strong>Ethiopia</strong></td>
<td>Improve livelihood resilience of pastoral and agro-pastoral communities in Ethiopia.</td>
<td>350</td>
<td>10.2-67.7%</td>
<td>14.7-23%</td>
<td>37% (22%-15%)</td>
</tr>
<tr>
<td><strong>Mongolia</strong></td>
<td>Improve livestock health, productivity, and commercialization of targeted value chains in project locations and provide immediate and effective response in the event of an eligible crisis or emergency.</td>
<td>30</td>
<td>19-27%</td>
<td>23-33%</td>
<td>55% (44%-11%)</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>Promote integrated environmentally sustainable and climate-smart agriculture, and agri-food quality and safety, in targeted value chains and landscapes in Hubei Province.</td>
<td>150</td>
<td>12.6-19.48%</td>
<td>27.4%-51%</td>
<td>53% (12%-41%)</td>
</tr>
<tr>
<td><strong>Kazakhstan</strong></td>
<td>Support the development of an environmentally sustainable, inclusive, and competitive beef production in Kazakhstan.</td>
<td>500</td>
<td>25%</td>
<td>42%</td>
<td>64% (21%-43%)</td>
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</tbody>
</table>
How do we assist Task Teams and Clients in the livestock sector?

Investing in Sustainable Livestock -- A practical tool and an information resource for building sustainable livestock production systems.

Livestock Connect – a [Yammer based waterhole](https://sustainablelivestockguide.org) for knowledge thirsty teams

ESF [good practice note](https://sustainablelivestockguide.org) on Animal Health Risk.

Livestock Global Expert Group (L-GET) connecting knowledge and operations.

IDA/IBRD – IFC committee on Biosecurity, Animal Welfare, AMR and Climate (BAWAC).

Livestock Global Alliance (LGA - World Bank, with FAO, ILRI, OIE and IFAD).
In summary

• Requests from Client Countries for Bank’s support to livestock operations have significantly increased.

• In responding to these requests, the Bank finds an opportunity to help Clients promote fairer, safer and more sustainable livestock.

• This requires to manage production levels and practices in ways that address adverse impacts on land, water, and the environment and the risks posed to animal and human health.

• An important element of the strategy is to take advantage of the diversity of systems and value chains by which animal sourced foods are produced.