



State of World Bank investment in Sustainable Livestock

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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.



Menu

Weekly edition

Search

Graphic detail

The beef with beef

Treating beef like coal would make a big dent in greenhouse-gas emissions

Cattle are a surprisingly large producer of greenhouse gases

WBG approach to livestock in sustainable food systems

A future where livestock make greater contribution to:

healthy people,

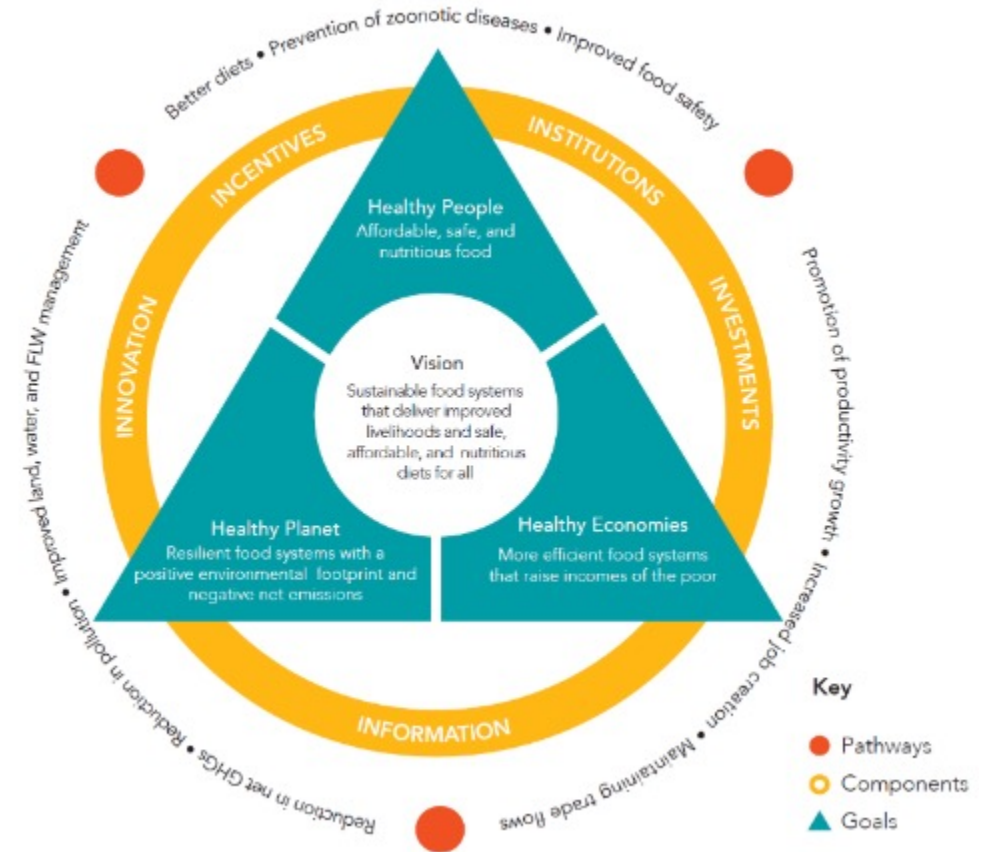
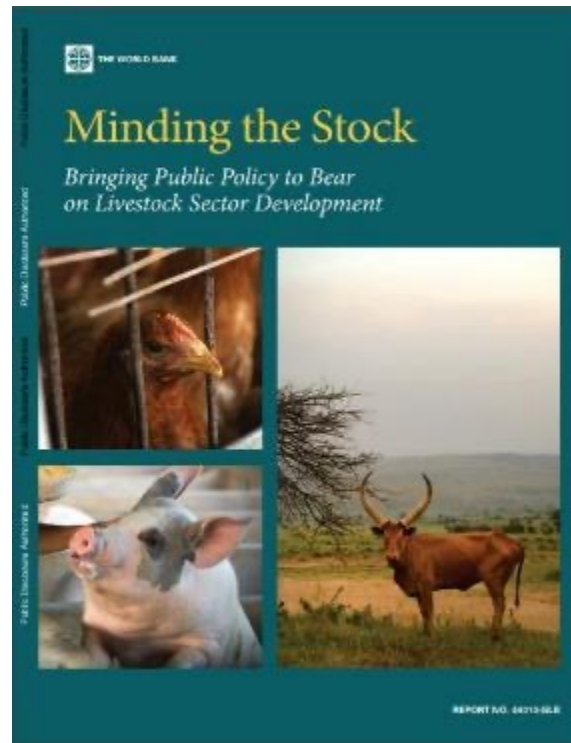
- Diets, food security and nutrition
- Improved food safety
- Preventing zoonoses and curbing antimicrobial resistance

healthy planet,

- Climate change mitigation
- Sustainable land management
- Pollution control

... and healthy economies

- Asset for the poor
- Shared prosperity
- Gender equality



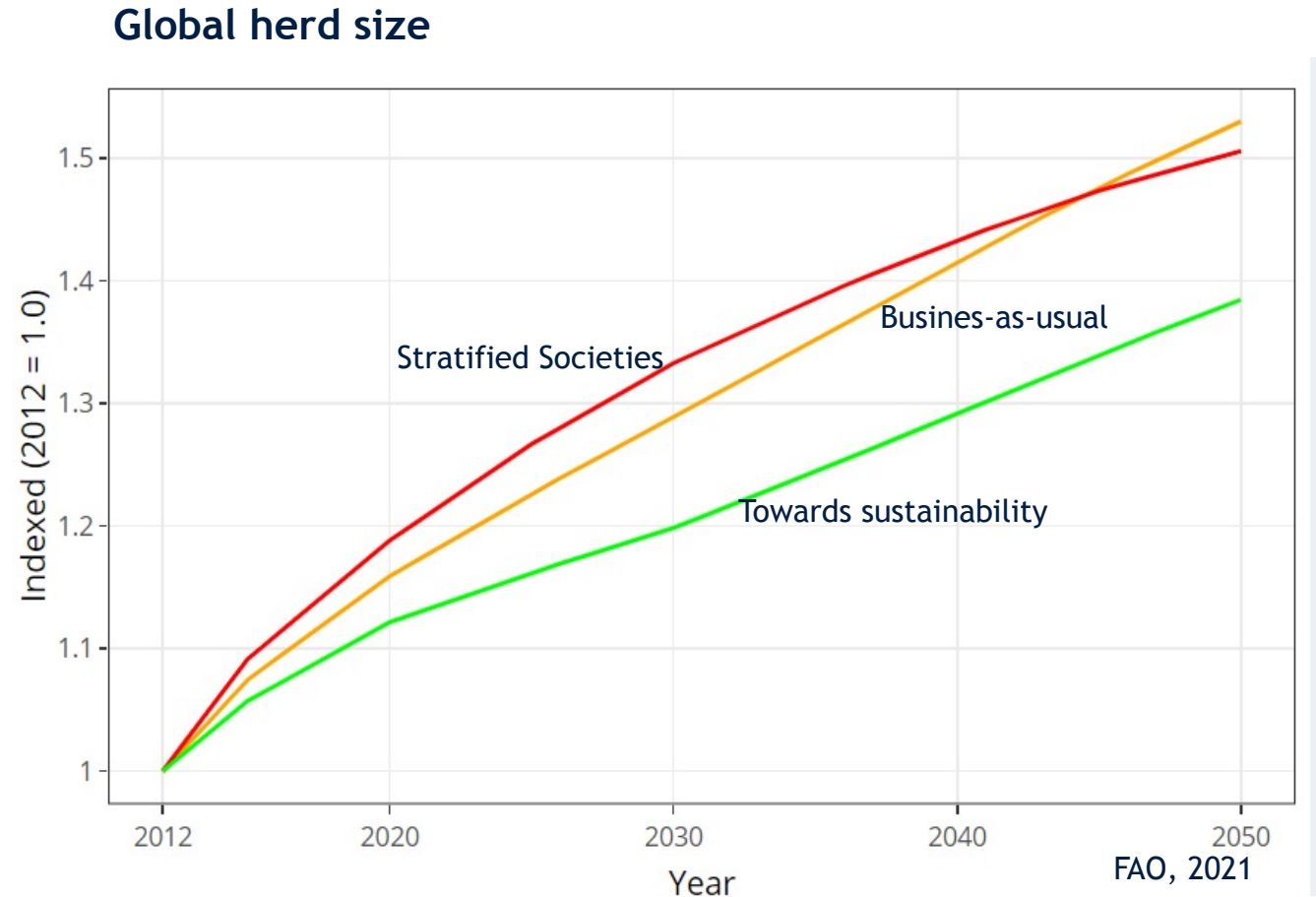
FoodSystems2030's Theory of Change

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.



Operational commitments underpinning CSA mainstreaming: setting goals and measuring progress

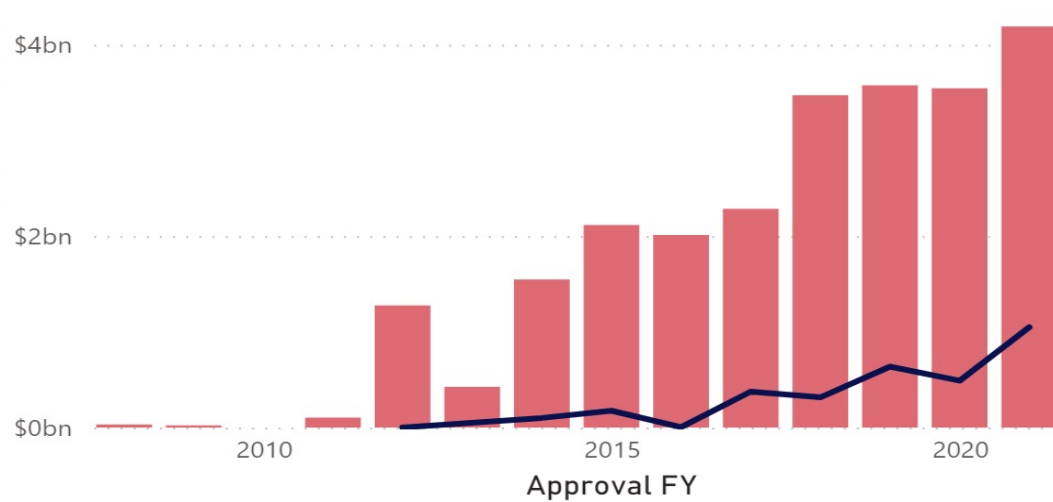
We require all projects to complete five Climate Change related processes:

| Climate & Disaster Risk Screening | GHG Accounting | Shadow Price of Carbon | Climate Finance Tracking (Co-Benefits) | Climate Indicators |
|---|---|--|---|---|
| Identify projects' exposure to climate and disaster risks | Ex-Ante determination of gross and net GHG emissions using the Ex-Act tool and other tools developed by FAO | Accounting for carbon externalities in economic and financial analysis | Determine projects' share of climate finance by identifying adaptation and mitigation Co-Benefits | Monitor and track the progress of climate results; measuring outputs or outcomes of mitigation and/or adaptation interventions |
| RISKS | EMISSIONS | VALUATION | FINANCE | MONITORING |

Growing active livestock portfolio

Livestock Lending Commitment by Approval Fiscal Year

● Agriculture Sector Lending Commitment ● Livestock Lending Commitment

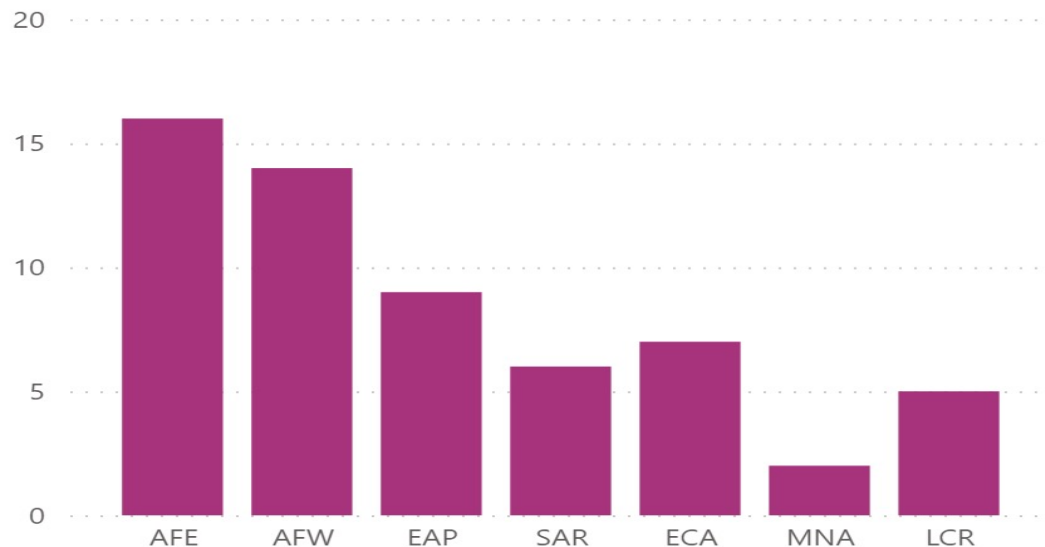


Raising from an average of **US\$150 million** of new engagement per annum in 2010 to about **US\$700 million** per annum in the last three years.

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%).

Livestock Projects by Region



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. adaptive 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

| Country | Project development objective | Project financing (USD million) | Financial Internal Rate of Return | Economic Internal Rate of Return | Climate Co-Benefits (A-M) |
|------------|---|------------------------------------|---|--|---------------------------------|
| Bangladesh | Improve productivity, market access, and resilience of small-holder farmers and agro-entrepreneurs operating in selected livestock value chains in target areas. | 500 | 17-47% | 23.50% | 60% (25%-35%) |
| Ethiopia | Improve livelihood resilience of pastoral and agro-pastoral communities in Ethiopia. | 350 | 10.2-67.7% | 14.7-23% | 37% (22%-15%) |
| Mongolia | 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. | 30 | 19-27% | 23-33% | 55% (44%-11%) |
| China | Promote integrated environmentally sustainable and climate-smart agriculture, and agri-food quality and safety, in targeted value chains and landscapes in Hubei Province. | 150 | 12.6-19.48% | 27.4%-51% | 53% (12%-41%) |
| Kazakhstan | Support the development of an environmentally sustainable, inclusive, and competitive beef production in Kazakhstan. | 500 | 25% | 42% | 64% (21%-43%) |

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](#) for knowledge thirsty teams

sustainablelivestockguide.org

ESF [good practice note](#) 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.