

# Challenges in making Biodiversity as the next generation investment for poverty eradication



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# Key challenges?

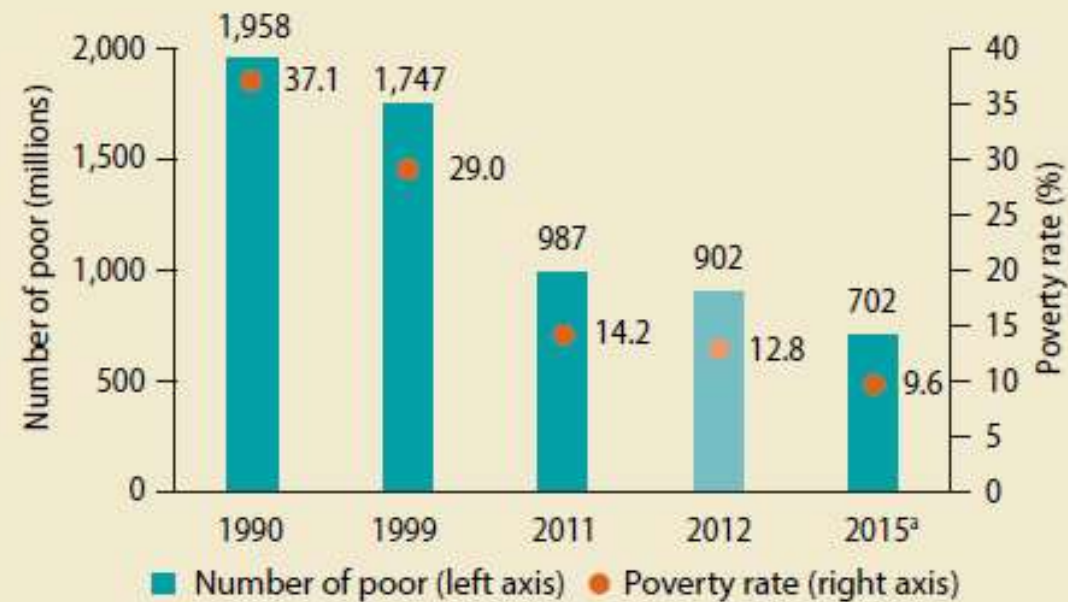
- Generally believed that infrastructure led growth model lifts a higher proportion of people out of poverty
  - How to Overcome perception? How to address wealth distribution?
  - India – poverty reduced but inequality increased
- Investments in biodiversity are smaller, fragmented, and at community level who are generally poorly skilled
  - As opposed to large infrastructure contracts
- Biodiversity/forests as pathways out of poverty known but not sure if these models will work at scale?





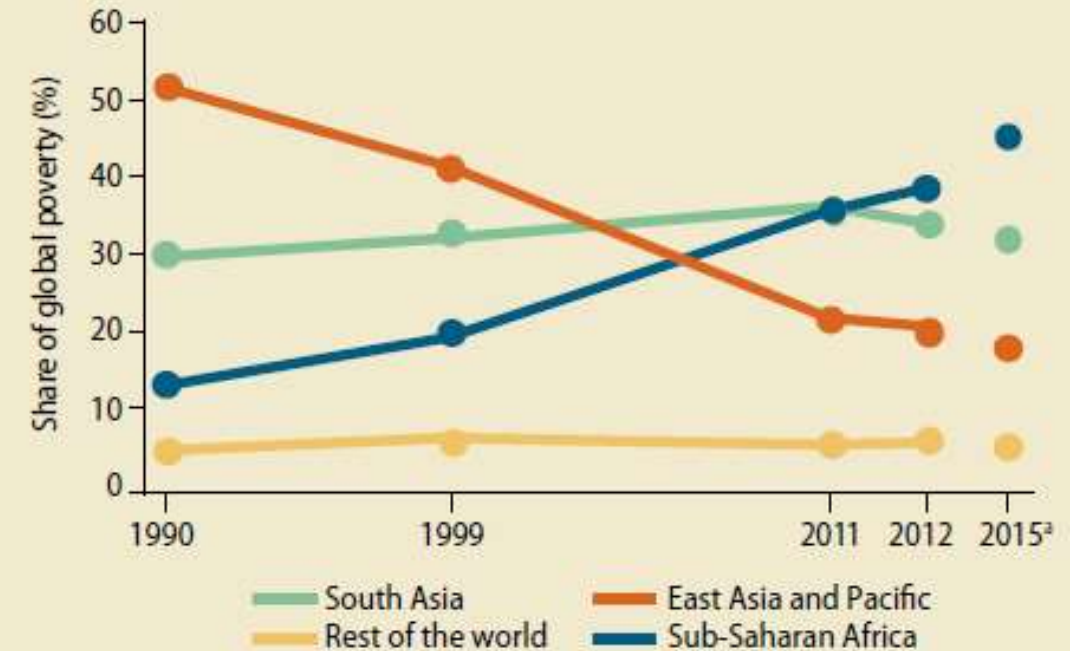
# Global Poverty Scenario...

Projections show that the global poverty rate may have fallen to single digits in 2015. Yet, the number of poor remains high.



Note: Based on the \$1.90 poverty line and 2011 PPP.  
a. Forecast.

With extreme poverty concentrating in Sub-Saharan Africa, more focus is needed on the poorest among the poor.

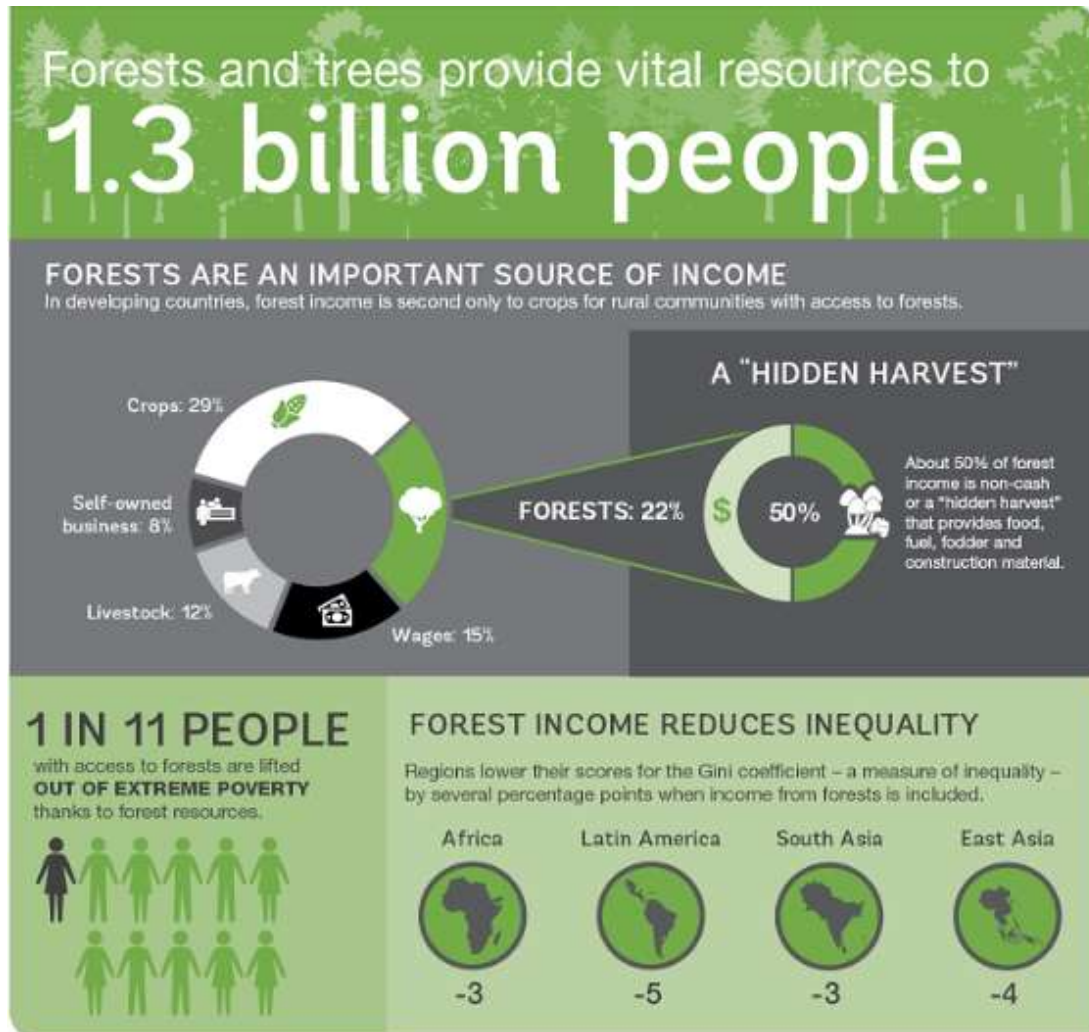


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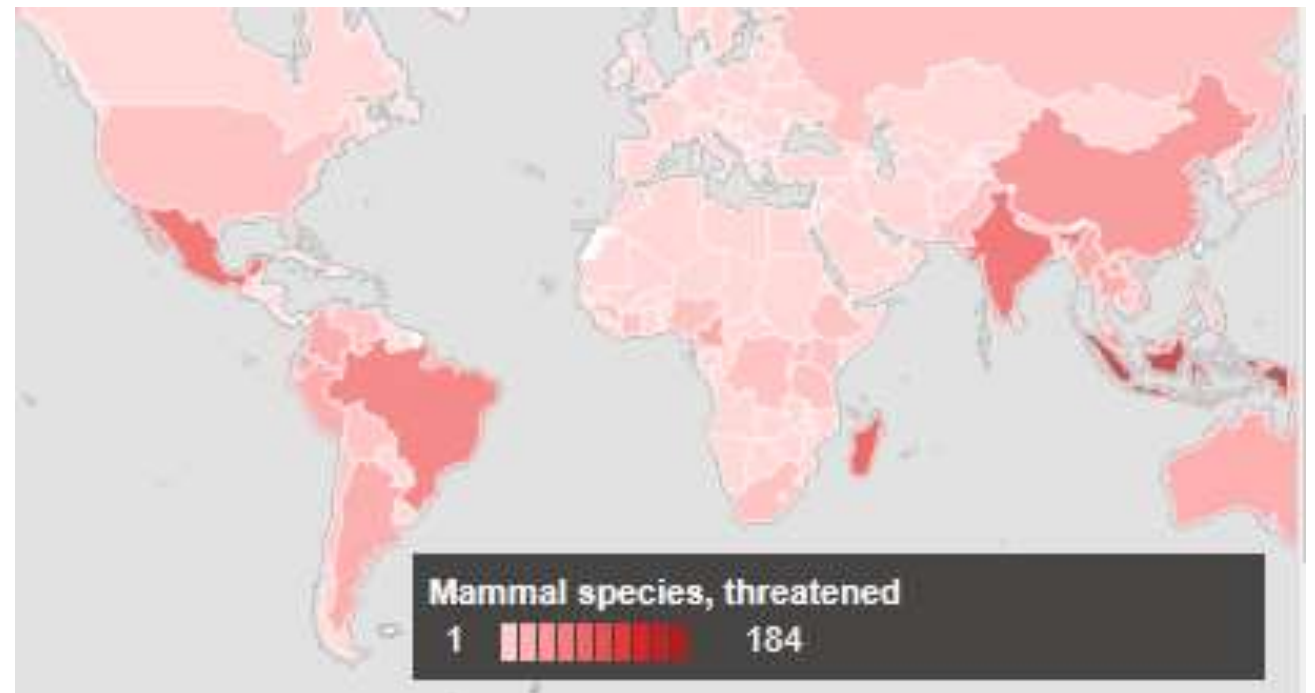
# What the Bank is doing?

- Generating awareness that biodiversity/forests provide vital resources
  - Participation in global/national/sub-national events
- Analytical work to show that poor are highly dependent on biodiversity/forests for incomes
  - Business case for governments for investing more on forests
- Designing projects to influence larger programs and securing land rights
  - Leveraging financing for scaling up good practices in biodiversity conservation
- Piloting investments to test if natural resource based livelihood models can operate at scale
  - New focus on reviving marine and inland fisheries sector – blue economy

# Generating awareness and mapping what's happening to biodiversity?

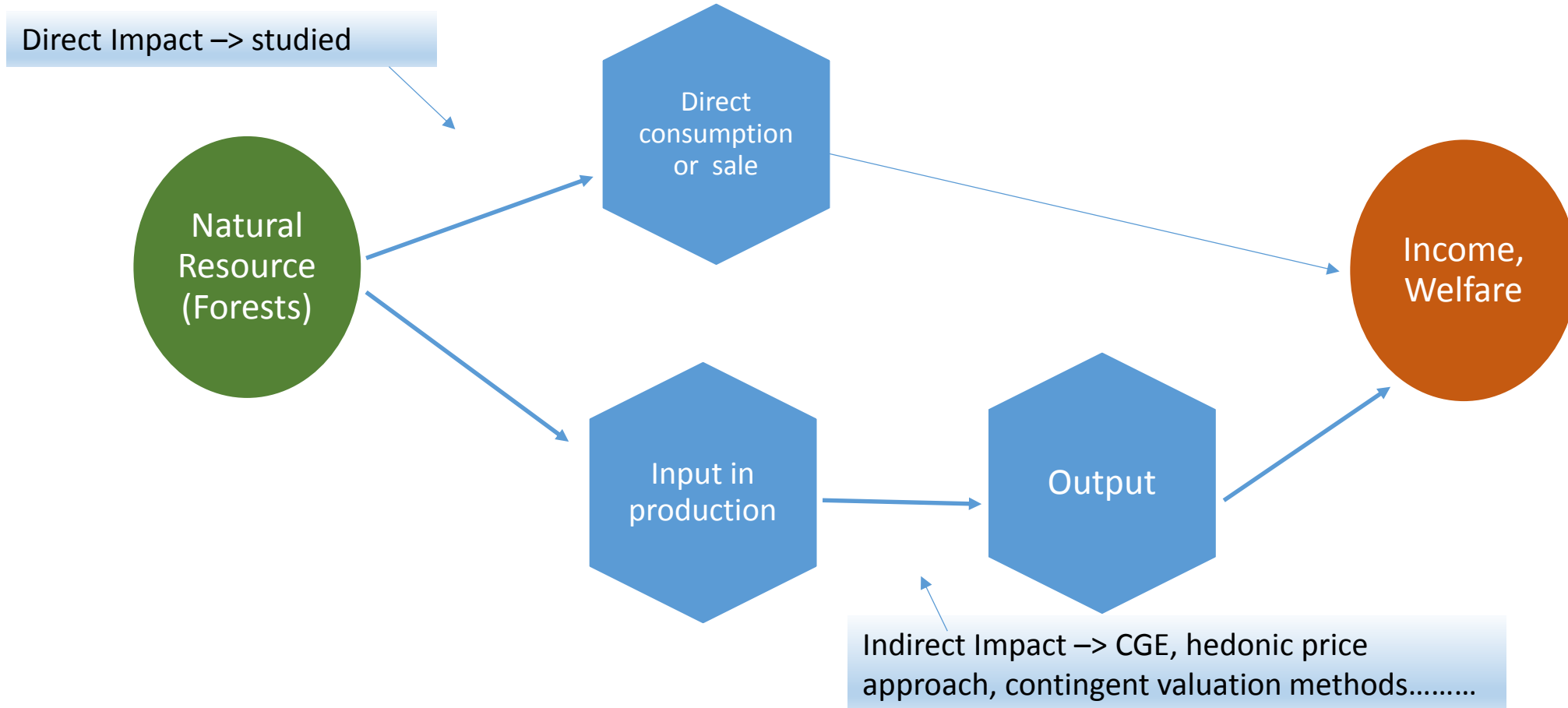


Sources: FAO (2014), State of the World's Forests 2014; Noack, F. et al. (2015), Responses to Weather and Climate: A Cross-Section Analysis of Rural Incomes, World Bank Background Paper.



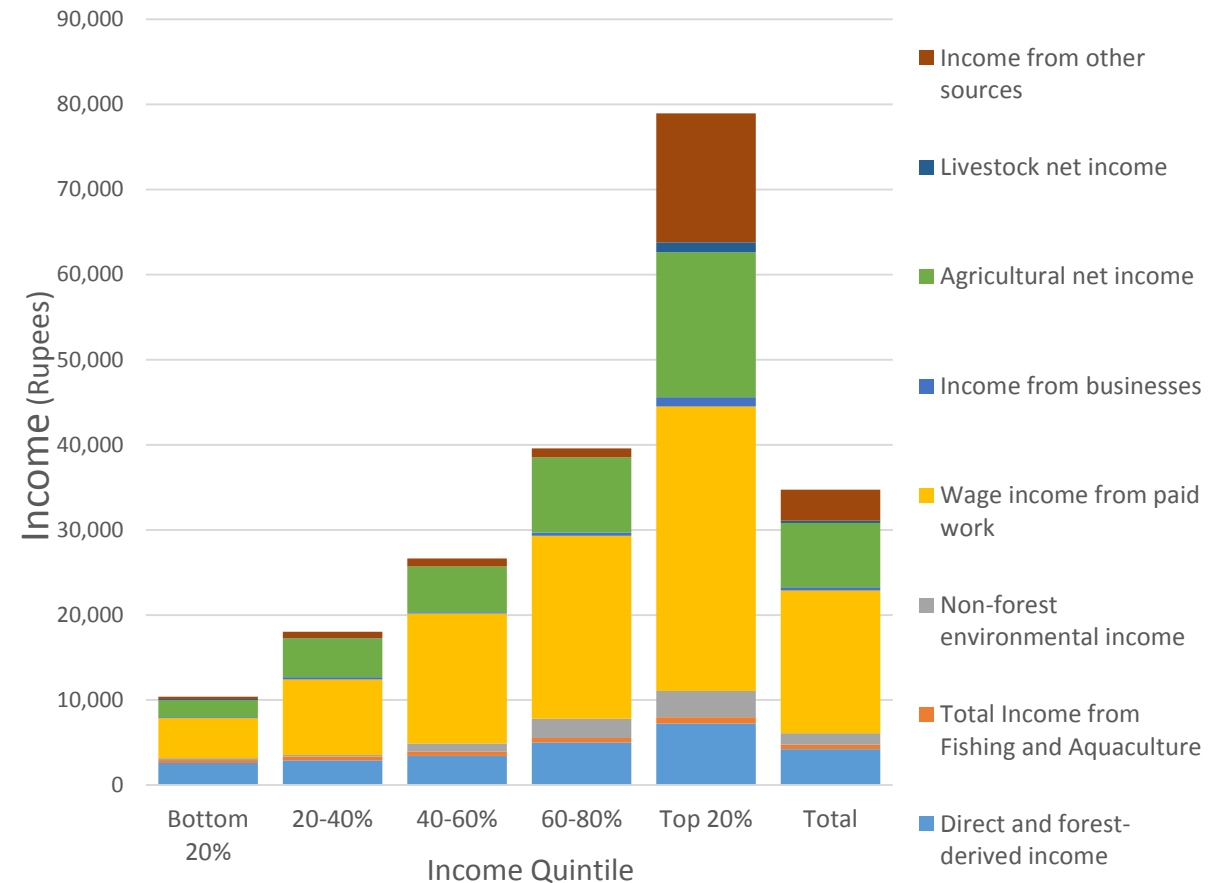
[www.worldbank.org/biodiversity](http://www.worldbank.org/biodiversity)

# Establishing links between natural resources and economic welfare

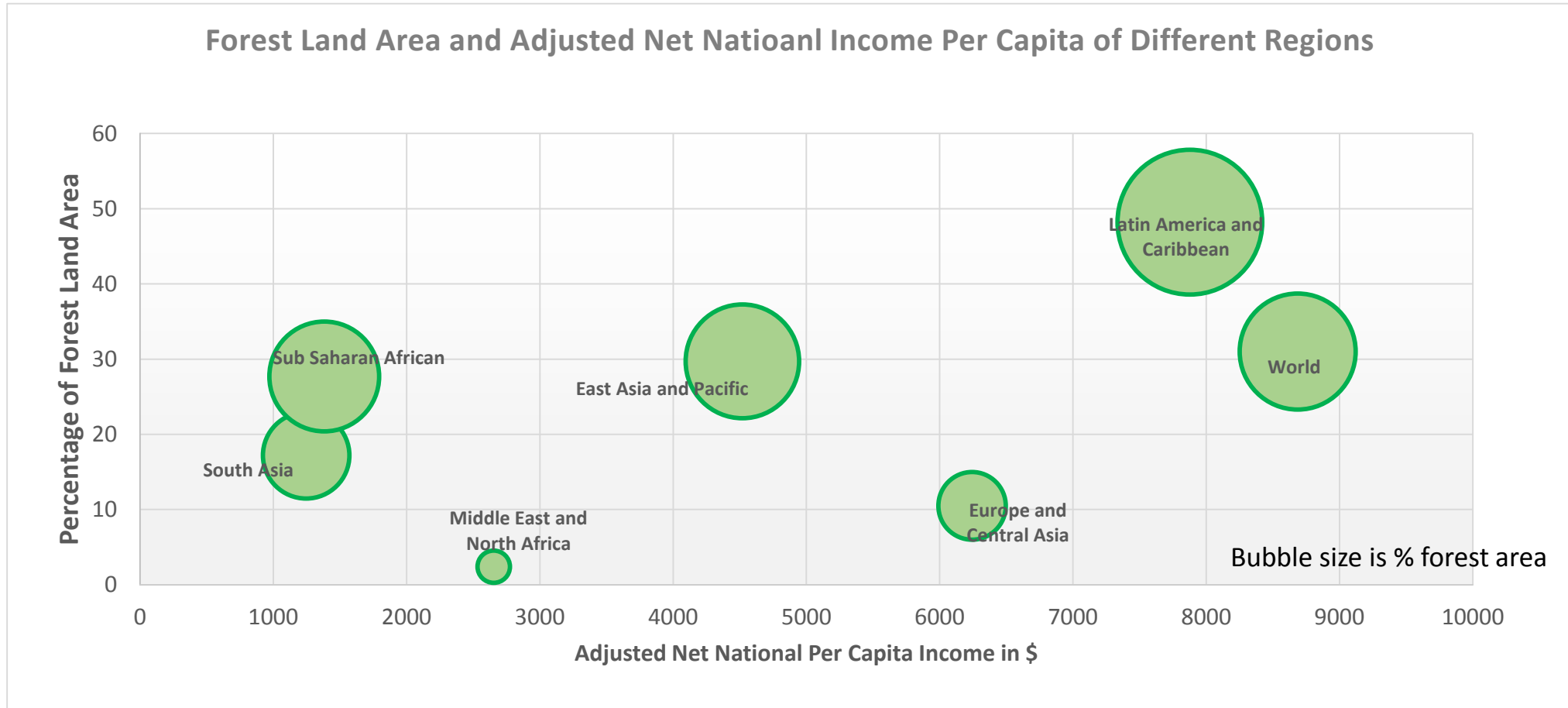


# Forests can help reduce poverty !

- **Household level dependence estimated (in India)**
  - **Poor more dependent in relative terms – 25% to 30% of income**
  - Forest incomes equals agriculture income for poor households
  - **Not so poor continue to use forests**
    - **They generate MORE income** from the environment than poorer households.
    - Implies continued dependence
  - **Female headed households are more dependent on the environment** for their income
- **Forests critical resources for over 100 million extreme poor within India**



# Is Poverty and Forest Cover Linked? - Globally



Data Source: Little Green Data Book (2015), World Bank

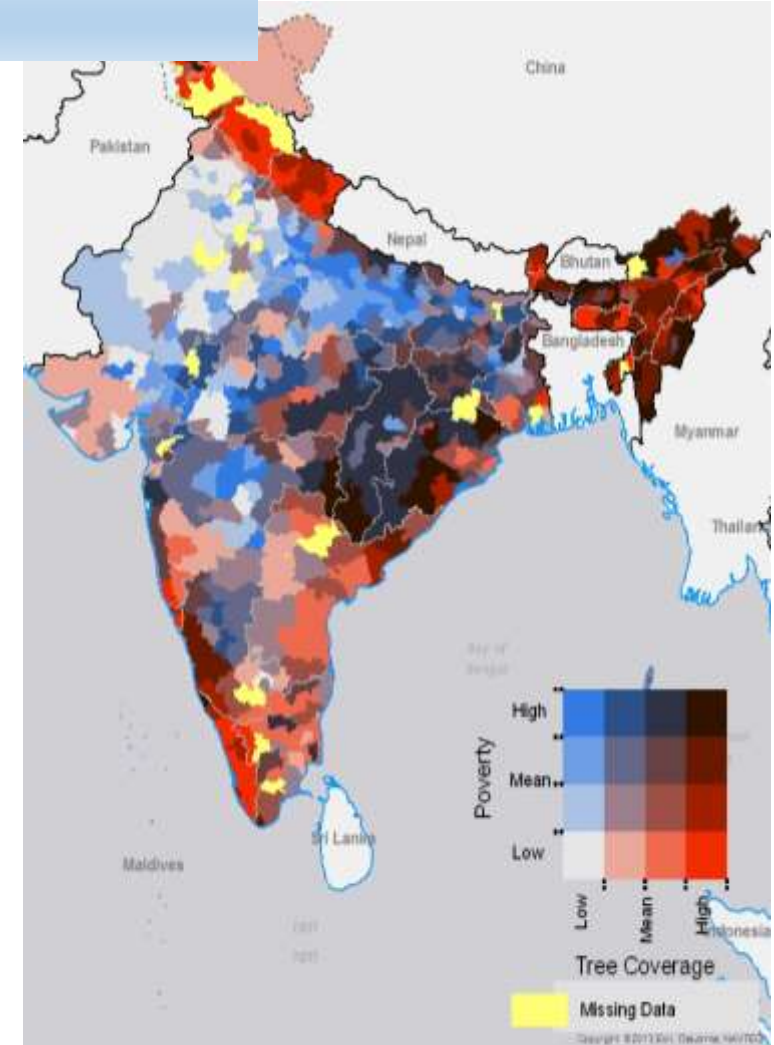


# Is Poverty and Forest Cover Linked? – Nationally

## Data Sources

- Poverty: Chief Economist Office, World Bank
- Forest: Hansen data set

- High forested areas are not always also high poverty areas
- Low poverty areas may also not be low forested areas



# Our options

- WB twin goals – ***end extreme poverty and boost shared prosperity*** allow us to use a range of approaches/instruments
  - Poverty Reduction Strategy Paper (PRSP)
  - Country Partnership Strategy/Frameworks
  - Investments
    - Development Policy Operations
    - Investment Projects
    - Program For Results



# Key focus areas of the Bank in Biodiversity

- Addressing policy failures
- Enhancing environmental governance and public sector capacity
- Building resilience through investing in natural infrastructure across landscapes
- Generating financial flows



# What the Bank is doing on biodiversity?

- Going beyond GDP – Natural Capital Accounting
  - Wealth Accounting and Valuation of Ecosystem Services (WAVES)
- Spreading our environmental investment portfolio
  - Technical assistance to influence multi billion dollar forest investment program at the national and sub-national levels
  - Integrated Coastal Zone Management programs supporting millions of dollars in reviving mangrove forests
  - Stepping up on marine and inland fisheries



189 projects totaling \$4.98 b operating in 90 countries



# One Bank – many roles

- ***Securing land rights:*** In Brazil, the Amazon Region Protected Areas (ARPA) program designated 24 million hectares of protected areas; significant portions of the newly created protected areas are on indigenous land. The indigenous people have received legal rights over the land and security of access to its resources in return for conserving the land. ARPA will prevent emission of 430 million tons of carbon by 2050
- ***Improving biodiversity resources:*** The Mozambique Conservation Areas for Biodiversity and Development Project is improving the grasslands/savannas for economic benefits of local population
- ***Setting institutional arrangements:*** Setting conservation trust funds – Mexico / Bhutan
- ***Leveraging funds:*** highly co-financed projects implemented by the World Bank only constitute 4 percent of the whole GEF portfolio but accounted for one-third of all co-financing. Without the Bank's projects the GEF co-financing ratio would fall from 4.5:1 to 3.1:1
- ***Conservation partnerships:*** Establishing and supporting several multi-stakeholder partnerships – Global Tiger Initiative, Coral Triangle Initiative, Save Our Species, Critical Ecosystem Partnership Fund etc.
- ***Piloting new approaches:*** Landscape conservation approach in India, Sahel, China, Ethiopia, Rwanda etc.

# ENR GP New Business Lines

## Forests, Watersheds & Sustainable Landscapes



- Managing renewable natural capital across landscapes

## Marine, Coastal & Aquatic Resources



- Unlocking the wealth of marine, coastal and fresh water economies

## Pollution Management & Environmental Health



- Reducing pollution to improve environmental conditions

## Clean and Resilient Growth

Fostering economics and institutions for sustainable and sustained growth

## Environmental Risk Management & Sustainability

Managing risks and creating opportunities to advance sustainable development

Thank you....

Questions/Comments ?