



GLOBAL AGENDA FOR
SUSTAINABLE LIVESTOCK

Pierre Gerber

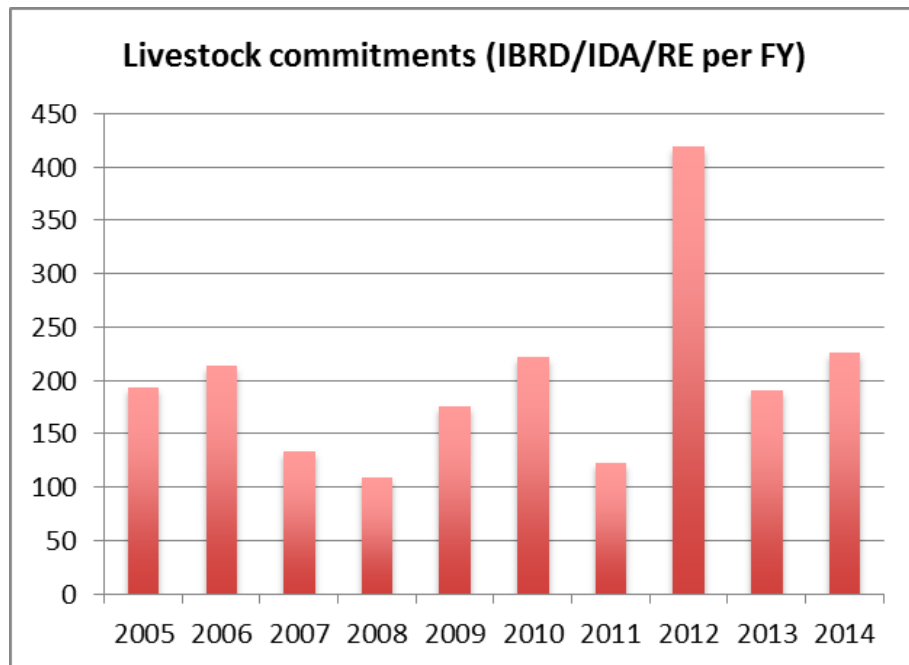
INVESTING IN SUSTAINABLE LIVESTOCK

Panama, 20-23 June 2016

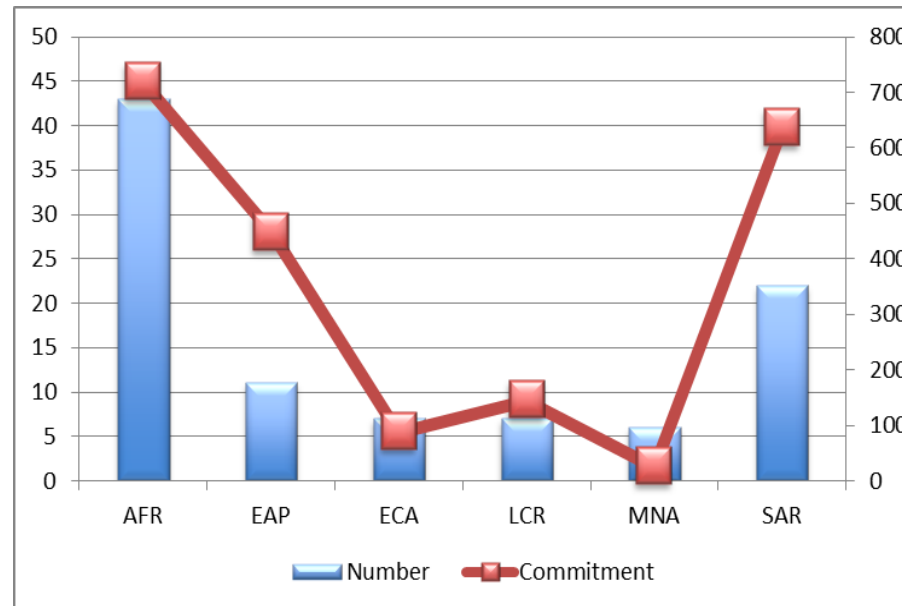
BUILDING TOGETHER SUSTAINABLE LIVESTOCK
for people, for the planet

World Bank's livestock portfolio by region

In US\$ millions



In US\$ millions



As of May 2015

96 active livestock related **projects**

USD 2 billion total commitments

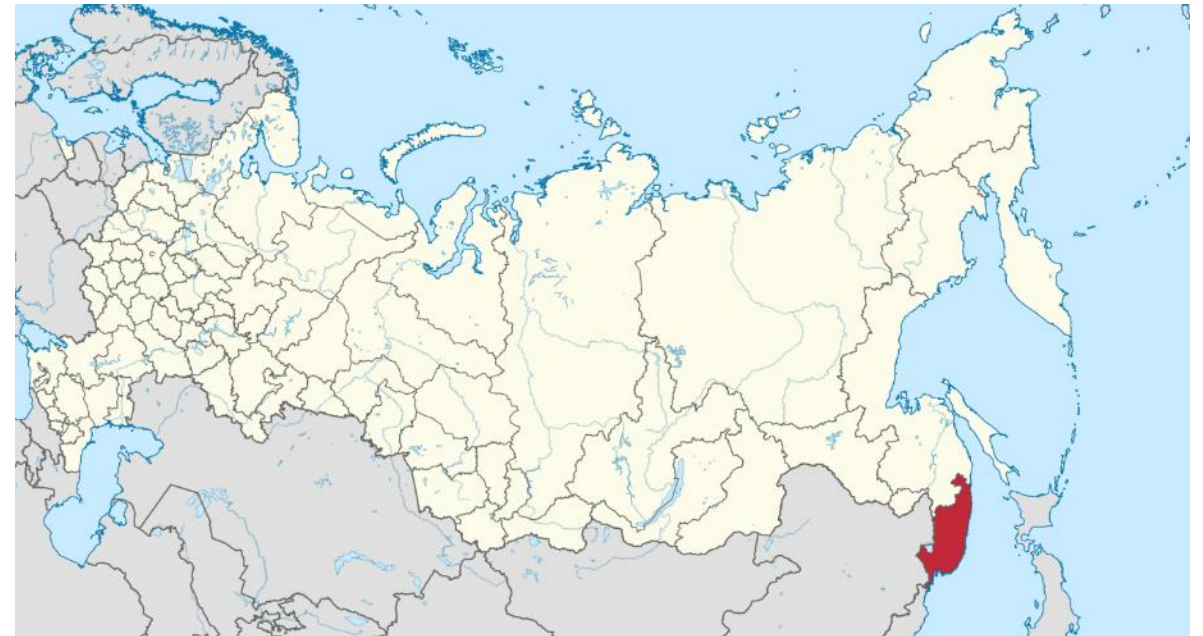
Outlook on WB livestock portfolio

- Livestock accounted for 8 percent of the Bank's overall agricultural commitments (2000 to 2014 period).
- Recent regain of interest: projects in preparation for Cameroon, Nepal, Burkina Faso, Ethiopia, Kenya, ... (>500 million USD).
- Growing traction of CSA and recognition livestock's role in achieving sustainable development.

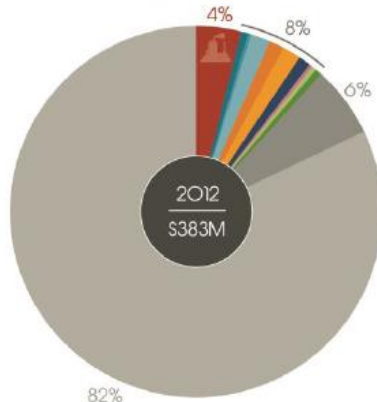
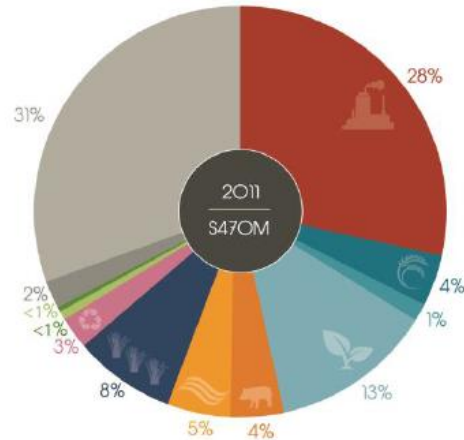
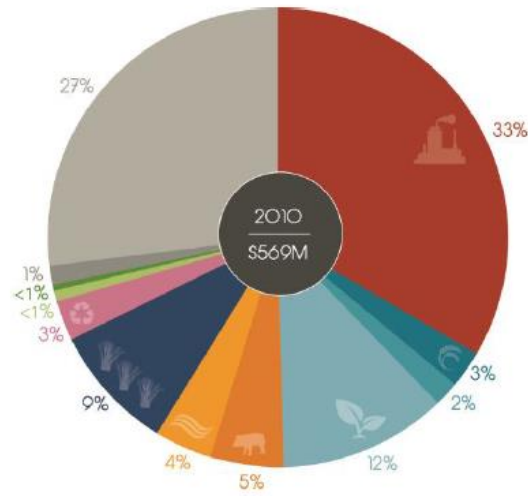


Russia - Private sector investment in pig supply chains

- Primorsky Krai (Vladivostock)
- Rusagro and Mercy Trade will invest 954 million USD
- From feed mill to slaughterhouse
- Capacity of 1.2 million heads of pigs
- Most of production aimed to export to the neighboring Chinese market
- Operational in 2017



ADAPTATION FINANCE AND SECTORS OF AGRICULTURE MITIGATION FINANCE (2010, 2011, 2012)



- N₂O reduction in fertilizer production
- Biomass, combustion of rice husk
- Biomass, combustion of bagasse
- Biomass, other/unspecified agricultural residues
- Methane avoidance, manure or livestock gas
- Methane avoidance, other or unspecified
- Agriculture no tillage
- Energy efficiency in agriculture
- Biofuels and agrofuels
- Agroforestry
- Unspecified mitigation action
- Adaptation

Climate finance - outlook

○ Paris Agreement

- Nationally Determined Contributions (NDCs): 54 Countries mentioned livestock, out of 80 that mention agriculture.
- Recognition of voluntary cooperation to implement NDCs and achieve lower emissions using 'Internationally Transferred Mitigation Outcomes' (ITMO)

○ Green Climate Fund

- Most affluent countries have promised to mobilize \$100 billion a year by 2020, not all from the GCF.
- 170 million USD disbursed in 2015 (8 projects, none on mitigation in agriculture), plan to raise to 2.5 billion USD in 2016

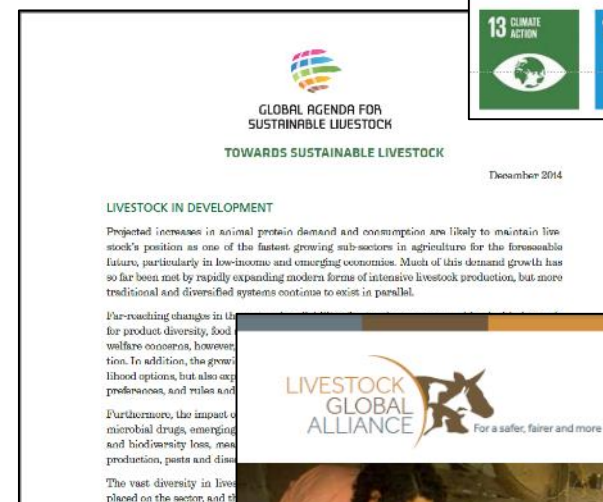


Background

- Trend of increasing public sector investment in livestock
- Still dwarfed by private sector investments
- Growing recognition of livestock's role in addressing global environmental issues and forthcoming investment related to cc mitigation and adaptation
- A lack of understanding of the multiple benefits that investments in livestock can generate, and thus an underestimation of the economic justification for investing in livestock
- Environmental sustainability often addressed as a “safeguard” issue, at the end of a formulation process, rather than embedded in the investment design.

Achieving increased and better targeted investment

- **Narrative** – the key role of the livestock sector in achieving SDGs
- Indicators and methods
 - MRV
 - Performance based payments
- Technical packages
 - Adapted
 - Take trade-off into consideration
 - Are economically viable
- Institutional and financial setups for inclusive participation



Achieving increased and better targeted investment

- Narrative – the key role of the livestock sector in achieving SDGs
- **Indicators and methods**
 - MRV
 - Performance based payments
- Technical packages
 - Adapted
 - Take trade-off into consideration
 - Are economically viable
- Institutional and financial setups for inclusive participation



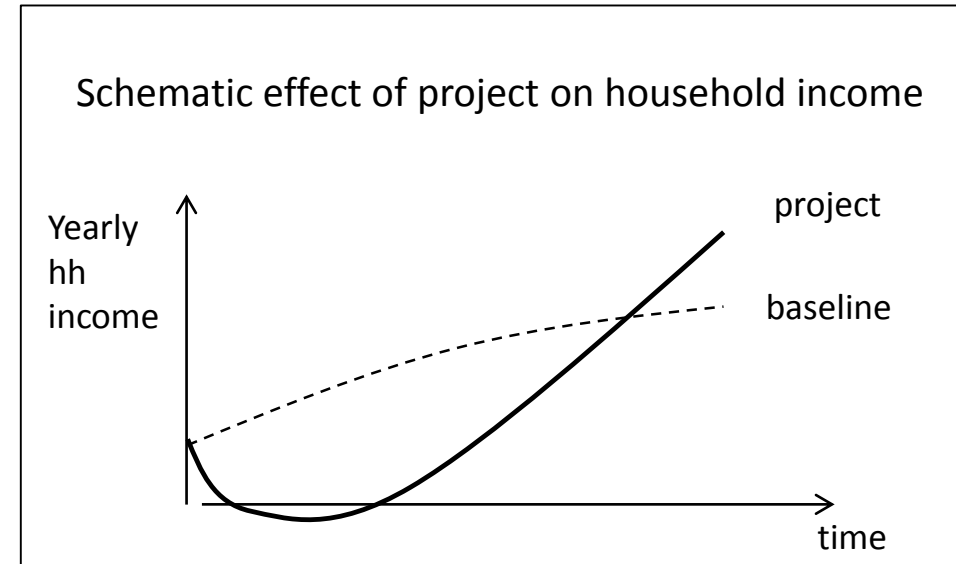
Achieving increased and better targeted investment

- Narrative – the key role of the livestock sector in achieving SDGs
- Indicators and methods
 - MRV
 - Performance based payments
- **Technical packages**
 - Adapted
 - Take trade-off into consideration
 - Are economically viable
- Institutional and financial setups for inclusive participation



Achieving increased and better targeted investment

- Narrative – the key role of the livestock sector in achieving SDGs
- Indicators and methods
 - MRV
 - Performance based payments
- Technical packages
 - Adapted
 - Take trade-off into consideration
 - Are economically viable
- **Institutional and financial setups** for inclusive participation



Investing in sustainable livestock

- The proposed program aims at guiding investors to large scale implementation of sustainable livestock, focusing on food security, environmentally viable farming and climate change adaptation, with special consideration for the poor and vulnerable.
- Targets donors in bilateral and multi-lateral organizations, private sector and project developers, placing particular emphasis on decision makers that are not necessarily considering livestock as part of their portfolio.
- Builds on the growing portfolio of livestock operations and complementarities between GASL and the LGA.
- Deliverables:
 - knowledge sharing and learning events
 - Investor's Guide to Investment in the livestock sector
 - web-based resource

Beef production in the US

- **US investment at feedlot level** is focused on further improving feed efficiency and higher carcass weights ... and a continuing shift towards the larger feedlots.
- **JBS USA** has just announced the completion of a USD100 million beef processing complex in Utah. Capacity of 400 head per day and improved plant efficiencies, as well as expanding the plant offerings of premium beef products.
- **Cargill** is implementing the second phase of its beef cattle sustainability plan in Kansas, in collaboration with the US roundtable for sustainable beef (USRSB).
- **Consumer demand** - increase in demand for grass-fed and additive-free beef: very small share of production, but has led to investment in segregated supply channels and branding.