

Simon Oosting World Bank

Investing in Sustainable Livestock

Ulaanbaatar, 8th MSP Meeting 11-15 June, 2018







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#LivestockAgenda

Guide to Investing in **Sustainable** Livestock Part 1: Environment



Guides to Investing in Sustainable Livestock 1. Environment 3. Equity 2. Health

Livestock Development

- Complex, many objectives
- Positive or negative for sustainability
- Important entry point is environment





Growing International Attention for Livestock and Environment

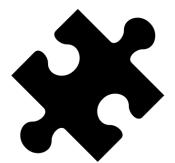


- International Climate agreements and INDCs
- International financial organizations are requiring and wanting to see more environmental objectives in projects
- \circ Consumer demands

Investments and Projects

- Demand for ASF grows
- Response on farm and in value chains
- Investments go with projects and vice versa
- At the project level: activities livestock and environment







Here is a Bottleneck

 World Bank portfolio 1997-2017 (Asia): < 10% of livestock project budget for environment

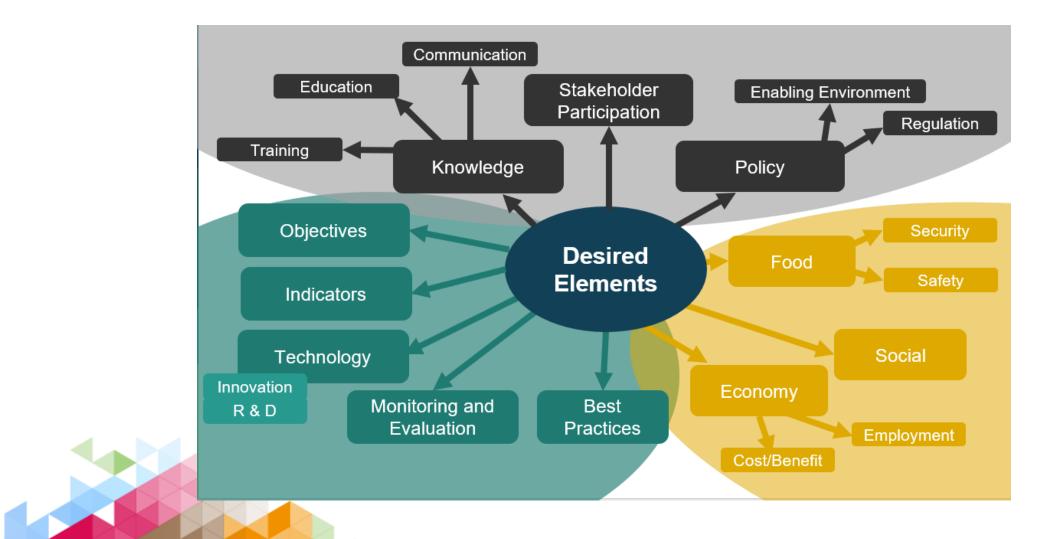
• Research publications 1995-2017 (Asia, Africa Latin America): a few publications annually, mostly about impact, not about mitigation

 $\,\circ\,$ Stakeholder learning & sharing meetings in Myanmar and Costa Rica

• Need for knowledge, practices, impacts and approaches

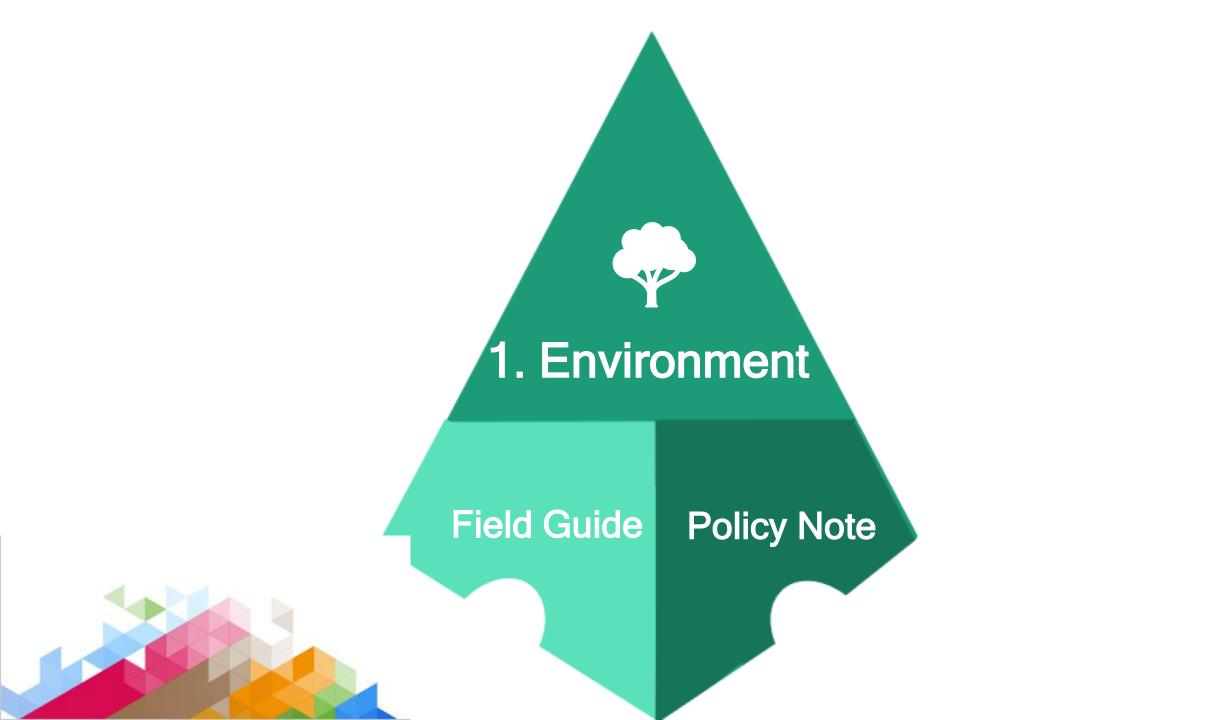


Learning & Sharing

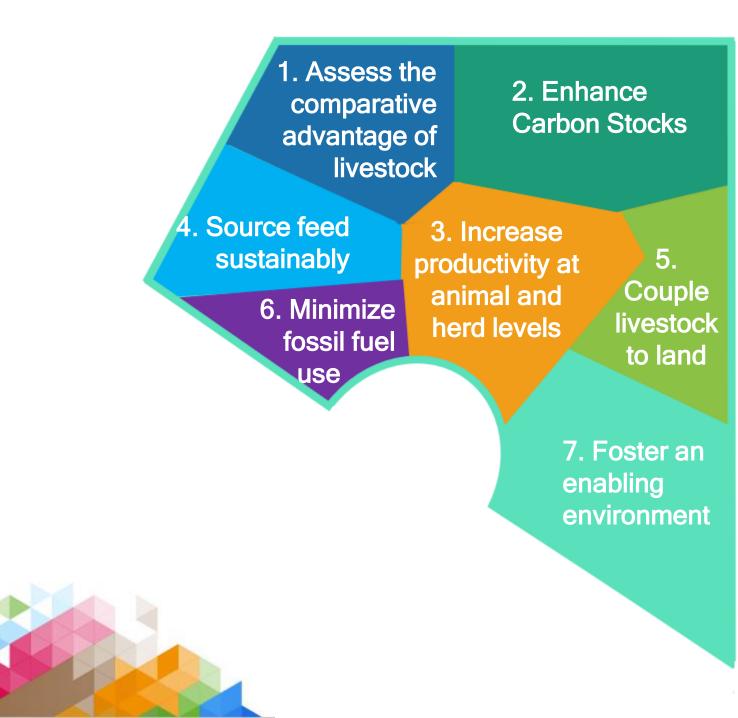


Guide to Investing in **Sustainable** Livestock Part 1: Environment





Field Guide



2. ENHANCE CARBON STOCKS

Livestock sector investment presents an opportunity to protect and enhance existing carbon stocks.



Introduction

Forests, grasslands, and other terrestrial ecosystems both release into the atmosphere and sequester in their soils and biomass considerable amounts of carbon. The quantity of carbon sequestered (carbon "stocks") depends on the restural carbon cycle as well as on the impacts of human activities, which

Are there forests, natural grasslands, and other natural areas in and around the intervention area? If so, in project design, incorporate incentives to enhance carbon stocks:

s for investing in sustainable livestock productio

- Incorporate into the project incentives to conserve and restore natural areas e.g. through:
 - Payment for Environmental Service schemes (PES)
 - Carbon offset programs
 - Conservation certification programs
- In grazing areas, increase the amount of biomass per unit of grassland and pasture area e.g. through:
 - Adjusting the grazing intensity to maximize grass productivity.
 - Over-sowing pasture with nitrogen-fixing legumes.
 - Adopting silvo-pastoral systems

- \odot Conceptualization phase
 - Stakeholders
 - Consider alternatives outside and within the livestock sector

1. Assess the comparative advantage of livestock



Ha of land maintained, protected, restored
 (compared to a baseline scenario)

e.g. grassland improvement, silvo-pastoral systems, reforestation and grassland restoration.

 Annual rate of carbon sequestration (t C/ha/yr and t C/project)





kg produce/animal/yr CO2-e/kg produce/yr

Rate of herd growth
Size of reproductive herd

3. Increase productivity at animal and herd levels



 Proportion of feed meeting sustainability criteria for water use, fertilizer use, pesticide use

 Proportion of feed that is not directly human-edible





N- and P-surpluses per ha at the project level

\odot N- and P-concentrations in water





Emissions and quantity reduced
 compared to a baseline situation

Capacity of renewable energy installed





 Repetitive element conceptualization, design and implementation
 Consider what is needed to make the

project successful

Regarding awareness, knowledge, policy, institutions

 \circ What is there?

 \circ What should be there?



7. Foster an enabling environment

Summary Checklist

Principle 1: Assess the comparative advantage of livestock. Does the project concept include livestock investment?

If so, at project concept phase:

- Engage with stakeholders to identify the full range of locally suitable investment options that would achieve the project's objectives.
- ✓ Undertake preparatory research to estimate the tradeoffs and synergies of investing in livestock compared to other locally suitable investment options, including their impacts on:
 - flows nitrogen and phosphorous
 - use of chemical pesticides
 - emissions of greenhouse gases

Principle 2: Enhance carbon stocks. Are there forests, natural grasslands, or other natural areas in and around the project site?

If so, design project incentives to:

- Conserve and restore natural areas.
- Increase the amount of biomass per unit of grassland and pasture area
 - Adjusting the grazing intensity to maximize grass productivity.
 - Over-sowing pasture with nitrogen-fixing legumes.
 - Adopting silvo-pastoral systems
- Include a baseline and indicators in project M&E to track and capture the benefits of enhancing carbon stocks through the project.
- Unless large animal herds are used for risk mitigation or asset saving, incentivize alternatives to keeping non-food-producing livestock.

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1 Include a baseline and indicators in project M&E to track and capture the benefits of productivity improvements.

Principle 3: Improve productivity at

involve low-yielding livestock?

If so, design project incentives to:

Improve feed quality and rationing.

Cross-breed with regionally

Optimize offtake rates.

Improve animal health and welfare.

appropriate, high-yielding species.

Improve reproductive management.

Principle 4: Source feed sustainably. animal and herd levels. Does the project Does the project import feed from offfarm?

- If so, design project incentives to:
- Identify and contract feed producers with environmental standard certification.
- Improve feed labeling
- Avoid contributing to competition for land and water with crop production
 - Integrate enriched crop residues, industry byproducts, and restaurant wastes into livestock feed.
 - Source feed incredients with low embedded land and water use.
- Include a baseline and indicators in project M&E to track and capture the benefits of sourcing feed sustainably in the project

Potential indicators:

- ha of protected area maintained
- ha of additional natural area protected
- ha of natural area restored
- annual rate of carbon sequestered

Potential indicators:

kg production per animal per year

annual rate of herd growth

size of breeding overhead

- kg emissions per animal per year emission intensity per animalsourced food product per year
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Potential indicators:

- Proportion of feed consumed by livestock in the project that meets select environmental standards.
- Proportion of feed consumed by livestock in the project that is not directly human-edible.

Principles for Investing in Sustainable Livestock

Case Example: Ethiopia

Context number	Livestock species	Farm size	Climate zone	Livestock system	Example
1	Ruminants	Small	Dry	Mixed crop-livestock	Ethiopia
2	Ruminants	Small to Medium	Dry	Grazing pastoralism	Senegal
3	Ruminants	Small to Medium	Humid	Grazing	Colombia
4	Ruminants	Medium to Large	Temperate/cold	Grazing	Kirgistan/Uruguay
5	Monogastrics	Large	Various	Industrial	China
6	Monogastrics	Small	Humid tropics	Mixed crop-livestock	Vietnam

Principle 1. Assess the comparative advantage of livestock

- Ethiopia has many ruminants (60 M cattle, 45 M sheep and goats)
- Ruminants have many functions for subsistence farmers
- Ruminants use crop residues and grazing lands
- So there is good reason to have ruminant projects
- Poultry development: + for environment



1. Assess the comparative advantage of livestock

Principle 3. animal and herd productivity

- Very low productivity (milk: 200-300 kg/animal/yr)
- 2/3 of herd does not contribute to meat and milk production directly
- Higher productivity (feed, health and breeding) decreases emission intensity
- Better reproduction requires a smaller reproductive herd
- Try to stop the growth of the herd!



3. Increase productivity at animal and herd levels Principle 7. Foster an enabling environment.

- Projects better health, breeding in ruminants and poultry development require
- High quality feeds
- Hence, enabling environment needs development of a feed value chain
- Government, private sector inside or outside the project

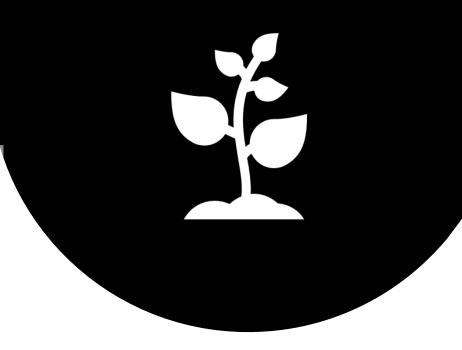


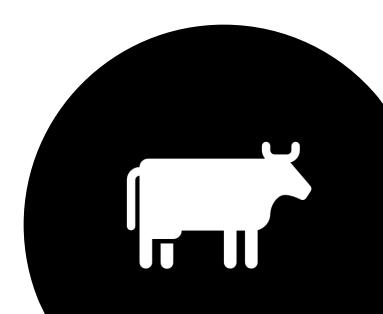
7. Foster an enabling environment

Interventions for mixed coplivestock systems

- Productivity through better feed?
 - Feed quality, forage production, conservation, certification, better reproduction, grassland improvement
- Confining animals?
 - Manure management, manure processing, manure marketing, policy synthetic fertilizers, zoning
- Milk collection and marketing?
 - Renewable energy projects
- Cross-cutting?
 - Knowledge and capacity building abt environment, awareness raising, certification schemes, M&E, land tenure policies, environmental management responsibilities







Smallholder mixed crop-livestock systems: Ruminants

Checklist and resources for the Principles for Investing in Sustainable Livestock

Does the project aim to improve productivity through improving the feed base?

If so, include in project design:

- Technical assistance and matching grants to improve feed quality and rationing (FAO 2012, FAO 2014).
- (If feed is grown on-farm) Technical assistance and matching grants for improving forage production, conservation, and budgeting.
- (If feed is purchased) Institutional capacity building to establish an environmental certification and labeling scheme for purchased feed.
- (If herd growth is foreseen) Technical assistance and matching grants to improve reproductive management (FAO 2010).
- (If the farm includes natural areas) Technical assistance and matching grants for restoring degraded natural areas and transitioning to silvopastoral systems (FAO 2015c).
- Policy investment to establish a Payments for Environmental Services scheme to maintain and restore degraded natural areas (IIED 2013).

Does the project aim to improve productivity through confining animals?

If so, include in project design:

- Awareness raising among producers and technical assistance for integrated manure management (Manure Kiosk).
- Technical assistance for estimating the impact of the project on on-farm nutrient flows.
- (If manure can be recycled as fertilizer on-farm) Technical assistance and matching grants for selecting and constructing manure management systems.
 - Fresh manure application
 - Manure composting <u>FAO 2015b</u>
 - Anaerobic digesters <u>SNV</u>, <u>SNV</u>
 - Manure drying (pellets, cakes, granules)
- Institutional capacity building to establish a certification and labeling scheme for organic manure products.
- Awareness raising and market development for the use of manure in the region as organic fertilizer.
- Policy investment to redirect subsidies away from synthetic fertilizers and toward the use of manure as organic fertilizer.
- Policy investment to regulate siting of livestock production and density of confined animals.

Does the project aim to improve milk collection, transport, processing, and marketing?

If so, include in project design:

- Technical assistance and matching grants to increase energy efficiency and the generation of renewable energies (<u>IEE 2007</u>).
 - Optimize existing machinery
 - Adopt energy saving devices
 Build on-farm bio-digesters
 - Build on-farm solar installations
 - Build on-farm wind energy installations
- (If unclaimed and/or communal lands are available) Technical assistance and policy investment for using a net metering device to sell renewable energy back to the public power utility and/or to provide livestock sector carbon offsets.
- Policy investment to subsidize renewable energy generation in rural areas.

Cross-cutting activities to include in project design:

- Knowledge and institutional capacity building for the use of life-cycle assessment (LCA) approaches to quantify nutrient, chemical, and GHG flows from livestock production (<u>GLEAM, Ex-Act, CCAFS 2017</u>).
- Awareness raising among consumers of environmentally sustainable livestock products.
- Institutional capacity building to establish an environmental certification and labeling scheme for sustainable livestock products.
- Institutional M&E capacity building to track and capture the benefits of the project.
 - Impacts of livestock on biodiversity (FAO 2016a, FAO 2016d)
 - Impacts of large ruminants on the environment along the supply chain (FAO 2016b)
 - Impacts of livestock feed on the environment (FAO 2016c)
- Policy investment for a carbon offset program for the livestock sector.
- Policy investment to clarify land access and rights, and environmental management responsibilities.

Web-Tool Capabilities

practical guidance

- Checklists and actionable items
- Indicators
- Worksheets or tutorials
- Easily sharable and accessible
- Sources and additional material



Sixth Multi-stakeholder Partnership (MSP) meeting

Panama 20-23 June 20

Wrap-Up/ Discussion

- Questions 2-5
- https://www.mentimeter.com/s/3b40dbe4a8d3ed58c2cfcd3ddb53b4e0/c9c377a76
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Thanks for your attention!



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