

THE GLOBAL PROGRAM ON SUSTAINABILITY

Promoting the use of high-quality data and analysis on natural capital, ecosystem services, and sustainability to better inform decisions made by governments, the private sector, and financial institutions

The World Bank's Global Program on Sustainability (GPS) aims to integrate environmental and other sustainability considerations into public and private decisions, by providing policy makers and the financial sector with the necessary metrics and tools. This approach involves looking beyond GDP and traditional financial metrics to include accounting for environmental risks and opportunities, and valuing natural capital and ecosystem services.

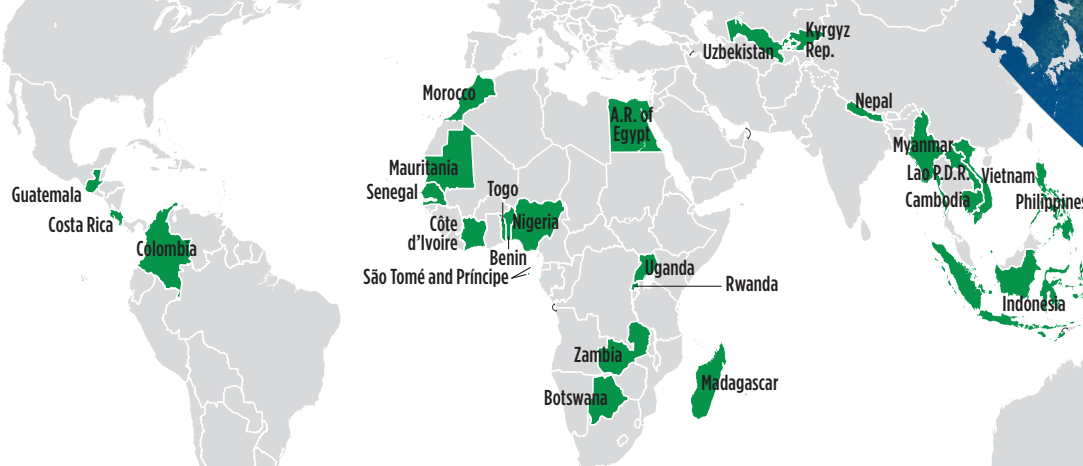
A systematic approach to measuring the contribution of natural capital to a country's development is critical to shifting investment towards sustainable growth, and to help address biodiversity loss and climate change crises. GPS builds on nearly a decade of experience from the Wealth Accounting and the Valuation of Ecosystem Services (WAVES), a global partnership that has been working with over 20 countries to implement natural capital accounting and analysis.

GPS IS STRUCTURED AROUND THREE PILLARS

- **INFORMATION:** Provide global information on natural capital and sustainability
- **IMPLEMENTATION:** Facilitate country-level support to integrate natural capital approaches into decision-making
- **INCENTIVES:** Promote sustainability in the financial sector



CURRENT COUNTRIES OF OPERATION



COUNTRY FOCUS • For Uganda, natural capital is key to poverty reduction

Uganda's forests are the backbone of a strong nature-based tourism industry and are some of the most bio-diverse in Africa, but these forests are threatened with 2.6% forest lost annually. Recent estimates put the overall cost of environmental degradation equivalent to 17% of GDP.

Realizing that the depletion of natural resources represents a constraint to sustainable growth and poverty reduction, Uganda joined GPS to measure and value its natural resources. The priority will be forests, land, and wetlands. Information on the economic contribution of natural capital will feed into Uganda's Third National Development Plan.

“The future growth of Uganda will depend on sound management of our natural capital and we need to establish a credible set of statistical systems that will support better management of our natural resources.”

- Keith Muhakanizi, the Permanent Secretary and Secretary to the Treasury, Ministry of Finance, Planning, and Economic Development, Uganda

PILLARS OF GPS

PILLAR 1

INFORMATION



OBJECTIVE: Develop a global information base and tools to inform policy and investment decisions

- Broaden the scope of natural capital measurement
- Expand and deepen natural capital and sustainability knowledge among the broader development community
- Further integrate sustainability in World Bank products and processes to promote broader uptake by the international development community

PILLAR 2

IMPLEMENTATION



OBJECTIVE: Build countries' capacity to produce and use natural capital accounting for policy and planning decisions

- Build country/sector-wide natural capital accounting systems, policies, and applications
- Deliver "just-in-time" targeted technical assistance to specific policies/projects
- Support regional cooperation through Regional Communities of Practice, especially in Africa

PILLAR 3

INCENTIVES

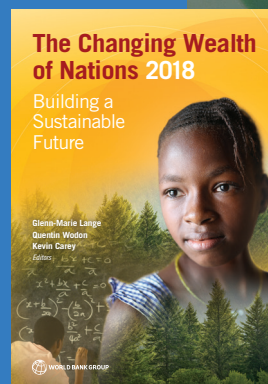


OBJECTIVE: Promote sustainability in the financial sector

- Provide data on Environmental, Social, and Governance risks and opportunities of investments
- Conduct research on integration of sustainability criteria into financial sector practices
- Develop a diagnostics framework and pilots to assess the impact of climate and related environmental risks and opportunities on the financial sector
- Facilitate capacity building and technical assistance on implementing sustainable finance measures and instruments

WHY NATURAL CAPITAL?

A 2018 World Bank report, *The Changing Wealth of Nations* makes a case for a 'portfolio' approach to measuring wealth, assessing produced, human, and natural capital, as the underpinning of countries' ability to generate income. The report found that in low-income countries, natural capital accounts for over 40 percent of total wealth. GPS is designed to apply a 'sustainability' lens to how governments and companies make decisions, ensuring well being of people over the long term.



“Countries prosper when they use their natural capital wisely to invest in the well-being of their people.”

– Kristalina Georgieva,
Chief Executive Officer at
the World Bank, speaking
at Brookings Institution in
Washington, D.C.

WORKING WITH INVESTORS

Capital markets play a vital role in channeling investment to help drive growth and prosperity. Empirical studies have found that integrating Environmental, Social, and Governance (ESG) considerations into investment analysis leads to improved investment outcomes. A recent report by the World Bank Group and Japan's Government Pension Investment Fund found evidence for strengthened risk management and more stable returns when ESG is incorporated into fixed income investment strategies. GPS will promote research and provide tools on how these non-financial factors impact risk and returns.



PARTNERS

GPS partners include over 20 developing countries that have been working with WAVES and are leaders in natural capital accounting. Additionally, several developed countries including The Netherlands and Australia are engaged in sharing their experiences on implementing a systematic approach to natural capital accounting. UN agencies such as UNSD, UNDP and UN Environment; several academic institutions and initiatives like the Natural Capital Coalition, The Natural Capital Project, and The Nature Conservancy, are also GPS partners and share a common vision for valuing the environment to promote better decisions for development.

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