

# Green Development

► Nature provides development value.

By **Michael Wolosin**, Director of Research and Policy, Climate Advisers

**T**HE LAST DECADE has seen increasing interest in defining a common agenda at the intersection of environment and development. “Green development” and “green growth” are everywhere. But what do they mean? And how can we define success?

Recent advances in natural resource economics provide some answers, and can help development professionals fundamentally shift how they approach the environment. Rather than taking a “protections” framework that avoids negative impacts, new approaches integrate the environmental benefits and their impacts on people into decision-making and impact evaluation frameworks.

A Forum workshop highlighted these new approaches: the motivations for pursuing them, well-researched economic theory backing them, real-world development programs seeking to incorporate them, and tools being developed to apply them on the ground.

**Jim Boyd**, an economist at Resources for the Future, began by recognizing a change in strategy and mission among global conservation organizations. The movement now recognizes that biodiversity isn’t enough. The delivery of ecosystem services—essentially the values that nature provides to people—has to be a primary



outcome. He explained, “[the] economics of ecosystems is potentially a way that conservation and development can cooperate,” and when we protect nature, “we’re also helping peoples’ livelihoods—their health and well-being.” These new methods allow conservationists and development professionals to capture, manage and communicate this value better.

**Sergio Feld** of the U.S. Millennium Challenge Corporation (MCC) discussed a large and innovative new “Green Prosperity Program” of assistance to Indonesia. He described it as “a vehicle to support this type of paradigm shift—

to integrate economic outcomes and environmental outcomes that fulfill MCC’s mission to provide economic growth that leads to poverty reduction.” Feld identified the spatial scale of individual projects as a major innovation in the MCC’s approach: “The footprint of our activity is the watershed or landscape,” and it will “measure benefits at the level of the ecosystem, putting a premium on sustainability and resilience.”

Feld also recognized the monitoring and evaluation (M&E) challenges ahead and outlined the developing M&E plan. The MCC is defining indicators for Green Prosperity that help capture the value programs provide to people (number of households electrified by renewables, increased agricultural productivity on degraded lands, number of borrowers with loan access), and others that reflect the ability of nature to provide sustainable services to people (improved water quality, carbon dioxide captured by forests, peatland condition).

The audience then examined concrete examples involving application of the free GIS tool InVEST to map and value the goods and services nature provides. **Carter Ingram** of the Wildlife Conservation Society showed how land use changes affect the ability of Nyungwe National Park in Rwanda to regulate water quality and water quantity for downstream users, and how these changes affect livelihoods for those users. **Nirmal Baghabati** of the World Wildlife Fund showed the results of applying InVEST to contrast two possible futures for central Sumatra, Indonesia: the first following existing government land use plans; the second a higher forest-cover development pathway. Baghabati presented maps identifying areas of divergence between these two futures in terms of carbon sequestration, high-quality tiger habitat, and nutrient and sediment export, and used the model to help estimate the economic benefits of the lower-intensity land use plan.

Boyd summarized the panel well with an invitation to development professionals. “The big development that is reflected on this panel is that unlike 15 or 20 years ago, when economists and ecologists really didn’t work together, this is an intellectually exciting and fruitful area, and we’re getting a lot of support to work together. In your own applications, think about how an ecologist and an economist could work together.” Let’s make that happen and we will see a future when all of nature’s benefits to people are counted as important development results. **MD**

