GDP of the Poor Valuation Project:

Improving the Wellbeing of the Poor through Ecosystem Services Valuation.

Scope of the Project: India[*]
Timeline: 12 months
CSR Activities Addressed: 1. Eradicating hunger, poverty, and malnutrition; 2. Ensuring environmental sustainability; 3. Ensuring ecological balance and the protection of fauna and flora biodiversity.
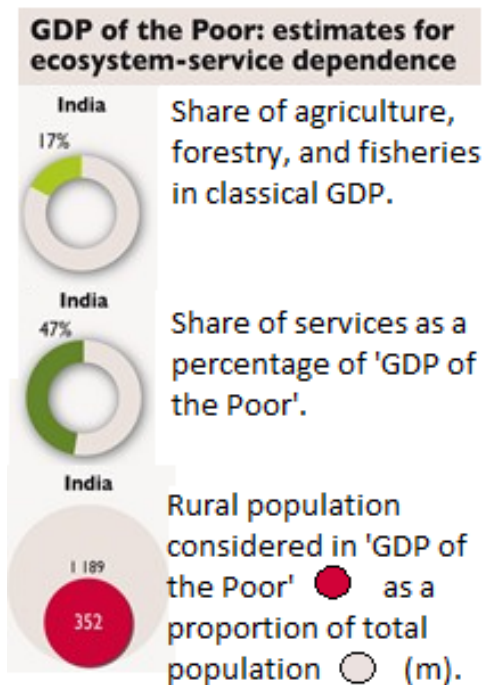
Purpose:

The *GDP of the Poor* indicator helps measure the value of household incomes of rural and forest-dependent communities to account for the economically invisible – but critical and valuable – ecosystem services. Estimating the *GDP of the Poor* is crucial for being able to **highlight the dependence of and risks faced by the rural poor on natural capital and its continued degradation**. Such indicators are necessary for businesses to embrace new business models that deliver biodiversity benefits and ecosystem services on a commercial basis.
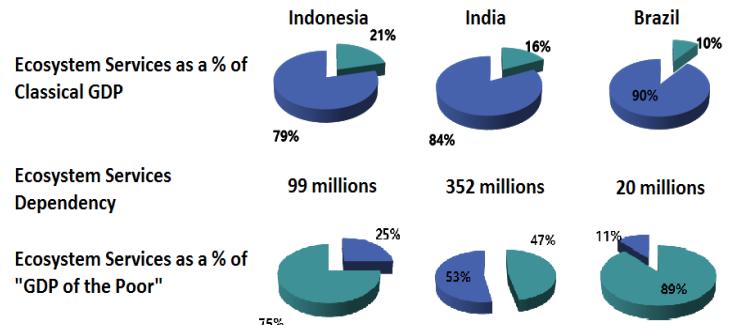
Background:

Featuring *GDP of the Poor* in India
Source: TEEB for National Policy, 2012.

Natural Capital and Poverty Alleviation
Source: TEEB – D1, 2009.

Unemployment in rural areas in India
Source: Government of India, 2010.

State	Labor Force Participation Rate (%)	Unemployment rate (%)
Andhra Pradesh	60.6	7.9
Karnataka	58.2	2.5
Maharashtra	49.0	4.4
Rajasthan	56.2	20.4
India	51.4	9.9

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[*] Investors are free to suggest additional areas of interest for the conduct of the pilot project.

Proposed Activities:

1. Carrying out a Pilot assessment using the *GDP of the Poor* indicator at the district level, to determine the extent of dependence amongst the rural populations on natural resources. The study, based on the collection of primary data, is to be achieved through the following:

   a. **Framework:** Determining rural poor's reliance on ecosystem services, and linking depletion of natural capital with risks to poverty. Includes selection of representative villages, to be drawn in proportion with the total number of villages in the selected district, and categorised according to their reliance on forest, riverside/seaside, and husbandry.

   b. **Data Gathering:** Development of a survey questionnaire to elicit information about sources of cash and non-cash incomes per household and data collection for random selection of sample households. Creation of a panel data for local officials to refer to over time, to determine the impacts of policies they put into place on *GDP of the Poor*.

   c. **Methodology:** Developing a methodology for estimating the *GDP of the Poor* which will be replicable to other areas/regions.

   d. **Computation:** Assessment of the status of *GDP of the Poor* and main threats in the Pilot District. On the basis of this assessment actionable recommendations to be provided to policy-makers.

   a. **Report & Communication:** Final project report outlining methodology, results and recommendations, including identification of the opportunities for corporate investment to spread the implementation of the *GDP of the Poor*, to combat poverty, and improve natural capital conservation.
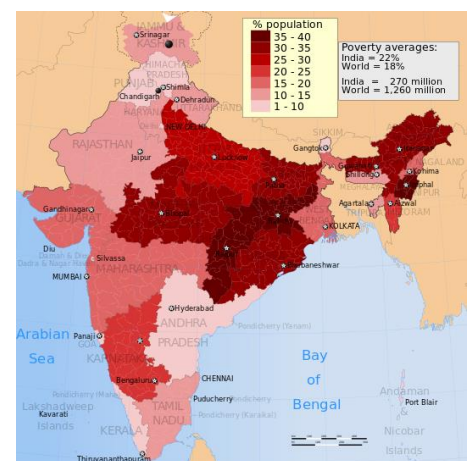
Expected Achievements:

1. Systematic inclusion, at a micro-level, of all services from ecosystems and biodiversity as a source of economic value in order to increase the estimate of effective income and wellbeing of the rural and forest-dwelling poor.

2. Implement appropriate policies to improve the *GDP of the Poor* – by interventions for better ecosystem management, more equitable access to markets, better provision of public health and education, and additional employment opportunity, as a way-out of poverty.

3. Define a strategy to enable investment in the natural capital stocks that support the *GDP of the Poor*.

4. Capture the corporate benefits of the *GDP of the Poor* in terms of reducing costs, protecting brands and delivering real business value.

Supporting SDGs:

Building resilience of the poor helps foster sustainable growth. **By supporting the implementation of the *GDP of the Poor*, businesses help contribute towards reducing poverty in India and lead to fulfilment of SDGs.** GDP of the Poor backs all SDGs, from **SDG 1** for eradicating poverty in all its forms to **SDG 15** for promoting the sustainable use of natural capital, and **SDG 10** which targets the reduction of inequalities[i].

Poverty rates in India
Sources: Maps of India, 2012

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[i] www.sustainabledevelopment.un.org