



OPPORTUNITIES FOR ADDRESSING ENVIRONMENTAL CONCERNS UNDER THE UK PROSPERITY FUND

The UK Cross-Government Prosperity Fund was announced in 2015, in line with the UN Sustainable Development Goals. The Fund targets middle-income countries, such as India, Brazil and Mexico in order to address barriers to growth. In this article, the Prosperity Fund Team at IMC Worldwide sets out the pivotal importance of addressing environmental issues as a lever for economic growth.

URBANISATION AND THE ENVIRONMENT

Environmental considerations are more important than ever in the middle-income countries targeted by the Prosperity Fund. 70% of the world's poor live in middle-income countries. They face issues of rapid urbanisation, persistent inequality and gender discrimination - all exacerbated by the increasing threat posed by climate change. Per capita income growth has kept step with the rate of urbanisation in only a handful of countries. Others, such as India, now see an unprecedented growth of informal settlements (slums) surrounding cities. Poor management of dwelling sites is a complex issue for urban development (Baud, 2015). It contributes to environmental damage due to pollution from cheap fuels used by communities; untreated solid and liquid waste; and nonexistent or poor sanitation infrastructure.

"Globally, more people live in urban areas than in rural areas, with 55 % of the world's population residing in urban areas in 2018. In 1950, 30% of the world's population was urban, and by 2050, 68% of the world's population is projected to be urban."

United Nations, 2018

As the world continues to urbanise, **sustainable development depends increasingly on the successful management of urban growth**, especially in low-income and lower-middle-income countries where the majority of rapid urbanisation is expected between now and 2050.

SOCIAL CAPITAL AND STAKEHOLDER ENGAGEMENT

Better environmental protection underpins achievement of all the other global development goals so it is key to urbanisation plans. This means considering the needs of not only the wealthy, but also those of the urban poor and other vulnerable groups who will be most affected by environmental degradation.



Social inclusion is core to the primary purpose of Prosperity Fund. Programmes acknowledge the importance of the existing social institutions and use these to feed into capacity building programmes for local government agencies.

The strong focus on stakeholder engagement in all Prosperity Fund programmes promotes interaction with all those involved in the decision-making process. However, programmes need to incorporate inputs from both high-level decision makers and local social institutions to help manage environmental constraints.

Business environment and **financial services** programmes under the Prosperity Fund can support the creation of investment groups and microfinance systems which improve social capital accumulation for local communities. They do this by using innovative technologies to deliver financial services through **FinTech** programmes.

“Integrated policies to improve the lives of both urban and rural dwellers are needed, strengthening the linkages between urban and rural areas and building on their existing economic, social and environmental ties”

United Nations, 2018

By improving the social capital of communities in middle-income countries, the Prosperity Fund can help to insure against future environmental risks. In addition, a stronger economy in a middle-income country can raise the quality of life, economy and social standards in neighbouring low-income countries.

INNOVATION AND KNOWLEDGE SHARING

While the primary purpose of the Prosperity Fund focuses on poverty alleviation, social inclusion and an adherence to ODA-funding guidelines, the secondary benefits are focused on increasing international **trade** for the targeted countries. This brings opportunities for wealthier countries to share knowledge and innovation with middle-income countries to help tackle climate change and other environmental issues. For example, the Prosperity Fund's **energy** programmes promote the transfer of renewable energy and low carbon technologies and more efficient agricultural techniques to selected middle income countries.

The **Future Cities** programmes enable knowledge transfer surrounding sustainable sanitation solutions and the sustainable management of waste which is so crucial in urbanised areas. If managed effectively, urban waste management programmes under the Prosperity Fund can provide jobs for low-income households and can build prosperity. Most importantly, effective waste management is directly correlated with improvements in public **health** standards, and can not only improve life-expectancy, but also contribute to a decline in fertility thus reducing population pressures in urban areas. The **Future Cities** Programme also incorporate "lighthouse" projects that provide examples for best practice for green solutions in urban environments.

The Global Trade Programme monitors the impact of **trade** and business on the environment and requires those offering technical assistance under the Prosperity Fund's programmes to incorporate capacity building activities across all levels of civic society to ensure effective upskilling of business, government ministers and local people. Furthermore, the Prosperity Fund's **education** programmes are best placed to highlight environmental issues to a younger audience, and foster a culture of 'reduce, reuse, recycle'. These programmes offer an opportunity to increase awareness of local communities to environmental issues and hazards. As secondary education becomes more widespread within society, local people become more aware of the hazards they are facing and how to minimise risk. Once a threat has become normalised, it can be transferred into local knowledge and societies can embrace adaptability as a necessity in risk reduction (Bankoff, 2001).

SUSTAINABLE URBANISATION IS KEY TO SUCCESSFUL DEVELOPMENT

Prosperity Fund programmes have the potential to support sustainable development initiatives and if, managed effectively, can simultaneously build prosperity, reduce poverty levels, increase international trade *and* advance sustainable development in an integrated way.

Sustainable urbanisation requires interconnected development plans which incorporate consideration for the environment at every step of the process, in all sectors. The Prosperity Fund Programmes are ideally placed to consider environmental issues at every step of the way. From upskilling staff to Environmental Impact Assessments (EIAs), the programmes can consider how their activities do no harm and, moreover, how they can improve the environmental situation in the targeted areas

The Prosperity Fund brings a vast amount of international and UK best practice into the projects. It is crucial that as these projects progress, that environmental concerns and the relationship with the environment is further embedded into the Theories of Change, as they will certainly play a vital role in increasing the inequality and vulnerability of poor and disadvantaged people that will suffer the most from aggravated environmental consequences.

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