9

Linking Biodiversity Conservation and Poverty Reduction to Achieve the Millennium Development Goals[1]

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To ensure the survival of both the tree and those who have no alternative but to cut it, it is imperative that the environmental element of development be automatically integrated into all actions.[2]

1. BRIDGING THE CONSERVATION-DEVELOPMENT DIVIDE: GETTING BIODIVERSITY CONSERVATION INTO THE MAINSTREAM OF DEVELOPMENT POLICY AND PLANNING

Biodiversity conservation – the maintenance of diverse and healthy ecosystems and ecosystem services – is linked in fundamental ways to human wellbeing. These linkages are especially critical for people living in poverty. Previous chapters in this volume have described how the environment and

1. This chapter draws heavily on the DFID, EC, UNDP & the World Bank (2002) publications: *Linking Poverty Reduction and Environmental Management: Policy Challenges and Opportunities.*
2. Cheikh Diong, I. and Allard, D. (1994). 'For a better understanding of environment/development dynamics.' *Voices From Africa*. United Nations Non-Governmental Liaison Service. http://www.unsystem.org/ngls/documents/publications.en/voices.africa/number5/vfa5.05.htm

environmental change affect the poor in terms of three key dimensions of human poverty:

- **Livelihoods** – poor people tend to be most dependent upon the environment and the direct use of natural resources for their livelihood opportunities, and therefore are the most severely affected when the environment is degraded or their access to natural resources is limited or denied (see Chapters 1, 6 and 7 on various dimensions of biodiversity-livelihood relationships).
- **Health** – poor people suffer most when water, land, and the air are polluted, and environmental risk factors are a major source of health problems in developing countries (see Chapter 2 on biodiversity and health).
- **Vulnerability** – the poor are particularly vulnerable and are most often exposed to environmental shocks and stresses such as floods, prolonged drought, and the anticipated impacts of global climate change (see Chapter 3 on biodiversity-climate-vulnerability links), and access to natural resources often provides households with a critical 'safety net' during difficult times.

Given the interdependent links between environmental conditions and key dimensions of human wellbeing, biodiversity conservation cannot be tackled separately from wider development concerns, and efforts to eradicate poverty must go hand-in-hand with action to conserve biological resources and maintain healthy ecosystems.

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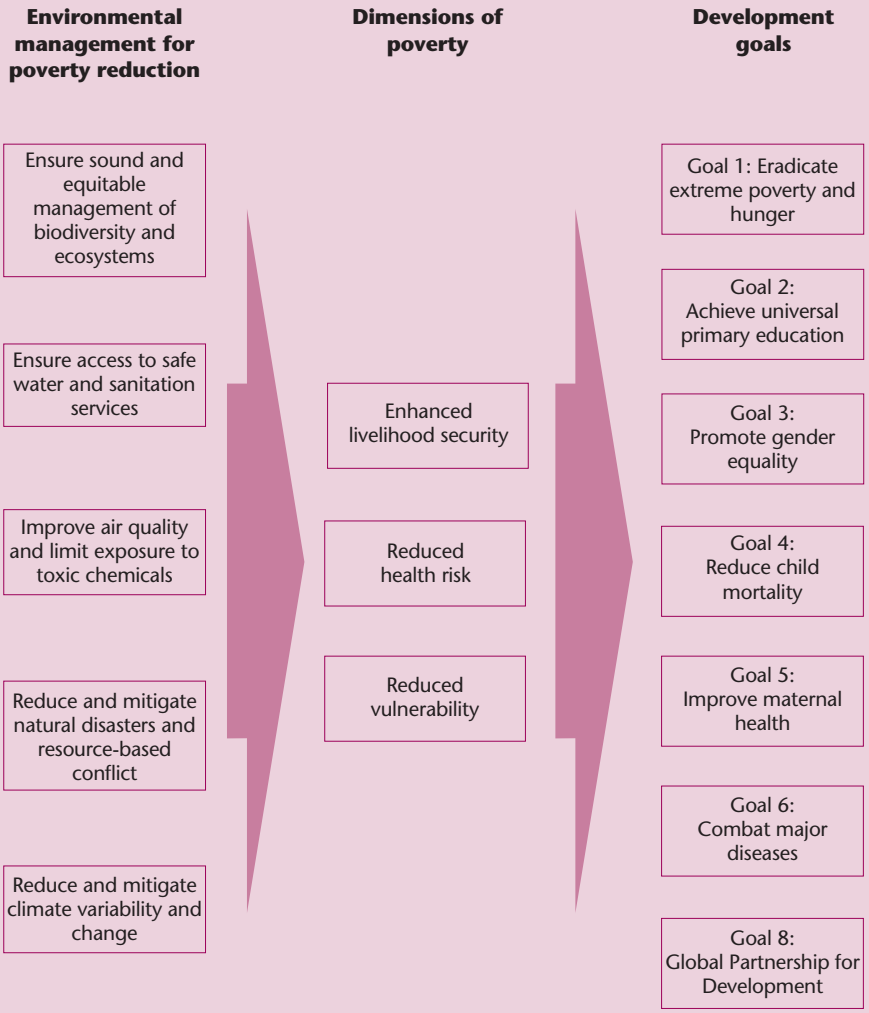
At the 2002 World Summit on Sustainable Development (WSSD), world leaders reaffirmed the Millennium Development Goals (MDGs) as a framework for action, and agreed to a number of new commitments and targets to further advance poverty reduction and sustainable development objectives. Figure 9.1 provides a simplified framework for understanding how environmental management relates to poverty reduction, and why these poverty-environment linkages must be at the core of action to achieve the MDGs. Across these areas of concern, a growing body of research and practical experience

Figure 9.1: Environment and the Millennium Development Goals



reveals many effective approaches to reducing poverty and improving the environment – particularly at the community level. But these local processes are often isolated successes, and there are significant policy and institutional barriers to their wider application. These barriers are linked to broader issues of governance (including power relations) and economic and social policy

that strongly influence how the environment is managed and how benefits and costs are distributed – and often are beyond the control of environmental institutions (see Chapter 5 on reconciling global and local priorities for conservation and development, and Chapter 8 on scaling-up local successes).

For biodiversity conservation to contribute fully to poverty reduction and the MDGs, a fundamental shift is needed to more systemic and people-centred approaches that build on poor people's priorities and capabilities; that effectively engage all stakeholders in addressing the underlying policy and institutional drivers of environmental degradation; and that empower poor and vulnerable groups with the assets, rights, and entitlements they need to improve their lives through sound environmental management. Meeting this challenge calls for a new approach and broad-based commitment to integrating the environmental concerns of poor and vulnerable groups into mainstream development processes at global, national, and local levels.

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2. LINKING BIODIVERSITY CONSERVATION AND POVERTY REDUCTION IN GLOBAL POLICY FRAMEWORKS

2.1 The MDG framework

The Millennium Development Goals (MDGs) provide a framework for integrating biodiversity conservation into a broader development policy agenda focused on poverty reduction and human development. The MDG framework has garnered extensive support among governments and non-governmental organisations (NGOs), and it is clear that the MDGs will shape the development agenda for the next decade and direct a significant proportion of the world's development co-operation funding.

While MDG 7 ('*Ensure environmental sustainability*') directly concerns biodiversity, the wise use of biological resources

clearly underpins the range of development priorities encompassed by all eight MDGs.[3] For instance, maintaining the integrity of ecosystem services is of central importance to achieving MDG 1, eradication of extreme poverty and hunger. This and other links between biodiversity and the MDGs are illustrated in Box 9.1.

Because biodiversity is such an important asset for the poor, progress toward achieving the MDGs will not be sustainable unless conservation and wise use of biodiversity is built into

Box 9.1: How Biodiversity Contributes to Achievement of the Millennium Development Goals (MDGs)

MDG 1: Eradicate extreme poverty and hunger
Biodiversity and ecosystem services are essential to the productivity of agriculture, forests, and fisheries. The soil fertility, erosion control, and nutrient cycling provided by ecosystems enables people to derive food, water, fibres, fuel, and income and livelihoods from natural and managed landscapes. Degraded ecosystems make the poor more vulnerable to increased frequency and impact of droughts, floods, landslides, and other natural disasters.

MDGs 2 and 3: Achieve universal primary education; Promote gender equality and empower women
When biodiversity and ecosystem services are degraded or destroyed, the burden falls disproportionately on women and girls, who are forced to travel farther and spend more time in the search for drinking water, fuel wood, and other forest products. This increased burden limits their opportunities for education, literacy, and income-generating activities.

MDGs 4, 5, 6: Reduce child mortality; Improve maternal health; Combat major diseases
Genetic resources are the basis for modern and traditional health care treatments. Some 80 per cent of the world's people rely on traditional health care systems that use traditional medicines, mostly derived from plants found in the local environment. The global pharmaceuticals industry also depends on genetic diversity: of the 150 most frequently prescribed drugs, more than half are derived from or patterned after the natural world.

Also affecting maternal and child health is the increased spread of malaria, dengue fever, and other insect- and water-borne diseases linked to degraded ecosystems. Loss of biodiversity and ecosystem function can lead to economic disruption, population dislocation, and urban crowding, which encourages the spread of communicable diseases such as tuberculosis, hepatitis, and HIV/AIDS.

MDG 8: Develop a global partnership for development
Maintaining biodiversity and the integrity of critical ecosystem functioning will require global partnerships—encompassing government, the private sector, and civil society in developing and industrial countries. MDG 8 embodies, among other things, the commitment of the developed countries to increase development assistance and open their markets to developing-country products—efforts that should undertaken in ways that support rather than degrade the biological resource base on which achievement of the MDGs ultimately depends.

3. See Chapter 1 of this volume and also Koziell, I. & McNeill, C.I. (2002). *Building on Hidden Opportunities to Achieve the Millennium Development Goals: Poverty Reduction through Conservation and Sustainable Use of Biodiversity.* IIED Opinion Series, London. Pisupati, B and E. Warner (2003). *Biodiversity and the Millennium Development Goals.* IUCN Regional Biodiversity Programme, Asia.

the process. One important function of the MDG process and approach should be to help identify 'win-win' solutions that simultaneously conserve biodiversity and reduce poverty – such as ecoagriculture (see Chapter 6), new markets for biodiversity-friendly products, and direct payments to farmers for maintaining ecosystem services (see Chapter 4).

Unfortunately, MDG 7 on environmental sustainability is not yet receiving sufficient attention from country-level MDG activities.[4] This serious problem is due in part to deficiencies with the way that MDG 7 is currently formulated. Among all the goals, MDG 7 is the least clearly articulated, making it that much more difficult to integrate environment-poverty links into a broader development framework. The first global target under MDG 7 ('Integrate principles of sustainable development into country policies and programmes and reverse the loss of environmental resources') is in urgent need of revision since it defies clear definition and is difficult to measure. The global targets and indicators of MDG 7 are not logically integrated, and the indicators need to better capture the many ways in which the livelihoods of the rural poor – and, to a lesser extent, the urban poor – depend on biodiversity and ecosystem services.[5] The current indicators fail to cover some key areas of environmental sustainability, and they do not adequately reflect country-level priorities. In many cases, data gaps arising from unreliable systems of data collection and quality assurance hinder indicator development, monitoring and reporting.

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As important as it is to strengthen the global MDG framework, even more crucial are country-level efforts to operationalise MDG 7. The global MDG 7 targets and indicators are mere starting points for this process. The key to success lies within country-led mechanisms to set, measure, and achieve country-specific environmental

4. Ghanime, L. and N. Smith. (2004). *UNDP Practice Note: Monitoring Country Progress Toward MDG 7*. Final draft, August 2004. UNDP, New York.
5. For a discussion of the limitations of the MDG7 biodiversity indicators, see Roe, D (2003) 'The MDGs and natural resources management: Reconciling sustainable livelihoods and resource conservation or fuelling a divide?' In D. Satterthwaite (ed): *The Millennium Development Goals: Hitting the Target or Missing the Point?* IIED, London.

sustainability targets that draw on and harmonise targets in existing development frameworks and strategies, such as National Sustainable Development Strategies, Poverty Reduction Strategies, and National Conservation Strategies.[6] One example of a country that has successfully adapted the global MDG targets to suit national conditions and priorities is Vietnam, which integrated time-bound environmental indicators from other national strategies into its national MDG process. Such country-led efforts to add and/or refine targets and indicators to reflect specific national priorities help ensure that environmental sustainability is part of the mainstream national development agenda. Increasingly, efforts to mainstream environmental sustainability are focused on establishing national MDG targets and linking them to the Poverty Reduction Strategy process (see Section 9.3 below).

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Another weakness in the current MDG framework and process is the marginal consideration given to environmental sustainability and biodiversity conservation in the targets and indicators for MDG 8 ('*Develop a Global Partnership for Development*'). Possibly more than any of the other goals, MDG 8 – particularly the targets related to aid and trade – could have considerable adverse impacts on biodiversity. Environmental sustainability needs to be integrated into these targets, and associated indicators should measure the extent to which changes in official development assistance and trade arrangements either support or harm the biological resource base.

Proposals to update and make corrections to the global MDG framework based on the track record to date will be considered by the United Nations following the Millennium +5 review session in 2005. A number of initiatives are grappling with the challenge of how to assess 'environmental sustainability' properly,[7] and it is critical that the institutions involved collaborate closely to feed the best results into the UN process.

6. See Dalal-Clayton, B. (2003) 'The MDGs and sustainable development: the need for a strategic approach.' In D. Satterthwaite (ed): The Millennium Development Goals: Hitting the Target or Missing the Point? IIED, London.

Although they are not officially part of the MDG framework, a number of additional targets under MDG 7 were adopted at the World Summit on Sustainable Development in Johannesburg, South Africa in 2002 (see Box 9.2). These unofficial targets, known as the 'MDG Plus Targets', relate to biodiversity, fishing, marine protected areas, harmful chemical substances, and sanitation, and indicators for monitoring progress toward achieving them have yet to be developed. These additional targets – along with targets on air quality, land productivity, and climate change – deserve greater public recognition as important steps to ensure environmental sustainability.

Of course, the UN Millennium Declaration, from which the MDGs were derived, encompasses a broader agenda that deserves renewed attention. Among other issues, the

Box 9.2: MDG 'Plus' Targets

Biodiversity
- Achieve by 2010 a significantly reduction in the current rate of loss of biodiversity.
- Establish representative marine protected area networks by 2012.
- Encourage by 2010 the application of the ecosystem approach.

Fisheries
- Maintain or restore fish stocks to a level that can produce a sustainable yield by 2015.

Water
- Develop integrated water resources management and water efficiency plans by 2005, with support to developing countries.

Sanitation
- Halve the proportion of people who do not have access to basic sanitation by 2015.

Renewable Energy
- Sustainably increase the global share of renewable energy sources with the objective of increasing its contribution to total energy supply.

Chemical Pollution
- Achieve by 2020 that chemicals are used and produced in productive ways that lead to the minimisation of significant adverse affects on human health and the environment.

Source: Ghanime, L. and N. Smith. (2004). *UNDP Practice Note: Monitoring Country Progress Toward MDG 7*. Final draft, August 2004. UNDP, New York.

7. Along with the UN Millennium Project, an independent advisory body directed by prominent economist Jeffrey Sachs on behalf of the UN Secretary General, and the UN Inter-agency & Expert Group on MDG Indicators, the following groups, among others, are also engaged in this work: Columbia University/CIESEN, Convention on Biological Diversity, Ecological Footprint Network, IIED, IISD, OECD, SCOPE, UNEP-WCMC, Yale University, World Resources Institute, as well as a consortium of NGOs including BirdLife, Conservation International, IUCN, The Nature Conservancy, Wildlife Conservation Society, and WWF.

Declaration calls for the full implementation of the Convention on Biological Diversity (CBD), sustainable management of forests and water, and reduction of greenhouse gas emissions.

One highly encouraging trend related to the MDGs has been the increasingly active involvement of local communities in global development fora. This emerging movement is influencing global discussions and negotiations on the MDGs by showcasing successful local-level initiatives and processes. (See Chapter 6 for further discussion of the links between global and local conservation and development priorities.) Providing such 'community dialogue spaces' at international meetings and events highlights the message that the success of biodiversity conservation efforts depends on local communities at the forefront of progress towards the MDGs.[8]

2.2 Multilateral Environmental Agreements (MEAs)

Governments need to ensure that action to meet their international environmental commitments does not work against the interests of poor and vulnerable groups

Globalisation of the economy and global environmental change have focused international attention on global environmental public goods, including climate stability and maintenance of biodiversity, that provide many benefits for the poor. This poses a twin challenge to governments. On one hand, governments need to pursue action toward achieving the MDGs in ways that are consistent with protection of critical global environmental resources, including biodiversity.[9] At the same time, governments need to ensure that action to meet their international environmental commitments does not work against the interests of poor and vulnerable groups, for example by restricting access to common property resources on which poor households depend for their well-being.

Several multilateral environmental agreements (MEAs) provide opportunities to enhance the contribution of

8. For example, the 'Community Kraal' at WSSD, August 2002, the 'Community Park' at the IUCN World Parks Congress, September 2003, the 'Community Kampung' at CBD COP 7, February 2004, the 'Community Shamba' at the Ecoagriculture Summit, September 2004, and the 'Community Vilaj' at the forthcoming SIDS conference, January 2005.

9. Convention on Biological Diversity (2003). 'Follow Up to the World Summit on Sustainable Development, Multi-Year Programme of Work on the Conference of the Parties up to 2010, Strategic Plan and Operations of the Convention'. Note by the Executive Secretary on the programme of work of the Convention and the MDGs, 30 November 2003.

biodiversity to poverty reduction. Among the key international agreements for integrating biodiversity-poverty links with the MDGs are the Convention on Biological Diversity (CBD), the Convention to Combat Desertification (CCD), and the UN Framework Convention on Climate Change (UNFCCC). Under the CBD, for example, almost every developing country Party has identified poverty as a major threat to biodiversity, and most national biodiversity strategies and action plans designate poverty eradication as a central aim.

The same holds true for the National Action Programmes under the CCD. Yet considerable work remains to be done to ensure that the frameworks and work programmes of the MEAs better integrate poverty reduction efforts and other priorities of the poor. This effort is already underway in the context of the CBD, which has been quite progressive and pro-active in embracing the MDG framework, and improved linkages with the MDGs are currently being incorporated into CBD work programmes.[10]

Considerable work remains to be done to ensure that the frameworks and work programmes of the MEAs better integrate poverty reduction efforts and other priorities of the poor

One possible means of promoting synergies and avoiding conflicts with achievement of the MDGs is for Parties to the MEAs to begin to report on their efforts to integrate poverty. For example, the reporting matrix for the upcoming round of national reports under the CBD could incorporate a series of questions designed to identify the efforts of Parties to make the links between poverty eradication and biodiversity. UNDP and others have been advocating linkages between the international target to 'significantly reduce the rate of loss of biodiversity by 2010' of the CBD and WSSD, and the related targets of MDG 7. The 2010 target could be seen as an important milestone towards the later (2015) targets of MDG 7, and a framework of indicators relevant for both targets should be devised to bring these processes together.

Biodiversity-poverty links also need to be better represented in efforts to integrate the MEAs into national policy and

10. Two key workshops were held in London in 2003 to explore the role of biodiversity in achieving each of the MDGs, and to link biodiversity targets with the MDG framework UNEP-WCMC. (2003). *Biodiversity after Johannesburg: The Critical Role of Biodiversity and Ecosystem Services in Achieving the United Nations Millennium Development Goals*. Proceedings of conference held 2-4 March 2003, London

planning. The implementation of biodiversity priorities at the national level, for example through National Biodiversity Strategies and Action Plans (NBSAPs), would benefit from integrating links between biodiversity, health and the MDGs. A fundamental problem in most countries is that NBSAPs, like many other environmental plans and strategies, are often not developed as part of broader development strategy and policies. One specific opportunity to achieve such integration is offered by the GEF-supported National Capacity Self Assessment (NCSAs) projects, which are designed explicitly to help countries identify the capacities they need to more effectively mainstream MEAs in their national development.

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Another important new resource for decision-makers integrating the links between ecosystem change and human wellbeing into policy at all levels is the Millennium Ecosystem Assessment (MA).[11] An international collaboration of natural and social scientists, the MA is an excellent example of a global initiative that integrates a focus on human development within an assessment of the health of the world's ecosystems. The MA work programme focuses on how changes in ecosystem services affect people, and the kinds of responses that can be adopted at the local, national, or global scales simultaneously to improve ecosystem management and contribute to poverty reduction. This global methodology is now being translated into practical tools and approaches to help decision-makers at different levels (regional, national, local) choose among existing policy options and as well as identifying new approaches for integrated management of land, water, and biological resources.

2.3Trade policies

Against a backdrop of growing economic globalisation together with the transboundary nature of many environmental problems, efforts to reduce poverty and improve the environment cannot succeed on a sustainable

11. See http://www.millenniumassessment.org/.

basis through local- or national-level action alone. International trade regimes need to be reformed to create economic policies and conditions conducive to environmentally sustainable trade and investment and to provide opportunities for sustainable growth in developing countries.

The current global trade regime remains one of the most powerful factors curtailing the capacity of poor countries to take advantage of the promise of globalisation and to grow out of poverty. Despite rich countries' rhetoric about commitment to free trade, global markets are regulated by a confusing plethora of bilateral and multilateral trading agreements, tariff and non-tariff barriers, global labour standards, and corporation-specific codes of conduct. The upshot is that when developing countries export to rich country markets, they face tariff barriers four times higher than those encountered by rich countries. When rich countries lock poor people out of their markets, they close the door to one of the most important escape routes from poverty. The last of the MDGs, dealing with global development partnerships, commits the international community to providing duty- and quota-free access to the exports of the least developed countries. While steps have been taken in the right direction by a number of Commonwealth countries (Australia and Canada) and by the European Union, much more could be done to promote market access for the exports of the world's poorer countries.

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Trade liberalisation can, however, have unpredictable effects on biodiversity and poverty. Among the potential benefits of trade liberalisation are increased growth and improved economic efficiency. However, policies that are poorly designed or implemented can also result in over-exploitation of natural resources, destruction of biodiversity, loss of critical habitats, and degradation of ecosystem functions.

Of particular importance for addressing biodiversity-poverty links is making global trade and environmental regimes

more mutually supportive. This includes strengthening the environmental components in negotiations under the World Trade Organisation (WTO) and the Doha Round. Although the WTO specifically allows some environmental protection – such as import restrictions to meet national environmental, health, and safety standards – current international trade rules prevent governments from setting high environmental standards or labelling requirements for imported products, because these measures could be used to protect domestically-produced goods from competition from imports. WTO's Committee on Trade and Environment is analysing the trade impacts of environmental policies and ways in which international markets can promote production that is both environment-friendly and generates income and development.[12]

Many developing countries are still unable to realise their comparative advantage in agricultural production because farm subsidies and agricultural trade policies in industrial countries depress world prices for farm products

The critical importance of agriculture in reducing poverty creates an urgent need for progress in trade reform and elimination of trade-distorting subsidies for agricultural producers in developed markets.[13] Many developing countries are still unable to realise their comparative advantage in agricultural production because farm subsidies and agricultural trade policies in industrial countries depress world prices for farm products.[14] Protection of agriculture in rich countries leads to dumping of subsidised imports in developing countries, collapsing local agricultural markets, undermining the livelihoods of family farmers, and exacerbating poverty, hunger, and food insecurity.

These subsidies also have the effect of creating barriers to export of agricultural commodities from poorer countries, making poverty reduction more difficult. The World Bank estimates that agricultural protection in the industrial countries costs developing countries more than US$100 billion per year, twice as much as they receive in international aid.[15] However, reduction or removal of

12. Biodiversity Development Project. (2001). 'Trade policies and biodiversity.' *Biodiversity Brief 2*. Online at http://www.iucn.org/themes/wcpa/pubs/pdfs/biodiversity/biodiv_brf_02.pdf.
13. Commission on the Private Sector and Development (2004). *Unleashing Entrepreneurship: Making Business Work for the Poor – Report to the Secretary-General of the United Nations*. UNDP, New York.
14. DFID, EC, UNDP & the World Bank (2002). *Linking Poverty Reduction and Environmental Management: Policy Challenges and Opportunities*. World Bank, Washington DC.

developed country agricultural subsidies would generate strong incentives in developing countries for large-scale increases in agricultural production. This expansion could produce major impacts on land, water, and biodiversity in developing countries, with the direction and magnitude of these impacts depending largely on the prevailing policy environment and incentive structure. It is vital, therefore, to anticipate such global structural change and to develop proactive strategies to ensure that expanded agricultural production in developing countries supports viable win-win options, such as ecoagriculture (see Chapter 5), that benefit small-scale farmers, poverty reduction, and biodiversity conservation. One option could be the redirection of a portion of the agricultural subsidies towards capacity development in developing countries for sustainable agricultural approaches.

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Creating awareness among Northern consumers about the impacts of their purchasing decisions on Southern producers is another way to promote trade that benefits both biodiversity conservation and poverty reduction. Trade-related standards assuring that exports are produced in environmentally sustainable ways can add value and marketability to commodities produced in developing countries. One prominent example is organic, shade-grown coffees, which continue to earn relatively higher prices in world markets. (See Chapter 4 for an analysis of market-based approaches to biodiversity conservation and their impacts on poverty and Chapter 7 for a discussion of the role of the private sector in stimulating pro-biodiversity business.) The application of certification standards for forest management practices is another promising area.[16] However, compliance with regulations set by importing countries can create challenges for developing countries, which often lack scientific expertise and technical capacity. Trade-related environmental standards need to be combined with capacity development in developing

15. World Bank (2002). *Globalization, Growth, and Poverty: Building an Inclusive World Economy.* A World Bank Policy Research Report. Oxford University Press, Oxford.
16. Bass, S., M. Thornber, S. Roberts and M. Grieg-Gran (2001). *Certification's Impacts on Forests, Stakeholders and Supply Chains.* International Institute for Environment and Development, London.

countries to enable small and medium-sized producers to meet requirements cost-effectively. (See Chapter 7 and Case Study 4 for an analysis of the barriers to pro-biodiversity business approaches in small and medium enterprises.)

In many developing countries, poor producers do not have access to information, credit, and other resources that would enable them to take advantage of the opportunities provided by liberalised trade policies in ways that do not deplete biodiversity. Trade reform must be accompanied by efforts to assist poor farmers in developing countries. If such reforms are allowed to marginalise poor producers, they may be forced to fall back on unsustainable natural resources exploitation.

3. LINKING BIODIVERSITY CONSERVATION AND POVERTY REDUCTION IN NATIONAL POLICY FRAMEWORKS

Biodiversity-poverty relationships need to be integrated into mainstream national development policy and planning processes, including poverty reduction strategies, macroeconomic and sectoral policies, and the budget process. This integration will make it possible to forge a broad-based, more co-ordinated response to poverty-environment challenges, to achieve synergies between diverse interventions across many sectors and levels of action, and to ensure that adequate domestic and external resources are being allocated and effectively targeted.

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3.1National poverty reduction strategies

National poverty reduction strategies and the Poverty Reduction Strategy Paper (PRSP) process – the latter instituted by the World Bank and the International Monetary Fund in 1999 as the basis for debt forgiveness and new concessional lending – are emerging as the primary instrument in many countries for development planning, resource allocation and aid co-ordination (see Chapter 1). National poverty reduction strategies are intended to address the larger national factors that cause poverty and to lay out a

coherent set of poverty reduction policies and measures to generate 'pro-poor growth' – integrating macroeconomic, structural, sectoral, and social considerations. For more than 70 of the poorest countries, the PRSP process will constitute the primary strategic and implementation vehicle for achieving the MDGs.[17] Given their increasingly central role in national priority-setting and planning, poverty reduction strategies provide a critical entry point for placing biodiversity-poverty issues at the centre of the national development agenda (see Case Study 1).

Although PRSPs are intended to reflect poor people's priorities, issues that matter most to the poor, including poverty-environment links, have often received inadequate attention or been overlooked entirely in the diagnosis of poverty and its causes, and in poverty reduction planning and policy development. Recent reviews of PRSPs prepared

Box 9.3: The Poverty and Environment Initiative

The Poverty and Environment Initiative (PEI) is a global programme co-ordinated by the United Nations Development Programme, supported by the UK Department for International Development and the European Commission. PEI aims to help countries develop their capacity to integrate the environmental concerns of poor and vulnerable groups into national policy frameworks and planning processes for poverty reduction and achievement of the MDGs. Country poverty-environment initiatives are being supported that focus on the following broad areas of activity:

- **Participatory poverty-environment analysis and capacity assessment** to strengthen institutional capacity in analysis of micro-level poverty-environment linkages and lessons from effective community-level interventions, and assessment of macro-level policy and institutional influences – applying principles and methods from the sustainable livelihoods approach, participatory poverty and vulnerability assessment, strategic environmental assessment and other relevant diagnostic and participatory tools.

- **Multi-stakeholder dialogue and policy development** to stimulate debate, consensus and coalition-building around a country-owned policy reform and capacity development agenda for mainstreaming environment in poverty reduction policy and planning processes – including poverty reduction strategies, macro and sectoral policies and plans, and budgetary frameworks.

- **Indicators and monitoring** to develop appropriate poverty-environment indicators for measuring how environmental conditions impact the livelihoods, health and vulnerability of the poor, and to strengthen capacity in monitoring and assessing poverty-environment policy outcomes as part of ongoing efforts to improve national poverty monitoring systems.

- **Sector co-ordination and partnerships** to strengthen institutional capacity to improve aid coordination and to facilitate a more cross-sectoral, programmatic approach to poverty and environment issues and their integration in development policy and planning frameworks.

17. United Nations Development Group (2003). *Country Reporting on the Millennium Development Goals: Second Guidance Note*. United Nations, New York.

in about 50 countries found that some (including Bolivia, Honduras, Mozambique, Nicaragua, and Uganda) made a significant effort to address key environmental management issues with strong links to poverty reduction.[18] However, most of these integration efforts are focused largely on water and sanitation to the exclusion of other environmental management issues and often are undertaken on an ad hoc basis without being continuously integrated in the PRSP cycle and national development planning processes.[19] Most PRSPs still lack a focus on long-term environmental sustainability and a major effort is needed adequately to reflect the role of biodiversity in ensuring sustainable poverty reduction.[20]

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The international community is mobilising to help countries meet the challenge of linking poverty reduction and environmental management. Many development co-operation agencies have put in place new strategies and support programmes focused on mainstreaming environment into poverty reduction efforts (see Box 9.3 and Case Study 1). Major international NGOs and research centres also are giving greater priority to these issues. UNDP, the UK Department for International Development (DFID), the European Commission and the World Bank have led the formation of the Poverty-Environment Partnership (PEP), an informal network of bilateral and multilateral development agencies that aims to promote joint policy work on poverty-environment issues, improve co-ordination and effectiveness of country-level support, and enhance knowledge-sharing. These developments at the national and international level provide a pivotal opportunity to forge more effective partnerships to support and scale-up successful local processes, and to move the poverty-environment agenda forward in a more integrated and focused manner.

18. Bojö, J., and R. C. Reddy. (2002). *Poverty Reduction Strategies: A Review of 40 Interim and Full PRSPs. Environment Department Paper. World Bank, Washington, D.C.*
19. Working Group on Poverty Reduction and Environmental Management *Tools for Assessment of Poverty-Environment Links in Poverty Reduction Strategy Papers (PRSP)* Working Paper, Danida, Copenhagen.
20. Bojö and Reddy (2002). *op.cit.*

3.2 Macroeconomic and sectoral policies and planning frameworks

Even where biodiversity-poverty links are adequately addressed in PRSPs, considerable work remains to ensure that Medium-Term Expenditure Frameworks and sectoral plans and budgets contain adequate and properly directed resources for investment in the environmental management concerns of the poor. For instance, agricultural development policies that convert forested or wetland areas to commercial monocultures may have a negative impact on poor people currently using these resources in their natural state as well as potentially degrading biodiversity and ecosystem services. All relevant sectoral policies need to be assessed to ensure that opportunities for biodiversity conservation to contribute poverty reduction have not been overlooked.

Within such cross-sectoral approaches, environment ministries and natural resource-related agencies will continue to play a significant role in policy-making and regulation. However, integrating biodiversity-poverty links in national-level development policies and programmes will require that institutions concerned primarily with the environment and biodiversity, including private organisations in civil society, will need to engage more effectively with finance ministries and other agencies driving the national development planning process. In most cases, a shift in orientation toward greater emphasis on biodiversity-poverty linkages will require a reassessment of environmental management mandates and capacity development needs.

Improved governance – including an active civil society and open, transparent, and accountable policy and decision-making processes – is often the missing link in creating a more enabling policy and institutional environment to address poverty-environment issues that matter to the poor

3.3 Decentralisation for local natural resource management

Improved governance – including an active civil society and open, transparent, and accountable policy and decision-making processes – is often the missing link in creating a more enabling policy and institutional environment to address poverty-environment issues that matter to the poor. Addressing governance issues is vital because the state directly controls access to many natural resources or

determines the rules for resource use, controls investment in environmental infrastructure, and creates the framework for public policy debate about poverty-environment issues.

One key aspect of governance reform is the trend toward greater decentralisation. In many countries, planning is increasingly being undertaken at provincial, district, and local levels. For example, countries such as Egypt, Malawi, Sri Lanka, and Tanzania have introduced district-level environmental planning. It is crucial that these environmental plans are integrated into mainstream local planning processes. It is also important that these plans address the issues that are priorities for poor people and do so from their perspective.

However, decentralisation and local empowerment do not guarantee environmental stewardship. Local governments can be subject to the same 'capture' by wealthy elites as central governments, and their environmental management capacity is often weaker than in central government. Decentralisation has also been undermined when central governments have not provided sufficient resources or revenue-raising powers for local governments to implement their responsibilities. Efforts to empower communities to manage natural resources locally should safeguard against capture by elite groups and build local capacity for participatory management.

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A second important factor in governance reform is empowering civil society, especially poor and marginalised groups. Farmers groups, community groups, religious organisations, trade unions, professional associations, and public interest organisations can be instrumental in raising awareness of poverty-environment linkages, helping poor people secure access to natural resources and environmental infrastructure, and in monitoring the performance and accountability of the government, private sector, and international agencies.

Strengthening civil society's role in environmental management, particularly among poor and marginalised

groups, requires access to environmental information, to decision-making processes, and to adequate means of redress through the justice system. Public access to information is critical for effective environmental management, and a free media has been instrumental in highlighting environmental problems in both the public and private sectors.[21]

The participation of poor and marginalised groups in policy and planning processes is essential to ensuring that key poverty-environmental linkages are adequately addressed. The participatory mechanisms put in place should be sensitive to the resource constraints of poor people, should increase their access to environmental information, and should enhance transparency and accountability in order to convince poor people that their views will be considered and given due weight in decision-making.

Poor and marginalised groups often lack access to environmental justice and redress of environmental abuses. Mechanisms such as citizen oversight boards, community-level review processes for development plans and projects, and ombudsman systems for dispute resolution can help monitor actions and enforce rights. It is also important to strengthen judicial systems in developing countries as independent, impartial institutions and to foster the emergence of institutions of civil society that can mediate between different actors.

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3.4 Strengthening monitoring, evaluation, and learning

It has been said, 'What gets measured, matters.' Achieving progress toward MDG 7 on environmental sustainability entails examining human welfare, ecosystem health, and the relationships between them. However, environmental sustainability is a concept that is not easily quantified, as it is holistic, complex, and value-laden. In this context, encouraging development that benefits both biodiversity and poverty reduction goals will require local understanding

21. Petkova, E., C. Maurer, N. Henninger, and F. Irwin (2002). *Closing the Gap: Information, Participation, and Justice in Decision-Making for the Environment*. World Resources Institute, Washington, DC.

of biodiversity-poverty links as well as the ability to identify and set priorities among alternative policy options and to evaluate their impacts. To this end, appropriate and effective indicators and monitoring systems are crucially important.

One obstacle to the development of such indicators and monitoring systems is the tendency for environmental data to focus on environmental change without reference to poverty effects, while poverty monitoring systems often ignore environmental concerns. Indicators are needed that measure and track how biodiversity and ecosystem services interact to affect the livelihoods, health, and vulnerability of the poor, as well as integration of these indicators into national poverty monitoring and assessment.

Some work is underway to develop such indicators, but the key need is additional in-country data collection. Surveys in various developing countries[22] show that some data are already available. However, these data are often scattered among different agencies and not collected systematically. Work is also being undertaken to overlay poverty data with environmental data to create 'poverty-environment maps' that identify the spatial relationships between poverty and ecosystem degradation.[23]

Country reports of progress toward achieving the MDGs reveal the challenge of monitoring the existing indicators associated with environmental sustainability (MDG 7). Embedding monitoring efforts for MDG 7 in national development programmes and/or poverty monitoring systems would help increase recognition of the linkages between biodiversity conservation and poverty reduction.

Encouraging development that benefits both biodiversity and poverty reduction goals will require local understanding of biodiversity-poverty links as well as the ability to identify and set priorities among alternative policy options and to evaluate their impacts. To this end, appropriate and effective indicators and monitoring systems are crucially important

4. LOOKING TOWARD THE 2005 MDG +5 REVIEW

This chapter has argued for more effectively integrating biodiversity conservation and poverty reduction strategies

22. For example see: Nunan, F. *et al.* (2002). *Poverty and the Environment: Measuring the Links. A Study of Poverty-Environment Indicators with Case Studies from Nepal, Nicaragua and Uganda.* Environment Policy Department, Issue Paper No. 2. Department for International Development, London. Osuntogun, A. (2002). *Applied Poverty-Environment Indicators: The Case of Nigeria.* Report submitted to the Environment Department, World Bank, Abuja.
23. Henninger, N. and M. Snel (2002). *Where are the Poor? Experiences with the Development and Use of Poverty Maps.* World Resources Institute, Washington, DC.

within mainstream development policy and planning processes in order to achieve the MDGs. Given the multi-dimensional nature of biodiversity-poverty links, this entails a broad agenda for policy and institutional change across many sectors and levels of action.

Among the most important of these actions are to:

- Identify local win-win solutions – such as ecoagriculture, new markets for biodiversity-friendly products, and innovative financing mechanisms such as direct payments to farmers for maintaining ecosystem services – that simultaneously protect biodiversity and maintain critical ecosystem services while also reducing poverty;
- Strengthen global strategies and frameworks so that they adequately support country-led mechanisms to take advantage of such win-win solutions and to scale-up successful local-level processes;
- Assist developing countries in their efforts to set, measure, and achieve country-specific MDG targets linking environmental sustainability and poverty reduction;
- Encourage linkages between, and harmonisation of, environmental targets, indicators and interventions developed within country-led MDG processes with mainstream national development frameworks and strategies, especially national poverty reduction strategies and the PRSP process;
- Engage with line ministries, including finance ministries and other agencies overseeing mainstream development planning, to address barriers to integrating environmental sustainability into national development and poverty reduction frameworks, strategies, and programmes;
- Create a more enabling policy and institutional environment for mainstreaming of biodiversity-poverty links through improved governance, including an expanded role for civil society in environmental management;

It is vital to encourage linkages between, and harmonisation of, environmental targets, indicators and interventions developed within country-led MDG processes with mainstream national development frameworks and strategies, especially national poverty reduction strategies and the PRSP process

- Reform trade-distorting policies that undermine the livelihoods of developing-country farmers, and build the capacity of poor farmers in developing countries to meet trade-related environmental standards that stimulate demand for biodiversity-friendly products commanding premium prices in world markets.

The UN MDG +5 Review that will take place in 2005 provides a major opportunity to mobilise greater international support and to forge more effective partnerships for moving the poverty-environment agenda forward in a more integrated and focused manner than in the past.