

NPRS-PRF Poverty Funds¹

Thematic Study – Poverty, Natural Resource Management and the Environment

[Draft Summary]

1. Key Outcomes and Lessons

This summary paper draws together experience from ADB's poverty-focused natural resource management and environment technical assistance (TA) projects financed by its two poverty reduction trust funds (NPRS and PRF). Good practice is highlighted, exploring three key strands of work:

- Enhancing understanding of the local context in which ADB operates, focusing upon poverty-environment linkages.
- Integrating poverty issues within primarily environmental programs.
- Incorporating poverty and environmental concerns within initiatives associated with the Asia-Pacific region's rapid economic growth and development.

Some of the broad lessons that can be drawn from each of these three themes are:

Understanding poverty-environment linkages in regional, national and local contexts is a first step.

NPRS-PRF experience, for example in TA 4307-PRC²: *Poverty reduction in key forestry conservation programs in China* and TA 4664: *Farm analysis and awareness raising for debt resolution*, shows that it is vital to improve understanding of poverty and environmental linkages within specific contexts. At the regional and national levels, it is important to assess the interaction between and impact of environmental and poverty-reduction programs and policies on economic growth. Well-intentioned environmental policies may sometimes result in negative impacts on the poor and therefore policy responses to environment-related poverty need to be carefully developed. At the local level, it is important to deepen understanding of the local context and the factors affecting the access to, and quality of natural resources and the environment for different poor and vulnerable groups.

Monitoring and Evaluation can provide a good basis for influencing policies.

Careful monitoring and evaluation of progress towards both environmental and poverty-reduction objectives is necessary to see the impact of both on the poor. The use of relevant indicators is key to understanding the impacts of environmental and poverty-reduction programs on different groups and the interaction of environmental policies with other policies being implemented. Monitoring and evaluation should be considered as part of ADB's broader learning strategy, so that lessons from projects and programs inform future work and internal systems and procedures. TA 4308 and 4307 were both

examples where results of the TAs were used by governments as a basis in designing their monitoring and evaluation strategies

ADB has a role in addressing environment-related poverty.

NPRS-PRF TAs, including RETA 6115- Greater Mekong Sub-region: *Poverty reduction in upland communities through improved community and industrial forestry* and TA 4434-LAO PDR: *Poverty reduction through land tenure consolidation*, show that the integration of poverty reduction concerns into environmental policies and programs and vice versa can result in progress towards both poverty-reduction as well as win environmental gains.

2. Summary Case Studies

Gaining a Better Understanding of the Local Contexts

A series of micro-level research projects through NPRS-PRF poverty funds played an important role in obtaining an in-depth understanding of the poverty situation, vulnerability and constraints of local populations. They provided valuable information about different sub-groups of the poor including ethnic groups, gender, indigenous population, and the poorest and their access to resources, opportunities available to them and how projects, programs and policies may affect them.

TA 4283-CAM: *Tonle Sap Participatory Poverty Assessment (PPA) in Cambodia* provided in-depth accounts of poor peoples' experiences of and responses to poverty. This illuminated the nature of poverty and vulnerability and assessed the extent to which macro policies, local institutions and processes include or exclude the poor. This PPA was a follow-up to the nationwide PPA carried out in Cambodia by ADB in 2000, and provided an update on the poorest provinces around the Tonle Sap. In this area, natural resources, such as forests and fisheries, are of enormous significance to the livelihoods of large portions of the rural population, especially the poorest.

TA 4339-LAO *Study of Gender Inequality in Women's Access to Land, Forests, and Water in Lao* was designed to help address issues of gender equality relating to land and natural resources among ethnic communities living in the Nam Ngum River Basin. Ethnographic research was carried out on gender issues, looking primarily at group rights, access to land and related issues of access to forest and water resources. The aim was to share the findings amongst government, communities, civil society and other stakeholders to raise awareness of poverty and gender inequity among indigenous groups.

Strengthening the Integration of Poverty Reduction into Environmental Initiatives

RETA 6115: *Poverty Reduction in Upland Communities in the Mekong Region through Improved Community and Industrial Forestry* was carried out to review past and ongoing forestry and forestry-related programs. A poverty assessment was conducted on the impacts of community and industrial forestry policies and practices on poverty in Cambodia, Lao and Viet Nam, specifically in the provinces with a high incidence of poverty. The TA involved an extensive research project which focused on the following thematic areas: community forestry; industrial forestry (in the Lao PDR, forest-based ecotourism was also included); trade of forest products; and gender and ethnic minority issues. The RETA provided a set of recommendations to key stakeholders in each country for better integration of poverty reduction concerns into environmental policies and programs.

TA 4376-CAM *Capacity Building for the Tonle Sap Poverty Reduction Initiative* funded by the PRF in 2004, played a strategic role in providing systematic institutional capacity development for addressing poverty issues within the much larger environmental program of the Tonle Sap Initiative. It developed a framework for long-term capacity building engagement and a sequence of investments to meet the poverty and environmental challenges of the Tonle Sap. The TA also contributed to building the capacity of institutions in the area to manage natural resources.

The People's Republic of China's rapid economic development has raised concerns about environmental damage. In response to a series of environmental catastrophes in the late 1990s, the Government began to develop and implement nationwide programs aimed at tackling severe environmental degradation. In particular, there are two sets of programs focusing upon two environmental challenges – degradation of grassland, and deforestation - for which PRF funded projects were developed:

- The Priority Forestry Programs, started in 1998 by the State Forestry Administration - TA 4307 *Poverty Reduction in Key Forestry Conservation Programs*
- The Grassland Improvement Program, developed to support the introduction of new legislation and policy – TA 4308 *Poverty Reduction in Grassland Improvement Program*

Economic Development: Reducing Poverty and Reducing Environmental Risks

TA 4434-LAO *Poverty Reduction through Land Tenure Consolidation, Participatory Natural Resources Management, and Local Communities' Skills Building in Lao* sought to play a complementary role to ADB's investment in road development. It was aimed at improving health, non-formal education, land-rights awareness, natural resource management, product processing, and marketing of nine local communities along the road, taking account of gender differences.

¹ NPRS stands for the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies contributed by the Government of the Netherlands, while the PRF stands for the Poverty Reduction Cooperation Fund contributed by the Government of the United Kingdom, Department for International Development.

² TA 4307-People's Republic of China: Poverty reduction in key forestry conservation programs (PRF £400,000)

TA 4308-People's Republic of China: Poverty reduction in grassland improvement program (PRF \$400,000)

TA 4376-Cambodia: Capacity building for Tonle Sap (PRF \$500,000)

TA 4283-Cambodia: PPA for Tonle Sap (PRF \$425,000)

TA 4664-Tajikistan: Farm analysis and awareness raising for debt resolution (PRF \$800,000)

TA 4434-Lao PDR: Poverty reduction through land tenure consolidation (PRF \$974,300)

TA 4339-Lao PDR: The extent and impact of gender inequality in access to land (PRF \$800,000)

RETA 6115-Greater Mekong sub-region: Poverty reduction in upland communities through improved community and industrial forestry (PRF \$800,000)

³ ADB (2001) Participatory Poverty Assessment in Cambodia