

HOW REGIONAL DEVELOPMENT BANKS CAN HELP BUILD SUPPORT FROM GOVERNMENTS FOR PROTECTED AREAS

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***ABSTRACT:** This paper is a contribution to the workshop on building political support for protected areas that is part of Stream 2 at the IVth World Parks Congress, Durban, Republic of South Africa, September 2003. Based on the authors' experiences, the paper highlights some ways in which regional development banks, such as the Asian Development Bank, can help build support from governments for protected areas, as well as things to avoid so as not to undermine such efforts.*

1. INTRODUCTION

1.1 A brief description of the Asian Development Bank (ADB)

ADB is a multilateral development bank. It is a working partnership of 61 countries – ADB's shareholders – of which 44 countries are from Asia and the Pacific. The largest shareholders are Japan and the United States of America, each with slightly less than 16 percent of all shares.

ADB is very much an Asian bank, with its headquarters in Manila, Philippines. It has over 2,000 staff representing some 50 nationalities who are located in Manila and at 22 country offices.

ADB's overarching goal is the reduction of poverty in Asia and the Pacific. Its operations are founded on three 'pillars': sustainable economic growth, inclusive social development, and good governance. In addition, it is guided by three key cross-cutting themes: environmental sustainability, regional cooperation, and private sector development.¹

Broadly speaking, ADB's operations involve making loans, providing technical assistance, offering advice, and providing information. From its creation in 1966 until 2001, ADB provided \$93 billion for almost 1,700 loan projects, \$2 billion for over 4,700 technical assistance grants, and \$650 million in equity investments. In 2001, a reasonably typical year, ADB provided \$5.3 billion for 76 loan projects and \$146 million for 257 technical assistance grants. Its largest borrowers were India, People's Republic of China, Pakistan, and Indonesia. Transport and communications was the largest sector in terms of lending, receiving 27% of all loans, followed by 'multisector' (14%), energy (12%), and agriculture and natural resources (11%). It maintains regular policy dialogue with the governments of its developing member countries on a range of topics, and provides them with information on sectors and themes of relevance to national development, regional cooperation, environmental protection, and so forth.

¹ ADB, 2001.

ADB's most important partners are its member governments and the people they represent. It works with other funding agencies and international organizations. Increasingly, ADB works with nongovernment organizations (NGOs), and it carefully considers what they say. More and more it also works directly with the private sector, recognizing its importance in regional development.

1.2 An overview of ADB support for protected areas and biodiversity conservation

In 1989, ADB's Management issued a directive meant to enable project staff to recognize the economic incentives associated with conserving biodiversity, and to integrate biodiversity conservation into project design where suitable opportunities exist. This was the first directive to staff specifically focusing on biodiversity conservation, and it highlighted the importance of biodiversity conservation in achieving sustainable economic development. It was followed the same year by a joint IUCN-ADB publication defining minimum quality criteria for ecologically sensitive areas,² and in 1993 by a strategy for post-UNCED environmental action.³

As a major provider of development finance and advisory services for environmental programmes and projects in Asia and the Pacific, ADB assists its developing member countries to comply with their obligations to the Convention on Biological Diversity (CBD) and other international agreements.⁴

Of special relevance to development institutions like ADB are two features of the CBD. The first is identifying biodiversity conservation as important for sustaining the social and economic development of countries. To the rural poor, and especially indigenous peoples, biological resources are the source of their livelihood and oftentimes cultural integrity. The second is the emphasis on sound policies (e.g., pricing, taxation, land tenure) and effective institutional and social arrangements (e.g., laws, regulations, and the roles of the state, private sector, NGOs, local communities, and indigenous people) needed to achieve effective biodiversity conservation. These often are outside the traditional conservation domain of agencies tasked with resource management and protected area administration, but may fall within the assistance mandate of regional development banks.

To the year 2000, ADB extended approximately \$1.3 billion for 35 biodiversity conservation-related projects in nine of its developing member countries.⁵ It also extended \$149 million in technical assistance for advisory services and preparation of biodiversity-related projects. From 1991 to 2000, annual biodiversity lending averaged two percent of the annual public sector lending --- ranging from one-half to four percent of the annual total.⁶

ADB's support normally takes the following forms:

² IUCN and ADB Environment Division. 1989.

³ ADB Environment Division, 1993.

⁴ ADB, 1993.

⁵ The funds cited here include total loan amounts. In many cases, the projects involved a number of components in addition to those directed at biodiversity conservation.

⁶ ADB Environment Division. 2001.

- (i) **Improved management of existing protected areas.** This is the most common form of ADB support to protected areas. It normally includes support for capacity building, infrastructure, and increasingly for economic development of communities around the protected areas.
- (ii) **Establishment of new protected areas.** Less frequently, ADB has provided assistance in identifying and/or establishing new protected areas. This has included support for coastal and marine protected areas identified and managed by local communities.
- (iii) **Support for strategies, plans, policies, and institutions.** A number of ADB-supported projects have included components to strengthen the national or regional capacity for protected area planning and management, and to effect institutional and policy reforms for improved natural resource management.
- (iv) **Support for biodiversity conservation in infrastructure and other projects.** Components of infrastructure and other ‘non-conservation’ projects have included components that supported biodiversity conservation inside and outside protected areas. They also have supported secondary efforts to relieve pressure on biodiversity and protected areas, such as introducing livelihood options and markets for non-forest goods.
- (v) **Studies, research, and monitoring.** This is perhaps the most infrequent form of ADB support for protected areas, but it can be crucial to appropriate management and protection, especially when done in conjunction with the design and implementation of large intrusive projects near protected areas.
- (vi) **Support for sustainable livelihood development in communities in the vicinity of protected areas.** Such support is provided through integrated rural development projects, community driven development projects, and the like.

2. BUILDING SUPPORT FROM GOVERNMENTS

The nature of the work of regional development banks gives them opportunities to encourage governments to strengthen their support for selected sectors and themes. ADB has taken a number of steps to encourage and facilitate government support for protected areas and biodiversity conservation. This section of the paper briefly discusses some of these steps. They include actions that have proved successful, actions that have highlighted weaknesses or flaws, and areas where the potential for positive action exists.

2.1 Policy formulation and national development planning

ADB works with its developing member countries in forming policy and strengthening national development planning. Sectors and themes that are mentioned in these instruments can expect to receive official recognition and support from government. Those not mentioned will unlikely carry the political weight needed to move forward.

The ADB-government dialogue is done in a number of ways. One of the most visible ways is during the preparation of participatory poverty assessments and national poverty reduction strategies, which now are meant to serve as a basis for national development planning and donor support to recipient countries. Helping governments to be aware of the many links between poverty and protected areas can ensure that protected areas become a priority issue imbedded in the national development agenda and thus eligible for government and donor support.

Through policy dialogue, ADB can help governments to ensure that sector policies are consistent with biodiversity conservation needs. It does this through ‘programme loans’, which are policy-based loans that address policy and institutional reform issues and provide a basis for linking conservation and economic development efforts. For example, a transport policy that incorporates stringent biodiversity conservation criteria can represent a major step in protecting biodiversity sites in rapidly developing countries. Similar results can be achieved through conditionalities that ADB places on its project loans.

2.2 Sector, area, and strategic planning

Protected areas that stand alone, i.e., those that are separated from other planning and development activities occurring in the larger geographical area in which the protected area is located, may be less likely to receive significant government support. Conversely, when the management and support of the protected area is associated with the efficient functioning of other sector programmes (e.g., downstream irrigation schemes, regional tourism, etc.), critical support, and especially financial support, might be forthcoming from governments.

In this regard, ADB has played a role in ensuring that governments recognize and support protected areas’ contribution to overall area development. In one case, ADB support for hydropower development was contingent on government’s agreement to provide a portion of the proceeds from power generation to strengthen management of a protected area. In several countries, ADB has and continues to provide support to governments for river basin management that incorporates protected areas as a key ingredient in sustainable development for the entire basin.

Similarly, ADB can assist governments to include protected area considerations as integral parts of sector development plans. A national hydropower development strategy in Southeast Asia, for example, identifies potential impacts on protected areas from proposed hydropower projects. This is factored into an equation that determines the candidate project’s relative suitability for support – projects with a high probability of affecting protected areas score lower in terms of priority for support. The strategy also mentions the possibility of identifying certain river systems that should be left intact for other uses, including biodiversity conservation.

2.3 Building partnerships

ADB as a regional development bank emphasizes its role in regional cooperation. As such, it has opportunities to help governments forge partnerships with organizations and agencies that can provide technical, financial, and political support needed to create and maintain a robust

protected area system. ADB is assisting countries in various parts of Asia to join into economic cooperation programmes. The oldest and best known of these is the Greater Mekong Subregional Cooperation Programme. These programmes offer platforms for ADB to assist governments in exploring cooperation in protected area management as a component in overall social and economic cooperation among the participating countries. This could include, for example, cooperative management of adjacent protected areas, preparation of subregional protected area system plans, or joint action in combating transboundary threats to protected areas such as the illicit wildlife trade.

Because it provides financial support to both the public and private sectors, ADB is in a position in some countries to bring the two together to support protected areas. The development of ecotourism ventures that truly lead to strengthening the integrity and viability of protected areas is one potential area of partnership. As part of its mandate for catalyzing new initiatives in the private sector in Asia and the Pacific, ADB could help governments structure incentives that encourage the private sector to contribute to the conservation of protected areas.

ADB helps forge partnerships between donors and governments. In Sri Lanka, for example, ADB plays a lead role amongst donors in the environment and natural resource sector. This has led to more efficient relations between donors and government in this sector through a reduction in the duplication of donor interventions and a more comprehensive response to addressing the government's needs.

In 2001, ADB established an NGO Centre, signalling its determination to strengthen its relations with civil society organizations. Of perhaps more importance, the recently approved action plan – *ADB-Government-NGO Cooperation: A Framework for Action, 2003-2005*⁷ – confirms ADB's intention to foster trilateral cooperation in its operations. Furthering government-NGO cooperation in protected area management fits under this Framework, and in fact has been done to a somewhat limited extent in both South Asia and Southeast Asia. This, of course, can in turn help to strengthen the most fundamental of partnerships – that between the government and its citizens – in this case, communities within and around protected areas, including indigenous peoples.⁸

2.4 Building institutions and capacities

As mentioned earlier, ADB has provided a total of \$148 M to build the capacity of its developing member countries to conserve biodiversity. Through technical assistance grants, ADB has created awareness among policy makers, enhanced skills, and provided tools to technical staff of government agencies. It also has strengthened the institutions, developed the capacity of communities dependent on natural resources for their livelihood, and promoted effective linkages between government agencies responsible for environment and natural resource management as well as sectoral agencies responsible for agriculture, fisheries, forestry, tourism, and others.

Assistance for building institutions and capacities can be particularly valuable when it has regional implications, such as supporting the capacity of international institutions to undertake

⁷ Asian Development Bank, 2003.

⁸ See McNeely, J.A., 1999.

research, the results of which ADB can then help to ensure reaches regional and national institutions responsible for protected areas and biodiversity.

2.5 Supporting knowledge products

Developing and disseminating knowledge products is an important element of capacity building. Support for biodiversity assessments that provide baseline data for better decision making is essential. Conservationists in Asia and the Pacific recently requested ADB to consider promoting information exchange and establishing a clearing house mechanism for the Southeast Asia region. ADB, through its support for poverty reduction in rural areas, has opportunities to help governments identify, maintain, and employ traditional knowledge related to managing biodiversity. ADB could help governments to ally with mass media to help get these knowledge products and awareness out to the people at large.

ADB could help governments fill an important knowledge-based weakness -- the region's research and development programs, which still rely in part on international research and development activities that are geared for temperate climate applications. ADB could provide analytical support to DMCs to enhance their knowledge, for example, of the ramifications of intellectual property rights, and the long-term impact of biotechnology on biodiversity in protected areas (and on public health, among others). ADB could also assist developing member countries in the region to develop public policy and a framework for programming and prioritizing research and development activities that address the common needs of the poor in an around protected areas. This may also include new valuation techniques and ways to incorporate them into national accounting systems, and information technology that provides user-friendly early warning systems to national decision makers.

3. SOME FACTORS THAT CAN UNDERMINE EFFORTS TO GAIN GOVERNMENT SUPPORT FOR PROTECTED AREAS

Regional development banks also need to learn from their (and others') failures as well as successes. Looking at the past decade and a half of support for biodiversity conservation from various regional agencies in Asia and the Pacific, there are a number of lessons to be learned about actions that can undo the good intentions and bright potentials mentioned above.

Sending mixed messages. Perhaps first and foremost, the message being given to governments must be consistent with the regional agency's internal policies and practices. Advice to provide more scarce financial and human resources to protected areas may be quickly dismissed by governments if it is perceived to be contradictory to what the regional agency itself practices.

Equating more money with more results. When providing support to protected area systems, more money doesn't necessarily mean greater chances for conservation success. Most protected area systems in Asia operate on small budgets, and the modest capacities of government staff reflect this modest funding status. A sudden injection of comparatively vast sums of money can quickly overwhelm government staff's ability to put the funds to their intended use. This can then lead to unintended consequences which can in turn fuel existing governance problems.

Attempting to use support for protected areas to address systemic governance issues. Using protected area projects to fight systemic and widespread governance problems can lead to unsuccessful projects and the loss of public trust. Protected areas are not a good platform on which to wage war on poor governance unless they are part of a concerted, broad-based effort across sectors that already has shown promise of success.

Failing to ensure adequate stakeholder involvement. Failure to ensure that affected people have been adequately consulted and have played a meaningful, interactive role in project design before embarking on major protected area initiatives can undermine local confidence in the entire system. It also may create a crisis of confidence in the government and funding agency, who are confused when their good faith efforts are not appreciated – and may be actively opposed – by the intended beneficiaries.

Using an ad hoc approach. Employing a project-by-project approach to protected area conservation in the absence of underlying policy, strategic, and human resource platforms is a recipe for unsustainable initiatives. Careful national and/or regional status/needs/risk assessments should be undertaken before getting involved in any major protected area programme.

Failing to consider incentive structures. Incentive structures will affect the government's commitment to and ownership of donor support for protected areas. There may be different types and levels of required incentives even within the same project and government agency. If these incentives are not properly assessed and implemented, government commitment could be compromised.

Thinking that personalities don't matter. Personalities matter. In some cases, a decision maker in charge of one or more aspects of protected area management may have other agendas and priorities that can stymie conservation efforts.

Overestimating government's ability to comply with conditionalities. Conditionalities attached to projects or program loans that aim to enhance the management of protected areas may, in fact, achieve the opposite result if they are not properly formulated and placed in a context in which there are reasonable prospects of government compliance. Overestimating the government's ability to comply with conditionalities can foster cynicism and produce unintended negative consequences.

Ignoring donor coordination. Regional agencies with large bureaucracies should recognize when to give way to bilateral agencies, foundations, and others who may be far more effective because of their relative flexibility and receptiveness to new ideas. A failure in donor coordination can further burden governments in their efforts to improve protected area management.

4. CONCLUSION

This paper has attempted to demonstrate that regional banks have considerable potential to work with governments in strengthening national commitment to protected areas. Some of this

potential has already been realized, as demonstrated by the results achieved through past and ongoing policy dialogue, projects, and technical assistance. Significant opportunities remain, especially in highlighting the key role that protected areas can and do play in countries' quest to achieve poverty reduction and sustainable development, and thus the justification for protected area support. Over the years, lessons have been learned about avoiding actions that can undermine support for protected areas. These should be kept in mind as regional banks and other regional agencies continue their protected area programmes.

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