

Pacific
Region
Environmental
Strategy
2005-2009

Executive Summary

Asian Development Bank

ii EXECUTIVE SUMMARY

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First published in January 2004

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Asian Development Bank
P.O. Box 789, 0980 Manila, Philippines
Website: <http://www.adb.org>

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FOREWORD

With almost all Pacific economies and societies relying heavily on natural resources, good environmental management is critical for sustainable development. In recognition of this, and in accordance with the Asian Development Bank's (ADB) broader environment policy, ADB has increasingly become an active partner in fostering improved environmental management capacity and performance at the local, sector, national, and regional levels in the Pacific.

The Pacific Region Environmental Strategy (PRES) is the result of a regional technical assistance funded by ADB and the Government of New Zealand. The study covers (i) a review of key environmental issues and main response strategies in the Pacific, (ii) an assessment of past environment-related assistance provided by ADB and other development partners in the region to draw relevant lessons, and (iii) an identification of priority areas for intervention to map out future directions for ADB's environmental assistance to the region.

This document summarizes the main PRES volume containing findings and ADB's environmental assistance strategy for the Pacific. The PRES is part of a broader strategic planning exercise covering ADB's overall assistance to the region for the period 2005–2009. A second PRES volume documents case studies carried out to provide important field level context under the theme “mainstreaming environment in development planning and management.”

Consultants David McCauley, Gerald Miles, Lope Calanog, and Ricardo Barba prepared the PRES. The team was directed by Daniele Ponzi, Senior Economist (Environment), Pacific Department—who designed and coordinated the implementation of the regional technical assistance with overall guidance from Peter King, Director, Area B, Pacific Department.

Regional consultation with Pacific stakeholders formed an integral part of the process for developing the PRES. Extensive consultations were held with government officials, private sector and civil society representatives, nongovernment and community-based organizations, and international and regional development agencies engaged in managing the Pacific environment. Drafts of the PRES were discussed in various fora including: a PRES consultation workshop in the Fiji Islands (21–22 March 2003), the Second High Level Climate Change Adaptation Consultation and the 3rd Round Table Meeting on Climate Change in the Fiji Islands (8–10 May 2003), and the 2003 Pacific Forum Economic Ministers' Meeting in Marshall Islands (9–13 June 2003). We look forward to continued engagement with stakeholders in operationalizing and successfully implementing the PRES to provide better environmental management to Pacific countries.



Jeremy H. Hovland
Director General
Pacific Department
Asian Development Bank

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ABBREVIATIONS

ADB	Asian Development Bank
CROP	Council of Regional Organizations in the Pacific
EEZ	exclusive economic zone
EIA	environmental impact assessment
GEF	Global Environment Facility
MEA	multilateral environmental agreement
MDGs	Millennium Development Goals
NEMS	national environmental management strategy
NGO	nongovernment organization
PDMC	Pacific developing member country
PEPP	Pacific Energy Policy and Plan
PRES	Pacific Region Environmental Strategy
RETA	regional technical assistance
SPREP	South Pacific Regional Environment Programme
TA	technical assistance
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UN ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCCC	United Nations Framework Convention on Climate Change
WSSD	World Summit on Sustainable Development (Earth Summit)

Introduction

Pacific countries have a high level of economic and cultural dependence on their natural environment. In a region characterized by small land masses dispersed over the world's largest ocean, the health and productivity of natural systems are coming under increasing stress because of the pressures of rapid population growth and widening levels of pollution.

Addressing these concerns is vital to sustaining economic advancement and poverty reduction in the Pacific. The Asian Development Bank (ADB) needs to have a detailed understanding of environmental and natural resource management issues and options if it is to be an effective partner in the region. To gain this understanding, this *Pacific Region Environmental Strategy* (PRES) assesses environmental conditions, trends and opportunities in the region to prepare an operational strategy for 2005–2009, with specific interventions to support the region's sustainable development.

A participatory approach was utilized in formulating the PRES. ADB sought consultations and contributions from a diverse range of stakeholders; a PRES website provided periodically updated information on the strategy's development and served as a venue for sharing comments and views on the draft document (<http://www.adb.org/projects/pres>).

Along with the participatory approach, five case studies were commissioned to provide reporting on practical field-level results. These case studies document and evaluate promising approaches for mainstreaming environmental considerations into sector planning and programming, and support the strategic considerations in the PRES exercise. They appear in a companion volume to this document; a summary of each can be found in the main PRES document's appendix.

Current Environmental Issues

Special Characteristics of the Region. Pacific countries have custodianship over a large portion of the earth's surface. Their exclusive economic zones (EEZs) occupy 30 million square kilometers (km²)—an area more than 3

times the size of the People's Republic of China and 10 times the size of India. Only 1.8% of it, about 543,467 km², constitutes the land area of ADB's Pacific developing member countries (PDMCs), and about 85% of that belongs to a single country, Papua New Guinea.

Agriculture and fishing remain the main economic activities in most parts of the Pacific, and for many communities and countries these sectors represent the sole source of income and exports. Cook Islands, Samoa, and Tonga export a range of agricultural products. Sugar is a major export of the Fiji Islands, while in Papua New Guinea coffee, cocoa, palm oil, and copra are significant agricultural exports. Copra and other coconut products are economically important in several other Pacific countries.

The other major income sources are mineral resources, timber, and tourism. Papua New Guinea has gold and mineral resources, as well as oil and gas deposits. Gold is an important export for the Fiji Islands, and gold deposits also have been discovered in Solomon Islands and Vanuatu. Timber production is a significant export earner in Fiji Islands, Papua New Guinea, and Solomon Islands. Tourism is an important and growing source of income for countries such as the Cook Islands, Fiji Islands, Samoa, and Vanuatu. License fees from foreign deepwater fishing nations for fishing rights in EEZs also are vital to several Pacific nations.

A range of population and demographic issues has been identified as critical to the region's development context and prospects. At the Thirty-Third South Pacific Forum held in the Fiji Islands in July–August 2002, Pacific leaders concluded that population growth in most countries is likely to continue for at least the next 3 decades, and that finding a balance between population and resources presents an “unprecedented challenge.” As the policies and programs of most governments in the region emphasize growth in per capita income and living standards, demand for imported goods and for a widening range of services continues to rise.

Development and Environmental Challenges. The ecological dependency of Pacific economies and societies has wide repercussions. The isolation and dispersion of people—coupled with a lack of basic infrastructure—mean that the PDMCs' transport, communication, and servicing costs are

disproportionately high compared to countries located in closer proximity to their export markets and sources of imports. As a result, the economies as well as the natural environments of many Pacific island countries remain extremely fragile. Substantial trade deficits are routine and can be sustained only with large continuing inflows of finance from abroad. Remittances from overseas residents who have outmigrated play an important role in many Pacific economies.

Traditional knowledge and practices have major relevance for environmental protection in the Pacific. In customary land tenure arrangements common in the region, communities retain a high degree of communal control over land use and exploitation rights for natural resources. A widespread custom is to impose temporary or permanent prohibitions (“taboos”) on entry to or use of resources in a given area. Where chiefly authority has been eroded, however, such conservation practices are falling into disuse. In partial compensation, the number and role of nongovernment organizations (NGOs) and community-based groups have increased steadily—especially to assist communities in addressing environmental management challenges.

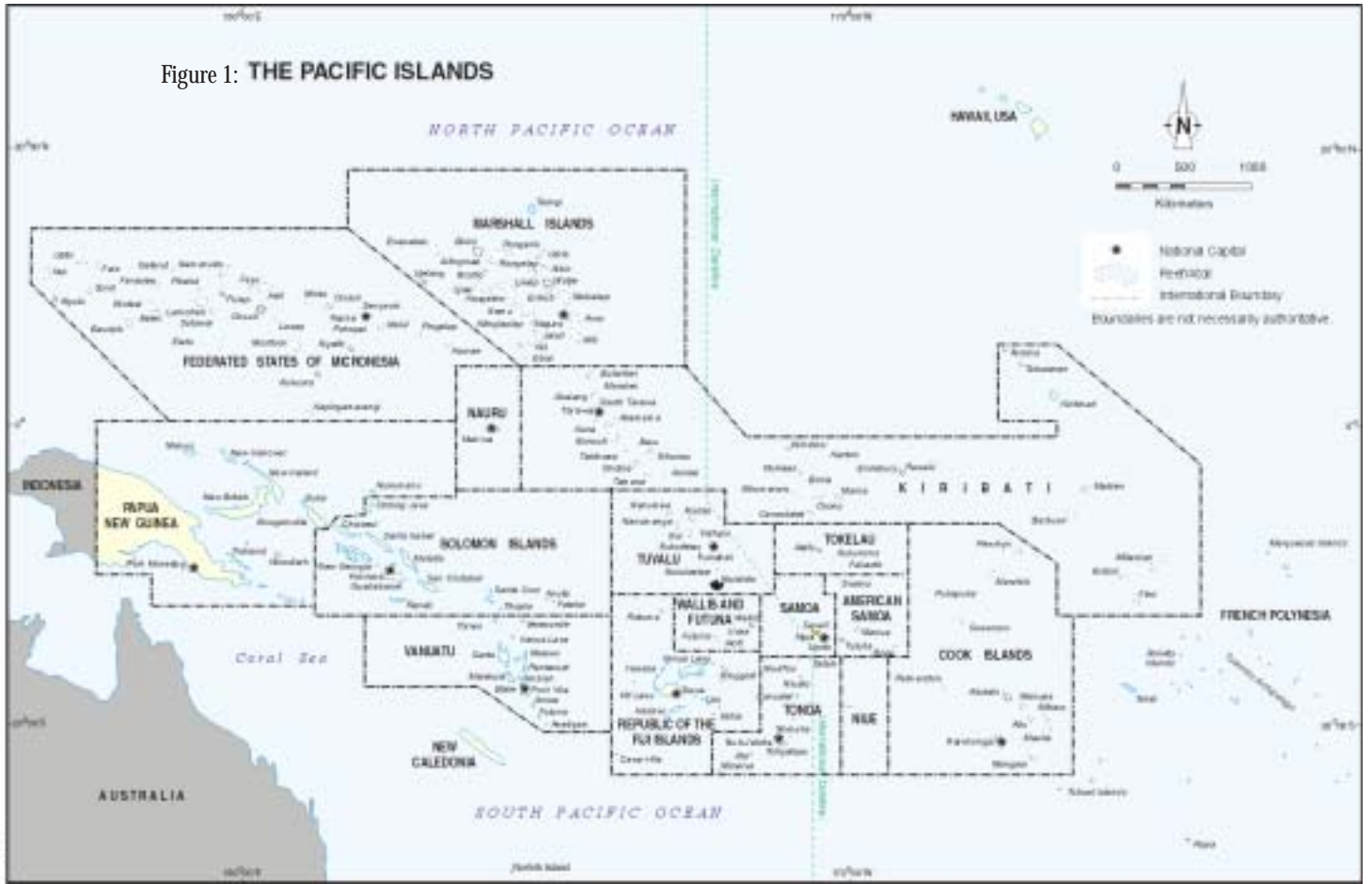
The state of the region’s environment has been assessed several times over the past decade.¹ Summaries of environmental trends and conditions have been included in reports of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) on the Asia-Pacific State of the Environment² and in the United Nations Environment Programme’s (UNEP’s) Global Environment Outlook.³ While these reviews constitute important contributions to the knowledge base on the region’s environment, they have been based on national reports and regionally synthesized data

¹ Secretariat of the Pacific Community. 1992. *The Pacific Way*. Pacific Island Developing Countries’ report to the United Nations Conference on Environment and Development. Prepared by the South Pacific Regional Environment Programme (SPREP). Noumea; SPREP, UNEP, and European Union. 1999. *Pacific Islands Environment Outlook*. Apia: SPREP.

² Task Force for the Preparation of World Summit on Sustainable Development (WSSD) in Asia and the Pacific. 2001. *Pacific Sub-regional Report for the WSSD* and Task Force for the Preparation of WSSD in Asia and the Pacific. 2001. *Synthesis Report for Asia and the Pacific*. Asia Pacific Preparatory Meeting, Phnom Penh, Cambodia, 27–29 November 2001. ADB, UN ESCAP, United Nations Development Programme (UNDP), and UNEP.

³ UNEP. 2002. *Global Environmental Outlook 3: Past, Present, and Future*. London and New York: Earthscan.

Figure 1: THE PACIFIC ISLANDS



compiled as the resources and external impetus became available. No “homegrown” systematic effort has been made to routinely update such analysis or to invest in the Pacific-based capacity to do so, and the ability to effectively monitor environmental change occurring in the region remains very weak.

Key Environmental Management Challenges

A broad consensus has been reached over the past decade on the most significant environmental problems facing the Pacific region.⁴ These priorities are also reflected in agreements reached in international forums concerning sustainable development of island nations.⁵ Eight concerns consistently emerge as of highest priority: (i) threats to freshwater resources; (ii) degradation of the marine and coastal environment; (iii) degradation of land and forest; (iv) urbanization and waste management issues; (v) depletion of biological diversity; (vi) energy-related environmental concerns; (vii) adaptation to climate change, variability, extreme weather events, and sea level rise; and (viii) weak environmental management capacities and related governance issues.⁶

Freshwater Resources. Water resource endowments of PDMCs vary widely depending on climatic and geophysical characteristics. Large islands have watersheds with rivers and streams, as well as a range of groundwater resources. Many smaller islands are extremely freshwater-scarce, relying on rainfall harvesting for the majority of their resources. Freshwater “lens”

⁴ This summary particularly draws from various national and regional state of the environment reports: SPREP. 1993. *National Environmental Management Strategy (Parts A & B) – Republic of Marshall Islands*; SPREP. 1993. *State of Environment Report – Cook Islands*; SPREP. 1993. *State of Environment Report – Federated States of Micronesia*; SPREP. 1993. *State of Environment Report – Kiribati*; SPREP. 1993. *State of Environment Report – Republic of Marshall Islands*; SPREP. 1993. *State of Environment Report – Solomon Islands*; SPREP. 1993. *State of Environment Report – Tuvalu*; and SPREP. 1993. *State of Environment Report – Western Samoa*; SPREP. 1998. *Strategic Action Programme for the International Waters of the Pacific Islands Region*; and SPREP. 1997. *Action Plan for Managing the Environment of the Pacific Region (1997–2000)*. Apia: SPREP.

⁵ SPREP. 1993. *Report of the Regional Technical Meeting for Indian and Pacific Oceans*. Input to the Global Conference on the Sustainable Development of Small Island Developing States, Port Vila, 31 May–4 June. Apia.

⁶ Some promising Pacific responses to these challenges are outlined in the main PRES document.

groundwater resources are formed in a large number of Pacific islands, though these are increasingly subject to unsustainable extraction and/or contamination—especially on atolls.

The protection and conservation of the supply and quality of freshwater is becoming a crucial issue in the Pacific, and it will take on even greater significance as global climate change results in higher variability of rainfall and rising sea levels. Existing water management regimes are often hampered by weak supporting legislation, less than full recovery of the costs of providing water supply and sanitation services, insufficient technical capacity for water infrastructure management, and perennial problems of landownership and water rights. The threat to the quality and quantity of freshwater resources posed by sea level rise could be fundamental to the security and even the existence of low-lying atolls.

A strategy to deal with the most important sustainable water management issues in the Pacific region was approved at a meeting in Sigatoka, Fiji Islands, in mid-2002. Ministers and other senior government representatives met with partners from multilateral and bilateral agencies, civil society, and the private sector to set priorities and decide upon the best course of action. The implementation process associated with the Sigatoka Action Plan for improved water resource management provides for its official endorsement by Pacific governments, and most PDMCs have already become signatories. A range of initiatives is moving ahead to implement key aspects of the Action Plan in response to local needs.

Coastal and Marine Resources. The biological resources of Pacific marine and coastal ecosystems, particularly fisheries, support both local subsistence economies and export industries. Special concerns are sustainable fisheries and stresses on the health of coral reefs. As to oceanic fisheries, the Pacific region is recognized as the world's greatest tuna fishery. It contributes about a third of the global catch and dwarfs other areas both in volume and value. Tuna catches have remained relatively stable over the past 10 years—fluctuating around 0.9–1.2 million tons annually—while values have varied between \$750 million and \$1.9 billion. This is equivalent to about 11% of the combined gross domestic product of all countries in the region, or about half of the value of all its exports.

The pelagic tuna fisheries are exploited primarily by distant fishing nations, who pay less than 5% of the landed value (some \$60 million in 1999) in access fees to the Pacific states. This rather low economic rent reflects the reality that most of the production costs are incurred outside the region. Skipjack tuna resources are considered healthy, with even some limited potential for catch increases. The larger tunas are considered fully exploited, with some species showing signs of overexploitation. The importance of conservation and improved management to ensure sustainability of this resource thus cannot be overemphasized, and efforts are underway to secure a greater share of the returns for the region.

Coral reefs, mangrove forests, sea grass beds, and other coastal/marine ecosystems are crucial to the well-being of Pacific island countries and communities. They form the ecological foundation of Pacific economies and contribute significantly to income, health, nutrition, coastal protection, and construction, as well as to the tourism industry. Reef systems, in particular, are increasingly at risk from discharges of nutrients derived from sewage, soil erosion, and agricultural fertilizers; changes in sea temperature; improper solid waste disposal; accelerated sediment discharge; physical alterations through destruction of fringing reefs, beaches, wetlands and mangroves for coastal development and sand extraction; logging; and overexploitation of coastal fisheries.

The International Coral Reef Initiative was developed as a partnership between countries and regional organizations and focused on five priority strategies: (i) coastal management, (ii) capacity building, (iii) research and monitoring, (iv) coordination and review, and (v) mechanisms for implementation. Gradual progress is being made on all of these fronts at the local level.

Forest Resources and Land Use. The loss of forest cover, forest degradation, and deforestation in favor of agricultural production have presented major environmental problems for the forested Pacific islands in recent years. Contributing to habitat destruction, soil loss, reduced water quality and the sedimentation of lagoon areas, these trends directly affect the livelihoods of the rural majority and poorest segments of island societies. The amount of forest cover varies greatly across the region—ranging from 40–90% of total

land area in the high islands to 5–40% for lower islands and atolls. The economic value of these forests in several countries is quite high.

The priorities for action have been well identified through meetings of the heads of forestry departments and consultations at national and regional levels. The most recently agreed common concerns and areas for action are

- (i) policy and legislation,
- (ii) forest management,
- (iii) forest product utilization,
- (iv) watershed management,
- (v) forest and trees in atoll ecosystems, and
- (vi) establishment of regional focal points and an information clearinghouse.

Nevertheless, local progress in addressing sustainable forest management is mixed at best.

Waste Management and Urbanization. Rising problems of waste disposal and urban pollution management are common to most PDMCs. The often limited land area available for waste disposal, as well as the physical structure of many islands, has led to improper disposal methods—or none at all—and hence to increasing health problems and a heightened impact on sectors such as tourism. Waste disposal is an especially serious problem where population density continues to rise, primarily in urban and peri-urban areas. The contamination of surface and groundwater resources from sewage, animal waste, and household garbage is also having a significant impact on the quality of freshwater.

Although the region's urban populations are generally small in both their absolute size and in terms of the proportion of Pacific populations they represent—on average only one in four people lives in an urban environment—urban population growth is outstripping rural by a wide margin nearly everywhere. The expanded area of built environments and the associated change in the nature of human settlements thus represent significant challenges facing the region. The degradation of natural systems that form the basis of rural livelihoods is also pushing some to seek better

opportunities in the region's cities. Often, rural-to-urban migrants do not have legal access to land in peri-urban areas, so informal or squatter settlements spring up.

The past decade has witnessed a significant increase in investments to deal with waste management. Across the PDMCs—often with ADB assistance—projects have helped governments and communities to better handle sewage and solid waste. Expansion of water supply systems—partly in response to groundwater contamination—has also taken place during this period. Policy and institutional reforms to improve the efficiency with which waste management services are provided have paralleled these infrastructure investments. These reforms have ranged from the creation of new urban planning or wastewater treatment authorities to the calculation and imposition of appropriate tariffs on beneficiaries to cover service costs.

A Regional Wastewater Management Meeting was held in 2001 in Majuro, Marshall Islands, that brought together representatives from 15 Pacific island countries and resulted in the formulation of the Pacific Wastewater Policy Statement and the associated Pacific Wastewater Framework for Action. The former sets out a framework of guiding principles and policies to direct future development and cooperation among Pacific nations, while the latter comprises a list of proposed actions to be undertaken at national and regional levels. All measures proposed are anchored and preconditioned on the achievement of

- (i) appropriate and acceptable integrated national wastewater management policies and regulations,
- (ii) sustainable wastewater management,
- (iii) improved service delivery, and
- (iv) equitable benefit to the entire community.

Biodiversity. The Pacific region is recognized as a globally significant area of biological diversity; the western Pacific possesses the greatest marine diversity in the world. This biodiversity is greatest in the west and reduces to the east and from north to south away from the equator. Even where diversity is relatively lower, species endemism and threats of extinction often remain high.

This level of diversity and endemism underpins both formal and subsistence economies. Natural resource-based sectors—such as fisheries, forestry, and agriculture—rely on sound management of biodiversity for their sustainability, and the tourism sector in the Pacific also is largely dependent on the integrity and beauty of local ecosystems. The livelihoods of most Pacific islanders, therefore, are either directly or indirectly derived from local biological and other natural resources, and biodiversity conservation is central to social and cultural development.

Unfortunately, the region's natural wealth is among the most critically threatened in the world, because of human economic activities that do not adequately take account of their adverse impacts on natural systems and encroach on these areas in unsustainable ways. This often takes the form of overharvesting of commercially valuable products from natural systems. Land-based sources of marine pollution are a principal threat to marine biodiversity along with habitat destruction/degradation. Other notable threats to both terrestrial and marine biodiversity include invasive species and the effects of climate change and increased climatic variability, including the greater frequency and intensity of cyclones as well as rising sea levels.

The current Regional Action Strategy for Nature Conservation (2003–2007) identifies six important challenges in the region:

- (i) shortcomings in institutional capacity,
- (ii) infrastructure development,
- (iii) coordination and integration of environment and conservation activities,
- (iv) economic alternatives to unsustainable exploitation,
- (v) political support and good governance, and
- (vi) limited funding.

It is clear that little progress will be made if biodiversity conservation continues to be viewed as an “environmental” issue. Conservation efforts must help to reduce poverty, enhance food security, and provide obvious links between the establishment of sustainable livelihoods and the protection of species and ecosystems. This is fundamental to the mainstreaming of environmental considerations—including conservation—at the national and

regional levels. To this end, widening efforts to promote community-sensitive eco-tourism in the region are particularly heartening.

Energy and Environment. Energy-environment linkages within the Pacific context involve many complex and interdependent factors. Energy obviously plays a vital role in achieving sustainable development in the Pacific region. It is a fundamental input to most economic and social activity, and adequate and affordable energy supplies are a prerequisite for expanding education, health services, and communications. Because of the isolation and dispersion of PDMCs' populations, energy markets are very thin, difficult to serve, and without significant economies of scale. About 70% of the region's population is without access to electricity. Efforts to develop local renewable energy sources have been few, but all PDMCs have reasonably strong potential for developing wind, solar, biofuel, geothermal, ocean thermal, and wave/tidal energy.

Pacific island countries and territories developed the Pacific Energy Policy and Plan (PEPP) to address these concerns and to coordinate the energy programs of the regional organizations and development partners. The PEPP has been selected as the common framework for progress in planning and implementing energy sector improvements in the region, including renewable energy. Substantial technical and financial support has been provided to renewable energy and energy efficiency.⁷

Climate Change and Variability. No Pacific environmental issue has so captured worldwide attention as the prospect of rising sea levels resulting from global climate change threatening the very existence of many low-lying islands, including entire countries (such as Tuvalu or Kiribati). The adverse impacts of climatic changes, including increased variability of weather events, are receiving increasingly urgent attention among PDMCs. This is reflected in the numerous Forum Leaders' communiqués imploring developed countries to reduce their greenhouse gas emissions and the

⁷ This includes the UNDP-Global Environment Facility Pacific Islands Renewable Energy Project; the Pacific Rural Renewable Energy France-Australia Common Endeavour; and ADB's technical assistance projects on the Promotion of Renewable Energy, Energy Efficiency, and Greenhouse Gas Abatement and the recently approved Renewable Energy and Energy Efficiency Program for the Pacific.

universal PDMC participation in the United Nations Framework Convention on Climate Change (UNFCCC) and associated Kyoto Protocol. A grouping of the world's best climate change scientists under the Intergovernmental Panel on Climate Change (IPCC) reconfirmed in 2000 the threat to small island developing countries from rising air and sea temperatures as well as sea levels. The IPCC also identified coral reefs, atolls, and mangroves as among the natural systems most vulnerable to climate change. There is a growing belief in the Pacific that the impacts of a changing climate already are being experienced through the occurrence of increased climatic extremes, such as unusually intense and/or unseasonal cyclones, flooding, droughts, and other natural phenomena.

Concern among Pacific nations reached its peak in October 2000, when the South Pacific Forum's leaders endorsed the Pacific Islands Framework for Action on Climate Change, Climate Variability and Sea Level Rise. This Framework serves as an agreed basis for effectively addressing climate change and variability through a cooperative process among all relevant stakeholders. The mechanism for cooperation is the Climate Roundtable, a forum where interested stakeholders can cooperate and collaborate on climate-related activities to avoid duplication and achieve complementarity of effort. The Framework outlines a wide range of national needs and means for addressing them at both the regional and national levels, and it is endorsed as the principal guide for regional policy on climate activities.

Initiatives in response to the threat of climate change and variability undertaken in the early 1990s were carried out in a rather ad hoc fashion with various sources of support and assistance. From 1997 to 2001, the Pacific Islands Climate Change Assistance Program provided a mechanism that focused activities into a more comprehensive program. Recently, in an effort to mainstream adaptation, ADB, with financial support from the Government of Canada, initiated a regional technical assistance (RETA) called the Climate Change Adaptation Program in the Pacific. Another significant activity is the Capacity Building for the Development of Adaptation Measures in Pacific Island Countries being implemented by the South Pacific Regional Environment Programme (SPREP) with assistance from the Canadian Government.

Environmental Governance Issues

This paper having reviewed the principal environmental conditions and trends in the region, it is useful to summarize how responses to the environmental challenges identified are being organized in the Pacific. While policy and institutional frameworks governing environmental management vary greatly at the national level, there are some common patterns as well as constraints worthy of note.

National. Policy and institutional frameworks of Pacific countries largely reflect each PDMC's colonial history and unique cultural heritage. Formal legal frameworks overlay the widespread Pacific tradition of consultation at the local, national, and subregional levels. Probably the single most influential externally supported governance effort over the past decade involved assistance from ADB and the United Nations Development Programme (UNDP) between 1991 and 1994 to help PDMCs produce national environmental management strategies (NEMS). In many countries, these documents still provide the principal baseline and blueprint for developing environmental policies and plans. Despite considerable additional support—notably to environment ministries or other national focal agencies for environment—the past decade has not seen much measurable progress, either in terms of national institutional capacity or impact on environmental quality. On the contrary, most measures of environmental quality and natural resource management indicate deteriorating conditions. In many Pacific countries, environment units and departments and their legal counterparts in government have been grappling with the introduction of a regulatory environment that takes account of, or weaves in, customary practice and tenure and at the same time leads to improved environmental governance.

Few PDMCs have passed national environmental legislation or even basic regulations requiring the assessment of potentially harmful impacts from development projects, such as an environmental impact assessment system. Even where laws governing environmental or natural resource management do exist, enforcement remains weak. Therefore, an essential governance issue is why PDMCs seem so willing to sign on to and participate in a variety of regional and global plans of action, but rarely follow through

with comprehensive national action plans and budgets to implement these undertakings.

Considerable discussion has taken place over the past decade about the need to integrate environment and development—or “mainstreaming.” More recently, the importance of integrated environment-development decision making has been highlighted as an essential framework for organizing policy responses to the environmental challenges facing the region. Thus far, however, neither approach has made much progress on the ground.

Knowledge and understanding of traditional practices passed down through the generations are now being lost due to sociocultural changes and modern influences. Hence, it is important to promote understanding of traditional environmental management practices where they still represent viable approaches to resource management, by encouraging the integration of such practices with newer thinking and technologies.

Regional. In contrast with the national picture, a solid institutional framework now exists at the regional level to facilitate Pacific-wide dialogue on common environmental management problems and shared natural resources. These organizations were created with at least three justifications in mind. First, they are meant to achieve economies of scale in gathering expertise and making it available to Pacific countries, so that each country does not need to duplicate this capacity. Second, they allow countries to better address common problems and those that are transboundary in nature. Third, they facilitate regional dialogue and increase the strength of the Pacific “voice” in global forums. When it comes to program interventions, however, these regional organizations are most effective at the regional rather than country levels. The intergovernmental organizations that form the Council of Regional Organizations in the Pacific (CROP) provide the core capacity to provide such services.

Global. The response of Pacific countries to global environmental initiatives—especially given their relatively weak institutional base at the national level—has been quite impressive. In addition to the UNFCCC, PDMCs are parties to most multilateral environmental agreements (MEAs). They are

very active participants in meetings associated with these MEAs as well as related forums—the Convention on Sustainable Development, the Barbados Program of Action for Small Island Developing States, and the World Summit for Sustainable Development (WSSD) in Johannesburg (known as the Earth Summit). Councils, committees, commissions, and other bodies have been formed at the national level to coordinate PDMC obligations under these many treaties and MEAs. PDMCs have made a considerable effort to respond to MEA requirements, and this has influenced domestic policy by generating a baseline of related plans and commitments to action. PDMC participation in these global efforts has yielded considerable external support, but it has sometimes come at the expense of needed attention to more mundane but pressing domestic environmental issues.

Emerging Responses to Environmental Concerns

Institutional Capacity and Legal Frameworks. Concerted action to strengthen national capacity for environmental management is relatively recent among PDMCs. There remains a significant gap in most countries between the increasingly pro-environment rhetoric and the capability to deliver environmental benefits at the national and local levels. At least on paper, capacity now has increased to the point where countries are demanding environmental assistance to support significant increases in national programs. While this is a logical progression, this relatively thin institutional baseline has been, and remains, a central constraint to the implementation of a wide range of environmental projects and programs in the PDMCs.

Today, reinforced by preparations for and decisions made at the Earth Summit, attention to sound environmental management is seen as one of the three pillars of sustainable development to be considered alongside economic and social goals. These relatively rapid changes in how environmental management is perceived—and ultimately how assistance agencies and PDMC governments define their objectives in relation to aid programs—are an important factor when considering the overall effectiveness of past environmental assistance to PDMCs and mapping a strategy for the future.

Pacific Responses to Global Initiatives. The Earth Summit produced a modest Plan of Implementation and Declaration that is important to the region, and PDMCs were well represented at WSSD. The Pacific heads of government announced a number of initiatives/partnerships that will bring together government, the private sector, NGOs, and academic organizations in various high-priority areas to supplement and leverage more traditional sources of financing and expertise.

Experience with and Lessons from Past Environmental Assistance

ADB's Assistance. In the past decade, ADB has actively supported PDMCs in improving their environmental and natural resource management. This has included 53 country-level technical assistance (TA) projects,⁸ 4 grants, 19 regional RETA projects, and 15 investment projects valued at \$23.5 million, \$11.7 million, \$4.9 million, and \$108.8 million, respectively.

ADB thus has been an active partner in national and regional efforts to improve environmental management capacity and performance in the Pacific. These activities can be grouped into five major categories or sectors of support:

- (i) institutional strengthening and capability building;
- (ii) provision of social infrastructure including water supply and sanitation, urban development, health care and population activities, waste management, and environmental education;
- (iii) protection and conservation of agricultural, marine, and other natural resources such as sustainable fisheries, coastal and marine areas, forests, watersheds, and biodiversity;
- (iv) provision of energy, and adaptation to climate change and variability; and
- (v) other activities, including sustainable tourism and related infrastructure.

⁸ A project should have at least one environmental component among its objectives to qualify as an environment-related project.

At the country level, 22 TA projects were in the social infrastructure sector (more than 40% of the total). These were implemented to improve and facilitate urban and infrastructure development in PDMCs, particularly water supply and sewerage systems, health care, sanitation, solid waste management, and other public services. The second largest group of 19 TA projects was in the agriculture, marine, and other natural resources category (35%). These related primarily to developing and managing sustainable fisheries, protecting marine and coastal resources, strengthening agriculture and forestry agencies, managing watershed, and conserving marine biodiversity. Several TA projects (about 11% of the total) focused on capacity building, environmental awareness, and institutional strengthening of key government agencies (and to some extent the private sector and NGOs). The rest related to energy, climate change and variability (4 TAs), and power sector development requirements. Two TAs dealt with tourism and outer island infrastructure development. Although only 4 grants have been provided, the total amount is almost half that of country-level TA.⁹

The majority of RETA projects were for institutional strengthening and capacity building; RETAs have been a major avenue for ADB's assistance to environmental agencies. The agriculture, marine, and other natural resource management activities sector was next, with 5 RETAs, followed by the energy, climate change, and variability sector, with 4 RETA projects.

Environment-oriented loan projects have centered largely on infrastructure, such as water supply and sewerage, wastewater treatment, and solid waste management. A significant number of loans (33%) relate to agriculture, marine, and other natural resources. Of a total of 15 loan projects classified as environment-related, only 2 do not fall into one of these two categories.

Some trends in ADB's assistance patterns may be discerned. The first phase of ADB's environmental assistance in the early 1990s focused on helping PDMCs prepare NEMS as frameworks for further action. This was accomplished through a combination of country-level TA projects and RETA

⁹ Three of these grants went toward rehabilitation work in Timor-Leste, which is organizationally grouped with Pacific countries within ADB.

projects. The emphasis then shifted to sector work, notably relating to forestry, biodiversity, environmental aspects of energy, fisheries, and more recently water management. Current assistance centers more on mainstreaming environmental considerations into key development sectors. There is an increasing effort to build on previous energy sector work and external assistance to identify market-proven renewable energy sources, and to help PDMCs adapt to climate change and variability.

Other External Environmental Assistance in the Pacific. In addition to ADB's experience with environment-oriented assistance to its PDMCs, insights may also be drawn from the activities of other international agencies active in the Pacific. Patterns of environment-related assistance to Pacific island countries by major external funding agencies emerged from the results of a survey conducted as part of the PRES analysis as well as from secondary sources. Among the bilateral donors heavily engaged in the region, Australia, Canada, France, Germany, Japan, New Zealand, and United States are most notable. Survey questionnaires were distributed to external agencies concerning their main objectives and activities in improving environmental management in the region.

Based on the survey and supplemental information, projects were classified into those implemented at the country versus regional levels. Sixty-four ongoing (as of 2002) country-level projects were identified, with a total value of \$110.7 million, and 51 regional projects, with a total value of \$96.8 million. This brings the level of ongoing external assistance activities in the Pacific to \$207.5 million in 115 projects.

Country-level projects, when grouped into the same categories used to analyze ADB's assistance, follow a pattern similar to that observed for ADB. Most projects (75%) fall into the category of agricultural, marine, and other natural resources, or that of social infrastructure. The remaining projects fall under energy, climate change, and variability (11%), institutional strengthening and capacity building (9%), and others (5%). The trend is the same in terms of project value, though the amounts are more skewed than ADB's toward agricultural, marine, and other natural resources (50%), and social infrastructure (40%). Social infrastructure projects average about \$3 million per project, and agricultural, marine, and other natural resource

projects are around \$1.7 million in average size. Projects in the categories of energy, climate change and variability, institutional strengthening and capacity building, and others were smaller, with average values of \$1.3 million, \$0.4 million, and \$0.1 million, respectively.

At the regional level, external assistance also mostly fell into these same two categories of natural resources and social infrastructure, with a 45% and 36% share, respectively, of total value of assistance. The average size of the 51 regional projects was about \$2 million, though there were three rather large allocations that skewed this number upward.

Accomplishments, Constraints, and Lessons Learned

Valuable lessons can be drawn from this experience in implementing environmental assistance programs in the region. When ADB's experience and that of other funding agencies and implementers are merged, several patterns emerge that can help to inform and influence future environmental programming in the Pacific. The summary presented below attempts to capture what has worked and what has not, with lessons drawn from successes and failures in equal measure.

Building on National Environmental Management Strategies. The PDMCs got off to a very good start in the early 1990s with preparation of NEMS or similar plans. In many cases, these represented the first attempt at the national level to take stock of natural resources and the relationships between environmental management and economic development. Too often, however, the latter connection was inadequately emphasized. This marginalized the NEMS exercise, so that those in economic planning and finance, or even the key sector agencies, did not consider it directly relevant. National sustainable development strategies resulting from the WSSD process will suffer the same fate if they are not led by finance or economic planning agencies and do not involve all stakeholders, including critics, in the process.

Utilization of the Council of Regional Organizations in the Pacific. The rationalization of regional organizations' efforts through the creation of

CROP is a promising initiative. Particularly high hopes have been placed on SPREP as the lead organization in environmental fields. Some notable achievements have occurred in raising regional environmental awareness and building institutional capacity, particularly for global issues such as biodiversity conservation and climate change. However, the CROP network has not yet reached its full potential for facilitating the organization and dissemination of information on Pacific resources and on best environmental management practices at the national and regional levels.

Pacific Engagement on Global Environmental Issues. As evidenced by the special attention afforded small island developing states at the Earth Summit, Pacific countries and regional organizations have excelled at getting their voices heard in international forums on global environmental issues. Despite human resource and other capacity constraints, they also have gained an impressive degree of access to global financial mechanisms made available to address environmental concerns, (especially the Global Environment Facility (GEF)). However, the work of the regional organizations in promoting such engagement has largely failed to bring the benefits home to the national and grassroots level: it generally has not demonstrated the relevance to domestic economic development of adaptation to climate change and variability, water and coastal resource management, or biodiversity conservation.

Replicating Local Successes. Local community environmental management initiatives, contemporary applications of traditional environmental practices, public-private partnerships for environmental management, and even small-scale government environmental or resource management programs all can be found scattered across the Pacific at the pilot demonstration level. Many of these are highly successful, but few have fostered any meaningful connection to or influence over national or regional environmental policy and program development. Furthermore, they are often not designed with replication in mind, so that their impacts remain highly localized.

Lagging Legal Framework. Despite some progress in establishing a national agenda for environmental management capacity and norms, most PDMCs still lack the legal framework covering the major aspects

of environmental protection and natural resource management at the local-national level. In many countries the problems encountered in establishing a national legal framework appear to stem from conflicts between Pacific traditions of local management authority and attempts to impose top-down management structures. Many of the issues could probably be resolved through a more concerted consultation effort with all stakeholders, backed by an openness to compromise.

Environmental Mainstreaming. The absence of a legal framework also means that very little real progress has taken place in mainstreaming environmental considerations into the way policies, plans, and programs are developed for key sectors—such as agriculture, transportation, energy, industry, and tourism—let alone into national economic development planning. Most resources and efforts have been absorbed in trying to build apex environmental bodies at the national level, and only recently has attention turned to integrating environmental thinking into the processes and operations of finance or economic planning authorities.

Regional versus National or Local Interventions. Much closer attention also needs to be given to the question of the appropriate level at which environmental interventions are organized and implemented. A tendency has arisen—especially among external funding agencies—to favor regional-level programs for ease of organization and economies of scale. It is almost axiomatic that environmental problems begin locally and are ultimately solved locally, even those with global dimensions. This argues strongly for organizing environmental interventions at the subnational or even local levels.

Consultation, Participation, and Awareness. Civil society needs to be much more fully engaged in the development of environmental policies, plans, and programs in the region. This should go hand-in-hand with other public outreach and awareness-raising efforts to expand the base of those who are well-informed on the environmental subjects that affect them. Building partnerships among government, community groups, NGOs, and the private sector is an efficient and sustainable approach to utilize scarce resources, share burdens, and develop local expertise and ownership.

ADB's Pacific Region Environmental Strategy 2005–2009

ADB's new strategy for environmental assistance to PDMCs is now presented based on the foregoing analysis. The PRES is part of a broader strategic planning exercise covering ADB's overall assistance to the region for the period 2005–2009. The basic parameters of ADB's engagement with the region are first described. This is then followed by a complementary set of anticipated interventions at the local, subnational, national/sector, and regional levels.

At the project level, ADB will continue to fully implement its environmental safeguard policies to ensure that potentially adverse impacts of projects and programs are reviewed, and that, when necessary, prevention, abatement, and mitigation measures are incorporated into project design. For environmentally sensitive projects, ADB will continue to circulate for stakeholder review environmental impact assessments (EIAs) and/or summary EIAs—encouraging all parties concerned to participate fully in implementing environmental management plans according to EIA recommendations. Mitigation measures will be built into project design and civil works contracts and the results carefully monitored during implementation.

ADB will work through community-based organizations and NGOs to design and implement local-scale pilot interventions with high potential for replicability. Community-based natural resource management—especially acknowledging and building upon traditional environmental customs, knowledge, and practices—will be a key strategic approach for ADB operations at the grassroots level.

ADB believes that the subnational level is the most crucial point of intervention in the Pacific region—watersheds, islands, urban areas and their hinterlands, provinces or states are the planning units of choice. At this level, there often is strong community ownership, ecosystems can be understood, the scale is appropriate to donor and government resource constraints, and the likelihood of successful replication is high. Where possible, ADB will prioritize the geographic scale of its sector interventions

in such areas as agriculture, forestry, and energy supply to focus on subnational ecosystems, rather than attempting to cover entire countries or the region with a single project.

ADB will continue to improve the process of “mainstreaming” environmental considerations into its country operational strategy studies, sector policies, TAs, and loans. Consistent with ADB’s new Environment Policy, more intensive efforts will be made to take stock of lessons learned from environment-related assistance in each PDMC, and to consider all opportunities to incorporate appropriate actions—at the policy, institutional, project, and program levels—into ADB’s country operations. This exercise has already begun for country programming in Cook Islands, Fiji Islands, Papua New Guinea, and Samoa, and will be extended to all PDMCs by 2005.

A balance will be struck between efforts at the regional versus country levels. For some subject areas, it will be necessary to complement country-level interventions with activities implemented through RETA projects covering some or all PDMCs. However, these situations will be infrequent. ADB’s operations are fundamentally conducted at the country and subnational levels through its direct assistance to PDMCs. Regional work will be undertaken, when regional cooperation is needed, only to support and complement these country-level efforts.

ADB cannot address every type of environmental management problem occurring in PDMCs. Strategic focus must be applied to choose those areas of intervention that best draw upon ADB’s strengths, achieve complementarity with other ADB assistance, and take advantage of opportunities both to leverage resources and to form strong strategic partnerships. In general, stand-alone environmental assistance will not be pursued unless strong government commitment exists to mainstream environmental issues into economic development planning and management. Although specific interventions seldom fall neatly within geographic or institutional bounds, the proposed areas of strategic focus are described below.

Pacific Region Environmental Strategy 2005–2009				
Environmental Issue/ Action	Level of Proposed ADB Assistance			
	Local	Subnational	National/ Sector	Regional
Water Supply, Sanitation, and Waste Management				
Integrated Water Resource Management				
Sustainable Tourism and Biodiversity Conservation				
Renewable Energy and Energy Efficiency				
Coastal Resource Management				
Marine Resources and Sustainable Fisheries Management				
Climate Change and Variability Adaptation				
Environmental Governance and Mainstreaming				
Information Management				

Interventions at the Local Level

Improved Provision of Environmental Services. The majority of ADB's environment-related assistance to PDMCs is expected to continue to be associated with investment in environmental infrastructure. Recent participatory poverty assessments show that the poor want better access to basic services. This includes projects for improved water supply and sewerage, sanitation, and solid waste management. Such investments can be even more efficiently designed and utilized if they are placed in a broader context of environmental management at the island-wide or water catchment level, especially for water management infrastructure. ADB is well placed to provide such analysis, as it is a leading source of investment financing for environmental infrastructure in the Pacific.

ADB will also support broader urban and land-use planning activities, stronger efforts to integrate water quality and quantity management, and back-to-basics outreach programs—on everything from water conservation to litter prevention—to engage key environmental service consumers. A combination of TA projects and the incorporation of such efforts into project lending for water supply, sanitation, and solid waste management will enhance the effectiveness of all such environmental infrastructure investments.

Integrated Water Resource Management for Atolls. The special challenges of water management in coral atolls—arising from expanding populations and contamination of freshwater lenses—merit special attention. The threat of rising sea levels further complicates this situation. Given the number of PDMCs with islands facing these problems, it will certainly affect ADB operations in the Pacific. Based on the recently concluded “Sigatoka Agreement” for improved and better integrated water resource management in the region, ADB will use its position as a leading partner in the water resource sector to promote improved local-level understanding of, and responses to, problems of atoll water management.

ADB will develop a comprehensive strategy and action plan for sustainable water management of atolls that will guide its own operations and serve as a reference in the Pacific. TA support will be used to establish

replicable best practice models at the local level for wide dissemination and information sharing in the region. This may also lead to investments warranting lending assistance.

Community-based Ecotourism and Biodiversity Conservation. Numerous small areas or island communities throughout the Pacific represent ecosystem types and/or provide sanctuary for rare or endangered species. These can be managed as protected areas for biodiversity conservation and at the same time serve as ecotourism sites. ADB will serve as a catalyst for linking the conservation of unique and valuable Pacific biodiversity to development of appropriate tourism and the complementary provision of much-needed roads, ports, and other infrastructure—especially for remote islands.

Drawing upon communities living within or adjacent to these conservation areas, ADB will support the development of management schemes that blend conservation objectives and environment-friendly, sustainable income-generating activities such as nature walks, bird watching, whale watching, camping, diving, and ecotours. Respect for and utilization of traditional environmental management customs and practices will be an integral part of this strategy. The development of such schemes will be accomplished through a combination of TA projects and loans with financing from ADB as well as from external sources, such as the GEF and possibly private investors. Initial attention will focus on opportunities in the Fiji Islands and will be used to derive models applicable elsewhere in the Pacific.

Interventions at the Subnational Level

Integrated Water Resource Management. High islands and coral atolls alike are facing increasing water management challenges. On the high islands, little systematic thought and effort has been given to watershed management—let alone a fully integrated approach to water management that considers and balances the interests of all users, including the needs of aquatic and coastal ecosystems. As noted, coral atolls are facing heavy threats from overuse of limited freshwater resources by expanding populations, and vulnerability to rising sea levels is a further complication.

As a principal source of water sector financing in the Pacific, ADB is well placed to promote a more integrated approach to PDMC water management.

ADB will provide well-focused TA activities to support integrated water resource management where the problems are most acute, and especially when this complements ADB's infrastructure investments. These activities are expected to include watershed management components of upland agricultural development activities as well as lowland surface water and groundwater management. When warranted, ADB's support will be extended—through grant-financed TAs and elements of loan-financed investments—to the development of broad-based basin, island (or national) water management policies and institutional structures. These will serve as mechanisms for coordination and facilitation of investments, cover both surface and groundwater management, and integrate water quantity and quality concerns. Special attention will be given to finding a proper balance between the roles of government entities, the private sector, and all water users. The special social, cultural, and religious sensitivities about Pacific water rights and allocation mechanisms will also be taken fully into account.

Sustainable Tourism and Biodiversity Conservation. The tourism industry has much further potential for development in most PDMCs as an environmentally benign and sustainable source of jobs and income. This is true for both the main and outer islands in archipelagic countries. However, there is increasing concern that current patterns of tourism expansion may undermine the beauty and functions of the unique landscapes and cultural manifestations that are the very reasons visitors are drawn to the region. Though tourism development must be driven by the private sector, ADB can play an important role in helping to establish enabling conditions for private investment and in sustaining the environmental and cultural foundations of the industry.

ADB will support the market-based expansion of sustainable tourism in selected PDMCs through a combination of TA and loan-funded investments—especially when this can attract public sector cofinancing derived from global funds for biodiversity conservation. This will be closely coordinated with efforts to develop loan-funded investments to provide needed infrastructure in outer-island settings.

Renewable and Efficient Energy Production and Use. As shown by the impending expansion of hydropower and wind energy development in several PDMCs, attention is turning to opportunities for broadening the production of energy from renewable sources. As regional understanding and appreciation of these sources—including wind, biomass and solar power—increases, ADB’s TA and lending assistance at the subnational level can provide key technical and financial inputs. Energy saving through a wide range of conservation efforts and demand-side management activities also deserves special attention.

ADB will provide TA resources and loan-funded investments to support the wider use of renewable energy sources, especially on outer islands and in rural areas without electricity grids, wherever these can be shown to be commercially viable. It will also provide TA to help create the enabling market conditions for the expanded use of alternative and renewable energy production and use, and will seek opportunities to improve the efficiency of energy use based on both improved public awareness and market incentives. This support will include the marketing of carbon credits for renewable energy sources as a form of cofinancing.

Management of Coastal Resources. Coral reefs, mangrove forests, sea grass beds, beaches, and offshore marine ecosystems must be protected to safeguard the well-being of communities that depend on them for their livelihoods and protection of their island homes. These ecosystems form the ecological foundation of PDMC economies and support jobs, health care, nutrition, coastal integrity, and tourism. Reef systems, in particular, are progressively at risk from improper waste disposal by increasingly dense coastal populations, from climate change and variability, and from invasive species. ADB can encourage improved awareness and responses to these threats through investments and policy dialogue.

ADB’s assistance to protect these vital natural resources will include direct loan-funded interventions to solve specific coastal resource management problems, often in conjunction with infrastructure investments, and TA activities to support improved awareness, community-based management approaches, and better environmental monitoring. These activities will complement and be

coordinated with those relating to water management, regional fisheries, and adaptation to climate change and variability.

Adaptation to Climate Change and Variability. Country-level investments are needed to adapt to the adverse impacts of climate change and variability, and it is clearly a Pacific-wide challenge. ADB's position in the region and among global players in this field means that it can play an important role by assisting with the analysis of and response to threats derived from climate change and variability, including the consequences of rising sea levels and the increased frequency and/or intensity of extreme hydrological events such as cyclones and droughts.

ADB is adopting a programmatic approach in dealing with these threats on a regional basis, using a RETA to coordinate ongoing efforts. The goal is to assist PDMCs as they work toward integrating climate change and variability adaptation measures into their development programs and projects. Pilot activities will increasingly be undertaken at a subnational level—funded with grant and/or loan funds, depending on the nature of required investments—and will complement and follow from regional TA analysis. Given the global roots of the problem, ADB will also help PDMCs maintain and enhance their access to international assistance through such mechanisms as the GEF, with an overall goal of lowering the economic and social costs of climate change and variability in the Pacific, and especially of reducing the risk of a resulting increase in the incidence of poverty. ADB will also work within its own programming and project design processes to incorporate adaptation to climate change and variability into its Pacific operations.

Interventions at the National and Sector Levels

Environmental Governance. Important gaps remain in the policy and legal frameworks for environmental management in most PDMCs that need to be filled if a firm foundation for further progress is to be created. The two most relevant lessons from experience indicate that overly comprehensive and complex legal measures are less likely to be accepted and implemented than simpler and better-focused mechanisms, and that it is essential that

all important stakeholders be engaged in the consultative process leading to new regulatory or policy measures. The wider application of traditional environmental management practices in development programs and projects also should be encouraged and incorporated into national legislation wherever possible. Because of ADB's relationship with PDMC governments and engagement in key natural resource and environmental management sectors, it remains in a strong position to promote the development of sound environmental governance structures.

ADB will engage in policy dialogue and provide TA support to country-level efforts aimed at drafting and passing environmental protection and management legislation and regulations. This effort will include developing capacity to meet basic EIA requirements to screen potentially damaging development projects, as strong EIA capabilities are necessary to complement ADB's own safeguard policies. TA assistance will be accompanied by complementary support to policy dialogue in the consultative processes leading to such policy and regulatory reforms.

Environmental Mainstreaming at the Sector Level. Stand-alone environmental assistance will be only weakly sustainable without strong PDMC commitment to weaving environmental considerations into the very fabric of sector development planning and management. Concerted efforts are needed to build environmental capacity and understanding into planning and investment in key sectors such as water supply and sanitation, transport, power, tourism, communications, mining, and agriculture. It is essential that the capacity for understanding and acting upon environmental concerns be established and maintained in all areas of the economy. ADB's ongoing policy dialogue with PDMCs in many of these sectors provides an important platform from which to further this agenda.

ADB will assist with capacity building for mainstreaming as part of its lending, policy, and programming dialogue and, where warranted, through directly targeted TA activities. ADB is committed to working with all PDMCs in this effort, especially to help strengthen the capacity of key line ministries so they can appreciate and respond appropriately to the environmental dimensions of their sector in the development process.

Mainstreaming the Environment into National Development Planning.

Beyond support for broad-based environmental legal and regulatory frameworks and sector mainstreaming, a strong need remains for better incorporation of environmental considerations into national development policies and programs. Environmental dimensions of public investment programs should be considered from the earliest stage, and economic costs associated with environmental mismanagement should be part of national debate on development priorities and approaches. ADB is actively engaged with national development planners and policymakers and can use this position to encourage the mainstreaming of environmental concerns into all aspects of social and economic development—even as it does the same for its own operations.

Through its ongoing policy dialogue with PDMC governments, ADB will work with national economic planning authorities and other relevant bodies to help build environmental considerations into the mainstream of their routine planning and budgeting processes. Much of this will come through ADB's own country programming. In this context, ADB will conduct analyses of environmental issues affecting its operations at the country level¹⁰ and will use this information to shape the direction of its country programming and recommendations to PDMCs about associated policy and capacity building needs. Building on the PRES analysis, more in-depth studies will be made of key relationships between environmental management and development at the country level affecting all ADB operations.

Complementary Regional Interventions¹¹

Promoting regional cooperation is a central theme of ADB's work across the Asia-Pacific region. Regional economic integration as well as environmental cooperation on common problems can benefit all PDMCs. ADB will play an important leadership role by encouraging continued and more effective regional cooperation on topics related to environmental management, including

¹⁰ Country environmental analysis (CEA) as required in ADB's Environment Policy. This PRES exercise is part of the CEA process for the Pacific region.

¹¹ ADB's strategy and planned regional assistance program are provided separately in: ADB. 2003. *Regional Cooperation Strategy and Program for the Pacific: 2004-2006*. Manila.

- (i) improving the gathering and management of information on environmental trends and conditions so that progress can be better assessed;
- (ii) strengthening the productive and appropriate roles of CROP organizations in environmental management; and
- (iii) helping PDMCs learn from international experience with environmental management of island states, including follow-up to the Barbados Plan of Action.

Environmental Information Management. The lack of reliable data on environmental conditions and trends poses a critical constraint to good planning and programming at the local, sector, national and regional levels, and thus constitutes an essential underpinning of good environmental governance. It is vital that decision makers have a sound scientific and economic basis for setting policy and program priorities. A reliable, consistent, and accessible information baseline that is systematically updated is crucial to any effort to measure environmental progress. Since ADB operates throughout the Pacific and is actively engaged with PDMC governments in the collection of social and economic data in the region, it is positioned to encourage the improved monitoring of environmental conditions and trends and the wider sharing of such information.

ADB will use TA resources, its policy dialogue with PDMCs, and cooperation with CROP members and others in the international community to help improve the compilation and assessment of data on Pacific environments. Such efforts will include but not be limited to the development of baseline information from remote sensing data utilizing geographic information systems and the organization of information on land use, forest cover, rangelands, wetlands, coastal ecosystems, and other data sets. All such efforts will encourage a process of environmental information management that is transparent, consistent, and commonly accessible, to support both project-level environmental assessments and broader policy and program planning at all levels.

Legal Framework for Environmental Management. The deficiencies of environmental policy and legal frameworks at the country level, already noted, are common to most PDMCs and would benefit from a regional response. ADB has previously been engaged with most PDMC governments on this subject through its early support for NEMS and should again be able to encourage a new—and better targeted—wave of environmental policy and legislative reforms.

ADB will provide regional RETA resources to complement those at the national level to develop and regionally disseminate legal and regulatory models adaptable to local conditions. This will necessarily involve assistance for participatory and consultative processes to ensure that all important stakeholders are engaged in the development of environmental policies, legislation, and regulations.

Marine Resources and Sustainable Fisheries Management. The harvest of highly migratory fish species is of tremendous economic importance to most PDMCs, and this is largely accomplished through the licensing of foreign fishing vessels to gain access to their EEZs. The adoption of the Pacific Tuna Convention in 2000 was explicitly formulated to safeguard the sustainability of the highly migratory species, and provides an opportunity for programs to better understand this fishery and contribute interventions to ensure that its exploitation remains within these bounds. ADB has been actively engaged in this field, and it can use its relationships with PDMCs to encourage further progress.

ADB will use RETA resources to support the review of these regional resource and economic management arrangements and efforts to develop and effectively disseminate information on appropriate sustainable management regimes for Pacific tuna fisheries. It is expected that this will directly contribute to increased benefits for participating PDMCs by creating enhanced opportunities to extract fair resource rents based not only on allocations but also through area-wide management policies.

Implementation Issues and Performance Measurement

Targets Set at the Earth Summit. Approaches to measuring progress and associated challenges have been mentioned throughout this strategy, and the targets agreed at the Earth Summit constitute an important advance in efforts to standardize and improve performance assessment. The Earth Summit targets represent important commitments from both the international community and the PDMCs to create the enabling conditions for achievement of sustainable development—globally, nationally, and locally. To the extent possible, all ADB activities in the Pacific region—and not just those described in this strategy as “environment related”—should help to accomplish these agreed targets and their associated goals.

Millennium Development Goals. Many of the Earth Summit targets correlate closely with the internationally recognized Millennium Development Goals (MDGs). These goals have been internationally recognized as representing the best available minimum set of targets to measure progress toward sustainable development. At the Monterrey Conference in March 2002, ADB joined other multilateral development banks in agreeing to relate its Long-Term Strategic Framework for 2001–2015 to the MDGs and to examine how they could be reflected in country strategies and programs. A preliminary ADB review indicates a mixed record thus far among PDMCs in their progress toward meeting the MDGs, and records significant room for improvement with respect to fulfilling Targets 9 through 11 under Goal 7: “Ensure environmental sustainability.” This observation further underscores the need for attention to improving environmental information collection and management in the region, as called for in this strategy.

Key Risks and Assumptions of the Strategy

The viability of the PRES approach over 2005–2009 is dependent upon the recognition of several key risks and assumptions. ADB must be in a position to work with each PDMC based on domestic political stability and the fulfillment of other basic conditions of this relationship. It is also assumed that an adequate degree of absorptive capacity exists in national and regional

partner organizations, although institutional strengthening is an important dimension of all recommended actions. The development of strategic partnerships—especially working with a select group of regional organizations and NGOs over a multi-year period—represents a departure from the normal procedures for organizing ADB-supported TA, so care will need to be taken to ensure that this is handled appropriately within ADB policies and procedures. The strategy also takes a longer-term and more programmatic perspective than is typical for ADB operations, so it remains to be seen how ADB’s programming and assistance systems will adjust to this mode of work. Finally, several of the regional initiatives envisioned in the strategy will be dependent upon the availability of grant cofinancing from sources outside ADB, including the GEF and certain bilateral assistance funds channeled through ADB.

Conclusion

Dealing with environmental and natural resource management challenges in the Pacific region is important, because overexploitation of resources and environmental degradation directly affects the economic and social well-being of PDMC populations. ADB has been an active partner in helping to address high-priority demands for improved institutions and practices to manage and protect the region’s natural systems. ADB remains actively engaged in regional and national policy dialogue on these and other development issues, and continues to move beyond its traditional strength as a multilateral lending institution into active policy and program engagement with international organizations, PDMC governments, and a wide range of stakeholders.

This new Pacific Region Environmental Strategy will serve as a touchstone and source of guidance as efforts move forward to improve the basis for sustainable development in the region. Outlining interventions at the local, subnational, national/sector, and regional levels, the PRES provides a clear framework for ADB’s leadership on these subjects and identifies important opportunities for leveraging resources and helping to encourage greater local responsibility for environmental management through the systematic development of strategic partnerships with appropriate local, national, and regional organizations.

