

Welcome to Nexus

In the last two years there has been increased interest in issues relating to poverty and the environment. This growing attention has included three important ministerial-level initiatives: the Malmo Ministerial Declaration, which was adopted by the Global Ministerial Forum in May of 2000; the United Nations Millennium Declaration of September 2000; and, in February 2001, the UNEP Governing Council decision 21/15.

These major initiatives come at an appropriate time. The rate at which environmental degradation is occurring is increasing rapidly, especially in developing countries. At the same time, the number of people living in poverty is also growing.

Over the last five years we have seen a change in the way the links between poverty and the environment are perceived. There is an emerging realization that the belief that poverty causes environmental degradation is too simplistic and, in many cases, just wrong. The linkages are more complex and have been found to be site-dependent. Therefore, any generalization of the links or the duplication of lessons learned from best practices must always be approached cautiously.

By publishing *Nexus*, the International Institute for Sustainable Development aims to provide people working in the field of poverty and environment with information on the various initiatives carried out and the agencies executing them. *Nexus* will also lend clarity to the poverty-environment discussion with feature articles and interviews with practitioners in the field.

I welcome you to the first issue of *Nexus* and hope you will find it useful. I look forward to your feedback, questions and recommendations.

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Anantha Duraiappah

"Over the last five years we have seen a change in the way the links between poverty and the environment are perceived."

UNEP Moves Forward With Poverty-Environment Initiative

Experts review UNEP guidelines

By Pumulo Muyatwa, PhD

The United Nations Environment Programme (UNEP) held its second experts meeting on its poverty-environment initiative in Oslo, Norway, March 18–20, 2002. The meeting was hosted by the Norwegian Ministry of Foreign Affairs at the picturesque Moria Soria Hotel in the hills overlooking Oslo. The primary objectives of the meeting were to review UNEP's draft guidelines on poverty and the environment and to provide guidance on their future development.

Why has UNEP decided to enter the poverty-environment debate? This was one of the burning questions many of the participants asked at the beginning of the meeting. The answer came from Bakary Kante, director of the Policy and Law Division within UNEP. He said that UNEP was asked to contribute to the debate when a resolution was passed at the 21st Governing Council in February 2001. This resolution, GC21/15, asks UNEP to develop and promote the understanding of the linkages between poverty and the environment. But the resolution does not stop there. More important is the expectation that UNEP provide practical assistance to countries on how to integrate the environment into the central social and economic processes of countries, especially the Poverty Reduction Strategy Papers and the comprehensive development framework.

One of the unique features of the Oslo meeting was the composition of the group. UNEP had managed to assemble representatives from the ministries of environment as well as representatives from the finance and planning ministries who had worked on their respective countries' PRSPs. Even more interesting was the civil society representation from the same countries that had ministerial representation at this meeting. UNEP had managed to get all of the poverty-environment players together in one place to discuss, debate and argue a variety of issues. The strength of the meeting was the nature and chemistry of the group, which numbered about 40–50.



Pumulo Muyatwa

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Guest Editorial

Flavio Comim, PhD
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The Poverty-Environment Nexus and the Poor

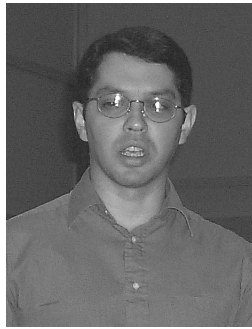
The poverty-environment nexus may be seen as a result of two interlinked, cumulative causal processes: (1) the deterioration of environmental conditions affecting the poor; and (2) poverty affecting environment conservation. Whereas the links between environmental degradation and poverty have been consistently explored, not enough attention has been given to the *rationale* behind the consequences of poverty on the environment. I suggest that the usual attitude of “blaming the poor” for environmental degradation should be avoided and that the challenges of sustainable development and of inter-generational inequality should take into account the participation and responsibility of the non-poor in the use of natural resources.

With regard to the first process, deteriorating environmental conditions disproportionately affect the vulnerability, entitlements, livelihoods and survival of the poor. Rapid deforestation, water scarcity, declining fisheries and loss of biodiversity all affect the poorest who usually live in ecologically vulnerable areas. The poor are also the most vulnerable to natural disasters. Environmental factors could also cause significant health damages on the poor. Examples of this include water-borne diseases related to unsafe drinking water and lack of sanitation; and respiratory diseases that cause premature mortality due to urban and indoor air pollution. On the positive side, forests and ecosystems provide a form of social safety net for poor people. They can provide food, medicine, building materials and fodder for their cattle.

With regard to the second process, the poor are often blamed for environmental degradation. It is commonly argued that the poor generally live off the land that they use intensively, thereby causing environmental deterioration, and that a high rate of use of fuel wood for cooking also helps undermine an increasingly fragile natural resource base. Moreover, it has been acknowledged that poverty promotes a myopic approach to the management of resources, because poverty leads individuals to pay less attention to the future, ignoring the negative consequences of over-utilization of natural resources.

However, it would be wrong to blame the poor, partly because the sub-optimality of their decisions is a result of structures of incentives—defined by the non-poor—generated under environments of extreme inequality; and partly because the negative externalities generated by their behaviour are simply manifestations of a lack of institutional and social coordination in the use of resources. Poor individuals cannot be “accused” of being risk averse and of having high rates of time preference because, more often than not, their individual access to the use of resources being depleted is very limited. It can be argued that the difficulty of seeing the social reasons behind the poverty-environment nexus reveals the inadequacy of poverty measures that define poverty as properties or attributes of poor individuals, totally ignoring the effects of general structures and systemic level outcomes on the lives of the poor.

For this reason, no necessary link between the poor and environmental degradation should be assumed. Poverty, as a condition that excludes people from participating in the use of resources, may be related to the environment. But this does not imply that the



Flavio Comim

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actions of the poor should be seen as causing environmental degradation. In most developing countries, where very uneven results in terms of wealth creation increase disparities among individuals, it is the non-poor who mostly use the environmental resources and who affect the extraction rates, critical quantity and quality of resources that should be passed to future generations. Coordination between the social, the economic and the environmental levels cannot depend only on individual action. To a certain extent, the poverty-environment nexus should encompass issues of equity, justice and ecological health.

Current patterns of high inequality among and within countries mean that the causes of global environmental degradation should be searched for in the actions of the non-poor. It might prove difficult to discuss environmental degradation without reference to institutional features and system-level properties of those societies where poverty is a core feature. It appears to be convenient to take the easy route of “blaming-the-poor” for environmental degradation when attention should be paid to those (non-poor) who use the resources more intensively.

Bringing the Actors Together

IISD's Jennifer Castleden interviews Warren John Nyamugasira, National Coordinator, Uganda National NGO Forum, and Margaret M. Kakande, Head Poverty Analyst, Poverty Monitoring & Analysis Unit, Ministry of Finance, Planning and Economic Development. Nyamugasira and Kakande share their thoughts on the successes and challenges faced by government and civil society in the PRSP development process.

Preparing Uganda's Poverty Reduction Strategy Paper (PRSP) has been an extensive partnership between government and civil society, with several lessons being used as building blocks for this “living document.” The PRSP, in the case of Uganda, was based on the country's pre-existing Poverty Eradication Action Plan.

According to Warren John Nyamugasira, the resulting document can be called a country-owned framework. This is because of the early involvement of civil society in the process. He says that civil society is satisfied with the resulting PRSP.

Margaret M. Kakande noted that, “from a government perspective, having strategic people from civil society that are capable of dialogue with government and the international community has been an important strategy in ensuring country ownership.”

Kakande and Nyamugasira agreed that, in general, there is a deficiency in capacity in the country, which affects both the government and the civil society. As such, both parties benefitted through mutual collaboration on poverty and environment issues. What is often missing is the analytical capacity and good data.

According to Nyamugasira, civil society realized that there are complexities involved in the process, with competing needs between the donors, ministries and civil society. “In the past civil society always used advocacy and lobbying and an approach of ‘all or nothing,’ but we have now learned that one could have incremental success, especially with the knowledge that the PRSP will be reviewed every three years.” With the PRSP as a “living document”



Margaret Kakande

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Bringing the Actors...continued from previous page

the subsequent reviews would provide further opportunity for civil society to push for changes and revisions.

An important role of civil society organizations continues to be the use of public forum for debate and information dissemination.

With respect to the former, civil society organizations have made use of their own publications as well as repackaged government policy documents to communicate information to the general public. These documents were translated into local languages, to facilitate broader accessibility.

In Uganda, PRSPs are under the jurisdiction of the Ministry of Finance. According to Kakande, PRSPs are integrally linked with the budget allocation process. "If you divorce it from the budgeting process," she says, "it is bound to fail."

Despite forward movement in several key areas between government and civil society, consensus on issues relating to the environmental sector has not yet been reached. The Land Act was cited as one of the issues upon which the two parties do not agree.

The PRS process in Uganda has also been affected by the international response to poverty reduction. "At the time the World Bank came up with the CDF (Comprehensive Development Framework) and PRSPs, Uganda was ahead of the game," reported Kakande. "Uganda had already initiated its own national poverty reduction strategy, yet the World Bank attempted to impose its own approach to PRS without due recognition for Uganda's own efforts." Uganda was required to prove to the World Bank that its existing poverty

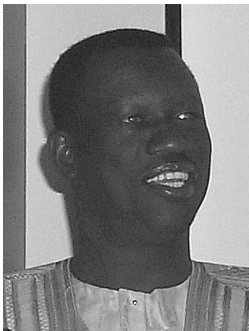
reduction strategy was in line with the World Bank approach. "If you do not want to be derailed in your projects," noted Kakande, "you need to be well ahead of the World Bank and the IMF."

Currently, Uganda's capacity constraint is being tested yet again by the World Bank. Uganda's own poverty Monitoring and Evaluation mechanism reports every two years, yet the Bank requires progress reports every year.

Nyamugasira says that civil society, too, is hesitant about the World Bank approach. "We have a lot of skepticism of the Bank and the IMF; about whether conditionality is compatible with ownership. The World Bank and the IMF continue to play gate-keeper roles." As a result, this arrangement has made government and people to censor themselves, thereby making them unsure of their stand or views.

The following were some of the key lessons learned and that contributed to the successes of government and civil society partnership in Uganda:

- individuals had a degree of commitment to the relationship between government and civil society;
- recognition that neither group had all the answers—this is a learning process that requires testing and refinement;
- identification of similar constraints in government and civil society, notably capacity, data problems and financial constraints;
- acknowledgement that when capacity is low in government, it is usually likely that civil society capacity is low as well. This led to identification of areas requiring capacity development; and
- recognition that donors are willing to fund projects if participation level from civil society is high.



Bakary Kante

UNEP Moves Forward... continued from page 1

The meeting was opened by Olav Kjørven, State Secretary, Ministry of Foreign Affairs in Norway; André Støylen, State Secretary, Ministry of Environment; and Bakary Kante Director, Policy Division, UNEP. Kjørven highlighted the importance of integrating the environmental system at all levels, as human health was dependent on ecosystem for livelihoods. He further noted that the key challenge for the meeting was to provide governments with practical

guidance, tools and good examples from real life in their attempts to integrate environmental matters into poverty reduction strategies. He echoed Amartya Sen's call to shift the focus from sustainable *development* to sustainable *freedom*. Støylen pointed out that the environment is a precondition to poverty reduction and, therefore, to make informed policy decisions it is imperative that we know the status of the environment. Kante informed the meeting about the importance of poverty to UNEP and to the upcoming World Summit on Sustainable Development (WSSD) and emphasized the need to develop practical guidelines that reflect UNEP's mandate of openness, integration and transparency and a call to integrate gender into this process, as gender issues are instrumental to poverty reduction.

It was recognized during the meeting that reducing poverty by 50 per cent by 2015 requires short- and long-term goals. This means finding good instruments to eradicate poverty, remove barriers and address the exclusion faced by the poor. There was unanimous agreement among the participants that only increasing GDP growth was not the solution—that social, and especially environmentally sensitive, development were also vital to consider.

Working groups were formed to address key issues relating to poverty and ecosystem assessments, policy coherence and participative processes. The participants worked diligently late into the

nights and accepted their challenges seriously and enthusiastically. The following issues were discussed in detail by the various groups:

- the role of formal and informal institutions in eradicating poverty;
- the need for adopting a participatory process;
- the issue of governance at the national and international levels;
- capacity development;
- the need for policy coherence among the various international initiatives;
- the need to listen and learn from each other;
- the need to identify and remove barriers to poverty reduction strategies; and
- the need to build on the work on poverty and environment done by others, including the World Bank, UNDP, Millennium Ecosystem Assessment, etc.

The product of three intensive days of deliberations was the identification of an overarching goal and a set of 13 draft principles collectively known as *The Oslo Principles on Poverty Reduction through an Ecosystem Approach*. These principles were developed to guide the further development and refinement of the guidelines that were presented by UNEP in collaboration with the International Institute for Sustainable Development. The overarching goal of the guidelines was determined as the reduction of poverty by meeting the elementary human functionings of women, men and children dependent—out of necessity—on ecosystem services. It was interesting to observe that some of Nobel laureate Amartya Sen's concepts and arguments were actually driving the poverty-environment debate at this meeting! This group likely made some progress beyond the rhetoric that often flavours the discussion on poverty reduction and the environment.

UNEP expects to present a draft set of guidelines at the World Summit on Sustainable Development (WSSD) in August-September in Johannesburg. The long-term strategy we learned from Thierry de Oliveira, the UNEP program officer in charge of the poverty-environment initiative, is to test these guidelines in five or six African countries over the next three years. He emphasized that these guidelines should be considered a living document that will evolve as new information becomes available.

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Experts Gather to Discuss the MA Conceptual Framework

Millennium Ecosystem Assessment has unique characteristics

By Anantha K. Duraipapp, PhD

In March, about 60 experts gathered at the Novotel Eiffel Tower Hotel in Paris to discuss the refinement of the conceptual framework that the Millennium Ecosystem Assessment (MA) is to use in its work. The Millennium Ecosystem Assessment is an integrated ecosystem assessment that is defined as an analysis of the capacity of an ecosystem to provide goods and services important for human development. The MA's work is overseen by a 45-member board, chaired by Dr. Robert Watson, chief scientist of the World Bank, and Dr. A.H. Zakri, director of the United Nations University's Institute of Advanced Studies. The Assessment Panel, which will oversee the technical work of the MA, is comprised of 13 of the world's

leading social and natural scientists. It is co-chaired by Angela Cropper of the Cropper Foundation, and Dr. Harold Mooney of Stanford University. The director of the Millennium Ecosystem Assessment is Dr. Walter Reid.

The MA has a number of unique characteristics, including the fact that the human system is intricately modelled within the whole assessment process. Also, they have understood that there are a variety of decision-makers working at a variety of scales, and assessment needs to be done at these scales in order to provide the relevant information to these decision-makers.

The conceptual framework discussed in Paris is shown here (Figure 1). There is still a lot more work to be done, but we think that they have the basic foundations correct and we need such an assessment to support decision-makers when they formulate economic, social, environmental and even trade policies. More information on the MA is available at <http://www.millenniumassessment.org>.

Conceptual Framework

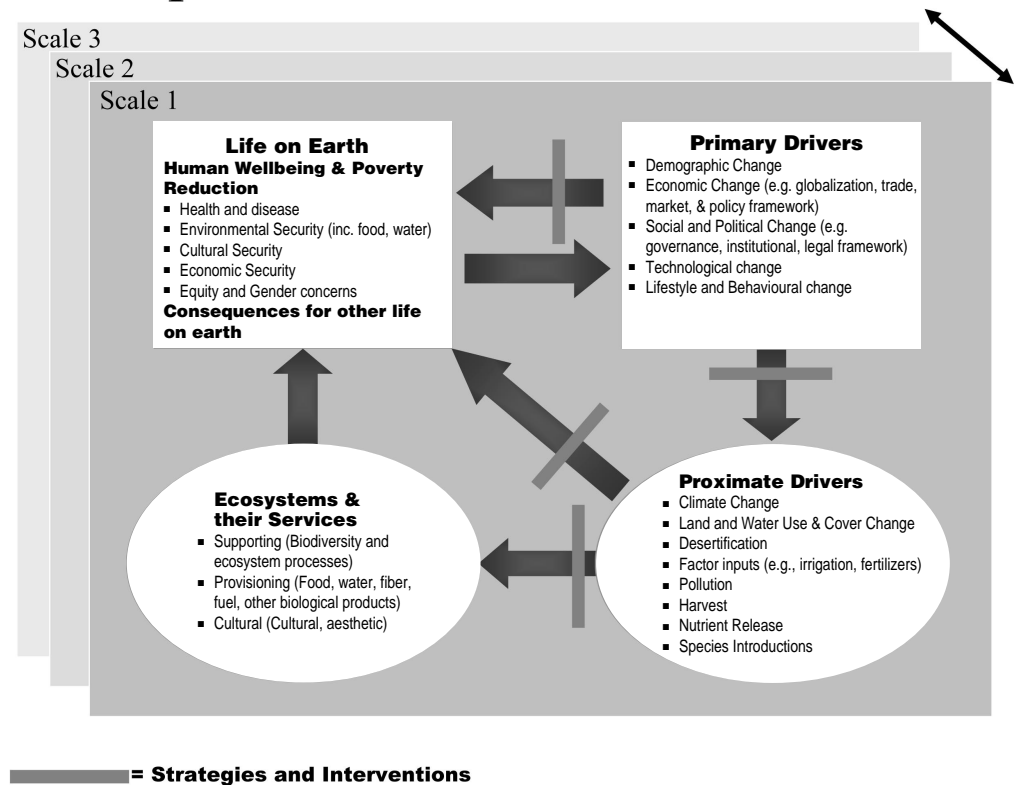


Figure 1. Millennium Ecosystem Assessment (Reprinted with permission).