ESPA 2017 Annual Science Conference:

HOW CAN ESPA FINDINGS BE APPLIED?

Is there a Demand-Side Need for Evidence on Ecosystem Services for Poverty Alleviation?- UNDP-UN Environment Poverty-Environment Initiative Africa Experiences

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David H Smith
PEI Africa Manager

www.unpei.org

UNDP-UNEP POVERTY & ENVIRONMENT INITIATIVE (PEI): *WHAT WE DO*

The UNDP-UNEP PEI supports governments to:

- **Include pro-poor sustainable environment & natural resource (ENR) use as a core objective in national development planning & implementation**
- **Build capacity so that development planning/poverty reduction decision-makers know :**
  - **How pro-poor ENR sustainability contributes to development**
  - **How to include pro-poor ENR sustainability in development planning & implementation.**
- **The main target audience is decision-makers in Planning/Finance and key sector ministries (Agriculture, Forestry, Energy, Local Government etc)**
- **PEI programmes in Mauritania, Mali, Burkina Faso, Rwanda, Tanzania, Malawi, & Mozambique . Previously worked in Kenya, Uganda & Botswana**

UNDP-UNEP POVERTY & ENVIRONMENT INITIATIVE (PEI): *WHY WE DO IT*

- **Unsustainable use of the environment & natural resources reduces the social & economic benefits produced -**
  - **E.G. People get sick & die from water pollution, farmers grow less & earn less due to soil erosion**
- **That is, development is hindered by unsustainable ENR use**
- **The contribution of sustainable ENR use to social & economic development is often inadequately understood**
- **Efforts focused on sustainable ENR management are inadequate compared with potential development benefits**

In short, unsustainable ENR use including CC make it more difficult to reduce poverty & achieve other development goals.

DEMAND SIDE NEED FOR EVIDENCE OF ECOSYSTEM SERVICES FOR POVERTY ALLEVIATION: PEI AFRICA EXPERIENCES

- **PEI Africa started in 2005 using an ecosystem services approach to persuade national decision-makers to include environmental sustainability objectives in national development plans & poverty reduction strategies.**
- **Despite a lot of effort, this approach was largely unsuccessful, though there was environment sector interest.**

Reasons:

- **The concept & terminology did not resonate with decision-makers responsible for national development planning/poverty reduction strategies.**
- **It is difficult to concretely describe to a development planning decision-maker what adapting an ecosystem services approach means in terms of how they should change national development preparation & implementation.**

DEMAND SIDE NEED FOR EVIDENCE OF ECOSYSTEM SERVICES FOR POVERTY ALLEVIATION: PEI AFRICA EXPERIENCES (Cont)

- Ecosystem services approach was interpreted as an environment sector tool not so applicable to other sectors.
- National development planning processes tend to focus on narrow income measures of poverty rather than multi-dimensional poverty measurement
- Environment ministries had insufficient capacity to persuade national development planners to accept an ecosystem services approach & tended to focus on environmental m/s
- Machinery of Government is focused on sectors
- Most of the above points still apply in the countries in which PEI Africa works

In summary, in PEI Africa countries, the demand by decision-makers for an ecosystem services approach to poverty alleviation remains weak.

PEI AFRICA RESPONSE : THERE IS MORE THAN ONE WAY TO SKIN A CAT

- **PEI Africa adapted and focused on using economic tools economists & planner were already familiar with to demonstrate how sustainable ENR use could help reduce poverty.**
- **PEI uses economic valuation, modeling, cost-benefit analysis at macro-, sector & household levels.**

Examples of economic evidence generated by PEI Africa supported country projects:

- **Soil erosion costs about 1.9% of GDP per year in Malawi and agronomic-economic modeling estimated that controlling soil erosion between 2005 & 2015 would have boosted agricultural productivity enough to lift over 1.8m people out of poverty**

PEI AFRICA RESPONSE : THERE IS MORE THAN ONE WAY TO SKIN A CAT (Con't)

Examples of economic evidence generated by PEI Africa supported country projects (Con't):

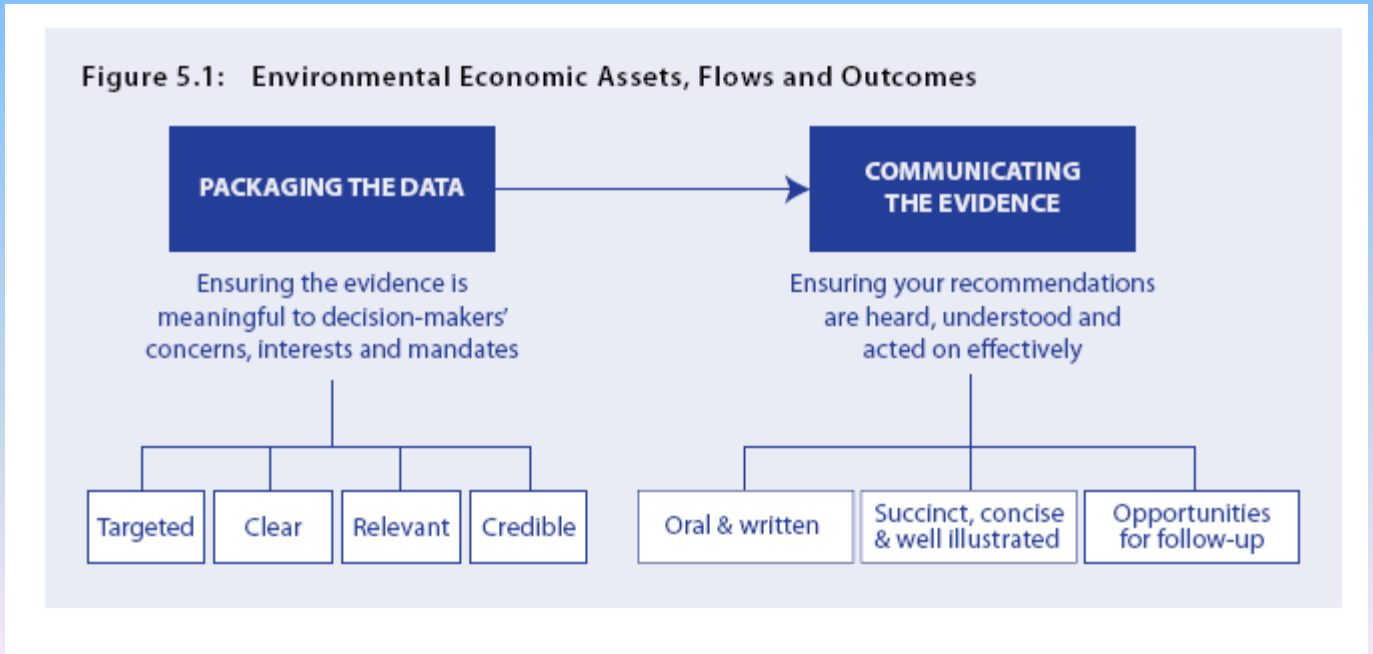
- **Unsustainable use of ENR in Malawi costs more per annum – 5.3% of GDP - than what the country spends on education & health.**
- **A pro-poor ENR sustainable village in Rwanda generated an economic internal rate of return of 7.7%, not including environmental benefits that it was difficult to value (e.g. water quality improvements).**
- **Wetland degradation in Rwanda substantively increased per unit electricity costs through reduced water flows into hydro power station storage lakes as additional fossil fuel electricity generation was then required.**

THE RESULTS FROM THE USE OF ECONOMIC EVIDENCE & HOW THEY WERE GENERATED

- Development planning/poverty reduction decision-makers increasingly include ENR sustainability objectives in national plans & strategies & their implementation processes (e.g. sector plans & budgets)
- This has increased financial allocations for sustainability in sectors – but not sufficient to date.
- High-level political support for sustainability substantively increased
- The concrete economic evidence of the costs of unsustainable ENR use & the benefits of sustainable ENR was the key to generating results.
- The way the evidence was generated & used was critical.
- Evidence was generated as part of a multi-year government led UN supported programme.
- Evidence generated focused on key development priorities

THE RESULTS FROM THE USE OF ECONOMIC EVIDENCE & HOW THEY WERE GENERATED

- Evidence targeted key decision-makers at technical & political levels – remember generating substantive change to national development planning objectives is largely a political-economy issue.
- Evidence needs to be heard, understood & acted upon.
- Stubborn persistence & attention to detail important.



CHALLENGES

- **Data availability & analysis –**
  - **Major data gaps**
  - **Collection and analysis expensive & time consuming – especially of non-market & informal data.**
  - **Data usually not disaggregated to permit focus on more vulnerable groups (poorest, women & children)**
  - **Data on cross-sector impacts very weak (e.g. invest in clean water = reduced health costs)**
- **The rhetoric of prioritising poverty reduction is not matched by actions, particularly in a multi-dimensional sense**
  - **Poverty assessment tools inadequately applied**
  - **Poverty reduction targeting inadequate**
  - **Legacy of belief in trickle-down impact of economic growth on poverty**
- **Capacity challenges at country level – in some cases these are persuasive due to the complexity of measuring and reducing poverty in a multi-dimensional sense, particularly ENR linked poverty.**

Summary

- **PEI Africa experience is that the demand for evidence on how ecosystem services can contribute to poverty alleviation remains low from those responsible for development planning including poverty alleviation**

- **However, there is a substantive demand from development planning/poverty reduction strategy decision-makers for more conventional, concrete economic evidence of the costs of unsustainable use of ENR and the benefits of improving ENR sustainability.**

- **Such evidence can be generated then used to help design & implement policies, plans and strategies that maintain the quality of ecosystems and thus maintain the stream of economic and social benefits they generate which can reduce poverty in a multi-dimensional sense.**

THANK YOU
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