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The Asian Development Bank's Role In Environmental And Natural Resources Planning And Management

By

Robert Salamon
THE ASIAN DEVELOPMENT BANK'S ROLE IN ENVIRONMENTAL
AND NATURAL RESOURCES PLANNING AND MANAGEMENT

Address by ADB Senior Information Officer Robert Salamon
to the Seminar on Media and the Environment
Varanasi, India, 26 February - 1 March 1989

Distinguished Ladies and Gentlemen,

It is a great privilege for me to address this meeting today. I congratulate the organizers of the Seminar, the National Council for Development Communication of India and the Asian Mass Communication Research and Information Centre, for bringing us together in order to address such a crucial set of issues. In particular, I thank them for their invitation to the Asian Development Bank to participate in what I am sure will be a useful and productive exchange of information and ideas.

Having worked in journalism myself for several years prior to joining the ADB, I understand some of the mysteries of the world of the professional media-man. Equally, my decade with the ADB has revealed in some detail the inner workings of the region's major multilateral development institution. Accordingly, I feel I have some insight into both worlds - that of media as well as that of an organization that can greatly influence environmental planning and management - and with this dual perspective, as it were, I hope I can usefully contribute to the wider discussions that the Seminar will inevitably provoke between the formal papers.

My subject today is the Bank's Role in Environmental and Natural Resources Planning and Management, but I would like to preface my remarks by briefly introducing the ADB in general to those of you who may not be entirely familiar with it:
Introduction

The Bank is an international partnership of 47 member countries and is engaged in promoting the economic and social progress of its developing member countries in the Asia-Pacific region.

It started functioning in December 1966 with its Headquarters in Manila, Philippines. It is owned by the governments of 32 countries from the Asia-Pacific region and 15 countries from Europe and North America. The membership includes 29 developing countries.

The Bank’s principal functions are: (i) to make loans and equity investments for the economic and social advancement of developing member countries; (ii) to provide technical assistance for the preparation and execution of development projects and programs and advisory services; (iii) to promote investment of public and private capital for development purposes; and (iv) to respond to requests for assistance in coordinating development policies and plans of member countries. In its operations, the Bank is also required to give special attention to the needs of the smaller or less developed countries and give priority to regional, subregional and national projects and programs which will contribute to the harmonious economic growth of the region as a whole.

The Bank’s operations cover the entire spectrum of economic development, with particular emphasis on agriculture, rural development, energy and social infrastructure. Most Bank financing is designed to support specific projects. In certain cases, the Bank also provides program, sector and multiproject loans.
Overview of the Bank's Environment Activities

In the late 1970s the Bank, along with most other multilateral and bilateral agencies, began to analyze in a more systematic way the effects of economic development on the natural environment. Accepting its responsibility to mitigate damage caused by development, the Bank in 1980 became a co-signatory of the "Declaration of Environmental Policies and Procedures Relating to Economic Development" and in 1981 recruited its first Environment Specialist.

Work in this very important area of Bank operations began therefore, in earnest in the 1980s, culminating with the establishment of an Environment Unit by the Bank's Board of Directors in April 1987.

Through its Environment Unit, the Bank is committed to

(i) instituting procedures for systematic environmental examination of all its development activities, including policies, programs and projects, to ensure the incorporation of environmental and natural resources planning and management concerns;

(ii) cooperating with developing member countries (DMCs) to ensure that appropriate environmental protection measures are incorporated in the design and implementation of economic development projects;

(iii) assisting DMCs in establishing/strengthening environmental and line agencies concerned with monitoring and enforcing environmental laws and regulations and in providing training in support of these activities;
(iv) supporting environmental and natural resources programs and projects;

(v) training Bank staff in the environmental aspects of economic development; and

(vi) conducting studies to improve project processing and implementation methodologies and preparing and disseminating environmental materials.

The Environment Unit prepares Environmental and Natural Resources Briefing Profiles for DMCs. These identify major environmental and natural resources concerns, list environmental agencies to be consulted and provide examples of development projects for possible Bank funding.

Environmental and natural resources concerns and issues are addressed from the earliest stage of the country programming exercise. Following the approval of country programs, the Bank's Environment Unit notifies the DMCs about projects which may generate significant environmental impacts and which require remedial measures. Whenever possible, non-governmental organizations (NGOs) dealing with environmental activities are also encouraged to cooperate with governments on these projects. This is an aspect I shall return to a little later.

During country programming exercises environmental considerations are integrated into sectoral lending strategy.

The Country Strategy Studies, which determine the Bank's operational strategy over the medium term, include coverage of environmental considerations in each country and the environmental dimensions of economic development. To
encourage a longer-term view of development, the Environment Unit has also prepared briefing profiles on of the environmental and natural resources of a number of DMCs.

Much of the Environment Unit's work is focused on the Bank's six-stage project cycle, details of which are given in the Bank's Environment brochures as well as the 1987 Annual Report - copies of which I shall be pleased to give you afterwards.

A fairly elaborate system of environmental review and monitoring procedures, which includes a computerized project monitoring system, ensures an adequate review of the significant adverse impacts of the projects during project identification, appraisal, implementation, completion and post evaluation stages of the project cycle. To support the environmental review function, especially prepared "Environmental Guidelines" primarily intended for project staff are being used. These, as required, are supplemented by the participation of the environmental specialists during project processing.

Regular in-house environmental training enhances the capability of the Bank's project staff. Such training encourages staff to address environmental problems related to sectoral development at a very early stage. The Bank has also expanded its environmental training activities in the DMCs. This is focused on environmental impact assessment, regional environmental development planning, environmental legislation and regulations (e.g. standards), economic analysis of environmental impacts and accounting of natural resources, and environmental information systems (e.g. remote sensing). Major resource papers, in the form of environmental guidelines, handbooks and manuals supplement this training
activity. An environmental paper series initiated by the Bank is designed to promote awareness of emerging environmental issues in the Bank's DMCs. To improve regional environmental awareness and maintain regular liaison with environmental and executing agencies, regional symposia on important environmental topics are arranged from time to time.

The Bank is aware that environmental and natural resources management programs in its DMCs are constrained by lack of financial resources or administrative support, inefficient enforcement, lack of sufficient baseline information, shortages of skilled/trained personnel and insufficient public awareness. The Bank is therefore determined to assist environmental institution strengthening efforts in the DMCs. As a first step to fill this need, the Bank has programmed several technical assistance projects focusing on institutional strengthening in Bangladesh, People's Republic of China, Indonesia, Malaysia, Nepal, Pakistan and Vanuatu.

The Bank continues to support traditional environmentally-beneficial projects such as forestry, water supply and sanitation, urban development, housing, etc. Reforestation and environmental protection (including land use planning and watershed management) are likely to emerge in the next few years as major areas of focus for multilateral lending operations.

Although I did not intend to mention in detail any of the 900-odd projects approved by the Bank to date, I should like to make an exception and divert briefly into the environmentally critical area of forestry. Some good examples of Bank-financed forestry projects are: (i) the Hill Forest Development Project in Nepal, mainly involving the management of existing forests and the replanting of grasslands with a
view to increasing the production of fuelwood, leaf and grass fodder, which will be made available to poor rural communities under a benefit-sharing scheme; and (ii) the Forestry Development Project in the Philippines, designed to reforest 10,700 hectares of open public forest land for the production of fuelwood, pulpwood and timber, reforest a further 1,300 hectares for erosion control, and develop community forestry by creating farms for the production of fuelwood, timber, tree crops and fodder needed by the local community.

The Bank has also become involved in policy-based program lending through the Forestry Sector Program loan to the Philippines, aimed at containing deforestation and redirecting and redesigning the sustainable development of forest resources.

The Bank is now taking a lead role in coordinating donor efforts in forestry in the Region within the framework of the Tropical Forestry Action Plan; assisting the DMCs (like the Philippines, Bhutan, Nepal and Laos) in the preparation of masterplans for forestry development; improving its technical effectiveness by developing complementary strengths in forestry and environment; and undertaking dialogue with DMCs to evolve suitable mechanisms for private sector participation in the forestry sector.

The Bank and NGOs

At this juncture, I should like to elaborate a little on the Bank's association with NGOs. The Bank cooperates with NGOs in such widely dispersed DMCs as Pakistan, Indonesia, Sri Lanka and the South Pacific islands and in such varied sectors as agriculture including irrigation and water management, health, rural water supply and area development. To date,
this cooperation has admittedly been sporadic, ad hoc and project-specific. Accordingly, the Bank has formulated a broad strategy to guide it in its relations with NGOs: it seeks cooperation with well-established NGOs which have demonstrated experience in the Bank's DMCs and are working in areas relevant to the Bank's operational interests; and it is concerned primarily with development activities rather than relief operations.

Ample opportunities exist in four broad areas where good potential exists for expanded and fruitful cooperation. Firstly, we can work and cooperate in the area of rural development encompassing various sub-sectoral activities in agriculture, livestock, forestry and fisheries as well as rural organization in areas like irrigation, water management, agricultural extension and support services; secondly, small-scale industries, including handicrafts, agro-based industries and food processing; thirdly, social infrastructure covering health, education, vocational training, urban development, water supply and sanitation and similar activities; and fourthly, environmental protection.

Last March, in recognition of the important role played by environmental NGOs in economic and social development, an informal meeting between senior Bank Management and representatives of selected environmental NGOs based in Washington was held to exchange views on the Bank's environmental policies and programs and discuss how environmental NGOs can help address environmental and natural resources concerns in DMCs.

An ADB study on cooperative arrangements with environmental NGOs was presented during the ninth meeting of the Committee of International Development Institutions on
the Environment (CIDIE) in Washington, in June 1988. The presentation dealt with the overall context in which moves towards greater collaboration between the Bank and environmental NGOs are taking place, opportunities for obtaining concurrence of Governments in these new arrangements and ideas on how to secure greater cooperation. This year, the tenth meeting will be held for the first time in Asia and will be hosted by the Bank. Eight prominent NGOs in the region will be invited for an ADB/NGO consultative meeting which, among other things, will discuss media’s role in promoting environmental awareness.

The services of environmental NGOs have been, or will be, built into several projects. These include the Forestry Program loan in the Philippines, the Dhaka Urban Infrastructure Improvement Project in Bangladesh, the Institutional Strengthening for Environmental Management in Nepal and the Manila Metropolitan Region Environmental Improvement Project in the Philippines. It is to two of these projects, and their specific involvement of media in helping promote public awareness of environmental issues, that I now wish to turn.

Media and the Promotion of Environmental Awareness

On a limited scale — and to date in only a few instances — Bank-financed projects have directly involved the media in the promotion of environmental awareness. Although modest in

1 The eight NGOs may include, but not necessarily be, the following: Society for Promotion of Wastelands Development (India); Center for Science and Environment (India); Indonesian Environmental Forum (WALHI, Indonesia); Sahabat Alam Malaysia (Malaysia); King Mahendra Trust for Nature Conservation (Nepal); Haribon Foundation (Philippines); Environmental Foundation Ltd. (Sri Lanka); and World Wildlife Fund (Thailand).
dollar terms, this type of assistance can play an important role in the Bank's overall strategy of promoting sustainable development and the prudent management of natural resources in its DMCs.

I should like to cite two examples:

In January, the Bank approved a technical assistance grant of $750,000 for National Environment Monitoring and Pollution Control in Bangladesh. This was in conjunction with a $24 million loan for the Dhaka Urban Infrastructure Improvement Project. A key aspect of this project will be the planning and implementation of an environmental publicity and educational program by the Department of Environment and Pollution Control, or DEPC, which will get expert advice from the Bangladesh Forum of Environmental Journalists (BFEJ) in this regard. The program emphasizes encouraging proper utilization and cooperation for operation/maintenance and monitoring of municipal sanitation and water supply facilities. Program planning will also cover other key environmental problems such as soil and water conservation, coastal resources management, sustained use of forest resources, and others. BFEJ together with DEPC will conduct a one-day environmental awareness seminar based on the project results for other local NGOs and related Government agencies with anticipated Bank participation.

More recently, the Bank has co-opted another national Forum of Environmental Journalists — in Nepal — in its efforts to promote environmental awareness.

A major element of the Institutional Strengthening for Environmental Management Project in Nepal, for which the Bank in making available $510,000 in technical assistance, is the
establishment of a national environmental awareness and dissemination program with assistance from the NFEJ and an international consultant.

Public awareness and participation is a major aspect of national environmental and natural resources management program. The NFEJ is very active in promoting environmental awareness and information at both the national and local levels. The intention of this awareness and information component of the technical assistance is to utilize the efforts of the NFEJ to assist the Government by developing and implementing a national environment awareness and information dissemination program. One international environmental public information specialist will be recruited by the Bank as an individual consultant to work with the NFEJ to prepare a preliminary plan for a national environmental awareness and information dissemination program. The preliminary plan would be one of the discussion items on the agenda for the National Consultative Meeting and consequently the consultant would also attend the meeting. Following the Consultative Meeting the NFEJ, with initial assistance provided by the environmental awareness/information dissemination expert, will be responsible for initiating a one-year environmental awareness program. During the technical assistance, the NFEJ will be retained by the Bank as a local consultant.

Future Directions

The ADB, recognizing the power of media as a potential channel for promoting environmental concerns, expects to use these types of arrangement again in the future. Environmental awareness cannot remain the preserve of intellectuals, academics or even specialist development bankers. The range
and power of media can — and should — be harnessed to spread this important message much further afield.

On a broader scale, and in view of the increasing awareness of the importance of environmental and natural resources to economic development, the Bank's future environmental activities are focused on longer term needs: the establishment of natural resource usage policies, implementation and enforcement of environmental legislation, coordination of intersectoral goals, information management systems, debt-to-nature swap financing schemes as well as increasing cooperation with NGOs.

Particular attention is being directed towards integrated multi-disciplinary approaches to development. Information using remote sensing and other systems is expected to further influence the planning and design of the Bank's programs and projects, especially in relation to ecologically-sensitive areas. The Bank has used this technique in several of its forestry masterplan projects, particularly in Bhutan, Malaysia, Laos and the Philippines. To improve capability in the region, the Bank is conducting a short-term training program in the use of remote sensing on environmental and natural resources management and considering a longer-term view on this.

Other activities likely to be promoted by the Bank include environmental and natural resources accounting, integrated pest management, upland or marginal agro-ecosystem programs, the conservation of natural resources and ecologically-sensitive areas, and issues on hazardous/toxic wastes management, occupational health and safety and risk assessment, and the socio-cultural aspects of development projects.
Conclusion

It is clear that Environmental and Natural Resources Planning and Management have become central to the Bank’s operations. In the short space of a single decade, concern for the environment—in its fullest meaning—has emerged as one of the top priorities of the ADB. Ten years ago the Bank did not have single environment specialist *per se*, now it has an Environment Unit, and is one of the areas which is expected to grow.

Looking ahead, one can see this commitment deepening. A recently completed Report on the Role of the ADB in the 1990s by a panel of five outside experts notes, and I quote:

"In the Asian context, serious environmental problems have developed in both urban and rural settings. Rapid urbanization and industrialization throughout the region have resulted in chronic air and water pollution, further imperiling the health of millions of urban Asians. In rural areas, rapidly increasing population rates have led to increased pressure on limited natural resources—fuelwood demand and slash-and-burn cultivation are making ever-increasing encroachments on Asia’s forest cover, resulting in rapid deforestation and deterioration of soil quality. At the national level, pressures to increase export sale have given rise to increasingly rapid exploitation of the region’s remaining forest cover, often without consideration of replanting or subsequent environmental consequences. The dwindling forests of Indonesia, Malaysia, Nepal, the Philippines and Thailand bear witness to this cumulative environmental abuse."
The Brundtland Commission has emphasized the importance of environmental concerns within overall development. As reported by the Commission, economic growth, poverty alleviation and proper management of natural resources must no longer be viewed as separate policy objectives, but as mutually interdependent facets of the ultimate development goal. Moreover, this interdependence must be viewed both positively and negatively - protection of the environment can directly support economic growth and efforts to reduce world poverty, while abuse of global resources ultimately works against these goals. In other words, poverty is both cause and effect of environmental stress."

The Report summarized its recommendations in this respect as follows:

"The Bank should accept the Brundtland Commission’s recommendation to make “a fundamental commitment to sustainable development” and make it part of the Bank’s operating procedures. To achieve this goal, the Bank must, with a minimum of bureaucratic processing, integrate environmental aspects in its lending policy. In addition, the Panel recommends that the Bank selectively support projects specifically designed to improve the environment. In particular, the Panel recommends that the Bank make a specific effort to preserve tropical forests.

The Bank’s commitment to sustainable development will need to be reflected in several specific ways. First, when undertaking projects, the Bank should ensure that environmental risks are assessed and measures adopted to minimize, if not eliminate, those risks. Second, the Bank should design projects and programs to undertake environmental improvement directly. Third, the Bank should engage in
dialogue with DMCs with the aim of assisting them in environmental policy formulation and in integrating the latter into the wider process of economic planning."

While these are, at this stage, only recommendations, they dovetail neatly with the Bank's own strategy and planning, and are likely to be the Bank's guidelines for environmental and natural resources planning and management in the 1990s.

Thank you for your attention.