

Chapter 1

Overall Framework

March 2009

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1. OVERALL FRAMEWORK

1.1 Background and Objectives

Natural resources play special roles in the life of the poor. More than 1.3 billion people depend on fisheries, forests, and agriculture for employment—close to half of all jobs worldwide. According to the World Bank, in 2002, 90 percent of the world's 1.1 billion poor—those living on less than \$1 per day—depended on forests for at least some part of their income. In 2002, international development agencies estimated that more than 90 percent of the 15 million people working on the world's waters were small-scale fishers, most of them poor, not including the tens of millions of poor who fish inland rivers, lakes, and even rice paddies for protein.

While all human societies are linked to ecological processes and healthy ecosystems that produce the requirements for life, rural poor people depend significantly more on natural capital than do other parts of the population. In developing East Asian countries, a large population of the poor are engaged in resource-dependent activities such as small-scale farming, livestock production, fishing, hunting, artisanal mining, and logging. Poor people rely on related harvests as a primary source of income and fall back on natural resources when other sources of income fail.

Providing as subsistence to the rural poor and major sources of their income, natural resources and healthy ecosystem play a vital role in extricating the poor out of the poverty trap. In this context, sustainable management of natural resources by maintaining and improving the productivity of natural capital and creating stable and reliable income to the poor should be an integral part of poverty reduction strategy at either regional level or national level.

The United Nations (UN) Millennium Development Goals (MDGs) and the World Bank Poverty Reduction Strategy Papers (PRSP) provided some key approaches and policies in the context of development agenda and poverty reduction. Yet these approaches may not fully account for the links between resource management and poverty reduction, and subsequently fail to realize the full potential of natural resources (goods and services) as wealth-generating assets for the poor.

Against this background, promotion of sustainable development (SD) that simultaneously achieves poverty alleviation, economic development and environmental protection is the most urgent issue in East Asia where both rapid economic growth and aggravating environmental problems are actualised. This recognition is endorsed by the first article of the ASEAN Charter signed by the heads of the ASEAN member states in November 2007.

This research project aims to mainstream SD concerns into the policy making process in this region. The research will first identify priority issues to promote SD. Then, effective policies to address priority issues will be formulated, based on prior (ex ante) policy assessment from the viewpoint of sustainable development, which is referred to in this project as Sustainable Development Policy Assessment (SDPA). The results of research activities will be published as Sustainable Development Outlook. In addition, this

research will establish ERIA Database on SD which will compile collected data and information and will be publicized through internet.

1.2 Scope

The geographical scope of the research is the member countries of East Asia Summit (EAS), i.e. ten countries of ASEAN, Japan, China, Korea, India, Australia and New Zealand, for which ERIA was established. This project is proposed as a pilot project for regular activities of ERIA, with the results and findings of the research to be published in the main output entitled “Sustainable Development Outlook”. The main content of the Sustainable Development Outlook will be a detailed explanation of methodologies, in particular SDPA, and illustrative examples of application of SDPA to selected priority SD issues, but as a pilot project the issues and countries to be covered by this Sustainable Development Outlook may be partial due to limited human capacity and budget constraints.

SD is related to almost every issue in society. To effectively implement this project, it is necessary to focus on specific aspects of SD. This research will mainly focus on sustainable natural resource management (such as forest and freshwater) and poverty reduction, among much wider range of issues related to SD. One of the most important factors in resource management and poverty reduction is appropriate implementation of environmental policies in each country or region. It is not until the environmental policies are actually implemented that a virtuous circle which leads to poverty reduction is brought to lives of people who benefit from natural resource. In this regard, it has been pointed out that the real problem is often inappropriate institutional and governance arrangement to ensure effective implementation of existing policies rather than lack of well designed policies in many East Asian countries. This research will address policy implementation issues such as enactment and enforcement situation of pollution restriction methods by conducting institutional study in a few case study countries.

The focus on sustainable natural resource management and poverty reduction reflects the project-specific definition of SD. In order to operationalise SD, it seems necessary to clarify (i) what “development” means, and (ii) what to be sustained. For the former question, this research interprets development as poverty alleviation, in which ‘any fundamental human need that is not satisfied reveals a human poverty’ (Max-Neef 1992, p.200). For the latter question, many (including both weak and strong sustainability approaches) have argued that the subject to be sustained is the level of human welfare or the main generators of human welfare such as capital stock in a broad sense (see Neumayer 2000). However, such a non-declining welfare based SD concept is apparently not acceptable for the poor who cannot satisfy their basic needs (Kojima 2007). The current poor people need drastic improvement, which is ‘development’, rather than sustaining the current situation. This research advocates that what to be sustained must be key ecosystems that serve as the basis of human survival and have severely damaged by conventional economic development.

1.3 Major Research Components

This project consists of the following three major components (see Figure 1.1).

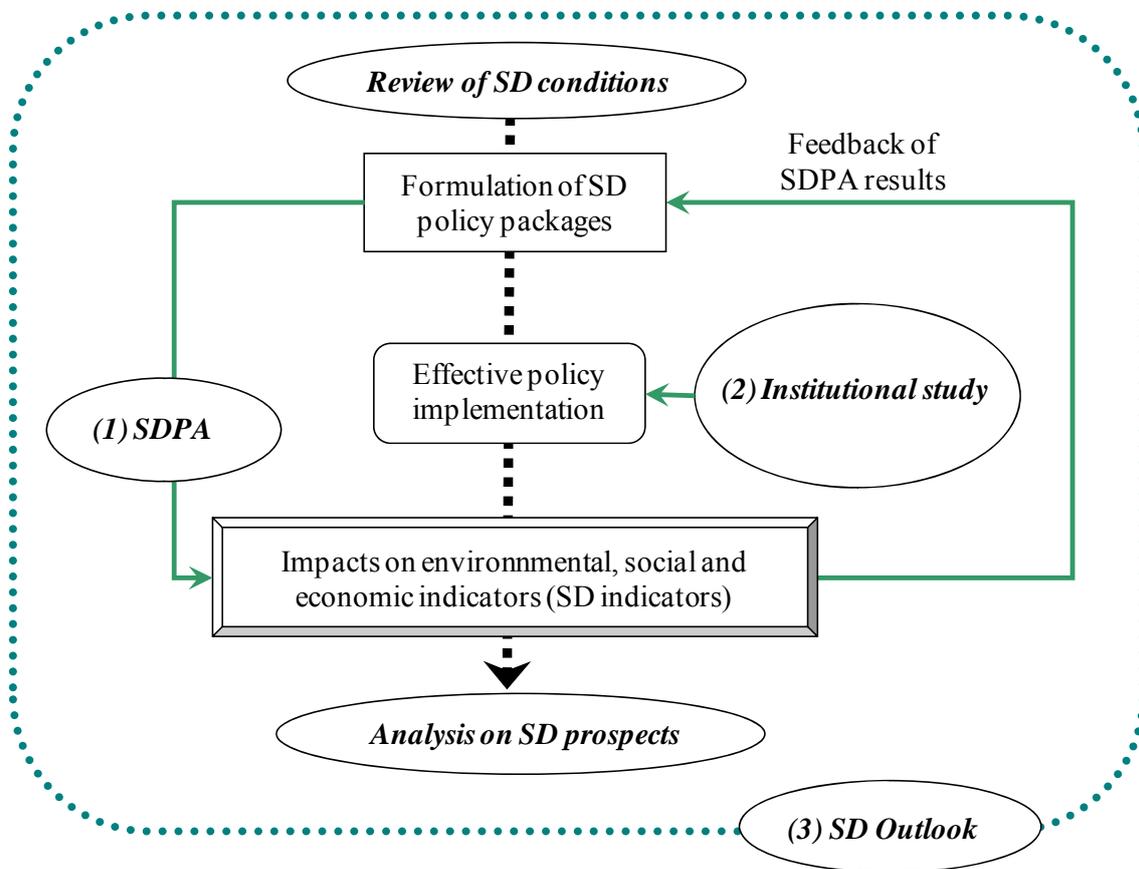


Figure 1.1 Major Research Components

1.3.1 Component 1: Sustainable development policy assessment

First, this research will identify priority issues to be addressed in East Asia to promote sustainable natural resource management and poverty reduction. This research will collect the economic, social and environmental data relevant to priority issues. The policy packages to address priority issues will be formulated and assessed using SDPA methodology.

1.3.2 Component 2: Institutional study

This component aims to propose effective measures to strengthen national institutional capacity and to promote synergy among existing regional organisations to implement sustainable development policies in this region. For this purpose, this component will (i) quantitatively assess the impacts of effective implementation of environmental policies in a few case study countries, and (ii) assess major factors, both negative and positive factors, influencing the effectiveness of policy implementation.

1.3.3 Component 3: Sustainable Development Outlook

As one of end products, a Sustainable Development Outlook will compile the established methodologies and examples of application of the methodologies to selected priority issues, against the background established by review of SD conditions. It is expected for this pilot publication to establish the basis of regular publication of Sustainable Development Outlook that facilitates policymakers of the EAS member countries to reflect SD consideration into their policymaking processes.

1.4 Organisational structure

The organisational structure of this research project is shown in Figure 1.2.

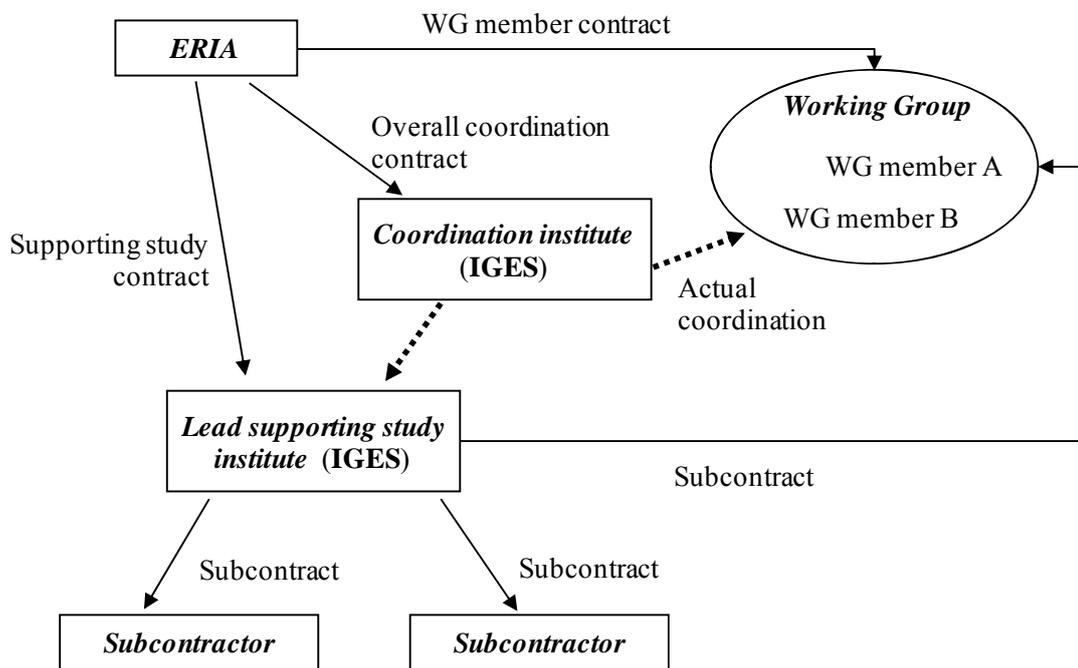


Figure 1.2 Organisational Structure

The substantial part of this research project will be provided through supporting studies, and the Working Group consisting of experts from EAS member countries implements the research project based on the inputs from supporting studies. IGES coordinates overall project as the coordination institute on behalf of ERIA, and IGES will handle contracts between ERIA and WG members as well as ERIA and supporting study institute. At the same time, IGES leads supporting studies as the lead supporting study institute.

1.5 Time Schedule

The planned time schedule is as follows:

FY 2008 (June 2008 - March 2009)

- July: 1st Working Group Meeting in Manila, the Philippines. Discuss research design.

- August-February: Conceptual design of SDPA, test run studies, country review of SD conditions.
- December: 2nd Working Group Meeting in Hayama, Japan. Report the progress.
- March: 3rd Working Group Meeting in Bogor, Indonesia. Discuss the first year achievement and the second year research plan.

FY 2009 (April 2009 – March 2010)

- April -November: Implement 3 case studies from FY2008
- April -November: Develop an integrated policy assessment model (IPAM)
- May: Invitation of case study proposals
- June: 1st Working Group Meeting, selection of additional case studies
- November: 2nd WG meeting, reporting progress and discuss final output of 2nd fiscal year
- December: Formulate draft SD policies for SDPA
- March 2010: 3rd WG meeting, report the final output of 2nd fiscal year and discuss the implementation plan in 3rd fiscal year.

FY 2010 (April 2010 – March 2011)

- April -October: Elaborating SD policies with SDPA
- April -January: Develop SD Database
- June : 1st WG meeting
- November: 1st Policy Forum, inviting various stakeholders to reflect their comments
- November-February: Draft SD outlook
- February: Final WG meeting
- February-March: Finalise SD outlook
- March: 2nd Policy Forum to launch SD outlook