

TC ABSTRACT

I. Basic project data

▪ Country/Region:	Regional
▪ TC Name:	Poverty Alleviation and Protected Areas
▪ TC Number:	RG-T2369
▪ Team Leader/Members:	Team leader: Eirivelthon Lima (RND/CPE). Team members: Simone Bauch (RND/CBR); Leonardo Corral (SPD/SDV); Enrique Ibarra (INE/RND); Bernardita Saez (LEG/SGO); and Rosario Gaggero (INE/RND).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research & Dissemination
▪ If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
▪ Reference to Request: (IDB docs #)	N/A
▪ Date of TC Abstract:	March 6, 2014
▪ Beneficiary:	REGIONAL
▪ Executing Agency and contact name	IDB; Eirivelthon Lima (RND/CPE)
▪ IDB Funding Requested:	US\$350,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (which includes execution period):	24 months
▪ Required start date:	May, 2014
▪ Types of consultants (firm or individual consultants):	Firm and consultants
▪ Prepared by Unit:	INE/RND
▪ Unit of Disbursement Responsibility:	INE/RND
▪ Included in Country Strategy (y/n);	N/A
▪ TC included in CPD (y/n):	N/A
▪ GCI-9 Sector Priority:	Poverty reduction and equity enhancement; climate change, sustainable energy, and environmental sustainability.

II. Objective and justification

- 2.1 The Latin America and Caribbean (LAC) Region has been deemed the superpower of biodiversity because it is the Region with the most natural capital in the world¹. It possesses a vast array of terrestrial, freshwater, coastal, and marine ecosystems representing many of the earth's biomes. This natural capital

¹ Bovarnick, A., F. Alpizar, C. Schnell (eds.). 2010. Latin America and the Caribbean: A biodiversity superpower. United Nations Development Program (UNDP) and United Nations Environment Program (UNEP). 2010. Atlas of Our Changing Environment: Latin America and the Caribbean, UNEP.

- supports ecosystem services that serve as the base for livelihoods, economies, and civilizations. Ecosystem services, such as soil fertility, pollination, pest control and scenic beauty, are the primary inputs for productive sectors key to LAC economies.
- 2.2 In terrestrial ecosystems, the establishment of protected areas (PAs) has proven to be an effective strategy to avoid deforestation, therefore, protecting biodiversity and ecosystem services². It is one of the most popular interventions financed by the Bank in Latin America and the Caribbean.
 - 2.3 In spite of the success of PAs in reducing deforestation, a growing concern is that PAs may conflict with poverty alleviation efforts by reducing incomes. Given the importance of this debate about poverty and PAs, the 2003 World Congress on Protected Areas urged policy makers to commit “to protected area management that strives to reduce, and in no way exacerbates, poverty”. The problem, however, is that policy makers in many parts of the world, including LAC, are facing this debate without rigorous empirical studies. Previous studies do not provide sufficient details in impacts to assess potential tradeoffs between ecosystem protection and poverty alleviation.
 - 2.4 The objective of the proposed TC is to improve the understanding of the channels through which PAs alleviate poverty of people living inside or near PAs and trade-offs between environmental protection and poverty outcomes in both Brazil and Peru, where relatively long time-series data on deforestation is available (12 years of measurements). Quasi-experimental method will be used to compare communities living in or near protected areas and communities with similar characteristics and trends that are not affected by PAs³. The proposed TC will generate knowledge for policy advice regarding the long-term strategy of PAs, operation design for specific natural resource management projects, and the evaluation of the impacts of PAs on poverty. The results of the TC will be disseminated through a series of webinars targeted at national policy makers, executing agencies, and researchers.
 - 2.5 The proposed TC will contribute to the following GCI-9 lending program priority targets: (i) poverty reduction and equity enhancement, as the TC will provide guidance on the role of PAs in poverty alleviation, and (ii) climate change, sustainable (including renewable) energy, and environmental sustainability, as the TC will focus on the role of PAs in the protection of biodiversity and maintenance of ecosystem services in the LAC Region. In addition, the proposed TC will contribute to the sector priority, “Protect the environment, respond to climate

² Andam KS, Ferraro PJ, Pfaff A, Sanchez-Azofeifa GA, Robalino JA (2008) Measuring the effectiveness of protected area networks in reducing deforestation. *Proc Natl Acad Sci USA* 105:16089–16094.

³ If forest protection were randomly implemented across all forest lands, its impact on poverty would be easy to estimate. We would only need to look at the difference between the poverty rate inside and outside of the protected areas. In such a situation, the non-random policy assignment results in biased estimates. Quasi-experimental methods can be used to address this problem.

change, promote renewable energy, and ensure food security.” Lastly, the proposed TC supports the Biodiversity and Ecosystem Services Program, as the TC will contribute to one of the main goals of the Program, supporting LAC countries in the implementation of directed and effective policies, laws, and investments that secure and enhance biodiversity conservation and the maintenance of ecosystem services.

III. Description of activities

- 3.1 The proposed activities are described in the following table. Expected outputs and results are fully consistent with the IDB’s Biodiversity and Ecosystem Services Program⁴.

ACTIVITY	DESCRIPTION	EXPECTED OUTPUTS	EXPECTED RESULTS
1.1 Rural household assessment	Household survey data will be assembled from national surveys. This information will be used to compute poverty and income measures.	1. 1 rural household level dataset	A better understanding of the impacts of protected areas on poverty to inform policymaking.
1.2 Consolidation of results on the impact of Protected Areas on poverty	Paper drafted with the results from Activity 1.	1. 1 paper	
1.3 Production and dissemination of information on Protected Areas and poverty	3 webinars will be designed and executed to disseminate the results of the paper.	1. 3 webinars	

IV. Budget

- 4.1 The total budget for this technical cooperation has been estimated in US\$100,000 as shown in the following table.

Indicative Budget

Activity/Component	Description	IDB/Fund Funding US\$	Counterpart Funding	Total Funding US\$
Activities				
1. Rural household assessment	Household survey data will be assembled from the national statistics available in both Peru and Brazil. This information will be used to compute poverty and income measures.	200,000	0	200,000
2. Remote sensing data	Remote sensing data from both Peru and Brazil will be assembled in a large data base.	100,000	0	100,000

⁴ <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=37444118>

	This information will be used to compute deforestation and forest degradation measures.			
2. Consolidation of results on the impact of Protected Areas on poverty	Paper drafted with the results from Activity 1 and 2.	30,000	0	30,000
3. Production and dissemination of information on Protected Areas and poverty	3 webinars will be designed and executed to disseminate the results of the paper.	20,000	0	20,000
TOTAL		US\$350,000		US\$350,000

V. Executing agency and execution structure

5.1 Given the strategic objectives of the TC and its regional nature, the TC will be executed by the Bank. Additionally, the Bank is able to create capacity, serve as a funder of knowledge and innovation, and impact policy on multiple scales within the Region, thus making the regional coordination of the IDB a necessary aspect of this TC.

VI. Project risks and issues

6.1 The only risk is a low level of attendance of the webinars. In order to mitigate this risk, the webinars will be designed specifically for the target audience (national policy makers, executing agencies, and researchers) and well-advertised.

VII. Environmental and social classification

7.1 It is not anticipated that the activities to be financed in this TC will have negative direct or indirect social or environmental effects. Therefore the team considers that, according to the Bank's Safeguards Screening Toolkit, this operation should be given a classification of "C": (i) no environmental or social risks; and (ii) direct contribution to solve an environmental issue.