



USING POLITICAL ECONOMY ANALYSIS FOR BIODIVERSITY CONSERVATION PLANNING

OVERVIEW

Political Economy Analysis (PEA) is a field-based methodology¹ that can improve the effectiveness of international development assistance by helping development practitioners to focus not only on how things happen but why they do. Exploring the politics, history, social and economic dimensions of a given development problem can help unpack the dynamics and incentives that structure actors choices and ultimately determine development success or failure. In many ways a PEA tries to determine the *who*, the *what*, and the *why* that keeps and sustains the status quo and what realistic opportunities are there are to change incentives and to effect change. A better understanding of these incentives can help identify openings for more effective biodiversity programming on behalf of USAID. This research was conducted as part of the broader Biodiversity and Extractives Political Economy Analysis project, implemented by Integra in collaboration with USAID.

Because different development sectors do not always speak the same language, it is worth providing some practical considerations for how USAID's Applied PEA Framework can strengthen biodiversity programming in particular. USAID's Biodiversity Policy supports programming around sustainable, resilient development to transform the relationship between biodiversity conservation and development to increase and sustain development outcomes. USAID's Forest and Biodiversity Office (FAB) actively pursues tools from other sectors that might improve conservation programming. FAB is explicit about applying tools that can specifically strengthen cross-sectoral analysis of biodiversity conservation problems and build new models for this integration. USAID's Applied PEA Framework is one the tools that can support biodiversity program compliance with the Agency's Biodiversity Policy² and Biodiversity Code.³

¹ See USAID Applied Political Economy Analysis Framework: Guidance for PEA Field Assessments [https://www.usaid.gov/sites/default/files/documents/2496/Applied PEA Field Guide and Framework Working Document 041516.pdf](https://www.usaid.gov/sites/default/files/documents/2496/Applied_PEA_Field_Guide_and_Framework_Working_Document_041516.pdf) [Accessed: 15 September 2016]

² USAID's Biodiversity Policy see <https://www.usaid.gov/biodiversity/policy> [Accessed: 9 September 2016]

³ USAID's Biodiversity and Development Handbook 2015 see <https://www.usaid.gov/biodiversity/impact/requirements> [Accessed: 9 September 2016]



BACKGROUND

USAID's Biodiversity Code requires compliance with four criteria. These criteria are: (1) the program must have an explicit biodiversity objective; (2) activities must be identified based on an analysis of drivers and threats to biodiversity, and a corresponding theory of change; (3) Programs must have intent to positively impact biodiversity in biologically significant areas; (4) the program must monitor indicators associated with that theory of change.⁴ A theory of change is a description or graphic representation of the logical causal relationships among a strategic approach and multiple levels of conditions or preliminary results needed to achieve a long-term result. USAID's Applied PEA Framework can refine a theory of change by testing particular assumptions and examining specific aspects of causal relationships through a political economic lens. This deeper analysis of threats and drivers of biodiversity loss are often rooted in foundational factors and "here and now" dynamics that are beyond the scope of typical conservation programming. **Conservation and development practitioners recognize these dynamics as components of political will and consider it the *black box* around which their technical approaches must work.** In conservation, government actors may demonstrate political will by enforcing due diligence practices on chain of custody, policing of boundaries and livelihood activities, introducing reforms and trans-boundary initiatives, and dismantling of wildlife trafficking syndicates, among other things that threaten biodiversity. An absence of expressions of political will tends to be a significant impediment to conservation goals. Conservation practitioners using USAID's Applied PEA Framework describe it as a key that can open the black box and unpack political will into a set of recognizable incentives, behaviors, rules and norms that can be changed.

USAID's Applied PEA Framework complements existing biodiversity programming analysis tools,⁵ and promotes an evolution of the linear biodiversity threats analysis into a three-dimensional concept that contextualizes conservation issues within the political, social and economic processes that influence programming outcomes.⁶

CASE STUDY OVERVIEW

The three case studies conducted by USAID and Integra in African countries showed that the Applied PEA Framework is an important tool for understanding of how the impacts of extractives affect customary property rights and customary law, intersect with patronage networks, including those related to land accumulation and territorial occupation associated with these industries, and relate to criminality. The Applied PEA Framework can be used to research questions such as: Who benefits from resource extraction activities? What does that activity actually look like both on the ground and through various parts of the political and material value chain? What and who enables these activities? What incentives and opportunities exist to change key actors' behaviors?

⁴ To read about the four criteria, see <https://www.usaid.gov/biodiversity/impact/requirements> [Accessed: 9 September 2016]

⁵ See, for example, USAID, (2015). "Measuring Impact: Combating Wildlife Trafficking", see http://pdf.usaid.gov/pdf_docs/PA00KJRB.pdf [Accessed: 5 September 2016]

⁶ Anderson, J., McGahuey, M. and Mehta, S. (2013). *Nature, Wealth, and Power 2.0: Leveraging Natural and Social Capital for Resilient Development*. USAID.



The cases were selected to cover priority biodiversity areas and a range of different types of extractive industries, and to respond to USAID Mission interest. This report explains the technical findings from using USAID’s Applied PEA Framework for biodiversity conservation in the context of extractives. Synthesizing the key findings of these case studies illustrates that threats to biodiversity are political, criminal, and often involve conflict with customary rights to resources. The report shows how applied PEA is helpful in understanding the dynamics and incentives that accompany resource extraction. Threats to biodiversity not only affect the resources directly, but also shape the behaviors of resource dependent communities. For that reason, applied PEA can better inform conservation programming by explaining how potential points of leverage might be exploited to change behaviors in a positive direction. A separate report addresses lessons learned using USAID’s Applied PEA Framework.⁷

Artisanal gold mining in Kahuzi-Biéga National Park (KBNP) in the DRC has a long history. It has become the focus of international concern due to the financing of conflict and the ongoing violence in and around the park. These conditions not only complicate conservation efforts, but also have long-term implications on the wellbeing of the people living in the surrounding areas.

Resource governance is part of a larger problem of governance. The DRC faces high levels of corruption, entrenched patronage networks, and is occupied by armed groups involved in low-grade conflict that has continued since the Congo Wars began in 1996. Complicated colonial legacies underlay historical grievances and ethnic tensions. Complex relations with powerful actors within and across borders also drive the financing of armed groups occupying parts of the eastern DRC and specifically the KBNP. Yet Congolese civil society organizations and academics offer robust insights concerning the potential for creating coalitions that can bridge unexamined programming gaps to support biodiversity conservation with greater attention to the motives underlying conflict in the region. Meanwhile “microgovernance,” or self-governance in the absence of the state, is an emerging trend in many fragile states including the DRC, and may provide the foundation for new forms of accountability.

Oil development in the Albertine Graben geological formation around Uganda’s Lake Albert has become a major vehicle for land acquisition and resource exploitation by political elites, which in turn has disrupted regional resource management regimes. Land speculation has resulted in some violent dispossession and different forms of land displacement. Meanwhile, some government officials are working to expose these violations. Civil society platforms addressing the impacts of oil on human rights and biodiversity bring innovative approaches that have garnered some political support. The applied PEA research explored for insights into ways that conservation programming can strengthen local government accountability to tackle these issues. The applied PEA research found a number of interesting possibilities to explore and added to the contextual understanding of the political dynamics at play in resource exploitation.

Marine biodiversity and fisheries in coastal Madagascar presented an interesting opportunity to work with the political will to expand Marine Protected Areas through explicit inclusion of coastal fishing

⁷ USAID, (2016). “Lessons Learned Using USAID’s Applied Political Economy Analysis Framework.” A report prepared by Integra LLC under contract to USAID.



communities in the protection of near-shore fisheries. The Government of Madagascar, recognizing the importance of fisheries to food security, has embraced a cutting edge approach to conservation, but the applied PEA research identified a need to find leverage to credibly and effectively address ongoing conflicts over resources from commercial fishers, illegal, unreported and unregulated fishing and with criminal wildlife trafficking networks. The engagement of national marine science research institutes, private sector actors and the network of locally managed marine areas (LMMAs) offers potential for livelihood alternatives that can protect and restore depleted fisheries and coral reefs. Building on customary law, or *dina*, this network can work with local government fishing authorities and these conservation partners to develop appropriate steps toward stronger enforcement and sustainable management of the country's fisheries.

KEY FINDINGS

In the DRC, the occupation of the park by armed groups engaged in artisanal mining has led to unprecedented losses of eastern lowland gorillas (*Gorilla beringei graueri*) since the start of the Congo Wars. Because mining in the park is already illegal and is assumed to be lucrative to armed groups, efforts to certify minerals are assumed to provide little or no incentive for demobilization. A closer examination of all the actors in the park and their various livelihood pursuits enabled researchers to understand the historical, political and territorial grievances that shape current attitudes to resource use. Applied PEA research into mining in the KBNP confirms that there is little incentive to demobilize; it also revealed that mining is far less lucrative than thought, even for the armed groups controlling the mine pits. Moreover research determined that there is more fluidity in the composition of actors inside the park than previously thought. These insights revealed leverage points that might be useful in motivating miners to leave the park. Improved understanding of these incentives through engagement with local experts helped our researchers to formulate ideas for more effective ways to work around this problem with local coalitions interested in mediating solutions. These social approaches lie outside of direct biodiversity conservation programming, but are critical steps in addressing the threats to this critically endangered gorilla habitat. Given the challenges brought about through illegal minerals exploitation and trade within and around the KBNP, effective conservation may require reconsideration of its boundaries, zoning, and management, in addition to the demobilization of armed combatants. Park managers and other stakeholders can benefit from the advice and participation of conflict experts. Alternative livelihoods outside the park may require new partnerships and different skill sets. Revising governance and territorial arrangements in consultation with key stakeholders can enhance benefits to communities living in and around the park and to the park managers.

Discovery of oil in the species rich Albertine rift region of Uganda created new economic opportunities as well as challenges to the governance of land and biodiversity resources. While the government of Uganda has put measures in place for oil companies to adhere to strict environmental standards, several indirect threats to biodiversity resources emerged around forest encroachment and overfishing. These threats were assumed to be linked to job seekers and oil-related land displacements. The applied PEA research examined the biodiversity threats to find out specifically where and how forests were being exploited and who was involved in the forest and fisheries exploitation, The research found elite capture has been taking place at nearly every point along the oil value chain. Some of the acquisitions and exploitations were less nefarious, but surprisingly little of the encroachment is linked to displacement or



even landless newcomers. Instead the applied PEA research found detailed information about the ways in which political elites have positioned themselves to benefit from exploitative land acquisition practices and dispossessing customary landholders, often violently. These elites have used the surplus of available landless laborers to clear forest and have established criminal syndicates to capture profits from fish from coming from Lake Albert. These patterns of resource acquisition have affected customary landholders and disrupted local resource management regimes. Going forward, the applied PEA research highlighted support for local civil society coalitions tracking these trends and holding the government accountable. The study also flagged the importance of more inclusive and effective land use planning that involves a wide range of stakeholders including local government and civil society groups as well as conservation organizations and the National Forest Authority. Building these coalitions will be important as oil development proceeds. In Uganda, the applied PEA research indicated a need to identify programming goals that can shift the power balance to favor local communities and local governments. This implies engaging with government on land use planning and dispute resolution, through existing coalitions of civil society organizations and other partners bringing together expertise on biodiversity and community livelihood and security and to address issues around the oil pipeline going forward in the Albertine Region.

Madagascar's coastal and marine biodiversity also plays an important role in the livelihoods and food security of the country. Overfishing has led to the collapse of the country's fisheries. Although Madagascar has faced high levels of political instability and humanitarian crisis, the government elected in 2014 has made a strong commitment to marine protection. The president pledged to triple marine protected areas in the country with explicit inclusion of a community-based model for marine areas. The government has welcomed a network of Locally Managed Marine Areas (LMMAs) called MIHARI, which works with marine scientists and local government through customary law, known as *dina*. USAID/Madagascar's applied PEA research looked at the potential for microgovernance⁸ of coastal resources through these LMMAs. The study found that despite robust *dina*, LMMAs have little or no enforcement capacity against outsiders. Conflicts with commercial vessels are seldom resolved due to uneven power relations. Even local level government officials do not have the resources to monitor and enforce regulations on foreign fleets, which are often politically connected, linked to criminal networks or both. Local political elites involved in trafficking of wild marine species do so with impunity and patronage networks reward corruption at multiple levels. The applied PEA research identified effective conflict resolution mechanisms to facilitate *dina* enforcement on outsiders as an important goal for programming. Addressing IUU fishing will require national and international cooperation with local level fisheries managers and law enforcement agencies. The applied PEA research also identified an opportunity for marine biodiversity programming to engage with private sector actors to secure political commitments to dismantle criminal syndicates threatening fisheries and marine biodiversity. The applied PEA research pointed to building on existing livelihoods diversification and considering how program integration on health and livelihoods in the fisheries sector can address coastal malnutrition due to

⁸ Microgovernance refers to the creation of institutions in a community that can enable collective action to address problems being faced. The concept views governance as substantially different than government in the sense that it is outside the formal government institutions but can be applied in this case to govern resources more effectively than, or in the absence of, government.



fewer and smaller fish, changes in climate and little market penetration in remote coastal areas. Finally the applied PEA research identified specific ways to support internal functions of local level marine management associations through customary law institutions.

In Madagascar, USAID will need to focus on strengthening community-led marine resource management bodies like MIHARI and associated institutions through analysis of their function and providing technical and peer support. These institutions will need to support the development of scalable, sustainable and crime-resilient alternative livelihoods, as well as associated markets for domestic and international consumption; Importantly, USAID will need to consider programming that enhances the capacity of government and community institutions to credibly and effectively resolve local conflicts through greater cooperation and enforcement of existing laws and protection of the exclusive rights of local fishers through clearly delineated boundaries and zoning for traditional and commercial operators.

PEA in these three cases identified three levers for conservation planners:

1. **Livelihoods:** Although addressing livelihoods is not new, the applied PEA research emphasized the importance of paying attention to power structure, institutions for local governance, gender imbalances, and food security, building on customary law and leveraging private sector engagement where possible.
2. **Accountability:** Building local accountability for resources through strengthened engagement with local government is key. Conservation planners need to work with government officials on enforcement and on identifying opportunities to support interests that will build collaboration. In some cases, tax structures and decentralization reforms will be directly relevant to biodiversity threats and these will be issues that conservation practitioners need to address.
3. **Conflict resolution:** Greater attention should be paid to the need for conflict resolution skills to identify legitimate grievances that might be at the root of conflicts over resources. Mediating power imbalances is essential in ensuring the credible and effective resolution of conflicts; power imbalance metrics are good indicators for the monitoring of conflict. Working with conflict specialists, mediators and social scientists trained specifically in resource conflicts will be key to identifying and resolving conflict.

Local resource management regimes do not and cannot operate in a vacuum. It is vital that other layers of government support the functioning of local resource management regimes and ensure their legitimacy. Their intervention is also essential for resolving disputes with outside entities. Although foundational factors like patronage networks, geography and customary norms like tribute cannot be easily changed, conservation practitioners can use PEA thinking to identify ways to engage powerful actors in the shared vision necessary to achieve conservation goals while addressing criminality. Building coalitions that increase the stakes for cooperation will be the way forward and PEA helps identify ways to do that.



RECOMMENDATIONS

Several themes emerge from these applied PEA case studies on biodiversity conservation and extractives. The applied PEA research identified three themes as indirect drivers of biodiversity loss that should be familiar by now:

- *Patronage* networks, which play an important role in the illegal or unregulated acquisition of resources (e.g., fish, land, forest resources, minerals) and abuse of power leaves communities vulnerable to the above drivers;
- *Lack of accountability*, which is related to failures of land use planning and security of property (armed occupation in the DRC, elites enabling dispossession of customary landholders in Uganda and lack of enforcement of existing fishing regulations and coastal zoning in Madagascar); and
- *Criminality* related to wildlife trafficking and unsustainable hunting or fishing practices related to and amplified by extractive activities taking place.

These cases studies and the above patterns highlight how power inequalities exacerbate the difficulty of credibly and effectively resolving of conflicts over resources among stakeholders. In all three case studies, it is clear that conservation practitioners in these contexts require conflict-sensitive approaches.

All three cases highlight the importance of establishing conflict resolution mechanisms to address long-standing grievances, to resolve immediate disputes about violations of traditional resources or generally remedy the power inequalities of local communities struggling against powerful actors. Customary rights and the recognition of ancestral lands remain important even in the midst of the violent dispossessions that we associate with modernity. Customary identities persist in these resource dependent settings for the simple fact that identities are linked to geography, even for the nomadic *Vezo* fishers, semi-nomadic coastal people of Southwest Madagascar.

These issues push the boundaries of what information is needed for good conservation planning. Applied PEA research helps open conservation to the understanding that spaces claimed for biodiversity and occupied for resource extraction are frequently contested for reasons both traditional and modern. These applied PEA cases demonstrate how traditional cultural practices are mediated by customary law and play important roles in the management of biodiversity and natural resources.