A CONSERVATION PLANNING APPROACH TO MITIGATING THE IMPACTS OF LEAKAGE FROM PROTECTED AREA NETWORKS

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1 ABSTRACT

2 Protected area networks seek to restrict anthropogenic pressures in areas of high biodiversity. 3 Resource users respond by seeking to replace some or all of the lost resources from locations elsewhere in the landscape. Protected area networks thereby perturb the pattern of human pressures 4 5 by displacing extractive effort from within protected areas into the broader landscape, a process 6 known as "leakage". The negative effects of leakage on conservation outcomes have been empirically 7 documented and theoretically modeled using homogeneous descriptions of conservation landscapes. 8 Human resource use and biodiversity vary greatly in space, however, and a theory of leakage must 9 describe how this heterogeneity impacts the magnitude, pattern, and biodiversity impacts of leakage. 10 In this paper we combine models of household utility, adaptive foraging, and biodiversity conservation 11 to provide a bioeconomic model of leakage that accounts for spatial heterogeneity. We demonstrate 12 that leakage has strong and divergent impacts on the performance of protected area networks, 13 undermining biodiversity benefits but mitigating the negative impacts on local resource users. 14 Moreover, we find that when leakage is present, poorly designed protected area networks can result 15 in a substantial net loss of biodiversity. We demonstrate how the effects of leakage can be mitigated if 16 they are incorporated ex-ante into conservation decisions. Finally, if protected areas are coupled with non-reserve policy instruments such as market subsidies, we show that the trade-offs between 17 18 biodiversity and human well-being can be further and more directly reduced.

19 INTRODUCTION

20 Protected areas (PAs) are one of the planet's dominant land uses, covering more land area than all 21 agricultural crops combined (UNEP-WCMC 2014). A primary benefit of PAs, and often the driving motivation for their establishment, is biodiversity conservation. However, PA networks are 22 23 implemented within dynamic socio-ecological systems, where humans extract resources from the 24 landscape to improve their welfare (Jakobsen 2006; Milner-Gulland 2011). If PAs successfully restrict 25 access to resources, adaptive resource users may respond by seeking to replace them from elsewhere 26 in the landscape (Ewers & Rodrigues 2008). This process is known as "leakage", or "displaced effort", 27 and is characterized by changes in human influences outside PA networks that are directly or indirectly 28 attributable to those networks (Ewers & Rodrigues 2008; Andam et al. 2008; Visconti et al. 2010).

29 Previous empirical work has shown that by increasing degradation rates outside of PAs, 30 leakage negatively impacts unprotected biodiversity at local and regional scales (Andam et al. 2008; 31 Ferraro & Hanauer 2010; Meyfroidt et al. 2010). Additionally, economic models of how PAs change 32 resource supply (Murray et al. 2004) and land availability (Armsworth et al. 2006) have also shown the 33 harmful impacts of leakage. Particularly close attention, both theoretical and empirical, is paid to 34 leakage in marine fisheries (generally called displaced effort), where the phenomenon is commonly 35 included in bioeconomic analyses (Kellner et al. 2007). However, although bioeconomics has provided 36 valuable insight into the dynamics of leakage, the primary focus has been on the amount of leaked 37 habitat loss, not the co-location of that loss with heterogeneously distributed biodiversity features. 38 Because of this, previous studies describe the impacts of leakage as a unidimensional, net 39 displacement of effort from PAs to the unprotected landscape (e.g., Meyfroidt et al. 2010; Albers & 40 Robinson 2013; but see Visconti et al. 2010). However, patterns of both human resource use and 41 biodiversity are heterogeneous and spatially patchy, as are the locations of PAs. The theory of 42 systematic conservation planning, in particular, is primarily focused on choosing locations for PAs that 43 best reflect the heterogeneous distribution of underlying biodiversity features. For a theory of leakage 44 to incorporate and inform PA network design, it must therefore consider how resource use and

45 biodiversity co-vary in a conservation landscape, and how their distributions influence leakage: its
46 total amount, location, and impacts.

47 Here, we describe and construct the type of model required to incorporate leakage into the 48 design of PA networks. This model integrates two bodies of theory to explain and predict the process 49 and impact of leakage: natural resource economics, and systematic conservation planning. A number 50 of studies have used broad conceptual and empirical models to investigate the simultaneous impacts of PA networks on biodiversity outcomes and poverty (Andam et al. 2010), and recent work has 51 52 employed structural models of household behavior to predict spatial patterns of leakage (Albers & 53 Robinson 2013). However, no study has combined these, nor predicted how the behavior of local 54 resource users might influence, and be influenced by, the distribution of biodiversity. Furthermore, 55 although it is understood that leakage can undermine the benefits of PA networks and confound estimates of management effectiveness (Ewers & Rodrigues 2008; Visconti et al. 2010), past work 56 57 offers little guidance on how to design PA networks that will minimize or avoid the negative impacts of 58 leakage. In this paper, we investigate how the design of PA networks shapes the amount and location 59 of leakage, and through this process, the conservation of biodiversity and the welfare of local resource 60 users.

61 We model a scenario where households from a local community are extracting a renewable 62 resource from the surrounding local landscape for subsistence purposes. A conservation non-63 government organisation (NGO) is creating a network of no-take PAs to conserve local biodiversity; 64 because this network will exclude resource users from some of the landscape, it will reduce the welfare of local resource users and create leakage. We use a landscape model to describe the location 65 66 of PAs and the distribution of biodiversity, and to predict patterns of leakage and its biodiversity 67 consequences. We couple this landscape model to a household utility model that predicts both the 68 impact of the PA network on the welfare of local resource users, and how they will respond spatially to 69 the new constraints on their resource supply. Finally, we model a set of three different, non-reserve 70 policy instruments that the NGO could undertake to compensate local resource users for the impact of 71 the PA network on household utility: a lump sum cash payment, an in-kind grant of the resource, and a

72 market subsidy for the resource (or for a substitute). Through this coupled system model, we can 73 predict the costs of these different policy instruments to the NGO, the effect they have on leakage, 74 and the impact that each combination of PA network and instrument will have on biodiversity.

75 We use this system model to provide insight into three questions concerning the impacts of 76 leakage on the performance of PA networks. First, how does the existence of leakage change our 77 expectations about the net biodiversity conservation achieved by a given PA network, and its impacts 78 on local resource users? Second, if leakage is a spatial response to constraints on resource extraction, 79 (i) to what extent does leakage create conflict between biodiversity benefits and the welfare of 80 resource users; (ii) how does the distribution of biodiversity in the landscape affect the severity of this 81 conflict; and (iii) can a leakage-informed PA network avoid or reduce the need to trade these 82 outcomes off against each other? Third, a range of non-reserve policy instruments can be used to compensate local communities for the opportunity costs imposed by PA networks. What is the relative 83 84 impact of different non-reserve instruments on household utility and biodiversity conservation, and 85 how do these different instruments affect the trade-off between the two objectives?

86 METHODS

87 To simulate the spatial dynamics of leakage, our system model integrates three elements: a spatial landscape model that contains heterogeneously distributed biodiversity, an adaptive foraging model 88 89 of renewable resource extraction, and a model of household utility. While the resulting system model 90 is structurally complex (Figure 1), each element is necessary to determine the extent and pattern of 91 leakage, and the effect of management actions (both reserves and non-reserve policy instruments) on 92 biodiversity conservation and the welfare of local resource users. In the sections that follow we 93 describe the key dynamics of the three components of the system model, and then apply the results 94 to a hypothetical linear landscape. A full mathematical definition of each of the component models, as 95 well as the parameters chosen for the hypothetical system, is given in the supplementary methods.

96 Model landscape

97 The model dynamics take place in a linear landscape that contains a finite number of discrete parcels 98 of land; each contains both a renewable resource and a quantity of biodiversity, both of which can be 99 depleted by foraging effort (Figure 2). Foraging can only occur in parcels that have not been 100 designated as protected areas by a conservation actor. Resource users are located in a community at 101 one end of this landscape. Results from a linear landscape can be readily extended to two dimensions, 102 resulting in radially symmetric patterns of foraging and habitat degradation.

One common example of a renewable resource is fuelwood, which accounts for 35% of energy supplies in the developing world and is a major source of forest degradation and the ensuing loss of biodiversity, ecosystem services, and erosion and flood protection (World Bank 1992). Like many renewable resources, fuelwood can be sourced from the landscape or purchased from a market. The household dynamics that determine the decision between harvesting or purchasing fuelwood are a focus of research in ecological economics (Heltberg et al. 2000).

109 Household utility model

110 The community contains a number of households, and each allocates a fixed amount of time between two different tasks: gathering the renewable resource from the landscape, and working for income 111 112 (this latter option is equivalent to producing tradable goods). The households decide how to allocate 113 their time in order to maximize their utility, which they can increase by consuming two types of goods: the renewable resource, and "other goods". The relationship between the amount of each good 114 115 purchased and the benefit derived by the household is determined using a Cobb-Douglas utility function. This function yields household demand for each good that rises with income and falls with 116 the price of the good. The function also implicitly assumes that households will tend to demand 117 balanced bundles of goods rather than a bundle in which they spend all their income on one thing or 118 119 another, but it does not implicitly constrain households to demand goods in fixed proportions. The 120 Cobb-Douglas function does not assume that households have minimum threshold requirements for 121 either of the goods, although variations of the function can include this (Supplementary methods). 122 Households source the renewable resource by either foraging in parts of the landscape that have not

been designated as protected areas, or by purchasing from the market. Other goods can only beobtained from the market.

125 **Optimal renewable resource foraging model**

126 The amount of the renewable resource that can be obtained from the landscape is determined using an optimal foraging model. Each parcel of land contains an equilibrium amount of the resource, which 127 represents the balance between the rate of density-dependent (logistic) accumulation, and the 128 129 foraging effort applied by the households. Each additional unit of foraging effort applied to a parcel 130 requires a constant investment of time. However, the resource accumulation dynamics mean that increasing effort delivers diminishing marginal harvests. Foraging also involves travel time, 131 132 proportional to the distance to the land parcel, and to the amount of effort applied there (based on 133 the assumption that the foraging occurs over a large number of trips). Foraging effort will therefore be 134 naturally concentrated on land parcels that are close to the community. Households allocate their 135 foraging time budget across each of the non-reserved land parcels to maximize their total resource 136 yield.

137 Biodiversity conservation model

We represent the amount of biodiversity in each parcel of land by a unidimensional quantity. Biodiversity is heterogeneously distributed through the landscape, and we select the amount in each parcel at random, from a uniform distribution. This biodiversity is negatively affected by foraging, proportional to the amount of effort applied to a particular parcel. Conservation actors are able to prohibit foraging in protected parcels, where the biodiversity will remain at its pristine level. The management objective is to maximize the sum of the biodiversity in protected and unprotected parcels, once the households have redistributed their effort in response to the new PA network.

145 Modeling the effects of leakage

The process, amount, and impacts of leakage are endogenous to the combined dynamics of the system model. The creation of a PA network forces resource users to re-optimize their harvesting decisions in three ways, simultaneously. First, they will adjust how much of the resource they use in

total. Second, they will reconsider the proportions of the renewable resource that they source from the landscape and from the market, to maximize their household utility. Third, they will adjust their distribution of extractive effort through space, responding to the new constraints created by the PA network. The new effort distribution will affect the biodiversity outcomes achieved by the PA network, calculated by comparing the long-term average states of the harvested system before and after the protected areas are designated. That is, we are not considering the route by which the system approaches these equilibria, or the speed at which the system equilibrates.

156 Analyses

157 We apply three different analyses to this system model, to address each of our three primary 158 questions. Our first analysis considers how the presence of leakage will change our expectations about 159 the costs (to local households) and the benefits (to biodiversity conservation) of creating a PA 160 network. To answer this question, we begin by calculating the equilibrium distribution of foraging 161 effort that would exist in the absence of any PAs (the "no-reserve" case). Then, we implement a 162 random PA network in the landscape, and calculate how households would re-distribute their effort 163 around these new constraints (the "reserves-with-leakage" case). Finally, we define a third effort 164 distribution, where we simply assume that when reserves are added to the no-reserve case, the effort 165 distribution remains the same in unprotected parcels, but reduces to zero in protected parcels (the 166 "reserves-without-leakage" case). Time that would have been spent foraging in protected parcels is 167 spent working for income. To quantify how leakage will alter our expectations of the costs and 168 benefits of PA networks, we calculate the changes in extant biodiversity and household utility that 169 result from PAs in the presence of leakage (reserves-with-leakage, compared with no-reserves), and 170 compare it to the naïve expectations in the absence of leakage (reserves-without-leakage, compared 171 with no-reserves). We calculate this difference for a large number of PA networks, and illustrate the results with 10 examples. 172

Our second analysis investigates the outcomes that can be achieved by a range of different PA networks in the presence of leakage. Specifically, we are interested in the amount of conflict between biodiversity outcomes and household utility, and the degree to which an ability to predict outcomes in

176 the presence of leakage allows this conflict to be avoided (i.e., allows both objectives to be achieved 177 simultaneously). We first use the system model to calculate the household utility and biodiversity 178 outcomes for every possible PA network, identified through exhaustive search. We then choose the 179 best subset of these PA networks by identifying Pareto efficient options (a PA network is Pareto 180 inefficient if another network performs better according to one objective, and as good or better 181 according to the other objective). The shape of the resulting Pareto frontier can be used to understand 182 the trade-off between biodiversity and household utility that is made unavoidable by the patterns of 183 biodiversity and resource use in the landscape, and by the process of leakage.

184 Our third analysis considers how non-reserve policy instruments change the biodiversity and household utility consequences of PA creation, and the impact that such non-reserve instruments can 185 186 have on the trade-off between the two objectives. We consider three types of non-reserve instrument that the NGO can undertake to provide additional benefits for biodiversity, and to mitigate the 187 negative impacts of no-take areas on household utility. The first non-reserve instrument is a lump sum 188 189 payment to the households, which will increase the household budget and better allow households to 190 acquire the resource from the market, rather than by foraging. The second instrument is an in-kind 191 grant of the resource (or a substitute) to each household, which releases money in the budget to purchase other goods. The third is a subsidy that reduces the market price of the resource, making it 192 193 easier for households to acquire the resource rather than forage for it (e.g., the NGO would pay 10% 194 of any fuelwood purchased from the market). We note that the in-kind grant is made up of renewable resource (or a substitute) that is sourced from outside the modelled landscape. If the resources that 195 196 made up this grant were purchased from a similar community, then this instrument would simply shift 197 leakage to more distant locations. We therefore assume that the in-kind grant is either derived from a 198 sustainable source, or is an environmentally benign substitute. For the fuelwood example, in-kind 199 grants could be charcoal briquettes created from agricultural byproducts.

We choose levels for each non-reserve instrument such that the cost of each to the implementing NGO is equal, and is equivalent to an hour's wages per household, per week. In all cases household decisions will readjust to the new conditions; given that the non-reserve instruments affect

203 the household dynamics in different ways, each will have a unique impact on household utility and 204 extant biodiversity despite their equivalent cost to the NGO. We apply each non-reserve instrument to 205 a set of four PA networks that were identified as Pareto efficient in our previous analysis, calculating 206 the impacts on biodiversity and household utility for each.

207 **RESULTS**

208 The patterns of leakage produced by our system model (Figure 2) are visually similar to theoretical 209 intuition (Ewers & Rodrigues 2008) and empirical measurements (Winrock International 2002; Oliveira 210 et al. 2007). The optimal foraging model encourages households to extract resources from locations 211 that can be cheaply accessed, and the creation of a PA network therefore displaces effort onto parcels 212 of land that are both unprotected and close to the community. However, the efficiency with which the 213 resource can be extracted from a land parcel declines as foraging intensity increases; thus at some 214 point households will begin to increase the effort in more distant parcels, rather than accept 215 diminishing returns in the closest parcels. In general, because the constraints imposed by PAs make 216 resource access more costly, they reduce the total foraging effort (i.e., leakage is not complete). 217 However, the landscape's heterogeneous distribution of biodiversity means that a decline in total 218 foraging effort does not necessarily improve biodiversity outcomes.

219 The system model predicts that displaced effort is greatest near the boundaries of the new 220 PAs (Figure 2). The dynamics of the renewable resource in each parcel are spatially independent, and 221 so the observed pattern of increase near to the PA does not reflect the movement of that resource 222 across its boundary (i.e., the "spillover" of mobile resources; Abesamis & Russ 2005; MacDonald et al. 223 2012). Instead, effort that can no longer be applied within a PA is displaced onto the closest parcels, 224 because those adjacent areas have similar accessibility characteristics to the protected land. The 225 characteristic pattern of high leakage at PA boundaries can therefore be driven by similarities in access 226 costs, and does not require the presence of mobile resources.

Accounting for spatial patterns of leakage in conservation planning changes both the expected biodiversity benefits and human welfare impacts of a PA network (Figure 3). When leakage is included in our model, PA networks result in lower biodiversity than would be predicted if leakage is ignored.

However, the negative social impacts of PAs are not as extreme as would have been predicted.
Leakage therefore mitigates the negative effects of PAs on household utility, while reducing the
expected biodiversity benefits.

233 As explained above, PA networks will put constraints on household foraging decisions, and the 234 result can therefore never be an increase in household utility. In contrast, because biodiversity is 235 distributed heterogeneously, the biodiversity impacts of a PA network can be either negative or 236 positive (Figure 4). Compared to an unprotected landscape, most PA networks improve landscape 237 biodiversity, and all have a negative impact on household utility. However, a sizeable minority of the 238 PA networks (12%) lead to a net reduction in biodiversity (to the left of the vertical grey line) through 239 the indirect effects of leakage. Larger PA networks are more likely to have large positive impacts on 240 biodiversity, but also large negative impacts on household utility.

241 The specific examples shown in Figure 4 illustrate the range of outcomes on the Pareto 242 frontier. Network 1 minimizes the impacts on households by protecting a small number of land parcels that are too far from the community to be exploited, but consequently achieves little net biodiversity 243 244 benefit. Network 3 maximizes biodiversity benefits by protecting a large number of parcels, 245 particularly those that have high biodiversity, and/or are heavily used by the community. However, 246 this network imposes large costs on households. Network 2 represents a compromise by ensuring the 247 protection of high biodiversity parcels, but avoiding the most accessible parcels that would drive high 248 leakage. The final two example networks show how the creation of protected areas can result in net 249 negative conservation outcomes. Both networks 4 and 5 target the most threatened parcels for 250 protection, but fail to completely protect the adjacent, biodiverse parcels, upon which effort is 251 displaced.

Figure 4 shows a conflict between the benefit of PAs for biodiversity and their impacts on human welfare; the two cannot be simultaneously optimized. Without an unambiguously optimal choice, decision-makers must trade biodiversity benefits against the costs to local households. However, while no single PA network satisfies both objectives, a large number are clearly suboptimal. For each PA network that is interior to the Pareto frontier (i.e., below and to the left of the red line),

there is an alternative network on the frontier that would improve outcomes for biodiversity or household utility (or both), without a reduction in either. The shape of this Pareto frontier shows that trade-offs are most severe when networks are biased towards one or the other objective. For example, when PA networks are providing large benefits for biodiversity at a great cost to households (lower right on the frontier), considerable household utility gains can be obtained at small costs to biodiversity outcomes.

263 In our integrated system model, leakage is an endogenous process that emerges from the re-264 equilibration of a coupled socio-ecological system. A mechanistic description of this process allows the 265 model to predict how policy instruments that do not involve PA creation will nevertheless affect 266 biodiversity outcomes, by explaining how they affect household utility. Figure 5 shows the dual impact 267 (biodiversity and household utility) of three non-reserve instruments, applied to four Pareto-efficient PA networks. The non-reserve instruments consistently improve the utility of households who extract 268 269 resources from the landscape. This outcome is expected, since all three mechanisms directly improve 270 components of utility. However, the direction of the biodiversity impacts vary by mechanism and PA 271 network. Where PA networks have small impacts on utility and small benefits for biodiversity (e.g., A 272 or B; Figure 5), a coupled market subsidy has a large and positive impact on biodiversity; an in-kind 273 grant has no effect on biodiversity; and a lump sum subsidy causes biodiversity declines. Where PA 274 networks have large impacts on household utility and strong benefits for biodiversity (e.g., C or D), all 275 three non-reserve instruments have a small impact on biodiversity, with the market subsidy being 276 slightly better than in-kind grants or lump sum subsidies.

Lump sum subsidies (cash paid to resource users as compensation for lost access) have a negative impact on biodiversity because they increase total household consumption, but for our parameterisation this effect was negligible. In contrast, by directly providing households with extra resource, in-kind grants encourage households to spend more time pursuing other goods to rebalance their utility function. This will reduce extractive effort, and therefore improve biodiversity outcomes. Finally, market subsidies have the greatest biodiversity benefits because they specifically

encourage households to source their resources from the market rather than the landscape, whichdirectly reduces foraging.

285 DISCUSSION

286 Our results show that leakage alters both the positive and negative effects of PA networks in 287 important and complex ways. By redistributing extractive effort across the landscape, leakage reduces 288 the biodiversity benefits expected from PA networks. For this reason, accounting for leakage is critical 289 for accurate and realistic predictions of conservation outcomes (Ewers & Rodrigues 2008). Moreover, we find that acknowledging leakage can alter the rankings of different PA networks, and even change 290 291 the biodiversity impact of some networks from positive to negative. Leakage must therefore be 292 incorporated into systematic conservation planning methods, since it will affect the core purpose of 293 these tools: to correctly rank network performance. Our results show that leakage impacts are 294 contextual, which helps to explain contrasting empirical findings (e.g., (Andam et al. 2010) c.f., 295 (Oliveira et al. 2007; Meyfroidt & Lambin 2010)). However, despite the range of potential outcomes, a 296 mechanistic understanding of leakage can allow conservation planners to avoid the worst biodiversity 297 consequences of leakage.

298 Leakage has important effects on the utility of local communities who extract resources from 299 the landscape. PA networks restrict resource access, but leakage allows communities to compensate 300 by increasing their extractive effort in areas that remain unprotected. Attempts to minimise leakage 301 from PAs will therefore increase their negative impacts on local communities. However, if this process 302 of effort redistribution can be accurately predicted, our results show that Pareto efficient 303 compromises between benefits to biodiversity and costs to household utility are available. These 304 compromises will become difficult to achieve in landscapes where biodiversity and resource use is 305 positively correlated (Visconti et al. 2010), for example, where the biodiversity provides or supports 306 the resource (e.g., bushmeat). However, regardless of the correlation, the methods we describe would 307 still be able to identify Pareto efficient options.

308 In contrast, Pareto efficiency cannot be secured by following conservation planning 309 stereotypes: networks that target threatened parcels with high biodiversity (i.e., minimize loss) can

310 create large amounts of leakage, incur large costs on households, or both; networks that protect the 311 highest biodiversity parcels (i.e., maximize gain) can avoid leakage but will not avert loss. Such 312 traditional approaches fail because they focus only on the characteristics of the parcels being 313 protected. Leakage requires decision-makers to consider biodiversity not only in the parcels that will 314 be protected, but also in the parcels that will remain unprotected. PAs should be directed towards 315 locations where high biodiversity parcels are surrounded by lower value parcels, which are most likely 316 to receive displaced effort. Leakage therefore demands a subtle but important reframing of systematic 317 conservation planning, where the purpose moves beyond identifying a subset of important locations for protection, to identifying locations where access restrictions will redirect degradation onto 318 319 relatively low biodiversity parcels, or towards market alternatives. Conservation planning should not 320 attempt to only halt degrading activities, it should be attempt to direct them.

321 In our model, protected areas place local constraints on degrading processes, but do not alter 322 their dynamics. For example, harvesting was not permitted in our protected areas, but this did not 323 make it more costly for people to travel through the landscape. In contrast, protected areas often 324 explicitly prohibit access, or make access more expensive by limiting infrastructure. This can increase 325 the cost of foraging in the land parcels beyond protected areas, thereby creating barriers to the spread of degradation into the landscape beyond the protected areas (Peres & Terborgh 1995; Barber et al. 326 327 2014). Conversely, protected areas can increase the value of nearby land, attracting degrading forces 328 to the reserve boundaries (Radeloff et al. 2010). Such processes could be included into our system 329 model using case-specific foraging models, and spatially-explicit landscapes which include factors such 330 as heterogeneous travel-times and access networks.

Leakage results from the adaptive decisions of resource users, represented in our model by households. The importance of understanding the mechanistic relationship between biodiversity loss and resource use has been highlighted in the resource management (Milner-Gulland 2011) and conservation planning literatures (Klein et al. 2008), but this is the first study that considers – from a planning perspective – the local socio-economic feedbacks that result from different PA networks. As we have shown, a conservation planning approach that explicitly describes the decision-process of

resource users has two key benefits. First, because resource extraction is a key threat to biodiversity, an understanding of this process is needed for accurate estimates of biodiversity benefit. Second, a model of household utility allows planners to predict not just the impact of PAs on resource users, but also their response to these constraints, both of which affect the net impact of conservation actions (Milner-Gulland 2011). Such a model also allows planners to estimate the amount of restitution that would be required to compensate local communities for the access restrictions created by PA establishment.

344 In addition to measuring the impact of PA networks on local communities, a mechanistic 345 model of household utility allows conservation planners to evaluate the performance of non-reserve 346 policy instruments, as we have demonstrated for three alternatives. PA networks reduce community 347 access to resources, but individuals are better able to cope with these added constraints when alternative occupations or substitute resources are available or are provided (Cinner et al. 2009). The 348 349 need to consider non-reserve instruments (e.g., forms of resource management, education, 350 alternative livelihoods) has therefore been emphasized by the conservation literature (Venter et al. 351 2008) and organizations (Tucker 1999). To accurate predict the biodiversity benefits of such 352 instruments, we will need a better understanding of how different communities and individuals will respond to alternatives or subsidies. However, as we have shown here, accurate prediction will also 353 354 require an understanding of the leakage interactions between household dynamics and the 355 conservation landscape.

356 Our system model comprises three coupled sub-models: a landscape model containing 357 biodiversity and a renewable resource; an adaptive model of resource extraction and biodiversity 358 degradation, and a model of household utility (Figure 1). Because our purpose was to investigate the 359 interaction between leakage dynamics and spatially structured biodiversity, we chose straightforward 360 and general sub-models for each of these processes, and did not attempt to parameterize a specific 361 case-study. The result was a system model with complex interconnections, but simple individual components. For this model to move beyond exploration into quantitative prediction and prescription, 362 363 each component would need to be elaborated, and adapted to the specific socio-ecological context.

Relaxing a number of key assumptions could offer different dynamics and valuable insights into 364 365 leakage. First, the household utility model ignored potential heterogeneity in households' dependency 366 on a resource, or their response to non-reserve interventions, which can be caused by differences in 367 income, education and access to markets (Mitra & Mishra 2011). Second, we also assumed that 368 market prices were fixed, and are unaffected by local changes in demand for market goods; future 369 work could take a more general-equilibrium approach and allow prices to be endogenous, or allow for 370 situations in which people gather products from the forest to sell in the market rather than to use for 371 personal purposes. Third, removing the last, small amount of a logistically-renewable resource will be 372 uneconomic, and harvesting is therefore sustainable in our model. Different renewable resource 373 models that contained Allee effects or alternative stable states would exacerbate the impacts of 374 leakage, since the concentration of displaced effort could collapse ecosystems or drive populations to 375 extinction. Finally, we used a homogeneous, linear landscape that contained a single, spatially-376 independent resource. Future research should explore the robustness of the observed dynamics to 377 renewable resources that are mobile (Abesamis & Russ 2005; Macdonald et al. 2012); such analyses will profit from comparisons to the parallel fisheries literature. 378

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443 **FIGURE LEGENDS**

Figure 1: Schematic representation of the leakage model, applied to a linear landscape of 10 patches (shown on left with the access point marked: A). Model components are color-coded: the optimal foraging model (purple); the biodiversity conservation model (green); and the household utility model (red). Dashed lines indicate reserve and non-reserve actions that managers control. Double-line boxes represent decisions made by households (how much and where to forage) who attempt to maximise household utility. Arrows indicate model components that exchange information. The shaded grey region highlights the dynamics that drive leakage.

451 Figure 2: Modelled impacts of an protected area (PA) network in the presence of leakage. Landscape 452 parcels are shown as bars along the x-axis, with the community located at x = 0. The y-axis indicates 453 the change in human impact before and after the PA networks have been created. The PAs (at x = 1454 and x = 2, in the region marked "A") reduce local human impacts as intended. The first PA reduces 455 human impacts by the largest amount because that parcel was the most intensely harvested. 456 However, leakage causes an increase in human impacts beyond PA boundaries (in the unprotected 457 region marked "B"). Human impacts in the landscape parcels for $x \ge 8$ are unchanged as these parcels 458 are too distant for foraging to ever be economical.

Figure 3: Changes in household utility and extant biodiversity resulting from 10 randomly chosen protected area (PA) networks. Vertical dashed lines show outcomes without any protection. Darker colored bars show the predicted outcomes of PA networks when leakage is ignored; lighter bars show the realized outcome with leakage. Leakage reduces the benefits achieved for biodiversity, but reduces the costs imposed on households. Leakage alters the performance rankings of PA networks, measured according to either objective. It can also change a PA network from having a net positive impact on biodiversity to having a net negative impact.

Figure 4: Extant biodiversity (x-axis) and household utility (y-axis) achieved by all possible protected
area (PA) networks. Performance is reported relative to the outcomes without any PAs (black marker;
grey dashed lines). Markers are color-coded by size of the PA network (red = 0-2 parcels; green = 3-5

parcels; blue = 6+ parcels). Light red line indicates the approximate position of the Pareto frontier. Five
markers are numbered in the left hand panel; the corresponding PA networks are shown in the right
hand panels. The bar height indicates the relative amount of biodiversity found in each parcel; and
green shading indicates protected parcels.

Figure 5: Effect of non-reserve policy instruments on extant biodiversity and household utility. Performance is reported relative to the outcomes without any protected areas (PAs). Letters correspond to four different PA networks, shown on the right. Letter colors indicate the outcomes of the reserve-only action (black), and of PA networks plus three different non-reserve instruments (green = lump sum payment; blue = in kind grant; red = market subsidy). The size of each non-reserve instrument has been chosen to equalize the total costs to the NGO.