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ENVIRONMENT, POPULATION AND
SUSTAINABLE DEVELOPMENT

Address

As Prepared for Delivery

by

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President

The World Bank

to the

World Resources Institute

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Thank you, John.

Distinguished guests.

Ladies and gentlemen.

Meeting with this group, on Capitol Hill, is like coming home. I hold many fond memories of the years I spent in Congress and the friendships formed. I feel a special kinship and have a great deal of respect for the World Resources Institute, also, which has a close working relationship with the World Bank.

Just over two years ago, I had the pleasure of speaking to members and supporters of the World Resources Institute about the environmental action agenda of the World Bank. I am pleased to be with you tonight to talk about the progress we've made and the important next steps.

When I took over the Presidency of the World Bank, I started with the premise that the Bank ought to be devoting more staff resources and more financing to help borrowing countries safeguard and improve the environment. My aim was not to turn the World Bank into an environmental agency--for its goal has always been, and will continue to be, development and the reduction of poverty. But I did intend for the Bank to integrate environmental concerns into its day-to-day activities and to put the environment on the front burner in our policy dialogue with Third World countries.

Most of you know the facts and recent developments. The World Bank has:

- created a central Environmental Department as well as Regional environmental units;
- increased staff resources assigned full-time to the environment sevenfold over staffing three years ago (about 65 staff years);
- prepared Environmental Issues Papers for most of its active Borrowers (more than 70 countries will be covered by August);
- set up a \$5 million Environmental Technical Assistance Program to speed up preparation of environmental projects.
- initiated a number of regional studies, including a capital cities cleanup project for the Asia region, supported by the UNDP, and an environmental program for the Mediterranean, funded jointly with the European Investment Bank.

More than 100 projects containing significant environmental components will be approved by our Board during this fiscal year which ends June 30. This represents about 35 percent of the expected total of Bank and IDA projects for FY89. Sixty percent of all agricultural projects expected to be approved this fiscal year contain environmental components. Environmental components have been prominent also in energy and power projects, in transportation projects, in water supply and sewerage, and urban development. Clearly, environmental monitoring is now a critical element of our Operational work.

For the three fiscal years 1987 to 1989, IBRD and IDA lending for forestry projects will total \$474 million. We will more than double that in the next three fiscal years. In addition, we expect to lend some \$1.3 billion for free-standing environmental projects over the same period.

This overview of the Bank's progress on its environmental action agenda indicates, I hope, my commitment to act on our convictions. But I realize, of course, that we still have a long way to go.

Public Awareness

Let me be frank. The past three years and the Bank's new emphasis have not been easy. Some developing countries resist environmental programs because these are perceived to be foisted on them by industrialized countries. In its most extreme form, the perception is that the advanced countries have found yet another excuse to impede the development of poor countries and to encroach upon national sovereignty in a modern day version of colonialism.

So far, national sovereignty, on the one hand, and collective responsibility of all nations for the planet's health on the other, have not yet reached a clear accommodation with each other. We have not yet arrived at the point where, like peace and security, the restoration and preservation of the health of planetary ecosystems is perceived as a factor of the highest common welfare.

Having sounded that note of caution, let me nonetheless say that I believe that the growing environmental awareness that we are witnessing is a mighty force of the kind that can eventually bring about the needed consensus on the environment.

In a recent Lou Harris poll of environmental attitudes in 14 industrial and developing countries, between 75 and 100 percent of those polled agreed on the need for strong action. Overwhelming majorities wanted stricter laws and indicated they would even be willing to pay higher taxes if such taxes were directed to environmental improvement. And when asked to choose between a higher living standard or a lower living standard with higher environmental quality, between 70 to 90 percent opted for the latter.

The majority also felt that man, not nature, is the cause of environmental degradation.

Industrial Nations' Responsibilities

Now this raises an awkward question. By man, did the respondents mean Third World man? You would think so, judging by the media focus on Third World issues, such as Brazil's diminishing rain forests.

But this is both inaccurate and short-sighted. Unless and until the industrialized world is prepared to accept and act upon its own environmental shortcomings, it will be difficult to persuade developing nations that there is such a thing as a collective global responsibility for our planet's health.

The reality is that it is the industrialized countries which account for most pollution.

For example:

North America and Western Europe are together responsible for 71 percent of the industrial emission of carbon dioxide into the atmosphere but account for only 8.2 percent of the world's population. The developing world, with 79 percent of the world's population, is responsible for only 7 percent of the industrial emission of carbon dioxide.

Carbon dioxide, as you may know, is the most significant of the gases building up in the atmosphere and accumulating heat from the sun to produce global warming, the so-called Greenhouse Effect.

Take the United States:

- It produces five tons of carbon dioxide for every man, woman and child in the country. The world average is under one ton.
- The United States continues to permit the export of agricultural chemicals banned in this country as dangerous to human health or the environment.
- Fuel consumption is the principal cause of air pollution and global warming. The U.S. continues to lead all industrial nations, except Canada, in the amount of energy used per unit of production of goods and services.
- The United States accounts for nearly a third of all use of chlorofluorocarbons escaping into the atmosphere, the most important of chemicals depleting the ozone layer.
- And Hawaii has the highest number of endangered species for its size of any area in the world.

As Cassius said: "the fault, dear Brutus, is not in our stars but in ourselves."

But don't get me wrong. This country is, of course, not the sole offender among industrial nations, not by a long shot. But it does not make it easy for this nation to preach environmental rectitude to developing nations when those to whom the United States preaches have such solid grounds for telling it to clean up its own act first.

Nor is it easy for the World Bank to pursue its environmental goals when the nations who are its largest shareholders are reluctant to practice what they preach.

It is in this context that I welcome the many environmental initiatives Members of Congress have sponsored and, particularly, President Bush's Clean Air Plan, announced yesterday.

There is no doubt in my mind that we will only succeed in our global responsibility if the developed world leads the way.

The Population-Environment-Poverty Link

I am greatly encouraged by the growing environmental awareness of people and governments. But I am concerned that this awareness of environmental issues has not been matched by a similar concern over population growth rates.

The linkage between poverty, environmental degradation and unchecked population growth is a real one. And it needs to be more widely recognized and more urgently addressed. In short, the global population issue must be put back on the global agenda.

Why?'

Here are some basic statistics:

- The world's population took 130 years to grow from 1 to 2 billion; but at present rates will take only 10 years to go from today's 5 billion to the year 2000's 6 billion.
- More than 90 percent of the added billion will be born in the developing world.

What will be the likely impact of this if growth rates remain unchecked?

- population will be too large in relation to the productivity of the resource base;
- larger numbers of people will suffer from poverty, ill-health, and malnutrition;
- increasing population will put added pressure on the environment, causing more degradation of agricultural land, the further destruction of forests, greater shortages of water, and the loss of flora and fauna species; and
- there will be mass migration of "ecological refugees" from areas that can no longer sustain them.

In such developments lie the seeds of political instability and international tensions.

Call it a worst-case scenario if you will. But it is still very much in the cards, unless nations are prepared to check high population growth rates within their borders.

What, then, should be done?

If we are agreed that sustainable development is our objective, then the prerequisite is to bring human populations into balance with the natural resources that support them. As the Population Crisis Committee has warned:

"We don't know what will happen to the natural resource base at a population of 8, 9, 10, 14 billion."

If not limited by conscious human planning, population growth will surely be limited by natural resource constraints, because populations cannot be sustained beyond the "carrying capacity" of their regions.

There are, therefore, only two viable choices:

- act to lower population growth rates through family planning;
- seek to expand the carrying capacities of the regions in which they live.

Both options are necessary for most developing countries. My concern is that the reduction of population growth rates is receiving insufficient attention. The danger of exclusive reliance on production expansion is clear enough: excessive exploitation of the resource base, a kind of "deficit spending". There are historical precedents for this. For example, evidence is growing that the Mayan civilization in Mexico vanished when population pressures caused deforestation and soil erosion.

The United Nations has suggested that the global population will rise to 8.5 billion by the year 2025 and stabilize at about 10 billion, almost double its present size, a century from now. But this projection assumes a drop in fertility in the developing world by a third in the next 30-40 years. It assumes that a large number of women in developing countries, more than 1.2 billion, will start to use family planning in the next two decades. It is, in short, an optimistic scenario.

If this does not happen, the less optimistic projection of the United Nations shows a population already approaching 10 billion by 2025 and stabilizing at about 14 billion. Africa's population alone would be nearly 2 billion and Asia's nearly 5.5 billion, larger than the population of the whole world today.

The message here is clear. Dr. Nafis Sadik, Executive Director of the UN Fund for Population Activities has urged "action now, not in the next century. By then it will be too late."

The World Bank and IDA have lent over half a billion dollars for population projects over the past five years. We expect to raise this level to some \$800 million in the three fiscal years 1990 to 1992.

We will increase our efforts to support the adoption and implementation of national family planning programs. We will include Population in our ongoing policy dialogue with our member countries. But, clearly, the governments must "own" these programs. They cannot be imposed from the outside.

The United States spends more than any other industrialized country on family planning programs overseas: some \$230 million this year. But this is down from \$290 million in 1985, and the US has not contributed to the UNFPA since then. I urge other countries to carry part of the burden of financing these programs.

Summing Up

The linkages between the environment, population, and sustainable development are obvious. We must recognize our collective responsibility to maintain a healthy ecosystem on this planet.

Towards the end of his life, the aviator, Charles Lindbergh, was asked whether he thought civilization could survive the march of progress. After due reflection, he replied:

"The final answer will be given not by our amassing of knowledge, nor by the discoveries of our science, nor by the speed of our aircraft, but by the effect our activities as a whole have upon the quality of our planet's life - the life of plants and animals as well as that of men."

I'm sure all of you here tonight agree with this sentiment.

Thank you.