THE ROAD TO JOHANNESBURG 2002: MAKING SUSTAINABLE COMMITMENTS
General Assembly Second Committee

Statement by

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Mr. Chairman, Distinguished Delegates:

On behalf of the World Bank, thank you for this opportunity to address the Second Committee of the General Assembly in advance of the World Summit on Sustainable Development in Johannesburg. We have no choice but to make progress in Johannesburg—because at stake are the issues which determine our survival: poverty, environmental degradation, climate change, peace and security, and the spread of diseases such as AIDS. Let me assure you that the World Bank stands ready to do our share and expand our commitment to sustainable development. It is the only tool in our hands to deliver poverty reduction and a better world for all.

Living up to our commitments is more important than ever. World Bank estimates show that the events of September 11th in New York and Washington DC will result in more suffering for the poor in the developing world. Economic growth in developing countries could be lower by 0.5-0.75 percent in 2002 — condemning as many as 10 million more people to live in poverty next year. About 20,000 to 40,000 children under five years old could die from the economic consequences of the attacks as poverty hampers the fight against malnutrition and various childhood diseases.

We must increase the opportunities for millions of people that today feel left behind, or worse, left out of the benefits of economic and social progress, and to do it in an environmentally sound manner. Yet the combination of resource depletion and population growth places the sustainability of development at risk in a large number of the poorest countries. Some developing countries are losing up to 4-8 percent of GDP because of productivity and natural capital loss due to environmental degradation. The “genuine” savings rate — which factors a country’s natural, human, and produced capital — is negative in nearly 30 poor countries, and declining in another 20. To help shape our environmental actions, our Board of Directors in the Bank has approved a new Environment Strategy in July. It supports development that does not come at the expense of people’s heath and livelihoods, nor at the cost of the long-term sustainability of natural resources.

All of us are aware that conflict and violence remain among the most pressing social and economic problems in several parts of the world. Conflict is a major constraint to development. It impacts a country’s physical and economic capital, as well as its human capital and social fabric. The Bank views conflict prevention and reconstruction as central to our mission of poverty reduction. We are currently working in 37 conflict-affected countries, and are supporting international efforts to break cycles of conflict and help war-torn populations resume peaceful development.

Mr. Chairman:

In light of the complexity of the challenges we face it is essential that the Summit addresses the broader issues of sustainability, and not focus uniquely on the environment. We will dedicate our next World Development Report, *Sustainable Development with a Dynamic Economy* to be launched at the Summit to support bringing together environmental, social and economic dimensions of sustainability. As part of the Bank’s
continuing commitment to understand the key drivers of development and promote appropriate development policy—especially over the medium and long term—the report will address the interaction among growth, poverty reduction, social cohesion, and the environment. We hope the preparation of the report will contribute to a global dialogue on social institutions and behavioral incentives. Inherent in that is the imperative for individuals and communities to better manage human, social, physical, and natural assets over longer time period and rethink our basic assumptions about how we use the world around us, and how we measure and plan economic development. We are keen to see a stronger international effort to reform the system of national accounts and adopt more accurate measures of growth and development.

We also will continue our work on the interdependence between sustainability and poverty reduction, with a special focus on strategic directions for energy, water, land and food security for the developing world. We are committed to improve environmental conditions as a means to provide opportunities, security and empowerment to the world’s poor people. We fully endorse the Millennium Development Goals, supported by the United Nations Millennium Summit, now widely accepted as key indicators for sustainable development and will work to further extend social and environmental indicators to benchmark directions to achieving these goals and measure progress.

We are dedicated to support financing for sustainable development. We have engaged with your colleagues in the UN system in addressing the issue of financing for development for the March summit in Monterrey and have recently submitted a joint World Bank/IMF background paper on the issue. Moving toward Johannesburg, we intend to promote financial assistance for projects with strong environmental and social development objectives; pursue policies, regulations and enforcement for private sector investments in socially responsible activities and in environmental goods and services; and create innovative mechanisms and new markets that service the needs of the environment. On this last point I am pleased to report to you that in the last year we have launched two innovative initiatives aimed at protecting the global environmental commons – the Prototype Carbon Fund and the Critical Ecosystem Partnership Fund. The Prototype Carbon Fund (PCF) is the world’s first market-based mechanism to address climate change and promote the transfer of finance and climate-friendly technology to developing countries. The $150 million Critical Ecosystem Partnership Fund (CEPF) – launched as a partnership between the Bank, Conservation International and GEF – aims to better safeguard the world’s threatened biological hotspots in developing countries.

We are also answering the challenge of social and “green” responsibility in our corporate behavior. We are determined to lead by example. Sustainability begins at home, and to that end the World Bank will focus on being a good citizen for the local environment and community we live in by reducing the ecological footprint of its physical facilities; by setting benchmarks for our social and environmental performance; by reporting on progress with independent verification; and by greening our procurement practices. Within the World Bank Group, the International Finance Corporation (IFC) has an important role to promote corporate social and environmental responsibility in support of sustainable and equitable private sector investments in the developing world.

Mr. Chairman,
Clearly, the Johannesburg agenda is challenging and daunting. At the same time it offers us a very real chance to demonstrate that the power of collaboration is alive and well, and working for the common good. We have a very real chance of reducing world poverty, and doing so in a manner consistent with a clear social and environmental conscience. It will take action from all of us—in the UN system, in governments, businesses, urban and rural communities, rich and poor countries—to overcome the tremendous social, environmental and economic challenges that we face. As impossible as it looks, as hard as it is—it is the blessing and the duty of our generation to turn the corner and make sustainable development happen.

Thank you.