LAUNCHING OF THE NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY”, “SRI LANKA ENVIRONMENTAL OUTLOOK”, AND “ECO DEVELOPMENT GUIDELINES FOR SRI LANKA”.
28, April, 2009
Ministry of Environment and Natural Resources

Secretary, Ministry of Environment and Natural Resources
Dr Young-Woo Park, Regional Director, UNEP Regional Office
Dr Subrato Sinha, Environmental Affairs Officer UNEP Regional Office
Dr Sanath Ranawane of UNEP
Distinguished guests,
Officers of the Ministry of Environment and Natural Resources
Officers of the other Ministries and Institutions
Ladies and gentleman

We have gathered here today to launch the: National Sustainable Development Strategy, Sri Lanka Environmental Outlook, and Eco Development Guidelines for Sri Lanka, three important interventions, in Sri Lanka’s path towards Sustainable Development. I would like to take this opportunity to extend our sincere gratitude to UNEP for its valuable contribution in providing financial assistance to develop these three documents.

Also, I would like to thank Dr Young-Woo Park, the Regional Director of UNEP, for your presence here today to mark this occasion. Dr Subrato Sinha has been associated with this project from its inception and I would like to thank him for his contribution towards completing this project successfully.

Also, let me take this opportunity to thank all those who rendered their services in various ways to develop these three documents during the past three-four years.

Ladies and gentlemen,

I am extremely happy to announce that, today, in Sri Lanka, we are in a position to address the key issues that have constrained us in our efforts to enable all the citizens of the country, under one umbrella, to enjoy freedom and social security which was a daunting challenge to all the governments in the past 30 years. We would soon see the dawn of a new era, where all of
Ladies and Gentlemen,

I am happy to share with you at this occasion some more information on the steps that we have taken in the recent past to hasten our journey towards achieving sustainable development.

- At first, I would like to announce that we have established the National Council for Sustainable Development which has been recommended by the National Sustainable Development Strategy, in a more powerful way, soliciting the leadership of H.E. the President as the chair. Our vision in this process is to ensure political integration at the highest level.

- Secondly, we have taken a remarkable step forward by enacting an Environmental Conservation Levy Act to secure financial resources in environmental management based on the Polluter Pays Principle. I am happy to note that the present government was bold enough to take this tough decision facing the risk of becoming politically unpopular. Our vision in this process is to achieve sustainability for the benefit of present and future generations, without limiting ourselves to short-term strategies aiming at short-term benefits.

- Another important step that we have taken in the recent past was the development of a Sustainable Human Development Index, to interpret human development more realistically, including ecological factors into the formula. You would agree with me that a realistic interpretation of human development is a pressing need for the global and local community alike to direct all of us along the correct path of sustainable development, taking into account all relevant factors as much as possible.

Look at the present multiple global crises that we are facing today: Economic recession, Food and Water shortages, Climate Change etc. The economic crisis and environmental impacts related to unsustainable
economic growth signal to us in no uncertain way the urgent need to make a paradigm shift from the way we gauge human development today.

Look at the economic crisis alone. Every one now agrees that the present Global Economic Crisis is much deeper than the crisis that the world experienced 80 years ago before the Second World War. Going back in history to October 24, 1929, the so called Black Thursday, when the US stock market crashed, then within the next three years (1929-1932) US stock market declined by 89 percent. Not only the US, but every country in the Western hemisphere had to undergo the severest recession they ever experienced up to that time. That financial crisis led to an economic crisis and finally to a political crisis.

Ladies and gentleman,

Look at the present financial crisis. On September 29, 2008, the US stock market crashed again. It is now known that from the previous year, from October 2007, it has fallen or contracted by more that 25 percent. Even the temporal solutions used as the rescue plan for the current economic crisis have been unsatisfactory. At the early stage of the crisis it was suggested that the Real Estate asset bubble had burst and the credit crunch occurred. So US Congress and Senate approved a bailout plan after much debate. The infusion of 700 billion US$ to the banking sector did not solve the problem. Instead it had slowly spread from the banking sector to the stock market shattering the entire financial system of USA, European and even Eastern Asian markets reacted badly. This financial crisis in the US economy (GDP value is 12.4 trillion US$ in 2005) which comprise 28 percent of the Global GDP is going to affect the whole world, including China and India.

It has been estimated that a bailout package for the whole world will exceed the total 2nd world war cost, including Rehabilitation and Reconstruction costs involved in the MacArthur plan and the Marshal plan. According to one provisional estimate the total money needed would be around 8 trillion US$. Some others estimate that it would be over 15 trillion US $. Whatever the estimated cost, we should bear in mind that the entire world’s GDP was around 50 trillion US $ (2006), which shows the gravity of the crisis that the world is facing today.

All of you will agree with me that GDP by itself is not a satisfactory measure of economic development. It does not take into account public
debts, household debts, and credits that are provided by banks much beyond what they get as deposits, anticipating unlimited economic growth. It is now clear that GDP is a weak parameter and fails to capture possible hidden disasters that stem from unsustainable economic growth. As the GDP is taken as a parameter to calculate HDI, the HDI also does not reflect real human development.

Let us take an example.

Let us look at this example of Iceland. It ranked first in the Human Development Index (0.968 HDI) and 3rd in per capita GDP (53,290 US$). In spite of these high rankings, it was recently announced that the country is on the brink of becoming the first country to declare “National bankruptcy”, a victim of the global financial crisis. They have sought a 5.4 billion US$ loan from Russia, but their banks owed over 100 billion US$ as their financial liabilities. It should also be noted that their national GDP was 15 billion US$ in 2005. So their real debt to GDP ratio is over 666 percent. Iceland is a clear example that shows the world the misinterpretations of the yardstick that is be used by UN agencies to measure prosperity and development of a country.

Neither is the GDP an indicator of ecological sustainability as it does not take into account the limitations of ecosystem resources or the capacity of the ecosystems to act as sinks.

If we go back to the fundamentals, we could visualize three concentric spheres as representing the economy. On the outside is the financial sphere which reflects the value of goods and services which are exchangeable. In the middle is the economic sphere which represents man-made goods and services including the built environment and social structures. The core sphere is the ecological sphere which acts as the base for the economic sphere or base for the processes of production and consumption. Goods and services are produced using resources and energy extracted from the environment. The environment also acts as a sink to absorb the waste generated after consumption. Putting more resources to overcome the economic crisis without considering both the resource limits and sink limits of the ecosystem would therefore result in an environmental or ecological crisis beyond which mankind could not exist.
Therefore this economic crisis should be considered as an opportunity to put the economy in rich countries on a different trajectory as regards material and energy flows, following a socio-ecological transition to lower levels of energy and material use. Mere short term rescue strategies such as more investments in banks etc will not provide sustainable solutions. It is evident that the current economic accounting systems have failed to capture ecosystem services to encompass the relation between the economy and environment.

IPCCC reported that 70% of global warming is due to burning of fossil fuel. That heat pollution would be the biggest environmental catastrophe that humankind ever faced. To avoid this, IPCC suggested a carbon budget (1456 trillion tons of carbon for the whole century). However this budget will expire in 2032 if we continue business as usual.

On the other hand, the criteria to Kyoto Protocol have been outdated. The proposed emission cut (Bali Road Map) is not enough to save humanity. There should be objective criteria to save our planet. According to IPCC’s Carbon Budget, the environmental permissible carbon quota per person for 2009 is 2170 kg. In Sri Lanka each person emits 660 kg annually. In USA and Canada it is 22,000 kg per person, that is more that ten times the permissible quota. The world average is 4700 kg, that is twice the permissible level. That means low emitting countries like us could not emit more because our space has already been exploited by developed or global polluting countries without our consent. And more importantly they exploited future generations’ quota as well. If we adopt scientific criteria of IPCC these so called developed countries should cut their emission level by at least 70-90 % by 2020. On the other hand they owe environmental debt to other countries and should compensate them by establishing an adaptation fund. Now these countries adopt delaying tactics by setting out long goals (promising a 50% emission cut by 2050) which are to be honored by their children and blaming developing world for increasing emissions which are now well below the permissible level.

If we look at the SAARC region, the region is having a population of nearly one sixth of the global population and has a total CO₂ emission level of around 1330 million tones per year which is only 3.7% of the global total emission.
Let me share information with regard to the CO₂ debt of developed countries towards SAARC region estimated in line with the HDI report published by UNDP in 2007/2008 and based on the principle that if the global per capita emission level of CO₂ is 2.1 t and the countries that exceed this acceptable level are depriving the opportunities of the low emitting countries as well as the future generations. Bangladesh has 468.33 million credits available in terms of tonnes of CO₂, whereas Sri Lanka has 56.96 million, Pakistan: 481.75, India: 3342.6, Nepal: 83.23 and Afghanistan 80.12.

It is necessary to assess the cost either in terms of monetary values or as an index to measure past accumulated “Environmental Debt” owed by the developed countries to the developing counties. This index could be used to estimate the environmental impacts of development activities of developed nation that have already caused natural resource depletion and environmental degradation in terms of an environmental debt to future generations of both developing and developed nations.

Ladies and gentleman,

In order to fight climate change we need new criteria for emission cuts based on IPCC’s carbon budget and there should be an adaptation fund estimating the actual cost of climate change. A new monitoring institution and a new international climate change court of justice, where defaulting nations would to be answerable in order to ensure environmental justice, should be established. Otherwise climate change related terrorism will be another form of global terrorism.

Twenty-fifth session of the Governing Council/Global Ministerial Environment Forum of UNEP, there was a strongly held view that meaningful progress on reforming IEG should be based on an understanding that ‘form must follow function.’ Sustainable development should underpin efforts to reform IEG. Reform should take into account both the strengths and weakness of existing system.

Climate change and related global economic and social issues clearly show the need to reformulate the UN system in order to facilitate global collaboration to ensure global ecological sustainability. New institutional mechanisms backed by reconstituted institutions should be established to ensure environmental justice to all, focusing not only on eradication of
poverty but also on eradication of blatant affluence which causes a tremendous pressure on the ecological sustainability of the planet earth.

We can define sustainable development as a new development which treats all living beings equally and shares capital as well as natural wealth equally among the present and future generations while maximizing the wellbeing and happiness of human kind. Ecologically it would be the new development which preserves the dynamic equilibrium of the planet while enhancing Ecosystem diversity.

This kind of development could not be achieved locally or nationally. Whether we like it or not economies of all the countries have been tightly integrated under the pretext of globalization ignoring the limits to growth within the limitations of the global ecosystem. Therefore we need to reach world consensus on sustainable and equitable development based on the three pillars:

1. Green Economy
2. Green governance of all
3. Green Culture and Society

Also we need to take practical steps to transform smoothly the present development into sustainable development through sustainable production and consumption, and intermediate structures are needed to have this kind of transformation.

It is clear that everything could not be controlled in monetary terms. Therefore a strong legal framework with an environmental court of justice should be introduced in order to curtail excessive use of resources and environment by individuals and nations.

It is important to note few important features of Green Culture and Society.

1. Green technology and Green knowledge systems.
2. Cultural diversity based on simple life patterns: Alleviation of extreme poverty and extreme affluence; Doing away with mega narratives and mega cultural patterns; and equity and diversity should be the guiding principles.
3. Religious and ethnic customs should be given new mending so that people could living in harmony with nature.
Laws could control people, but for long lasting solutions human beings themselves should identify their potential to achieve sustainable development through self control and responsible behavior for the sake of future generations. In this endeavour, countries should be categorized as “High”, “Medium” and “Low” polluting to better interpret the status of sustainable development worldwide. International conventions, Protocols and National constitutions should reflect a New Human Rights charter and Living Being Rights charter based on Environmental justice. For instance the Carbon Footprint and Ecological index should be taken as a measure of Human Rights.

Sri Lanka has an ecological footprint of one ha/person whereas our bio-capacity is 0.4 ha. “High income countries” account for an ecological footprint of 6.4 ha/person as against a bio-capacity of 3.3, whereas the “Middle Income Countries” and ‘Low Income Countries” account for ecological footprints of 1.9 and 0.9 as against bio-capacities of 2.1 and 0.7 respectively.

In future the powerful countries in the world would not be the countries with high economic development. The powerful countries would be the countries with higher bio-capacities together with effective natural resources management measures. We have to develop innovative mechanisms to integrate economic and social development sectors and facilitate these sectors to face the future environmental challenges.

In Sri Lanka, under the Haritha Lanka Program, we are planning to enhance the bio-capacity of the country and reduce the ecological footprint. A comprehensive National Action Plan has been developed with a time span of 2009-2016. This programme and action plan will be implemented under the direction and supervision of the National Council of Sustainable Development integrating ecologically sustainable measures into the economic and social development sectors.

I am happy to note that at the 25th Session of the UNEP Governing Council/Global Environmental Ministers’ Forum held in March 2009, special emphasis was made towards a global new deal based on green economy.

Important sectors of the Green Economy are:
Industrialized countries have to play a leading role in this endeavour by reversing their excessive exploitation of environmental space and assisting other countries to be within their limits by compensating their utilization of past excessive environmental space.

The potential of regional institutions such as UNEP/ROAP to promote and facilitate green economic initiatives is tremendous. While extending our sincere gratitude to the UNEP regional office for its assistance rendered to develop the three important documents that we have launched today, I hope that we would be able to join hands to make further efforts to transform the plans into meaningful action collectively and launch more regional initiatives conducive to sustainable and equitable development across the globe.

Thank you