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Filming for Conference on Economic Globalization and Sustainable
Development for South Asia - May 27, 1997

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Filming For: Conference on Economic
Globalization and Sustainable Development
for South Asia (Being Held in Goa on April 7-11)

Tuesday, May 27, 1997
2:30 - 3:00 p.m.
MC11-127 Conference Room

DECLASSIFIED
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R2002-036 Other #: 37 Box #: 186487B
President Wolfensohn - Briefings Books for Presidents Meetings - Meeting Materials
Filming for Conference on Economic Globalization and Sustainable Development



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Edit

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A. CLASSIFICATION

- ☒ Meeting Material
- ☐ Trips
- ☐ Speeches

- ☐ Annual Meetings
- ☐ Corporate Management
- ☐ Communications with Staff

- ☐ Videos
- ☐ Photos
- ☐ Press Clippings

- ☐ JDW Transcripts
- ☐ Social Events
- ☐ Other

B. SUBJECT: FILMING FOR: CONFERENCE ON ECONOMIC GLOBALIZATION AND SUSTAINABLE DEVELOPMENT FOR SOUTH ASIA (BEING HELD IN GOA ON APRIL 7-11) // JDW TO MAKE REMARKS // (B) (N) VENUE: MC-11-127 (CONF. RM.) // NOTE: 2 HOUR SET UP TIME (FROM 12:30 P.M.) // AND 1/2 HOUR TAKE DOWN TIME
CONTACT: ALICE FARIA (V. THOMAS) @ 34403 // HEIDI ZIA @ 80853 // TAMARA BELT @ 36410
PROGRAM:
2:30-2:45 P.M. - LAST MINUTE BRIEFING W/ V. THOMAS & T. BELT
2:45-3:00 P.M. - FILMING - JDW'S MESSAGE
IN ATTENDANCE: JDW, CAROLINE, & EDI PARTICIPANTS
(B) EDI // DUE: THURSDAY, MAY 22
(B) TALKING POINTS: CAROLINE ANSTEY
EXC: CA & MM // ALI (5/16) (5/19)
Brief Includes Note from Marisela Montoliu - May 23, 1997, entitled, " Economic Globalization and Sustainable Development" Goa June 2-6 and tabs:
- Talking Points
- SAARC Countries' Economic and Social Indicators
- Country Environmental Profiles
* Memo to Mr. Wolfensohn from Vinod Thomas, Tamara Belt, Nalin Kishor, dated May 29, 1997 with Videotape of JDW's opening remarks archived in videos #04121.

DATE: 05/27/97

C. VPU

Corporate/Central

- ☐ Board/SEC
- ☐ CFO (CTR/TRE)
- ☐ DEC
- ☐ EXT
- ☐ FSE
- ☐ IAD
- ☐ LEG
- ☐ PSI
- ☐ RMC
- ☐ SRM
- ☐ WBI

Regional

- ☐ AFR
- ☐ EAP
- ☐ ECA
- ☐ LAC
- ☐ MNA
- ☐ SAS

Networks

- ☐ ESSD
- ☐ FPSI
- ☐ HDN
- ☐ ISN
- ☐ OCS
- ☐ PRM

Affiliates

- ☐ GEF
- ☐ ICSID
- ☐ IFC
- ☐ Inspection Panel
- ☐ Kennedy Center
- ☐ MIGA

D. EXTERNAL PARTNER

☐	IMF
☐	UN
☐	MDB/Other IO
☐	NGO
☐	Private Sector

☐	Part I
☐	Part II
☐	Other

E. COMMENTS:

File Location ☒ EXC ☐ IISC ☒ Archives	Cleared By Caroline Anstey & Marisela Montoliu	Date: 05/28/97
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Vinod Thomas
Director
Economic Development Institute
Development Economics

The World Bank
Washington, D.C. 20433
U.S.A.

May 29, 1997

INT 3935

MM

James Wolfensohn

Dear Jim:

We very much wish to thank you for making a video message for our regional seminar on Economic Globalization and Environmental Management.

Judging from our past experience, the impact of these videos is phenomenal and the participants find encouragement that the World Bank is changing its approach and desires to work more closely with them.

We hope that you will watch this video: it is top rate. You will agree that it merits an A!

Thanks and best,

Vinod

Vinod Thomas

Tamara

Tamara Belt

Nalin

Nalin Kishor

Enclosure

ECONOMIC GLOBALIZATION AND SUSTAINABLE DEVELOPMENT

Goa, June 2-6

Mr. Wolfensohn's Video-Conference Recording Session

Tuesday, May 27, 1997, 2:30-3:30 p.m.

(Pre-briefing, 2:30-3:00 p.m., followed by

10-12-minute recording session)

- This pre-recorded video-message will be shown at the Economic Globalization and Sustainable Development Conference in Goa, on June 2, 1997 (the first event in the Conference).
- Your presentation will be played right before the speeches of the two keynote speakers. The two keynote speakers will be Messrs. Mohan Munasinghe (WB—EDI/ENV), who will talk on the linkages between economics and the environment; and Tariq Banuri, of the International Institute for Sustainable Development (Pakistan), who will address the linkages between environment, human resources and poverty reduction.
- The program is directed at the South Asian Association for Regional Cooperation (SAARC) member countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka).

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: May 22, 1997

TO: Marisela Montoliu, EXC

FROM: Tamara C. Belt, EDIEN

EXTENSION: 36410

SUBJECT: **Final Briefing Materials for Mr. Wolfensohn's Video Message to participants of Economic Globalization and Environmental Sustainability Seminar in South Asia**

Dear Ms. Montolieu:

Please see the attached final briefing materials, an original and two copies. You may disregard previous materials I sent you, as this is the complete packet.

Many thanks for all your help.

Yours sincerely,



Tamara Belt

CC: Thomas, Zia, Faria (EDIDR)

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Talking Points for Mr. Wolfensohn's Video Message, May 27, 1997

Introduction:

- Greetings to seminar participants
- Delighted to talk to a diverse audience that includes senior government officials from different ministries, parliamentarians from national and state government and journalists from different media (t.v., newspaper, magazine)
- Importance of technology for this kind of dialogue and for disseminating lessons

Challenges:

- The biggest developmental challenge as we enter the third millennium is to reduce poverty while maintaining and improving human and ecological life-support systems.
- Poverty and environmental sustainability are interlinked. After all, the poor are the ones who suffer the most from environmental degradation, economic stagnation and civil strife.
- On poverty:
 - a) 1.3 billion people live on less than \$1 /day
 - b) the amount of people living in absolute poverty has been increasing
 - c) by 2030, 3 billion more people will be added to the planet with 90% of the increase coming from the developing world;
 - d) 40% of the world's poor live in S. Asia

- On the environment:

In South Asia the pace of environmental degradation is high as the transition from primarily rural-based economies characterized by high population densities, poor infrastructure and technology and degrading natural resources, are putting tremendous strains on natural resources and the environment.

- The way forward:

Rapid poverty reduction calls for rapid economic growth. However, the current patterns of growth are unsustainable from the environmental and resource use perspectives. Changes must be made in the current patterns of growth. The issue then is *how*, not whether to grow. If modifications are made and systems are managed better, growth can be accomplished without severely affecting the environment.

In South Asia, having growth and environmental sustainability requires efforts on several fronts, but let me highlight three dimensions:

(A) Getting Back to the Basics: By this I mean there is a set of actions that are basic ingredients for economic growth as well as environmental sustainability.

(B) Direct Action for the Environment: That is, in addition to what I can the basics, targeted policy intervention which focuses on ameliorating natural resource degradation is necessary.

(C) Joint Efforts and Partnerships: Furthermore, global and regional actions which safeguard the global environment and compensate regions that protect vital biodiversity is important.

Let me turn briefly to each of these areas.

- A. Getting Back to Basics

What I have to say in this respect is, nothing new, but it concerns actions that still remain fundamentally important in South Asia.

Raise Agricultural Productivity:

Where South Asia has especially lagged East Asia's performance in the past 25 years is in the growth of agricultural productivity. The loss of productive potential in rural areas is widespread. Soil degradation in particular, is the cause of stagnating or declining yields, especially on fragile lands from which the poorest farmers attempt to earn a living.

*Raising agricultural productivity is good both for economic growth and sustaining the use of natural resources. The leads to a virtuous cycle of improved land management, income distribution, and nutritional levels.

*Productivity increases may also be obtained through the development of urban agriculture which uses land more productively; provides urban populations with fresh foodstuffs; generates employment and "greens" urban areas.

Invest in Basic Education:

Education remains one of the most powerful forces which promotes development, alleviates pressures on the environment and reduces rapid population growth.

*In South Asia, as much as half of the adult population is illiterate and children under the age of five experience the highest mortality rates in the world.

Bangladesh has an illiteracy rate of 65, India 52%, Nepal 74%, and Pakistan 65%. Increasing the investment in health, education and training both helps growth and sustainability.

Achieve Lower Population Growth:

The only lasting solution to the diverse problems cause by rapid population growth lies in policies that will improve human skills, increase productivity and so raise incomes, in turn supporting sustainable growth.

*Improving education for girls may be the most important long term environmental policy. Education is a powerful cause of reduced fertility; a recent cross-country study found that, on average, a secondary education reduced from seven to three the number of children a woman has.

*The SAARC countries have a combined average growth rate of more than 7% and by the year 2000 SAARC countries will have a combined population of 1.3 billion.

B. Direct Actions for the Environment

I need hardly emphasize to this audience that environmental actions are also necessary.

Targeted Policy to Improve the Environment:

Support of environmental protection through afforestation programs, removal of subsidies for chemical fertilizers and pesticides and protection of critical ecosystems is needed.

Specific short-term interventions for the protection of natural habitats and endangered species; and forest resources are needed as these resources are under intense pressure during the first stages of growth. Moreover, excessive use may result in irreversible damage to these life-support systems.

Increase Education and Public Awareness on the Environment:

Effective methods which foster changes in environmental stewardship can be achieved through education on sustainable resource use vis-à-vis waste recycling, composting, and primary education curricula which include an environmental component.

Increased public awareness and improved public information on the environment can have an enormous impact on pollution reduction by mobilizing local populations and forcing governments and companies to clean up. For example, campaigns which publicly

disclose information on polluting industries can effectively mobilize public outcry to force industries to change their polluting activities as evidenced in Indonesia.

Encourage Local Solutions and Participation:

Innovative solutions, designed, implemented, and enforced by local populations are most likely to be sustainable financially, socially and environmentally.

*Recent Bank work has recognized the fundamental need for the integral involvement of populations in the development process; and the participation of a broader group of stakeholders which in turns leads to sustainable development.

C. Joint Efforts and Partnerships

Finally, natural resources and the environment are global resources which require global efforts. Increasingly the global community is recognizing the need and taking actions to preserve the global-commons.

*In the context of the UN Framework Convention on Climate Change (FCCC), there is a growing international consensus that countries must now take strong measures to reduce their greenhouse gas emissions. As developed countries emit the bulk of green house gases, agreements have been made to compensate developing countries for conserving natural resources which aid in the capture of green house gases.

*Many solutions may be found on the regional level by sharing experiences, pooling resources and partnerships. The World Bank promotes partnerships with a broad base of stakeholders such as other international donor agencies, national and local governments, private enterprise, NGOs , and local populations.

*The Global Environment Facility (GEF) (whose activities are implemented by the UNDP, UNEP, and the World Bank) promotes international cooperation and fosters actions to protect the global environment. It provides funding to developing countries for projects and activities targeting global benefits in the four focal areas: biological diversity, climate change, international waters and the ozone layer Land degradation and desertification as they relate to the focal areas are also eligible for GEF funding.

Closing Remarks

This seminar is a wonderful example not only of how we can work together, but of how leaders in developing countries can take the lead in underlining the importance of building environmental costs and benefits directly in to policymaking. Sound economic policies, targeted environmental interventions, partnerships and local level participation

are vital and mutual reinforcing approaches to effectively pursue growth and environmental sustainability.

We are looking forward to working with you in sharing experiences and ideas and translating these into practices which promote growth and environmental sustainability most suitable for you.

ANNEX 1

Seminar Objectives, Audience, Content & Expected Outcomes:

Objectives:

- to help incorporate environmental concerns in economic policies
- to help leaders in government and civil society to work together on environmental concerns

Audience: Close to 90 participants will come from a broad base of stakeholders from the SAARC¹ countries:

- Senior policy and decision-makers from economic, finance/planning, agriculture or industry and environment ministries and NGOs
- Parliamentarians
- Journalists

Content: During the week, the individual seminars will cover topics such as:

- ecological, economic and social bases for and approaches to sustainable development
- social participation and natural resource management
- public-private sector collaboration for environmental management
- urban-industrial management
- sustainable eco-tourism

Expected Outcomes:

Partner Institutions

- improve the capacity of partner institutions (i.e. SAARC) to collaborate in key sectors affecting sustainable development;

Senior Policy Makers and Parliamentarians

- sensitize policy-makers to the need for incorporating environmental concerns into economic policies; enhance parliamentarians understanding of environmental policy and the legislative process.

Journalists

- influence public opinion on the environment and sustainable development

¹ The SAARC member countries include: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

All Audiences

- exchange experiences among national institutions, multilateral agencies, and others engaged in environment and development in South Asia;
- facilitate implementation of national action programs on environmentally sustainable economic development; and,
- build capacity for environmental work.

Economic and Social Indicators
South Asia
Data Source: 1996 World Bank Development Report

Economic Indicators

	GNP per capita dollars 1994	GNP per capita avg. ann growth (%) 1985-94	Avg. ann inflation (%) (GDP deflator)	Net private capital flows (millions \$)	Official develop. assist. (% of GNP) 1994	Gross Domestic Savings 1994	Exports of goods/ services (million \$) 1994	Imports of goods and services (million \$) 1994	External debt (million \$) 1994	External debt (% of GNP) 1994	External debt as percentage of exports of goods & services 1994
Bangladesh	\$220	2	6.6	\$47	6.9	8	\$3,220	\$4,830	\$16,569	63.4	400.7
Bhutan											
India	\$320	2.9	9.7	\$5,497	0.8	21	\$35,020	\$43,692	\$98,990	34.2	253.7
Maldives											
Nepal	\$200	2.3	12.1	(\$3)	10.8	12	\$1,004	\$1,320	\$2,320	56.2	223.4
Pakistan	\$430	1.3	8.8	\$1,657	2.5	17	\$8,401	\$12,812	\$29,579	56.6	303.3
Sri Lanka	\$640	2.9	11	\$213	4.6	15	\$4,087	\$5,646	\$7,811	67.6	168.3

Growth of the Economy

	Average annual growth rate (%)						Distribution of gross domestic product (%)				
	GDP deflator 1990-94	Agric. 90-94	Industry 90-94	Services 90-94	Exports of goods and nonfactor services 90-94	Gross domestic investment 1990-94	GDP (million \$) 1994	Agriculture 1994	Industry 1994	Manufacturing 1994	Services 1994
Bangladesh	4.1	1.9	7.1	5	11.7	4.7	\$26,164	30	18	10	52
Bhutan											
India	10.1	2.9	3.2	4.6	13.6	1.2	\$293,606	30	28	18	42
Maldives											
Nepal	12.6	1.3	10.5	6.8	26.8	6.3	\$4,048	44	21	9	35
Pakistan	6.7	2.7	6.3	4.7	11.3	4.7	\$52,011	25	25	18	50
Sri Lanka	10.9	2	7.5	5.8	10.7	10.8	\$11,712	24	25	16	51

Exports and Imports

			Avg. annual growth rate (%)			
	Merchandise exports total (million \$) 1994	Merchandise imports total (million \$) 1994	Merchandise exports 90-94	Merchandise imports 90-94	Exports of goods & services (millions \$) 1994	Imports of goods & services (millions \$) 1994
Bangladesh	\$2,661	\$4,701	12.7	5.3	\$3,220	\$4,830
Bhutan						
India	\$25,000	\$26,846	7	2.7	\$35,020	\$43,692
Maldives						
Nepal	\$363	\$1,176	22.1	6.8	\$1,004	\$1,320
Pakistan	\$7,370	\$8,890	8.8	10.3	\$8,401	\$12,812
Sri Lanka	\$3,210	\$4,780	17	15	\$4,087	\$5,646

Social Indicators

	Population Millions 1994	Avg. annual growth rate (%) 1990-94	Life expectancy at birth	Adult illiteracy (%) 1995	Infant mortality rate (per 1,000 live births)	Urban Population as % of total population 1994	Urban growth rate (%) 90-95	Projected urban population 2025 (percent)	Number of cities greater than 750,000 (1990)	Urban pop. in absolute poverty (percent) 1980-90	Rural pop. in absolute poverty (percent) 1980-90	Rural growth rate (%) 1990 1995
Bangladesh	117.9	1.7	57	62	81	18	5.3	40	3		86	1.5
Bhutan							4.8	19	0		90	1
India	913.6	1.8	48	48	70	27	2.9	45	34	33	42	1.6
Maldives												
Nepal	20.9	2.5	54	73	95	13	7.1	34	0	51	61	2
Pakistan	126.3	2.9	62	62	92	34	4.4	57	8	26	29	2
Sri Lanka	17.9	1.3	71	10	16	22	2.2	43	0	15	46	1

Environment and Health Data

			CO ₂ Emmissions from Industry 1992			Access to potable water		Access to Sanitation Services	
Total forest area (thousand sq. km.) 1990	Ann. deforestation (% total area) 81-90		CO ₂ emmissions (000 metric tons)	CO ₂ emmissions per capita (metric tons)	CO ₂ emmissions from land use change (000 metric ton)	Urban (percent)	Rural (percent)	Urban (percent)	Rural (percent)
Bangladesh	8	4.9	17,217	0.15	7,700	100	89	44	28
Bhutan			132	0.07	4,500	75	54	90	18
India	517	0.7	769,440	0.88	65,000	85	79	70	12
Maldives									
Nepal	50	1.1	1,297	0.07	9,000	66	41	69	16
Pakistan	19	4.1	71,902	0.59	14,000	77	52	62	19
Sri Lanka	17	1.5	4,972	0.29	4,300	87	47	83	62

Bangladesh

The main environmental problems in Bangladesh are natural disasters and limited resources which are linked with social and economic problems and political instability.

- (1) Bangladesh has a tropical monsoon climate characterized by heavy annual rainfalls, tropical storms, periodic devastating floods, and seasonal cyclones which are often accompanied by strong tidal surges; a flood and water strategy was approved by the authorities in 1996 emphasizing protection of lives, major town, and the environment.
- (2) Progress was made in 1996 in flood control, irrigation, water and sanitation and natural gas sectors, but more institutional reform is required.
- (3) With a total area of 148,393 square kilometers and estimated population of over 110 million, it is among the world's most densely populated countries at around 813 per square kilometer; water and air pollution due to expanding industrialization and urban growth are growing problems.
- (4) Per capita income was \$240 in 1995 and almost half the population lives below the poverty line; population growth has over-stretched social services and worsened the impact of natural disasters as a result of encroachments on marginal lands.
- (5) Forest depletion has greatly exceeded the natural replenishment rate.
- (6) Political uncertainty has imposed significant costs on the economy in the past number of years, peaking in mid-1996.
- (7) Most public agencies have been weakened by political intervention, red tape, misplaced management incentives, rent-seeking behavior, insufficient financial discipline, and excess employment.
- (8) Despite years of support from donors, infrastructure still suffers from under-investment and severe operational problems. Congestion and mismanagement at the Chittagong port remain major obstacles to increased trade.
- (9) Bangladesh remains heavily depend on foreign aid, 50% of which is financed by concession project aid; total aid disbursements, though declining, accounted for 6% of GDP in fiscal 1995.
- (10) The IBRD has 6 environmental projects in Pakistan totaling \$268.8 million in project costs \$171.9 million from IDA.

Pakistan

The main environmental problems in Pakistan are integrally linked with social, economic and governance problems.

- (1) This agriculturally-based economy, characterized by a low-growth rate of 1.3% (GNP per capita 1985-94), low per capita income of \$430 (1994), and highly dependent on cotton, is subject to great internal and external economic shocks, particularly since its shift to the world price regime for cotton.
- (2) Diversification of the economy is essential to reduce vulnerability, strengthen the economy's competitiveness and improve growth prospects.
- (3) Degradation of the natural resource base is the most costly rural environmental problem, caused by water logging and salinization of soils, rapid population growth (2.9% from 1990-94), and poor management of water resources.
- (4) Key elements of future agricultural sector reform would include decentralizing irrigation management and encouraging farmer participation; liberalizing remaining price and trade controls; adequately funding operations and maintenance based on full cost recovery, restructuring where appropriate and privatizing support services for agriculture.
- (5) Urban areas contain 34% of the total population (as of 1994) with an average growth rate of 4.4% (from 1990-95), has led to air and water pollution. Pressures on urban areas has resulted in adverse health impacts on residents.
- (6) There is a lack of basic services (access to potable water is 77% in urban areas and 52% in rural areas; access to sanitation services is 62% in urban areas and 19% in rural areas) and investment in human capital.
- (7) Inherent weaknesses in governance including budgetary leakages due to corruption, a porous tax system which encourages rent seeking behavior, difficult legal remediation. Law and order problems are also constraining growth.
- (8) Government efforts to increase resource mobilization have long been undermined by exemption of agriculture incomes from taxation-now being remedied-and a political environment which condoned non-payment of taxes and other charges.

India

The main environmental problems in India are air and water pollution and deforestation which are integrally linked to economic policies and high population growth, and further exacerbated by political uncertainty.

- (1) India is the second most populous country in the world with approximately 913.6 million people inhabiting agro-climatic zones ranging from arid deserts to flood-prone plains, and from hilly tracts to flat, rainfed plateaus.
- (2) The urban population comprises 27% of the total population and this environment is marked by growing overcrowding (an average annual growth rate of 2.9% in urban

areas), poverty (33% of the total urban population), the highest Carbon Dioxide emissions from industry in the region (769 million metric tons); while access to potable water and sanitation services is 85% and 70%, respectively, of the urban population.

(3) During the 1980's, authorities began to liberalize India's trade, industrial and financial policies; however, results were mixed due to political uncertainty (four changes of government between 1989 and 1990) and the Gulf War crisis. Currently, India is pursuing a "mixed economy" approach which includes opening up the economy to greater foreign and private sector investment, abolition of a wide array of subsidies, broadening the tax base to increase the share of direct taxes relative to indirect taxes and tariff revenues, and reduction in the fiscal deficit.

(4) Although India is regarded as self-sufficient in food, at relatively low per capita consumption rates, diversification of agriculture production and sustaining growth is a major challenge.

(5) Environmental problems associated with large-scale irrigation, such as water-logging and salinity, need new technologies and institutional arrangements to address such issues.

(6) Energy is another significant constraint in India; the income elasticity of demand for energy is estimated to be close to 2, and coal resources, although plentiful, are of poor quality and associated with serious environment and health problems.

(7) The IBRD/IDA have 15 environmental projects in India at over \$2.3 billion in total project costs, \$973.6 million of which is from IDA.

Nepal

The main environmental problem in Nepal is deforestation which is integrally linked with poverty, social problems and energy shortages.

(1) Nepal can be divided into three distinct regions from the north to the south; the mountainous region, the hilly region and the flat plains known as the Terai, which includes the most fertile and forest areas of the country.

(2) Nepal is rich in biodiversity with more than 100 species of mammals, 850 birds and almost 10 thousand species of plants.

(3) Lack of energy is among the most significant constraints to development, and only two items, woolen carpets and ready-made garments, constitute about 4/5 of the total exports, revealing it's extremely narrow base of exports.

(4) Water is the most important natural resource of the country and potential hydroelectric power is estimated at 83,000 megawatts of which about 50% could be economically harnessed; however, less than .5% of this has been exploited thus far.

- (5) Because of heavy dependence on bio-mass energy by rural household and on forest products for livestock fodder as well as commercial logging of the Terai forest and Siwalik valleys, deforestation has reached 3% per year and the quantity of growing stock has fallen from an average of 150 cubic meters per hectare in the mid-1960s to less than 90 cubic meters per hectare in 1992.
- (6) Environmental degradation takes the form of loss of soil, water and vegetation, and is taking a heavy toll on the living conditions of the poor.
- (7) This ecologically diverse country suffers from high population growth (2.5% for 1990-94) and low per capita income (\$200 as of 1994) with over half of the population living below the absolute poverty line and more than 90% of the population is dependent on the agricultural sector.
- (8) Other problems include low life expectancy (54 years), inadequate access to potable drinking water (66% urban and 41% rural) and sanitation services (69% urban and 16% rural), and malnutrition nearing 50% for children under 5 years old.
- (9) Nepal changed from the partyless Panchayat system in April 1990. Since then, Nepal has had several changes in governments.

Sri Lanka

The main environmental problems in Sri Lanka are deforestation, air and water pollution, and coastal zone degradation which must be viewed in the context of political, economic and social problems.

- (1) Sri Lanka is a densely populated island nation of 18 million people with a diverse agricultural base, a mountainous interior with a temperate climate and rich flora and fauna.
- (2) The annual rate of deforestation in the decade is 1.5% (1981-90) and the biodiversity of the forests has been affected by their depletion. Likewise, exports of timber are now prohibited, and a five-year investment program to improve the forests' condition and management started in 1990.
- (3) Industrialization and tourism have expanded considerably since 1989 and measures are urgently needed to ensure that future growth is not achieved at the expense of the environment, particularly in coastal areas.
- (4) Water and air pollution remain significant problems particularly in urban areas, where access to potable water is 87% (as of 1994).
- (5) Sri Lanka is marked with a history of ethnic conflict, political unrest, and intermittent economic policies, often associated with election cycles.

- (6) Sri Lanka's recent push to privatize companies has expanded to utilities and plantation companies and is relying heavily on privatization proceeds (equivalent to 1.4 % of GDP) to finance a high fiscal deficit.
- (7) Rising defense expenditures (5 % of GDP in 1995) and interest on the public debt (almost 6 % of GDP) have resulted in underfunding of public investment and inadequate maintenance of facilities.
- (8) Recently, the government has focused on strengthening the law and establishing independent investigative commissions to reduce corruption. While significant, these initiatives have not been complemented by measures to strengthen institutions and reward financial accountability and good professional performance.
- (9) Its social gains have been impressive, matching those of much more advanced economies; literacy and primary school enrollment are virtually universal, and the fertility rate is near replacement level.
- (10) In terms of its social development, Sri Lanka has made significant progress in reducing poverty, although 22 percent of households are still below the poverty line.

Maldives

The main environmental problems in Maldives are integrally linked with geographical, social and economic problems.

- (1) The Maldivian archipelago in the India Ocean is comprised of 1,200 small islands spread over an area of 90,000 km.
- (2) The biggest hurdle for national development is its geography itself with islands scattered over a vast area of sea and the islands being extremely small in both the physical size and the communities which occupy them.
- (3) Over 25% of the total population lives in the capital, Male, which suffers from severe congestion and pollution problems.
- (4) The economy is largely based on tourism and fisheries, which combined account for well over 33 % of GDP and more than 70% of the total current foreign exchange earnings (as of 1990).
- (5) Agriculture and private sector manufacturing/construction is limited and there is also a limited natural resource base.
- (6) The economy faces certain inherent constraints; such as widely dispersed population, fragmented domestic production and markets, expensive transportation system, limited land-based natural resources, lack of labor-both skilled and unskilled, and economic and social pressures caused by the high birth rate.

- (7) Forty-seven percent of the population is below the age of 15 (as of 1990) and there is a severe shortage of skilled and semi-skilled labor (the mean years of schooling is 4.5 years).
- (8) The fresh water aquifer in Male has deteriorated to an extent of being unsuitable for drinking.
- (9) The government continues to regard environmental management and conservation as a key element in its efforts toward sustainable development.
- (10) The Maldives, which is just over 1.6 meters from the sea, might be the first victims of the global warming and sea level rise.

Bhutan

The main environmental concern in Bhutan is biodiversity protection.

- (1) Bhutan is almost entirely mountainous; flat land is limited to a few relatively narrow north-south running river valleys and small areas below the foothills, along the Indian boarder.
- (2) The total population is approximately 600,000, and there is an undetermined number of illegal immigrants, imported laborers and daily cross border flows who utilize services in Bhutan.
- (3) It's most plentiful natural resource is hydroelectric power from its river system, which it exports to India, and all the towns and villages are electrified, thus reducing the pressure on the environment for fuelwood.
- (4) Agriculture is the dominant economic sector in Bhutan, accounting for approximately 45% of GDP in 1989, while employing about 78% of the economically active adult population.
- (5) Forests are second only to hydroelectric power in terms of natural resource potential, and of paramount importance in terms of ecological balance in this fragile region. Forestry production accounted for about 17% of total exports to India and 13% of GDP in 1988.
- (6) Twenty percent of the country's territory has been declared protected areas, and this is likely to increase to 28%, and it is envisaged to maintain forest cover at approximately 60% of the land surface.
- (7) The tourism sector has been an important source of hard currency since the country was opened to tourists in 1974, and the government has followed a strategy of limiting the number of tourists in an effort to preserve the national identity and culture.

(8) General health conditions in Bhutan are affected by poor hygienic practices, isolation, high prevalence of parasitic infections and contagious diseases. Access to potable water in towns is 75% and rural areas is 54%, and access to sanitation services is 90% in towns and is 18% in rural areas.