

GLOBAL FORUM ON SUSTAINABLE DEVELOPMENT
CONFERENCE ON FINANCING THE ENVIRONMENTAL DIMENSION

Paris, 24-26th April, 2002

OPENING REMARKS

Mr Seiichi Kondo

Deputy Secretary-General, OECD

1. On behalf of the OECD, let me warmly welcome all of you to this inaugural Conference of our Global Forum on Sustainable Development. The theme of the Conference is *Financing the Environmental Dimension of Sustainable Development*.

2. I would extend a special welcome to participants from partner countries, and to all who have kindly agreed to serve as Chairs, keynote speakers, panellists and rapporteurs. The Conference is organised in co-operation with the World Bank and the UN Department of Economic and Social Affairs, and I would like to thank the representatives of those organisations for their support and substantive contributions.

3. In opening the Conference, I would like to make a few remarks about the broader international environment in which we meet, and some of the things that the OECD is doing to promote sustainable development in our rapidly changing world.

Globalisation and the International Community

4. Addressing the various opportunities and challenges associated with globalisation is arguably the fundamental task facing the international community today. A series of international, high-level conferences have been convened in the recent past to discuss different aspects of this issue:

5. At the Millennium Summit in New York in September 2000, Heads of State put poverty at the centre of the attention of the international community and elaborated a set of development goals that now underpin development co-operation.

6. The Doha conference in November 2001 agreed on further measures to liberalise trade and thereby to promote economic development. Trade Ministers agreed to place the needs of developing countries at the centre of the work of the World Trade Organisation.

7. The Financing for Development Conference in Monterrey in February this year reversed the decline in Official Development Assistance that we have witnessed over the last decade, and established a strong basis for developing new, strengthened partnerships for achieving the Millennium Goals.

8. Of course, the Johannesburg Summit provides the international community with another major opportunity to pursue poverty eradication and sustainable development. In our conference over the next few days, I believe that we must keep Johannesburg clearly in focus, building on the conclusions of the three major conferences to which I have just referred.

OECD and Globalisation

The changes that have swept the world in the last decade have also changed the OECD.

9. Since its establishment in 1961, the OECD has provided a setting where the governments of advanced industrialised democracies could compare policy experiences, identify good practices and work to co-ordinate domestic and international policies. In recent years, there has been a growing recognition that to carry out these tasks effectively requires closer co-operation with non-Members. Moreover, there have been increasing demands from non-Members to participate in the work of the Organisation. The result has been that six members have joined the Organisation over the past decade, bringing the total membership to thirty, and we have developed an active outreach programme that involves co-operation with some 70 non-Member countries.

10. Some of our co-operative programmes focus on specific countries and regions. However, an important innovation was introduced last year with the establishment of eight Global Forums on a range of priority issues, including this Global Forum on Sustainable Development. By involving counterparts from partner countries in OECD policy-maker networks, these Global Forums are intended to enhance OECD's contribution to debates within the international community on issues of global significance.

11. OECD is also examining how best it can contribute to the international effort to support the Millennium Development Goals. There is now broad support for a shared development agenda that emphasises an inclusive and comprehensive approach. This requires good governance, human capacity building and policies across many inter-related areas in OECD and developing countries. This consensus, including the commitment of developing countries to assume ownership of their economic and social development, while recognising our mutual interdependence, responsibilities and accountability, carries with it important implications and challenges for the OECD. The OECD is working to strengthen its contribution to development by building on its existing programmes to pursue five key objectives. These include:

- Promoting more coherent policies for development among its members;
- Working for improved market access for developing countries;
- Providing support for developing countries' governance and policy capacities;
- Improving aid effectiveness; and
- Strengthening partnerships and accountability.

OECD and Sustainable Development

12. Turning to the issue of Sustainable Development, the Organisation concluded a major three-year study just under a year ago. The Policy Report that resulted from this work was discussed at a special meeting of the Council and involved Ministers of Finance and the Environment from our Member countries. At that meeting, Ministers agreed that "sustainable development is an overarching goal of OECD governments and the OECD...We recognise that OECD countries bear a special responsibility for leadership for sustainable development worldwide, historically and because of the

weight they continue to have in the global economy and environment. We recognise the urgency of the challenge and the gap between policy design and implementation. We are committed to closing this gap and will work energetically with countries outside the OECD's membership to achieve our joint sustainable development goals."

13. This Conference is one of the steps we are taking to follow up on the conclusions from that meeting. We will be submitting a report to the Johannesburg Summit summarising the range of additional actions that the OECD has taken. I will have the pleasure of launching the report at the final PrepCom for the Johannesburg Summit that takes place in Bali in just over one month's time.

Conference Agenda

14. Financing the environmental dimension of sustainable development was one of the most difficult issues at the Rio Conference on Environment and Development in 1992; and no doubt it will also be a difficult issue in Johannesburg as well. The agenda that emerged from Rio was very ambitious; the urgency of many of the issues remains, and in some cases the needs have become even clearer. As we approach Johannesburg, we need more realistic and sustainable approaches, particularly in the area of our Conference: financing the environmental dimension of sustainable development.

15. What we intend over the next three days is to examine the issue from a factual, analytical perspective. Developments since the Rio Conference a decade ago have changed the ways in which we approach this issue, and we believe that this Conference provides a good opportunity to take stock of the new opportunities and challenges. It is certainly not our role to negotiate text or to reach binding recommendations. Rather, if we can clarify some of the key issues and examine initiatives to see what has worked well and not so well, I believe we will have rendered a valuable service to the policy makers charged with the difficult task of finding consensus at Johannesburg.

16. The Conference is organised into four main blocks:

- First, we will examine the policy framework for environmental finance. It is important at the outset to stress that finance is not the only, and often not the most important, instrument for addressing environmental problems. Unless environmental policies and institutions are reformed in an appropriate way, finance will drain public and/or private resources without dealing with the underlying issues.
- Second, we will examine how to strengthen international partnerships in financing the environmental dimension of sustainable development. Specifically we will discuss how environment can be effectively integrated with development objectives. Special attention will be given to financing global environmental issues.
- Third, the Monterrey Conference confirmed that for all but the poorest countries, domestic resource mobilisation will provide the bulk of financial resources for environmental and other domestic policy issues. Two of our sessions will be devoted to examining the policies, tools and institutional arrangements required for effective public environmental expenditure management.
- Fourth, we will examine the framework conditions that are most conducive for harnessing private financial flows for the environmental dimension of sustainable

development. In this context we will look at biodiversity and the urban water supply and sanitation sectors. In this connection, I would like to acknowledge the assistance of the German government in helping to design one of the sessions on urban water: we hope that it will help support the follow-up to the International Conference on Freshwater that was held in Bonn last year.

17. Pulling this all together will not be easy, but I am pleased that Adrian Davis from the UK and Nombasa Tsengwa from South Africa have agreed to serve as rapporteurs for our Conference. They will summarise the main conclusions emerging from our discussions in the final session, and invite your feedback. At that session, we are anticipating that Emil Salim will join us. As many of you know, Mr. Salim will be chairing the final PrepCom meeting for the Johannesburg Summit that will be held in Bali. In these ways we hope to establish close links between our Conference and the final stages of the preparatory process for Johannesburg.

18. There is another connection to this process. The Global Environment Facility is organising two Ministerial Roundtables on Financing Environment and Sustainable Development. I had the honour to participate in the first Ministerial Roundtable that took place during the Monterrey Conference on Financing for Development, and I look forward to participating in the second one that will take place on 4th June in Bali. The Roundtables are chaired by Clare Short, the UK's Minister for International Development, and Mr. Valli Moosa, Minister of Environment from South Africa, one of the main organisers of the Johannesburg Summit.

19. It is not accidental that the Co-Chairs of the Roundtables and our rapporteurs are from the same countries! We are working closely with the GEF secretariat to ensure a good connection between these events, and I can assure you that I will do my best to convey the main conclusions from this Conference to the Ministerial Roundtable.

20. In concluding, I would simply say how impressed I am by the number of participants and the range of experience you all represent. This augurs well for a rich and productive dialogue, and I wish you every success in this regard.