SUSTAINABLE DEVELOPMENT, ENVIRONMENT
AND POVERTY NEXUS

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FOREWORD

Occasional Papers is a monograph series established as an avenue for the publication of policy analysis and operational research undertaken in the Bank. As the activities and experiences of the Bank broaden and deepen, there is greater scope for such policy analysis and operational research, as a basis for the discussion of issues and the formulation of new operations and policies.

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INTRODUCTION

The Asian Development Bank's January 1989 External Panel Report "The Asian Development Bank the 1990s" recommended that the overall goal of the Bank for the 1990s should be the Improvement of living conditions in DMCs through income growth, progress in social conditions, and protection of the environment, and that the Bank should assign highest priority assisting the most disadvantaged and vulnerable social groups.

At the 1992 Annual Meeting of the Bank held in Hong Kong, the issues of environment protection and poverty alleviation received considerable attention, with the Bank's Governors indicating a desire to see a stronger linkage between poverty alleviation and the Bank's program on environment. In fact, President Kimimasa Tarumizu, in his closing statement to the Annual Meeting, observed.

The issue of poverty emerged as a major theme of our meeting-alongside that of resource mobilization and the environment. Problems concerning population and social development were emphasized and the need to enhance the role of women in development was widely voiced.

President Tarumizu also said:

Asia and the Pacific has become the fastest growing region in the world. At the same time, it is still home to large numbers of the poor, the malnourished and the disadvantaged. A major challenge today is to strike a balance between economic growth and poverty reduction while at the same time protecting the environment.

The Annual Meeting saw the dilemma of the region's estimated 800 million poor as a problem to be addressed more aggressively and one that should be considered in all Bank activities. The meeting recommended that poverty be addressed by the Bank not only through ADF lending but also through lending from ordinary capital resources. The meeting cited technical assistance and policy dialogue as additional means to address poverty.

To do this, the Bank will need to focus more closely on policies and activities that do not see economic growth as an end in itself. Poverty reduction can no longer be viewed simply as a side effect of development. Growth must go hand in hand with equitable distribution of economic gains and must reach all intended beneficiaries.

These concerns match the Bank's strategic development objectives: promotion of economic growth, reduction of poverty, improvement of the status of women, progress in population planning, and promotion of sound management of natural resources and the environment. In its current medium-term strategy and future work plan, the Bank has assigned greater emphasis to the following:

- Promotion of an environment that will enable the private sector to flourish
- Poverty reduction and improving the status of women
- Increasing the value of human capital through investments in social infrastructure and human resources development
- Continued integration of environmental considerations into Bank operations.

As expressed in the Bank's Strategic Framework, the ultimate goal is for DMCs to achieve sustainable growth with greater equity so as to improve living standards and the quality of life.