

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE ASIAN PARLIAMENTARIAN CONFERENCE ON ENVIRONMENT
AND SUSTAINABLE DEVELOPMENT

VENUE: THE PAN PACIFIC GLENMARIE RESORT, SHAH ALAM, SELANGOR

DATE: 08 NOV 1994

TIME:

May I extend to you a very warm welcome to Malaysia and thank you for your presence at this Asian Parliamentarian Conference on Environment and Sustainable Development, organised by the Malaysian Asian Forum of Parliamentarians on Population and Development (AFPPD).

2. The theme of this Conference "Environment and Sustainable Development" underscores the importance of the Implementation of the Agenda 21 of the 1992 United Nations Conference on Environment and Development (UNCED). At the Rio Earth Summit, my colleagues, both from the developing and the developed countries, had agreed to work together to achieve sustainable development on the recognition that people cannot have a healthy society nor a vibrant economy in a world steeped in abject poverty, unsustainable lifestyles and environmental degradation. Economic development should not cease but must, however, adjust its course, given the increasing signals at various levels of society for an environmentally sound development process.

3. Rio gave rise to hopes for a new global partnership where both the South and the North, as well as the peoples of the world, would collectively work towards halting environmental degradation and promoting sustainable development. It also appreciates the need of developing countries to catch up with the rest of the world to achieve our common objective for global sustainable development.

4. The transition towards sustainable development requires international partnership based on such considerations as common but differentiated responsibilities, a supportive external economic environment and taking into account the specific social and economic conditions of individual countries and their sustainable development priorities.

5. Yet, regrettably two years and 4 months after the historic UNCED in Rio, the global community is running the risk of inaction. The fundamental problem currently confronting the implementation of the Rio decisions revolves around the issues of means of implementation, i.e. new and additional financial resources and technology transfer. The global partnership that was agreed to at Rio was the

explicit understanding and commitment that the developed countries would assist the developing countries in making the transition towards sustainable development with the provision of new and additional resources. A great cause for concern for the developing countries is that the commitment of substantial new and additional financial resources made have not been translated into reality. UNCED had estimated that about US\$625 billion per year was needed by developing countries to finance activities related to Agenda 21. Of this amount, about US\$500 billion per year would have to come from domestic resources generated within developing countries while the estimated external flows from the developed to the developing countries was US\$125 billion per year.

6. We would be less than honest if we do not discern the prevailing general sense of disappointment among the developing countries vis-a-vis the commitment towards implementing the decisions we took at Rio in 1992. Agenda 21 remains far from being implemented.

7. At Rio, the industrialised countries reaffirmed their commitments to reach the accepted target of 0.7 per cent of Gross National Product for Official Development Assistance (ODA). I observe with great disappointment that the resources under ODA are falling instead of increasing. In fact the OECD countries' development assistance to developing countries fell sharply in 1993, from US\$60.8 billion in 1992 to US\$54.8 billion in 1993. The overall ratio of development assistance to GNP fell from 0.33 per cent to 0.29 percent.

8. The only new money available is in the restructured Global Environment Facility (GEF). The new GEF has been replenished with pledges from 26 countries, totalling US\$2 billion to cover programmes under the scope of GEF as well as the Conventions on Climate Change and Biodiversity. US\$2 billion is but a drop in the ocean in comparison to the requirements estimated at Rio. Regrettably, the situation is made worse in the sense that the release of funds for project implementation is subject to conditionalities.

9. Matters related to the implementation of financial commitments contained in Agenda 21, include those related to terms of trade, commodity prices, market access, debt relief, Official Development Assistance and other measures. The issue of financial resources and mechanism was reviewed by the Commission on Sustainable Development at its second session held in New York in May 1994. I am greatly disappointed that discussions on finance have not led to tangible advancement on this issue.

10. It has become fashionable at recent international meetings and conferences for developed countries to state that the onus of identifying and mobilising resources is at the national level, thus shifting their share of the burden

by pushing for internally generated resources in the developing countries through restructuring budget priorities, national level policy changes, reordering of priorities and reduction in military spending. While I believe in the importance of national governments to implement plans of action, this would be incomplete without the concomitant role of the international community. I call upon the developed countries not to backtrack on their existing commitments.

11. Malaysia shares the concerns of other developing countries in other issues relating to sustainable development, especially in the areas of international trade, transboundary movement of toxic, hazardous and radio-active wastes, forestry and biodiversity.

12. The share of the developing countries in world trade is small. Many developing countries are not competitive in the international market place as they are mainly dependent on the export of raw materials and low technology goods.

13. Cheaper labour cost is still a form of competitive advantage most developing countries are relying on out of necessity. But in the quest to seek and develop markets in which they can be internationally competitive, the developing countries face fresh and unjustified impediments such as the linking of non-trade issues like eco-labelling, imposition of social clauses, global minimum wage and perceived human rights violations in order to wipe out what remains of the trade prospects of the developing countries. As it is, the developed countries already possess competitive advantages in proprietary technology, access to rich domestic markets, capital, management skills, credits extended specifically for the purchase of their own exports, and grants by their Government conditional upon projects being given to their companies or purchases of their exports. Developing countries have none of these advantages. I see the continued attempts by certain developed countries to introduce more conditionalities in the international trade regime as disguised protectionism to erode further not only the insignificant competitive advantage of the developing countries but also to impose an unbearable burden on the developing countries. In fact, some academics in developed countries are already arguing that trade between developed and developing countries is damaging to the economy of the developed.

14. Developing countries must strongly resist all these moves which will have very negative impacts on their economic development and may result in more unemployment and deterioration of the living conditions of their people.

15. Malaysia shares the growing concerns of the developing countries regarding the transboundary movement of toxic and hazardous waste. The discussions by the Parties to the Basel Convention in Geneva on 24-25 March, 1994 are

certainly going in the right direction. Malaysia supported the ban on the export of hazardous wastes from the OECD to the non-OECD countries. The position taken by Malaysia is based on our strong belief that to knowingly pollute your neighbour's land and to cause harm to his family is an environmental crime that violates human rights. Malaysia will certainly support any call for international cooperation in the strengthening of institutions to assist governments and industries in the adoption of clean technologies as well as for the prevention of pollution and in the handling, treatment and disposal of hazardous wastes.

16. I would also like to highlight the possible damage inflicted by foreign ships carrying toxic and radio-active materials through their seas, especially through narrow straits. Such disposal of toxic, hazardous and radio-active wastes as well as oil spills and desludging activities on the high seas have serious and negative impacts on both marine and land resources. As a littoral state faced with a situation where more than 360 vessels daily ply the Straits of Malacca and the South China Sea, there is an urgent need to take all the necessary precautionary measures to prevent risks involving the disposal of tanker sludge. The interest of littoral states must be safeguarded. In this respect, the International Maritime Organisation (IMO) should seriously address these problems.

17. On forestry, the developing countries, especially the tropical timber producers, are victims of misguided campaigns. These impact negatively on tropical timber. Their timber exports are increasingly subjected to new and arbitrary requirements and conditionalities related to certification and labelling and new interpretations for sustainability of forest management. These conditionalities have resulted in the rejection of tropical timber products by municipalities of some European countries without giving fair assessment to the source of timber. Even the Do-It-Yourself people have been pressured to drop tropical timber products for their use.

18. If the developed countries are genuinely concerned about the sustainability of forest utilisation and management, the standards and criteria imposed on tropical timber should be applied fairly and equally on all timber products, including those from temperate and boreal forests.

19. On biodiversity, the developed countries have been utilising freely the rich biodiversity resources of the developing countries with no benefits accruing to the resource owners. In developing biodiversity for the benefit of mankind, there must be fair and equitable returns to resource owners, e.g. in developing pharmaceutical products by the Western Trans National Corporation. Certainly developing countries would not want to see a repeat of the "Periwinkle" case of Madagascar where two drugs derived from this plant are reported to earn for its multinational

company US\$100 million annually, but no appropriate and equitable financial benefits given to the resource owners. I would urge the developing countries which own the largest share of the world genetic resources to develop a strong and common stand pertaining to the modes of collaboration with foreign partners.

20. To achieve sustainable development requires the participation of all players, including law makers like yourself. What is most urgent at this stage is to focus on the means of implementation of the various agreements. The present approach to sustainable development and the implementation of conventions relating to environment is seriously flawed. It has lost its focus and this has unfortunately come about because the developing countries require financial assistance and technology transfer to fulfill the objectives of the conventions. This need has subjected them to conditionalities set by the developed countries. I get the impression that during discussions on the implementation of the various environment-related conventions, the developing countries are treated like beggars for aid. I have also observed with great disappointment the undesirable tendency of the developed countries to treat the environment-related conventions as an ODA exercise with all its obnoxious and patronising undertones.

21. It is my sincere hope that during this conference all of you could establish procedures and arrangements to monitor and assess the performance of the developed countries in honouring their commitments to existing conventions and indeed their own performance with regard to sustainable development in their countries. Your initiative in this matter would contribute usefully to the deliberations at the Commission on Sustainable Development which was established to monitor the implementation of UNCED decisions.

22. With these remarks, I now have the pleasure of declaring this Asian Parliamentarians Conference on Environment and Sustainable Development officially open.