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Greening Aid? Understanding the Environmental Impact of Development Assistance

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Edited Transcript – Manish Bapna

Thank you for the kind introduction and welcome to today's book seminar on *Greening Aid*. The topic of today's talk is one that's of particular interest to me, as I've worked on both sides of this issue. About 15 years ago I started my career at the World Bank, actually with Robert Goodland. And we spent a lot of time, both designing and implementing environmental projects, both what we would call kind of dirty aid as well as green aid. But about 7, 8 years ago, actually 5, 6 years ago I left and I have actually have since been working with non-profits, looking at how to analyze, advocate for better environmental aid. So an issue that's very close to my heart. My only, my single, only complaint about this book is I wish I had it 10 years ago. But I'm still particularly pleased to be here to see whether at least what I've been arguing over those 10 years is indeed substantiated by the evidence.

I'd like to start by talking a little bit about WRI. We're a research institute, as many of you know, focused on global and environmental trends. Periodically we take, we take time, we kind of step back to identify and analyze those trends, those meta-trends that we feel are most important in shaping the kind of world in which we live. And we do this for a couple of reasons: to make sure that we're working on the right issues and to make sure that we're really effective in what we choose to work on. And the reason I raise this is I think our most recent set of meta-trends that we've identified really point to the relevance, the timeliness, the importance of this particular book.

And what I'd like to do is take just a couple of minutes and share with you some of the meta-trends, a set of these meta-trends that we feel are most important today. And I'm going to connect that to why I think you all should read this book.

Let me start with the environment. Given the audience, I think we all can appreciate that a lot of the environmental trends that we most deeply care about are worsened. And many at



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an accelerating rate. If you look at the latest climate signs it's particularly troubling. Even the most pessimistic scenarios of the IPCC have proven to be more optimistic than reality has shown. And this very carbon has surpassed 385 parts per million and some of the leading climatologists are arguing that 350 is the target that we should be shooting for.

The Millennium Eco-System Assessment from a few years ago concluded that 15 out of 24 of the global eco-systems in the world today are in a state of decline. Eight percent of tropical forests during the 1990s were lost. Seventy-five percent of marine fisheries are either fished at or over capacity. So the sad truth of the matter is that despite 30 years of quite, quite committed kind of focus on trying to address environmental issues, many of the things that we care most deeply about are considerably worse today than they were when the modern environmental movement began. And I think that gives us reason to kind of pause, to kind of think about what we're doing right but also to think a bit about what we need to be doing differently.

Looking beyond the environment, there's a number of other trends that I think are really quite important and that help kind of inform, kind of set the stage for the book.

The shift from a uni-polar to a multi-polar world centers the economic and political power are shifting and are diversifying. Decisions are being taken, not only now in Washington D.C. or New York or London, but increasingly in Delhi, in Beijing, in Moscow. Global economic output has expanded dramatically over the past decade but globalization is creating both winners and losers. And we're seeing inequality increasing, kind of both between and within countries.

2007 marked the year when more people lived in cities than in the country. We're increasingly an urban society and this has profound implications. Not only on our collective environmental footprint but how we as a society connect to and relate to kind of the environment. In 20 years, over half of the global middle class will be in China or in India. The voices and values of these people and the choices that they make as voters, as shareholders, as consumers, will be crucial to the global environment. The Asian middle class are becoming the new environmental stewards for the planet.

Development assistance, and finally development assistance, undergoing incredible transformation. Traditional donors are splintering into many specialized agencies. Large new bilaterals have emerged from the south with their own somewhat distinct approaches to development cooperation. Private philanthropy is surging, and some of the recent pessimists



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show that the donation or the value of private philanthropy has now equaled or exceeded official aid.

So this new reality of development aid is one of fragmentation, it's one of volatility and it has pretty profound implications for the future of environmental aid. So with this kind of backdrop I want to give you three reasons why I think you all should read this book.

First, the topic, it's really relevant. Given the urgency, the scale of the global environmental challenges we're facing today, if we're going to have any chance at halting and reversing these troubling environmental trends, environmental aid has a crucial role to play. Not only in promoting sustainability in developing countries but also in constructively engaging developing countries to participate in international environmental agreements. The challenge that we face are immense and the book focuses on an important part of the solution, what the appropriate role, what the appropriate contribution to environmental aid.

The second reason you should read this study is the sheer analytical rigor. The authors have to be tremendously commended. A very systematic, a very thorough analysis that they did, really commend them for doing that hard slog. The project-level aid database that they created is phenomenal. They, they actually collected data on 430,000 projects. They coded them; they analyzed them. I feel for your students, minimum wage labor, but incredibly, incredibly impressive.

For many of us in the environmental community that have been looking at these issues, our databases were slightly smaller. We've typically illustrated our points using case studies but it is going to be incredibly invaluable to have kind of the rigor of the study that they did to kind of arm ourselves, to inform ourselves for the points we want to make. I must admit I am so glad you did that study and not me but very, very glad you did so.

And a third reason I think the study, the book is great because it not only kind of looks backwards, but it also looks forward. It helps inform what we should do in the future. Economic and political power as I mentioned is shifting. With this the values inherent in today's environmental movement is increasingly defined by the Asian middle class. The very nature of development assistance is changing. We have new development actors, new development institutions and new development strategies in place. And given this, the lessons that emerge from this book are going to be especially valuable to understand how environmental aid can play a transformative role in this very rapidly changing world.



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The book ends with a set of kind of ten no nonsense principals for how to improve the environmental performance of aid agencies and I think they will be incredibly relevant as we think about, as we look to the next 20 years and we look at how environmental aid is going to need to change.

Some of my own personal research right now is focused on adaptation. How we're going to raise, how we're going to channel, how we're going to spend the funds we need to adapt to a warming world. Some of the more recent estimates of the cost of adaptation finance, range in the tens of billions of dollars. And there's a lot of increasing interest now in how do you identify those new mechanisms that are going to generate this aid. How you're going to find, or the new institutions or use existing institutions to channel this aid. And so the books lessons, at least from a very personal standpoint, are going to be incredibly illustrative to thinking about how we can ensure that all this new aid that we hope is going to come in a context of adaptation finance can lead to the positive environmental outcomes we're looking for.

So I have a very, very strong personal interest in the book, looking forward to seeing what you have to say and commend the author's once again for an incredible body of work. Thank you.



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