



Environment for Europe



Sixth Ministerial Conference



Belgrade, Serbia, 10-12 October 2007

United Nations Economic Commission for Europe - Government of Serbia

EfE Newsletter No. 3

Interview with Kaj Bärlund

Director of the UNECE Environment, Housing and Land Management Division



The Belgrade Conference is going to be the sixth edition of the "Environment for Europe" (EfE) Conference. What has been achieved by the EfE process so far?

There have been a lot of substantive achievements, which is not always the case with international political processes. This Conference is held only every four years, which means that there is time enough to prepare the ground for decisions by ministers.

We have had quite unique decisions. The Aarhus Convention – the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters – is the most high-profile one. I am quite convinced that this Convention, on such a sensitive political issue, would not have been approved without this political process. It happened that the favourable political set-up enabled the Convention at that particular moment. The high-profile publicity around the Conference in Aarhus in 1998 also had a great impact. Then, in Kiev in 2003, we had a number of legal instruments approved as well as a strategy for the EECCA countries. This strategy probably would not have come about until much later, if at all, without the Conference. These are just a few examples of how when you prepare well for a meeting, and the member countries and stakeholders know there is a big meeting coming up, you achieve a different kind of momentum than you do with the normal, routine meetings that take place year to year.

What do you expect out of Belgrade?

The agenda of the Conference is extremely substantive. There are new data on the state of the environment. There is a ground-breaking assessment of the state of the transboundary rivers and lakes in the region. We have new proposals for improving data collection and environmental monitoring, as well as the assessment of the implementation of the UNECE Environmental Performance Review recommendations and of the legal instruments on environment.

We also have a unique new document on economic competitiveness and environmental policy, especially in low-income countries in the UNECE region. The document's conclusion is, more or less, that no conflict exists between good environmental policies and good international economic competitiveness. Many politicians have made statements to the contrary in those countries. I hope that through this particular document we can have a greater impact on the political debate related to environment.

The Belgrade Conference will have one session on biodiversity and another on education on sustainable development with the participation of a great number of education ministers. This will be a joint exercise on environment and education between the two sectors. There is an interest in using this forum to improve environmental policies of a new nature as well, not only on the more routine things we have had relating to capacity-building, for example.

Another aspect is participation. It looks as if we will have at least 1,200 participants from governments,

business, trade unions, environmental NGOs, local authorities, and all of the important international organizations in the region.

What do Governments expect from this process?

Different Governments have different priorities. Many Governments in Eastern Europe need continued and strengthened support from other countries for their efforts to improve their environment. There is a strong support from the EU countries and Western countries for discussing common experience and exchanging good practices. There are different expectations in different parts of the region. All countries feel that a multilateral, inclusive forum is important. They come to discuss the issues with their colleagues. They come to present their priorities. They can stress different parts of the agenda according to their interests. That is why we have a very full agenda. .

What is the future of the Environment for Europe process?

This is basically an ad hoc process. After one meeting, we always discuss the future. There is never an automatic continuation. This is important, because you always have to take stock of what you have achieved and of what you might be able to achieve in the future. As of now, there will probably be at least one more conference in four years'



Interview with Kaj Bärlund (continued)

time from Belgrade. Kazakhstan has already volunteered to arrange a meeting in 2011 and there seems to be support for that. There are also more critical views: some say that we have to assess in depth whether the process is useful or not. It looks as if the great majority of countries support a continuation of the process, but not automatically.

The EfE process is also a reference for other regions. The inclusiveness we have been able to achieve – with everybody involved on an equal footing, not only Governments, but also other stakeholders – is something unique in a global context. We have been working in a very cost-efficient manner, because these meetings are only once every four years. EfE is not expensive compared to many other processes that have much

more frequent meetings. It is a cost-efficient way of having a high-level political framework for joint decision-making and exchange of experience. The EfE process has served the region well so far, but it is also correct to assess its usefulness all the time.

Finally, what would your message to the meeting be?

The message is that we need to look into the future. Our slogan for the Belgrade Conference is “Building bridges to the future”. We cannot just rest on our laurels. There are a lot of laurels we could rest on, but this is not how we should approach this. We should review the region in a problem-oriented way, to find solutions for the problems that still persist and the problems that we can only resolve together. ❖



Interview with Dieter Hesse

Author of the paper “Environmental Policy and International Competitiveness in a Globalizing World: Challenges for Low-Income countries in the UNECE Region”

How is environmental policy linked to international competitiveness?

It is sometimes argued that more stringent environmental policies will create additional cost burdens for domestic firms, which may put them at a disadvantage compared with major competitors abroad that do not face a similar increase in environmental standards. A related fear is that more stringent standards might create incentives for domestic firms to relocate production to countries with lax environmental policies, so-called pollution havens.

But moving ahead of other countries as regards environmental standards does not necessarily have a negative impact on overall industrial competitiveness. There is, in fact, a broad consensus that environmental policy is not a primary determinant of overall industrial performance, which, rather, depends mainly on factors such as labour skills and labour costs, quality of infrastructure, R&D and innovation efforts, etc. On average, environmental compliance costs account only for a very small share of total production costs of industrial enterprises. In a similar vein, environmental policy is not a major determinant of FDI and international trade flows. Indeed, in the face of growing global environmental awareness and “green consumerism”, international production sharing networks, which are organized by multinational companies, have in general stringent environmental requirements that have to be met by their subsidiaries and local suppliers.

Does this not imply that environmental policy can also be a source of competitive advantage?

Yes, indeed. More stringent environmental standards can stimulate R&D and innovation processes, which lead to the

development of clean technologies that are less costly than additional end-of-pipe solutions and have additional benefits because of material and energy cost savings. More stringent national and international environmental policies, in combination with increased consumer preferences for “green products”, have stimulated the development of a rapidly expanding global market for cleaner technologies and products with reduced environmental impacts. This, in turn, means that being a leader in the development and application of environmentally sound technologies and more environmental friendly products can be an important source of competitive advantage in international markets.

How can low-income countries catch up with more advanced economies in a sustainable development context?

Low-income countries should not regard more stringent environmental policy as a luxury, which can be postponed until higher levels of economic activity and real incomes are achieved. New technology is a major driver of the economic development process, and the process of technological modernization provides at the same time enormous opportunities for improved environmental performance. This points to the benefits of closely integrating environmental policies with national industrial development or competitiveness strategies aiming at technological upgrading and the promotion of innovation and R&D. A lot depends on the quality of domestic policies and institutions, including an effective civil service and close cooperation and coordination between the corresponding government departments. ❖

More information on the “Environment for Europe” process is available at its official website <http://www.unece.org/env/efe/welcome.html>.

More information on the preparations for the Conference is available at <http://www.unece.org> and <http://www.efe-belgrade2007.org/>.

For inquiries, please contact efe@unece.org.