

Keynote address
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Mr President, distinguished colleagues, ladies and gentlemen,

I wish to offer my sincere thanks to our Serbian hosts for their warm welcome. I would also like to take this opportunity to congratulate Serbia for the recent ratification of the Kyoto Protocol. I am happy to share my message with this distinguished audience.

More than 10 years have passed since Europe's first environment assessment report was published. We have, today, comprehensive information about the environmental problems in our region and we can draw some conclusions about the trends in the state of the environment.

The Fourth Assessment Report of Europe's Environment reveals to us that without structural changes, we will continue on a path that will lead to a worsening of the state of the environment and that will exhaust the natural resources we depend on. What has happened in the five years since the Johannesburg World Summit on Sustainable Development?

In the Plan of Implementation adopted in Johannesburg, we agreed to halve the number of people without access to safe drinking water and to basic sanitation by 2015. Today, we have learned from Europe's environmental report that in many parts of our region the quality of the water supply and sanitation services has deteriorated continuously over the past ten years, and that more than 100 million people in the pan-European region still do not have access to safe drinking water and adequate sanitation.

On the positive side, progress in reducing air pollutant emissions is taking place. However, there is an alarming note — with regard to mitigation of climate change, we are far from achieving the necessary emission reductions. In most countries, greenhouse gas emissions have increased in recent years.

In Kiev we committed ourselves to the challenging target of halting the loss of biodiversity by 2010. Now we know that we are far from reaching this target in Europe. Moreover, we are over-exploiting our marine resources and eutrophication remains a problem across the pan-European region.

On the environmental policy side we have the UNECE's report on *Environmental Performance Reviews* and the OECD's report on *Progress in Implementing the Environment Strategy in the Eastern Europe, Caucasus and Central Asia Countries*.

There is progress taking place to strengthen legislation, to undertake institutional reforms, and to improve the use of economic instruments. On the other hand, there is a significant lack of strong drivers for environmental improvements.

The main problems seem to be implementation. There is still a lot to do to convince the top leaders that responsible environmental policy and effective legislation do not prevent the countries from providing their citizens with a high standard of well-being and the companies with affordable market positions.

Indeed, taking care of the environment can actually give a country a competitive advantage that can bring economic benefits. I can prove this on the basis of our own experiences in Finland. We have been ranked highly in the worldwide comparisons of countries' environmental performance (Environmental Performance Index). At the same time, Finland is also categorized as among the most competitive countries in the world.

We have experienced very dynamic progress in technological development from being a country where industry was based on heavily polluting production, to a country which is well known in the world for its high-tech products. At the same time, many of the former heavy polluters have significantly improved their environmental performance. As a result, our environmental problems no longer grow as fast as our economy.

The Multilateral Environmental Agreements play a significant role in structural environmental changes. They, together with effective implementation at the national level, give a signal to the markets, and the forerunners in the markets start to change their practices even before the agreements are in force. Effective implementation and control of environmental legislation increase the consistency of policies, and vice versa, weak environmental legislation is a signal of unreliability for the investors.

However, the most important observation is that we have noted a real improvement in our environment, as a result of the Agreements in force. We do not have any other choice than to implement effectively the agreements we are committed to. In addition to that, we have a major task to enhance the synergies between the Multilateral Environmental Agreements both within the UNECE region, as well as globally.

Finally, I would like to draw your attention to one particular assessment – *First Assessment of Transboundary Rivers, Lakes and Groundwaters* – which has been carried out under the ECE Water Convention. This is a positive example, especially of the efforts of the countries in transition to improve the knowledge base for sustainable management of transboundary water resources.

Particularly in the EECCA countries in which water issues and especially transboundary water issues are a priority concern. Finland has been very pleased to note that this work has increased, not only the capacity to tackle the most serious environmental threats to transboundary waters, but also the cooperation between the countries.

In our region transboundary waters are really connecting people. Transboundary basins cover more than 40 per cent of the European and Asian parts of the UNECE. This has resulted in a strong foundation for interdependency and co-

operation between the countries. In this field I would like to note the remarkable progress which is taking place within the frameworks of the *Environment and Security Initiative*, to tackle transboundary environmental problems and to enhance pragmatic cooperation between the countries.

Mr Chairman, ladies and gentlemen,

The economy is growing in Europe, in some countries very quickly. Investment rates are accelerating and people have higher expectations to improve materially their quality of life.

Our task is to show that investing in the environment is the ultimate necessity for any society for long-term welfare. I invite my distinguished colleagues and you all to bring this message to every forum where you discuss the future development needs of your countries.

Thank you, Mr Chairman.