

Sixth Ministerial Conference “Environment for Europe” (Belgrade)

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*Speech at the Plenary Session on
UNDP's role in Effective Capacity Building for Implementation of Sustainable
Environmental Policies (11 October, 11 a.m. - 1 p.m.)*

Excellencies, distinguished participants, Ladies and Gentlemen,

It is my great pleasure to be here today and deliver to you my message--that it is finally the time for SEE to focus on its environment. This is good news because it means that the region has come a long way: after the upheaval of the 1990s, priority had first to be given to rebuilding the region's social, institutional and physical infrastructure. Now, with fast economic recovery, and in fact new economic growth under way, it is our duty to ensure that the new economic structures are laid on sound, sustainable foundations. With the region's natural riches, beauty and location, a harmonious relationship between growth and the environment actually has great economic potential.

To meet this task, SEE needs to master the political will, the necessary resources, as well as the institutional structures and knowledge capable to make it happen. Although lack of resources is most often cited as the crucial constraint, the reality on the ground suggests that the onus is on the absence of institutions and knowledge. For SEE has resources at its disposal that it has not fully tapped—at the very

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minimum, those in carbon financing mechanisms (not a single project in SEE has yet been financed through the Clean Development Mechanism), and those waiting for faster project disbursement rates. The political will, we believe will be expressed today by adopting the Ministerial Declaration. So it is the absence of the third factor, of adequate institutional structures and knowledge—we call it “capacity” for short— that merits our most urgent, concerted and long-term attention.

The capacity needed to breathe life into environmental policy frameworks is, in general orders of magnitude, greater than in most other policy areas. Civil servants, courts and even the civil society need to combine multiple technical (engineering) skills with sophisticated understanding of finance and economics, because past decades have shown that the only way to achieve the harmony we are seeking is by making market delivery mechanisms work for the environment. Moreover, environmental concerns affect multiple governments, multiple government sectors and multiple interest groups, requiring complex policy and interest alignment mechanisms. Look at the climate change as one of the major challenges facing humanity today. In this context, the Belgrade Initiative to enhance sub-regional cooperation in the field of climate change is an important step in the right direction.

Yet, in SEE the typical environment ministry has around 100 employees, several times less than its western counterpart, and some are still similar. Regulatory responsibility for environmental quality is often fractured across different

institutions, as many as across 5 different ministries. To make matters worse, the scope of, and level of, responsibility of different government bodies for environmental issues is often altered with changes in government. Finally, the courts and judicial system are not trained to apply modern economic principles to their case analysis, let alone the even more complex set of environmental and economic principles together.

It is not surprising, hence, that even though today, every country in the region has developed the basic necessary environmental strategies and legislation, to a large extent, these frameworks are not operational and enforced. A UNDP overview of the progress achieved on environmental policies in SEE over the past six years, which we have launched yesterday at this Conference --- looks into this issue in greater detail.

We at UNDP have been supporting the governments of SEE both at the national policy level and through specific projects with a total value of US\$ 100 million. In SEE, as elsewhere in the Europe and CIS region our initiatives seek to develop: (i) policies for better environmental governance; (ii) markets for climate and environmentally friendly technologies; and (iii) capacities to adapt to the consequences of climate change. The current value of our active portfolio of 280 projects, including those in SEE, is US\$ 600 million. UNDP's work is presented at

the UNDP, UNEP and European Environmental Agency booth and also at our side event at 13.30 today in hall 4/1.

Similar activities are being implemented by all our major international partners—let me not list them here.

But we cannot be satisfied. Our efforts are still too fragmented and piecemeal to seriously tackle, let alone deliver, together with our partner governments and the civil society of SEE the institutional structures and knowledge that will be able to permanently put the region on a sustainable, environmentally friendly, growth path. Moreover, too often the capacity that is built becomes dissipated in cycles of democratic political successions. Yet, SEE has the potential to accomplish this task, for it has educated people that know what/how it needs to be done.

Hence, we call on our partners—governments and international bodies alike-- to seize the Environment for Europe process and use it to mobilize a concerted, comprehensive, capacity building effort, one which will have: (a) clearly set, palpable, goals; (b) rely on greater inter-governmental and inter-agency cooperation; and (c) recognize that capacity building takes time.

The first two components are built into the proposed concept. I would like therefore, to call your attention to the third: to be successful, a concerted capacity building

effort needs to recognize that capacity is not built overnight. On the contrary-- institutions are best built, and knowledge is best accumulated, over time, piece by piece, in a dogged, progressive, fashion. To accomplish this, we need to broaden the time horizon of our programmes and projects, and build into them the advocacy and incentive structures that will ensure that incoming governments build on the accomplishments of outgoing ones.

Excellencies, Ladies and Gentlemen, the task may seem daunting. But it is my deep belief that it is entirely within our reach. For, few causes cross the boundaries of countries, institutions, and interest groups as does the cause of leaving a healthy, beautiful, and productive environment to those coming after us.

Thank you for your attention.