

*Statement of His Excellency*

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**ROMANIA**

*Environmental policy, international competitiveness: can we afford a  
better environment?*

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***Mr. Chairman,***

***Ladies and Gentlemen,***

In the drive to strengthen global competitiveness, environmental concerns have sometimes been considered an obstacle. In the recent years, however, many studies have found that increasing competitiveness and accelerating the transition toward sustainable development are mutually compatible objectives.

Environmental regulation and public policies to induce sustainable development are not simple additional transaction costs. In both developed and developing countries, clear rules on property rights and access to natural resources, as well as strong environmental institutions, give certainty to decision-making on investment and development, thus supporting the competitiveness.

Assessment of the economic impacts of environmental policy on business has to consider its overall impacts on society on the short, medium and long terms. In other words, a decision should be taken not only on the grounds of its impact on industry or parts of it, but also on its overall impact in terms of economic, environmental and social effects.

The coordinated action of the government, through its multiple environmental programs and plans, helps to reduce ecological deterioration and the depletion of natural resources. According to the European Cohesion Policy, Romania elaborated its National Development Plan (NDP) for 2007-2013. This is the fundamental tool that we use in order to assure the balance between the social and economic development and environment protection in the future.

On the other hand, saving water and energy, efficiently managing the disposal of wastes, and reducing air and water emissions, these are all measures that contribute to competitiveness-by reducing costs- and to sustainable development.

As regards the pan-European Region, and especially the EECCA and SEE countries, we think that changes are necessary in areas such: economic policies that stimulate investments supporting sustainable development, development of standards that ensure sustainable development policies; social and behavioral changes that lead to a demand for policy change at local and national levels and development of alternative policies and technologies that can act as drivers for new economic investments and institutional change.

I have to stress that our passivity or insufficient action and investments on sustainable development of our region could have repercussions and implications for both community well-being and sensitive ecosystems.

At the same time, we need to look for smarter ways of combining the economic incentives with the public policy objectives. When we have an environment improvement plan process where more groups get together, we need to keep having forums and debates in ways that do not get us back into the error of having economic growth and environment protection totally separate.

However, in a globalized world, we need a strong coordination between the countries in our region in order to harmonize the environmental policies. We consider that, as long a product is imported from a country which apply low environmental standards this is a clear disincentive for the national industry to apply more stringent standards. It is clear that different environmental policies will have an important impact on the competitiveness of the economies and will lead to a migration

of certain economic sectors. We have to accept that environmental policies, leading to environmental friendly equipment, do affect the economy's overall productivity and competitiveness in a positive way.

Recognizing that more stringent environmental policy should be considered in all activities, we urge our collective hope for sustainable development to be realized.

Thank you for your attention.