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**Item 6. Partnerships**

Integration of Environmental policy concerns into national economic development strategies, on institutional dialog among major stakeholders, and on the planning and implementation of effective environmental policies and successful policy integration

***Keynote address***

***By Minister of Environment of Lithuania Mr. Arunas Kundrotas***

- Mr. Chairman, dear colleagues, I would like to start by expressing our gratitude to the Government of Serbia for organizing the Conference and to people of Serbia for their hospitality.
- Let me also thank for the discussion paper, which successfully addresses rather than complicates the topic of this session.
- Lithuania has developed and approved The National Sustainable Development Strategy with the main objective – to achieve the EU GDP average per person of 2003 by the year 2020 at the same time complying with current EU and international environmental standards. The goal would be achieved if annual economic growth were not less than 6 %. So even the formulation of this objective shows us the size of the gap between economic possibilities and ambitions to comply with strict environmental requirements.
- All of us know well the main environmental policy principles and its implementation measures.
- But we also know that life is more complicated when it comes to the real implementation.

***Planning and implementation***

- 10 years ago Lithuania developed the first *National Strategy for Environmental Financing*. We compared demand and supply for environmental investments. The result came as a surprise – there is sufficient financing. Not because of the size of funds, but because we did not have clear deadlines and concrete targets to calculate the required investments.
- When water programmes had been adapted following the EU requirements by setting quantitative objectives for water supply and waste water treatment and concrete dates for the implementation of the tasks had been set, financial planning became practicable. Following our obligations, we increased environmental investment financing by more than five times comparing with

the last decade.

- However, when funding requirements had been identified and funds allocated, it became very clear that funding availability was not the only obstacle for implementation.
- There were insufficient capacities at various levels of administration.
- Neither the market was ready to absorb the coming funds. There was a clear lack of experts and companies developing and implementing projects.
- So, we often overvalue the issue of funds availability leaving other aspects and possibilities without proper attention, such as strengthening of water companies, proper tariffs policy, capacity building at national, regional and local levels, planning starting with national policies and ending with the investment projects ready to finance.

### *Institutional dialogue between stakeholders*

- The next issue is associated with the reform of our waste management sector. In recent years we have made a big step forward and instead of hundreds of small landfills we have established large regional county-based waste management systems, which include several municipalities.
- Cooperation of municipalities in searching for joint decisions when establishing these systems has shown that institutional cooperation is again a more complicated task than attraction of funds or interest of the private sector.
- It took some years before municipalities understood the importance of such cooperation and started to solve waste management issues together. This made waste management systems bigger and more attractive to the private sector.
- Therefore the implementation of requirements for the waste sector has given us an example of the magnitude of the institutional dialogue among stakeholders needed.

### *Policy integration*

- The third valuable lesson I would like to mention here is the process related to the modernisation programme of multi-apartment buildings. The programme is an example of successful policy integration.
- The start of the programme was slow. The support came when the programme

was recognized as a real intersectorial issue addressing climate change problems and seeking to save energy and increase its effectiveness.

- Now the state support can amount up to 50 per cent of project costs. Additionally, communities of multi-apartment building owners can receive support from municipalities.
- By using these mechanisms we expect to increase energy efficiency in multi-apartment buildings by 60 per cent.

### *Conclusions*

- So, Mr. Chairman, the question is: can we afford better environment?
- Following what have been said, I would say “yes”. But I would not be able to say “when.”
- Lithuania was a success as it became the EU member, and now the implementation of environmental policy is substantially supported. Without such assistance the current speed of positive changes implementing environmental requirements in public and private sectors would be unlikely possible.
- But we could also see rapid development of the environmental protection market giving opportunities to economic growth, new jobs and what comes together - better environment. Therefore, probably answering “when” means as soon as we understand what kind of opportunities and not only costs environmental protection suggests.