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**Keynote address
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**"ENVIRONMENTAL POLICY AND INTERNATIONAL COMPETITIVENESS IN A
GLOBALIZING WORLD: CHALLENGES FOR LOW-INCOME COUNTRIES IN THE
UNECE REGION"**

Dear Chairman, I thank you for giving me the floor and, Dear colleagues, I would like to inform you briefly about the new measures undertaken in Moldova in order to integrate environmental policy in sectorial policy with the purpose to have a sustainable development and to increase the competitiveness in our country.

It is a difficult but at the same time a very actual issue for the Republic of Moldova. This is happening because Moldova still has an energy-consuming industry and it is still highly dependent on external suppliers of raw materials and energy.

In 2000 the Republic of Moldova has reached a social and economic stabilization. Since 2001 there have been evidenced a 5-7% yearly economic growth. The Gross Domestic Product (GDP) has increased by one third in this period. The industrial production has increased by 57%.

The economic progress creates prerequisites for development of a new state policy oriented to economic and social development, for decreasing poverty level, for territorial integrity and European integration.

We completely realize that further economic development of the country and environment protection is closely linked with applying of new technologies, raw material and energy-efficient productions and introduction of alternative energy sources.

These problems could be solved by complex assessing of economic and environmental aspects, by incorporating environmental issues in sectorial development strategies, by improving environmental management and regulation.

We also hope that the development of international partnership could help us in solving these issues more efficiently.

With the purpose of promoting new technologies in Moldova, in 2003 there was adopted the National Declaration of promoting the cleaner production policy.

The Memorandum of understanding between the Government of the Republic of Moldova and Government of the United Kingdom of Denmark on cooperation in implementing the Clean Development Mechanism, specified by Kyoto Protocol was

ratified in 2004. In this context a series of projects for modernization of production to reduce the GHG emissions are implemented. A carbon fund office has been created in Moldova.

In energy sector, in order to upgrade the production, there have been passed a range of laws and regulations, created the National Fund of Energy Saving, approved the National Programme on energy saving.

In 2007, there was approved the Energy Strategy by 2020. The strategy envisage the tasks and measures to create competitive energy system, to ensure energy safety of the country, to modernize the existing infrastructure, to use renewable energy sources, to integrate Moldova into the European energy market and to reduce the impact on environment.

In August 2007, the Parliament of Moldova approved the law on renewable energy which envisages the objectives and tasks in the field of renewable energy sources and establishes the consequence of their implementation.

The objective of the state policy in this field is to raise the state energy safety and to decrease the negative impact of energy sector on the environment.

The ecological agricultural production has been developed to increase the competitiveness of agricultural product in the country. Climate conditions and environmental state of the soil are favourable for growing up the agricultural crops of high ecological and biological value.

The National Programme on ecological agricultural production, the law and other regulations on it were approved by the Government of Moldova to introduce ecological agricultural production in the country.

These are only some of the examples of synergy in development of industry and environment.

The environmental objectives and requirements are also incorporated in strategic documents of other economic sectors. There have been created the procedures for inter-ministerial coordination, which unfortunately are not always bringing efficient results.

For a complex assessment of economic and ecological issues in the Republic of Moldova, the aspects of environment protection have been integrated in national strategic documents like Economic Growth and Poverty Reduction Strategy, National Development Plan and others.

In our opinion, the Strategic Environmental Assessment represents an efficient instrument, which ensures integration of environmental issues in sectorial and territorial strategies, plans and programmes, contributes to making weighted decisions at macroeconomic level and assists in developing international cooperation.

The Strategy and Regulation on strategic environmental assessment have been developed to implement in Moldova the Protocol on strategic environmental

assessment. For this purpose there is also carrying out works to strengthen institutional capacity in the field.

It is to be mentioned that international conventions, the Republic of Moldova is Part to, are important for formulating the environmental policy and implementation of environmental standards.

One of the main impediments in promoting a sustainable environment and carrying out environmental reforms and development of competitiveness is the limited financial resources.

Despite the fact that in the country there has been recorded a sustainable growth of environmental expenditures and an increase in state and private investments for implementing an efficient environmental policy, these sources are still not enough.

The progress in environmental financing could be reached by developing an adequate system for environment management, integrating environmental aspects in the national priorities, creation of favourable legal conditions for local and foreign investments.

A significant role for environmental financing has redistribution of expenditures from "the pipe-line" to implementation of new environmentally safe technologies.

In conclusion I would like to mention that the Republic of Moldova do has political will, institutional and scientific potential to develop and implement environmental policy, which would contribute to upgrading of the production and sustainable development of the country.

We hope that the policy implemented in Moldova will contribute toward new investments in the country and further development of partnership with international organisations.