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COMMITTEE ON ENVIRONMENTAL POLICY
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on Sustainable Development

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POSSIBLE ELEMENTS FOR A MINISTERIAL STATEMENT¹

Introduction

1. We, Ministers of member States of the United Nations Economic Commission for Europe (UNECE), met in Geneva on 24-25 September 2001 at the Ministerial Regional Meeting for the World Summit on Sustainable Development to review progress made since the United Nations Conference on Environment and Development (Rio Conference) in 1992 and to outline our priority directions and policies for sustainable development in the region.²

2. We reaffirm our strong commitment to sustainable development, which we regard as the progressive and balanced achievement of sustained economic growth, improved social equity and environmental sustainability, as set out in the Rio Declaration, Agenda 21 and the United Nations Millennium Declaration. We support the preparations for the World Summit on Sustainable Development to be held in Johannesburg (South Africa) in September 2002 and we will cooperate with other regions to make the world more sustainable, taking into account the principle of common but differentiated responsibilities.

¹ Prepared jointly by the UNECE secretariat and the Regional Office for Europe of the United Nations Environment Programme (UNEP/ROE) to facilitate the discussions at the July meeting.

² All references to 'region' are to the member States of UNECE.

3. We deeply regret that in parts of the region armed conflict has led to the loss of human life and to a drastic degradation of economic, social and environmental conditions. We welcome the return of peace in most of the affected areas.

4. We recognize the importance of regional, subregional and bilateral cooperation on sustainable development issues in the region. In this connection we welcome, inter alia, the “Environment for Europe” process, the Sustainable Development Strategy of the European Union (EU), the conclusions on sustainable development of the Ministerial Council Meeting of the Organization for Economic Cooperation and Development (OECD) in May 2001, the results of subregional meetings on sustainable development held recently in Bucharest (Romania) and Almaty (Kazakhstan), and the progress made in the implementation of Baltic 21 for the Baltic Sea region and Agenda Med 21 through the establishment of the Mediterranean Commission on Sustainable Development.

5. We also recognize the importance of multilateral environmental agreements for sustainable development.

6. We recognize the considerable diversity in our region – in political systems, stages of economic and social development, geography, natural-resource endowment and environmental quality. The most important change that has taken place within the region over the past decade is the consequence of the political, economic, social and institutional process of transition from a centrally planned to a market economy in over one third of the countries in the region. These changes have had a profound effect on sustainable development in all countries concerned, in subregions and in the region as a whole.

7. We acknowledge that the transition process in central and east European countries and the newly independent States has been accompanied by severe setbacks in human development and a rise in human poverty. A huge effort continues to be required to create an effective, legitimate regulatory framework for an efficient and equitable market economy. The EU accession countries have made substantive progress in reforming their economies and strengthening their institutional capacities, owing in part to forceful support from EU legislation and institutions. Although much still has to be done by central and east European countries, the newly independent States lag far behind and the gap between them and other countries of the region threatens to widen further. We will therefore strengthen our support to the transition processes.

Major problems on the way to sustainable development in the region

8. We welcome the Regional Assessment Report.³ We take note of the major problems on the way to sustainable development in the region that are highlighted in the Report, as follows:

9. The rate of population growth has declined in the region due mainly to low fertility rates. In the countries in transition, the decline in birth rates relates to acute economic hardship and is accompanied by rising mortality rates. In a large part of the region the population is ageing. These changes will have an impact on the environment and society as a whole, particularly in terms of consumption patterns, pensions and work-force participation.

³ Prepared jointly by UNECE and the UNEP ROE, with inputs from the United Nations Development Programme (Bratislava Office) and other international organizations and institutions as well as several experts and consultants.

10. The gradual increase in the already-high urban population creates greater demands for space and transport infrastructure, generates large quantities of waste and emissions to soil, water and air. At the same time, large metropolitan areas often suffer from high levels of unemployment, poverty and urban dereliction, all linked to many social and environmental problems.

11. Poverty continues to be a major social problem in many parts of the region. In several countries in transition more than half the population lives below the national poverty line. Relatively high unemployment in Europe raises questions about the sustainability of growth and human development in the region. In many economies in transition the female labour force has shrunk dramatically. Poverty and unemployment often lead to human insecurity, ill health, loss of self-respect, a sense of failure and social exclusion.

12. The development of democratic institutions and societies has been one of the main challenges of the transition process and many countries across the region have made important progress in establishing more democratic systems. Information, participation and access to justice are seen as essential elements of a true participatory democracy. There is room for improvement in public participation laws and practices in all countries of the region.

13. Environmental pressures from consumption have intensified and may worsen in many areas as a result of increasing per capita incomes and resource- and pollution-intensive lifestyles. Although there are still large differences in some consumption patterns between western countries and countries in transition, it may be expected that consumption patterns in central and eastern Europe and the newly independent States will follow the same path as they have done in the West.

14. Significant growth in GDP per capita and industrial production in western Europe and North America over the past decade has been accompanied by structural changes in the production system, with a shift from material- and energy-intensive sectors to services. Progress has been made in improving society's eco-efficiency and in decoupling resource use and economic growth, but these gains have been offset by overall increases in the volume of goods and services consumed and discarded. Eco-efficiency gains in the energy sector in western Europe and North America are offset by an increasing use of oil, generating more emissions of CO₂ and other pollutants.

15. The central and east European countries and the newly independent States are beginning to recover from the economic collapse of the early 1990s. Yet, only a few of these countries have surpassed their 1989 output level. Their GDP per capita remains much lower than the average in western countries. All economies in transition aim to accelerate their growth, restructure heavy industries, phase-out obsolete technologies, raise energy efficiency while re-establishing welfare systems and strengthening environmental protection. Given the low level of domestic resources, the restricted access of many economies in transition to the international financial markets and the limited amounts of official assistance they have received, some of these countries face severe resource constraints, hampering their progress towards sustainable development.

16. Technology developments and innovation trends in the region make it clear that efficiency improvements alone will not solve the problems. Product substitution has led to an increase in the type and amount of new substances, whose effects on the environment and human health are often not well known. There are increasing concerns about the growing amount of toxic waste and the environmental hazards posed by the recycling and disposal of new materials. The development and use of more

complex technologies also increase the risk of accidents. Clean production and integrated pollution control concepts still need to be put into practice.

17. The mobility of persons and goods is expected to increase, both within the region and with other regions in the world. This trend has a large impact on societies. The transport infrastructure in most countries is used beyond its capacity. Congestion causes significant economic losses. Car-related pollution is causing many premature deaths. Car accidents kill tens of thousands of people in the region every year. The number of passenger-kilometres and of bigger cars continues to increase; transport of goods by trucks has dramatically increased, affecting air quality and contributing to environmental decline in urban and rural areas, including mountain valleys. The shift from rail and other public transport to car and air travel continues, even during the economic recession in countries in transition. Low road transport prices and inconvenient public transport provide no incentives for consumers to change their behaviour.

18. Western European and North American agriculture has become more specialized, intensified, chemical dependent and concentrated in areas with low production costs. Despite agricultural policy reforms, the threat of continued polarization between industrial agriculture and marginal agriculture remains, impacting negatively on the environment, in particular on biodiversity and water quality, and society as a whole.

19. The region continues to face severe local, transboundary and international environmental problems. These include emissions of greenhouse gases, air and water pollution, biodiversity loss, waste generation, technological hazards and risks to human health caused by harmful chemicals and genetically modified organisms. Despite progress in some of these areas, such as the reduction in emissions of some air pollutants, additional measures will still be needed to protect the environment and human health. Pollution of surface and groundwater is still a serious issue in the whole region. Furthermore, access to water both for drinking and for agriculture is a major problem in some parts of the region, particularly where desertification is spreading. Damage to the region's landscapes and soil is increasing. The regional seas surrounding Europe and North America continue to suffer from coastal pollution and degradation, in particular through the impact of tourism.

20. Significant new legally-binding regional and subregional environmental conventions have come into force. These have successfully integrated all three pillars of sustainable development. However, even though this is a clear indication of progress, the difficulties of some parties in ratification of and compliance with these conventions, weaken overall implementation.

21. It can be concluded that sustainable development is only beginning to be put into practice. Short-term concerns still take precedence over long-term principles of intergenerational equity or the precautionary approach. No single country in the region has fully implemented its declarations about integrating environmental considerations into decision-making. There are still obstacles to promoting dialogue between policy makers and civil society and communicating sustainable development issues to decision makers. The enforcement structures and economic systems in the newly independent States are still too weak. Monitoring and evaluating progress towards sustainable development, focusing on the interactions between the three sustainability dimensions, need to be improved.

Objectives of sustainable development in the region

22. We aspire to move, in a consistent manner in our region, towards economic growth and social development in an environment essentially free from: the degrading effects of pollution; the hazards to human health posed by chemicals, genetically modified organisms and wastes; loss of sustainable livelihoods and opportunities associated with a broad and stable natural resource base; poverty and social exclusion; and armed conflict.

23. We recognize that, notwithstanding specific economic, social and environmental characteristics and trends, all countries in the region have to continue making steps towards sustainable development. We agree to strive for changes in patterns of development, production and consumption by promoting substantive transformation in value systems, in attitudes and in social behaviour. We will pursue such policies by fully using opportunities provided by growing scientific knowledge, increased information and public awareness, and through partnerships with all stakeholders.

Creating a supportive framework for change

Using an effective mix of instruments

24. The prevailing institutional framework for formulating proposals for action and choosing policy instruments in the region is one of market-based economies and democratic political institutions. A combination of economic instruments and regulations should be the principal means for making output in market economies more environmentally sustainable.

25. As for the policy instruments, a wider use of economic instruments – taxes, charges and tradable permits, for example – to correct market and policy failures, and to internalize environmental and social costs should be further developed. These bring about changes in relative prices and hence, *ceteris paribus*, in the composition of products and services. Carefully designed and implemented economic instruments can make an important contribution to achieving sustainable development, and can also be used to strengthen the application of multilateral environmental agreements and to develop mutually supportive environmental and trade policies. Direct regulation, for instance through the setting of environmental standards, including outright prohibition, continues to be necessary in a number of areas.

Decoupling resource use from economic growth

26. The consumption of renewable and non-renewable resources must not exceed the carrying capacity of the environment. Resource use should be decoupled from economic growth. This can be achieved by improving resource efficiency, “dematerializing” the economy. At the same time, the pressure on the environment should be eased. Waste prevention should be a key element of any integrated product policy. Further measures are needed to encourage the recycling and recovery of waste.

Facilitating social adjustment

27. Changing the content of economic growth involves adjustment costs, especially for labour and fixed capital, and these costs will tend to be greater the more rapid the rate of change in relative prices. Open, democratic government requires, inter alia, that the pace of policy-making should provide time for genuine discussion of the electorate's fears and interests, and that those who stand to lose from the changes should be compensated by those who benefit.

28. Effective strategies for sustainable development must include specific policies to preserve the living standards of those directly affected by the required adjustment and to avoid social disruption and unemployment. Human insecurity, poor health and social exclusion cast doubt on the sustainability of the region's economic growth, human development and environmental improvements. Countries in the region should strengthen or develop policies to reduce unemployment, help tackle social inequality, facilitate adjustment to economic reform, and ensure adequate pensions.

Raising public awareness and involvement

29. Another requirement of governments and policy makers in democratic societies is to explain their policies and build support for them, and to be open to the arguments of civil society. Raising public awareness of the need for structural change and sustainable development is therefore crucial if there is to be electoral support for policies such as environmental taxes, including on petrol and private car use. Improving the flow of information and the level of understanding of environmental risks, especially for health, is one area where government subsidies would be appropriate.

30. For more and more people to become focused on sustainability and its principles, new approaches are called for in education. Education for sustainable development should encourage individuals to develop a sense of individual and collective responsibility, and thereby changes in behaviour, where needed. People should gain a better understanding of how to implement and promote sustainable development in practice. The mass media have a particular role to this effect.

31. A key element in making progress towards sustainable development is the strengthening of citizens' rights so that civil society can play a full and active role both in the formulation of policies and in their implementation, bringing about the much-needed changes in consumption and production patterns. This is also clearly identified in principle 10 of the 1992 Rio Declaration and fully expressed in the Aarhus Convention. A protocol to this Convention on pollutant release and transfer registers will help to provide accessible and comparable environmental information on the emissions of pollutants from industrial sources and so improve the public's "right to know" about industrial pollution.

Building partnerships

32. The experience gained in the region in developing "Local Agenda 21" strategies on sustainable development should be extended throughout the region. These strategies should promote innovative local solutions, supporting partnerships of local people, community and voluntary organizations, public agencies, local authorities and business. Governments should encourage municipal authorities to review the option of public-private partnerships in the delivery of services, while leaving to local authorities the right to take decisions, to raise financing and to comply with open and transparent practices in public procurement and competitive tendering. The UNECE Guide on public-private

partnerships provides a good framework for supporting such partnerships and for reaching their objectives.

Strengthening sectoral response

33. Economic sectors have a special responsibility for ensuring environmentally friendly production methods, products and services, taking into consideration environmental effects at all stages of the product life cycle. The key will be to incorporate further environmental objectives into economic and sectoral plans and programmes such as energy, transport, industrial, agricultural and forestry policy and tourism. Participating in and implementing the regional and subregional agreements that promote the integration of environmental considerations into sectoral policies is an important step in this direction. Effective implementation of these agreements ensures a substantive reduction in adverse environmental impacts.

34. Other means of promoting policy integration towards sustainable development include the following:

Chemicals and hazardous waste

35. The effects of environmental degradation on human health are significant and affect quality of life. Different kinds of chemicals and hazardous waste can have a severe impact on human health and the environment. All countries should therefore ratify and implement the Protocol on Persistent Organic Pollutants to the UNECE Convention on Long-range Transboundary Air Pollution, the Stockholm Convention on Persistent Organic Pollutants, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes and their Disposal. The capacities of countries in transition to effectively manage chemicals and hazardous waste should be improved.

Transport

36. Further progress must be made towards achieving sustainability in the transport sector, including fully implementing UNECE legal instruments and regulations promoting environmentally friendly transport modes. The serious health and environmental effects of the high growth in road transport, in particular climate change and air pollution, must be reduced. The environmental impacts of transport infrastructure should also be limited, especially by more widely applying strategic environmental assessment. Particular emphasis should be given to limiting the negative environmental and health impacts of road transport in urban areas. Demand management needs to be included in all stages of transport planning. Increased attention should be paid to maritime transport. The regulations of the International Maritime Organization such as the International Convention for the Prevention of Pollution from Ships as well as regional seas agreements should be fully implemented. Countries in the region should strive to reach an international agreement to introduce aeroplane emission charges without delay.

Energy

37. Fuel switching and efficiency gains - mainly thanks to technological improvements - have helped some countries of the region to move towards decoupling environmental effects of energy use and economic growth. Nevertheless, energy production and use continue to be the main contributors to anthropogenic greenhouse-gas emissions and air pollution. The countries in the region should ensure that increased energy consumption does not outweigh efficiency gains. Greater efforts will have to be made to further improve energy efficiency, especially in economies in transition, to save energy, to use more renewable energy sources, and to ensure that energy prices reflect the environmental costs. UNECE, in cooperation with others, should continue to review energy pricing and promote the implementation of economic instruments in countries in the region, to meet climate change objectives.

Agriculture

38. In pursuing policies to provide sufficient and safe food to meet the needs of their population, countries in the region should reduce environmental degradation caused by agricultural production. Agricultural policies, including agricultural subsidies, should be redirected to reduce support for environmentally damaging agricultural practices and to favour more environment- and consumer-friendly forms of agriculture. Sustainable farming systems and environmentally sound farm management practices, including organic farming, should be adopted by agricultural producers, paying special attention to ecologically vulnerable areas. The importance of agriculture for biodiversity conservation, recreation and tourism, the maintenance of rural settlements and the upkeep of the cultural heritage of the open landscape should be recognized. Threats to biodiversity by intensification and land abandonment should be addressed by agri-environmental programmes and other measures.

Forestry

39. Forest policies, and those for other sectors that affect forests, should promote sustainable forest management as defined at the second Ministerial Conference on the Protection of Forests (Helsinki 1993), striking a balance between the environmental, economic and social roles of the forest. Certification that forest products come from sustainably managed forests, used as a voluntary, market-based tool to promote sustainable forest management, may play an important role in achieving this. The Forest Stewardship Council's initiative to certify and label forest products and the Pan-European Forest Certification serve as examples of private mechanisms to promote sustainability. Signatory countries should give priority to implementing the commitments to achieving sustainable forest management made at the three Ministerial Conferences on the Protection of Forests in Europe, and to preparing the fourth (Vienna, 2003).

Biodiversity

40. More should be done to protect and restore ecosystems and halt the loss of biodiversity. Extending such protection to the wider countryside requires a deeper and effective integration of environment and biodiversity into agriculture, landscape, forestry and marine policies, coupled with new initiatives, for example, to develop a soil strategy for Europe. More attention needs to be given to establishing and maintaining ecological networks, like the Pan-European Ecological Network, building on Natura 2000 and Emerald, as well as to protecting the mountain ecosystems, in particular those shared by two or more States. All countries of the region should ratify and implement the Convention on Biological Diversity. New instruments for the protection and sustainable management of

biodiversity, particularly coastal zones and mountain areas, should be developed, as appropriate. A stronger Pan-European Biological and Landscape Diversity Strategy may play an important role in this.

Polluter's liability

41. The application of the polluter-pays principle and the precautionary approach should be strict so that those who harm human health or damage the environment are held responsible for their actions and that such impact is prevented wherever possible. Each country of the region should have a legal regime in place to make those who cause injury to persons or their property, contaminate sites or cause damage to biodiversity legally liable. The issue of liability for past pollution should be established in the privatization process under way in countries in transition. Countries in the region should develop effective procedures and mechanisms to further prevent and resolve transboundary environmental disputes and provide redress for environmental damage arising in an international context.

Information and monitoring

42. Information needs are felt at all levels from senior decision makers in government to individual citizens who are concerned about their health or living conditions. It is therefore crucial that a reliable and up-to-date system of economic, social and environmental information is developed to underpin the drafting, monitoring and evaluation of policies towards sustainable development. Existing environmental indicators should be harmonized and complemented by core sets of integration indicators across policy areas, such as transport, energy, agriculture and forestry. The environmental performance review programmes of UNECE and OECD should be strengthened to further promote policy integration.

Strengthening links with the international community

43. The region has been a leading proponent of international action and cooperation to secure sustainable development. Regional and subregional conventions and protocols on environment and sustainable development help to build confidence among States, strengthen security, enhance people's well being, promote democratization, and improve the environment. These agreements should be better implemented and compliance with their requirements should be better monitored. The experience gained in developing and implementing regional environmental conventions should be extended to other regions, as appropriate.

44. Climate change requires strong leadership and action by all countries in the region under the United Nations Framework Convention on Climate Change. Emissions of greenhouse gases have to be significantly reduced and greenhouse-gas sinks and reservoirs have to be protected and enhanced to stabilize concentrations in the atmosphere in the long term at a level that would prevent dangerous anthropogenic interference with the climate system. The countries of the region should fully implement their national commitments, such as emission limitation and reduction targets. The ratification of the Kyoto Protocol to the Framework Convention by 2002 is a priority for countries in the region.

45. Globalization, notably in trade, finance and business, affects people in every country, for instance through global capital flows and multilateral trade agreements. It may have significant environmental implications, and requires new policy responses. Environment and trade policies and agreements, at the national and international levels, have mostly been developed in isolation from each

other, although many organizations are now beginning to address this issue. There is a need to ensure that trade and environment policies and agreements are mutually reinforcing, whereby the environmental consequences of trade agreements are taken explicitly into account and vice versa.

46. Financial and technical assistance will remain important for the promotion of sustainable development in the countries in transition and in developing countries. The countries of the region recognize the primary role of domestic resources, as well as the role that trade liberalization and private financial flows, notably foreign direct investment, play in generating more resources for sustainable development. International assistance flows, including increased official development assistance, should be encouraged to supplement domestic and private efforts towards sustainable development. Environmental considerations should be integrated in all relevant work of international financial institutions.

47. There is a need to strengthen international environmental governance. For this purpose, it is important, in particular, to strengthen the environmental authority of UNEP and to find possibilities for providing UNEP with an adequate and predictable financial basis. Efforts should be supported to substantially replenish the Global Environment Facility, taking into account its role as the principal financial mechanism for the global environment. At the regional level, the work of UNECE in environment and sustainable development should be further supported and strengthened.

Further action and monitoring implementation

48. The diversity of the region requires different short- and medium-term national priorities in moving towards sustainable development. For economies in transition, industrial reconstruction together with welfare reform, particularly in public health services, and law enforcement to address crime, corruption and drug use have high priority in efforts to promote sustained economic growth, eradicate poverty and resolve environmental problems.

49. Substantive differences between and within various subregions complicate the setting of region-wide sustainable development targets. However, some progress has been made in setting quantified environmental targets, for instance, on reducing air pollution in the region. For the economic and social pillars of sustainable development, region-wide target-setting may be more complicated as appropriate institutional frameworks first need to be established to negotiate and monitor the implementation of such targets. Nevertheless, the region is willing to take up the challenge of moving forward in concert, building on its shared economic, social and environmental aspirations.

50. Therefore, we agree on a set of specific actions to be undertaken individually or in cooperation by countries of the region to further promote sustainable development in the region and globally. These actions and time frames for their implementation are presented hereunder. We agree to review progress in the implementation of this statement, especially in meeting these targets, no later than in 2010 at a regional ministerial meeting.

Specific actions by countries of the region⁴

1. *Accelerate the implementation in the region of development targets agreed at recent United Nations summits, particularly those relating to poverty eradication, and integrate environmental considerations into health, education, employment and gender policies. Review progress by 2010;*
2. *Intensify efforts to improve education systems to provide children with tools to examine linkages among economic, social and environmental issues; and design learning programmes to assist people of all ages in gaining a better understanding of how to implement and promote sustainable development in practice. Review progress by 2010;*
3. *Encourage all communities in the region to draw up local strategies for sustainable development by 2004, building on the experience of existing Local Agendas 21;*
4. *Ensure that all countries in the region accede to the Aarhus Convention by 2005, and implement effectively and encourage countries in other regions to accede to this Convention or to use it as a model when developing similar tools;*
5. *Develop a protocol on strategic environmental assessment to the Espoo Convention for adoption at the Fifth Ministerial Conference “Environment for Europe” (Kiev, May 2003) and ensure that it enters into force by 2007 at the latest;*
6. *Remove or reform subsidies that encourage unsustainable use of natural resources and ensure the internalization of the external costs of natural resource use by 2010;*
7. *Ensure the introduction of environmental management systems by the enterprise sector by 2007 to minimize resource use and impact on the environment and human health;*
8. *Develop and adopt more effective tools, including binding regional legislation, to tackle the environment and health problems caused by transport by 2004;*
9. *Increase at least to 10 per cent the share of renewable energy in total primary energy supply and accelerate the development of energy-efficient technologies by 2010;*
10. *Revise the pan-European Strategy on Biological and Landscape Diversity by 2003 to better integrate biodiversity strategies with pollution control, land-use planning and sectoral policies (e.g. agriculture, forestry, fisheries and tourism). Review progress in implementation by 2010;*
11. *Encourage the Carpathian and Caucasian States to develop mountain conventions for a sustainable and peaceful development of these regions for adoption at the Ministerial Conference “Environment for Europe” in Kiev 2003;*

⁴ All references to ‘region’ are to the member States of UNECE.

12. *Develop a protocol on civil liability to the UNECE Water and Industrial Accidents Conventions by 2003, and ensure its entry into force not later than in 2007;*
13. *Support joint initiatives towards a region-wide set of common indicators to measure progress towards sustainable development and monitor compliance with national objectives and international commitments. Review progress by 2010;*
14. *Explore synergies between multilateral environmental agreements in such areas as compliance, public participation and technical assistance, provide assistance to countries in transition in implementing these agreements, and report progress made by 2010;*
15. *Ensure that donor countries in the region meet the United Nations target, reinforced at the Rio Conference, raising their official development assistance to 0.7 per cent of GDP. Coordinate better the assistance to countries in transition, and in particular to the less developed among them, and make it more effective in close cooperation with the countries concerned. Review progress by 2010.*