

INTRODUCTION TO ROUND TABLE DISCUSSION

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Dear ladies and gentlemen!

During the last two decades, people have started to realise that we cannot have a healthy society or economy in a world with so much poverty and environmental degradation. Economic development cannot stop, but it must change course to become less ecologically destructive. The challenge of the coming millennium is to put this understanding into action, and make the transition to sustainable forms of development and lifestyles. From the farm field to the boardroom, from the shopping cart to the national budget, we will have to make major changes.

A map of the road to sustainable development is now taking shape. The name of it is Agenda 21, a guide for business and governmental policies and for personal choices into the next century. As you know, this document was presented as one of the results of the United Nations Conference on Environment and Development in Rio de Janeiro, Brazil, in June 1992.

Agenda 21 explains that population, consumption and technology are the primary driving forces of environmental change. It lays out what needs to be done to reduce wasteful and inefficient consumption patterns in some part of the world while encouraging increases but sustainable development in others. It offers policies and programmes to achieve a sustainable balance between consumption, population and the Earth's life-supporting capacity. It describes some of technologies and techniques that need to be developed to provide for human needs while carefully managing natural resources.

Agenda 21 provides options for combating degradation of the land, air and water, conserving forests and the diversity of species of life. It deals with poverty and excessive consumption, health and education, cities and farmers. There are roles for everyone; government, business people, trade unions, scientists, teachers, indigenous people, women, youth and children. Agenda 21 does not shun business. It says that sustainable development is the way to reverse both poverty and environmental destruction.

We currently gauge the success of economic development mainly by the amount of money it produces. Accounting systems that measure the wealth of nations also need to count the full value of natural resources and the full cost of environmental degradation. The polluter should, in principle, bear the costs of pollution. To reduce the risk of causing damage, environmental assessment should be carried out before starting projects that carry the risk of adverse impact. Governments on all levels should reduce or eliminate subsidies that are not consistent with sustainable development.

In Agenda 21 sustainable development is adopted as a key expression, taking into consideration what has to be done from a social, economical as well as environmental point of view. With reference to the latter, the Swedish Prime Minister, Göran Persson has said: "Sweden is to be a leading country in the field of environmentally sustainable development.

The Government's aim is to create a society for the next generation in which the major environmental problems have been solved".

Getting Sweden oriented and moving towards sustainability is one of the biggest challenges for the Government and for the whole Swedish society. Three objectives are framed for turning Sweden into an ecologically sustainable society:

- **Protection of the environment** - To reduce environmental impact to a level that does not exceed the environment's natural capacity to deal with it.
- **Sustainable supply** - To conserve the long-term productive capacity of forests, soils and water resources, and to use a higher proportion of renewable raw materials.
- **Efficient resource utilisation** - To use energy and other natural resources much more efficiently than we do today.

One important tool in the work to reach these objectives is something called Local Investment Programmes. The Swedish parliament (Riksdagen) has decided that municipalities that adopt a holistic approach towards sustainable development and present them in such a programme can obtain grants for investment. The parliament has allocated SEK 6.5 billion for these programmes, to be distributed during the period 1998-2002. The aid has two purposes: To create jobs, and to accelerate the pace of Sweden's conversion into an ecologically sustainable society. Another important purpose is to have locally tailored solutions, because the days are gone when a single technical solution would solve the existing problems.

It is the local authority in a municipality that sets the profile of a particular programme. The local authority is in charge of the programme and its implementation, ranks the measures in order of priority, and takes responsibility for distributing the grant to the different investors. The authority also has to make sure that the requirements of the valid ordinance are satisfied by all investments included in the programme. The intention is to concentrate the efforts so that they have tangible effects in the municipalities that receive the state grants. The intended effects are - besides increased employment - reduced pollution load, more efficient use of energy and other natural resources, increase use of renewable resources, increased re-use, recovery and recycling, improved biological diversity, safeguarding of cultural environmental values, and better functioning of natural plant nutrient cycles.

In 1998, the Government distributed around SEK 2 300 million to a total of 42 municipalities. The Government has in 1999 decided to give grants to another 47 municipalities with a total support of SEK 1 400 million, giving a total so far of 3 700 million Swedish crowns, roughly equivalent to USD 450 million. The Local Investment Programmes that received funding during 1999 include total investments for SEK 4 903 million, and will create in all 3 500 new jobs.

The local authorities in the county of Kalmar have so far been very successful in their applications for funding. During the first two years of this national scheme, five out of twelve municipalities in the county have received Governmental grants for their Local Investment Programmes. Of the total SEK 3,7 billion granted for the year 1998 and 1999, 226 million (6%) have been distributed to municipalities in Kalmar County. The five municipalities will invest in all more than SEK 650 million, and they have also started their respective Local Investment Programme that this will create in all about 530 new jobs.

Some frequent examples of projects in the Local Investment Programmes from municipalities in Kalmar County are extended use of district heating systems, changeover to renewable energy sources, better recycling techniques, remediation of contaminated soil and restoration of wetlands in order to reduce the discharge of nutrients into the sea.

Support measures for local investment programmes approved thus far will serve to reduce energy consumption on a national basis by 1.6 billion kilowatt-hours, equivalent to the annual energy needs of 64,000 detached dwellings. The use of waste heat from industrial facilities for

district central heating accounts for a major share of the reduction. A wide range of energy-efficient measures are also being implemented in the housing sector, including more efficient ventilation systems and additional insulation.

Another effect of the local investment programmes so far given support, is a sustainable increase in the use of renewable energy sources. The measures mainly have the form of conversion to bio-fuels in district central heating plants and the use of compressed sawmill residue pellets in smaller units, supplemented to a lesser extent by wind power and solar energy.

The Local Investment Programmes have really started a process in Sweden that could be named environmentally driven development. Local authority administration, enterprises, organisations and individual inhabitants in the municipalities are now cooperating intensely to accomplish the measures put up in the programmes, resulting in well-functioning networks on many different levels. By bringing together people from different sectors of the society, with different background, knowledge and experience, new and exiting solutions for realising an environmental sustainable development have seen the light of the day. These include more environmentally-adapted, technical methods as well as more theoretical ones.

Before taking the step into the Baltic scene of action, I would like to make some comments on the importance of an environmentally driven development for enterprises. My perspective is of course primarily the county of Kalmar, but maybe the reasoning is applicable also in other regions around the Baltic.

Just a little bit more than ten years ago, many enterprises had the opinion that concern for the environment was equal to fulfilment of the environmental requirements set up by the authorities. This pattern has changed during the 90's. Nowadays, we can see that a new type of enterprises is growing very fast, and that is environmentally driven enterprises. They are characterised by a well thought-out environmental strategy, implemented in all processes from planning of new products, through manufacturing to rejecting of used goods.

This type of enterprises can be found in all lines of business, and not only in those occupied with technical matters related to the environment, like waste management and sewage treatment. Their products and services have a high environmental performance. Environmental issues are considered as a highly strategic factor, and are given priority whenever the enterprises has to make a choice.

From a Baltic point-of-view, the number of this type of enterprises is still comparable small, although the number is growing from day to day. In the county of Kalmar, we are trying by different means to stimulate the development of new environmentally driven enterprises. According to our experience, the process of making an enterprise environmentally driven often has connections in some way with environmental management systems.

Therefore, we have supported financially, different projects aiming at implementing systems for environmental management in enterprises, especially in small and medium-sized ones. We will continue with this support as long as there are interested enterprises to be found, and the results achieved are as positive as they have been up to now.

When more and more enterprises become certified according to ISO 14 001 and/or registered according to the European Union scheme EMAS, this will give rise to effects also in other parts of the society. This very day, there is a tendency in Sweden, that local government activities, and especially those parts dealing with sewage water treatment and waste management, are exposed to a growing pressure regarding environmental action from business sector.

It is hard not to understand this as a consequence of the fact, that a certified and/or registered enterprise of course cannot accept services provided by the local authorities to be the weakest link in its total environmental performance. If this is right interpretation of the situation, it is

important for us to give support also to enterprises in the private service sector, organisations and local authorities, in their work with implementing parts of or complete systems for environmental management. And probably most important of all, by different means stimulate discussions on and between all levels in the society on the challenges and opportunities for Kalmar County that exists in sustainable development.

How can we initiate the same type of process of networking between enterprises, authorities, organisations, councillors, officials etc. in the Baltic area? One important political step towards such a co-operation across the Baltic Sea was taken on 22nd of February 1998 in Malbork when the Euroregion Baltic was created. The members are representatives of self-government bodies of Bornholm in Denmark, Liepaja in Latvia, Klaipeda in Lithuania, Elblag, Gdansk, Olsztyn and Suwalki in Poland, Kaliningrad in Russia and Kalmar, Blekinge and Kronoberg in Sweden. The Polish partners have according to the administrative changes that came into force on the 1st of January this year, been replaced by the self-government bodies of the Pomerania and Warmia-Masuria provinces.

The Euroregion Baltic is an example of a network-organisation, led by a council and an executive board with representatives from the participating regions. A common president and a common vice president, both elected for a period of one year, supervise the day-to-day activities. In each participating country, activities and operations are co-ordinated by a national secretariat. The central secretariat for the Euroregion is situated at the national secretariat of the president.

The Euroregion Baltic also has three Working Groups, assigned to give support on issues assessed to be of special interest for intra- and interregional cooperation- one of the Working Groups has been set up to deal with environmental issues, focusing primarily on finding answers on the following questions:

- What are the main ecological threats within the Baltic area. How should we define the "hot spots" to be eliminated first of all?
- What are the main threats concerning water protection, wastewater management, recycling, air protection in each participating region? What are the main threats for sustainable development in South-East Baltic?
- How should we use the experience and achievements of national institutions in the countries of the Euroregion in the framework of bilateral and multilateral Baltic programmes?
- How to create a quick information-network on natural and ecological disasters and emergencies within the region of South-East Baltic?

In my opinion, the solutions of all these questions are deeply connected with the subject for this round-table discussion, namely how to create a network for environmentally driven technological development in the Baltic Area. Maybe the answers will be presented by the members of the round table that I now give the chair, Professor William Hogland?