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**FIRST MEETING: “TOWARDS AN EFFECTIVE ENVIRONMENTAL
MANAGEMENT”**

***SYNOPSIS OF THE EXECUTIVE PROFILE OF ENVIRONMENTAL
MANAGEMENT: Southern Cone Subregion***

WORKING PAPER

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EXECUTIVE SUMMARY

This report delivers systematized information intended to direct the work of the Regional Dialogue, with an emphasis on the efforts that Southern Cone countries (Argentina, Brazil, Chile, Paraguay and Uruguay). The report includes recommendations on how the countries could improve their environmental institutions and management practices, aiming at long-term sustainability.

The report is based on three fundamental ideas: i) identification and characterization of the countries' environmental problems and their environmental management status; ii) description of common and specific achievements in environmental management in the countries; and iii) identification of the main challenges for the countries in environmental management matters.

The identification of **common environmental and management** in the Southern Cone countries, along with the availability of a set of priorities within the national environmental agendas, is summarized in the following findings:

- a) In the area of natural resources management, the priority environmental problems are: i) deforestation and deterioration of native forest ecosystems; ii) loss of land and water biodiversity; iii) soil degradation; and iv) deterioration of water resources and coastal zones. As to the explicit environmental priorities present in most countries in the subregion, the following stand out: i) conservation of biodiversity; and ii) water resources management.
- b) In the area of urban, industrial and agricultural management, the priority environmental problems are: i) atmospheric pollution in cities; ii) problems in urban solid waste management; and iii) production and discharge of municipal and industrial sewage effluents. As to the explicit environmental priorities present in most countries in the subregion, urban environmental management problems stand out, especially those related to pollution control from liquid and solid wastes.
- c) In the area of competitiveness, in most countries in the subregion the relation between trade and the environment has been highlighted, including the growing concern towards such aspects as clean production, environmental certifications and incorporation of environmental criteria in economic integration processes at the subregional level. However, efforts hardly reach small and medium enterprises (SMEs), which represent the largest proportion of businesses in the countries and which must face financial and managerial obstacles that produce delays in clean technology adoption.
- d) In general, there is a close relationship between environmental problems that are common to the countries and explicit priorities in national agendas. However, there is also a recognition of some weaknesses related mainly to the lesser emphasis the countries make of medium-term priorities in issues such as

deforestation and soil degradation.

- e) The relationship between priority problems and explicit priorities shows a tendency towards a higher emphasis in urban environmental problems, mainly relating to atmospheric pollution, solid wastes and treatment of municipal and industrial wastewater. However, limitations tied to the low level of environmental management activities at the municipal level makes it difficult to engage local entities these issues in intermediate and small cities, especially in rural localities.
- f) Specialization in natural resource-base activities and manufacturing processes which cause high environmental impacts, requires immediate attention.

The description of environmental management advancements in the countries has been made in relation to the following aspects: i) production of national environmental policies; ii) development of national environmental legislation; iii) deployment of environmental institutionality; iv) development and application of management instruments; and v) important advancements in priority environmental problems management. The findings are summarized in the following results:

- a) It is recognized that in the countries of the Southern Cone the development of explicit national environmental policies shows partial advancements, as there is still a significant lack of substantive efforts directed to the “greening” of public policies in general. In the cases of Brazil and Chile there are explicit environmental policies and agendas, while in Uruguay, Paraguay and Argentina the issue is undertaken in the general contents of the national environmental legislations o through programmatic orientations in the respective *Agendas 21*. However, in every Southern Cone country it is complicated to discover the exact implications of the policies because there are no follow-up and evaluation mechanisms.
- b) The Southern Cone countries have shown significant advancements in the area of environmental legislation, which has permitted the organization, rationalization and prioritization of the main aspects of national environmental policies. Brazil, Chile, Uruguay and Paraguay all have uniform environmental legislations, where Brazil’s trajectory and the recent accomplishments in Paraguay and Uruguay stand out. Argentina is the only Southern Cone country that still does not have a uniform environmental legislation, but legislations have been developed at the provincial level. In relation to the effect of national environmental legislations have had in the countries, the following comments arise:
 - In the cases of Chile and Brazil, the uniform environmental legislation has allowed significant advancements in the launch of national environmental management systems, in institutional development and in the creation of environmental management instruments that are consistent with national policies.
 - In the cases of Paraguay and Uruguay, the recent approval of a uniform environmental law has allowed a delayed start with respect to the other countries in

the organization of previous efforts in the issues of institutional framework and management instruments. The scarce operating time of the uniform law does not provide a clear vision of its effects, more so considering that adjustments to its scope and projections are still being made.

- In the case of Argentina, the situation of deep structural changes in the country does not allow us to predict whether the National Law on Minimum Environmental Budgets (*Ley Nacional de Presupuestos Mínimos Ambientales*) may be passed in the short term, overtaking what the provinces are doing in the matter, notwithstanding advancements in the area of sectorial environmental legislation.

c) The design and launch of a national environmental institutional framework in the countries, in general, has developed through successive changes in time. This is due mainly to a marked tendency of defining institutions with environmental competency before defining environmental policies and uniform environmental laws. While Brazil, Argentina and Uruguay have chosen the figure of a Ministry, Chile has decided for a coordinating commission and Paraguay has preferred a secretariat that is directly dependent of the Presidency. As to decentralization of environmental institutions, the advancements pose some general observations, which are:

- In countries like Paraguay, Uruguay and Chile, in the past years there has been a progressive advance in creating environmental units at regional, provincial and municipal levels. However, the incorporation levels of the environmental framework tend to be higher in regions or municipalities with higher population concentrations, with a lesser institutional development in other national territories, mainly in rural municipalities.
- In countries like Argentina and Brazil, there is a higher institutional development in provinces and states, respectively. This is due to the attributions of the federation units to create their own institutions, notwithstanding ties with the federal governments.
- There have been advances in the spelling out of the environmental competencies of sectorial institutions in the countries of the subregion, such as public services related to water resources management, forest resources management and the municipalities, among others. In countries that have environmental ministries (Brazil, Uruguay and Argentina), there is a tendency to the concentration of environmental functions and competencies in dependent units. In the Chilean case, there has been a tendency towards more broadness of sectorial environmental competencies given the coordination model applied. Paraguay is in a process of an institutional adjustment in the environment sector, boosting actions that tend to concentrate environmental functions on the Presidency's Environment Secretariat.

d) The development and application of environmental management instruments in the countries of the region is characterized by the following aspects:

- There is a tendency to launch and strengthen command and control instruments as the core of implementation and application of national environmental policies and

legislations. The generalized use of environmental impact assessment systems in the countries and of environmental standards and regulations demonstrates the emphasis on creating mechanisms for environmental authorization of projects and on environmental quality protection, even though limitations in the successful development of these instruments' potentialities are recognized.

- Economic instruments application is not generalized in the countries, even though there are specific cases that project their future development, both at the national level and in the states and provinces of federal countries. The application of the Ecological *ICMS* in Brazil and the Clean Production Agreements in Chile stand out.
- Advancements in the area of environmental management instruments directed to improve the countries' competitiveness are related to the growing incorporation of environmental certification mechanisms at the businesses' level, the promotion of clean production and the efforts in generating an environmental protocol for *Mercosur*. However, it is recognized that these efforts, in spite of being relevant, are still scarcely developed at the level of small and medium enterprises (SMEs).

e) In relation to advancements in priority environmental problems management, stand out those linked to:

- A clear tendency to consolidating the concept of integrated management of water resources hydrographic basin level. Even though achievements still are restricted to specific cases in some of the subregion's basins, the definition of explicit policies on water resources management in countries like Chile, Argentina and Brazil foreshadow a higher development of this aspect in the short and medium terms. In the case of Chile, the World Bank is supporting the creation of *Planes Directores* in 8 most important basins, where strategic environmental assessments and the incorporation of water biodiversity protection criteria stand out.
- A growing development of national strategies for biodiversity protection, including strengthening and increasing ecosystem conservation units, creation of private protected areas and definition of cross-border ecological corridors. However, it is noted that efforts are still not sufficiently formalized or consolidated in the countries, which reflects budgetary, technical and capacity limitations, mainly in municipalities.
- A growing interest in the countries to engage in the sustainable use of native forest resources, where sectorial legislation advancements that encourage reforestation of degraded soils in Argentina and Paraguay stand out, relieving pressure on remaining native forests.
- A marked leadership of the countries in generating clean production agreements, reflected in the Chilean case where important advancements have been produced in generating a national policy to promote clean production.
- A growing use of economic instruments at the state and municipal level in Brazil, where the use of the Ecological *ICMS* allows compensation of those municipalities that have stop receiving income from productive areas which have been destined to conservation and environmental protection.
- A clear growth tendency in coverage of residual water and solid waste treatment in the countries' large cities, even though serious limitations are still recognized in intermediate and small cities. Likewise, air pollution management in cities like

Santiago, Chile, show advancements in reducing fixed source pollutants, even though an increase has also been observed in pollutants produced by mobile sources.

Keeping in mind that the countries face specific challenges that recount their own realities and advancements in environmental management issues, a group of **challenges common to the subregion's countries** has been identified. The challenges are summed as follows:

- a) Create and implement explicit environmental policies, including: i) national environmental policies; ii) specific policies to undertake key issues, such as solid waste, regional planning and land use, clean production, chemical substances, energy and natural resources; iii) decentralization of environmental management and capacity building at the municipal, state or provincial levels in order to develop policies that are adapted to local realities; iv) clear policies for applying strategic environmental evaluations to decision making.; and v) follow-up and evaluation mechanisms for environmental performance in public policies.
- b) Advance in innovative institutional agreements, through: i) reinforcement of current institutional structures with a focus on integration, coordination and involvement of political levels in the decision; ii) development and strengthening of national environmental information systems; iii) development of training programs directed to professionalizing environmental management; iv) improvement of environmental inspection and control to verify application of policies, plans, programs and regulations; and v) strengthening environmental management inter-sectoral linkages.
- c) Incorporate new technologies for managing and disseminating environmental information and its utility to support decision-making. To this respect, the following aspects are highlighted: i) massive Internet use; ii) creation of environmental information centers; iii) preparation of environmental indicators; iv) improvement of access to information at the municipal level; v) increase in quantity and diversity of environmental research resources.
- d) Strengthen citizen participation and environmental education, including: i) extension of environmental education and information programs, with greater coverage to relevant public, private and civil society players; ii) creation or reinforcement of participation channels in environmental management instruments; iii) development of programs and strategies to increase the civic commitment with the environment, emphasizing on creation of alliances, cooperation agreements and mechanisms for prevention and solution of environmental conflicts.
- e) Develop and strengthen environmental management instruments suitable to the countries' realities, including: i) promotion of self regulation and self management instruments, emphasizing environmental certification; ii) verification and adjustment of classic instruments, such as EIAs, regulations and standards,

and environmental audits, with the perspective of applying reengineering to increase the instruments' practical utility in preventing and controlling priority environmental problems; iii) development of new instruments such as certification rules, voluntary agreements, tradable emissions permits, environmental insurance, resource audits and economic valuation, equity accounts and early citizen's participation, among others; and iv) promotion public-private cooperation alliances and mechanisms to advance the fulfillment of environmental goals.

- f) Consolidate environmental management in Mercosur, where the following stand out: i) strengthening the role of the SGT-6 (Working Sub-group 6) in articulating environmental policies in the countries; ii) undertaking environmental issues such as management of shared ecosystems and natural resources; iii) strengthening national institutions to achieve regional institutional development that is capable of facing global environmental issues; iv) improving access to the countries' information and scientific and technologic cooperation; and v) achieve a Mercosur Environmental Protocol.