

# **Innovative approach in EMAS implementation in the local authorities of new member states**

## **Layman's Report**

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## 1. CONTACT DETAIL & PROJECT INFORMATION

<b>Project location</b>	Latvia
<b>Project duration</b>	11/2004 - 05/2007
<b>Total budget</b>	€ 400043 EUR
<b>EC contribution</b>	€ 191397 EUR
<b>Beneficiary</b>	SIA Biznesa Konsultantu Grupa (BKG) Contact person: Mrs. Alina Dudele, Chair of the Board Tirgonu iela 10-7, Riga. Latvia LV 1050, tel. +371 7224 305, fax: +371 7224 306 e-mail: <a href="mailto:bkg@bkgriga.lv">bkg@bkgriga.lv</a> , <a href="http://www.bkgriga.lv">www.bkgriga.lv</a>
<b>Partners</b>	Latvian Association for Environmental Management (LAEM) Bundesdeutscher Arbeitskreis für Umweltbewusstes Management e.V. (BAUM), Germany Naujene rural municipal council Daugavpils city council
<b>Project Website</b>	<a href="http://www.emas4newstates.lv">www.emas4newstates.lv</a>

## 2. INTRODUCTION

Rapid urbanization in the twentieth century has magnified the environmental impact of cities. In 1900, only 160 million people, one tenth of the world's population, were urbanites. Currently half the world population (3.2 billion people) lives in urban areas, which is a 20-fold increase in numbers. Of the 2 billion people that will be added to the world's population over the next 30 years, over 60% will be added to cities.

Urban systems are undermining the planet's health - they import resources and export pollutants.

As cities moved into the 21st Century the need to reduce environmental impacts, control costs, risks and liabilities became of paramount importance. Furthermore, there is an increasing belief that the original approach to environmental impacts and their mitigation, characterized by centralized "command-and-control" regulation targeted at emissions and existing waste sites, is far too limited to support the achievement of sustainable cities. **Unless cities change their management practices, the resources they expend on protecting the environment will be wasted.**

EMAS is an important tool of the EU environmental strategy that provides local governments with a **systematic preventive approach to solution of environmental problems**. Effectively applied, EMAS helps integrate environmental considerations with overall operations and set out environmental policies, objectives and targets with pre-determined indicators that provide measurable performance goals.

In Latvia, like in the other NMS, many industrial companies have already implemented their environmental management systems (ISO 14001), while local authorities are staying aside of that process. Thus **the specific environmental problem of local authorities of the new member states is that the benefits of the EMAS approach are not used.**

The objective of the project is to promote EMAS in the local authorities of new member states and to provide them with effective tools of EMAS implementation. To achieve the objective it was planned:

- to develop simplified step-by-step guidance for EMAS implementation in municipalities;
- to demonstrate step-by-step EMAS implementation in the local authorities joint in clusters;
- to disseminate Latvian experience in the new member states.

**Step-by-step method** makes EMAS implementation clear and logical. It significantly reduces paper work and makes implementation process controllable. It breaks down EMAS implementation into six steps and three audit phases. The audits conducted by the third party (German experts) ensure meeting the requirements of the appropriate steps and help to expose weak areas and to avoid accumulation of mistakes.

**Cluster approach** creates partnership between cluster members which allows co-operation and joining efforts in solution of mutual or trans-border environmental problems in a more efficient way. Achievements of the cluster members may become a good motivation for surrounding municipalities.

**Dissemination of the project results** among Latvian and EU municipalities included sharing Latvian experience with the NMS LA at the International Final Results Seminar; dissemination of training materials and the project results through EMAS Knowledge Management Platform, mailing Latvian EMAS Cluster Manual to the relevant organizations in EU countries; establishing EMAS Clusters Centre (ECC) at LAEM with the purpose to promote Latvian experience Europe wide, publications in newspapers and magazines.

### **Expected results:**

- Latvian and NMS local authorities get a clear guidance for EMAS implementation, which was tested by Latvian local authorities;
- Latvian and MNS consultants are trained in EMAS implementation techniques and can professionally support municipalities of their countries in EMAS implementation;
- pilot municipalities with registered EMAS become role models and influence business sector and local communities to create responsible attitude to the environment;
- local authorities of NMS countries are using Latvian experience in EMAS implementation.

### 3. PROJECT PARTNERS

The project was initiated by the Latvian Association for Environmental Management (LAEM) and consulting company Biznesa Konsultantu Grupa Ltd (BKG) in 2004. It has been joined by two Latvian local authorities: Daugavpils city council and Naujene rural municipal council, and German partner organisation B.A.U.M. e. V. (German Environmental Management Association) which provided expertise in EMAS implementation.



**SIA “Biznesa Konsultantu Grupa”** (beneficiary) is a leading Latvian management consulting company established to provide high quality consultancy services to private companies and public institutions considering significant changes and improvement of their operations. “Biznesa Konsultantu Grupa” offers a wide range of services in management consulting, marketing, personnel development, logistics, institutional building, regional and national master plans development, training needs assessment, training program development and delivery, business valuation, company analysis, strategic business planning and development, environmental and quality management system implementation, marketing concept development, feasibility studies and investment appraisal.



**Latvian Association for Environmental Management (LAEM)** - is a non-governmental, voluntary, non-profit organisation, designed to join efforts of all interested parties in Cleaner Production, Environmental Management and Sustainable Development principles promotion and implementation in Latvia. The majority of LAEM members are industrial enterprises of different branches, two municipal councils and consulting companies. LAEM has initiated and implemented numerous projects focused on promotion of environmental management and sustainable development.



**B.A.U.M.**  
Bundesdeutscher Arbeitskreis  
für Umweltbewusstes  
Management e. V.

**German Environmental Management Association (B.A.U.M.)** with membership of more than 500 companies of all sizes and sectors, non-profit organisations and public authorities is the biggest European association promoting environmental protection and sustainable business management. An interdisciplinary team of B.A.U.M. consultants has extensive experience in research and consulting public institutions in different areas of sustainable development and runs various international projects such as for DG Transport and Energy (RENET, Promote 100), DG Employment and Social Affairs (CapaCity) and know-how transfer projects on Local Agenda 21.



**Daugavpils City Council.** Daugavpils is the second largest city in Latvia. Population of Daugavpils is 113,450 inhabitants. Daugavpils is located in 230 km south-east of Riga, on the banks of the Daugava River. The city has a favorable geographical position as it borders on Belarus and Lithuania, and is 120 km from the border with Russia. Daugavpils is a big industrial centre and railway junction. The industry of the city is represented by energy enterprises and metal-processing plants: JSC “Driving Chain Factory Ditton”, JSC “Dauer-D”, JSC “Lokomotive”, “Zieglers Mashinbuve” Ltd, and others.

Apart from that, there are several enterprises of the textile, sewing industry and food processing companies. More than 1,100 trading businesses are operating in the city and virtually all main Latvian commercial banks have their branches in Daugavpils. Daugavpils City Council has an experience of participation in various local and international environmental projects.



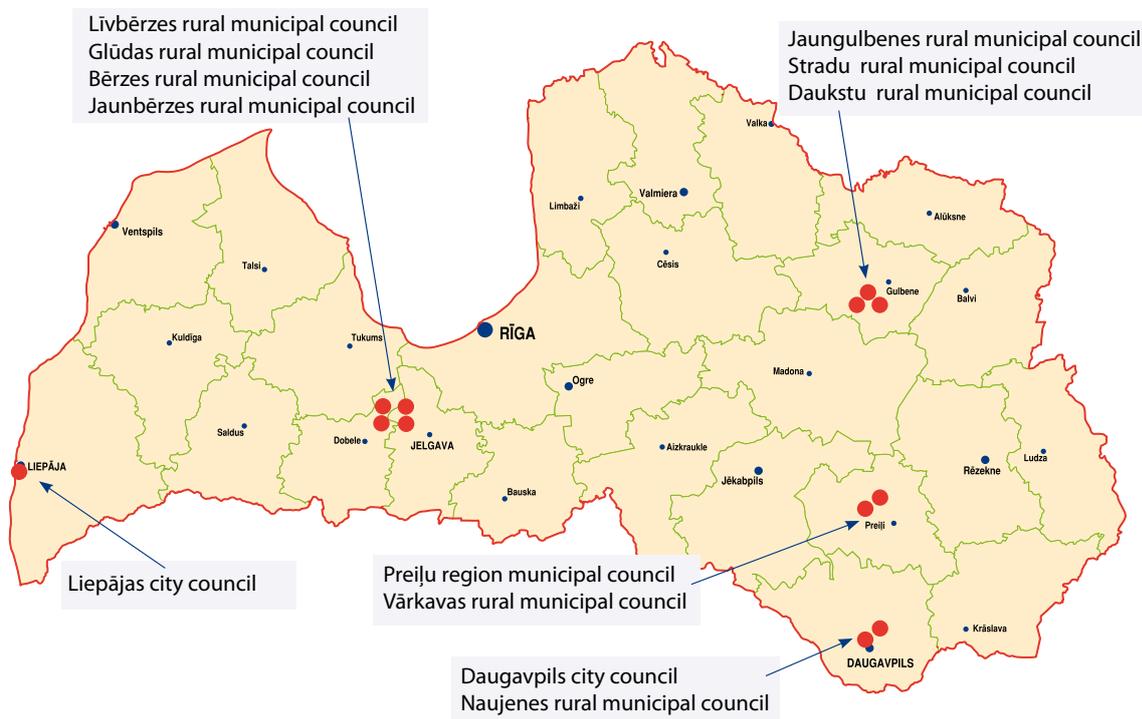
**Naujene municipality** is located in the south-east part of Latgale. Its territory is 12939.3 ha, including: forests - 3602.6 ha, arable used land - 6684 ha, arable not used land - 2652.7 ha, state owned land - 1184 ha. Municipal land - 670.9 ha. Number of inhabitants is 5 856 people. Economic development of Naujenes municipality is linked to Daugavpils city. There are 53 villages on the territory of municipality. 77% of inhabitants live in the villages: Vecstropi, Lociki, Kraujas, Naujene, Dunski un Židino. Biological wastewater treatment plants are operating in two villages. Industrial activities are represented by wood processing, food manufacturing, grain processing, heat production, potable water preparation and supply, transportation services. Agricultural sector is represented by 1600 farmlands and 35 farms.

## 4. EMAS IMPLEMENTATION IN LATVIAN LOCAL AUTHORITIES

Readiness of the country to introduce EMAS can be estimated by the following main factors:

- availability of accreditation and registration bodies;
- availability of trained consultants;
- availability of accredited local EMAS verifiers.

When the project started in 2005 Latvia had only registration and accreditation bodies and the project partners clearly understood that due to lack of information and knowledge in the field of environmental management in Latvian local authorities, recruiting project participants would not be an easy task. That's why the project partners have attached a particular significance to the introductory / awareness raising seminar which was held in April 2005. After it 10 Latvian municipalities has expressed their willingness to participate in the project. Together with Daugavpils city council and Naujene rural municipal council there were in total 12 municipalities which created five clusters.



Apart from municipalities to participate in the project were selected 10 Latvian and 8 consultants from the new member states.

### List of consultants from the new member states of the EU

Country	Name	Organisation
Malta	Anton Pizzuto	Cleaner Technology Centre, University of Malta, Director
Czech Republic	Jiří Student	CEMC, Executive Director, <a href="http://www.cemc.cz">www.cemc.cz</a>
Slovakia	Erika Baranova	SCPC, s.r.o. Bratislava, SK Consultant <a href="http://www.scpc.sk">www.scpc.sk</a>
Slovenia	Janez Petek	Steng-National Cleaner Production Centre Ltd. Consultant
Hungary	Katalin Varga	Hungarian Cleaner Production Centre, <a href="http://www.hcpc.bke.hu">www.hcpc.bke.hu</a>
Poland	Marta Budzynowska	Organisation and Management Development Services Bureau „System”, Consultant
Estonia	Katrin Keis	EMI-ECO Estonia, Consultant, <a href="http://www.emieco.ee">www.emieco.ee</a>
Lithuania	Vaiva Ramanauskiene	ECAT-Lithuania, Consultant, <a href="http://www.ecat.lt">www.ecat.lt</a>

## List of Latvian consultants

Name	Organisation
Maija Anspoka	SIA Zygon Baltic Consulting
Anete Iraida	A/S Falck apsargs
Indra Šveisberga	IK Darba vides konsultācijas
Vitālijs Šveisbergs	IK Darba vides konsultācijas
Jānis Bernāts	SIA Leilands un Putnis
Aleksejs Sergejevs	SIA Baltijas tehnika un vide
Jurijs Sergejevs	SIA Baltijas tehnika un vide
Valdemārs Ščerbaks	SIA Biznesa Konsultantu Grupa
Juris Mālers	Latvian Environmental Investments Fund
Aija Žuniņa	SIA Zygon Baltic Consulting

In late May all project participants have been trained at 5-day seminar on EMAS step-by-step implementation. For the training course German experts have prepared two types of the handout materials: guidelines and workbooks. EMAS implementation process in the training materials was divided into 6 implementation and 3 verification steps. Workbooks contain forms of documents which should be completed by local authorities and have a lot of examples, which assist local authorities in their system development and implementation.

All training materials in English and Latvian languages are available at [www.emas4newstates.lv](http://www.emas4newstates.lv) and in a hard copy format and electronic format on CDs – in the EMAS Clusters Centre established at LAEM.

At the training sessions participants were seated at the tables in working groups consisting of cluster members and assigned consultants. Active cooperation in clusters started on the very first day of the training owing to preparation of mutual presentations and working together on different exercises. Interactive and intensive training has united cluster participants and consultants creating a good basement for the future work on EMAS implementation.



EMAS scoping in training session



Trainer, Experts, Translator



Members of the International Expert group



Celebrating successful Training week with EMAS cake

New member states consultants also actively participated in the training process. They created two teams and presented prepared tasks competing with Latvian teams. All trainees were provided with the training materials and workbooks for EMAS implementation in Latvian and English languages accordingly.

To support theoretical knowledge of Latvian LA and consultants with practical examples of EMAS functioning has been organized a Study Tour to German local authorities. It took place in 4 months after training seminar when Latvian Implementation Teams already made first steps in development of EMAS documents and accumulated some unclear questions.

The Study Tour to German municipalities took place from September 30 to October 9, 2005. It has demonstrated achievements of German LA in the field of environmental management in different areas of municipal activities, such as: land use planning, wastewater treatment, heat energy production, reduction of energy consumption, and waste management and included 8 visits to local authorities and municipal objects.

Participants of the study tour have visited Immenstadt hospital, Leutkirch school, biogas stations, boiler houses operating on wood chips in Leutkirch and Überlingen, wastewater treatment plant, city administrations in Leutkirch, Überlingen and Immenstaad, and very popular tourist place – Mainau island in lake Constance, with implemented EMAS in the tourist sector.

Participants of the tour were introduced not only to EMAS implementation process, but also to technical solutions focused on improvement of environmental performance.



The wastewater treatment process is operated by a processor. It accumulates information on all stages of the wastewater treatment. Used active sludge is utilized for generation of biogas, which then is burned out to produce electricity. The facade of the administrative building of the plant is designed as a solar farm, which produces electricity.



Waste separation starts right in the wards. For that purpose is used specially designed mobile containers with many drawers. Each type of waste is placed in the individual drawers in accordance with labels, for example: Newspapers and Magazines, Syringes, IV lines, Medicine bottles, Gloves, etc.



The roof of the Leutkirch school is covered with photovoltaic panels. The electricity produced is dispatched to the city net.



Latvian visiting group on EMAS Island of Mainau

Apart from improved understanding of EMAS implementation and maintenance participants of the tour have got a new vision of the mission of a local authority. They clearly saw the difference in functioning of Latvian and German local authorities. While Latvian local authorities are mainly focused on providing basic communal services, German local governments are the leaders in promotion of SD principles at the territories of their jurisdiction. Thus the Study Tour had a strong integration to the EU effect.

Detailed reports on the Study Tour is available in the EMAS for Municipalities Implementation Guide and in the Photo Gallery on [www.emas4newstates.lv](http://www.emas4newstates.lv)

EMAS step-by-step implementation process has been supported by 3 Intermediate audits conducted by the German experts. During the audits were analyzed and discussed mistakes discovered in EMAS documents and explained next tasks.

Apart from quality assurance the audits had a disciplinary effect upon the project participants forcing them to stay in the project schedule. In the given project all municipal councils were developing their systems themselves, which created a valuable experience/expertise in the local authorities' staff. Local and German consultants were assisting local authorities only by advising and checking system documents.



2<sup>nd</sup> intermediate audit in Naujene rural municipal council



Implementation Team of Preili – Varkava presents their work to auditors

To assist local authorities and to reduce EMAS implementation time German experts has offered to focus efforts of all project participants on developing the EMAS Master Manual, which could be used as a template by each of the local authorities for elaborating their individual environmental manuals.

Additional one-day trainings in conducting internal audits have been organized for the project participants in August 2006. To make it more efficient cluster members were trained in two separate groups. All trainees were provided with the training materials which further were used as guidelines in conducting internal audits of their systems.

Unfortunately actual time required for EMAS implementation in the local authorities has exceeded planned time for 5-6 months. Delays in the EMAS documents development were created by improper resource management in the local authorities, which underestimated time required for EMAS implementation. EMAS team leaders had to combine a very time-consuming EMAS implementation process with their main responsibilities of planners, ecological specialists, executive directors, librarians, agricultural specialists, etc. In majority of municipal councils with quite limited human resources EMAS implementation created too much of a burden. That was a reason why 5 local authorities decided to resign from the project.

Remaining 7 local authorities had a strong intent to prepare their systems for verification and to register them. However due to lack of local EMAS verifiers in Latvia only 2 EMAS implemented by the project partners - Naujene rural municipal council and Daugavpils city council could be verified by a foreign verifier and covered form the project funds.

As EMAS implementation and maintenance is a non-stop and a long-term process, which needs yearly supervision and a 3-year auditing cycle performed by an EMAS verifier, dependence on expensive services of the foreign verifiers makes EMAS facilitation non-sustainable.

To provide other 5 municipalities with possibility to verify their systems for a reasonable price and to create preconditions for the further EMAS dissemination in the country, the project partners have initiated accreditation of local EMAS verifiers, which was not the project task and in addition has caused extension of the final stage of the project.

EMAS verifications in Naujene rural municipal council and Daugavpils city council conducted by a Swedish verifier took place in March-April 2007 and were used for accreditation of two local EMAS verifiers. Accreditation procedure has been finished in early June and 2 local EMAS verifiers immediately started independent verifications of five systems in Gluda, Berzes, Livberzes, Preili and Varkava local authorities. Validation of an Environmental Statement by the verifier takes place only after all discovered non-compliances in the system are corrected and reported to the verifier. To get EMAS Registration Certificate local authority submits validated Environmental Statement and Declaration of Conformance to the national competent body.

EMAS Cluster Centre at LAEM is planning in cooperation with the ministry of Environment in late August celebration on the occasion of presenting Registration Certificates to first seven Latvian local authorities implementing EMAS.

## 5. DISSEMINATION OF THE PROJECT RESULTS

Experience gained by the project participants has been summarized and disseminated in Latvia and the EU. Dissemination activities included: conducting the International Final results Seminar for Latvian and NMS local authorities, consultants and other interested parties, distribution of EMAS Implementation Guide during the International Final results Seminar, placing the Guide on the project website, and mailing it to European and Latvian municipalities and other organizations. Totally have been produced 500 brochures in English language, 500 – in Latvian language and 1200 CDs and distributed about 780 copies of brochures and 800 CDs. The remaining part of dissemination materials remains in the established EMAS Cluster Centre for the further dissemination in Latvia and abroad.

The Final Results Seminar served as an experience exchange forum for NMS consultants and LA, Latvian LA and consultants and Latvian guest organizations.

Cluster members and their consultants have prepared joint presentations on the results of their 1.5-year work in the project. Then NMS representatives presented progress in EMAS implementation in their countries:

Country	Availability of the local competent body + / -	Availability of the local accreditation body + / -	Number of accredited local EMAS verifiers	Number of registered EMAS in companies/ local authorities	Number of EMAS in implementation stage
Malta	+	+	0	1 / 0	1
Cyprus	+	+	0	0 / 0	0
Czech Rep.	+	+	3	28 / 0	2-3
Slovenia	+	+	1	1 / 0	2
Slovakia	+	+	1	5 / 0	5
Hungary	+	+	3	8 / 1	5-10
Poland	+	+	9	7 / 0	10-15
Estonia	+	+	0	2 / 0	0
Lithuania	+	+	0	0 / 0	10
Latvia	+	+	2	1 / 7	1

Presentations made by consultants from Malta, Cyprus, Estonia and Lithuania have proved that lack of proper promotion and local verifiers is a serious barrier on the way of EMAS introduction in their countries. Numbers of registered systems demonstrate that EMAS implementation projects are still focused on enterprises and sponsors still support projects without capacity building elements, which are not sustainable and create dependence on the foreign assistance.

As the seminar participants were representing parties interested in the EMAS wide implementation in their countries and there was no need to motivate them providing success stories, the final discussion was devoted to barriers and hurdles hindering the process. The following hindering factors were mentioned during discussion:

- lack of basic environmental awareness/knowledge at decision-making level and deputies of municipal councils; majority of top management of local authorities doesn't see any sense in EMAS;
- lack of EMAS promotion in the local authorities; lack of motivation from the central government;
- local authorities are operating within the legal frame created by the state and if Environmental Managements is not required, they will not do it; majority of LA don't have any environmental specialist in their staff;

- EMAS text is clear only for experts in this field, not for users; EMAS needs implementation guide;
- EMAS implementation is impossible without special training or assistance of a consultant;
- high implementation and maintenance costs; it's very difficult to convince council's deputies in necessity to allocate some funds for coverage of EMAS expenses;
- lack of local EMAS consultants and verifiers makes EMAS implementation useless;
- sponsoring of projects without capacity building elements should be stopped, because they don't drive the progress in recipient countries but only create dependence on expensive foreign experts.

Many of the seminar participants have expressed their interest to participate in the similar projects.

## 6. THE FOLLOW-UP PROJECT ACTIVITIES

The follow-up project activities will be carried out in the following areas:

- EMAS extension to cover all administration in the local authorities, which selected only a few departments for the first stage of EMAS implementation;
- cooperation in clusters, initiation of mutual projects;
- clusters extension involving in EMAS communities neighbor municipalities, industrial and municipal enterprises, schools, etc.;
- sharing Latvian experience with other European countries, initiating new international projects;
- initiating EMAS training course at the Latvian LA Training Centre.

## 7. LESSONS LEARNED

In general terms the EMAS4NewStates project went as planned. However, various obstacles need to be overcome. The project team has reported some observations and recommendations for further similar projects:

- EMAS coordinators in pilot municipalities were very enthusiastic in the beginning and devoted a lot of personal time to EMAS implementation. They contributed with their knowledge about municipal work processes and were very much open to learning from international experts and other cities and towns. But often their efforts have not been adequately appreciated by their superiors and local governments. Towards its end the project suffered heavily from declining motivation and enthusiasm;
- EMAS implementation is a full-time job. None of the local authorities participating in the project has properly allocated resources required for EMAS implementation. In all cases persons who were responsible for EMAS had to combine a very time-consuming EMAS implementation process with their main responsibilities of planners, ecological specialists, executive directors, librarians, agricultural specialists, etc.;
- For small local authorities which have a staff of about 10 people traditional EMAS implementation methods create too much of a burden. Implementation takes too much time, requires a lot of paperwork and specific knowledge; Simplified methods of implementing environmental management need to be developed. EMAS-Easy (based on Ecomapping) or BS 8555:2003 could lead the way. However, both approaches are very much oriented towards enterprises and do not take municipal needs into account;
- The cluster approach has a great potential. Joint EMAS implementation provides better understanding of mutual goals and tasks of bordering municipalities and results in the creation of a team spirit between EMAS teams, which simplifies the organization of joint activities, programs, initiatives. German experts tried to encourage participants to come up with real projects and put them in the environmental program. However, to develop and decide upon such projects would have needed more time - and time is the most critical obstacle to implementing environmental management on the local authority level;
- There is a big difference in functioning of Latvian and German local authorities. While Latvian local authorities are mainly focused on providing basic communal services, German local governments are the leaders in promotion of SD principles at the territories of their jurisdiction;

Since central government in Latvia doesn't motivate local authorities to implement systematic preventive approaches to protect the environment, there is little motivation to introduce EMAS. A strong movement towards systematic environmental management on the municipal level would require either explicit legislation (like with Local Agenda 21 in Denmark) or attractive incentives (like more and better funding or less governmental control);

- Verification costs are high compared to the benefit that municipalities can see from their EMAS certificate. Some local authorities claim that they could imagine paying for the external audit once but not every three years. Without public subsidies for the verification there is little chance that many municipalities in new member states will go for EMAS certification;
- Employees of local administrations often lack foreign language skills. While in the EMAS4NewStates project trainings, workshops and the study tour went quite well with professional translators, it was impossible to translate all developed EMAS documents into English or vice versa. So external experts had only a limited chance to assess the quality of the material and often could not give appropriate advice on details. Lack of English language skills may reduce effectiveness of further integration activities and create problems in establishing direct contacts and communication between Latvian and the EU municipalities;
- Participating municipalities have been really dedicated to the project. Seven of twelve municipalities succeeded in having their environmental management systems ready for validation by end of the project. Even those who had to give up due to limited resources and other reasons claimed that they had benefited from the experiences of other cities and towns.

## 8. CONCLUSIONS

Before the project EMAS capacity building in Latvia was restricted to two elements: establishing of national accreditation and registration bodies.

Thanks to the project Latvia currently has 10 local EMAS consultants, 2 local verifiers, 7 registered EMAS, training and implementation materials which available in Latvian language for all interested parties.

It means that all prerequisites for wide EMAS implementation in Latvia are in place.

The limiting factors which hinder EMAS wide implementation are: lack of motivation and high EMAS implementation and maintenance costs.

The project can be easily transferred to other EU countries because it's based on the EU Environmental Regulation, which is in force in all countries of the EU. All new member states including Latvia should be interested to replicate this project because it is aimed on achieving one of the objectives of the 6<sup>th</sup> EAP of the EU: "Encouraging wider uptake of the Community Eco-Management and Audit Scheme".

The project has a good reproduction potential. Due to availability of trained consultants, simplified method of implementation, easy access to implementation guide and obvious benefits provided by cooperation in clusters, the project has a high potential to be reproduced in the public and other sectors of economy not only in Latvia but also in other new member states and the entire EU.

Step-by-step approach in EMAS implementation is a simple and logical tool which significantly reduces paper work and makes implementation process clear and controllable. It breaks down EMAS implementation into six phases. After each phase municipalities should be assessed by the third party (consultant or other municipality) to ensure that the requirements of the appropriate phase have been met. Intermediate audits help to expose weak areas and to avoid further mistakes.

Cluster approach is a universal method which can be successfully applied in different cultures and environments and in municipalities of different nature and size. It creates a wider vision of environmental problems and tasks, brings people together, creating a partnership and community spirit. It also allows joining efforts of cluster members in protection of the environment. Cluster approach supports implementation process due to joint training and working sessions, consultations and cross-auditing. Clusters' extension is possible without any external consultant services. Neighbor municipalities with registered EMAS have enough expertise and experience to assist a newcomer in the step-by-step EMAS implementation. Cluster approach may be also applied cross-sectorally, for example, municipality and an enterprise may develop a set of mutual objective and targets, or neighbor companies of different industrial sectors may cooperate in achieving mutual targets on reduction of emissions, waste management, etc.

**In countries where the central governments don't motivate businesses to introduce environmental management, local governments may serve as drivers of that process.**

**Proposed method of cooperation in clusters may become a successful model for creating preconditions for sustainable urban development in all countries of the EU.**