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**At the Regional Preparatory Meeting for the United Nations  
Conference on Sustainable Development (Rio+20)**

**Geneva, 1 December 2011**

Distinguished co-chairs,  
Excellencies,  
Ladies and Gentlemen

It is my pleasure to speak to you today at this Regional Preparatory Meeting for the United Nations Conference on Sustainable Development (Rio+20).

I would like to welcome in particular the Secretary-General of the Rio+20 Conference, Under-Secretary General Sha Zukang, the Executive Coordinator of the Conference, Mr. Brice Lalonde, as well as the three vice-chairs of the Rio+20 Bureau representing different parts of the ECE region (Ms. Raguz, Mr. Moldan and Mr. Soprano).

I am impressed with the high number of delegates, not only from governments, but also from international organizations and major groups. I take this as an indication of the importance of this meeting which aims at conveying the perspective of our region to the global preparatory process.

**20 years after Rio –what happened in the region?**

Since the 1992 Earth Summit in Rio de Janeiro, the economic and political circumstances of our member States have undergone profound changes. In 1992 most economies of countries in transition were in a free-fall, and the proper institutional and political structures for addressing their development needs were only beginning to be created. Today, despite the setbacks from the most recent crisis, the economies of these countries are on a solid growth trajectory, have been integrated substantially into both the European and global trading system, and have in place governmental institutions trying to address the challenges of sustainable development. In the Western part of our region, economic progress has been more measured. Since 1992, growth has not been particularly robust,

and in many economies inequality has increased substantially. Although absolute poverty has declined significantly, the living standards of the lower half of many societies have hardly increased. Progress in reducing the overall environmental impact has been limited, and in some areas it has continued to worsen.

Looking beyond our region, perhaps the most significant global development since 1992 has been the rapid economic growth in much of the developing world, especially in highly populated Asia. Although this has resulted in remarkable progress in reducing global poverty, it has increased considerably mankind's environmental impact. The need to reach an understanding at the global level how to transition to a greener economy is therefore all the more pressing.

The current economic crisis, which is entering its fifth year, has undoubtedly had a negative impact in creating a conducive political environment for promoting a green economy and sustainable development at large. Indeed, as a result of the increased debt levels in many countries of the region budgetary resources for addressing social and environmental issues will be constrained for years to come. High unemployment makes it difficult to envisage any policy changes that could threaten jobs in the short term, thus reducing the political support for needed structural changes. In addition, it may be more difficult for the advanced economies to provide the required assistance to developing countries to enable them to meet MDG targets and to transition to a green economy.

However, we can use this crisis as an opportunity: what is needed is a dramatic shift from the growth model of the past whereby industrial revolution fuelled rapid economic growth that hinged on the exploitation of natural resources and generated large but unevenly distributed wealth. This is what the green economy discussion is about, and the Rio+20 Conference provides the opportunity to take us a bold step forward in this direction.

### **How can the ECE region contribute to a successful outcome of Rio+20?**

At the Seventh Ministerial Conference "Environment for Europe" in Astana we had in-depth discussions about greening the economy in our region. Ministers in the Astana Declaration agreed to take the lead in the transition to a green economy and to make a substantive contribution to the discussions at the Rio+20 Conference.

A useful and practical outcome for the Rio+20 Conference could be an internationally agreed road map for the green economy.

I am aware that there are currently different views on such a roadmap in different parts of the ECE region. There is no-one-size-fits-all policy. Any agreement in Rio will have to take into account the individual economic and political circumstances of a country.

The experience in our region shows that a combination of policies works best. This should include regulatory as well as market-based and information-based instruments, with full cost pricing at the heart of the policy mix across all sectors.

In the pan-European region, innovation is already a key driver of increased energy,

carbon, water and material efficiency; and the improved performance of goods and services. However, in order to engage in expensive research and development, producers need to be sure that there will be consumers that will want to buy such products.

And this is why the global and regional regulations, norms and standards for the green economy are so important. Such regulations establish the needed market signals and certainty for business to make investment decisions to deploy green technologies as well as to accelerate green innovation and foster clean technology development and diffusion.

The same applies to the emission targets in the energy sector that send a signal for development and innovation in renewable energy and energy efficiency, both important policy priorities for our region.

The natural resource sectors in our region are very important for building the green economy. Specific mechanisms for payment for ecosystem services to make the value of ecosystem services more visible are required.

Governments should not only focus on the supply side of the green economy, but also on creating green markets through regulatory instruments. Green public procurement is as an important instrument for implementing the green economy, especially to create demand and for market formation.

Altering consumption habits and promoting the demand for greener products, services and technologies through information-based instruments such as eco-labels can play an important role in raising consumer awareness of the environmental impacts of products and activities.

Looking forward, we should aim for concrete results and this is why targets and indicators for the green economy are so important. The Rio+20 Conference should be used to find ways of going beyond GDP and to discard the traditional concept of GDP.

### **How can the UN system assist in the way forward?**

I would like to draw your attention to a very substantive document prepared for this meeting: the inter-agency report "From Transition to Transformation - Sustainable and Inclusive Development in Europe and Central Asia". It is the result of a collective effort of all the United Nations entities active on sustainable development and the green economy in the ECE region. I would like to take this opportunity to thank all the agencies which, together with UNECE, have contributed to the report, (namely, UNDP, UNEP, UNIDO, WHO, FAO, ILO, UNICEF, UNESCO, UN WOMEN, UNFPA, ITC and ITU). The report has been jointly coordinated by UNECE as the Chair of the regional Coordination Mechanism (RCM) and UNDP as the Chair of the United Nations Development Group for Europe and central Asia (UNDG-ECA). By bringing together the strong and complementary expertise of so many agencies, the report is an outstanding example of what can be achieved by the UN system when it "delivers as one". It is still in the form of an unedited draft which leaves the possibility, prior to its publication early next year, of incorporating some final adjustments in the light of the outcome of this meeting.

The report covers all sectors of activities and all dimensions of sustainable development, and it advocates for a development model characterized by a strong sustainability dimension, combining resource saving, inclusive growth and equality. It highlights the challenges which the countries of Europe and Central Asia have to face for shifting towards such a development paradigm and it makes concrete policy proposals for managing the transition, taking into account the specific characteristics of the region and its subregions in economic, social and environmental terms. Thus, it designs a feasible path while keeping with an ambitious normative framework.

Promoting sustainable production and consumption patterns are at the core a green economy. It implies changing the composition of growth, the way economies produce goods and services, and the lifestyles we lead. For this to happen, the behavior of both producers and consumers must evolve through a mix of information and sensitization, economic incentives and regulatory measures. The report shows that in a number of countries of the region, measures have already been taken along this line.

The social dimension of sustainable development is strongly emphasized in the report. It argues that the promotion of a green economy has positive effects on health as well as on employment and equality in the medium and long term. The challenge is to address the social costs related to the transition, particularly those resulting from a necessary increase in carbon pricing and the transformation of the production structure, moving from the brown to the green sectors. Therefore, the report advocates for the establishment of a social protection floor covering all segments of the population, including poor and vulnerable groups, as well as those socially excluded. This requires an extension of the fiscal space which is made possible through additional revenue from the removal of harmful subsidies, environmental taxes and charges, and a more redistributive system of income and capital taxes.

The report also emphasizes the need for a stronger sustainable development governance in all countries of the region. In particular, it calls for a “whole of government approach”, aimed at fostering the design of integrated national strategies for sustainable development as well as inter-ministerial cooperation for their effective implementation.

Overall, the report shows not only that a strong sustainability model is feasible in the region but that it produces multiple co-benefits in economic, social and environmental terms: higher productivity, new areas for growth and innovation, reduction of the ecological footprint and more resilient ecosystems, eco-efficiency, new job opportunities corresponding to new types of goods and services, improved health and, last but not least, more equity and inclusiveness in the development process.

This brings me to the second main theme of the Rio+20 Conference: the institutional framework for sustainable development. Many proposals for reforms of the institutional structure at the global level are currently being examined, and it is up to governments to decide which options are best suited to strengthen governance arrangements in all three pillars of sustainable development.

Regional and inter-regional cooperation is key for addressing issues of a transboundary nature, exchanging and disseminating national good practices and promoting effective implementation of legally binding instruments. Therefore the

regional governance structure for sustainable development needs to be enhanced, and the ECE stands ready to play an active part within such structure. In particular, we will continue to contribute to regional coherence through the regional coordination mechanism and to support countries in their own sustainable development policies. We will do so through our activities in the fields of environment, sustainable energy, transport, housing and education for sustainable development which are the areas where the ECE has established important platforms and tools aimed at strengthening action for sustainable development in the region.

ECE is the only region so far with a legally binding instrument on the implementation of Principle 10 of the Rio Declaration, namely the Aarhus Convention, and in the true spirit of the Aarhus principles I encourage you to engage in interactive and frank discussions between all stakeholders.

I wish you productive deliberations over the next two days.