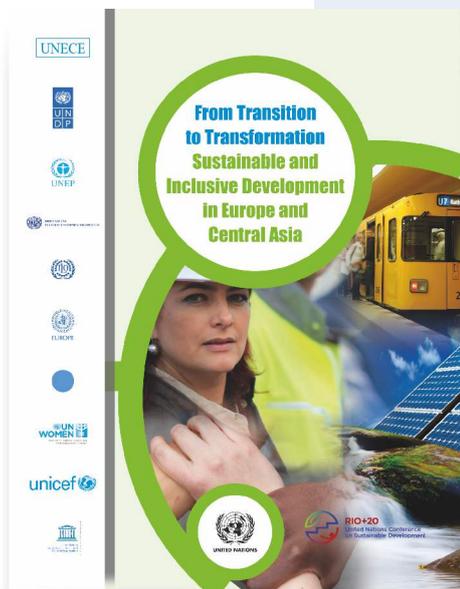


Sustainable Development

UN agencies call for the adoption of a sustainable development paradigm in the pan-European region



A new growth model in the pan-European region — one which increases human development, advances equality and reduces the ecological footprint — is both necessary and possible. This is the main conclusion of the report "From Transition to Transformation: Sustainable and Inclusive Development in Europe and Central Asia" prepared by a number of UN agencies, coordinated by UNECE and UNDP, as an input for the United Nations Conference on Sustainable Development (Rio+20). The report was presented on 23 March 2012 at UNDP's first "Global Human Development Forum" in Istanbul and at a side-event at the Third Intersessional Meeting of the Prepcom, New York, on 26 March 2012.

The report, which is among the first attempts to take an integrated look at sustainable development in the pan-European region, presents new policy proposals to help manage the needed change to a greener and more inclusive economy with benefits for people throughout the region.

"The more we postpone the transformation, the higher will be the cost. In the medium and long term, new lifestyles, production and consumption patterns will emerge by necessity. It is therefore wise to accelerate the transformation now by taking incremental policy measures or, for low-income countries, by by-passing outdated brown development altogether", stress Ján Kubiš, former UNECE Executive Secretary, and Kori Udovički, Director of the UNDP Regional Bureau for Europe and CIS, in their joint foreword.

Findings

The reports finds that:

- Despite progress in energy efficiency and the use of renewables, a number of countries in Eastern Europe, the Caucasus and Central Asia remain among the least energy-efficient and most carbon-intensive economies in the world. The pan-European region, together with North America, still has the highest carbon emissions per capita in the world — over five times the limit which would stabilize global warming by 2050. The energy intensity of GDP in Western Europe is approximately 33% lower than in North America and less than 50% than in the Eastern part of the region (see table 1). There is thus considerable potential for reducing emissions in Eastern Europe and Central Asia by increasing their efficiency to the levels of Western Europe.
- Poverty persists among vulnerable groups and inequalities have increased in practically all UNECE countries. Since 1999, nearly 90 million of the 480 million people in Emerging Europe and Central Asia — about 18% of the population — have moved out of poverty. Yet the recent financial crisis has set the region back considerably and almost 30% of the people living in the region are considered poor or vulnerable. All too often it is the poorest of the poor who are affected by environmental degradation, as they are heavily dependent on natural resources (almost three quarters of their income) and thus more vulnerable to environmental shocks.
- Despite impressive results in the reduction of environmental degradation (e.g. improved urban air quality; the phase-out of ozone-depleting substances; a

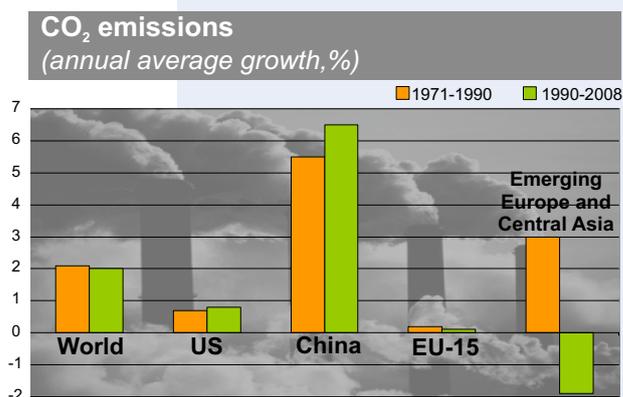
larger use of renewable sources of energy; improved water management; and increased coverage of protected areas), ecosystems and biodiversity are still under threat. Indeed, the pan-European region has the largest ecological footprint in the world and most countries in the region are running on a biocapacity deficit (i.e., they use more resources than they have in their territories).

Policy recommendations

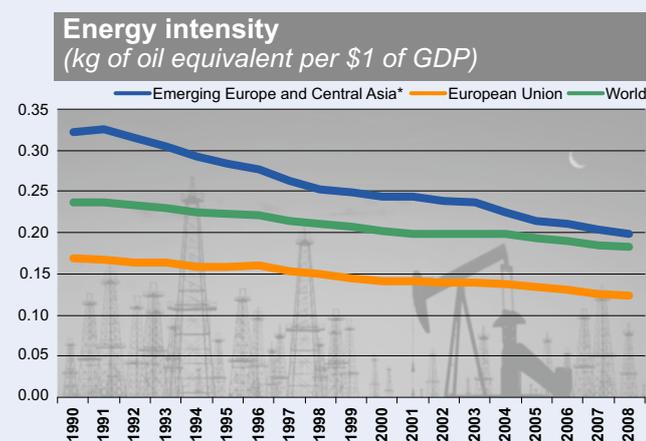
The report also presents a wide range of policy directions illustrated by national initiatives under way throughout the region. It details actions that already produce co-benefits as part of the overall transformation: green investment can increase competitiveness; sustainable transport means less air pollution and improved health; more energy-efficient technologies create savings; and a knowledge-based economy combined with active labour market policies can both increase income levels and reduce inequality.

The report calls for immediate action by policy makers to:

- **Remove subsidies on fossil fuel** to send the right signal to both businesses and households. The right pricing of energy, internalizing the environmental cost, will encourage the development of energy-efficient technologies, make renewable energy more attractive and encourage change in consumption behaviour. Regulations and voluntary norms are equally important, as they expand green products and markets.
- **Establish a social protection floor** to compensate for higher costs of energy for poor households, create an income safety net, retrain people whose jobs are displaced by the green transition and provide universal access to health services. Such a scheme can be funded by removing harmful subsidies, creating efficiency savings in public administration and restructuring the tax system.
- **Engage in active employment and industrial policies** to create green and decent jobs in the sectors where there is greatest opportunity in the region: renewables, recycling, energy-efficient housing and sustainable transport.
- **Adopt a governance approach considering sustainability in all major decisions** at the national and local levels, **and demonstrate public leadership** in the sustainable transformation by greening public sector procurement and enabling the private sector to make investments in sustainable development.
- **Raise awareness about sustainable consumption and production** among all actors in society. In this regard, women - responsible for buying 80% of household goods - are critical for advancing a shift to sustainable consumption. Through education, the youth must be engaged because of their future responsibility in addressing the sustainability challenge.



Source: EBRD.



* Excludes Montenegro and includes Cyprus and Malta.
Source: World Bank and UNIDO.

The report, coordinated by UNECE and UNDP, was prepared in cooperation with UNEP, UNIDO, WHO, FAO, ILO, UNICEF, UNESCO and UN-Women. Inputs were also provided by UNFPA, ITC and ITU. □

The report is available at:

<http://www.unece.org/publications/oes/welcome.html>.