

PRESS RELEASE



United Nations Development Programme

Eastern Europe and Central Asia should transition toward sustainable development now or pay more in the future, says UN report

Istanbul, Turkey, 23 March 2012—Eastern Europe and Central Asia need to remove fossil fuel subsidies, invest in 'green' jobs, and establish social protection floors to ensure a sustainable future, according to the findings of a UN report launched today in Istanbul, Turkey.

The report, *From Transition to Transformation: Sustainable and Inclusive Development in Europe and Central Asia*, was launched at the first Global Human Development Forum which brought together high-level experts from governments, corporations, civil society and international organizations to examine the global policy changes required to ensure a sustainable future for people today and for generations to come.

The report finds that a sustainable economy can increase competitiveness, and lower the incidence of cardiovascular and respiratory disease. It also demonstrates that removing harmful subsidies can create savings that can be used to increase equity.

"The more we postpone this transformation, the more it will cost," writes Jan Kubis, Executive Director of the U.N. Economic Commission for Europe, and Kori Udovički, UNDP Bureau Director for Europe and the Commonwealth of Independent States, in the foreword to the report.

"In the medium- and long-run, new lifestyles and production and consumption patterns will emerge. It is therefore wise to accelerate the transformation by taking incremental policy measures or, for low income countries, by bypassing outdated brown development altogether," they write.

Eastern Europe and Central Asia is the only region of the world to see a large decline in carbon emissions over the past 20 years, while also experiencing the greatest increase in income inequality.

The report, supported by 13 U.N. agencies, calls for a transformation to integrated policy making, where social equity, economic growth and environmental protection are approached together.

The report finds that such a transformation is not only necessary but also possible—even in such a diverse region. It calls for:

- **Removing fossil fuel subsidies** to send the right signal to both businesses and households. The right pricing of energy will encourage the development of energy-efficient technologies, make renewable energy more attractive and change consumption behaviour.
- **Establishing a social protection floor**, in part to ensure the poorest are not hurt by the removal of fossil fuel subsidies. Active labour policies are needed to retrain people whose jobs are displaced by the green transition and provide universal access to health services. The social protection floor can be financed from the discontinuation of harmful subsidies.
- **Investing in green and decent job creation** for women and men in the sectors where there is greatest opportunity in the region: renewables, recycling, energy efficient housing, and sustainable transport.
- **Governments should consider sustainability** in all major decisions at national and local levels and **demonstrate leadership** during the sustainable transformation by greening public sector procurement, analysing the health impact of energy and environmental policies, and enabling the private sector to invest in sustainable development.

- **Raising awareness** among producers, consumers, political parties, and scientific and cultural communities. Young people must be engaged because their quality of life is at stake. Women are critical contributors to this effort not least because they control household consumption. Civil society should exercise their rights to information as protected by the Aarhus Convention and create constituencies calling on governments to put in place sustainable development policies and resist industrial lobbies in resource-intensive sectors.

The report is a contribution of governments, experts, researchers and development practitioners ahead of the 'Rio+20' U.N. Conference on Sustainable Development in June in Brazil where more than 110 heads of state, including representatives of the host government, along with thousands of parliamentarians, mayors, UN officials, CEOs, and civil society leaders will come together to discuss and shape new policies and measures to promote prosperity, reduce poverty and advance social equity and environmental protection.

To download the report, please visit: <http://on.undp.org/GPTYH2> or <http://www.undp.org.mk>

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