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Statement

by

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at

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Panel: “Economic Policy 2.0: Ensuring Growth in Every Household”

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Excellencies, ladies and gentlemen,

It is my great pleasure to speak at this panel today and represent the UN Economic Commission for Europe (UNECE).

Today's topic is extremely important. We are undergoing an extensive economic and social transformation. Climate change poses an existential challenge. Long-term trends such as ageing will continue to impact the needs and productivity of our societies. COVID-19 has exposed existing vulnerabilities, and created new ones. The crisis is widespread.

So the question today is: how should we recover? What must be our “Economic Policy 2.0”? It is clear that we cannot return to our old habits. They led to the current, untenable situation - a pandemic-stricken world, where climate change is doing great harm to our planet, and large portions of our society are left behind due to persistent inequalities. The UN Secretary-General has highlighted that recovering from the pandemic is an opportunity to “build back better”.

Allow me to share a few reflections on this challenging, but not impossible task.

First, in the recovery, we cannot forget that growth must be inclusive, and ensure prosperity for all. We must address the needs of those who suffer from inequalities, and provide opportunities for them to contribute to society. This requires mainstreaming equality and inclusiveness principles into policy-making in all fields. And this applies really to all fields. Let me give you an example from standard-setting for medical equipment. We all know that

Personal Protective Equipment such as masks, visors and full-body suits was critical to protect our medical personnel during the pandemic. This equipment has to conform to standards to ensure optimal protection. Yet, we discovered that these standards were developed using the average male body as a model. Therefore, the equipment was less suited and less protective for women – who make up for the majority of nurses. This leaves female medical personnel more vulnerable to contracting COVID, jeopardizing their health and potentially decreasing their income and economic contributions. So while it does not look like an economic issue on the face of it, it actually is. That is why it is critical to mainstream gender (and also topics such as disability) into all our policies, economic or otherwise. UNECE works to enhance the economic empowerment of women, including by providing capacity building to women entrepreneurs in Central Asia, Eastern Europe and the Caucasus. To have “growth in every household”, we need to make sure that women entrepreneurs have all the training they need, but also to mainstream gender into the education of bank personnel and relevant government workers, so that women entrepreneurs do not face biases when they apply for loans and permits.

Inclusive growth also equires paying attention to the territorial and social dimensions of economic activity. Different regions and cities are affected in diverse ways by structural changes, as are different social groups. Subnational action can mobilise partnerships around critical development problems and identify opportunities. UNECE works increasingly at the city level, where development challenges – like air pollution, energy use, mobility, waste disposal- are shaped. But cities can also unleash powerful forces for innovation and prosperity. We hosted in 2020 our first Forum of Mayors, where 42 mayors from

38 countries shared experiences, and committed to improve their actions to address COVID-19 and other challenges. I invite you to the 2nd Forum of Mayors, to take place in Geneva on 4-5 April 2022.

Let me turn to a second key aspect.

In our economic policies, we should mainstream environmental sustainability. Every day, catastrophes all around the world arise from climate change. Green growth is an imperative and can be facilitated by a strong regulatory framework for environmental governance. UNECE hosts several multilateral environmental agreements that set out frameworks for sustainability, in the areas of air, water, industrial accidents, strategic environmental assessment and environmental democracy, as well as a number of normative instruments that reduce the carbon footprint of the transport, energy, housing and forest sectors. Russia is already actively engaged in this context, but of course more can and should be done. At the 69th session of UNECE which took place this April, our theme was “Promoting circular economy and sustainable use of natural resources”. The Russian Federation announced their measures to transition to clean, efficient energies and the rational use of natural resources, reduce losses in electricity transmission, and mitigate the adverse climate impact of heating and energy use. I am very happy to hear of these measures. UNECE stands ready to support their implementation.

Good governance can also help with sustainable management of resources, which is of course critical for a resource-rich economy like Russia. UNECE hosts the United Nations Framework Classification for Resources, UNFC for short. It is a system for classifying and reporting all energy and mineral resources considering

technical, social, environmental, and economic challenges and opportunities. UNFC helps to adopt innovative technologies for improving efficiencies in the production of energy resources and raw materials, and limit waste generation through “comprehensive recovery” and “zero waste” options and recovering secondary resources from the residues. The Russian Federation has always been an active partner for us in the development of UNFC and we look forward to continuing this cooperation.

So I hope I have been able to demonstrate how environmental governance should also be key for our “Economic Policy 2.0”.

For my third and final point, I would like to talk about investment. The structural transformation towards sectors with higher added value and a reduced environmental footprint requires changes in both the level and the composition of investment. Governments have a leading role in ensuring that investment flows to key sectors, such as education, health and infrastructure. These investments create favourable conditions for private sector development and inclusive growth. We need to focus not only on higher spending, but also on increasing the efficiency of spending through more impactful policies - ones that, again, include social and environmental concerns. International cooperation can serve to draw useful lessons in this regard.

For example, the 2030 Agenda for Sustainable Development calls for new and innovative financing mechanisms and has identified Public-Private Partnerships (PPPs) as one of these. PPPs have been used widely and can help governments with limited resources to harness the skills, technology and expertise and funding

of the private sector to develop infrastructure.

However, the traditional PPP model is not ‘fit for purpose’ for sustainable development. It has been the subject of criticism for its lack of transparency, poor fiscal management and other negative effects. In response to this challenge, UNECE has developed a new approach to PPPs that is aligned with the Sustainable Development Goals, with a strong emphasis on creating ‘value for people’ and ‘value for the planet’ in addition to ‘value for money’. These ‘People-first PPPs’ ensure access and equity, economic effectiveness and fiscal sustainability, resilience, environmental sustainability and stakeholder engagement. Our recommendations, tools and standards on People-first PPPs can be used to offer guidance to public officials in Russia.

I hope that my UN perspective on an “Economic Policy 2.0” has been useful. The challenge in front of us is big. But I believe we can overcome it. I thank you for your attention.
