

Welcoming remarks

*International conference “MINING AND SOCIO-ECONOMIC POLICY: ARMENIA’S CHOICES”
Yerevan, 30 November, 2012, American University of Armenia*

Distinguished AUA President Dr. Boghosian, Dear Guests, Ladies and Gentlemen

- It is a great pleasure for me to take part in this important event at the American University of Armenia and to address this esteemed audience on behalf of UNDP. As a matter of fact, it is just a month that I assumed my new responsibilities in Armenia. Accordingly, I would be pleased if my speech is perceived as a food for thought intended at triggering discussions on finding a balance between Economic growth, Social equity, Environmental security and Poverty challenges within the general context of Sustainable Development in Armenia.
- We all recognise that current global challenges, such as high unemployment, persistent poverty, social exclusion, depletion and degradation of natural capital and continuous high levels of environmental pollution are among development challenges for Armenia.
- Lessons should be learned from the recent economic crisis and its impact. Armenia was harshly hit by the global crisis and recorded a profound economic decline. After a period of a double digit economic growth between 2001 and 2007, GDP dropped by 14.1% in 2009. It is obvious, that the economic decline largely affected the poverty alleviation process –35% of population was poor at the end of 2011.
- The government’s policy of the crisis mitigation yielded the desired results carried on structural reforms and promoted fiscal stability and ensured revival of the economic growth. However, most of budgetary reallocations predominantly derive from the existing concept of governmental investments towards fighting consequences rather than the causes of problems.
- According to the national agenda, mining sector is a key priority for the economic growth. However, public debates of recent years in relation to this sector manifested that the role and efficiency of the existing mining practices in Economic Growth and Social Development of Armenia should definitely be increased.
- Therefore, in order to become more resilient to external and internal fluctuations, the long term sustainable development agenda has to prevail over short-term economic and social gains. It is also evident that the current model of economic development in Armenia, which often results in over-exploitation and degradation of natural capital, combined with a need of economic diversification constitutes a challenge for ensuring sustainable economic development and social equity. It is therefore important to come up with novel thinking and development paradigms.
- Introduction of innovative economic instruments into environment and social policy making process is one of the trusts of UNDP activities. To our believe consideration of environmental and social externalities through introduction of the Concept of Ecosystem Services in national planning, regulatory and assessment frameworks is one of the missing pillars for evidence-based decision making.
- We are also sure that application of the precautionary and polluters pay principles as well as greater involvement of the local communities in decision making cycles related to mines and post mining (after closure) operation will stimulate formulation of more socially responsible behavior among the major stakeholders.

- I am confident that today's discussion is going to produce practical recommendations to equip decision makers and stakeholders with new approaches for integrated decision-making to avoid economic growth generating -large but unevenly distributed wealth rather look for opportunities benefiting all segments of society.
- I wish you successful work and look forward to fruitful outcome of your deliberations.

Thank you.