

**Keynote speech**

**H.E. Ambassador David Lipman  
Delegation of the European Union to Thailand**

## **Sustainable Development in the European Union**

**Annual Conference of Thailand Business Council for Sustainable Development  
(TBCSD)**

**9.45am - 10.35am**

**April 26<sup>th</sup>  
Le Concorde Ballroom, Swisshotel LE CONCORDE,  
Bangkok**

Dr Anusorn, Chairman of the Thailand Business Council for Sustainable Development,  
Excellencies,  
Ladies and gentlemen

First, a sincere thank you for Thailand Business Council for Sustainable Development (TBCSD) for recognizing the dedication of the European Union in the area of environmental protection, conservation and sustainable development and inviting me to deliver a keynote speech to the members of TBCSD, the Thai business community as well as members of the public and civil sectors at your Annual Conference.

This is a great honour, not only because I have had the pleasure to meet with Mr Anand Panyarachun, TBSCD's Honorary Chairman and former Prime Minister, on few occasions in the context of Map Tha Put, but also because this conference is an excellent opportunity to inform the Thai business community about the European Union's long term strategy for sustainable development and what it means for business.

[I was originally asked to speak about 'Sufficiency Economy', but since the concept as an applied economic policy is not used in the European context, I prefer to refer to sustainable development instead, which now forms an integral part of EU policy. ]

I shall first give an introduction to the EU sustainable development strategies and key priority challenges then continue with an overview on the progress made at EU level over the last years on some of these challenges.

However, let me start with a question ....

" Is it better to be a vegetarian in a Hummer ... or a meat eater in a Prius?

That is the question I heard someone ask recently, which for me summed up nicely the kind of dilemma many of us face every day in our lifestyle choices, but also the one that Europe faces as a developed economy ... Assuming that we actually care about the environmental impact of our behaviour, how do we go about reducing that impact? Indeed do we even measure what that impact is? In my view similar lifestyle choices are very relevant also to the fast growing middle class in Bangkok.

I'll come back to the question at the end.

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### *Introduction to the EU sustainable Development strategy and priority challenges*

Sustainable development is set out in the Treaty of European Union as the overarching long-term goal of the EU. The EU Sustainable Development Strategy is a framework for achieving this vision in which economic growth, social cohesion and environmental protection go hand in hand so that we can meet the needs of present generations without compromising the ability of future ones to meet their needs.

In recent years, the European Union has integrated the objective of sustainable development in a broad range of its policies. It has, in particular taken a leading role internationally in the fight against climate change and is committed to promoting a low-carbon, knowledge-based, resource-efficient economy.

At the same time unsustainable trends persist in several areas, despite a whole host of positive policy developments. The demand for natural resources has been growing fast and exceeds what the Earth can sustain in the long run. Biodiversity is in decline globally and major ecosystems are placed under increasing pressure. Energy consumption in transport continues to rise. Global poverty persists and it is very unlikely that Millennium Development Goals can be reached.

The recent global economic crisis has also shown that sustainability is a key factor for our financial systems and economies as well. The crisis is affecting all sectors of the economy, households, businesses and jobs. The latest data show that while the worst is definitely over and recovery is well on its way, it seems that EU labour markets still continue to deteriorate. And, as in many cases, the most vulnerable parts of the labour force are worst affected.

In response to the crisis, the EU and its Member States have taken measures to reform the financial system, support the real economy, promote employment and contribute to global recovery. These measures are included the Commission Recovery Plan of November 2008 that aims at boosting demand, restoring confidence and promoting employment to avoid social exclusion. To make sure that the measures taken are in line with long-term sustainability objectives, the Recovery Plan also provides support for smart investment in tomorrow's skills and technologies towards 'green' growth.

As we look forward to the next decades, our challenge will be to incorporate environmentally-friendly policies into the whole range of our activities to ensure that green growth in Europe becomes a reality, not a dream.

Regardless of these difficult challenges we are working hard to turn the crisis into an opportunity where green growth creates new opportunities for business and offers alternative economic drivers for future growth. And, as these are global challenges facing us all, the business opportunities of green growth can be global as well.

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#### *Policy progress on EU Sustainable Development Strategy*

I'll now turn to the progress made at EU level by highlighting some of the main initiatives in important fields. Due to the large number of cross-cutting initiatives, I am able to refer only to some of them.

Let's talk about climate change and clean energy. Although EU greenhouse gas emissions have grown in the beginning of the decade, the EU is now in the track to meet its Kyoto target. However, if global climate change policies are not applied quickly, global levels in 2020 will be at least 60% higher than in 1990.

As part of the Climate Change and Energy Package the EU has set an ambitious target of unilaterally reducing its overall emissions by 20% below 1990 levels by 2020 and to increase the share of renewables in energy use to 20% by 2020. In practice these reductions are achieved by putting a gap on emissions on some 11,500 energy intensive installations across the Europe.

The EU was even prepared to do more and upgrade this effort to a 30% emissions reduction in the event of comprehensive international agreement in Copenhagen in December last year.

Although the global community failed to reach an agreement, the discussion has continued within the EU if it should in any case upgrade its unilateral target at the 30% level. This, particularly as the global economic crisis has slowed down production and reduced emissions, which has created savings in the EU Emission Trading Scheme (ETS).

As part of the Climate Change package the directive on the EU ETS was also amended and new initiatives on carbon capture and storage and on renewable energy sources were adopted.

A number of other legislative initiatives have been set to reinforce EU's efforts on climate change. The Energy Efficiency Package reinforces the key energy efficiency legislation on buildings and energy using products while additional energy savings will be provided by the extension of the Eco-Design Directive.

Sustainable transport is another major policy area because energy consumption and emissions from the transport sector continue to rise in line with economic growth. Therefore the EU is committed to sourcing 10% of its transport fuel from renewable energy sources such as biofuels, wind, solar and hydrogen by 2020.

The key policy developments on sustainable transport include also initiatives that address the greening of transport by promotion of clean and energy

efficient vehicles and inclusion of air-transport into the EU Emission Trading System from 2012 onwards.

But this isn't enough. For more complete picture on other factors of sustainable development, we also need to focus on consumption and production patterns in our society as much as we need to decide how we conserve and manage our scarce natural resources.

On sustainable consumption and production the main EU initiatives cover Action Plans to foster innovation for the development of more green goods and production technologies, Integrated Product Policies, Green Procurement initiatives and various other rules and regulations e.g. the use of chemical substances in products such as REACH legislation.

On conservation and management of natural resources EU initiatives include the EU Raw Materials Initiative, which proposed a way to deal with challenges related to access to raw materials and how we recycle these materials. In addition the Revised Waste Framework Directive is important stepping stone to help the EU move towards better management of material resources and improved resource efficiency. The Directive lays down important targets for recycling 50% of household waste and 70% of construction waste by 2020 in the EU.

The Integrated Maritime Policy sets a common framework for EU maritime policy issues and introduced tools to help ensure that the use of maritime resources such as oceans, seas and coastlines is done without reducing the ability of future generation to enjoy these resources. The EU Green Paper on Fisheries Policy is set to outline the state of European Fisheries and encourages

public debate on how to ensure the long-term sustainability and viability of fisheries. One concrete step into that direction is the recent EU Regulation on Illegal Unregulated and Unreported Fishing, which sets traceability requirements to all fishery products traded in the European Union and has therefore direct implications to third countries like Thailand which export fishery products to the EU.

EU sustainable development initiatives cover also various other policy areas such a public health, education and training, research and development and, of course, financing and economic instruments.

On the latter, the EU Emission Trading Scheme is expected to create a robust international carbon market to become an important source of climate finance. It is expected top provide up to 38 billion Euros per year in 2020 of which at least half must be used in climate related activities. In addition the EU invests in action to promote sustainable development by integrating sustainable development initiatives into national and regional development strategies. For the period of 2007-2013, 105 billion Euros or 30% of the Cohesion Policy Funds will be spent on environment alone.

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### *EU- Thailand context*

Let me say a few words about the role of environment and sustainable development, which are key areas of the EU-Thailand partnership. Our bilateral cooperation programme provides funding to various pro environment projects and actions in different fields. The types of actions we finance in Thailand are in areas such as promotion of renewable energy usage, creation of green tourism



alternatives, protection of vulnerable ecosystems and biodiversity and development of low-carbon trade. I strongly believe that European financial resources and know-how have positively influenced concrete pro environmental practises in Thailand and will continue to do so in the future.

We all know that land, seas, rivers and air are under attack from factors that do not recognise international borders. Environmental problems, man-made or otherwise, will increasingly have to be tackled at the regional level as problems become more daunting in scale and magnitude. ASEAN may eventually wish to design and implement laws to tackle joint environmental challenges and the EU could offer some inspiration in this respect as our experience has shown that pooling of resources in this area does pay off.

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Ladies and gentlemen,

Going back now to the question of the meat eater in the Prius and the vegetarian in a Hummer. It is essentially a question of changes in our behaviour.

Fortunately we have legislation to limit the excesses of our behaviour, and to impose sanctions on those who pollute and damage. We have spent 40 years developing the environmental laws that have given Europeans cleaner water and air, whilst ensuring predictability and a level playing field for businesses.

Fortunately we also have some great new technologies that increase energy efficiency in our homes and transport, generate renewable energy, substitute hazardous materials and make other materials easier to recycle.

However, that it's still not enough. Even if we can get the right mix of individual caring, legislation and eco-technologies, the sheer weight of the combined aspirations and lifestyles of 500 million Europeans is just too great. Never mind the legitimate desires of many other billions on our planet to share those lifestyles.

We need to change our behaviour, as consumers and as producers. And to do that we need to make our markets work in ways which put the proper value on the resources we use. We need to provide the right incentives for resource efficiency, in other words using less of what we have to achieve the same or even more.

It means managing our resources sustainably, throughout their life cycle, so as to reduce the environmental impact of their use. It means living, producing and consuming within the physical and biological limits of this Planet.

Policies, governments and businesses are one thing. But for individuals too it is sometimes difficult. The Hummer or Prius example I gave you is a classic. In fact the moment that the question was posed, by Michael Polan an American professor of journalism, the blogosphere and Tweetoverse lit up as it was broadcasted across the globe and scientists and economists over the world set about calculating and debating relative carbon footprints. If you then consider the thousands of other transport and dietary options we choose every day and that carbon emissions are not the only environmental impact, then it is clear

that we have to use relative pricing to change behaviour. In the end the hummer was harpooned by rising oil prices!

However if nothing changes consumer habits like prices, then nothing induces innovation like changing market conditions.

So, to answer the question I asked at the beginning: The right mix of legislation, eco-technologies and caring is needed. But it isn't enough just to care, but it helps, and if we are able to make it possible, easier and even cool to care, then we stand a real chance of decoupling our economic growth from our resource use... of becoming the most resource efficient region of the world.

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Ladies and gentlemen,

Without any further ado, I thank you for your attention and I wish you a very fruitful continuation to your Annual Conference.

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