



Podnebne spremembe:  
priložnost za trajnostno rast  
Climate Change:  
An Opportunity for Sustainable Growth



## Convergence of Lisbon Strategy and Sustainable Development Strategy

**Dr. Žiga Turk**  
Minister  
Government Office for Growth



Služba Vlade Republike Slovenije za razvoj  
Government Office for Growth

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Brdo, 16.11.2007

# Convergence of Lisbon Strategy and Sustainable Development Strategy

dr. Žiga Turk, minister

Government Office for Growth

# > The Question

- Is the EU Sustainable Development Strategy a **little yellow post-it** which keeps falling off the Lisbon Strategy?

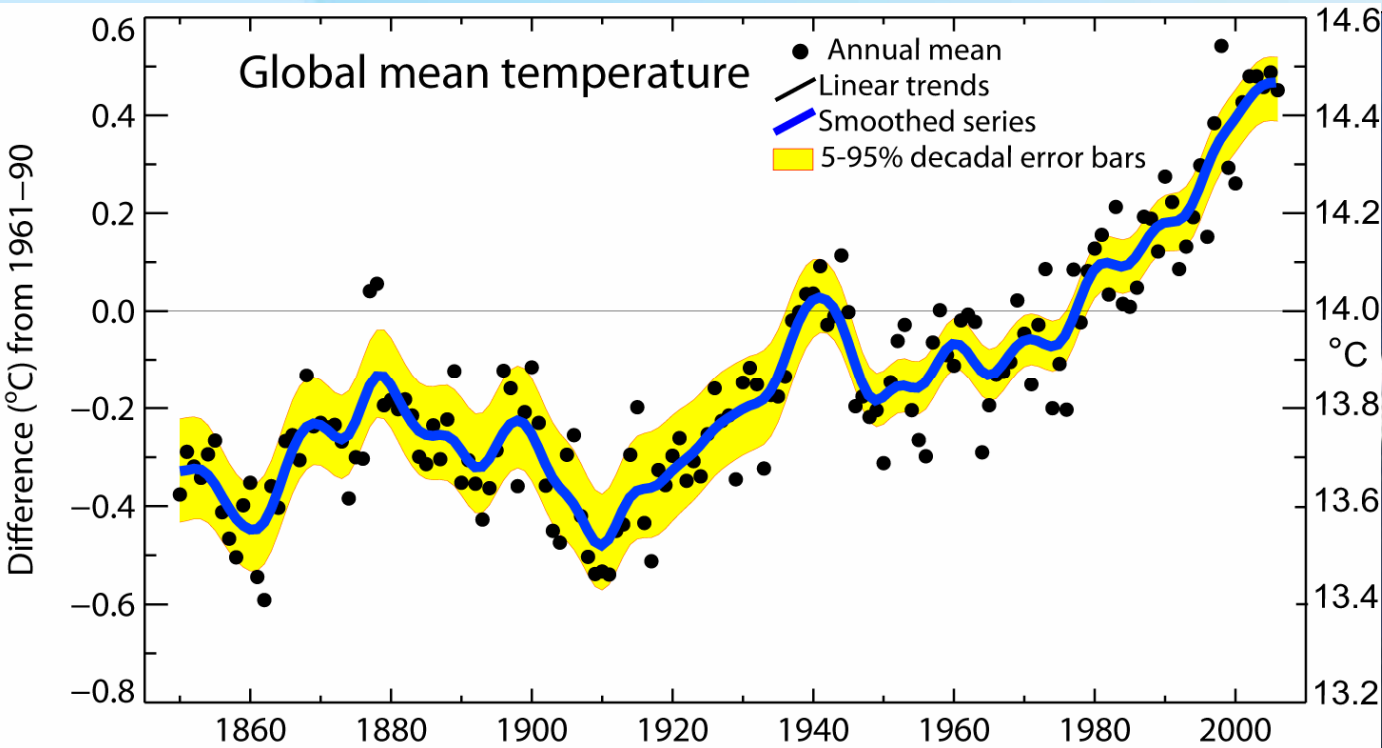


# Strategy for growth and jobs

- LS 1.0 (2000) "Europe as the most competitive knowledge based economy in the world"
- LS 2.0 (2005) "Growth and Jobs", 4 pillars:
  - knowledge and innovation
  - competitiveness, entrepreneurship, internal market
  - care for humans: jobs, flexisecurity, social environment
  - care for nature: energy and climate change
- LS 2.1 (2008) "Europe the most creative place in the world"
  - to be endorsed during .SI presidency of the .EU



# Climate Change



according to the [IPCC](#) climate change is 90-95% *likely* to have been in part caused by human action

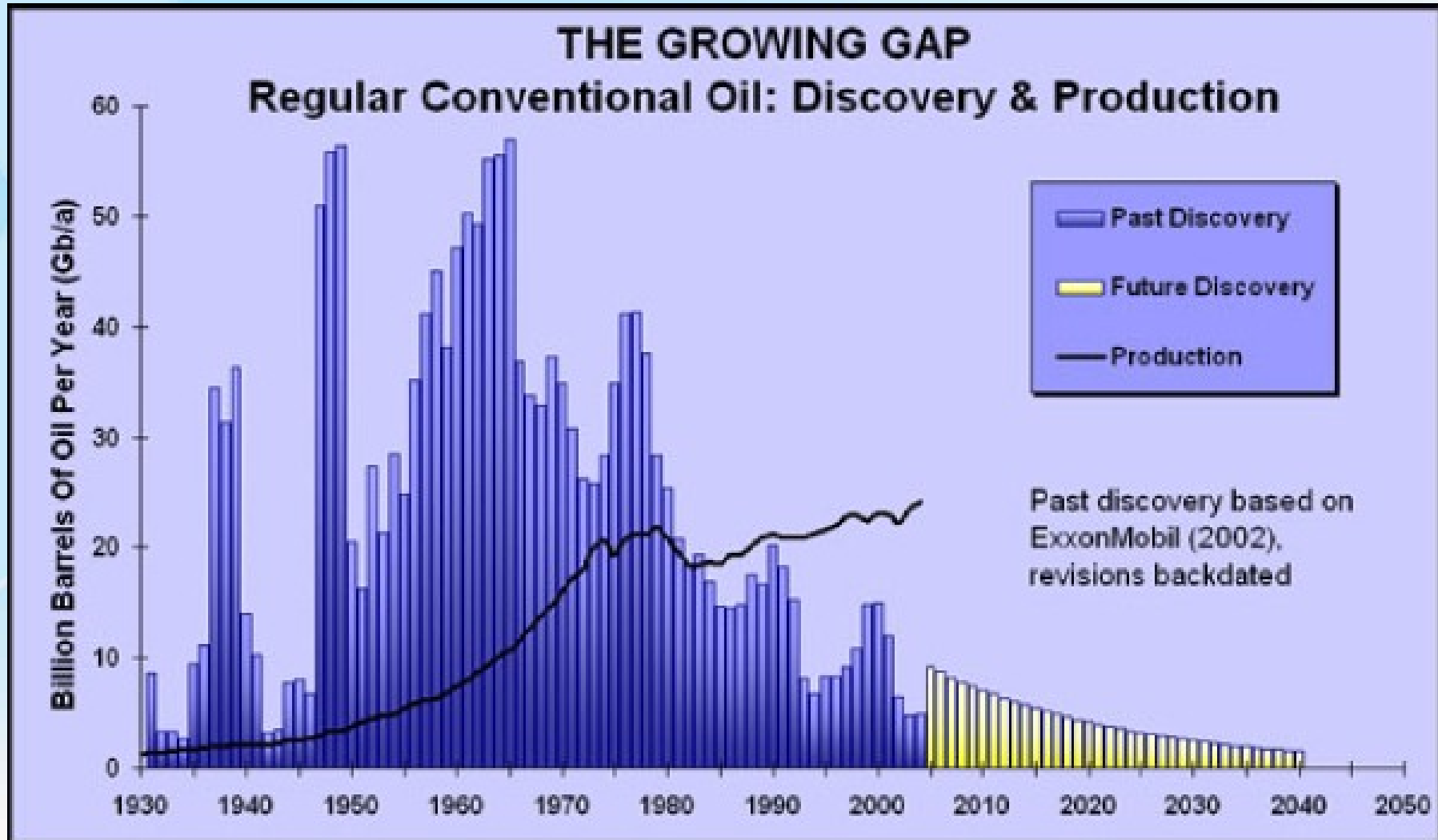


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**There are other reasons to  
be worried about**



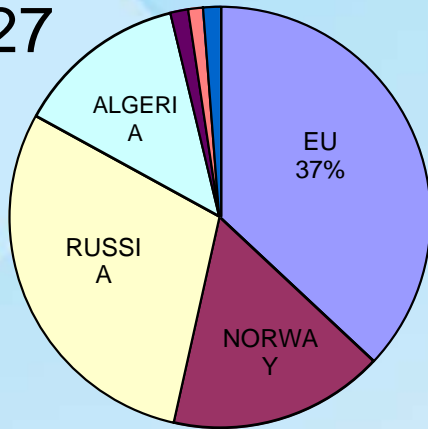
# Peak Oil



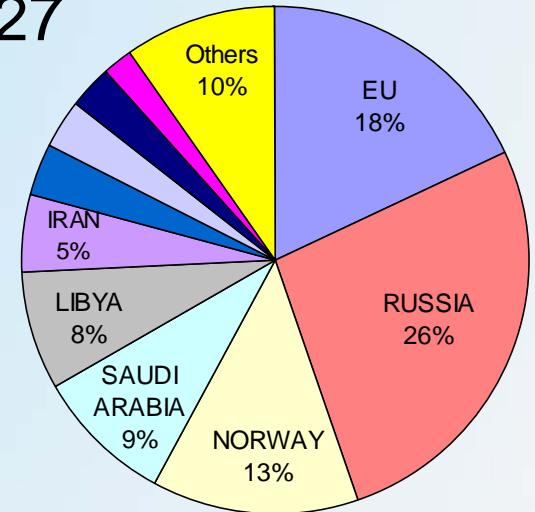


# Security of Supply

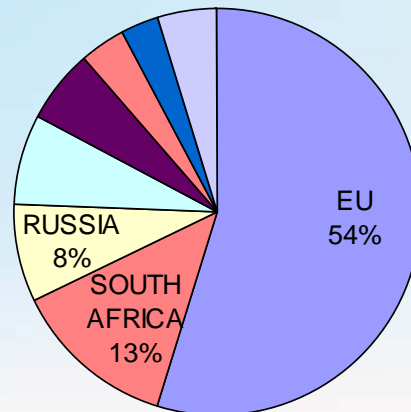
Origins of Gas: EU  
27



Origins of Oil: EU  
27



Origins of  
Coal: EU 27







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**The problem is serious**



# ➤ Target Setting is Cheap!

- "20-20-20 by 2020" EU Council 3/2007
- "30% if the world follows"
- 40%! ... EU parliament
- 80% ... from 10 tons to 2 tons CO<sub>2</sub> [Merkel]
  
- anyone remembers Kyoto?

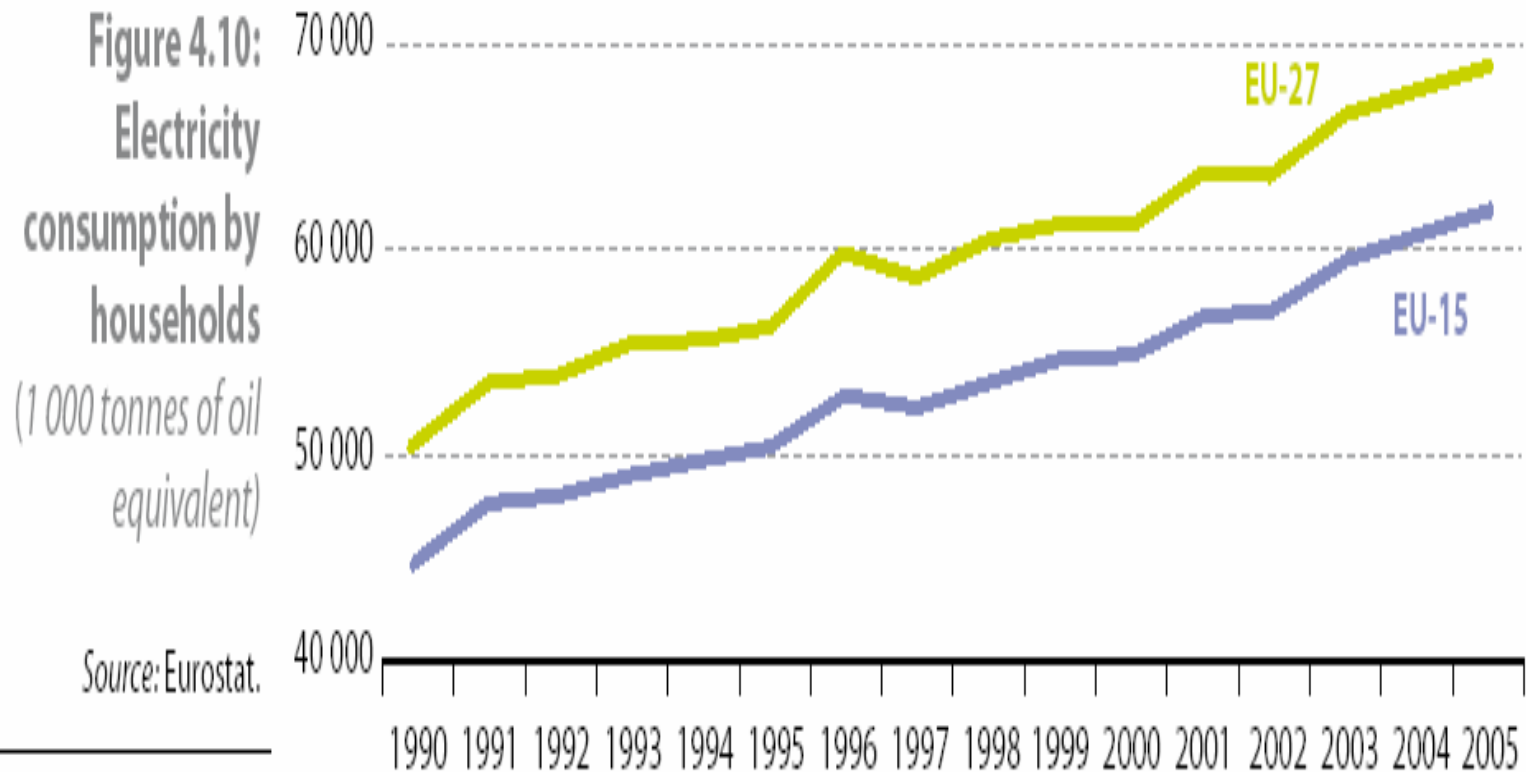




# Kyoto, What Kyoto?

- **EU15: 8% by 2010 compared to 1990**
- [EU nowhere near meeting Kyoto targets | Environment | The Guardian](#)
- "With existing policies in place, only the UK and Sweden will be able to deliver on their pledge to reduce greenhouse-gas emissions, according to new figures by the European Environment Agency (EEA)" [Euractiv.com June 2007]
- **0.6% realistic** [European Environment Agency, 2006]
- 40-40-40 by 4040 anyone?

# For example: Electricity consumption in households



# ➤ It's time to put the money where your mouth was

A tough challenge of the Slovenian presidency

- 2007: target setting
- 2008: burden sharing debate (not cars, not nuclear, not unbundling, not me ...)
- 20xx: action?



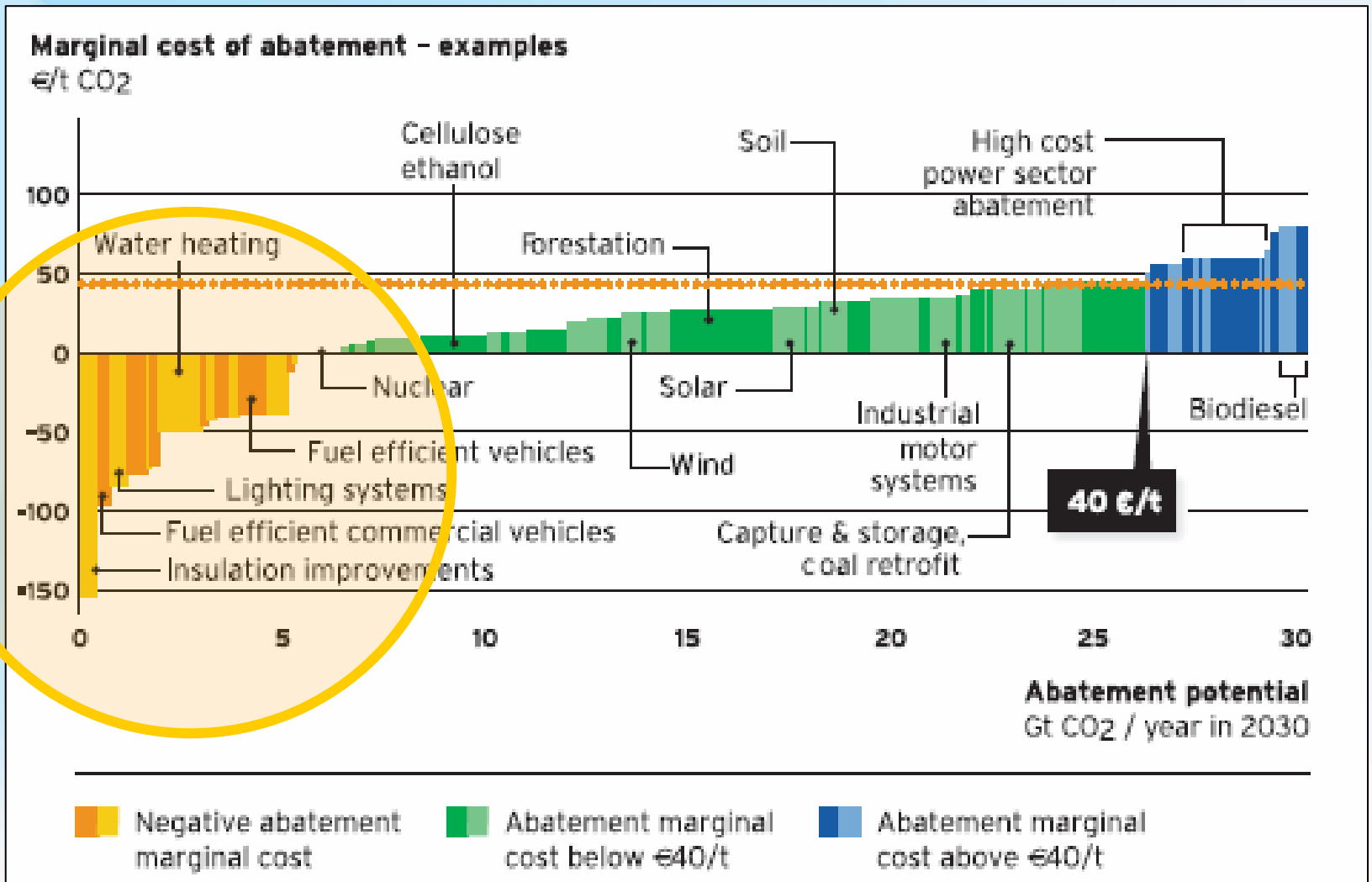
# It is possible!

The recent Japan – UK Joint Research Project analyses the possibilities of reducing CO2 emissions by 70 % by 2050.

- Results show that:
  - This can be achieved (under both scenarios developed), under the acceleration of research, development and deployment of new technologies.
  - Expected future innovations will lead to the reductions in energy demand by 40 – 50 % 2000 level while maintaining GDP growth and improving service demands.
  - The additional costs to achieve this goals is estimated to 1 % average of GDP (in Japan). As for the comparison the Stern report estimates that costs of extreme weather alone could reach 0.5 – 1 % of world GDP per annum by the middle of the century, and will keep rising if the world continues to warm. Costs and risks could, according to The Stern Review, rise to 20 % or more.
  
- **To achieve that, three key elements should be fulfilled:**
  - **demand reduction through rationalization of energy use,**
  - **development and deployment of energy efficient technologies**
  - **decarbonization of energy in supply side.**



# But comes at a cost!



**Put the money where the  
mouth was:**

**How much money exactly?**

- 40 billion tons CO<sub>2</sub> annually
- possible to reduce by 27 billion tons
- at cca. 35EUR/ton
- total: 1 trillion EUR
  
- somebody's cost
- someone else's income



# ➤ Where do you want to be in this 1 trillion EUR business ?

- to **pay** your share of the trillion?
- to **collect** your share of the trillion?
- this is where "**growth and jobs**" and sustainable development come together

# Lisbon Strategy 2.1: ECC is a pillar and a horizontal issue

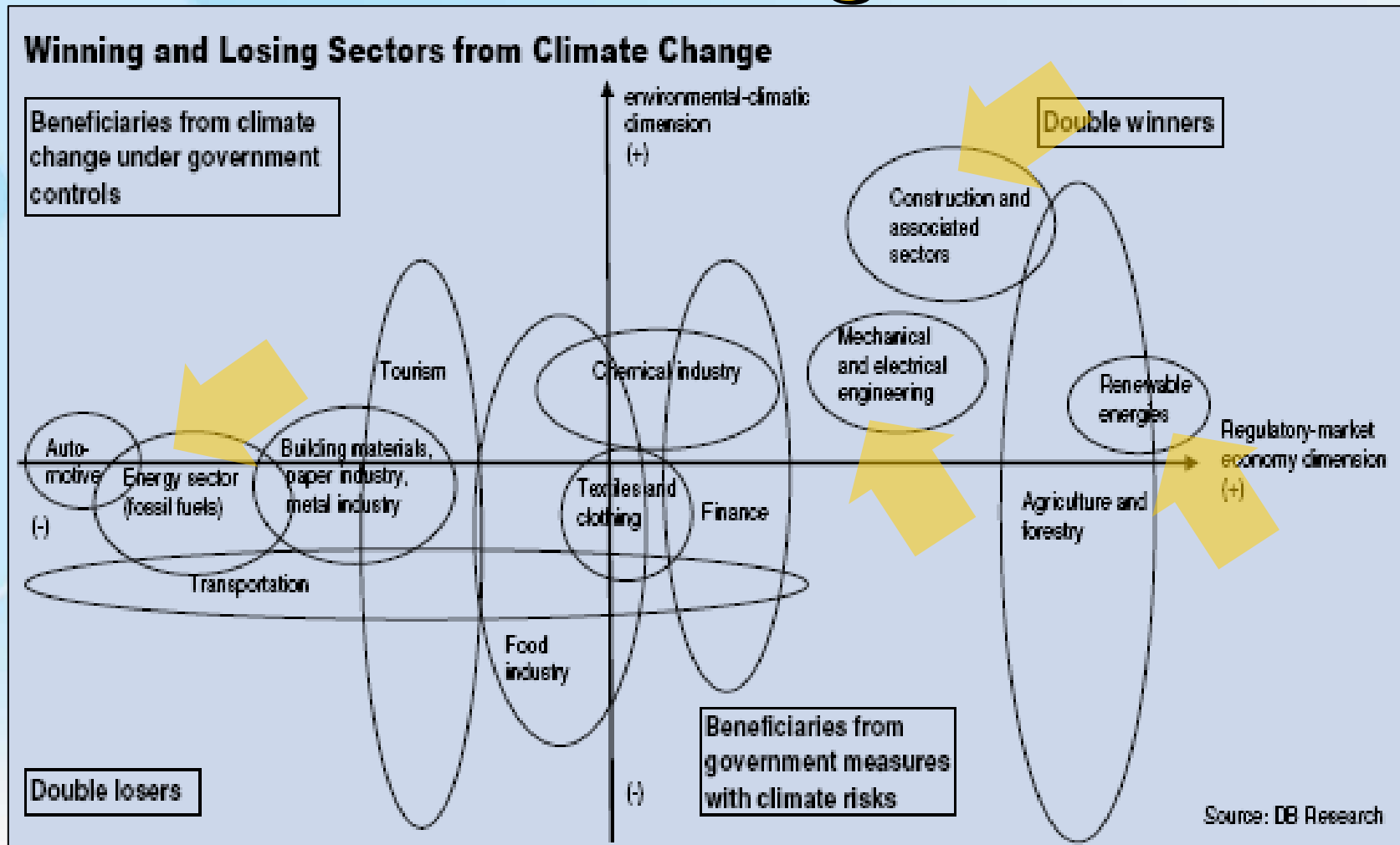
- technology, **innovation** for renewable energy and energy efficiency
- climate change can create good **business**
- people need good environment, ageing issue, **education**, raising about environment
- energy and climate change **core** issues



# Foster eco-innovation by:

- getting **research to the market**: increase and focus research and demonstration, technology platforms, SET plan
- **improving market conditions**: performance targets, mobilizing finances, (e.g. CIP), market based instruments, review of state aid, green procurement
- acting **globally**: responsible investment and trade
- **sharing** best practices and stakeholder participation (Forum on Eco innovation
- issues for the future:
  - increase take-up & increase demand,
  - further green procurement in public and private sector,
  - mobilize finances, focus on sectors with high gains (low hanging fruits, as for example: buildings, food and drink, private transport, recycling and waste water industries).
- **Innovation in lifestyles** which are less resource intensive.
- LS 2.1, beyond technical innovation, creativity ...

# Bussines Opportunity of Climate Change

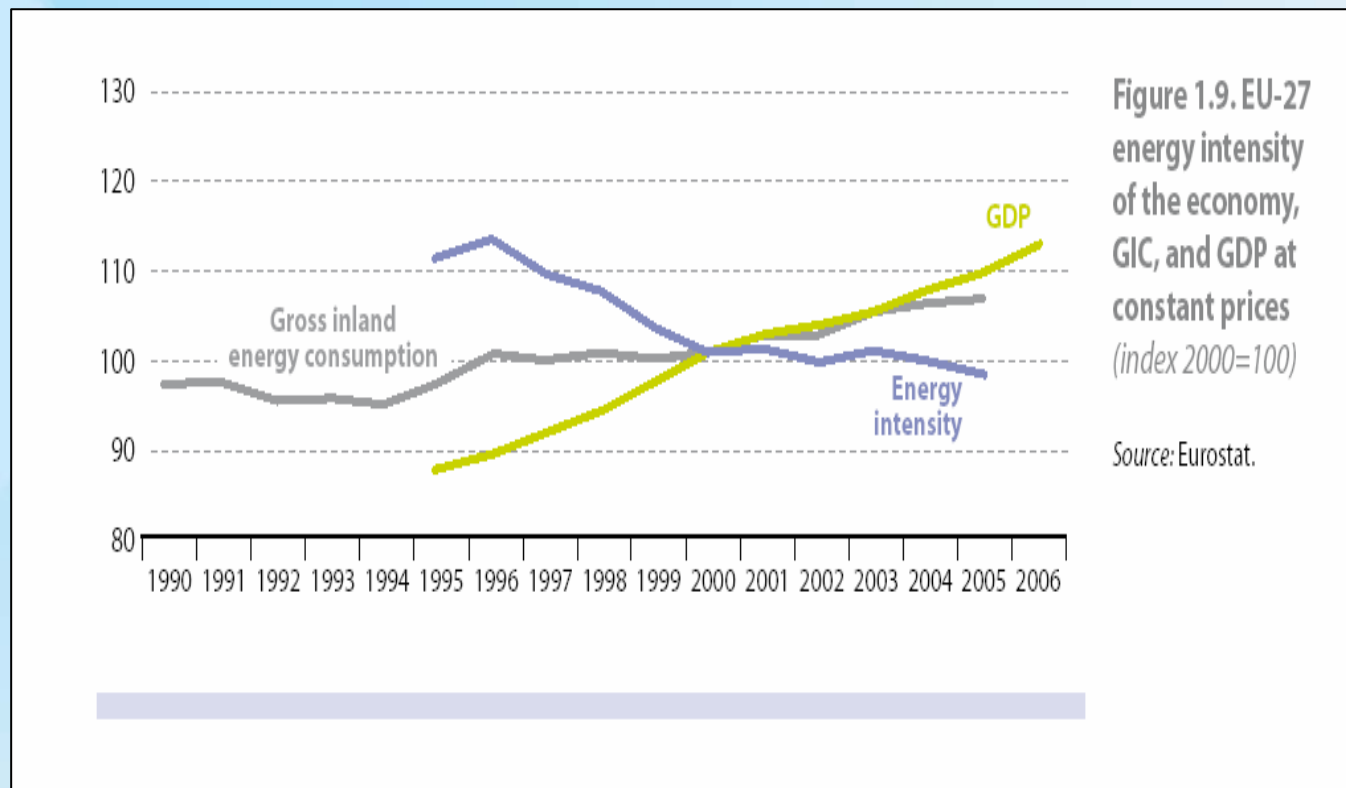




# Growth in eco industries

- Eco industries and their contribution to the growth of jobs:
  - Significant and quickly growing portion of EU economy (2,1 % EU GDP)
  - Eco industries and services sustain 3,5 million full time jobs, around 75 % are in the labor intensive sectors in period 2003 – 2006 close to 2 billion € venture investments were made, increasing investment from established firms.
  - The Dow Jones Sustainability Index shows that European companies are the most sustainable in 13 out of 18 major economic sectors.

# GDP growth and energy use are decoupling!



Still, despite the ample opportunities, the decoupling of energy consumption and GDP is too slow.

# Moralization of the markets

- Recent European LOHAS study shows that in comparison to the Americans Europeans are:
  - 50 percent more likely to **buy “green”** products
  - 25 percent more likely to **recycle**
  - 25 percent less likely to say they will **pay 20 percent more** for eco-friendly products. *However, this is in apparent contradiction with actual purchases.*
  - 32 percent more likely to buy products with **seals or certifications**
  - 25 percent more likely to say that, aside from making money for shareholders, it is **most important for companies** to be sensitive to their environmental impact.

# LS Pillar 3: Recent research on the employment shows that people

- **want to work at green companies**
- they are happiest at companies with solid corporate social responsibility programs in place.
- young workers want employment with a green company:
  - 80% of those surveyed said they are interested in a job that has a positive impact on the environment
  - 92% would chose working for an environmentally friendly company.
- **Green and responsible companies are attracting and retaining talented people.**
  - Being green isn't only good for the Earth, it's good for HR, workers' moral, and the bottom-line.



# Lisbon Strategy 2.1:

## SD is both a pillar and a horizontal issue

1. technology, **innovation** for renewable energy and less consumption
  2. climate change can create good **business**
  3. people need good environment, ageing issue, **education**, raising about environment
  4. **energy and climate change**
- **SD, particularly climate change is a central scientific, technological, economic and social issue of the years to come**
  - EU, with the treaty in place should become a global leader in concepts, ideas, ethics
  - sustainable development is one such issue



## **Slovenian presidency of EU:**

**Sustainable development is not a  
post-it note falling off Lisbon  
Strategy,  
it is not a post-it note with a better  
glue,  
it is a core topic!**