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First some introductory comments about the State of the Planet.

WWF's definition of sustainable development – 'Improving the quality of human life while living within the carrying capacity of supporting ecosystems.' It is our contention that this is a 'hard' concept – not simply fine words to be uttered at conferences like this, not worthy opening principles in a Treaty, not only a discussion point about changing human values. It is all of these things and more, - importantly, sustainable development is also to a large extent a hard, measurable principle capable of helping guide political choices and steering policy decisions.

The measurement key, of course, lies in both parts of the definition – improving the quality of human life – and the carrying capacity of supporting ecosystems.

As regards the first part of the definition, WWF has already started. In 1995 in a major conference in Brussels jointly with the European Parliament and the Club of Rome, we began a determined effort to put in place alternative indicators to conventionally measured Gross Domestic Product to try to come up with new welfare indicators to sit alongside and eventually replace GDP production indicators.

As regards the second part of the definition, two years ago, WWF's analysis published in the Living Planet Report 2000 showed that since the mid-1970s, mankind is now experiencing an 'ecological overshoot' of about 30% of the planet's natural capital. Certain countries and regions – the United States and Europe for example – are running large 'ecological deficits'. With global population set to rise to probably - 9 billion people in the next 50-70 years, and with current patterns of resource consumption and distribution, WWF calculates that we would need another 2-3 planets to sustain us.

We are already exceeding one planet's capacity – we are already in ecological overshoot. The Living Planet Index Graphs for freshwater, forest and marine species are a graphic illustration of this. The carbon limit is probably the first we will hit – about which I will say more later.

Second, so what can business do? One of the challenges for companies is to move into the 'Smart Zone.' I don't lay any claim to be the founder of that concept – it derives from a consortium report - 'Sustainable Strategies for Value Creation' in 2000. Let me make three points about this graph.

1. Note that the legal compliance curve is going up over time. I don't expect that to change. They will always be needed. Companies and trade associations spend millions of euro – and dollars - keeping the grey coloured area as low as possible. I wonder if that is always the best investment of time and effort?

2. Why? – because there is probably a smarter place to be looking. The public acceptance curve is more interesting. That is also increasing over time. The consumer does not accept certain behaviour by companies anymore - the consumer boycott of Shell filling stations for the decision to dump an oil platform in the North Sea is one of the best known examples. There are many others.

3. But there is a place above that which is even more interesting – beyond the public acceptance curve – or even leading public opinion (but not straying into the non-profitability area). This area of the graph – also increasing over time – none of this is static – is beginning to be defined but still only vaguely. BP Amoco redefining themselves as an energy company rather than an oil company and for a while rebranding themselves as Beyond Petroleum are cautious steps in this direction. Ford and Daimler-Chrysler redefining themselves as mobility companies rather than car companies are other indicators. Unilver joining with WWF to promote a label for sustainably caught fish, the Marine Stwardship Certicicate and the MSC label, is another.

The third part of my presentation - What can companies operating in the energy efficiency field like those belonging to and supporting EURIMA do to move into the SMART ZONE?

The SMART Zone is an area where these companies can do business in the loose sense of that term with NGOs and other partners in the non-business world. These are not stereotype business–NGO relations often with a heavy marketing or sponsoring emphasis – they are more likely to be policy and research led partnerships involving quite complex technical discussions, possibly even mutual target setting laid out in formal agreements and including monitoring arrangements.

For instance, presently new initiatives in the power sector are being planned in the EU but are still in their infant phases. WWF has been supportive of a strong legislation on supporting co-generation of heat and power in the EU doubling its share to about 20% by 2010. This should help to overcome disincentives for co-generation and distributed power caused by the present incompleteness of liberalisation of the gas and power markets in the EU. This lack of harmonised liberalisation is a strong hurdle for investor security and thus for new investment in efficient co-generation.

Next to a Directive for co-generation there has started a discussion on a Directive for End Use Efficiency of all kind of electric appliances. That makes utmost sense. For instance, there are already new models of domestic appliances such as fridges and freezers on the market that consume a quarter of energy compared to the average model on the market. The same is true for TV sets and video recorders. Over the lifetime of such an appliance the likely higher purchase price of an very efficient product will more than pay back through reduced electricity prices. WWF is supportive of a Directive for an active phase-out policy of the most inefficient products on the EU markets and for promotion of the most efficient ones through labelling and other instruments. But we are far from that!

The residential and industrial heat sector offers vast potentials for promotion of renewable heat, mainly biomass and solar thermal. WWF urges the Commission and the Member States to foster policies in that field. With regard to overall energy efficiency in the housing sector, representing another large potential to cut emissions cost-effectively, WWF strongly regrets that the recent draft of a Housing Directive has been extremely watered down by some Member States.

These are all areas where EURIMA companies and WWF should consider further collaboration between us. The EU certainly is a driver for international climate policy and has developed key advantages for some of their key renewable industries. But that is not enough. Although the EU has the economic potential both within its large internal market and through its export policies to promote clean technologies as such and companies producing these technologies it still lacks a full vision for actively promoting these really sustainable products. There is much work to be done together to move the EU into the SMART zone.

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