

Speech of Erich W. Muller, Director for Asia incl. Central Asia, EuropeAid Cooperation Office, European Commission, at the occasion of the Conference "EAEF — Sustainable Energy Partnership Opportunities between EU and ASEAN", on 2 February 2007

Ladies and gentlemen,

Introduction

The EC/ASEAN Energy Facility Programme is about **to complete successfully five years of intense cooperation** and implementation of a significant number of collaborative projects of mutual interest between ASEAN and the EU¹.

The projects undertaken have provided **key inputs for the development of alternative energy projects**, as well as raising awareness, and contributing to a reinforced institutional ASEAN policy framework in relation to renewable energy supply. In addition, the programme has facilitated key fora and networks. The Energy Facility has also strongly contributed to the development and strengthening of links between EU and ASEAN main stakeholders (business and policy makers). More than 500 companies have been involved in the programme which has led to better mutual understanding and enhanced capacities to work together. This is probably one of the most tangible impacts of the programme.

The current and future international energy situation, including its impact on environment and climate change, makes **today the results of the EC/ASEAN Energy Facility Programme very promising** for the development and use of alternative sources of energy in the region. However, much remains to be done. In particular, adoption of new policies by ASEAN countries' Governments should translate into tangible realisation for the benefits of the people of the region.

As a representative of the European Commission, I would like **to thank all stakeholders who have contributed** to the success of the present programme.

In particular, I would like also **to congratulate the ASEAN Secretariat for its ownership** and active involvement in the programme. ASEAN Member States and ASEAN Secretariat should now take stock of the positive results of the programme and incorporate it in the implementation of their Plan of Action for Energy Cooperation 2004-2009. *[In this regard, we would be grateful to hear the views from H.E Ong Keng Yong – ASEAN Secretary General - regarding future policy development initiatives following the "Declaration on East Asian Energy Security", signed in Cebu, Philippines, during the Summit of East Asian leaders of 15 January 2007].*

Strategic context and objectives

¹ The EC-ASEAN Energy Facility 2002-2007 has financed 77 projects for a total value of 40 Million Euro

The EC/ASEAN Energy Facility Programme constitutes an important part of EU-ASEAN cooperation, the overall objective of our cooperation with ASEAN is to contribute to increased mutual trade, **growth and sustainable development**, stability and prosperity.

Energy is a critical factor for industrial development, and the EC believes strongly that sustainable development is feasible **using technologies that are environmentally friendly**. Our cooperation should play a key role in their promotion.

The engagement of the European Commission (EC) in cooperation in the energy sector with ASEAN dates back to the 1990's. As you are all aware, the idea of a **Sustainable Energy Partnership** between EU and ASEAN, together with the subsequent creation of the EC/ASEAN Energy Facility, emerged as a consequence of visionary thoughts and dialogue between the Commission and the ASEAN countries at a time where energy issues were not perceived by all as prominently as they are today.

The Facility has offered an **integrated response** that still corresponds to today's challenges and needs, encompassing the modernisation of the electricity sector, promotion of natural gas, introduction of clean coal, biomass co-generation and combined heat and power technologies, promotion of energy efficiency and energy conservation, security of supplies to rural areas (in particular by an increased use of new and renewable energy) and development of regional energy resources. However, we should now turn to the future and ask ourselves whether the current policies to diversify energy sources, to promote energy efficiency and clean use of energy and to ensure necessary investments in new resources and technologies will still be adequate and effective in the perspective of the period to 2020, if we want to keep the spirit of our visionary thinking.

Major achievements

In this realm, let's first observe what we have achieved together. The EC/ASEAN Energy Facility Programme has helped in **bringing together industry and the private sector** to assess the commercial viability of renewable energy projects in the long-term.

The Program has also contributed to **raising awareness and providing strategic inputs at institutional level**, in particular on the need to adapt the energy policy framework within ASEAN to achieve common energy efficiency objectives.

The success of the programme relies also on the **co-financing of groups of EU and ASEAN energy actors** for the implementation of stimulating collaborative projects, resulting in increased business induced between EU and ASEAN and intra-ASEAN co-operation, and long-term impacts which will be measurable for example in terms of energy produced or saved and pollution avoided. In total more than 500 participants and stakeholders have been working together in joint programme activities. However, effects on energy security, economic exchange, environment and the ASEAN plan are too diffuse to quantify at present. We should therefore ask ourselves whether it is a normal consequence of a programme that after all has just started 5 years ago or whether we should be more focussed and get more tangible results in terms of energy sources diversification, energy efficiency promotion and clean use of energy

The strategic importance of the sector

The **challenges for the efficient use of energy resources** and the sustainable management of environment and development **are global**.

Last January, the Commission proposed to its member states a comprehensive package of measures to establish a New Energy Policy for Europe to combat climate change and to boost the EU's energy security and competitiveness. The proposals put forward by the Commission demonstrate our commitment to **innovation and a long-term vision for a new Energy Policy for Europe** that responds to the global challenge of climate change.

At the centre of the Commission proposal is the **objective for Europe to cut its greenhouse gas emissions by at least 20% by year 2020** and in particular by increasing the part of its **renewable energy resources to a minimum of 20%** by the same date.

Nonetheless, the **EU cannot achieve its energy and global climate change objectives alone**. It must work with both the developed and the developing partners, and energy consumers and producers. Therefore, the European Commission, when implementing its cooperation agenda, will continue to work with its external partners on energy efficiency and the sustainable management of natural resources. With this in mind, continued cooperation on all these inter-related issues between EU and Asia, that is the most dynamic and populated region in the world, will be of crucial importance to face global challenges².

Future Cooperation

In conclusion, the **cooperation between the European Union and ASEAN has been growing since the last twenty-five years** in line with the geo-political importance and economic integration and enlargement of the two regions. In addition, **the EC/ASEAN cooperation agenda will continue to work in coming years in strategic sectors** of mutual interest: economic and trade cooperation; social development; institutional/regional integration; energy, environment and biodiversity conservation; higher education and culture; immigration and security cooperation.

Sustainable development, energy efficiency and protection of the environment will continue to be, in coming years, an important part of our cooperation agenda³, driven in particular by **high-level policy discussions and institutionalised dialogue** with ASEAN and more wider within ASEM⁴.

Lessons learned from past cooperation in the energy sector, show that to be relevant and successful in the long-term, we shall need to continue working with both the public and private sectors:

² It is estimated that annual greenhouse gases will increase twofold by 2050. By then, about half of the emissions may come from developing countries, particularly from Asian emerging countries (Source: World Bank, 2007 Global Economic Prospects).

³ Asia Wide Regional Strategy and Indicative Program 2007-10 (*currently under preparation*)

⁴ ASIA EUROPE MEETING (ASEM) includes EU and ASEAN countries plus Japan, China and Korea; and from 2008 it will expand to include India, Pakistan and Mongolia.

1) On the public sector/institutional side: reinforcement of institutional capacities at country and regional level is definitely a top priority so that an appropriate policy framework can be conducive for the private sector to achieve the political (programmatic) targets, and increased share of renewable energy in overall energy supply [*this is planned under ASEM Dialogue Facility and EC/ASEAN Institutional Support Programme and Dialogue Initiatives*];

2) On the private sector side: to be fully comprehensive, our intervention must be reinforced under our next generation of EC/ASIA cooperation programmes, promoting private sector and public/private partnerships [*this is planned under a specific EC/Asia horizontal programme that will encompass Environmental and Management of Natural Resources, including clean technology developments*].

Finally, I am looking forward to seeing your **continued participation and great enthusiasm in our future Commission and ASEAN and Asia-Wide cooperation initiatives**, in particular for the energy sector and management of natural resources. Through **innovation and partnership**, we should all work together to make development compatible with **managing the global assets of our planet in a responsible manner**. Thank you.