

5. Panel discussion

DRAFT

PANEL PARTICIPANTS

European Parliament

Mr Gordon ADAM, Member of the European Parliament and Chairman of the Northern Energy Initiative in the UK.

Mr Anders WIJKMAN, Member of the European Parliament and rapporteur for the Energy Efficiency Action Plan in the European Parliament.

European Union Presidency

Mr José DARAS, Minister of Energy, Transport and Mobility for the Walloon Government in Belgium, representing Minister Olivier DELEUZE, the Chairman of the Energy Council.

European Commission

Mr François LAMOUREUX (Panel Moderator), the Director-General for Energy and Transport, European Commission.

Mr Günther HANREICH, the Director for New Energies & Energy Management, European Commission.

Representatives of Central and Eastern European Countries

Mr András SZALOKI, Director in the Hungarian Energy Centre, Hungary.

Representatives of European Energy Agencies

Mr Dimosthenis AGORIS, the President of Greek National Energy Agency (CREG) and the President of EnR in 2001.

Mr Gerhard DELL, Director of O.Ö. Energiesparverband, Regional Energy Agency of Upper Austria and Energy Commissioner to the Upper Austrian Government.

Mr Gerry WARDELL, Director of the Dublin Energy Management Agency and Spokesman for the national associations of the SAVE Energy Management Agencies.

PANEL VERBATIM

Mr LAMOUREUX:

We're a bit late. Now what the programme says is that there is going to be a general discussion between all sorts of people who are responsible for different things in different ways - national, local and even European levels in energy-related matters.

There are two people from the Parliament, as well as one, Mr Gordon Adam, who has a great deal of experience in the UK in the field, and who has been a Member of the European Parliament for a number of terms now.

Mr Anders Wijkman, Member of the European Parliament, who is in fact the rapporteur for the action plan on energy efficiency in the Parliament, will join us very quickly I hope.

The presidency of the European Union, Belgium, with José Daras, Minister for Energy, Transport and Mobility in the French-speaking Walloon Government representing Olivier Deleuze, the President of the Energy Council.

Mr Hanreich and myself spoke a lot this morning. We'll be more discrete this afternoon, I promise you, and there are also representatives from the candidate countries: Mr András Szaloki, Director of the Energy Centre in Hungary. There are also representatives of agencies in the European Union, Mr Agoris, President of the Greek Agency, the Greek National Agency; Mr Gerhard Dell, who does equivalent things in Austria and Mr Gerry Wardell, who apart from occupying those functions in Ireland, is also spokesman for local associations which have been promoted by the Commission to a large extent.

Now we have a lot of things to discuss. It's a very broad discussion, which probably means we should try and focus on some essentials. The Green paper shows some dependencies and the concern of the Commission and we hope that after the discussion of the Green Paper this will be shown to be a shared concern, the need that is to focus on demand-side action, particularly in buildings, in saving energy and buildings, in transport, and promoting clean

transport. And the other important point is diversifying sources of energy and the Commission's desire which we are encouraging with programmes, so it's more than wishful thinking, to promote renewable sources of energy.

That is the backdrop, but against that backdrop and quite independently of Community texts and legislation and programmes, you have got to look at how the local and regional levels can help achieve these objectives, reducing the demand for energy and promoting renewables. Perhaps I could turn to the representative of the European Parliament, Mr Adams, and then the Presidency, Mr Daras, and ask them how the European Parliament and the Presidency of the European Union view the potential and the role for the local level in this area.

Perhaps Mr Adam, if you could react to this special issue ?

Mr ADAM:

Thank you very much. Perhaps my first comment would be at the vast range of organisations that are here in this conference, representing regional, national, and local organisations. My own view is very firmly that, without what I would call a regional involvement in what we are doing, we cannot deliver our energy strategies, our policies. This is based very much on my own experience in the North East of England, where I chair a regional organisation. I can see very many gaps in what we're able to achieve. The agencies that we have here represent different geographical groupings, and they have an important role in terms of what I would see as the hands-on delivery of our policies.

I also see a role for networks. The only one that I'm personally familiar with is the Islands network, and perhaps you could link these two together in some organisations.

But perhaps it's because I have a very British look at these things, that our local government structures are different from those in other countries, and the development of regional agencies in the UK perhaps gives a different focus to our work, so I see the need for bringing together all the different agencies that we've got under a regional network, and in that sense we would be able to move our objectives forward. But I also see a big problem. I assume everybody here would respond to this, namely the problem of funding. It is certainly not easy. A lot of agencies and organisations are set up in the first place with either EU or national funding which doesn't last forever, and there is a real problem, I think, in keeping the initiative going. To be effective, an organisation requires a certain amount of resources, and looking at what is happening, even in my own region, it is not easy to keep some of the agencies in place. So I see a

strong need for a regional focus on what we are trying to do to promote the agencies and the networks.

But perhaps what is needed is a clear understanding between the Commission and National Governments as to how this onward push is going to be funded.

Mr LAMOUREUX:

Thank you. Parliament and the Presidency were here together, so we had the whole budgetary authority with us, and I suggest that what you've just portrayed very, very well is that local and regional agencies need support, and we can only provide support if the Framework Programme for Intelligent Energy Use provides us with the means to do so.

A kind of European Agency at a Community level, if you like, which would be concerned with the task of helping local agencies. There is a budgetary dimension to this, and I'm happy that one branch of the budgetary authority is very well aware of that. I know that you, the other side of the budgetary authority have other reasons to be here and to express an opinion.

It would be interesting to hear what you think about the role of agencies in meeting the objectives which I discussed earlier on, Minister.

Mr DARAS:

Thank you very much. First of all we do agree on the essential point that an energy policy for the future would have to act much more on demand rather than supply, which makes the whole thing much more complicated. Acting on the supply side is simple. You're dealing with a limited number of people, producers, big producers. It's quite easy, despite the power-play games, but in other ways it's easy for the public authorities, basically it's quite simple.

Acting on the demand side means that you've got to talk to a lot of different actors, people, most of them would not be specialists in energy of course. Now, the Belgian situation is always a bit peculiar, we're all a bit peculiar in our own different way but the thing is that in the region for which I have the responsibility, some 3.3 million inhabitants roughly, I have agencies in some places but not everywhere and I have a regulatory power and budget which I'm responsible for. And in that context, that being the context in which I operate, let me try and tell you what we do and try to do in the regions in which I'm responsible but which is the whole of Belgium. I think it's the point I'm trying to make in a bit of a laboured fashion.

What is not always understood is that it's all about standards. When the regions take the decisions they are not subjected to a hierarchy under the federal authority. The regions decide in a sovereign way within certain limited competencies. That is not true in regional agencies that are present here in the room, so I think it's worth pointing out this specific characteristic of the Belgian situation.

As I said, we have to work with a lot of dialogue partners when you want to act on the demand side with many different tools, many different instruments and the consistency of the whole is by no means self-evident, and this is why, within my region, we are finalising a plan for sustainable energy matters for 10 years. You see, taking local initiatives, sector initiatives, these are all very important but there does have to be a global framework, which ensures some kind of consistency of all these measures. Setting objectives in terms of energy efficiency, reducing greenhouse gases, that it be possible to assure the convergence of the different tools to be used within the plan on the basis of the objective which one has set to oneself. All this has to be discussed and justified.

The second dimension I'd like to flag up is the organisation of multi-dimensional relays, because the divisions in our energy policy are not just geographical. The starting point for many here is a geographical division, the local level or the regional level. This division is, of course, relevant but is not the only possible division which exists and which is necessary to account for when acting. So, I'd just like to put to you three kinds of divisions.

First of all we have relays by consumption sector. Different relays adapted to sectors of consumption, for example for the industrial sector, because you can't do everything. The industrial sector in the secondary sector, in other words, we set up a series of branch agreements, branch agreements with a view to achieving better energy efficiency with a global figure which is an improvement of energy efficiency of some 20%. In ball-park terms that's ambitious of course and the aim of the branch agreement is to set up a contract between the public authorities and the industrial sector or branch to improve energy efficiency within that branch. In very concrete terms, the contracts which have been drafted or which are being drafted and I say 'are being drafted' because the process started two years ago. It's a very recent process, at least as far as we are concerned, and covers 40% of energy, more than 40% of energy consumption of the Walloon region. It is therefore a job which is of quite considerable value but it's work which can be very efficient in the future. Just think about it. A 20% improvement in energy efficiency over 40% of the

energy consumption of the industrial sector of the region, and we certainly hope to continue with this and perhaps even achieve a little more than 40%.

In the tertiary sector, the emphasis is being placed on training people who will be responsible for energy matters, but also on possible systems of subsidies. For individuals we have a network of some 12 showcases where you can go and can get a series of products. We try to identify products, because we don't want to spread ourselves too thinly. We want to be very focused and not do everything at the same time. We've identified, I think, some eight products now which these energy offices, these energy showcases offer to individuals, households, the domestic sector, if you like, to help them manage energy efficiency.

We're also setting up relays. Not for consumption, not for consumers, but for the production of renewable energies. Relays, which we call facilitators, and are set up in the various sectors (thermal, wind, co-generation etc.) and also directly with the municipalities. We're developing local action programmes for energy, mobilising 2 million euros to set up 10 pilot operations addressing local government. Selections have already been made, but I won't tell you for which municipalities, because we have haven't told them yet. It's interesting to see that there were many candidates, because it shows that many local authorities are very interested in this kind of programme, and there's a lot of demand there. We've selected a thousand or so local authorities with which will be setting up local programmes for energy management.

So, very quickly, very briefly, very concretely, we're trying to get down to the nitty gritty and get away from slogans and wishful thinking.

There you are.

Thank you very much Minister Daras.

Now I'm not really a specialist of Belgian federalism, but within your powers as a regional minister in promoting energy efficiency and in helping local authorities. What elbowroom do you have? I'm thinking in particular about the fiscal aspect of his tax basically.

Mr DARAS:

Well the elbowroom is rather small when it comes to tax. Basically what I can do is give certificates to companies who invest in energy efficiency. That's the limit of my tax powers. The rest is basically providing subsidies. I can give guidance, I can give subsidies, and I can help with energy audits. Basically subsidies that's all.

When it comes to energy taxing, the less friendly side of energy taxation, an energy tax is not something in my powers at the moment. Perhaps with the exception of transport, but that will be for the future though, because it's a new power. Transport is important in energy terms, and I think that for transport we will be able to act from the 1st January onwards in taxing vehicles in traffic, that kind of thing.

Mr LAMOUREUX:

Thank you very much. So, Belgium like most countries of the EC has a system which reserves for the State (and that means the Member States unanimously when it comes the European level), all things related to tax, the fiscal aspect of this, and the Green Paper on security of supply but also in transport and having fair taxing of transport, one of the problems that the future Presidency will have to solve and may be it's something that should be looked at in the future convention, looking at changing the Treaty, is that the big obstacle here is unanimity in tax matters, because you can get a qualified majority.

Construction measures, for example, require a qualified majority only, e.g. axle weights on lorries etc. all these things. But when it comes to taxing for energy efficiency you probably need unanimity if the EU wants to be coherent, and if it wants to respect its Kyoto commitments. The EU really will have to start looking at whether it should be possible to decide by qualified majority on tax matters, something which is clearly related to sustainable development.

Mr DARAS:

That's a bit of an aside. Flag the issue for the Council of Ministers, yes I quite agree. I represented my country at the informal Transport/Environment Council, in Louvain-la-Neuve a few weeks ago and everyone agrees about internalising the external cost of transport, but when I listen to my fourteen colleagues around the table, there's a lot of work ahead to get them to agree on what you have said about HOW to internalise those costs.

Mr LAMOUREUX:

But if we have to wait for the last of the fifteen to agree we'll never get anywhere. And I think the Belgian Presidency will be pushing for the revision of the Treaty, and it's important we consider all these issues relating to sustainable development, transport and energy efficiency. It's important we all consider the possibility of dropping the unanimity rule for these issues.

We wonder what potential rules the Parliament and the Member States see for local actors in achieving these objectives of diversifying energy supply, use of renewables, and more intelligent management of demand for energy.

So before giving the floor to representatives of the local agencies, we'd like to ask the European institutions what potential role they see for those agencies.

Mr WIJLMAN:

Please excuse me for being late. I got lost in the streets of Brussels. Believe it or not but I did.

If I may just touch the point of taxation, because I think this is very important, and coming from Sweden I listened to my Prime Minister a few months ago when Sweden was still in the Presidency and Mr Persson said, on the one hand, and the question was specifically relating to the Kyoto Protocol, how are we going manage without some kind of harmonisation of taxation and some kind of a carbon tax and he said 'yes I'm in favour of that in this field, but at the same time I'm not in favour of taking decisions on taxation at the European level, so there was sort of a Catch 22 situation and the reason as I understood was that there is, at least in my Government, a fear that once you start adopting taxation measures in one field like climate change, and even if you specifically say that this we do not primarily as a matter of taxation but rather as an environmental policy instrument, they feel that we have opened the door and very soon we will start talking about all kind of taxes and I think that wrong but still that is the prevailing attitude .

And, as I understand, not only Sweden maintains that position. Looking ahead, I think four, five years time, we will have something like this. Of course, we cannot do without. We had the fascinating period this morning about liberalisation of the electricity market in the European Parliament and all the experts with no exception from different countries told us that there is one prerequisite if you really want to be successful and that is that you harmonise the taxes. Because otherwise how can you avoid having countries with less taxation and more pollution. You have a distortion of competition.

Now to strike the right balance between the task of Brussels in terms of energy efficiency, promotion of renewables etc., on the one hand, and the task of the national and local level, on the other, is of course a very delicate matter

I believe that most of those tasks have to be addressed at the national and local level. But there must also be very strong leadership by you, the

Commission, because in my opinion, having a little bit of experience, there have been quite a number of very good pilot projects, demonstration projects, efforts in individual countries. Very often supported by fans in Brussels but there doesn't seem to be enough capacity for follow-up and dissemination, and I've seen a few good projects in Sweden in the field of alternatives for transport and once the project is over very little happens.

Not because people don't want to draw the right conclusions and disseminate but because they simply don't have the capacity and I'm one of those who think that you should have all the capacity if you have to enhance your staff and give you a leadership role for all these important matters, in particular in the field of energy efficiency since the visibility of energy efficiency is so difficult.

People understand when you build a wind park or you plant trees or whatever you do or you're invested in solar technology. It's tangible, but all these things that are related to energy efficiency it's thousands of small things that together will make the result and that's why I think that's so important to have sort of a broker house in Brussels stronger than today that can take on this role and that's why some of us have to suggest that maybe you should establish a special agency to take over some of the day-to-day activities from the Commission, so that the Commission can concentrate on legislation.

Now at the local level I come from a country where, because of the climate and because of consistent efforts in the past, we have done quite a lot, and I've seen what can be done with clever procurement policies, and norms and standards. I have also seen what can be done with taxation, but the more I look into it, I think we have to be more innovative than what we've been in the past. Let me give you one example in the field of buildings which currently consume about 40% of primary energy in Europe. I think we should introduce some tax incentives for those owning the property. If you have invested in proper installation and efficiency measures you're property tax could be lower than the traditional one. Why am I saying this? Because I find it difficult even with your present proposal, which I welcome, to overcome the so-called owner-tenant dilemma, which is really there even if you bill consumers individually. If the consumer doesn't own the building there is very little interest for the owner to make the right investments, and I've had enormous contacts with people who represent those who own buildings, apartments etc and they have said they will act if they have mandatory legislation but if you don't have that don't expect us to do much, unless you provide a real incentive. So that's one of the things I think we should again then entertain at the

European level, but of course it has to be done at a national level because of the blockage and also because property taxes look very differently from one country to the other.

Well I'm sorry I came in like an elephant so I don't know if you want me to be specific about certificates, demand-side management, norms and standards or whatever?

Mr LAMOUREUX:

I would now like to hand over to the representatives of the agencies on this question. Mr Wijkman has given a very clear description of what Brussels needs to do and we know what the Member States have to do in the European framework, but the essential work needs to be done with the support of national, regional or local agencies. Therefore, to meet our common objectives, I would like to know what the agency representatives feel is the best possible contribution they could make and I would like them to tell us whether they believe our proposals are appropriate. I would also like to have their reactions. We have put forward this proposal on energy efficiency on buildings, we are working on a directive on combined heat and power, we have cited a large number of specific directives which are concerned with a few obligations and not simply a few vague objectives. Tomorrow, if the European Commission reaches agreement, we shall put forward the first proposal for biofuels with binding figures. This will be the debate between Commissioners and it will be for the Member States to say whether it is binding or simply indicative. However, as with renewable forms of energy for the electricity market, we believe we should be working towards binding objectives, otherwise complying with the Kyoto objective will be pie in the sky. I would therefore like to ask the agency representatives, with regard to these objectives, how they can make the best possible contribution and how they see our different initiatives. Let me start by calling on Mr Agoris to ask him to reply, if he would, on behalf of the national agencies.

Mr AGORIS

As you know EnR is a voluntary association of European organisations having the responsibility for the planning, management or review of national research, development, demonstration, or dissemination programmes in the fields of energy efficiency and renewable energy. So our aim is to act as an informal communication network, and to support joint activities whose unique character provides added value.

EnR provides European technical support, and with this we can support also the local agencies which have been created or are to be created. But first of

all if you look at the Green Paper's reference scenario with special emphasis on cars in 2030, what will happen is that everybody will see that renewables are the only « fuels » which will be increased in Europe in 2030. This is what renewables offer to the security of supply, the environment and the creation of new jobs.

What can you now give to the local and regional agencies ? We can have our optimal contribution in terms of added value and experience of EnR and its pool of experts, and could provide assistance to the local and regional management agencies, for supporting problems and issues identification, analysis, actions planning, capacity building, implementation etc. We can provide assistance to the European Community to European Commission for local actions, planning and monitoring and evaluation, and EnR could also analyse success stories in local and regional energy management agencies and propose models for benchmarking and strategic development of local and regional actions.

EnR could also assist in the implementation of the Green Paper policies on a regional level, particularly in the fields of renewables and energy efficiency.

Thank you.

Mr LAMOUREUX:

Thank you I am going to give the floor to Mr Wardell.

Mr WARDELL:

Good afternoon to everybody here in the room and also good afternoon to everybody who is joining us from home by the internet. I've got five key points which I'd like to touch on very briefly:

The first point is to look at future ways of cooperation between different energy agencies and I would just like to introduce myself by saying that I'm the spokesperson for the SAVE local and regional energy agencies in Europe which have been set up under a direct contract between local authorities and the European Commission. There are 250 of these agencies set up under this three-year contract. The values of these agencies lie in networked and cooperative both among ourselves and with other public and private bodies at all levels.

The second point is to clarify what the national associations of local and regional energy agencies are. The national associations are clusters of, typically, 10 to 20 local/regional energy agencies within each country in the European States and these will obviously share a common language, common cultures and common ways of doing

business within that country. The national associations have a vision, and that vision is of developing a network of excellence, and we see one of the paths towards developing that network of excellence and fulfilling that vision, is through close collaboration.

The third point is the future role of local and regional energy agencies in the delivery of European policies. We regard the Green Paper, on a European strategy for the security of energy supply as a major landmark, and would focus particularly on Part Three of this document which has to do with controlling growth in demand and managing supply dependence. In particular the two areas which you know we focus on are improving energy efficiency in home and work, schools, and farms, and secondly promoting renewable energies, such as wind, solar, biomass, and energy from waste.

From what we heard this morning from our Director General, Mr Lamoureux, we know we will be adding to these two dimensions a third topic, the area of clean transport, and this is set out in the White Paper which was published recently on a European Transport Policy for 2010. Now, again the local and regional energy agencies would focus on the third part of this document also, which is entitled « Placing the users at the heart of energy policy ». I think it's true to say that almost every local energy agency is concerned with the consumer and first and foremost how that consumer consumes energy in the home for space heating, for domestic hot water, for appliances and so forth. All the local energy agencies would also be concerned about how consumers consume energy when they go out from the home to work or school or theatre, whatever, and the first thing they do when they go out is to consume energy in the means of transport to get there so I think it's true at the consumer level there's a very natural link between energy used and transport.

The fourth point is to do with the enlargement of the European Union and I see this as a key role for the local and regional energy agencies with respect to helping or exchanging information with the Candidate countries and, in that way, contributing towards the enlargement process. Now this is a point which I'd like to underline and maybe it's something which might be taken up at a later date.

The fifth and final point is how the future programmes and the local regional and energy agencies can build on the existing successful links, which have been established directly between the local level and the European Commission. I think this viewpoint has been reciprocated very clearly by the European Commission and in the discussions today. Furthermore, I would like to suggest that the

European Commission might consider it appropriate that the national associations can therefore be the reference point for the European Commission within each country, with regard to local programmes and measures.

In this way we still retain the benefit of the two levels of management rather than several, and we would also bring the European citizen closer to the European Commission, and it has a further advantage of supporting delivery of these programmes and measures. Thank you.

Mr LAMOUREUX:

Thank you, I shall now call on Mr Dell for the, if I may say so, independent agencies and the OPET network to air his view with us.

Mr DELL:

Thank you Mr Chairman. As the Director of a regional energy agency, may I introduce also OPET, as you said, and, as the vice president of FEDARENE, this is the network of the regional energy agency, I would like to say something about the regional view.

For example, my agency is a regional agency. Upper Austria has one point four million inhabitants and we are a very highly industrialised region. Based on the comprehensive regional energy strategy, and with strong support from the energy agency we have been able to achieve significant success in energy efficiency and renewable energy sources in the past year.

Presently renewables account for 30% of our total primary energy consumption, thanks to comprehensive information, we were also able to decrease energy consumption in housing by a third. This shows that it's possible to really change energy production and consumption patterns on a regional level with a strong political commitment and a comprehensive energy plan. So, we believe that the regions of Europe and their agencies can be a very strong partner for the European institutions in achieving energy policy goals, especially in the fields of renewable energy and energy efficiency. From our point also these are the main answers to the questions of security of supply and if you look at Green Paper, you'll see one hundred billion euros per year for energy import and 76% oil and 95% uranium, we have to import, so you see from the regional and the local level but not only from our level, energy efficiency and renewables are the most important approaches to achieve security of supply and economic benefits.

More than decision makers at European or national level can see the economic benefits in terms of new companies, new jobs and regional development. We, the regional agency can be the link between European policies and the citizens of Europe.

Recent policies initiatives by the Commission have supported us in our regional efforts to achieve sustainable energy supply. We strongly welcome and support ambitious policies such as the draft building directive and we hope that it will not be significantly changed in the political process through the European discussions and institutions. We share a true commitment to the European policy objective, defined in the energy-efficient action plans and the White Paper, and let's hope so, in the future directives. So again, we can offer to be one the interfaces between European institutions and the European citizens and small middle-sized enterprises in a top down and bottom up approach.

Thank you.

Mr LAMOUREUX:

Thank you very much, I shall now call on Mr Hanreich, who is a Director in the DG for Energy and Transport, to react to what we have heard from the representatives of the various agencies who have all been calling for better coordination with the Commission's action on stricter rules and what they have to do at the local level. Finally, does this not give us leverage which could be much more useful than the debates that take place in Brussels in groups which are always confined to the same experts?

Mr HANREICH:

I think we are deeply convinced that we need to use much better the possibility of working together with local actors. However it is not so easy and this was probably the reason why this supplementary possibility of enforcing European policy was not used to such big extent so far. So what can we do in order to work more efficiently together on local level? I think it's clear that we want to use the network that exists, but we also want to work together directly with the local sector. This conference is the first step into that direction and we will continue on more targeted activities and on a regular event at least once a year.

Secondly, we have understood in the discussions today that we need to ensure that the activities of the local agencies are fully supported not only by the European level but also by the local authorities. The local authorities are a very important ingredient. They set up the framework and the climate which determines whether the work of the local agencies is successful or not. We'll have to consider how to create incentives so that they work together with the local agencies. It's obvious there is a requirement to enforce the European legal framework in matters of energy efficiency and renewable energy. Many of you have mentioned today in the workshop the need for such a

framework in order to create the conditions to act successfully.

Another point is that there is a lot of best practice. We have heard about it in the different workshops but these best practices are frequently only applied in one city or in one region. Replication of this best practice will be cheap, so we need to set better framework conditions for widespread replication throughout Europe in order to have the full benefits of knowledge which is already available.

And this brings me to the last point. We need to facilitate your work by making information more easily accessible, by making contact with others agencies of excellence easier. That's why we have contracted a service provider which will be at your disposal and at our disposal and will identify the local needs of the agencies and build up a database on best practice which can be used easily and which meets your specific demands. This service provider will also be able to help you with other tasks at low costs, or free of charge, and will help you to network better with those you are looking for, those which have expertise on issues which you want to take on board.

Mr LAMOUREUX:

I would now like to call on Mr Szaloki, who is representing the candidate countries, to ask him for his view on two points: first, are the conclusions in the Green Paper conclusions which a country like Hungary has also reached as regards dependence, objectives and measures to be taken and, second, what does a country like Hungary expect from the EU in terms of improvement of energy efficiency?

Mr SZALOKI:

I believe this conference marks a new milestone in energy policy. The opening speech of Commissioner de Palacio, which was presented by Mr Lamoureux, highlighted the role of local and regional agencies where energy efficiency and subsidiarity are concerned. And the broad range of actions performed by these agencies in new areas, eg the diversification of energy supply and promotion of the use of renewable energy sources, represents, I think, one of the best ways of meeting the Kyoto commitments by investing in energy efficiency and utilisation of renewable energy sources, as reflected in the energy policy and climate change policy of Hungary and some other candidates countries as well.

The general tendency is that the Government and enterprises realise that it is much better to prevent emissions resulting from the use of energy than to invest in other types of majors. It's possible, if the abovementioned objectives are integrated into our thinking, and are already part of our everyday

activities and we can see them as a market-force influence on long-term decisions. This kind of process is, I think, really easily managed on a local level, because they are in daily contact with society. This Hungarian example, I would like to show you how big the role of the local and the regional agencies is: in 1993, in Hungary the Government elaborated a special action programme for energy efficiency, but nothing happened because there were no real measures, tools for the implementation of this action programme, there were no real institutions for this.

From 1997 to 2000 the energy centre started to elaborate a special new regional and local advice network and this was a bilateral programme that was a really complex programme because one goal was to establish a uniform professional advisory network with quality assurance with common knowledge .We elaborated know-how training mainly for different kinds of end users and under this know-how training was elaborated by them and by the energy centre. We elaborated complex training material for advice centres and organised a series for several different organisations. We invited environmental end-users, scientific end-users and SMEs, because after this training we elaborated a network where all regional or local end-users were really focused on environmental issues, scientific issues and on a business approach as well.

This network elaborated its own local agenda on local strategies for long-term implementation and, based on this programme, together with these organisations, we started to lobby the Government, and because of this we joined in these demonstration actions, for example campaigns to find long-term partners for local end-users, and because of this demonstration and because of the part of this institution, the Government decided to start to elaborate some kind of sources for new programmes and that was an important step to establish the capacity in Hungary

If you look at the present situation on the European policy level, I think more or less all policy papers should be right thinking in the candidate countries' point of view if they would like to have access to this European Union. In that case we have to review all candidate countries that could achieve the kind of targets to do this. I think it's really important to take some steps under this next programme to elaborate in every country how they can achieve this kind of goal.

We are really happy and welcome the possibility of EU support to establish the new agencies in the candidate countries. The present number and the part of candidate countries and local advice agencies less than the need as a critical mass in

sustainability point of view. So we are happy if we could apply to the European Commission, we hope at the end of this year, the legal barrier will be elaborated. On the other hand, I think the EU could expect from candidate countries to elaborate similar programmes to the European programmes on a national level, from national sources, in that case it's a much easier situation will be the applicants because they really need some national and regional local sources but at the beginning to find local sources is really difficult. That's the reason why I think so it's really good expectations on behalf of European Commission if these candidate countries are asked to provide some similar programmes as in the EU.

The candidate countries have plenty of experience on this regional and local advice or agency level and because most of the European Union agencies elaborated by European programme, most of the candidate countries mainly organise on programmes only the geographical countries know from these candidate countries' earlier experience and that I would like to suggest special thematic dialogue to learn the candidate countries' experience.

Mr LAMOUREUX:

I would now like to ask Mr Gordon Adam, who has considerable experience, to give us his views on what has been said and say how there could be better cooperation at local level between the candidate countries and the EU countries in order to facilitate their integration, and perhaps Mr Wijckman and Mr Daras could also give us their reactions because we cannot expect the Commission programmes to do everything to help these countries integrate more fully into the EU.

Mr ADAM:

It's true what you said that the Parliament placed quite a lot of emphasis on energy cooperation with the eastern European countries when the Soviet system collapsed over 10 years ago now, and I think that at one stage we have established energy centres in all the capital cities. Not all of them have survived for financial reasons, but it was a tremendous initiative because if there was one area where we could cooperate perhaps without too many political issues involved that was one of them, and it is very good to hear of the Hungarian experience although I have to say that, of all the eastern European countries, Hungary is the one I have least contact with, but could I just say that for the eastern European countries and the applicant countries the energy situations are really different from those that we face. The GDP is much lower than ours, and therefore it's likely that their energy demands, transport demands are going to increase with one aspect of the conundrum that we haven't

touched on during the day though Rolf Linkhor mentioned it very briefly this morning, is that the increasing GDP does draw with it increasing energy and transport demand I think this is very true of the eastern European countries because of their current position.

That means that the capacity that we have to help with technology transfer is very great and I think that it's something that perhaps even within the Parliament and within the EU as a whole we haven't completely grasped? I think there is a tremendous opportunity for us, of course it goes well beyond the things that we've been discussing today even things like the efficiency of the whole system in many countries need to be looked out, so there is a tremendous potential here.

I think that one of the most useful things that have happen is that within the agreements that we now have there is a specific place for energy without doubt and I think Mr Lamoureux knows that one of the points that I make quite frequently is that I believe that the Parliament should be more involved with what is going on in these committees that meet between the Commission and the applicant countries, because within the Parliament we could give much more support than we're already doing.

I'd also mention that within the Commission we could perhaps have a better coordination of some of these issues. I see energy as one of the key issues in our relationships with the applicant countries and the immediately adjacent countries, or the next wave if you like, and just to give an illustration of that the recent meeting between Ukraine and the Union if you look at the final declaration, several paragraphs are all devoted to energy issues and it's a very good illustration of the importance that energy efficiency, developing renewables, and the whole range of possibilities is now surfacing very strongly.

I must say that the Commission lost a little bit of sight of the importance of energy centres and it's a very good thing that today we are really bringing the applicant countries into this area and to hear that in the next part of the programme we're going to look again at that particular sector.

Mr LAMOUREUX:

I must say this is not a problem we have with Hungary. However, when we discuss the support the EU can provide with the candidate countries, energy is not one of the main political priorities of those in charge in those countries, except in the countries which have to close down nuclear plants.

Detailed work therefore needs to be done in this respect and, during the weeks to come, there will be

negotiations on a concrete basis with the candidate countries. I believe they often tend to underestimate the importance of the Community *acquis*, which is currently changing, e.g. as regards buildings and the promotion of renewable forms of energy, and they should therefore make preparations for this, otherwise they risk repeating the same errors which our countries made ten to fifteen years ago. This is an important point in the negotiations and I believe you are right to say that the EP should look at this closely. I would now like to ask Mr Wijckman to speak on this subject.

Mr WIJCKMAN:

I believe that we could, within the framework of the EP, may be also bringing in national parliaments and the Member States, we could do much more in terms of sensitising and raising awareness among our colleagues in the candidate countries, among the Members of Parliament, and you're absolutely right and we discussed within our partners in the south within the EDF (European Development Fund) and it very seldom pops up as a priority within that cooperation and yet we know in particular in the poorest of the poor if they don't have access to modern energy services there will be no development, you can't build a nation on cow dung you simply cannot, and still if you look back during the nineties energy not to speak of sustainable energy, energy including mostly then commercial energy supported that makes only 4% of the development portfolio of the European Union and that is too little today,

I know that parliament now for next year's budget has set aside sensible amount of money provided if we get into the second reading, that will promote deeper contacts with member parliaments, and being the president of Globy which is a network of parliamentarians within the EU, we are very much interested in issues related to the environment, it would be a pleasure to try to organise things there.

Secondly I also agree with Mr Gordon, that it should be possible to bring about more technology leap frogging and not technology only defined as equipment but software as well because if you look at countries traditionally, in the early stages of industrialisation energy intensity goes up and reaches a peak and then at some point it started to come down because you become less efficient, you use less materials, there is a substitution for heavy industry etc....It must be possible for us to help some of these candidates countries to avoid reaching this peak in energy intensity and may be flatten this development through clever cooperation and there are fantastic opportunities in terms of co-generation where we or they could gain a lot there is a real possibility to look more in a more integrated way at agriculture policy and renewable

energy production. It is a mystery to me why you can subsidise farmers for producing food or not producing food, but not use some support to produce for instance energy, reducing energy imports, addressing the climate change problem and also a host of other environment-related problems. There should be more integration and then also more consistency in our approach to these problems.

Many years ago I was chairing a government taskforce around the Baltic. This was in the early nineties and our task force was to propose a system of more intense transportation but environmentally sound, and we gave a lot of recommendations, in particular building upon the network that does exist in most of the candidates countries on the railway side but which is now losing ground because it has not been modernised, services are appalling compared to other modes of transport. There was a good system still is and other possibilities of course in northern Europe to make more use of the Baltic. Just imagine if some of the tracks that go from Poland on road up to the northern part or middle part of Sweden if they could take ferries instead, you would save a lot of energy and reduce pollution.

So there are enormous opportunities here and I don't want to overestimate the role of parliament but I think we can play a role in the sensitisation.

Mr LAMOUREUX:

Many thanks. I would like to give you an example which goes back four or five years when the European Commission was explaining to Poland that, yes, there would be a major problem in negotiating the agricultural chapter, but that Poland must realise that the EU could not avoid having a policy to promote biofuels. At the time, Poland did not believe this would become a reality, and the examples you give are all relevant.

Mr Daras, perhaps you have something you would like to add. Does the Walloon Government in fact have any twinnings with the candidate countries in the field of energy?

Mr DARAS:

This is something which could be considered. There are none at the moment, but I think this is a mutual challenge both for the candidate countries and for the EU. We all carried out extensive analyses a few years ago to show that the link between growth in energy consumption and economic growth could be broken. We are probably not all convinced, but the authorities in the candidate countries are convinced and are prepared to use the best available technologies because they are in dire need of economic growth, but this must

be accompanied by energy consumption growth management, which means there is a considerable amount of work to be done on a partnership basis.

For the candidate countries, the optimistic answer is to say yes, we are convinced this can be done. What we need is the resources to do it all. Today, we already have vehicles travelling to Eastern Europe and see goods being transferred from rail and other means of transport to the roads. Our roads are already full of lorries from Eastern Europe which are *en route* throughout the rest of Europe. We are therefore already experiencing part of the problem. The changes in the field of transport therefore need to be considered very quickly if we wish to avoid repeating in the candidate countries the errors we made in the past. Now we need to provide a response as a working group, in partnership, and working as soon as possible with the candidate countries.

Mr LAMOUREUX:

Thank you. The time is coming to close this panel discussion, but I would like to ask Mr Dell, or the director representing the various types of agencies if they would like to say a few words in reaction to the problem of enlargement and tell us about their own experience.

Mr DELL:

Very briefly, many regional agencies have already a long history of working with organisations in the candidate countries. My agency, for example, has worked for many years in Slovakia and the Czech Republic, but also with energy agencies in Slovenia and Hungary. We have introduced one of the first building labelling programme in the southern part of the Czech Republic. The candidate countries, the same is true than for Member States in concrete day today work, it's often simpler to cooperate between regions than try to co-ordinate all the nation, that I wanted to mention.

Mr WARDELL:

And if I may reinforce that point to include the local and regional energy agencies together, we stand on a common platform on that one, and also the local energy agencies already have projects going in the candidate countries and in fact the local energy agencies are well used to transnational partnerships from the very inception of the agencies from the time they were set up, and indeed there are some agencies which have up to 60 active partners in different countries.

Mr LAMOUREUX:

I must say that one of the problems which has not been mentioned here is that in a number of candidate countries where there was abundant nuclear power there is not a sufficiently developed

culture of energy saving. Only now with the pressure coming at the end of the negotiations, with dates having to be set to close down certain nuclear plants, is there suddenly strong pressure for the EU to consider the problems of energy saving.

We ourselves have been calling for this to be done for a long time. With the negotiations on energy, cooperation will speed up. I will ask Mr Hanreich not to draw conclusions because the debate is far from over, but, on the basis of the workshop panels, perhaps to say what the main outlines are and how coordination between Brussels and the agencies might be improved.

Mr HANREICH:

Thank you, I'll try to do so.

I think in order to make a couple of points first the issues and the approach of the Green Paper have been confirmed today at this conference.

Secondly, local level action has been clearly identified as being crucial for energy efficiency and for the development of decentralised renewable energy production, better networking between agencies and facilitation of access to information was repeatedly mentioned throughout the whole of the conference. Reliable data is an important tool in order to go ahead with concrete action,

Local action can only be successful if there is a joint approach by the local agency and the local authority. The strong support of the local authority is crucial in order to establish a framework in the environment that allows agencies to act successfully.

First point, transport is an issue of increasing importance regarding energy consumption and environmental effects. There should be more coordination between different policies as they often pursue the same objectives, this was the statement that was made today in the workshop.

A change in our transport patterns like model split, number and length of journeys is often decided at local level. Energy demand of transport needs to be taken into account in order to ensure a global assessment of the energy demands of buildings, offices, holiday resorts, etc

Vehicles, fuels, driver behaviour but also transport planning and organisation are important issues at local level, local transport plans and local energy plans should be co-ordinated. In the European Commission's financial support to local action, a new approach should be applied, instead of pure start-up subsidies for local agencies we will support concrete local action within broad national partnerships on priority issues, such as for example energy efficiency and buildings.

Exchange of experience and exchange of best practice together with information, training of installers and other people and awareness-raising was considered to be the most important issues that should be addressed.

Associations, networks, and other appropriate thematic groupings help to avoid re-inventing the wheel, we need to learn from each other.

Sixth point, support programmes are necessary but not enough. Further legal initiatives are needed such as the directives on buildings, biofuels, combined heat and power, public procurement, minimum energy efficiency standards and labelling,

Seventh point, candidate countries have a huge potential, particularly in energy efficiency, however their starting point is often a different one. Candidate countries should build up a network of local actors that allow them to participate fully in the foreseen European activities at local level. This requires awareness-raising, sensitisation as Mr Wijkman said, of the Governments of candidate countries on energy issues at large. This should allow candidate countries to leap frog, which would prevent them from repeating the developments in the EU countries in the past.

Eight point, in order to work efficiently with hundreds, may be later even with thousands of actors at local level, we need to exploit the potential of modern technologies. This will allow us, like today's internet interactive conference is trying to do, to meet more regularly on specific questions at low costs and by saving travel time.

Before I conclude I would like to draw your attention to the evaluation forms for the conference which you can pick up at the registration desk.

You're invited by these forms not only to give us feedback on the conference and on the usefulness of the different sessions but also in section 3 and 4 of these evaluation sheets to give us supplementary input for the design of the new programme on energy intelligent Europe and our initiatives to work closer together with the local sectors.

Thank you.

Mr LAMOUREUX:

Thank you for this. In closing, I would like to stress that we have had a broad exchange of information today. We will be doing the same again next year, but on much more specific topics to be prepared with you. We will make an effort not to be too general, but to prepare properly one or two topics in particular. A great number of extremely varied questions have been asked and we have not provided answers to them. With our virtual rapporteurs on Internet as well, a lot of questions have been asked in the candidate countries.

We shall answer all of these questions and send all participants the record of the discussions on the basis of an evaluation by the Commission. You will also be receiving questionnaires and on the basis of your replies we will be considering how best to establish better and closer cooperation between the Commission and yourselves, taking account of the fact that priorities emerge rapidly, the Community *acquis* increases every six months with a new text on energy saving, energy efficiency or the promotion of renewables and that you have, if I may say so, a national, regional and local marketing role to play as regards how to apply these texts.

Thank you for your attention and I hope to see you all again next year.