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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND
THE EUROPEAN PARLIAMENT**

7 Measures for 2 Million New EU Jobs

A Low Carbon Eco Efficient & Cleaner Economy for European Citizens

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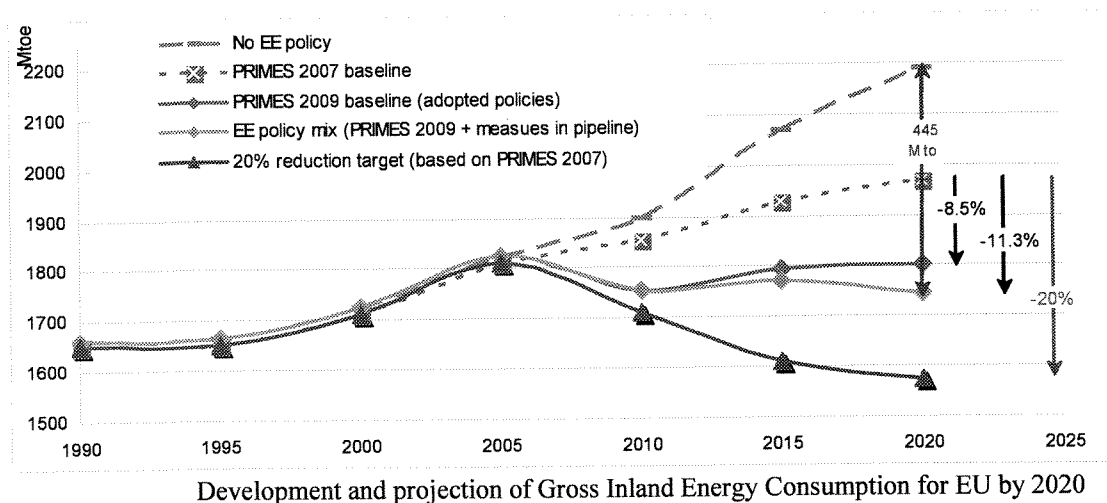
A Low Carbon Eco Efficient & Cleaner Economy for European Citizens

I. INTRODUCTION: A LOW CARBON ECO EFFICIENT & CLEANER ECONOMY FOR EUROPEAN CITIZENS

1. Absent further action the 20% target will not be met

At the Spring Council 2007, the EU Heads of States and of Governments committed to increase energy efficiency in the EU in order to save 20 % of the EU's energy consumption compared to projections for 2020. The EU has, on the whole, reacted well to this challenge. As a result of new policies the EU's energy consumption is now forecasted to stabilise until 2020, even though GDP is expected to rise by 28% over the same 15 years.

However, as indicated in the figure below, the EU is far from reaching its 20% target. With the current legislation in place, a reduction of only 8.5% energy consumption will be achieved. Even taking into account additional measures in the pipeline, only 11% consumption reductions will be achieved in 2020.



Further action is therefore needed.

2. The rationale for further action on energy saving

Energy saving is the EU's most immediate and cost-effective way of addressing the EU's strategic objectives of fighting climate change, ensuring security of energy supply and achieving sustainable economic and social development.

Fighting climate change: Increased energy saving is the most readily available and rapid way to achieve the EU's current 20% target of green house gas emissions (GHG). Only strong progress on energy efficiency now can make further commitments on greenhouse gas emission reduction in the short to medium term realistic, notably a 30% GHG cut by 2030 envisaged by the EU if the Copenhagen negotiations are successful.

Competitiveness, jobs and economic recovery: Many energy efficiency improvements pay for themselves in energy savings. They make our industry more competitive and our citizens richer. Indeed, it is clear that, with adequate determination, the EU can reduce its energy needs by more than 20% by 2020 only with cost-effective measures. In addition, the bulk of energy efficiency measures, in housing and transport, create many jobs in the EU: the measures outlined in the Plan could create as many as 2 million new jobs in the EU.

Security of energy supply: EU dependency on imports is currently 54% and is increasing, with some countries particularly vulnerable to cuts in gas supplies. This carries political and economic risks. Energy efficiency is the cheapest and most effective manner to reduce these risks.

Fighting energy poverty: Many EU citizens suffer from energy bills that represent too high a proportion of their disposable income. Helping these citizens to lower their energy consumption in a cost effective manner, and focussing on the renovation of social housing across the EU is by far the best way to address this priority.

3. Scope of this Action Plan

This Action Plan focuses on 7 specific measures where cost-effective gains can be rapidly made across the whole of the EU, and where action at the Community level can be particularly effective. It is intended to complement existing actions, notably in relation to the Eco-Design (2005/32/EC) and Energy Labelling (92/75/EEC) framework Directives, which will remain a high priority for the Commission which will seek to accelerate their impact and application in practice.

The transport sector accounts for almost 20% of EU primary energy consumption and has to be a priority in terms of energy efficiency. The Commission will table a specific White Paper on this issue in 2010 outlining measures for 2010-2020.

II. 7 MEASURES FOR 2 MILLION NEW EU JOBS

This Action Plan focuses on the following 7 measures:

- Legally binding targets for Member States;
- The European Building Initiative: refurbishing 15 million buildings by 2020
- Smart cities of Europe
- Energy saving in the utility sector
- Using the full potential of SMEs
- Behaviour and education
- International cooperation

1. Binding energy saving targets

The existing indicative targets for Member States contained in the Energy Services Directive have not succeeded in putting the EU on track to meet its 20% energy efficiency goal. The EU has agreed binding national targets for the reduction of GHG and renewables energies. Given the priority that needs to be placed on energy efficiency and savings across the whole of the EU for all the reasons outlined above, it is appropriate to complement the existing legal framework with binding targets on energy efficiency, in line with the already agreed 20% objective. Meeting the 20% target will require committed action in all Member States, and will result in a European-wide energy efficiency industry developing, creating significant synergies and cost savings.

The EU also needs to demonstrate real determination in meeting present and future GHG commitments and to demonstrate how emissions can be reduced in a manner that will benefit its citizens. A binding commitment to give effect to agreed energy targets is one of the best ways to do this.

The Commission therefore intends to propose a directive providing for a binding obligation on Member States in line with the agreed 20% energy savings objective, subject to further assessment of its impacts and in particular the need to ensure that such obligations are designed in a manner that are compatible with the effective operation of the EU's ETS scheme and the Effort Sharing Decision for the non-ETS sector.

Such a legally binding target might be sector specific (for example being limited to buildings and, eventually transport), or be general in scope, covering all aspects of the economy. This will be a particular focus of the Commission's impact assessment, as well as (i) the nature of a possible general energy efficiency target¹, and (ii) the need for burden sharing measures adapting the target to each Member State. However, when considering this latter issue, it should be noted that the additional measures contained in this Action Plan are specifically designed to lead and support Member States towards achieving the 20% target in a cost-effective manner so that any financial burden in meeting a 20% target should be strictly limited.

2. The European Building Initiative: refurbishing 15 million buildings by 2020

Targeting the residential, commercial and public buildings is the highest priority. It represents 40% of the EU's total final energy consumption and CO₂ emissions and the cost-effective energy savings potential in buildings is around 30%, the highest of all end-use sectors. Most energy efficiency and savings technologies for buildings are already cost-effective and available today. Overall, the EU's final energy consumption can be reduced in 2020 by as much as 11%² from cost-effective investments in buildings.

¹ Notably whether it should be set in terms of a physical limit on the energy that each Member States could emit by 2020, or a target based on energy savings compared to its projected energy consumption.

² Study on Energy Savings Potentials in EU Member States, Candidate Countries and EEA countries, Fraunhofer ISI from 2009.

Buildings also represent a large part of the EU economy, about 9% of EU GDP and 7-8% of EU employment, with a majority of the companies active in this sector being SMEs. The importance of the sector in terms of social, cultural and historic value is enormous. Investing in energy efficiency in buildings can play a key role in EU's economic recovery, whilst contributing to an improved level of comfort and lower energy bills for citizens. Existing experiences across Europe demonstrate how well-targeted and well-designed policies can lead to massive improvement of the energy efficiency of the building sector.

To tap the energy savings potential of existing buildings and address the barriers of high up-front cost and lack of information, the Commission will launch a European Building Initiative, supported by EIB, EBRD and other banks, that will aim at stimulating the major renovation of 15 million buildings by 2020. If fully implemented in all Member States the European Building Initiative will lead to primary energy savings of 37 Mtoe, representing CO₂-savings of 66 MtCO₂. This is equivalent to the annual primary energy needs of Austria and Cyprus together for 2006. It can be expected to create on average each year, 300 000 direct and 1.1 million indirect jobs, and if implemented with determination in every Member State, as many as 1.7 million jobs per year.

To be successful, the European Building Initiative needs to provide **a new financing and technical assistance infrastructure for the EU**, making better use of existing instruments, creating new ones where a clear benefit can be demonstrated, and spreading best-practice across the whole of the EU. To achieve this five actions are proposed:

2.1 The establishment of a National Energy Efficiency Fund in each Member State

In a number of Member States a National Energy Efficiency Fund has been created to help finance and provide expert support to building renovations, because the availability of proper finance in a time of caution by commercial banks and in a sector largely unknown to them is one of the main limits on promoting building renovation.

In some cases, particularly for citizens and SME's, the Funds have also provided reduced interest-rate loans. These Funds have had extraordinary results, and rolling-out equivalent mechanisms across the whole EU, with each fund learning from the experience of others and supported by the EU financial institutions, offers a huge potential in meeting the EU's objectives in the most cost-effective manner possible and providing the maximum benefit to citizens and business.

It is therefore proposed that each Member State would need to establish a National Energy Efficiency Fund (NEEF), in the structure chosen by each country. This could be achieved in one of two ways; from a political commitment taken by all Member States as part of this initiative or as a binding obligation resulting from EC legislation. Such a coordinated approach across the whole EU is vital so that the support that can be offered at EU level, notably from the EIB and EBRD, can be effectively targeted.

The NEEFs will provide support, in particular to banks or ESCOs, for preferential loans, or loans combined with performance linked grants, or guarantee/risk sharing facility. Thus, the amounts dedicated to this by Member States will be limited, as it supports, catalyses and complements lending by commercial banks, not replaces it. The objective is to achieve a maximum leverage ratio between public grants and final investment volume. A financial incentive needs also to be incorporated such that more ambitious energy efficient investments receive a higher financial support. Depending on the specific needs, these funds will target private residential, commercial and public buildings. NEEFs should aim at assisting and complementing national schemes and not to replace them.

The funding of the NEEFs can come from any source determined by the Member State in question and should include public and private sources. It is clear that such funds would not create a need for additional taxes to be levied by Member States, adequate funding sources exist:

- *The European Regional Development Fund (ERDF)*

As part of the Recovery measures, the ERDF regulation was amended in May 2009 so that up to 4% of national ERDF funds can be focused on energy efficiency in existing housing³. As a result, an additional €8 B could be dedicated to energy efficiency in the residential sector⁴, producing very significant results in terms of job creation in the Member States concerned. NEEF should also take full advantage of the scalable revolving funds delivered through the Joint European Support for Sustainable Investment in City Areas (JESSICA).

- *The revenues from the auctioning of the ETS allowances*

Under the ETS scheme, 50 % of the auction revenue should be used from 2013 by Member States for different sectors such as renewable energy and energy efficiency⁵. Member States may on a voluntary basis use this revenue flow, or part of it, for the NEEFs.

Some Member States levy a charge on installations that do not emit CO₂, such as hydropower and nuclear installations that were built and amortised long before the ETS scheme was introduced, and can make additional profits as a result of the higher market price of electricity due to the ETS scheme; they may direct the proceeds of such a levy to finance NEEFs.

³ Regulation(EC) No 397/2009 of the EP and of the Council of 6 May 2009 amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing, OJ of 21.5.2009, L126/3.

⁴ In addition to the 9 b€ for public and commercial buildings.

⁵ Article 10 (3) of Directive 2009/29/EC.

2.2 A dedicated EC/EIB joint risk-sharing instrument

This instrument would enhance the capacity of the EIB to share project risks in the field of energy with a core emphasis on energy efficiency. It would be of particular value in working together with local banks to supply credit secured under energy performance contracts; or in working directly with the ESCO industry. This joint risk-capital contribution would be expected to leverage up to 5 times the investment volume in debt or guarantees. The next Financial Perspective 2013-2019 would need to provide appropriate funding on the basis that, as with other joint instruments, EIB would be invited to match the Community contribution. Unused money from the Recovery Fund should also be allocated to the programme to cover its start before 2013.

2.3 Promoting awareness and technical assistance

The availability of high quality energy audit and of well structured financing is the key driver for any sound decision to engage in energy efficiency investments. Such advice and support has, for example, led cities that are Members of the Covenant of Majors to secure guaranteed annual energy savings, with a portion of the saving being used to repay the upfront investment cost. It is vital to spread this best practice, so that many billions of Euros are invested across all the EU's major cities, reducing energy demand and the quality of life of EU citizens and creating many thousands of jobs without increasing taxes.

A high level public awareness campaign promoting best practices for the financial structuring of the NEEFs and the possibilities of cities to invest in energy efficiency will be jointly conducted by the Commission, the EIB and where appropriate other financial institutions. It will primarily target the cities that are members of the Covenant of Mayors and the Managing Authorities of the Member States in charge of allocating resources from the ERDF. The campaign will include coordinated Commission/EIB visits to Member States and local authorities and information sessions for Managing Authorities.

Subject to an in depth analysis of the cost effectiveness of the measure, the Commission also envisages a proposal to increase the ELENA facility from the Intelligent Energy Programme, which provides funds to the EIB for technical assistance, notably to cities preparing an energy efficiency investment .

2.4 An Appropriate Regulatory Framework

Experience in Member States has demonstrated that huge energy and cost savings result from improving the worst performing buildings. Addressing this priority is, however, far from simple.

The most effective approach would be based on the Energy Performance Certificates that EU buildings will progressively receive under the EU's Buildings Directive. After a given date, 2020 for example, all Member States might require that when a buildings is in the bottom two categories, it has to be refurbished before re-sale. Alternatively or cumulatively, the requirement could only target the renting of the worst performing buildings. These options however raise very difficult issues, both in

terms of subsidiarity and the basic freedoms of EU citizens. An alternative approach would be an obligation on Member States, in a recast of the Energy Services Directive, to identify the 20% lowest energy performing buildings and establish a specific awareness and financing campaigns in view of the refurbishment of these buildings until 2020 as a central part of their National Energy Efficiency Action Plans required in the ESD Directive.

Public buildings represent a small but significant part of the total building stock. They have high visibility and should lead by example. The Commission therefore intends to propose that when a major renovation of a public building is carried out, the level of its energy performance would have to be enhanced to the best possible improvement that is still cost effective. The abovementioned National Energy Efficiency Fund would play a central part in meeting this aim.

[Rules on new building to be possibly inserted depending on the ongoing negotiation of the EPBD]

3. Smart cities of Europe

Four Europeans out of five live and work in cities and the same proportion of energy is consumed there. Building a sustainable future for the EU depends to a large extent on whether we will manage to shift the current patterns of energy use in cities towards a new sustainable path.

Technologies to reduce energy use in buildings and transport and to supply 'green' energy are already available, at least in part resulting from EU and Member State research and demonstration projects such as Concerto, EcoBuildings, and Civitas. However, large scale integration of these sustainable solutions, showing that cities can cost-effectively go beyond the current targets for greenhouse gas emission reductions and at the same time provide a better quality of life for citizens in terms of better buildings, lower energy bills, cleaner air and better mobility is still limited. In this respect, the Community can play an important role in catalyzing the development of such cities all over the EU to ensure that this experience is shared and disseminated across Europe and internationally.

The Smart Cities of Europe will be a major initiative, targeted at local level, to provide financial and political incentives to develop ambitious energy efficiency, renewables and transport measures in urban areas, demonstrating what can be done cost-effectively, which can then be replicated across the EU and beyond. It would be a joint initiative of the Commission, the EIB and the ERBD in collaboration with other financial institutions.

The objective is (i) to demonstrate the feasibility of significantly exceeding a 20% cut in GHG in a city by 2020 in a cost-efficient manner, (ii) to demonstrate to citizens that their quality of life can be improved through investments in energy efficiency and reduction of carbon emissions at a cheaper cost than through any other technique, and (iii) to foster the dissemination throughout Europe of the most efficient models of Integrated Plans for Sustainable Urban Development.

It is therefore proposed that a new financing mechanism be developed at EU level to catalyse the first “demonstration” cities. Cities would participate in an open bid, with cities or regions that are members of the Covenant of Mayors being primarily targeted as potential candidates. The best bidders will be selected as "Smart cities of Europe" allowing access to EU funding. The objective is to select one city for each small Member State and two cities for each big Member State.

The selection could be done on the basis of the main following criteria:

- (i) a general commitment to take ambitious and pioneer measures to achieve by 2020, a significantly greater than 20%: reduction of CO2, final energy demand covered by RES, and reduction of final demand;
- (ii) the total investment by the city or region in question, through loans and structural funds and other funds. The aim of the Community contribution is to catalyse major demonstration projects, not to subsidise already profitable investments; and
- (iii) the quality of the programme on the basis of the highest impact in term of improving life of citizens, creating jobs and promoting new technologies. This should be done through integrated plan for sustainable urban development covering at least three of the following areas of intervention:

<i>Areas of intervention</i>	<i>Programmes (indicative)</i>
BUILDINGS	<ul style="list-style-type: none"> ○ Going beyond the EPBD ○ Integration of RES in/on the buildings (mainly solar and ambient heat) ○ Advanced Insulation ○ Low and 'active +' buildings
HEATING AND COOLING	<ul style="list-style-type: none"> ○ Co-generation ○ District heating and cooling ○ RES heating and cooling
ELECTRICITY	<ul style="list-style-type: none"> ○ Smart grid ○ Smart metering ○ Smart appliances ○ RES
TRANSPORT	<ul style="list-style-type: none"> ○ Alternative fuels (Electro-mobility, Hydrogen and fuel cells, vehicles, Biofuels, ...) ○ Sustainable mobility (Advanced public transport, Traffic management, demand management and communication, walking an cycling, ...)

Support to the programmes would be modulated according to the ambition and risk involved. *Ambitious cities* could receive funding for technical assistance to facilitate access to loans and risk sharing loans. *Pioneer cities*, taking much greater risks, could in addition receive funding in the form of grants to the activities.

In the case of Pioneer cities and given the potential variety and specificity of solutions proposed by the local authorities, it is proposed that the EC financial contribution is granted on the basis of a ceiling of up to about 100.000.000 €⁶. Assuming the participation of 25 to 30 cities for the period until 2015 the total cost of the action on this basis would be between 2-3 billion €, with the potential of catalysing cost-effective investments in EU cities of many tens of billions of Euros through supporting loans, notably from the EIB and EBRD. The next Financial Perspective 2013-2019 would therefore need to provide, under FP8 for research and development projects, about 3b€ for direct EC financing to projects under the Smart Cities of Europe initiative. Unused money from the Recovery Fund should also be allocated to the programme to cover its start before 2013.

Additional financial incentive would come from the involvement of the structural funds and the EIB on the same model as the one developed under the "European Building Initiative" above.

This initiative will activate a massive market uptake of energy efficient and low carbon technologies for buildings, heating and cooling, electricity and transport. It will lead to new approaches on demand management, planning and organisational innovation to progress towards low carbon zones and eventually cities and regions.

Finally, the Smart Cities Initiative can become an 'international laboratory' on how to refurbish existing cities, in the same way that Masdar near Abu Dhabi is seen as a pioneer new "green city". This can provide significant benefits to the EU, not only in terms of demonstrating its commitment to turning its climate change promises into real action, but also in exporting new technologies and expertise.

4. Promotion of energy saving in the utility sector

Energy providers – Europe's gas and electricity companies - are in many respects best placed to help households and SME's to reduce their energy consumption, as they are directly in contact with them when they have to pay their bills. However, they have very little direct economic incentive to do this; in fact a disincentive as they sell less energy as a result and make less profit. The ETS system only partially addresses this problem; energy providers have far more economic incentive to provide (more expensive) low carbon energy than to invest in selling less.

Experience in Member States and worldwide has shown, however, that with appropriate incentives, the role of energy utilities in assisting households and SME's to reduce their energy bills can be substantial. It is important that appropriate incentives be put into place in all Member States, not only to promote cost-effective energy efficiency investments and achieve the 20% objective, but also to create a level playing field in terms of the obligations on electricity and gas companies on the Internal Energy market.

⁶ A typical CIVITAS or CONCERTO project could be granted around 10M€. It is initially estimated that to achieve the market activation objective projects should be granted at least ten times more support. However, this requires further analysis.

4.1 A White certificate scheme

A number of Member States have already introduced obligations for energy companies to invest in energy efficiency. White certificates (or an “energy reduction obligation”) have for example been introduced in the UK, Italy, France, Denmark and the region of Flanders. The energy savings potential arising from national white certification schemes are estimated to be 36 Mtoe in 2020 and 69 Mtoe in 2030 in the EU.

To avoid potentially distorting effects on the EU internal energy market and create a level playing field, a harmonised framework guaranteeing that the same burden applies to all energy companies across the European Union should therefore be put in place.

Subject to further assessment and in particular to ensuring that it functions as a complement to ETS scheme, **the Commission therefore intends to propose a directive providing for a binding obligation on Member States to introduce a White certificate scheme.**

This should take the form of minimum obligations on Member States as regards the introduction of a national scheme promoting investments in energy saving by the energy industry, rather than a unified European White Certification Scheme with the possibility of trading certificates between Member States. The common approach should set a common basis for the scope of the obligations, the minimum level of effort needed and the methodology for calculating energy savings. Flexibility should however be left to the Member States as to the modalities.

4.2 Specific measures to promote CHP

Combined heat and power generation (CHP) is a proven tool to increase energy efficiency and achieve savings. The benefits in terms of energy saving from cogeneration are today estimated to be around 35 Mtoe per annum in the EU. More could be done: the EU has a total economic installed capacity potential of an additional 50 – 150 GW.

There are however some persistent barriers to the wider uptake of cogeneration⁷: the difficulty of securing fair value prices for CHP, inadequate grid access, insufficient promotion of district heating networks, and insufficient consideration given to CHP potential in urban and industrial sites planning. The reduced flexibility of CHP installations as regards the production of electricity and heat is also a natural barrier that should be fully taken into consideration.

⁷ This is evidenced by the CHP country reports provided under the CHP Directive 2004/8/EC.

A stronger regulatory framework is therefore needed to ensure that CHP can be implemented wherever this is technically and economically feasible. The Commission therefore intends to propose some or all of the following measures:

- The application of the White Certificate scheme detailed above to energy saving resulting from increased efficiency in generation in particular through CHP;
- Priority grid access for CHP;
- Energy efficiency in generation, in particular arising from CHP under economically and technically reasonable conditions, to be made a prominent criteria for the grant by Member States of authorisations for the construction of generating capacity in their territory.

Large urban areas provide some of the best opportunities for the promotion of CHP: the presence of large district heating systems and the existence of an important electricity demand associated with the proximity of numerous end-users increase the viability and feasibility of cogeneration. In addition to legislative action, CHP's development in urban areas will therefore be promoted within the frameworks of the Smart Cities initiative described above and of the Covenant of Mayors.

4.3 Energy Efficient Networks and Smart Meters

There is a large scope for the improvement of energy efficiency in the gas and electricity networks. National regulatory authorities (NRAs) have a difficult task in promoting their implementation as energy efficiency gains may lead to increased transmission or distribution tariffs, although the effect in terms of reducing losses more than compensates for these increases over time. The Gas and Electricity Directives adopted as part of the Third Internal Gas and Electricity Market Package provide for a general objective of the NRAs to promote energy efficiency but no specific tasks or powers are given to them to implement this general objective.

It is therefore proposed that NRAs should have a clear specific legal obligation to take due regard of energy efficiency in their decisions and monitoring of the management and operation of the infrastructure. This would include ensuring that all possibilities for cost-effective improvements of the grid, through smart grids in particular, are implemented. Following further studies and consultation, the Commission will make appropriate proposals in this regard.

Intelligent metering systems can also lead to important savings and should be promoted. The Third Internal Gas and Electricity Market Package have gone a long way to implement significant obligations on Member States to roll out smart meters⁸. As regards energy efficiency, it is however essential to ensure that smart meters provide clear and easy to use information to consumers as to their actual consumption; that they are 'smart' from the consumers viewpoint and not just the electricity and gas company installing them (who, in the absence of appropriate incentives, have no real interest in helping customers to reduce energy consumption). The Commission will ascertain whether further legislative action is needed. This

⁸ See Annex A of Directive 2009/72/EC.

could in particular include an amendment of existing legislation or the application of the White Certificate scheme to smart meters that achieve all the needed benefits in term of energy savings.

5. Using the full potential of SMEs

SMEs represent a huge potential for energy savings. The 2007 Observatory of EU SMEs indicates that only 29% of SMEs have instituted some measures for preserving energy and resources (46% in the case of large enterprises) and that only 4% of EU SMEs have a comprehensive system in place for energy efficiency, which is much lower than for large enterprises (19%).

An awareness campaign at EU level will be launched by the Commission in association with the Enterprise Europe Network. It will, where necessary, be backed-up by concrete proposals about funding opportunities and energy audits.

In addition, to foster the uptake of an energy service market, ESCOs will be promoted and supported through the measures contained in this Action Plan, notably the financing and Smart Cities initiatives outlined above.

6. Measures addressing behaviour and education

Practically all studies show a lack of awareness by citizens and companies, particularly SME's, on the benefits and practicalities of investing in energy efficiency. Energy efficiency awareness measures are most effective at the national or local levels. However EU action can bring additional added value if it is well targeted. The following measures are additional to the Smart Cities, building and SMEs initiatives detailed above for which the awareness issues are central. The Intelligent Energy Europe budget for 2010 will also make education & training its priority.

Significant investments in energy efficiency of buildings require a large workforce skilled enough to design, build, install, operate and maintain energy efficient buildings at reasonable cost. The workforce capacity must therefore be expanded to meet the demand and this may be achieved in the short term through vocational training. A mandatory "low energy building" course for the building workforce, in particular for architects, should therefore be introduced as a central part of educational and training of these groups in all Member States.

Additionally, the Commission shall consider how best a targeted awareness action towards domestic consumers could be conducted. For example, it will consider whether it is appropriate to introduce an obligation, in the context of the Internal Energy Market, for domestic consumers to receive with their energy bill comparative information in particular on cumulative comparative energy usage (to compare the actual billing period with the last one), seasonal comparative energy usage (to compare the actual period with the same one in last year), and/or the comparative greenhouse gas emissions.

7. International cooperation

Fighting climate change is a global challenge and effective international cooperation on energy efficiency should be a central part of this.

Firstly, in the context of the Neighbourhood policy, energy efficiency policies can be coordinated with the aim, at a later stage, to provide for a common level of legislation on energy efficiency. This can also provide leverage for more investment funding. One of the essential objectives would be to enhance energy security in the partner countries and the EU. Additionally, the relationship with Russia should be given the highest priority.

Secondly, the countries of the Energy Community are actively working towards achieving the transposition of the energy efficiency acquis.

Thirdly, the Africa-EU Energy Partnership and its draft road map should be used to focus the use of the second ACP-EU Energy Facility (€ 200 m.) on energy efficiency as the Facility aims at leveraging funding from bilateral donors and implementing agencies and the private sector. The objective would be to create appropriate institutional capacity and support energy efficiency programmes and projects.

Fourthly, intensified cooperation should take place in the context of the International Partnership on Energy Efficiency Co-operation (IPEEC), in which the EU's major partners (G8, Brazil, China and India) are represented. The objective is to facilitate actions that yield high energy efficiency gains. Harmonisation of energy efficiency legislations at global level is complicated by the existence of diverging approach between USA, Japan and Europe.