



**COUNCIL OF
THE EUROPEAN UNION**

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“I/A” ITEM NOTE

from:	Working Party on Structural Measures
to:	Permanent Representatives Committee (part II) / Council
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Subject:	Draft Council conclusions on Special report No 21/2012 by the European Court of Auditors concerning the cost-effectiveness of Cohesion Policy investments in Energy Efficiency

1. On 17 January 2013, the General Secretariat of the Council received Special Report No 21/2012 "Cost Effectiveness of Cohesion Policy Investments in Energy Efficiency?", adopted by the Court of Auditors at its meeting on 14 November 2012.
2. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors¹, the Permanent Representatives Committee (Part II) at its meeting on 20 February 2013 instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the abovementioned conclusions.

¹ Doc. 7515/00 FIN 127 + COR 1.

3. The Working Party on Structural Measures has examined the Special Report and an agreement on draft Council conclusions was reached on 8 May 2013.
 4. The Permanent Representatives Committee is therefore invited to recommend to the Council to adopt, as an "A" item, these draft Council conclusions as set out in the Annex.
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**Draft Council conclusions on Special Report No 21/2012
by the European Court of Auditors:
Cost-effectiveness of Cohesion Policy investments in Energy Efficiency**

THE COUNCIL OF THE EUROPEAN UNION,

- (1) RECALLS the significant economic opportunity afforded by undertaking energy efficiency improvement measures to meet Europe 2020 goals including reduced energy consumption, improved security of supply, increased competitiveness and sustainable employment;
- (2) STRESSES the importance of the principle of shared management within Cohesion Policy, and EMPHASISES the importance of effective management and control systems in order to ensure that EU funds are efficiently and appropriately disbursed;
- (3) WELCOMES Special Report No. 21/2012 of the European Court of Auditors (hereinafter referred to as ‘the Court’) on the cost-effectiveness of cohesion policy investments in energy efficiency, and TAKES NOTE of its recommendations as well as the reply from the European Commission (hereinafter ‘the Commission’);
- (4) RECALLS the Commission’s aim to strengthen the focus on results and the effectiveness of cohesion spending by tying Cohesion Policy more systematically to the Europe 2020 objectives;

- (5) REAFFIRMS the Commission's view on the necessity for Member States to ensure that cohesion policy investments are properly aligned with national energy efficiency strategies and the selected measures are included in the National Energy Efficiency Action Plans while noting the potential conflict between the results of 'needs assessment' and a 'cost-effectiveness' approach;
- (6) NOTES the Court's findings regarding future Cohesion policy funding in the next programming period specifically in respect of needs assessment, cost-effectiveness, regular monitoring and the use of transparent project selection criteria;
- (7) REMINDS Member States, in light of the Court's findings, of the importance of putting in place robust methods for evaluating operational programme outputs in meeting the goals of reducing energy end-use consumption;
- (8) TAKES NOTE of the Court's recommendation on the benefit of utilising energy audits as a primary selection requirement for energy efficiency projects, particularly with regard to the cost-optimal methodology requirement on Member States in the implementation of Directive 2010/31/EU on the energy performance of buildings while also noting the Commission reply that, as Cohesion Policy is an integrated policy, there is a case for deep renovation, going beyond cost-optimal levels;
- (9) WELCOMES the fact that the Commission is already working towards introducing the necessary changes in advance of the next programming period and NOTING that these objectives will be underpinned in the implementation by Member States of the Energy Efficiency Directive (2012/27/EU);
- (10) ENCOURAGES the Commission and Member States to continue and improve management and control systems in the current programming period with a view to optimising the implementation in the next programming period, starting in 2014; and

- (11) ENCOURAGES the Court to continue its examination of programmes and projects financed under the cohesion policy and to contribute with its recommendations to designing a more efficient and result-oriented policy in the next programming period, starting in 2014.
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