



Council of the
European Union

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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Draft Council conclusions on Special Report No 02/2022 entitled "Energy efficiency in enterprises: Some energy savings but weaknesses in planning and project selection"

Delegations will find attached the Draft Council Conclusions on the European Court of Auditors' Special Report No 02/2022, as prepared and agreed by the Structural Measures and Outermost Regions Working Party on 22 March 2022.

DRAFT

**Council conclusions on Special Report No 02/2022 by the European Court of Auditors:
Energy efficiency in enterprises: Some energy savings but weaknesses in planning and project
selection**

THE COUNCIL OF THE EUROPEAN UNION:

- (1) WELCOMES the Special Report No 02/2022 by the European Court of Auditors (hereafter referred to as "the Court") and the replies of the Commission to the Report;
- (2) NOTES that the Court's audit assessed whether the European Regional Development Fund and the Cohesion Fund in the 2014-2020 programming period for energy efficiency in enterprises were soundly spent; in that endeavor, the Court reviewed whether:
 - the Commission and Member States assessed the most appropriate use of EU funds considering the energy efficiency objectives;
 - Member States used procedures allowing the selection of efficient projects;
 - Projects results could demonstrate improvements in energy efficiency in enterprises;
- (3) ACKNOWLEDGES that energy efficiency is an essential part of the EU ambition to become carbon-neutral by 2050, UNDERLINES that for the success of the energy transition, all sectors of the economy have to become more energy efficient and points out that cohesion policy funds represent one of the main sources of EU funding to support direct investments in energy efficiency in enterprises;

- (4) RECALLS that improving energy efficiency and the management of energy consumption plays a key role in phasing out our dependency on Russian gas, oil and coal imports, taking into account national circumstances and Member States' choices of their energy mix, as stated in the Versailles Declaration of 10 and 11 March 2022 and STRESSES that energy efficiency projects facing price increases and supply chain disruption issues should be successfully finished;
- (5) TAKES NOTE of the findings of the Report, in particular that:
- The Commission and Member States have not assessed specifically the potential for improving energy efficiency in enterprises in the period 2014-2020;
 - Most Member States set in their Operational Programmes objectives linked to energy efficiency in enterprises, but not explicitly linked to the objectives of the National Energy Efficiency Action Plans;
 - The managing authorities set energy efficiency and sometimes cost effective criteria to select projects but most of them have not used indicators to check if the investments were financially viable;
 - Investments in energy efficiency in enterprises were generally efficient but the use of efficiency criteria are not sufficient to reduce significantly the average cost of saving energy;
 - In the 2014-2020 programming period, indicators measuring energy efficiency improvements in enterprises are programme-specific and cannot be aggregated at EU level; however, for 2021-2027 cohesion policy funds contribution to energy efficiency is considered still necessary;

- (6) SHARES the replies of the Commission to the findings and recommendations included in the Court's Report, in particular that:
- While the alignment of the Operational Programmes with the National Energy Efficiency Action Plans should be ensured, the different timing in their respective preparation and adoption made it difficult in the programming period 2014-2020. For the 2021-2027 programming period, the assessment of the contribution of cohesion policy funds to energy efficiency in enterprises will be done when assessing the programmes and the fulfilment of the enabling condition related to the National Energy and Climate Plans;
 - Cost-effectiveness assessments have to consider not only the energy savings but also the multiple benefits of energy efficiency investments, the contribution to multiple policy objectives of implemented interventions, and their benefits beyond energy savings;
 - Energy efficiency is one of the sectors facing the largest investment gap in the EU, and that EU funding can be a driving force to scale up and leverage investments in energy efficiency;
- (7) TAKES NOTE of the recommendations of the Court and thus INVITES the Commission to:
- Assess the specific impact of energy efficiency projects for enterprises when evaluating the 2014-2020 programming period;
 - For the 2021-2027 programming period, assess whether the choice of the funding instrument dedicated to energy efficiency is appropriate in light of the improvement to be achieved in energy efficiency, and more generally, to contribute to climate objectives in an efficient manner.
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