

ECA's work on energy, climate change, environment and agriculture

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European Court of Auditors
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EUROPEAN
COURT
OF AUDITORS

Outline

1. ECA organisation and types of audit
2. Landscape Review:
EU action on Energy and Climate Change
3. Relevant ECA special reports:
recently published, in progress

1. ECA organisation and types of audit

European Court of Auditors (ECA)

- External auditors of the EU
- Contributes towards **improving EU financial management**
- Acts as independent guardian of the financial interests of the citizens of the EU
- **Collegiate body** with 28 members, **1 from each Member State**, around **900 staff**
- Based in **Luxembourg**



ECA organisation



The ECA's work

Financial audit

Reliability of the accounts

Compliance audit

Legality and regularity of underlying transactions

Performance audit

Value for money and financial management

Other products

Opinions on legislations

Briefing papers

Landscape review

Annual Report

Special Reports

2. Landscape Review: EU action on Energy and Climate Change

Landscape Review coverage



1. What the EU is doing

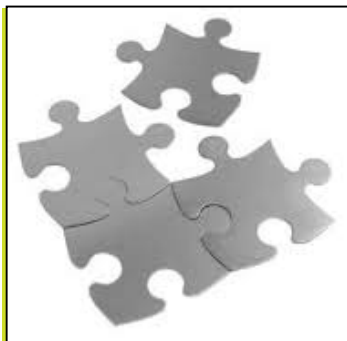


2. What the ECA and EU Supreme Audit Institutions (SAIs) are doing



3. Main challenges

Landscape Review coverage



1. What the EU is doing

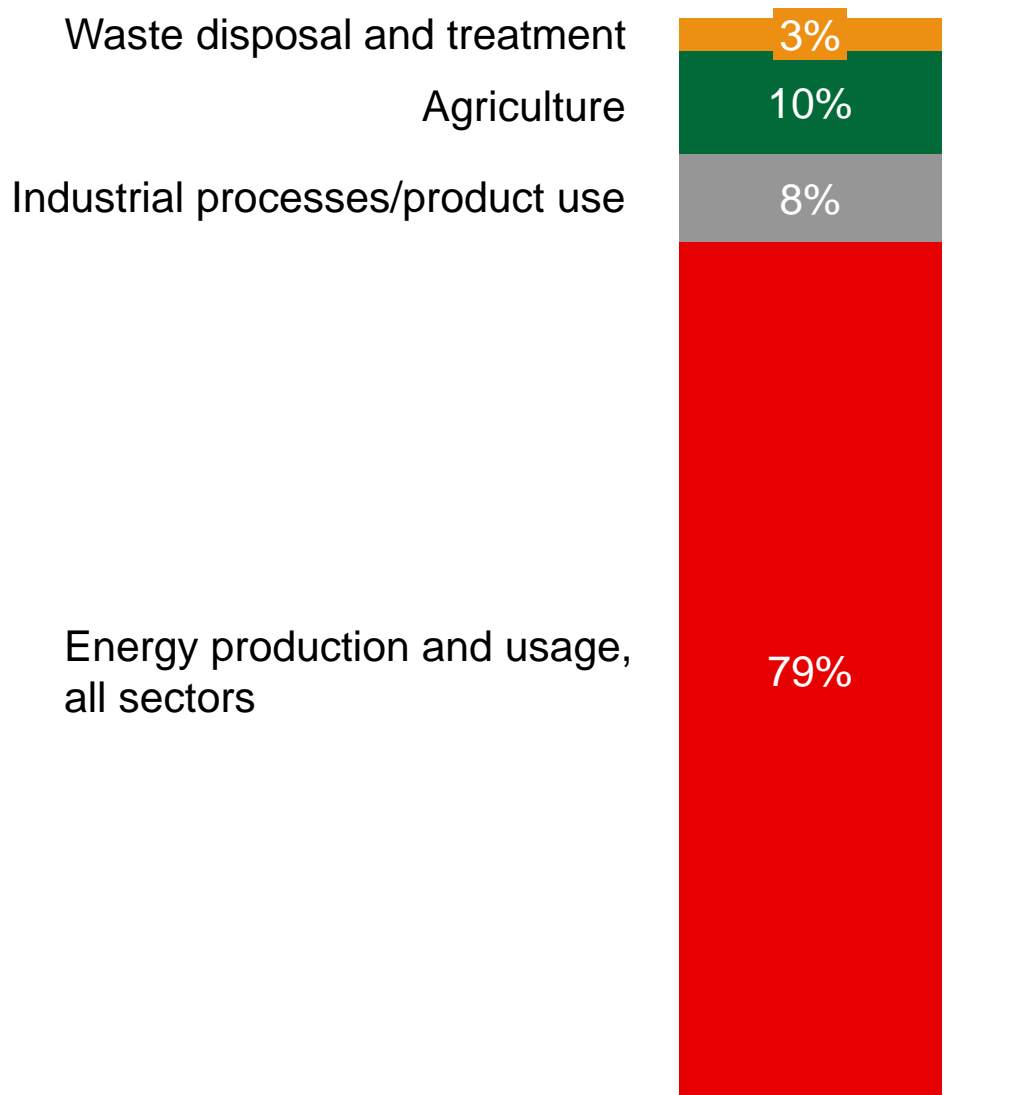


2. What the ECA and EU Supreme Audit Institutions (SAIs) are doing



3. Main challenges

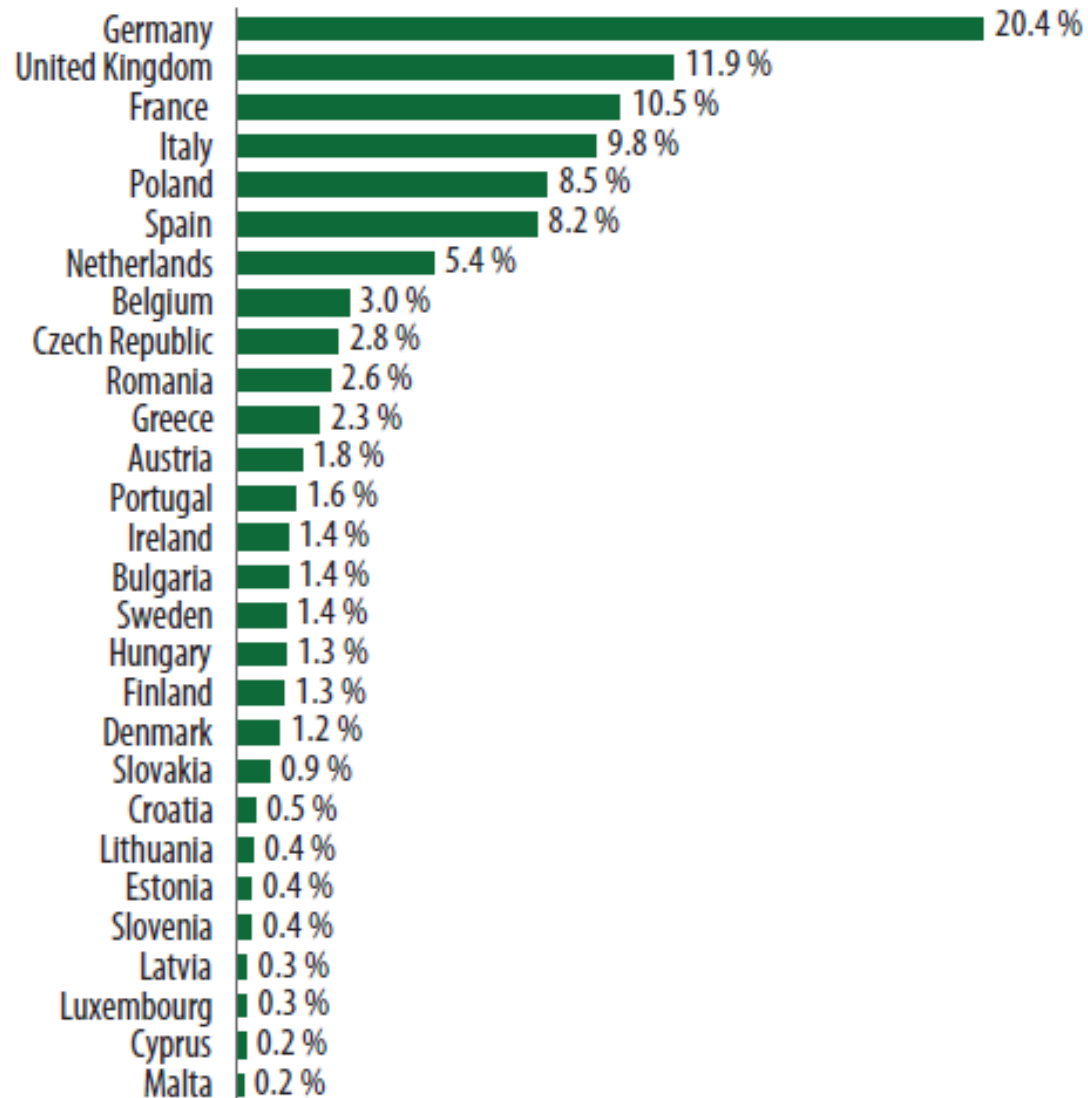
Mitigation: 2015 EU GHG emissions, by source



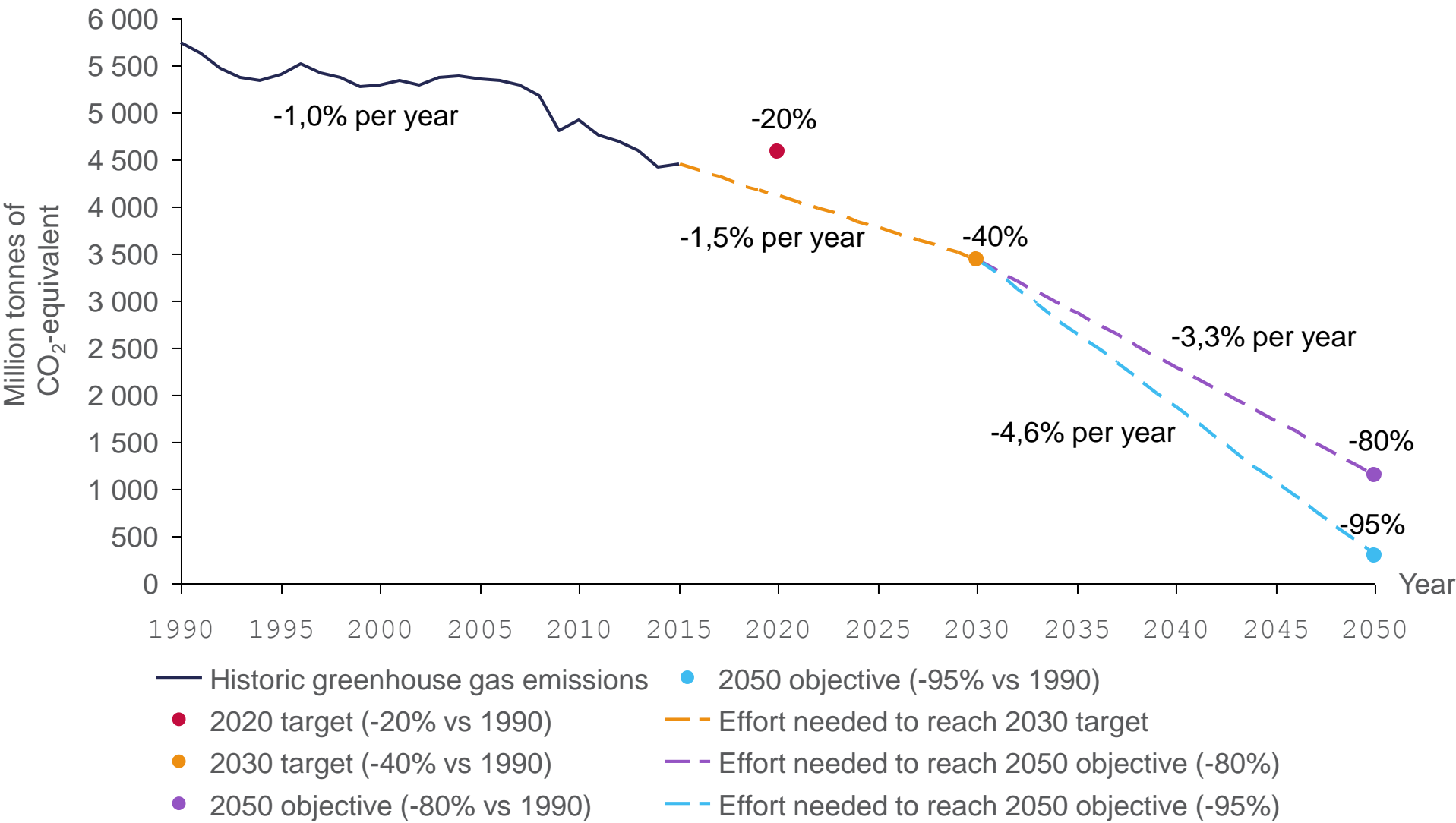
2015 GHG emissions
by activity

2015 emissions by Member States

(% of EU total greenhouse gas emissions, excluding LULUCF, including international aviation and international navigation. Total = 4.6 Gt of CO₂e)

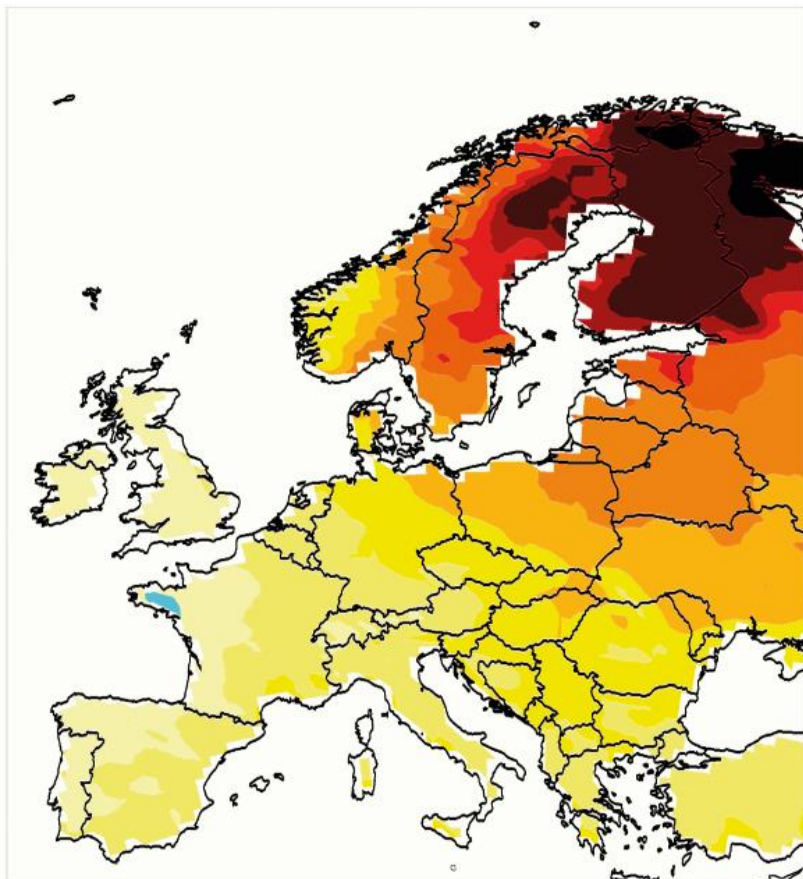


Mitigation: EU greenhouse gas emission trends, projections and reduction targets and objectives

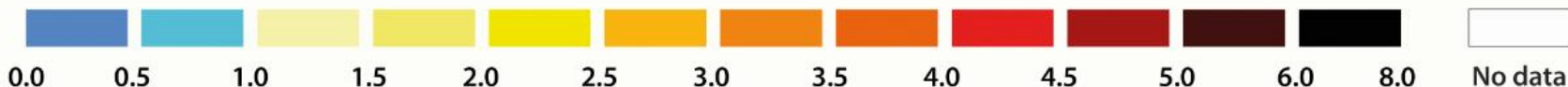
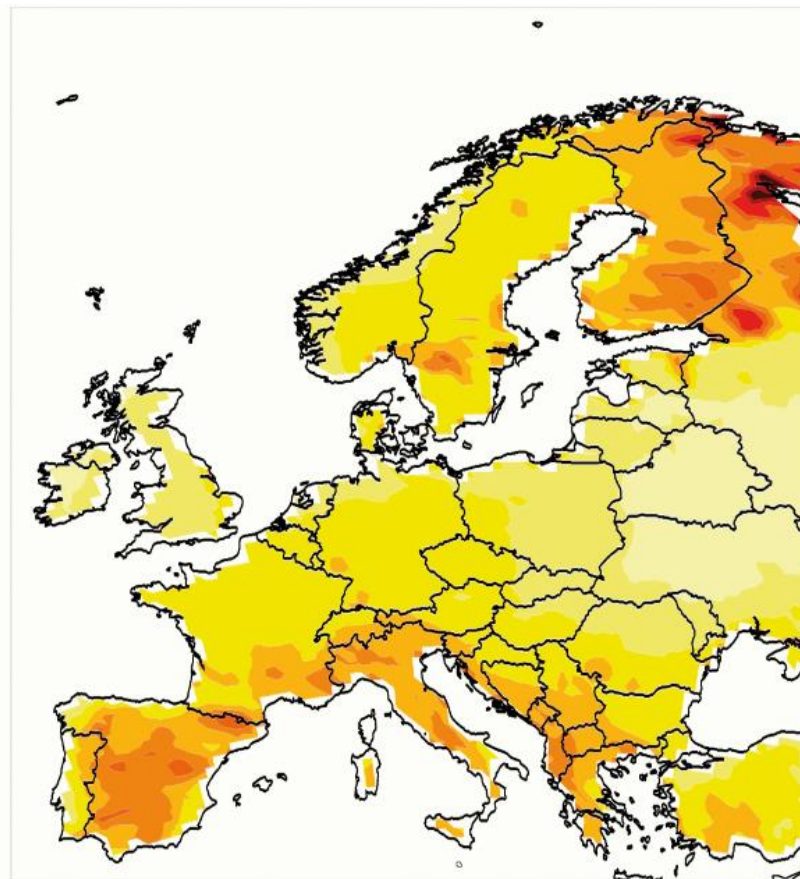


Seasonal temperature change, in °C, for 2071-2100, compared with 1961-1990 (2°C global increase scenario)

Winter

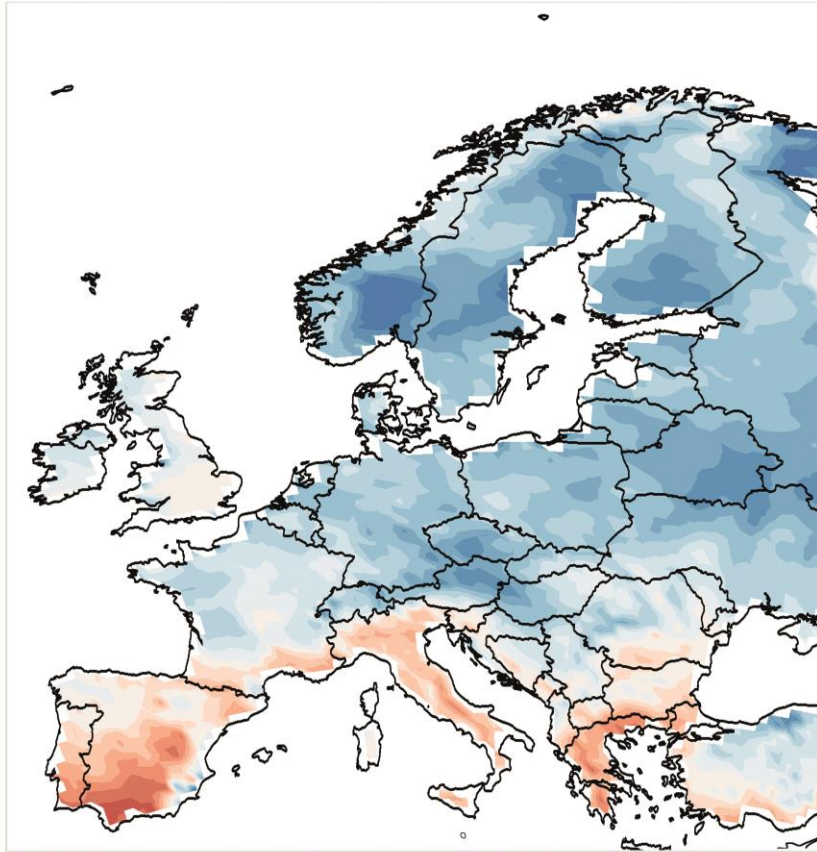


Summer

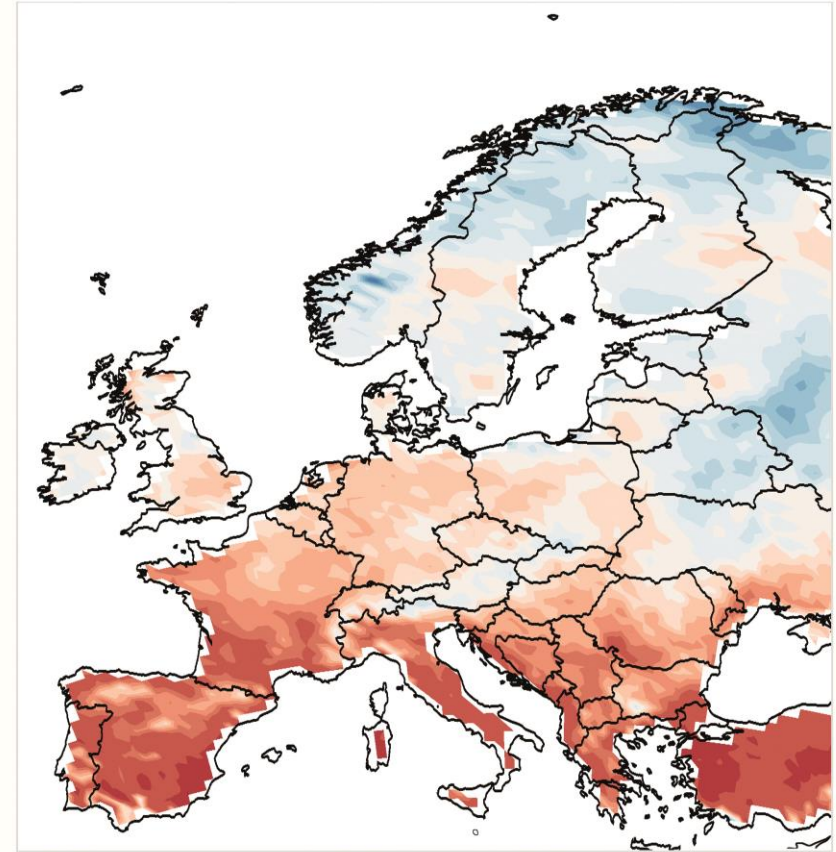


Change in seasonal precipitation, in %, for 2071-2100, compared with 1961-1990 (2°C global increase scenario)

Winter



Summer



Landscape Review coverage



1. What the EU is doing

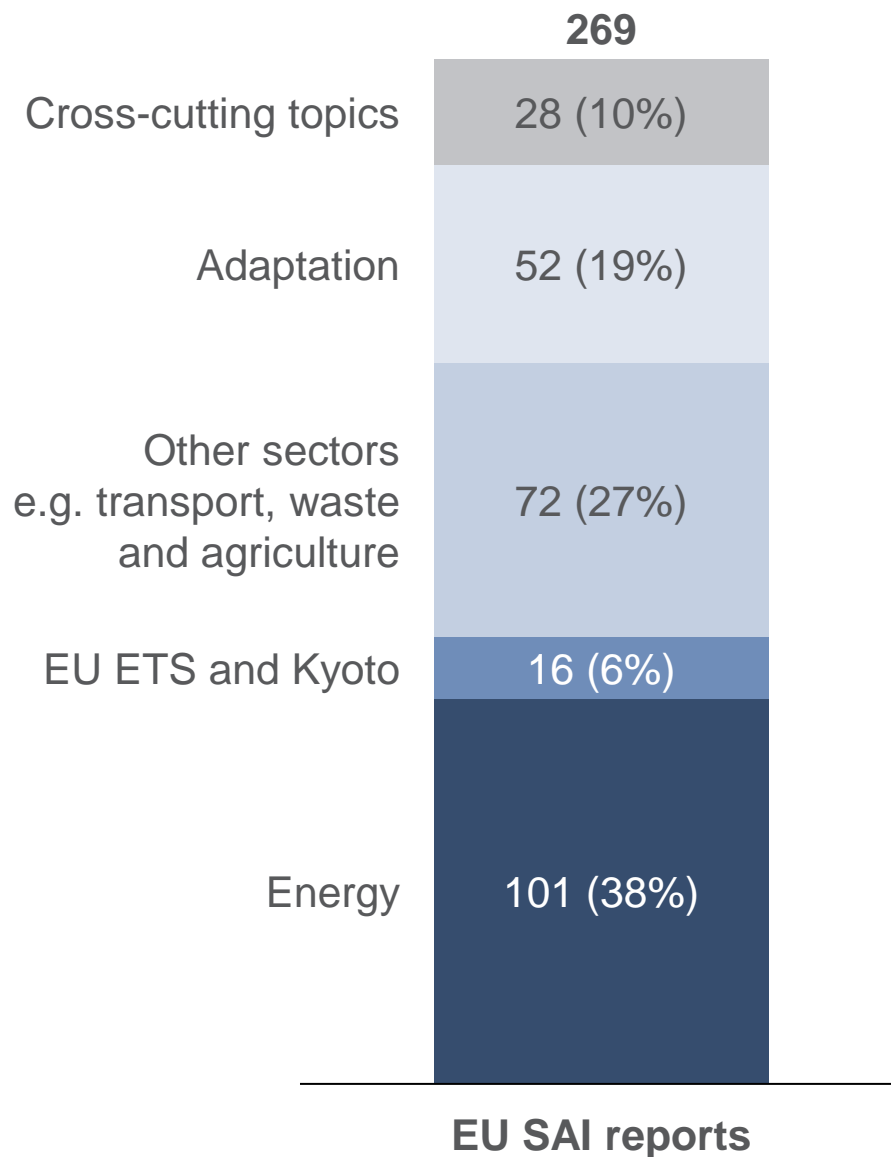


2. What the ECA and EU Supreme Audit Institutions (SAIs) are doing



3. Main challenges

EU SAIs audit reports about energy and climate change



Internal Energy Market and security of supply

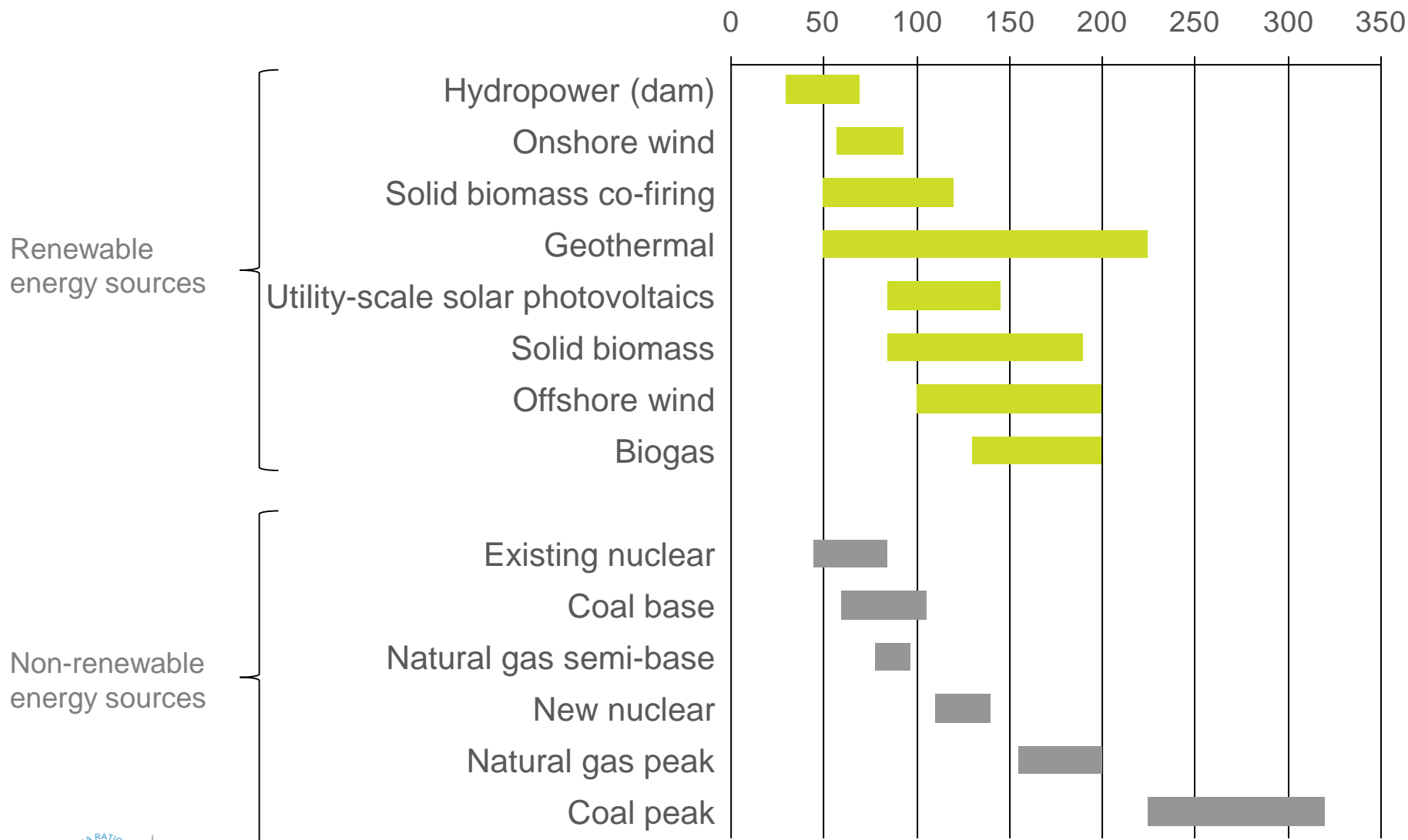
- EU's **objective** of completing the internal energy market by 2014 was not reached
- Problems in **implementing EU legal framework**
- **Differences in MS** energy markets
- **Energy infrastructure** not yet designed for fully integrated markets

Renewable energy

- **Obstacles to investments:**
 - Regulatory environment
 - Access to market
 - Limited use of EU budget
- **Cost-effectiveness**
- **Monitoring and evaluation**

Competitiveness of renewable versus non-renewable electricity sources

Levelised cost of electricity without subsidies, euro/ MWh



Landscape Review coverage



1. What the EU is doing



2. What the ECA and EU Supreme Audit Institutions (SAIs) are doing



3. Main challenges

Main challenges



Energy and climate change governance



- **Energy and climate change** need to be addressed together
- **Choices in one Member State** can **affect others** and EU targets



Effective **governance** systems are needed

- **Public audits** can play an important role

The energy transition



- Profound changes needed **in electricity system** to deal with
 - Intermittent renewable energy sources
 - Storage
 - Decentralised production
 - Inadequate infrastructure
 - Overcapacity
- **Transport sector** needs fundamental change
- High-carbon and nuclear assets may shut down earlier, requiring **social adjustments**

Planning for and tackling adaptation



- Climate change will affect EU citizens in many ways
- Use of climate, environmental, societal and economic **models**
- EU and Member States need to **anticipate and plan adaptation**, reducing the need to act late, in response to events...
- ... Or costs will be higher

Financing



- **1 115 billion euro** needed yearly in 2020-30
 - Public and private sources
 - More robust carbon price
- **Costs of adapting** to climate change difficult to predict
- **Decommissioning nuclear power plants** and nuclear waste disposal
 - Pressing, costly challenge for EU and Member States
 - Many opportunities for business and employment

Using research and innovation effectively



- **New technologies** to be developed: energy storage, alternative fuels in transport..
- **Many years needed** to use on industrial scale

Progress in technologies needed to reduce emissions in 2030-50 has to be made in **2020-30**

Evidence-based policy

- Policy-making and implementation should be informed by best available **data and models**



Involving EU citizens

- Citizens need to be involved to **change behaviour and pay for transition**

3. Relevant ECA special reports: recently published, forthcoming

Recent ECA reports

Energy and Climate Change

	Publication date
Cohesion policy funds support to renewable energy generation	2014
How do the EU institutions and bodies calculate, reduce and offset their greenhouse gas emissions ?	2014
The integrity and implementation of the EU Emissions Trading System	2015
Improving the security of energy supply by developing the internal energy market: more efforts needed	2015
The EU certification and reporting system for sustainable biofuels	2016
EU nuclear decommissioning assistance programmes in Lithuania, Bulgaria, Slovakia: some progress made since 2011, but critical challenges ahead	2016
Spending at least one euro in every five from the EU budget on climate action : ambitious work underway, but at serious risk of falling short	2016
Landscape review of EU action on Energy and Climate Change	Sep 2017

Recent ECA reports Agriculture, Environment, Fisheries etc

	Publication date
Reliability of the Land Parcel Identification System (LPIS)	2016
Combatting eutrophication in the Baltic Sea: further and more effective action needed	2016
The cross-compliance management and control system	2016
Combatting Food Waste: an opportunity for the EU to improve the resource efficiency of the food supply chain	Jan 2017
More efforts needed to implement the Natura 2000 network to its full potential	Feb 2017
The certification bodies' new role on CAP expenditure: a positive step towards a single audit model but with significant weaknesses to be addressed	Jun 2017
EU support to young farmers should be better targeted to foster effective generational renewal	Jun 2017
Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania but investment needs remain substantial	Sep 2017
Rural development programming: less complexity and more focus on results needed	Nov 2017

Forthcoming ECA reports **Energy and Climate Change**

	Publication date (Planned)
Renewable energy for sustainable rural development	Q1 2018
Innovation for climate action: innovative renewable energy and CCS	Q3 2018
Air quality	Q3 2018
Floods protection, prevention and preparedness in the EU	Q4 2018
Desertification in the EU	Q4 2018



Forthcoming ECA reports

Agriculture, Environment, Fisheries etc

	Publication date (Planned)
'Greening' of the Common Agricultural Policy	2017
Basic Payments Scheme for farmers	Q2 2018
Briefing paper on the future of the Common Agricultural Policy	Q2 2018
Simplified cost options in rural development	Q2 2018
Organic food	Q4 2018
Animal welfare	Q4 2018
Food safety	Q4 2018



Thank you