

## **Recent renewable energy audits by European Court of Auditors**

EU 2020 Climate & Energy Package set in 2007 a 20% target for renewable energy for EU as a whole. This target was further increased to 27% in the EU 2030 Climate and Energy Framework in 2014. The 2020 target includes a sub-target for 10% share of renewables in the transport sector.

Two European Court of Auditors (ECA) audits have examined renewable energy recently. The audit on Cohesion Fund projects concentrated on the results of the renewable energy projects, while the audit on biofuel certificates dealt with the reliability of the certificates. Audits pointed out limitations in added value and need to increase the reliability of the certification and statistics.

### *Supporting renewable energy through EU Cohesion Funds*

EU Cohesion policy funds support projects taking place in the Member States. In 2007 – 2013 these funds allocated approximately € 4.7 billion for renewable energy. The ECA special report *“Cohesion policy funds support to renewable energy generation - has it achieved good results?”* (6/2014) examined whether the funds had been allocated to well prioritised, cost-effective and mature renewable energy generation projects with rational objectives, and to what extent these funds had achieved good results in contributing to the EU 2020 renewable energy target.

The audit found that the audited projects delivered outputs as planned, and most of them were sufficiently mature and ready for implementation when selected. There were no significant cost overruns or time delays in the projects, and the renewable energy generation capacities were installed as planned and operational.

However, the energy production results were achieved or properly measured in one third of audited projects only. The overall value for money has been limited in helping achieve the EU 2020 renewable energy target, because cost-effectiveness has not been the guiding principle in planning and implementing the renewable energy generation projects. The national authorities did not conduct proper needs assessments to identify which technologies could contribute to attaining the renewable energy targets in the most cost-effective way. The audit recommended better action in ensuring the cost-effectiveness of the renewable energy programmes and in monitoring of the energy generation results.

### *Reliability of biofuel certification*

The Renewable Energy Directive requires each EU Member State to ensure that by 2020 the share of energy from renewable sources used in transport is at least 10%. Only biofuels certified as sustainable can be taken into account by the Member States for the achievement of their 10 % transport target. The sustainability of most biofuels placed on the EU market is certified by voluntary schemes recognised by the Commission

The ECA special report *“The EU system for the certification of sustainable biofuels”* (18/2016) addressed the question whether the EU Commission and Member States have set up a reliable certification system for sustainable biofuels. The audit found that the assessments carried out by the Commission on the voluntary schemes did not adequately cover some important aspects necessary to ensure the sustainability of biofuels, such as risks of negative socioeconomic effects, impact of indirect land-use changes, verification of the origin of biofuels produced from waste or the respect of EU environmental requirements for agriculture for biofuel feedstocks cultivated in the European Union. Thus, the EU certification system for the sustainability of biofuels is not fully reliable. Some recognised schemes were insufficiently transparent or had governance structures

increasing the risk of conflict of interest. The Commission does not supervise the functioning of recognised voluntary schemes, and there is no specific complaint system in place to detect infringements.

As regards the achievement of the 10 % target, Member States are responsible for ensuring that the statistics concerning sustainable biofuels reported to the Commission are reliable. The audit found that these statistics might be overestimated, because Member States could report as sustainable biofuels whose sustainability was not verified.

The audit recommended carrying out a more comprehensive assessment of voluntary schemes and increasing the transparency of the schemes. Member States should also support Commission statistics with evidence on the reliability of the biofuels quantities reported.