Committee on Budgetary Control

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WORKING DOCUMENT

on ECA Special Report 16/2019 (Discharge 2019): European Environmental Economic Accounts: usefulness for policymakers can be improved

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European Environmental Economic Accounts: usefulness for policymakers can be improved

Summary

The European Environmental Economic Accounts (EEEA) are an important source of data to monitor and evaluate environmental policies, such as the 7th Environment Action Programme (EAP) and progress towards achieving the United Nations' Sustainable Development Goals (SDGs).

Moreover, the EEEA are a statistical framework consisting of tables and accounts describing the relationship between the environment and the EU economy, so they are useful for providing up-to-date and reliable information in policy-making.

The Court's conclusions

The Court concluded:

- The Commission did not set out its mid and long-term EEEA data needs for environmental policy-making. Eurostat and the Commission services using the accounts, cooperate on the development of the EEEA, but without a clearly explanation about their EEEA needs, as well as, which indicators are needed for environmental policy design and monitoring.

- Although a document on the implementation of the European Strategy for Environmental Accounts proposes some activities to reach the objectives of the strategy, a comprehensive plan with milestones and budget estimations to implement the objectives is missing. Besides, there are strategies that repeated some of the strategic objectives for more than ten years.

- The Commission did not select the mandatory EEEA modules mainly based on the needs expressed by its services, or carry out a full cost-benefit analysis prior to the development of the EEEA modules. Moreover, mainly due to the time needed to implement the EEEA modules (from 8 to 14 years), for short and medium term data needs, the Commission complemented EEEA data with other data sources.

- The EEEA modules were not used to their full potential for monitoring progress towards achieving the Sustainable Development Goals and the 7th EAP. Key users and policy-makers need the environmental accounts to be presented in an integrated framework to be able to understand the interaction between the economy and the environment in all its dimensions. However, it is true that Eurostat publishes the EEEA modules separately which does not allow for such an integrated view while the Commission is using alternative data sources based on differing methodologies.

- The legal framework sets out that the Commission should provide EEEA data with a time lag of two years. However, providing data quicker improves the usefulness of the EEEA. In some cases, Member States did not send the required data within the deadlines set.

Although the time taken to publish the data improved, the lack of a release calendar means users of the EEEA only have an indication when data becomes available.

- Weaknesses in the documentation of the validation process were found, and Member States' quality report accompanying the data did not include sufficient information to enable Eurostat to properly assess data quality.

The Commission's position

- The Commission uses a wide range of data and reporting systems under the Environmental Directives that are used to monitor and evaluate environmental policies.

- The long-term data needs of the Commission are defined in strategic documents, such as the 7th Environmental Action Programme, the Biodiversity strategy and others, and have been examined in a fitness check of monitoring and reporting.

- The Commission proposed the mandatory EEEA modules based on several criteria, including the needs expressed by its services, data availability and maturity and administrative burden for the Member States.

- The Commission agrees that making data available more quickly improves their usefulness.

- The Commission accepts all of the recommendations.

The Court's recommendations

1. Improve the strategic framework for EEEA data (target implementation date: by end 2021)

The Commission should prepare:

1.1   a document about long-term perspective for EEEA information required for environmental policy-making.

1.2   the EEEA by compiling a full set of data needs, including indicators for environmental policy-making.

1.3   a comprehensive action plan for the implementation of the EEEA strategy.

2. Improve the relevance of EEEA modules for policy-making (target implementation date: by end 2021 for 2.1 and by end 2023 for 2.2)

The Commission should evaluate:

2.1   costs and benefits of developing an integrated framework for environmental accounting in order to improve the coherence of the information and the usefulness for

policy-making in the EU.

2.2 the needs expressed by the relevant Commission services and perform a cost-benefit analyses, when proposing new EEEA modules.

3. Improve the timeliness of EEEA data (target implementation date: by end 2022)

The Commission should:

3.1 analyse the extent to which a two-stage procedure, similar to that used for national accounts, could be applied for modules of the EEEA.

3.2 use available tools to improve the timeliness of the provision of information by Member States.

3.3 develop a release calendar for the publication of EEEA data.

The Rapporteur's Recommendations

The European Parliament,

- Welcomes the Court's special report, its findings and the Commission's readiness to implement the recommendations; particularly appreciates the conclusions of the special report on the strategic framework for the EEEA data, the relevance of EEEA modules for policy making and the timelines of EEEA data; fully supports the Court's recommendations and calls on the Commission to implement them urgently;

- Notes with appreciation that the environmental economic accounts identify the most polluting activities or those that most deplete natural resources; appreciates that the accounts make it possible to identify how much protecting the environment costs and who pays for it;

- Critics the shortcomings in the implementation of the EEEA modules as the process of implementing is around 10 years, which presents a challenge when expressing data needs; requests the preparation of documents setting out an overall, long-term perspective for the EEEA data required for environmental policy-making, which would provide a basis for proactive, timely and relevant development of environmental accounts;

- Underlines that the European Strategy for Environmental Accounts (ESEA 2019 - 2023) should outline a thorough action plan covering future work in the area, including milestones and budget estimates; recognises that action points are proposed in an implementation document, however without defining how these actions should be implemented and without including target dates for all points;

- Asks the Commission to solve the shortcomings in the implementation of the EEEA modules, which reduce currently their relevance to the policymaking process by selecting the EEEA modules based on commonly agreed priorities of the users and by carrying out

a cost-benefit analysis before proposing when a module becomes mandatory;

- Observes that the Commission did not use the EEEA modules in all relevant policies and states that according to the European Strategy for Environmental Accounts for 2019-2023, all mandatory EEEA modules, except the environmental protection expenditure accounts, as well as two accounts for which work is ongoing (ecosystem accounts and water accounts) could contribute to the monitoring of the SDGs in Europe;

- Asks the Commission to investigate the possibility of a data release procedure in two stages, meaning in an early first stage, aggregated data are presented, including estimates and at a later stage, more accurate and more detailed data are released;

- Calls on the Commission services to increase pressure on the Member States, so that the information included in the Member States' quality reports would allow to properly assess if the definitions are applied in a comparable way, which is a cornerstone in the quality assessment process.

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