

BUDG-ENVI public hearing

The EU budget and the Paris Climate Agreement

Climate mainstreaming in the EU budget



EUROPEAN
COURT
OF AUDITORS

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Brussels, 24 April 2018

Coverage

- 1. Spending at least one euro in every five from the EU budget on climate action**
- 2. EU action on energy and climate change**

1. Spending at least one euro in every five from the EU budget on climate action

Climate Action 1 in 5: Main Audit Question:

... to determine whether the **target** to spend at least 20% of the EU budget on climate-related action is **likely to be** met and whether the approach employed is **likely to add value**.

Approach

- ❑ Member State visits, October 2015 to February 2016:
 - Poland: Cohesion and Common Agricultural Policy (CAP)
 - Germany, Romania: Cohesion
 - France, Spain: CAP

- ❑ At Commission level:
 - Horizon 2020
 - Fisheries
 - LIFE Programme

- ❑ Interviewed:
 - Key Commissioners and officials
 - National authorities, implementing bodies, stakeholders.

Not covered:

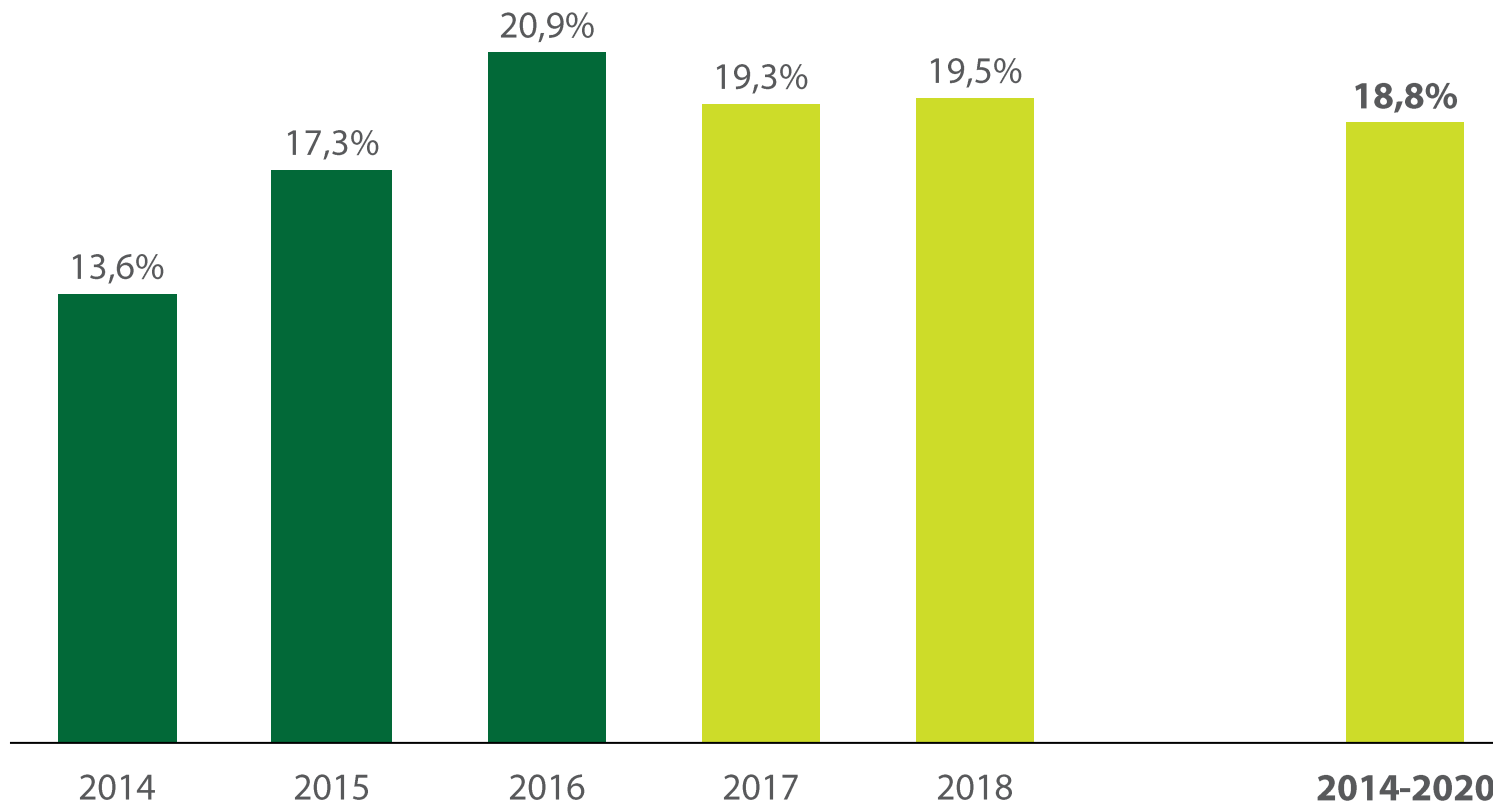
- ☐ Potential adverse environmental effects of EU budget
- ☐ Non-climate EU budget spending
- ☐ Other climate spending outside the EU budget
- ☐ Actual spending - Commission targeted planned spending

Ambitious work underway, but serious risk of falling short

- ❑ Progress made
- ❑ More, better-focused, climate action funding in:
 - European Regional Development Fund
 - Cohesion Fund
- ❑ No significant shift towards climate action/not all potential opportunities fully explored:
 - Agriculture
 - Rural development
 - Fisheries
 - European Social Fund
- ❑ Research well short of 35% target

Commission's estimation on budget allocated to Climate Action (as of May 2017)

Planned Estimation



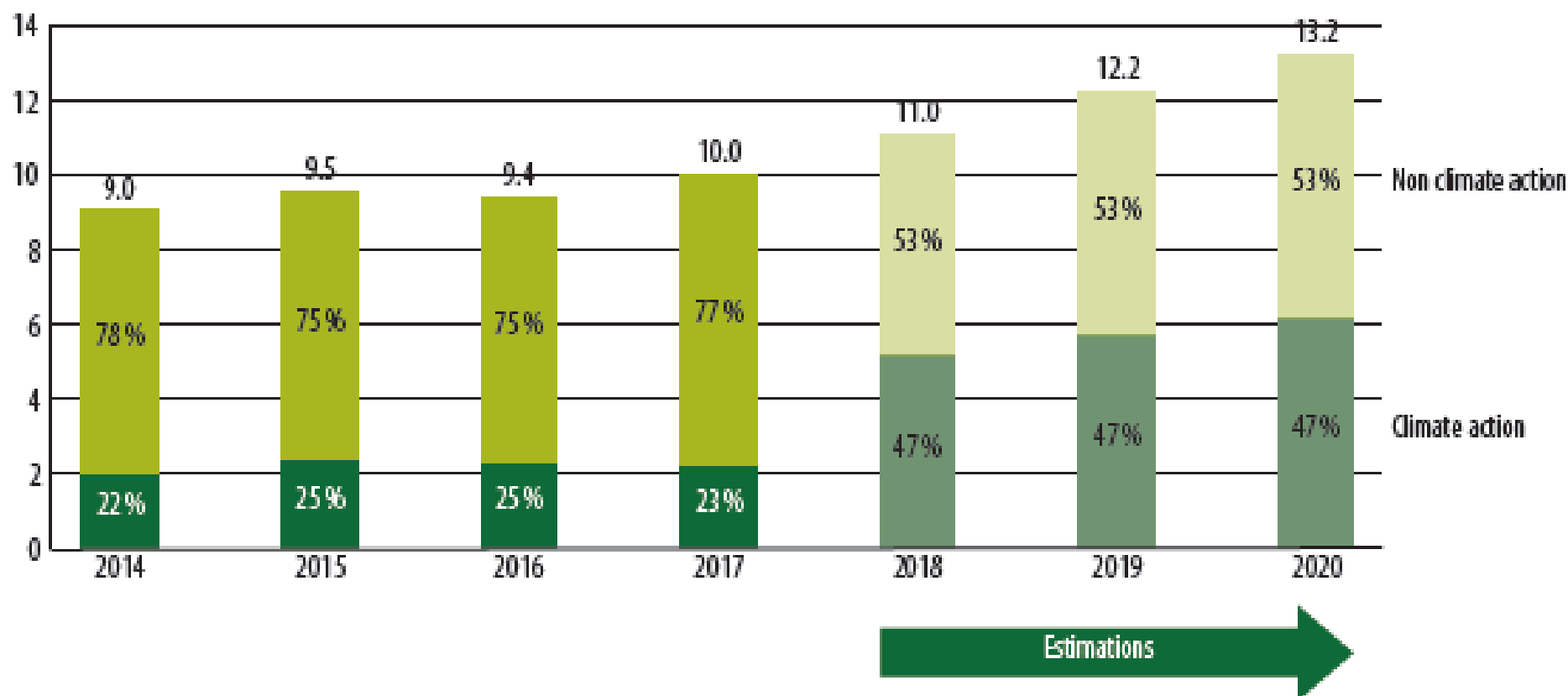
Findings in Agriculture and Rural Development

- ❑ Agricultural direct payments - insufficient justification for assumptions
- ❑ Rural Development - overestimation
- ❑ Our re-estimate: €33 billion (15%) lower for 2014-2020
- ❑ No significant shift to climate action in CAP spending

Agriculture and Rural Development: What more can be done now?

- ❑ Increase climate action
 - develop new measure or retarget existing ones
- ❑ Correct over-estimation in Rural Development
- ❑ Use work on the future of the CAP

Research: falling behind its 35% target



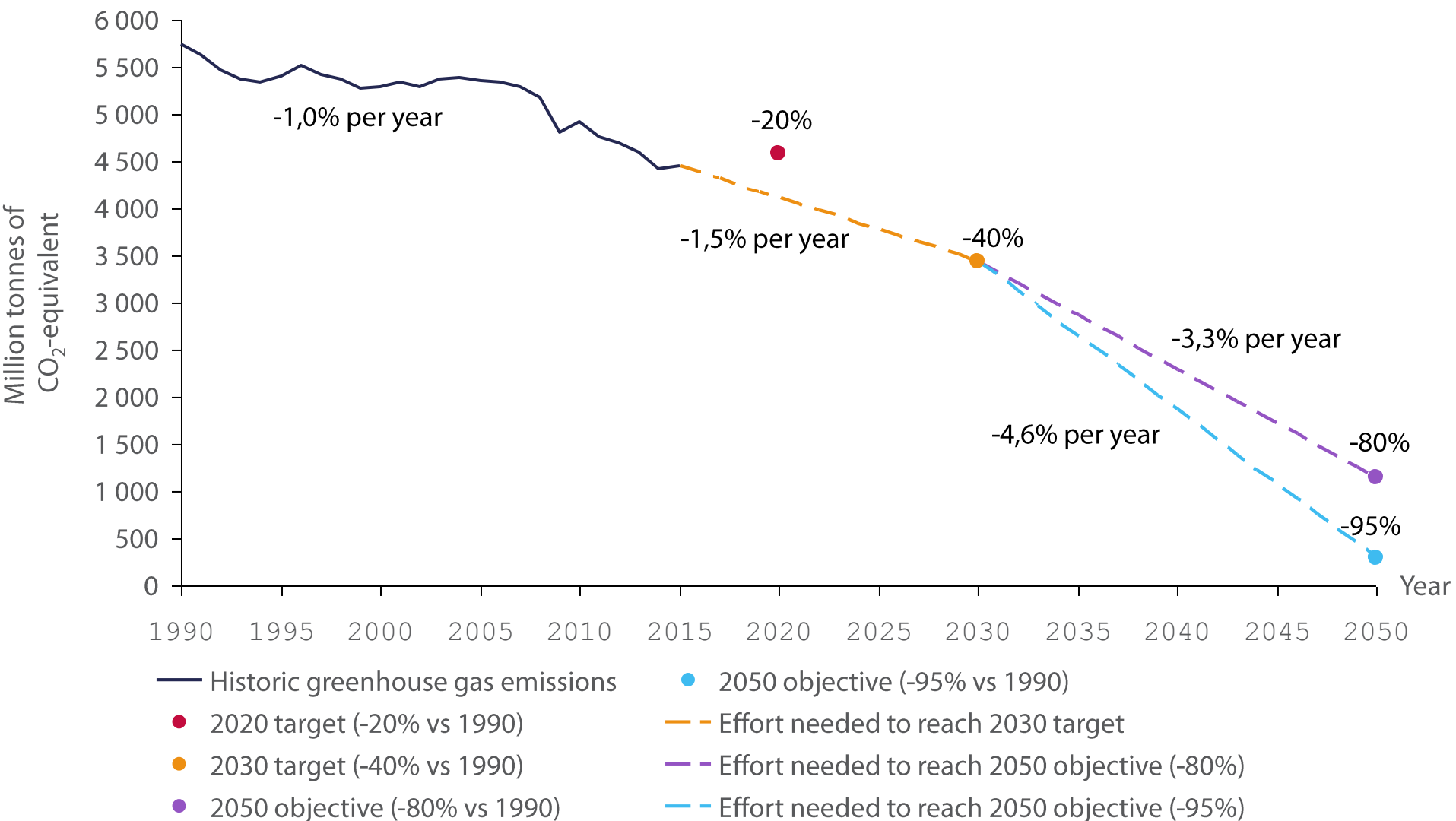
Source: Commission's data for 2014-2017 (draft budget 2017) and European Court of Auditors' estimates of climate action for 2018-2020.

Recommendations: summary

1. Robust multi-annual consolidation
2. Comprehensive reporting framework
3. Assessment of climate change needs
4. Correct EAFRD overestimations
5. Draw up Action Plans
6. Develop indicators of actual spending and results
7. Ensure a real shift towards climate action

2. EU action on energy and climate change

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



Landscape review: Main challenges

