



ECA measures taken in response to the COVID-19 pandemic

The European Court of Auditors (ECA) has taken the necessary steps to be able to continue providing an effective public audit service in the EU, and to deliver timely audit reports, opinions and reviews during the COVID-19 pandemic, as far as this is possible in these challenging times. At the same time, we express our gratitude to all those who are working to save lives and fight the pandemic, in Luxembourg, in the EU and around the world. We also remain committed to supporting the Luxembourg government's policy on safeguarding public health. We are mitigating the effects of the ongoing health crisis on our staff and have taken precautions to minimise the risk to them and their families.

Press Release

Luxembourg, 28 April 2020

Cost-effectiveness does not guide EU spending on energy efficiency in buildings, say Auditors

Cost-effectiveness is not a determining factor for allocating public funding to energy efficiency measures in residential buildings, according to a new report from the European Court of Auditors. Despite improved guidance from the European Commission, EU-funded projects still do not focus on achieving the greatest potential energy savings per euro invested. The overall contribution of EU funding to the Union's energy efficiency targets is not clear, say the auditors.

Faced with the challenge of mitigating climate change, EU leaders have committed to saving 20 % of the EU Member States' projected energy consumption by 2020 and 32.5 % by 2030. Buildings consume the greatest share of energy and have the largest energy-saving potential. They therefore play a pivotal role in meeting the EU's energy savings targets. For 2014-2020, the EU allocated some €14 billion to improving the energy efficiency of buildings, €4.6 billion of which was for residential buildings. In addition, Member States budgeted €5.4 billion in national co-financing for improvements to all types of building, around €2 billion of which was for residential buildings.

"Improving the energy efficiency of buildings is key to achieving the EU's commitment to reduce energy consumption", said João Figueiredo, the Member of the European Court of Auditors responsible for the report. "This means EU money must prioritise projects that deliver energy savings and other benefits in a cost-effective way."

The purpose of this press release is to convey the main messages of the European Court of Auditors' special report. The full report is available at eca.europa.eu.

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The auditors criticise national authorities in Member States for failing to target EU funds towards the projects that are most likely to realise energy savings. They do not always assess initial energy consumption, potential energy savings and investment needs when setting up EU-funded programmes. In addition, national authorities fail to incentivise deep renovations by, for example, allocating higher aid rates to them. On the contrary, the auditors note, most provide 100 % grants regardless of the expected energy savings. As a result, some projects used EU financing for simple upgrades (such as installing LED lighting) that may well have happened without EU support.

National authorities frequently require energy audits and performance certificates to evaluate investments. However, they do not use them for selecting projects, the auditors point out. In most cases, they allocate grants to projects on a first-come first-served basis, without comparing relative costs and benefits. This increases the risk of financing projects in excess of their potential energy savings, in particular when no ceiling is applied on the cost per unit of energy saved. In addition, since the cost-effectiveness of the investments is not measured, it is not possible to know how much energy will have been saved by investing a total of €6.6 billion of 2014-2020 public spending in residential buildings, the auditors conclude.

As regards the next generation of programmes, the auditors make a number of recommendations to enhance the cost-effectiveness of EU spending in this area. These cover:

- planning and targeting investments;
- project selection procedures;
- monitoring progress towards the EU energy efficiency targets.

Notes to Editors

The auditors examined EU-funded programmes in five Member States (Bulgaria, the Czech Republic, Ireland, Italy and Lithuania) that together allocated €2.9 billion to projects to increase the energy efficiency of buildings. Typical EU co-financed projects include the insulation of buildings, energy-efficient windows, thermal control systems and upgrades to heating systems.

Special Report 11/2020 “Energy efficiency in buildings: greater focus on cost-effectiveness still needed” is available on the ECA website (eca.europa.eu) in 23 EU languages. This audit follows up on a previous special report, issued in 2012, on the [cost-effectiveness of cohesion policy investments in energy efficiency](#).

In January this year, the ECA published a special report on [EU action on ecodesign and energy labelling](#).

The ECA presents its special reports to the European Parliament and the Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations we make in our reports are put into practice.

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