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From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 1)/Council
No. prev. doc.:	12791/2/23 REV 2
Subject:	Draft Council conclusions on the European Court of Auditors' Special Report No 17/2023 entitled "EU climate and energy targets: 2020 targets achieved, but little indication that actions to reach the 2030 targets will be sufficient" – Approval

1. On 26 June 2023, the European Court of Auditors published the Special Report No 18/2023 entitled "EU climate and energy targets – 2020 targets achieved, but little indication that actions to reach the 2030 targets will be sufficient"¹.
2. On 19 July 2023, the Permanent Representatives Committee instructed the Working Party on the Environment (WPE) to examine the report², in accordance with the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors³.
3. Delegations examined the report at the informal videoconference of the members of the WPE on 20 July 2023 following a presentation by the representatives of the Court of Auditors of the main findings of the report.

¹ OJ C 227, 29.06.2023, p. 12.

² 11550/23.

³ 7515/00 + COR 1

4. At its meeting on 25 September 2023, the WPE examined a set of draft Council conclusions prepared by the Presidency⁴. Further to the meeting, an agreement in principle was reached on the basis of a revised text⁵. The text as agreed is set out in the Annex to this note.
 5. The Permanent Representatives Committee is therefore invited to submit to the Council the draft conclusions as set out in the Annex to this note for approval as an "A" item on the agenda of one of its next meetings.
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⁴ 12791/1/23 REV 1.

⁵ 12791/2/23 REV 2.

**The European Court of Auditors' Special Report No 18/2023 entitled
"EU climate and energy targets: 2020 targets achieved, but little indication that actions to
reach the 2030 targets will be sufficient"**

- Revised draft Council conclusions -

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING its conclusions on improving the examination of special reports drawn up by the Court of Auditors in the context of the discharge procedure¹:

1. WELCOMES the Special Report No 18/2023 by the European Court of Auditors entitled "EU climate and energy targets – 2020 targets achieved, but little indication that actions to reach the 2030 targets will be sufficient".
2. TAKES NOTE of the conclusions and recommendations of the Special Report, as well as of the replies of the Commission thereto; RECALLS that, pursuant to the Treaties, the Commission is the institution overseeing the application of Union law under the control of the Court of Justice of the European Union.
3. NOTES that the Commission has analysed the impact of the COVID-19 pandemic on the achievement of the 2020 headline energy and climate targets and found that the drop in energy consumption and greenhouse gas (GHG) emissions during the pandemic had impacts on the overall achievement of some 2020 targets; and HIGHLIGHTS the finding that, despite the fact that GHG emissions increased in 2021 from their exceptionally low level in 2020 due to the pandemic, they continued their downward trend and remained below the pre-pandemic levels; therefore, while ACKNOWLEDGING the impact of the pandemic, UNDERLINES the contribution of the implementation of climate policies to the achievement of the 2020 target.

¹ 7515/00 + COR 1.

4. CONSIDERS that the use of available reporting on GHG emissions to report and assess GHG emissions per unit of GDP and per capita could be interesting in the framework of the Commission's regular reporting on progress; STRESSES however the need to bear in mind the difficulty of distinguishing the impact of external factors from the impacts of policies in place.
5. RECALLS that the Council of the European Union and the European Parliament have recently agreed on most of the legislation under the 'Fit for 55' package, which will enable the Union to achieve its target of a reduction of at least 55% in net greenhouse gas emissions domestically by 2030 compared to 1990 levels; and in this context HIGHLIGHTS the revisions of the Directive on the EU Emissions Trading System (EU ETS), the Effort Sharing Regulation, the Energy Efficiency Directive and the Renewable Energy Directive.
6. UNDERLINES that the possibility of transferring annual emission allocations (AEA) under the Effort Sharing Regulation promotes cooperation between Member States and allows them to achieve their GHG targets cost-effectively while preserving environmental integrity; CONSIDERS it appropriate that the determination of the price of AEA transfers be left to the Member States; RECALLS that the existing provisions on the transparency of AEA transfers, which were even recently enhanced in the context of the revision of the Effort Sharing Regulation, provide *inter alia* for information on the range of prices paid per AEA transaction, after compilation in a summary by the Commission, to be made available in electronic form and require Member States to inform the Climate Change Committee of their intention to transfer AEAs for a given year before any transfer is made; NOTES the Commission's intention to test the possibility of making information about the quantities and prices of statistical transfers of energy from renewable sources between Member States publicly available, subject to the consent of the participating Member States.

7. WELCOMES the Commission's intention to assess the possibility of using data collected under the Carbon Border Adjustment Mechanism by 2026 to contribute to a better understanding of the impact of trade on GHG emissions, as a complement to its reporting on EU progress towards its 2030 climate target.
 8. AGREES that the aviation and maritime transport sectors need to contribute to the increased climate objectives of the Union as well as to the objectives of the Paris Agreement; RECALLS that the EU ETS currently covers intra-European international aviation and HIGHLIGHTS the recent amendment of the ETS Directive to include international maritime transport within its scope; POINTS OUT that the future coverage of both sectors is linked to developments within the relevant international organisations (ICAO and IMO).
 9. EMPHASISES the importance of the integrated national energy and climate plans under the Regulation on the Governance of the Energy Union and Climate Action in the context of ensuring progress towards the Union's 2030 targets; ENCOURAGES the continued good cooperation between the Commission and the Member States in that framework.
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