



Council of the
European Union

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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
On:	28 January 2019
To:	Delegations
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Subject:	European Court of Auditors' Special Report No. 24/2018 entitled 'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade' – Council conclusions

Delegations will find in the Annex the Council conclusions on the European Court of Auditors' Special Report No 24/2018 entitled 'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade', as adopted by the Council at its 3670th meeting held on 28 January 2019.

Special Report No. 24/2018 by the European Court of Auditors:

'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade'

- Council conclusions -

THE COUNCIL OF THE EUROPEAN UNION:

1. WELCOMES the Special Report No. 24/2018 by the European Court of Auditors entitled: 'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade';
2. TAKES NOTE of the conclusions and recommendations of the Special Report and ACKNOWLEDGES their importance in view of the rules to be adopted pursuant to Article 10a(8) of the ETS Directive for the operation of the Innovation Fund during the next phase of the EU Emissions Trading Scheme (EU ETS) from 2021 to 2030; LOOKS FORWARD to further discussion among Member States and other stakeholders in that context;
3. RECOGNISES that neither the NER300 programme under the EU ETS nor the European Energy Programme for Recovery (EPR), which were both established in 2009, achieved the intended progress in supporting the demonstration of a wider range of innovative renewable energy technologies and carbon capture and storage (CCS) projects; AGREES with the conclusion that in many cases this was due to the adverse investment conditions from 2012 onwards, and with the finding that the lower than expected carbon market price after 2011 was a key factor in the failure of CCS projects; further AGREES with the conclusion that there were design features in the NER300 which could have been improved;

4. UNDERLINES the importance of enhanced EU support for a wide range of innovative, safe and sustainable low-carbon technologies, including for electricity and heat generation and management and for industrial processes and products, in the context of efforts to achieve the objectives of the Union's 2030 climate and energy policy framework as well as the long-term objectives expressed in the Paris Agreement, and in light of the ongoing discussions on an EU long-term climate strategy, taking into account the national plans;
5. EMPHASISES the need to increase the potential for effective EU support for projects with a considerable impact on achieving emission reductions, taking into account national circumstances and geographical balance among Member States;
6. SUPPORTS the Commission in its efforts, together with Member States, to improve the project selection and decision-making procedures of the Innovation Fund as compared to NER300 taking account of lessons learned, and to ensure that the Fund has sufficient flexibility to respond to external developments as well as clear accountability provisions; Moreover, without prejudice to ongoing negotiations on the new multiannual financial framework, ENCOURAGES efforts to improve coordination and seek synergies, where possible and appropriate, between the different financial instruments at EU and Member State level that are available to support safe and sustainable low-carbon innovation in the EU.
