



## **EU allotments earmarked for energy savings used purposefully, but the CR may not achieve all binding targets in the end**

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The Supreme Audit Office (SAO) scrutinized financial resources used for implementation of projects that aimed at energy savings and verified whether the national and EU targets in this area were achieved and whether the allotments had been used purposefully.

Based on EU Directive on energy efficiency, the Czech Republic is expected to achieve energy savings in the final energy consumption in the amount of 47.78 PJ<sup>1</sup> by the year 2020. From 2014 to 2020, the cumulative energy savings should reach 191.1 PJ. When the amounts of cumulative savings are divided among individual years, the energy savings should increase by 6.83 PJ of new energy savings each year.

In the Czech Republic, the energy savings did amount to 7 PJ in 2014, but it is essential to bear in mind that the high amounts of achieved savings resulted from programmes, which were implemented during the previous seven years (2007–2014). During the whole programming period, the Czech Republic only achieved cumulative energy savings in the amount of 12 PJ. In the same period, projects aimed at energy savings were endowed by more than CZK 32,000 million. Auditors calculated that if the Czech Republic wants to achieve the objectives (cumulative energy savings in the amount of 191.1 PJ) by 2020, the savings achieved in 2014 should be doubled annually in the following five years.

Among other ways of energy savings, the Czech Republic tends to implement the strategy in buildings, which are used by the national administration institutions. In 2014, the targeted amounts of energy savings – 7.24 TJ – were achieved, but the cumulative energy savings in the national administration buildings are expected to over-reach 266 TJ by 2020. In order to achieve such a target, it is necessary to invest nearly CZK 6,000 million (for reconstructions and new technologies). Auditors concluded that when considering the current slow rate and huge financial claims that are unsecured, it would be problematic even at national administration buildings to meet the objectives.

Auditors scrutinized 25 projects and the grant awarding procedures. No serious errors were found. In one case, the Ministry of Industry and Trade approved granting funds in the amount of CZK 36 million in violation of the conditions. The Ministry also failed to adequately monitor all programmes and measures, which aimed at energy savings.

Also at the beneficiaries, the SAO audited 19 projects, which were supported by the total amount of CZK 858 million. Several minor errors were revealed in the tenders and descriptions of expenditures, which in general could not influence the targeted achievements with individual project. The SAO concluded that in spite of minor issues, the audited projects succeeded in energy savings and helped to improve the environment.

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1) 1 PJ (petajoule) = 1,000 TJ (terajoule) = 1,000,000 GJ; 1 MWh = 3.6 GJ.