

Waste Audit Case Collection Form

Name of SAI	Supreme Audit Office, the Czech Republic	
Title of audit	Funds earmarked for implementation of measures related to waste management	
Publishing year	2017	
What risks/policy areas did the audit approach?	<p>The aim of the audit was to scrutinise the provisions, drawing, and use of funds earmarked for the implementation of measures related to waste management.</p> <p>The basic conceptual material is the Waste Management Plans of the Czech Republic (WMP CR), which is an instrument for waste management in the Czech Republic and for implementing the long-term waste management strategy. One component of the WMP CR 2015 – 2024 is the Waste Prevention Programme, which focuses on prioritising forms of waste management based on the EU – wide waste hierarchy and meeting EU targets in all areas of waste management.</p> <p>Funding for implementation of measures related to waste management was also provided from the Cohesion Fund via the Operational Programme Environment (OPE) 2007-2013 and OPE 2014-2020.</p>	
	Audit questions:	Criteria:
	1. Did the Ministry of the Environment monitor and evaluate the benefits of support in relation to waste management in the Czech Republic?	Waste Management Plans of the Czech Republic
	2. Did the Ministry of the Environment assess the overall fulfilment of the WMP CR 2003 - 2014? Did it use to evaluate the current data? What is their degree of fulfilling?	The Waste Act; WMP CR 2003 – 2014; Government Order
	3. Are the objectives of the WMP CR 2015-2024 set in accordance with the European Directives? Are they evaluable?	Directive 2008/98 / EC on waste, Directive 1999/31 / EC about landfills, Directive 2004/12 / EC on packaging and packaging waste, ...
	4. How did the Ministry of the Environment assess the support of waste management provided from the OPE 2007+ in terms of its impact on the state of waste management and what was the result of the assessment?	Council Regulation (EC) No 1083/2006
	5. Were the expected outcomes and project results specifically determined by indicators, corresponding to area indicators support 4.1 and are they evaluable? Are they directly linked to the implementation of the project?	Implementation Document
What were the data	National legislation, European legislation, Waste management indicators, Evaluation reports, documents and information of the Ministry of the Environment, Reporting reports on compliance with EU Directives, the final report of the OPE 2007+,	

sources and how was data analysed?	<p>Annual reports of OPE 2007+, Program document OPE 2007+, audit plans, monitoring reports, project documentation, accounting and operational records, project database...</p> <p>The material and financial state of the projects, consistency of support area targets, verification of correctness, verification of compliance, unambiguous determination of indicators, evidence of the achieved effects, evaluation of the benefits of implemented projects ...</p>					
Conclusions and main recommendations	<p>Under OPE 2007–2013, the Ministry of the Environment realised a total of 4 015 projects in the area of waste management with total eligible expenditures of CZK 18.751 billion. To date, however, the ministry has not evaluated what benefits have been achieved, and in light of the inappropriately configured system of monitoring indicators, such an evaluation will be difficult to conduct. In 2013, the ministry did not manage to meet the target of reducing the amount of biodegradable municipal waste landfilled to the level laid down by the Landfill Directive and there is a risk that the target laid down by this directive will not even have been met in 2020. The ministry has no overview of the capacity of facilities and the amount of funds needed to ensure the targets of this directive are met. The drawing of funds under OPE 2014–2020 has been delayed. By the end of the audit, only 1.61 % of the total allocation for the Investment Priority 1 of the Priority Axis 3 of the Operational Programme Environment 2014–2020 had been drawn. Delays took place at the State Environmental Fund in the process of approving final project evaluations. No fundamental shortcomings were identified at the subsidy beneficiaries.</p>					
Which of the following aspects are covered in the audit and you can provide case? (select all that apply)	<p>Sustainable Development Goals, International Conventions, EU Directives related to waste management</p> <p>EU Directives related to waste management, e.g. European Parliament and Council Directive 2008/98/EC, on waste, Council Directive 1999/31/EC, on the landfill of waste</p>	<p>National legal instruments (description of instruments, weakness in legislation and regulation, incoherence of acts)</p> <p>Waste Management Plans of the Czech Republic 2003-2013 and 2015-2024; Waste Prevention Programme; The Waste Act</p>	<p>Economic Incentives in waste management (i.e. charges, taxes, subsidies)</p> <p>X n/a the economic incentives were not audited</p>	<p>Mapping out the actors of waste management and their responsibilities</p> <p>The Ministry of the Environment is the supreme supervisory authority for environmental matters and the central authority of state administration for, inter alia, waste management. The State Environmental Fund of the Czech Republic ensures in the field of waste management co-financing from national sources for programmes supported from EU funds. Under OPE 2007-2013 and OPE 2014-2020, it plays the role of an Intermediate Body. The beneficiaries are public or private entities responsible for the commencement, implementation, or</p>	<p>Methods of collecting and analysing data</p> <p>Interviews with officials from audited organizations, study of relevant legislation, reports and other documents, examination of selected project files and databases, documents review, audit on the spot, analytical methods, e.g. comparative analysis</p>	<p>Cooperative audit</p> <p>X</p>

				maintenance of operations co-financed from EU funds.		
Challenges and risks						
Link to audit report	https://www.nku.cz/scripts/rka-en/prehled-kontrol.asp?nazevakce=Funds+earmarked+for+implementation+of+measures+related+to+waste+management+&casovyfiltr=0&kategorie=0&rozsirene=1&odeslano=1					
Other relevant information and comments						

Specifying questions and comments

Question:

How did you audit evaluation of benefits of support and assessment of support for waste management? What can you recommend to other SAI's regarding evaluating financial support for waste management? What is important to understand, what are the biggest risks and etc?

Answer:

Evaluation of benefits of support and assessment of support for waste management was performed by means of, e. g., the cost-benefit analysis (CBA) - an analytical tool used to evaluate investment decisions with a view to assessing their contribution to the objectives of the intervention, or cohesion policy objectives. Application for CBA is a part of MS2014 + (i.e., an information system used to store project data and audit of implementation of individual programmes, and includes also financial and economic part).

Furthermore, the benefits can be ascertained from document reviews, e.g. from the Operation Execution Report (a report on the status of the operation being submitted by the recipient managing body or intermediate body). The message contains information on the progress of the operation (including the fulfilment of the schedule, fulfilment of mandatory publicity), benefits of operations for target groups, data on project financing, problems arising from implementation of the operation, fulfilment of monitoring indicators, etc. We found information on the progress of the operation and also on the benefits of the operations for target groups.

Moreover, it is important to find if the strategic documents (e. g. Waste Management Plan, WMP) were evaluated by the relevant ministry, especially with regard to the evaluation of the benefits of the support to improve waste management and the impact of this support on the fulfilment of the Waste Management Plan objectives. Additionally, the relevant ministry should evaluate what benefits have been achieved, and has to configure system of monitoring indicators appropriately.

In addition to that, there is crucial to create a sufficient system of indicators for evaluating the benefits of support. We also audited if relevant audited bodies monitored the actual use of facilities acquired from the OPE for the purpose of improving waste management. Benefits of the implemented projects were also evaluated via audit criteria such as EC Directives on waste, on landfill of waste, etc.

In our audit, e. g., the Ministry of the Environment (MoE) has set up a system for assessing the benefits of support for improving the quality of waste management from the OPE 2007–2013 using indicators whose values were influenced by a number of other factors or were partly or completely independent of the support. As a result, it would be difficult to evaluate the benefits of support from the OPE 2007–2013 for the state of waste management in the Czech Republic.

Question:

Auditing experience of waste prevention programme. What did you audit regarding this topic and what can you recommend to other SAI's regarding auditing waste prevention?

Answer:

Waste Directive 98/2008 defines a binding waste management hierarchy as follows: waste prevention, preparation for reuse, recycling, other uses (e.g. energy) and disposal. EC Directives further set deadlines for achieving limits of waste management. The Waste Act and its related regulations lay down rules for the

prevention and management of waste, the rights and obligations of persons in waste management and the competence of public authorities in waste management.

Directive No 2008/98 / EC on waste in Article 28 obliges Member States waste management plan(s) in their territory and Article 29 obligation to prepare by 31 December 2013 a national waste prevention programme. With effect of the Waste Act, the MoE has been obliged to draw up the Waste Plan of the Czech Republic for a period of at least 10 years; and from October 2015 the MoE has been also obliged to draw up a programme of waste prevention. The binding part of WMP CR is a binding basis for the preparation of waste plans economy of regions and for decision-making and other activities of administrative authorities, regions and municipalities in the area of the waste management. WMP CR is a strategic document and a tool for waste management in the Czech Republic, sets quantitative and qualitative targets for individual areas in waste management and is based on the principle of compliance with the waste management hierarchy.

The basic conceptual material is the WMP CR, which is an instrument for waste management in the Czech Republic and for implementing the long-term waste management strategy. The validity of WMP CR for the period 2003–2013 was extended until the end of 2014, and since 2015, a WMP CR has been in place for the period 2015–2024. The main objectives of WMP CR 2015–2024 are waste prevention and reducing specific waste production, minimising the adverse effects of waste generation and managing their impact on human health and the environment, sustainable development of society, moving towards a European "recycling society", maximum utilisation of waste as a replacement for primary resources, and transition to a circular economy. One component of the WMP CR 2015–2024 is the Waste Prevention Programme, which focuses on prioritising forms of waste management based on the EU-wide waste hierarchy and meeting EU targets in all areas of waste management.

WMP CR 2015 - 2024 further defines the principles for waste management:

- (a) prevent the generation of waste through the implementation of the "Prevention Programme", and other measures to promote waste reduction;
- (b) apply waste management hierarchy to waste management. Dispose of waste in order: prevention, preparation for reuse, recycling, other uses (such as energy recovery) and last removal (safe disposal), while complying with all requirements, laws, standards and reinsurance rules protection of human health and the environment. When using the waste hierarchy, take into account the promotion of options that represent the best overall result in terms of the environment. Also take into account the entire life cycle of products and materials, and focus to reduce the environmental impact of waste management..., etc.

Waste Prevention Programme of the Czech Republic

The Government approved the Waste Prevention Programme of the Czech Republic by Government Resolution of 27 October 2014 No. 869. The main objective of the Czech Waste Prevention Programme is to create conditions for lower consumption of primary sources and gradual reduction of waste production.

Prevention in waste management should be directed both to reducing the amount of arising wastes and, on the other hand to reducing their hazardous properties, which have an adverse impact on environment and public health. Within the OPE 2014+ they will be newly compared to the previous one OPE 2007+ also supported projects aimed at waste prevention and reduction of impacts hazardous waste properties (priority axis 3, investment priority 1, specific objective 1 "Waste prevention").

Within the OPE 2014+, priority axis 3 "Waste and material flows, environmental burdens and risks" is focused on waste management and risk.

Three specific objectives are implemented under Priority Axis 3 and its Investment Priority 1:

(a) Specific objective 3.1 - Waste prevention;

b) Specific objective 3.2 - Increase the share of material and energy recovery of waste

(c) Specific objective 3.3 - Remedy old landfills.

During the audit at the Ministry of the Environment, we focused on the fulfilment of the MoE's tasks in the area of waste management, especially in relation to WMP CR and the Waste Prevention Plan and on the following audit issues in waste prevention:

- Did the Ministry of the Environment prepare - to the extent stipulated by the law – the Waste Prevention Programme?

Audit criterion: Directive No. 2008/98 / EC on waste, Section 41a of Act No. 185/2001 Coll.

Documents used for evaluation: Waste Prevention Programme

- Is the Waste Prevention Programme included in the WMP CR 2015 - 2024?

Audit criterion: Directive 2008/98 / EC on Waste, Section 41a of Act No. 185/2001 Coll.

Documents used for evaluation: POH CR 2015 – 2024

- How does the MoE fulfil the short-term objectives of the Waste Prevention Programme?

Audit criterion: Waste Prevention Programme

Documents used for evaluation: MoE documents and information

As concerns the compliance of the objectives of the area of support of the specific objective 3.1, 3.2 and 3.3 within the implementation of the OPE 2014+ with the national strategic documents, we focused on the following questions:

- Are the objectives of the area of support of the specific objective 3.1, 3.2 and 3.3 consistent with the objectives and priorities of the WMP CR 2015 - 2024, and with the objectives of the Waste Prevention Programme? If applicable, verify the degree and reason for the deviations.

Audit criterion: WMP CR 2015 - 2024, Waste Prevention Programme

Documents used for evaluation: OPE Programming Document 2014+, MoE documents and information

Question:

Which were the biggest risks you identified during the audit?

Answer:

As concerns the risks, we identified the following ones:

Based on the findings, the SAO identified the following risks:

- failure to meet the target laid down by the Landfill Directive for 2020 due to unfavourable development of the amount of biodegradable municipal waste deposited in landfills in the years 2014 and 2015;
- evaluation of the benefits of support provided under the Area of Intervention 4.1 of OPE 2007–2013 for the state of waste management in the Czech Republic will be difficult due to the fact that the programme indicators and several projects indicators have been set poorly;
- the quantifiable and measurable indicators under the Investment Priority 1 of the Priority Axis 3 of OPE 2014–2020 do not allow continuous evaluation of the benefits of supported projects on the state of waste management in the Czech Republic;
- as a result of the low level of funds being drawn under the Investment Priority 1 of the Priority Axis 3 of OPE 2014–2020, subsequent attempts to accelerate the drawing of funds could lead to the selection and implementation of projects that do not meet the requirements for economy, effectiveness, and efficiency.