

IMPLEMENTATION OF THE AUSTRIAN CLIMATE CHANGE STRATEGY ON FEDERAL LEVEL

(Umsetzung der Klimastrategie Österreichs auf Ebene des Bundes)

Name of Supreme Audit Institution

Österreichischer Rechnungshof (Austrian Court of Audit)

Title of summary report on audit findings

Report; Bericht des Rechnungshofes Reihe Bund 2008/11; published in November 2008

Audit issues

Climate change

Audit type

Combined audit

Description of the Audit

Main audit objectives were to investigate, whether the obligations of the Kyoto Protocol can be fulfilled and whether the specifications and targets of the Austrian Climate Strategies were realistic.

The audit was conducted in October and November 2007.

Scope of audit

Costs and effectiveness of measures dealing with the mitigation of CO₂ emissions

Possibility to reach the commitments of the Kyoto Protocol and EU targets

Possible consequences of failing

Financing with a stress on the Kyoto flexible mechanisms

Audited units

Federal Ministry of Agriculture, Forestry, Environment and Water Management, Federal Ministry of Finances

Summary of the audit findings and evaluation of the audited activities

Austria committed itself to reduce its greenhouse gas emissions by 13 % compared to the base year 1990. If the reduction commitment is not achieved, the Kyoto Protocol provides sanctions. Within the European Union non-compliance with the target can lead to an infringement procedure.

In 2002 the Federal Government decided a climate strategy, which was supported by the States. About the changes in the strategy after an evaluation 2007 no consensus with the States was found. The involvement of the States is crucial for the successful implementation of the climate strategy and should be strived for.

Austrian greenhouse gas emissions in 2006 were 91.1 million t of CO₂ equivalents. There was a distance of 22.3 million t (32.4 %) to the Kyoto target of 68.8 million t. Due to the existing trends and development especially in the sectors heating/small consumption and traffic/transportation it was very unlikely to meet the target. Even if using the flexible mechanisms up to the highest extent there was a high need for national measures.

The sector heating/small consumption deviated from the target by 2.3 million t. A substantial reduction of heating demand can only be achieved by an accelerated thermal renovation of existing buildings. From a total of 2.63 billion EUR of housing subsidies only 0.35 billion EUR were applied for the reduction of heating demand by thermal renovation.

The Climate Strategy assigned a reduction target of 2.5 million t to industrial plants not covered by the emission trading system, which represents a reduction by 40 %.

The sector traffic/transportation not only showed the highest increase of emissions from 1990 to 2006 (83 %), its share in total emissions also rose from 16 to 26 %. The discrepancy to the target value of the Climate Strategy was 4.4 million t. The measures taken by the Federal Government up to now such as the admixing of fuels produced from biomass, the increase of the tax on mineral oil in 2007 and the forthcoming graded tax on the initial registration of cars and motorbikes depending on emissions will show effect, albeit only marginal in some parts. Additional measures were recommended.

The Austrian environmental support scheme, which is focussing on trade and industry, was extensively aligned with projects reducing greenhouse gas emissions, following a recommendation of the Austrian Court of Audit in 2003. The emission reduction initiated by the scheme accounted for approx. 4 million t CO₂ equivalents since 2002. Due to the limited funding of the scheme project proposals submitted and not yet decided represented twice the annual funding. Better financial resources and quantified targets for the granting systems were recommended as well as a change to a budgeting system covering several years.

The Kyoto Protocol stipulates that national measures contribute with a significant share to the emission reduction, and that flexible mechanisms only support the target achievement. In addition to the JI/CDM-programme already being carried out only 11 million t CO₂ equivalents more (2.2 million t per year) can be covered by flexible mechanisms according to international agreements, which would require an estimated amount of 275 million EUR. But even the funding provided for the current programme for flexible mechanisms is insufficient to reach the objective of buying 45 million t CO₂ equivalents in the period 2008 – 2012. 34.5 million t CO₂ equivalents (6.9 million t per year) remain, which have to be reduced by national measures.

From the point of view of the Austrian Court of Audit flexible mechanisms are no alternative to reducing greenhouse gas emissions by national measures, but represent a measure effective only in the short-term to prevent sanctions. National emission

reductions can be achieved by relatively inexpensive regulatory and fiscal policies or by extensively funding new and costly environmental technologies. At the time of the audit the costs per t CO₂ equivalent in the Austrian environmental support scheme were significantly lower than those for flexible mechanisms. Regarding the efforts necessary to reach the Kyoto target providing appropriate funding of the existing support scheme was recommended.

The Austrian legal framework shows only few connections to measures for adaptation. As climate change is no future scenario any more, strategies and measures should be elaborated to meet already existing consequences of climate change.

Addressees of the summary report on audit findings

The report was forwarded to the Nationalrat (federal legislation) of Austria

Results of the audit

A contract between the Federal Ministry and the States concerning the use of housing subsidies for thermal renovation of existing buildings was signed.

A draft of a "Climate Change Law" was sent out for appraisal.

Another law dealing with reduction of fossil fuels was set into force.

The budget for flexible mechanisms was increased.

Work on an adaptation strategy was started.

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