

# **Environmental grants abroad**

## **Name of Supreme Audit Institution**

Österreichischer Rechnungshof (Austrian Court of Audit)

## **Title of summary report on audit findings**

Report concerning audits of the year 2002 (Bund 2003/1)

## **Description of the Audit**

The aim of the audit was to investigate and evaluate the economic and efficient use of invested funds, if another type of granting system would be more sensible and if there is a contribution to improve to the environmental situation.

The audit was undertaken by the Rechnungshof on its own initiative, was conducted between February 18<sup>th</sup> and March 15<sup>th</sup>, 2002 and covered the period between 1997 and 2001.

## **Scope of audit**

determination of objectives and their achievement

mechanisms of distribution

international co-operation

priorities

ecologic output

compatibility with flexible Kyoto mechanisms

## **Audited units**

- Federal ministry of agriculture, forestry, environment and water management
- Kommunalkredit Austria AG (the entrusted bank)

## **Audit Participants**

Department B6 (comprehensive environmental protection)  
Hungarian State Audit Office

### **Summary of the audit findings and evaluation of the audited activities**

From the beginning of the granting system abroad, grants in the amount of 68.5 Mill. EUR were allocated and 57.6 Mill. EUR were paid out for 149 projects. The Rechnungshof found differences of 2 Mill. EUR between the federal balances and the balances of the allocating bank. The amount of avoided emissions (water and air) was satisfying. The costs of one avoided ton CO<sub>2</sub> were 103 EUR in Austria and 52 EUR abroad. The Rechnungshof recommended further investments abroad in connection with the flexible Kyoto mechanisms. A new way of co-operation between Austria and Hungary, allocating funds via Hungarian institutions instead of allocating them by the Austrian bank was evaluated.

In co-operation with the Hungarian State Audit Office, projects in Hungary, financed by Austria, were evaluated.

### **Addressee of the report on audit findings**

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

### **Results of the audit**

New law concerning the organisation and co-operation in locating funds abroad including new processes concerning the flexible Kyoto mechanisms;  
negotiations with granted countries to implement the recommended system of allocating funds in the receiving countries;  
improvements in balancing concerning the bank and the federal ministry;  
a new internal handbook was developed, concerning the granting system.

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