

## **Summary of the report on the results of the control over the use of finances for the maintenance of the Ministry of Ecology and Natural Resources and on the formation and use of the finances of the National Ecology Funds in 2004**

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The National Ecology Fund (NEF) is approved by Law on annual budget with a view to develop and implement national programmes for environmental protection and regeneration of natural resources.

During 2004, the NEF accumulated finances in a greater amount than the one forecast for that year on the account of the revenues received in 2003.

The Ministry of Ecology and Natural Resources (MENR) took measures by organizing and carrying out state controls over the environment and its components, and revealed some irregularities in terms of environment protection and performance of the ecology tests in various institutions and organizations. Despite that, the Court of Accounts still revealed some irregularities, namely:

- the NEF's share of revenues was executed randomly, taking into account the types of revenues from which it is formed;
- none of the ecology agencies executed the plan of revenues from the local ecology funds (LEF);
- the Board of Directors of the National Ecology Fund, without taking into account the results of the control and experts' negative endorsements, violating their own Regulation "on the management of the ecology fund", has financed some projects, although their beneficiaries had not eliminated the irregularities revealed. Thus, a range of water supply projects were financed, which did not provide for addressing issues related to sewerage, water accumulation and purification.
- in some cases the NEF appropriated funds without a preliminary study of the beneficiary's ability to carry out the works set out in the project;
- in 2004, the NEF did not appropriate funds for the implementation of the standards and norms for the construction and participation through shares in the construction of the environment protection objects and the waste processing and disclose enterprises were not supported;
- some of the funds appropriated from the LEF were used contrary to the original intention.

As a result, the Court of Accounts forwarded the request to eliminate the deficiencies revealed by the relevant bodies.