

Summary of the audit report *Efficiency of implementation of measures for the efficient energy use*

The Court of Audit of the Republic of Slovenia (hereinafter referred to as: the Court of Audit) carried out the audit of *the efficiency of implementation of measures for the efficient energy use within the period from 2008 until the end of 2011*. The auditees were: the Eco Fund, Slovenian Environmental Public Fund, Ministry of Finance, Ministry of the Economy, Ministry of Public Administration, Ministry of Agriculture, Forestry and Food, Ministry of the Environment and Spatial Planning, Ministry of Transport and the Ministry of Higher Education, Science and Technology.

The *audit objective* was to express an opinion on the efficiency, effectiveness and economy of operations of the Eco Fund, Slovenian Environmental Public Fund, Ministry of Finance, Ministry of the Economy, Ministry of Public Administration, Ministry of Agriculture, Forestry and Food, Ministry of the Environment and Spatial Planning, Ministry of Transport and the Ministry of Higher Education, Science and Technology in implementing measures for increasing the efficient energy use within the period from 2008 until the end of 2011. To be able to answer the question *whether the measures for increasing the efficient energy use within the period from 2008 until the end of 2011 were successfully implemented and whether the objective of 9-percent energy savings could be achieved by the end of 2016*, the Court of Audit thus assessed the efficiency, effectiveness and economy of implementation of the measures for the efficient energy use.

From 2008 until the end of 2010 the auditees, the Eco Fund, Slovenian Environmental Public Fund, Ministry of Finance, Ministry of the Economy, Ministry of Public Administration, Ministry of Agriculture, Forestry and Food, Ministry of the Environment and Spatial Planning, Ministry of Transport and the Ministry of Higher Education, Science and Technology, by spending public funds in the amount of EUR 34,866 achieved 1,097 gigawatt-hours of electricity savings, which, by taking into account early activities adding to 219 gigawatt-hours, exceeds the planned savings, i.e. in the amount of 1,187 gigawatt-hours. The envisaged 9-percent energy savings will thus be achieved by the end of 2016, however, the contribution of the implemented measures is merely 32 percent. Most energy savings disclosed are to be attributed to the economic crisis and certain methodologies for calculating energy savings which are based merely on estimations.

The Ministry of the Environment and Spatial Planning drew up the National Energy Efficiency Action Plan 2008-2016 which systematically presents the objectives set, measures, energy savings and public funds. It does, however, not include the measures defined in the Rural Development Programme 2007-2013, the objectives pertaining to the transport sector are insufficiently defined, while the outcomes of certain measures are defined in a manner that does not allow for neither assessing nor measuring.

To ensure the missing public funds required for the implementation of measures for achieving the planned energy savings, *the Ministry of the Economy* prepared a Decree on Energy Savings at End-Users and thus regulated the concerned issue improperly, as it enabled direct allocation of public funds to large energy suppliers without prior recording of those funds in the state budget.

The Eco Fund, Slovenian Environmental Public Fund was successful in implementing the measures for efficient energy use in households, namely in the field of energy renovation and sustainable

construction of buildings, since its financial incentives helped to exceed the planned outcomes and thus significantly contributed to the achievement of the highest energy savings in the household sector.

Until the end of 2011, *the Ministry of Public Administration* did not possess the complete record of real estate owned by the Republic of Slovenia and did not plan the implementation of measures for the efficient energy use in the public sector. *The Ministry of the Economy* failed to adopt the regulation on energy accounting, while it adopted the rules on energy performance certificates too late. *The Ministry of Finance* was not timely in adopting the rules and regulations on green public procurement and also failed to adopt the policy of energy performance contracting. Since the Ministry of Public Administration, the Ministry of Economy and the Ministry of Finance failed to implement the required measures, there were thus the least measures implemented in the public sector and the achieved energy savings represented less than one percent.

The Ministry of Transport failed to formulate a policy of transport infrastructure development for sustainable mobility even though the final energy consumption in traffic represents the highest share of all final energy consumption. The Ministry of Transport implements the project of integrated public passenger transport and plans to conclude the construction and maintenance of railways until 2030; however, the outcomes of its projects will only be visible after the expiry of the National Energy Efficiency Action Plan 2008-2016. The foreseen energy savings in transport, calculated by the method based on the estimated data, exceed the planned energy savings, although, apart from certain rules and regulations, there were no other measures implemented in the transport sector.

The Ministry of Higher Education, Science and Technology was ineffective in ensuring the sufficient scope of financial resources for the development of energy technology, since it failed to lay down the priority fields in its strategic documents that should, in accordance with the EU policies, include also the field of energy technology development.

The entities obliged to implement the required measures had to provide *the Ministry of the Environment and Spatial Planning* respectively *the Ministry of the Economy*, as coordinator of the National Energy Efficiency Action Plan 2008-2016, with reports on their realisation but failed to include all the necessary data. To be able to compile a summary report on the implemented measures and thus to deliver complete and accurate data on the effects achieved, savings as well as on the public funds used, the coordinator should have provided the entities obliged to implement the required measures with instructions for reporting and should have gathered the data on the implemented measures also from local communities.

The Court of Audit demanded from the auditees *to implement corrective measures*. The Ministry of the Environment and Spatial Planning was thus requested to submit the plan of activities for transport infrastructure development for sustainable mobility, the amendment to the Bases for the Resolution on National Programme of the Slovenian Railway Infrastructure Development from 2011 until 2030, the adopted Regulation on Energy Accounting, the plan of activities to ensure the eligible use of funds in the amount of EUR 7,500, to submit the proposed amendments to the regulations governing the allocation of public funds and the regulation laying down the definition of energy poverty, as well as to submit the plan of activities for establishing the scheme of qualified energy service providers, the plan of activities for promoting the energy performance contracting, to develop a long-term strategy for increasing awareness of efficient energy use and renewable energy

sources, and also to supplement the Rules on Methods for Determining Energy Savings at End-Users. The Ministry of Agriculture and the Environment was requested to submit the proposed amendment to the Decree on Consumer Information on Fuel Economy and CO₂-Emissions. The Ministry of Finance was requested to submit a plan of activities to facilitate public-private partnership projects in the field of energy savings performance contracts. The Ministry of Justice was requested to submit a plan of activities for centralised record of physical assets of the State.

The Court of Audit also provided the Eco Fund, Slovenian Environmental Public Fund, the Ministry of the Environment and Spatial Planning, the Ministry of Finance, the Ministry of the Interior and the Ministry of Agriculture and the Environment with some *recommendations* to improve their operations regarding the implementation of measures for increasing the efficient energy use.

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