

POLISH SUPREME AUDIT OFFICE



***IMPLEMENTATION OF
SELECTED TASKS ENSUING FROM
UN FRAMEWORK CONVENTION ON CLIMATE
CHANGE [UNFCCC]
PROVISIONS***

Copenhagen, 23 march 2010 r.



AUDIT AIM

Assess implementation status of selected provisions of

- ❑ UNFCCC
- ❑ KYOTO Protocol
- ❑ DIRECTIVE 2003/87/EC of the European Parliament and Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC

Main Problems Covered by the Audit

- ❑ running climate change observation and research
- ❑ mitigating climate change, reducing GHG emissions' levels, and allocating GHG emission allowances
- ❑ GHG emissions' reductions achieved
- ❑ reporting to the UNFCCC Secretariat and EC actions completed and effects achieved



20 structural Units Covered by the Audit including:

- Ministry of the Environment
- Ministry of Economy
- Institute of Environmental Protection
- Energy Regulatory Office
- 16 industrial plants



Pursuant to art. 29 item 2f of the NIK Act, the NIK acquired information from:

- ❑ the National and Regional Funds for Environmental Protection and Water Management and the EcoFund Foundation on the co-financing of the activities to prevent climate change in the audited period**

- ❑ the Institute of Meteorology and Water Management on the measurements of the climate variables used for preparing climate change assessments.**



AUDIT TIME FRAMES

- ❑ audit held from March to July 2009
- ❑ covered the period from 2006 to 2008

AUDIT FINDINGS AND CONCLUSIONS



Legal and Organizational Steps

Minister of the Environment – on cooperation with Ministers of Economy, Infrastructure, Agriculture and Rural Development, and Foreign Affairs

Institute of Environmental Protection as
National Administration of the Emission Allowance Trading Scheme

National Emissions Center

Institute of Meteorology and Water Management – on running climate change observations

Inspection for Environmental Protection – on running climate change observations under State Environmental Monitoring



AUDIT FINDINGS AND CONCLUSIONS

Legal and Organizational Steps Ministry for the Environment

- ❑ 4 draft laws developed, 1 adopted by Lower Chamber of the Polish Parliament
- ❑ 5 ordinances on GHG emissions' managing system published – 3 with delays
- ❑ 1 ordinance not prepared

Major consequences included

- ❑ difficulty in performing reporting duties by operators of installations covered by the EU GHG emissions' allowances trading scheme;
- ❑ delays in entering information to the National Emission Allowance Registry and collecting Registry entry fees



AUDIT FINDINGS AND CONCLUSIONS

Legal and Organizational Steps

Ministry of Economy

- 3 draft laws developed, 2 adopted by Sejm
- 3 ordinances on energy generation from RES published
- 1 ordinance not prepared

Major consequences included difficulty in introducing bio-components to liquid fuels



AUDIT FINDINGS AND CONCLUSIONS

Running Climate Change Observations

Observations of climate variables primarily run by

- ❑ Institute of Meteorology and Water Management under State Hydro-Meteorological Service
- ❑ Inspection for Environmental Protection
- ❑ Institutes of Geophysics and Oceanology of the Polish Academy of Sciences, Institute of Environmental Protection, 10 Universities and 2 National Parks



AUDIT FINDINGS AND CONCLUSIONS

Running Climate Change Observations

Institute of Meteorology and Water Management and Institute for Environmental Protection

- failed to run climate change effects' observations
- failed to forecast such effects

Studies of climate change effects and the ensuing water management adaptation run by a variety of institutes and university level schools funded with their own and / or individual research project resources

NIK assessed as insufficient

- supervision over the system of climate change observation and forecasting
- coordination of actions pursued by many units functioning in the system exercised by Minister for the Environment



AUDIT FINDINGS AND CONCLUSIONS

Actions Towards Mitigating Climate Change Environmental Sector

- ❑ Draft National Allocation Plan developed for 2008 – 2012
- ❑ National Emissions Allowance Registry was set up with accounts for installations
- ❑ EU GHG emission allowance trading system implemented (in 2008 to cover 547 industrial plants with 835 installations);
- ❑ Number of CO₂ emission allowances allocated to particular installations amounted to 653,302,526, while the actual verified amount of CO₂ emitted by those was 622,459,590 Mg CO₂.



AUDIT FINDINGS AND CONCLUSIONS

Actions Towards Mitigating Climate Change Environmental Sector

- ❑ In 7 out of 16 audited industrial plants actual GHG emission in 2008 exceeded allocated allowances' amount by 8.2%. Shortage was covered by the unused number of allowances from the previous year and allowances purchases (in 1 case – planned to be covered with next year's allowances)
- ❑ In 9 plants emissions were lower than allocated (98.08% to 76.65%)
- ❑ 12 projects implemented under JI schemes (6 accepted in 2006 – 2008) with estimated implementation effects amounting to 9,043,614 Mg CO₂ of GHG emissions' reductions



AUDIT FINDINGS AND CONCLUSIONS

Actions Towards Mitigating Climate Change

Environmental Sector

Actions Aimed at Protecting and Increasing Effectiveness of GHG sinks and absorbers, Promoting Sustainable Forest Management, Afforestation and Forest Renewal

- under the *National Program for Increasing Woodiness* in 2006 – 2008, 9,988 hectares were afforested;
- under *Rural Areas' Development Program* – 24,000 hectares were afforested
- tree species composition enrichment schemes every year covered 49,000 hectares of forests;
- under storeys and second storeys were introduced on almost 31,000 hectares;
- tree stands with improper species composition were re – constructed and the use of chemicals was limited.

In 2007 CO₂ absorption in Poland's forestry sector grew from – 32,926.5 Mg of CO₂ equivalent in 1988 (base year) to 40,497.1 Mg CO₂ equivalent in 2007.



AUDIT FINDINGS AND CONCLUSIONS

Actions Towards Mitigating Climate Change Energy Sector

- ❑ *National Action Programme for Energy Efficiency which set out measures to improve energy efficiency in the sector of industry;*
- ❑ *Programme for Electricity Generation developed aimed at achieving by 2010 an increase of the share of the energy produced by renewable energy sources [RES], to 7.5% and the share of the energy produced in cogeneration to 22-23%;*
- ❑ *Obligation to purchase electricity from RES by energy generating and trading companies – the share of used energy from RES in the total energy consumption in the country grew from 2.8% in 2006 to 3.4% in 2007;*



AUDIT FINDINGS AND CONCLUSIONS

Actions Towards Mitigating Climate Change Energy Sector

- ❑ Number of certificates of origin of energy from RES issued to energy producers by the President of Energy Regulatory Office increased from 4,200 in 2006 to 6,900 in 2008
- ❑ Legal and fiscal instruments introduced to encourage the use of environmentally friendly fuels and energy
- ❑ Analysis of possible options in the scope of energy efficiency carried out to keep reducing energy consumption in the context of economic growth



AUDIT FINDINGS AND CONCLUSIONS

Monitoring and Supervision

Minister for the Environment responsible for presenting reports required on the basis of UNFCCC and Kyoto Protocol provisions and EU regulations on climate protection.

Audit of timeliness of presentation of 12 reports by Minister for the Environment to the EC and UNFCCC Secretariat disclosed

❑ 8 reports presented with delays

❑ report on national policies and actions towards GHG emissions reductions and forecasts failed to be developed by the concluding day of the audit (deadline - 15 March, 2009)



AUDIT FINDINGS AND CONCLUSIONS

Monitoring and Supervision

In 2006 verified annual reports on 2005 emissions' allowances' clearance were presented to National Administrator of the Emission Allowance Trading Scheme with delays by 94.3% (or 808 out of 857) installation operators.

Reports for 2006 were submitted with delays by operators of 2.8% installations.

Reports for 2007 were submitted with delays by operators of 1.3 % installations.

Causes of delays in reports for 2005 included late publication by Minister for the Environment of

ordinance on requirements for auditors authorized to verify annual reports on emissions and

ordinance on the conditions for establishing costs of reviewing annual reports.



AUDIT FINDINGS AND CONCLUSIONS

Financing Tasks Pursued in Connection with Climate Change

In total 7,185.9 m PLN spent on atmospheric air and climate protection in 2006 – 2007 (3,511.9 m PLN in 2006, 3,674.0 m PLN in 2007)

Resources came from

- National Fund for Environment Protection and Water Management
- Voivodship Funds for Environment Protection and Water Management
- EkoFund Foundation



AUDIT FINDINGS AND CONCLUSIONS

Result of the audit: the Supreme Audit Office had a positive opinion on the status of implementation of selected provisions of the United Nations Framework Convention on Climate Change, despite the irregularities found.

Actions taken in 2006 – 2007 made it possible in the context of growing GDP to maintain:

- GHG emissions at the unchanged level of 401.5 m Mg**
- 29% GHG emissions' reduction with respect to 1988 (base year) – according to Kyoto Protocol Poland is obliged to achieve 6% reduction by 2012**
- 46.8% increase of RES energy share (from 4,222GWh to 6,200 GWh)**



THANK YOU FOR ATTENTION