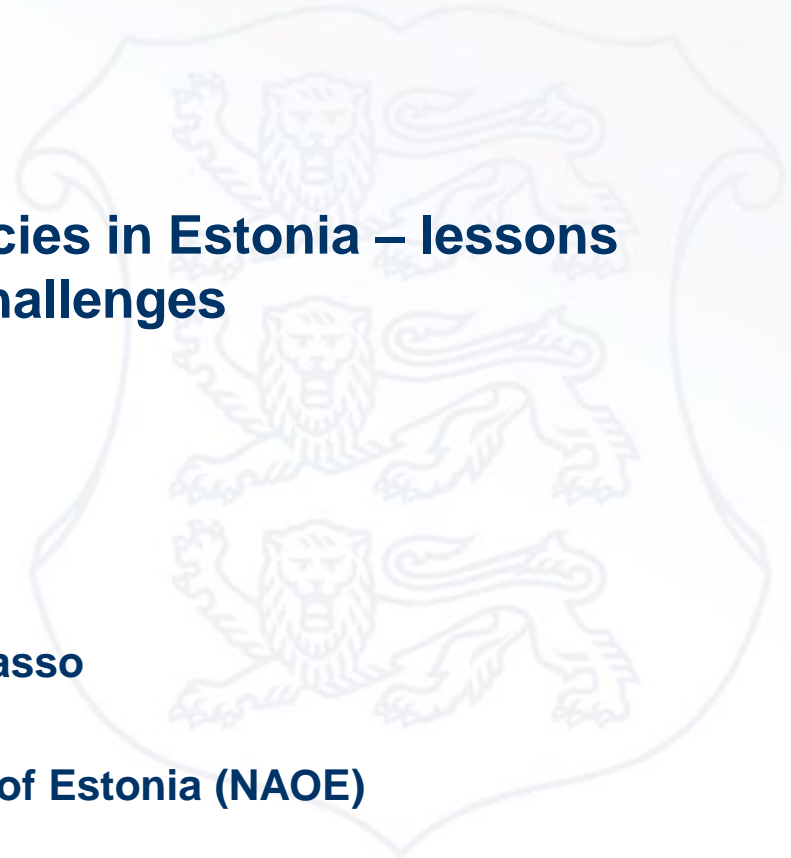


Auditing national climate policies in Estonia – lessons learned and challenges

Tuuli Rasso

National Audit Office of Estonia (NAOE)



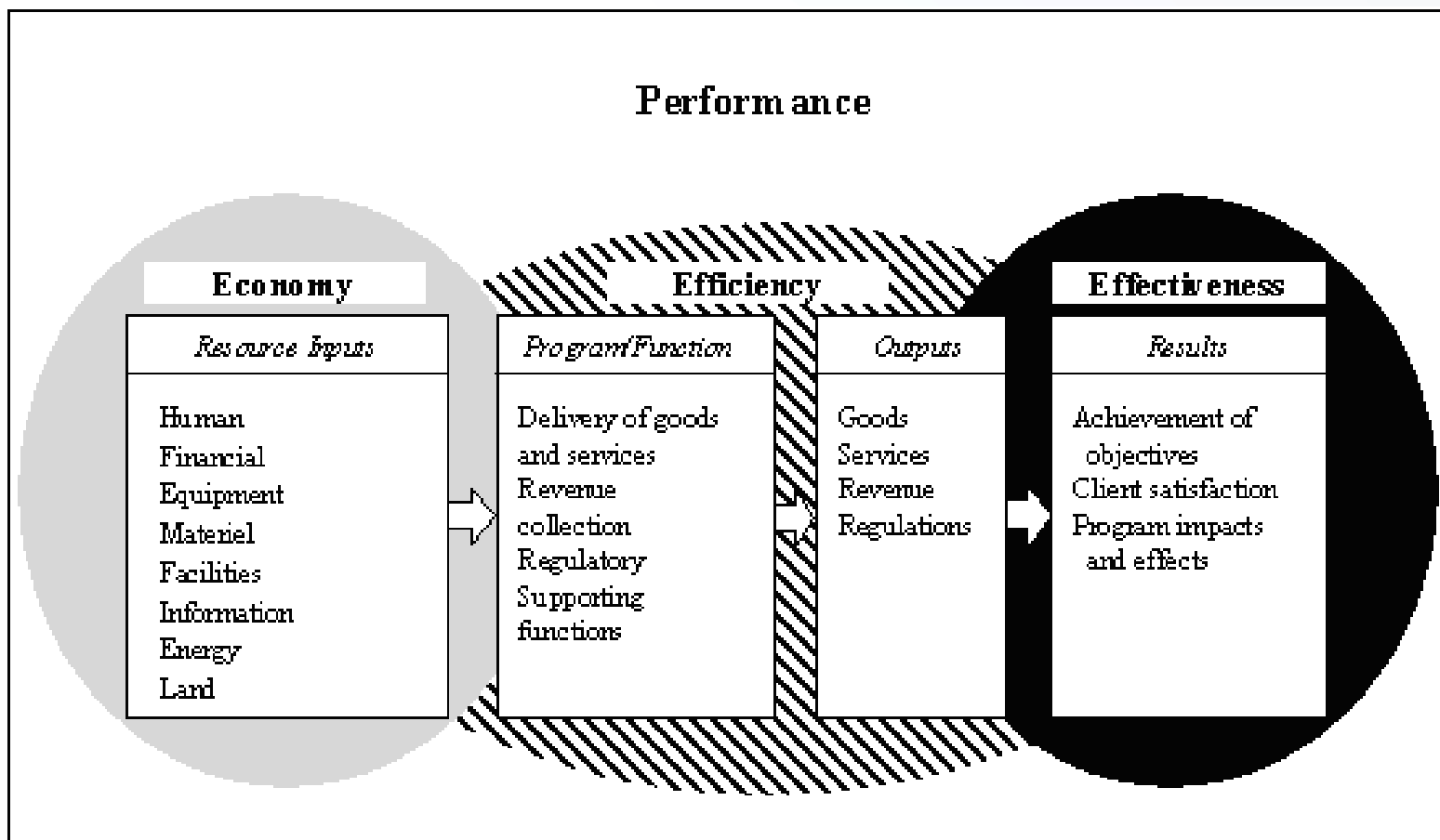
Presentation outline

- Role of State Audit Offices in reviewing policy enforcement
- Challenges of Auditing Climate policy in Estonia
- Cooperation of State Audit Institutions for auditing climate change issues

National Audit Office of Estonia

- is an independent constitutional institution
- provides Riigikogu and general public with information on how the government has spent taxpayers' money
- does:
 - Financial audits
 - Financial statements of ministries and national accounts are audited on yearly basis
 - Performance audits
 - Environmental, health care, social affairs, education, economical, cultural etc issues
 - Compliance audits
 - In local governments as well within financial audits

Performance auditing



Climate change issues in the audits of NAOE

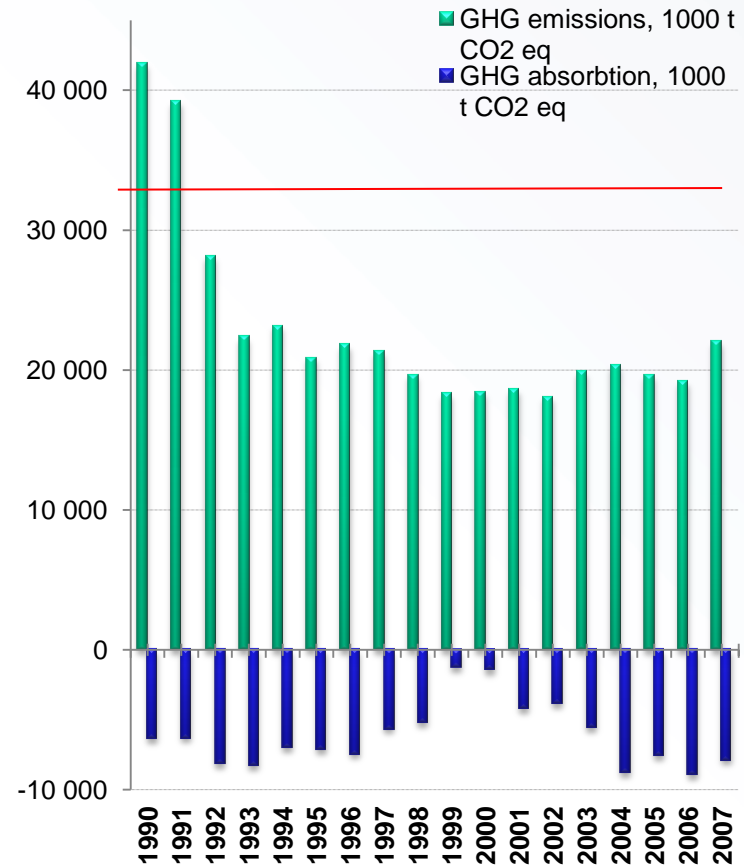
2009 - State's efforts of reducing greenhouse gas emissions

2012 - Alternatives for electricity production

www.riigikontroll.ee

Relevance of GHG reduction

- Due to use of oil shale as main energy recourse Estonia is among biggest per capita emitters of GHG (16,8 t CO₂ equivalent in 2009)
- Kyoto protocol: to reduce 8% of GHG emissions by 2012 in comparison with 1990.
- GHG emission reduction targets are fulfilled, but EU measures are more stringent and there is a challenge to meet these requirements



Audit questions (2009)

- Does the state have information about greenhouse gas levels (emissions + absorption) for climate policymaking?
- Is the climate policy managed and planned in a coordinated manner and have measures been developed for reduction of GHG emissions?
- Does GHG emission trading help to efficiently reduce emissions?

Criteria for accuracy and reliability of GHG inventory

The calculation of GHG emissions is accurate and reliable if:

- the emissions or removals of GHG are calculated on the basis of all sectors where they may be generated;
- the inventory report complies with the requirements of the manual of the UN Climate Secretariat.;
- the uncertainty of the GHG emissions data has been calculated reliably;
- quality control systems are used.

Audit methodology

- Analysis of sector-based development plans & GHG mitigation measures: environment, energy, forestry, transport, mining, waste, biofuels, biodiversity, rural development, state budgeting.
- Review and analysis of
 - guidelines developed by the UNFCCC Secretariat, the Intergovernmental Panel on Climate Change and the European Commission;
 - inventory reports submitted by Estonia to the UNFCCC Secretariat;
 - inventory review reports by the UNFCCC Secretariat;
 - contracts signed by the MoE for preparation of the inventories;
 - list of costs the MoE and its authorities have incurred in connection to GHG inventories;
 - inventory reports of selected countries;
- Interviews with various stakeholders.

Findings

- Some sources not included in the GHG inventory. Actual greenhouse gas emission levels might be higher than reported in the GHG inventories.
- Insufficient quality control
- Uncertainty calculations needed improvement
- GHG mitigation action plan were out-dated
- Need for better co-ordination between the Ministry of Environment, the Ministry of Economic Affairs and the Ministry of the Agriculture.
- Lack of analysis of possibilities for GHG reductions:
 - Poor GHG mitigation goals;
 - Little knowledge about the effectiveness of policy tools implemented so far.

Challenges of auditing climate policy

- GHG reduction targets scattered in the action plans of various sectors and no overview.
- Obtaining data on GHG emissions
- Challenges of calculating emissions, absorption capacity and prognosis
- Little knowledge about the effectiveness of policy tools to reduce GHG emissions →inadequate projections→unjustified targets

EUROSAI Working Group on Environmental Auditing (WGGEA)

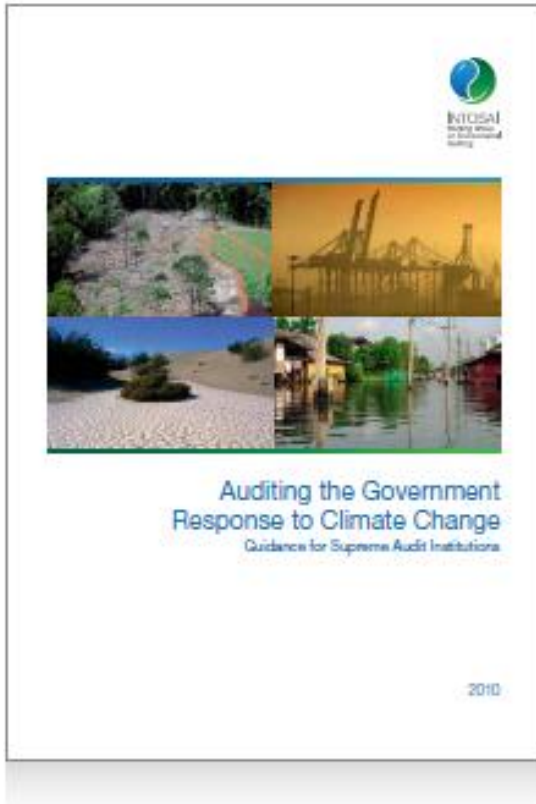
Parallel audit (2012)

- Austria
- Bulgaria
- Cyprus
- Malta
- Neatherlands
- Norway
- Russia
- Ukraine
- ECA

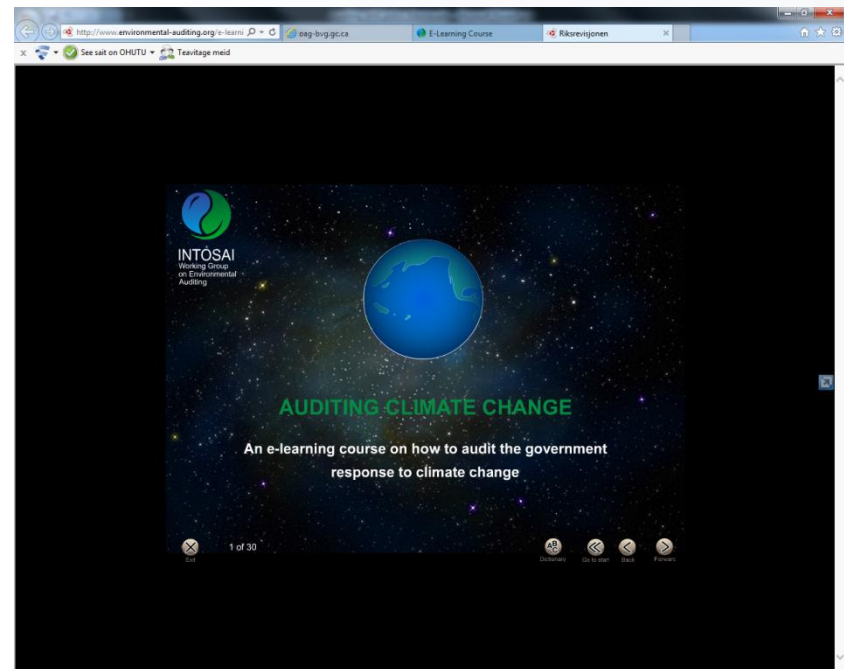
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INTOSAI WGEA guidance for auditing CC



E-learning course



<http://www.environmental-auditing.org/Home/FocusonClimateChange/tabid/241/Default.aspx>