

**The SAO audited funds earmarked for air quality improvement and reduction of emissions**  
**Press Release – January 30, 2012**

The auditing operation was focused on funds allocated from Operational Programme Environment. From 2003 to 2010, over CZK 5.5 milliard were utilized from the state budget and EU funds (apart from the funds from Operational Programme Environment) for the air quality improvement and reduction of emissions. Until the completion of the audit, the Ministry of Environment has not assessed the support's impact on the air quality improvement in the Czech Republic.

For period 2007–2013, CZK 18,065.7 million have been allocated for priority axis 2, which focuses on improvement of air quality and reduction of emissions. Four years after beginning of the programming period, only CZK 1,512.18 million have been applied for, which makes only 8.37 % of the allocation. The share of approved projects has reached CZK 427.81 million (2.37 %) and the share of granted projects has reached only CZK 58.82 million (0.33 % of the allocation).

The reason for such minor drawing of the funds allocated for priority axis 2 seems to be the present state of the Air Protection Act. The polluters are not motivated to make investments in the field of air quality improvement as the Commission have stipulated in the rules that most of the investments should be covered by the polluters. Only one of nine projects related to major polluters have been implemented so far. Until the completion of the auditing operation, the Air Protection Act had not been amended, and the Ministry of Environment failed to introduce amendment to the Act in due time (by the end of 2008), which the Ministry had been obliged by Government Decree No. 630/07. The amendment was presented as late as January 2011.

As late as in 2010, the Ministry of Environment and the State Environmental Fund of the Czech Republic took partial measures to set the priority axis 2 allocation criteria, which could have increased the number of applications. However, there is an imminent threat that the whole allocated sum will not be used. To enable a greater allocation drawing, the Ministry should accept substantial changes to settings and goals of the projects.

It is alarming that only a little from the allocation has been used so far in spite the fact that the Czech Republic does not comply with most of pollution regulation criteria set by the EU (mainly those concerning particles PM10 and PM2.5, benzene, nitrogen dioxide, and benzo(a)pyrene). Because of the failure to meet the criteria, the Commission may trial or retrial (in case of sulphur dioxide and PM10 particles) the matter pursuant to article No. 258 of the Treaty on the Functioning of the European Union, which may lead to penalty payment. It is indisputable that air pollution poses a threat to health as the pollutants cause allergies, diseases of respiratory and cardiovascular systems. Population in mostly polluted areas is in danger as the pollutants are toxic and carcinogenic.

Both documentations of the Operational Programme Environment and the Operational Programme Transport refer to the aimed reduction of percentage of population living in the polluted areas where pollution limits were exceeded (PM10 exposure indicator). Auditors revealed that the Operational Programme Environment stated that the indicator should decrease from 66 % to 60 % between years

2007 and 2015, while the Operational Programme Transport gives a reduction to 50 % in the same period. Such a discrepancy challenges the objectivity of the targeted indicators of air pollution.

The auditing operation was performed from February to October 2011. The audited period extended from 2007 to 2010; where relevant, the preceding period and the period until the completion of the auditing operation were scrutinized as well. The audited bodies were the Ministry of Environment, the State Environmental Fund of the Czech Republic, and selected recipients of the support. The auditing operation was included into 2011 Audit Plan of the SAO under No 11/04. Rudolf Němeček, Member of the SAO Board, managed the operation and prepared the audit conclusion as well.

Communication Department  
Supreme Audit Office