ÁLLAMI
SZÁMVEVŐSZÉK

SUMMARY

of the Audit on the Protection of Waters and the Performance of Water Management Tasks (1049)

In the course of its audit, the State Audit Office of Hungary (SAO) evaluated on one hand whether Hungary had established the efficient legal, organisational, regulatory, financial and monitoring conditions serving the interests of the society and ensuring the full implementation of international obligations; on the other hand whether it developed a support scheme which effectively realises water protection objectives. The audit covered the period between 2004 and 2010.

The SAO found that the national environmental sector had taken the essential measures – necessary for the implementation of the EU Water Framework Directive as well as the objectives of the EU directive concerning water intended for human consumption –, however, deficiencies and delays were revealed in the implementation of EU deadlines and provisions, because of which the EU launched several infringement proceedings. Due to delays, the dangerous and harmful effects on the environment and on the health of the population decreased even slower than expected.

The objectives of international directives were incorporated in national environmental programmes and, within that, in programmes aiming at the protection of waters. The SAO found that the implementation thereof was delayed mainly because of the lack of resources. In the framework of the Programme for the Protection of Drinking Water Bases, the review of water bases, stipulated by a regulation with the deadline of 2007, was only partly completed, and no alternative deadline was set. The withdrawal of operating licences is not possible, because it would endanger the public supply of drinking water. In the course of the implementation of the programme aiming to improve the quality of drinking water affecting mainly the population of the Northern and Southern Great Plain Region, the EU provisions regarding the limit values for certain harmful components such as arsenic, which were undertaken to be implemented with the deadline of 2009 in the Treaty of Accession, were not observed. Therefore Hungary submitted a request for a temporary derogation to the EU Commission, concerning the access to healthy drinking water of 430 settlements, i.e. 1.2 million people. The progress of the programme was hindered by the low willingness of local

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governments to tender as well as by the limited support of maximum 20% to the water pipe network reconstruction works. According to the present schedule, the deadline modified to 2012 cannot be met, either. This risk was perceived also by the Government in office at the beginning of 2010 who set the deadline of 30 September for the specification of the necessary tasks, however it was not realised until the audit.

The programme undertaken for 2007 aiming at the reduction of nitrate pollution of water, mainly originating from agricultural activities, was not completed, therefore it was prolonged by three years, on the basis of an EU provision. It is characteristic of the delay that – according to the data of 2008 – 34% of livestock farms complied with the provisions. There is a delay also in the implementation of the National Implementation Programme for Sewage Disposal and Wastewater Treatment. The delay can be attributed to social reasons among others, because the population does not fully access the network built due to the high sewer connection fees. There was a delay also in the implementation of the subtasks of the National Environmental Remediation Programme launched in 1996, which should have been carried out by the end of 2010, therefore the deadline thereof was modified to 2015. The delay is risky, because 16 water bases are already polluted, out of which in 7 cases the contamination has reached the wells producing potable water. The Ráckeve Danube Branch Project was qualified as a major project in 2005, but the implementation thereof has not yet begun because of the delay of two elements. Despite the deadline set by the EU Water Framework Directive and the scheduled progress, the elaboration of the National River Basin Management Plan was delayed by one year.

International obligations and the deadlines thereof were not met mainly because of the shortage in the planned domestic resources, as only a fraction thereof was ensured. It can be considered a progress that from 2007 the New Hungary Development Plan grants significant funds for water protection programmes and the subsidies for the own resources of local governments have been increased from 2011.

A key condition of water protection is the efficient official control, but this could not be carried out fully due to the lack of the resources necessary for the operation and for the development of instruments. The on-site presence of controllers and the control activity, as well as the standards of facilities and technical conditions have decreased. The professional level of monitoring activity was only partially ensured, because due to the reduced number of experts and laboratories fewer measurements were carried out than necessary and the territorial coverage of the measurements was not ensured either. The monitoring programmes, which were reported upon in 2007, received 'good marks' from the European Commission, but the number of monitoring

activities were considered to be low, which raised the risk of a 'non-compliance' procedure. Due to the limited budget, the computer recording systems support monitoring and the activities of public authorities only to a limited extent. The decrease of funds involved the failure to develop and replace the equipment. According to a survey carried out in 2005, the level of coverage of the assets was only 20-25% of the required level.

The proceedings and sanctions of public authorities are regulated. However, the 'polluter pays' principle required by the EU is not observed, because despite the consistent application of sanctions and fines, they do not represent the necessary pressure for the termination of pollution by developments. The suspension of the operation or the closure of the wastewater treatment plants operating inadequately cannot be ordered due to public health reasons.

There are deficiencies in the legal background, as the coordination between the actors participating in task performance was not defined and the ministerial competence in the case of the individual subtasks, such as the health control of drinking water, was not stipulated.

The requirements regarding internal audit were not fully implemented. Occasionally the findings of the completed controls were not taken account of, and the regulation of the financial management control (FMC) system did not cover the whole workflow of the Ministry. According to the internal audit of the Environmental Development Directorate of the Ministry of Environment and Water, which manages subsidies, the FMC system of the organisation is not adequate and the practice of on-site audits was also qualified as weak.

Based on the audit findings, SAO recommended the Government to provide for the professional and financial conditions ensuring the fulfilment of international obligations, to establish the method of setting a standard price of water, to terminate legal deficiencies as well as to support the reconstruction of drinking water pipes. We recommended the Minister of Rural Development – among others – to strengthen the controls of public authorities in order to fulfil international requirements, to ensure the conditions of the monitoring activities and the operation of the information system of an adequate standard.