

## **The activity of the Chamber of Accounts of the Russian Federation in solving issues concerning industrial and consumer waste management (slide 1)**

Dear colleagues,

The solution of issues of industrial and consumer waste management, the elimination of their harmful impact on the environment is a priority for Russia. The considerable urbanization rate in the 60-90s, with lack of proper consideration of the importance of environmental issues, has led to the solution of issues concerning the emplacement of urban ore and neutralization and disposal of waste processing products being in the center of attention now.

The said problem may be considered in terms of several aspects (slide 2):

- environmental
- financial and economic
- social
- technological
- legal

All the above listed aspects have different priorities depending on the country. In the modern conditions in Russia, the economic, social and legal aspects have gained a broad social resonance and are highly priority-oriented

Besides, the methods of waste disposal that used to be relatively efficient in the conditions of state-planned economy, have lost their efficiency in the market conditions. That is why it is highly important today to introduce modern mechanisms of waste management, the economic one above all, that would contribute to the reduction of waste accumulation and their negative impact on the environment.

(Slide 3) It is to be noted that an urban ore processing plant is a complicated system consisting of numerous elements, and the work of each of them influences the work of the system as a whole. This includes initial collection and preprocessing of wastes, storage, emplacement and disposal, as well as facilities responsible for the operation of landfills. The number and the capabilities of urban ore processing plants determine the overall picture of the state of affairs in the field of waste management.

The picture is as follows. (slide 4)

Spontaneous formation and extension of unauthorized dumps remains the pest of most densely populated regions of the Russian Federation. Due to the lack of landfills for storage and disposal of industrial wastes, the practice of unorganized waste storage is widely spread.

The overwhelming majority of urban ore emplacement facilities are also operated with violations and do not meet the sanitary rules and regulations. Separate accumulation and subsequent processing of wastes is next to unorganized. Of special danger is unauthorized emplacement of industrial and consumer wastes in water protection areas. The geography of this kind of violation has been extended recently.

With the volume of urban ore growing, its negative impact on the environment increasing, as well as with resource shortage and spending spree associated with collection of wastes, their disposal to landfills, as well as with industrial processing, the urgency of costs aimed at establishing and maintaining the functions of urban ore processing plants is growing. In this connection, the role of efficiency control and control of the advisability of the said costs is gaining importance.

(Slide 5) The Chamber of Accounts of the Russian Federation is a standing state financial control body exercising control over the implementation of the federal budget based on the principles of legality, objectivity, independence and transparency. Measures of control are taken under the plan of work for the next year, as well as under the instructions and statements of the State Duma representatives or members of the Soviet of the Federation of the Federal Assembly of the Russian Federation, who, in turn, determine the object of inspection according to the demands of their voters.

(Slide 6) Waste management is controlled by the Chamber of Accounts through conducting inspections of the application of the federal budget funds allocated for environmental measures, in particular, within the federal target program, Ecology and Natural Resources of Russia (2002-2010), that is implemented through investments from the federal budget. It is to be noted that the said program is closed now by a decision of the Government of the Russian Federation, and departmental

programs will be worked out and accepted for implementation. In addition, under the plan of work, topical inspections are carried out, as well as international joint audits organized by the EUROSAI Working Group for environment protection. Since 2000, more than 10 inspections were carried out in the field of waste management covering about 40 facilities, including three international parallel audits: two audits of environment protection in the Baltic Sea area (the Helsinki Convention) and one audit of the protection of the Black Sea from pollution (the Bucharest Convention). In the course of the measures of control, the financial and economic aspects of the problem of waste pollution, storage and disposal were considered.

The work was organized in the following way. (Slides 7, 8, 9) At the preparation stage, information was collected both at the level of federal ministries and administrations, regional authorities, as well as through the Internet and from appeals of the civil population. Based on the data obtained, the facilities to be inspected were determined. Officials of local financial control bodies were engaged in the inspections. As a result, from the financial point of view, the measures of control covered issues of the application of both the federal budget funds and funds obtained from other sources, including local and foreign, aimed at the implementation of measures of environment conservancy and protection. Besides, the audits also involved expert and analytical work in assessing the environmental state of some regions with the participation of specialists in the field of ecology and environmental legislation.

(Slide 10) The above listed inspections showed that the main problem in environment protection, particularly in the Baltic and Black Sea, is the under-financing of environmental measures and the lack of an appropriate federal target program.

(Slide 11) Based on the outcomes of the inspections, communications and letters of information were sent to the appropriate public authorities, and the responses remain controlled up to the elimination of all the violations, deficiencies and comments. The reports drawn up after the measures were carried out were sent to the Soviet of the Federation and the State Duma of the Federal Assembly of the

Russian Federation (parliament). (Slide 12) In addition, materials of the measures of control were published on the web site of the Chamber of Accounts in the Internet, in the Bulletin of the Chamber of Accounts of the Russian Federation, as well as in information editions of the Soviet of the Federation and State Duma, in the mass media, and in specialized periodicals. Based on the outcomes of the work, press conferences were organized. Thanks to the publicity and transparency of the activity of the financial control body, which is the peculiarity of the status of the Chamber of Accounts in the structure of government authorities of the country, the said documents became a common property. (Slide 13)

Consolidated reports were drawn up on the international audits signed by the heads of supreme financial control bodies of the countries participating in the inspections, and sent to the EUROSAI Working Group on environment protection, therefore, the experience of the implementation and the obtained outcomes of the audits became widespread at the European level.

(Slide 14) Thus, the use of the possibilities and instruments granted to the supreme financial control body of the country allows to bring the attention of the President of the Russian Federation and the Government of the Russian Federation, federal departments, administrations of the subjects of the Federation, to this problem, and to identify both the progress and the existing drawbacks in the field of waste management. In the outcomes, the following tasks are noted:

- to increase the financing of environmental measures;
- to enhance the efficiency of the application of the budget funds aimed at the implementation of environmental measures;
- to reduce environment pollution.

Presently, a number of inspections are planned to be carried out in the field of environment protection in Chelyabinsk and Sverdlovsk Regions, as well as an audit of the efficiency of usage of natural and biological resources of the Caspian Sea, in cooperation with the Republic of Azerbaijan, that is to be carried out in 2006. The measure of control will be implemented in accordance with the said methodology.

The experience of the participation of the Chamber of Accounts of the Russian Federation in international audits within the EUROSAI has proved to be fruitful and useful both for Russia and for the cooperation between the supreme financial control bodies of the European countries in general. We are thankful to the EUROSAI Working Group for the initiative of conducting such important joint measures. The conducting of parallel audits under international conventions in the field of environment protection is obviously useful both for the global community as a whole and for experience exchange and for strengthening relations between supreme financial control bodies of different countries.

In conclusion, I would like to note that the Chamber of Accounts of the Russian Federation is ready for further constructive cooperation in the field of environmental audit.

Head of Inspectorate

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