

Structural Change in Saxony

Transformation process with obstacles

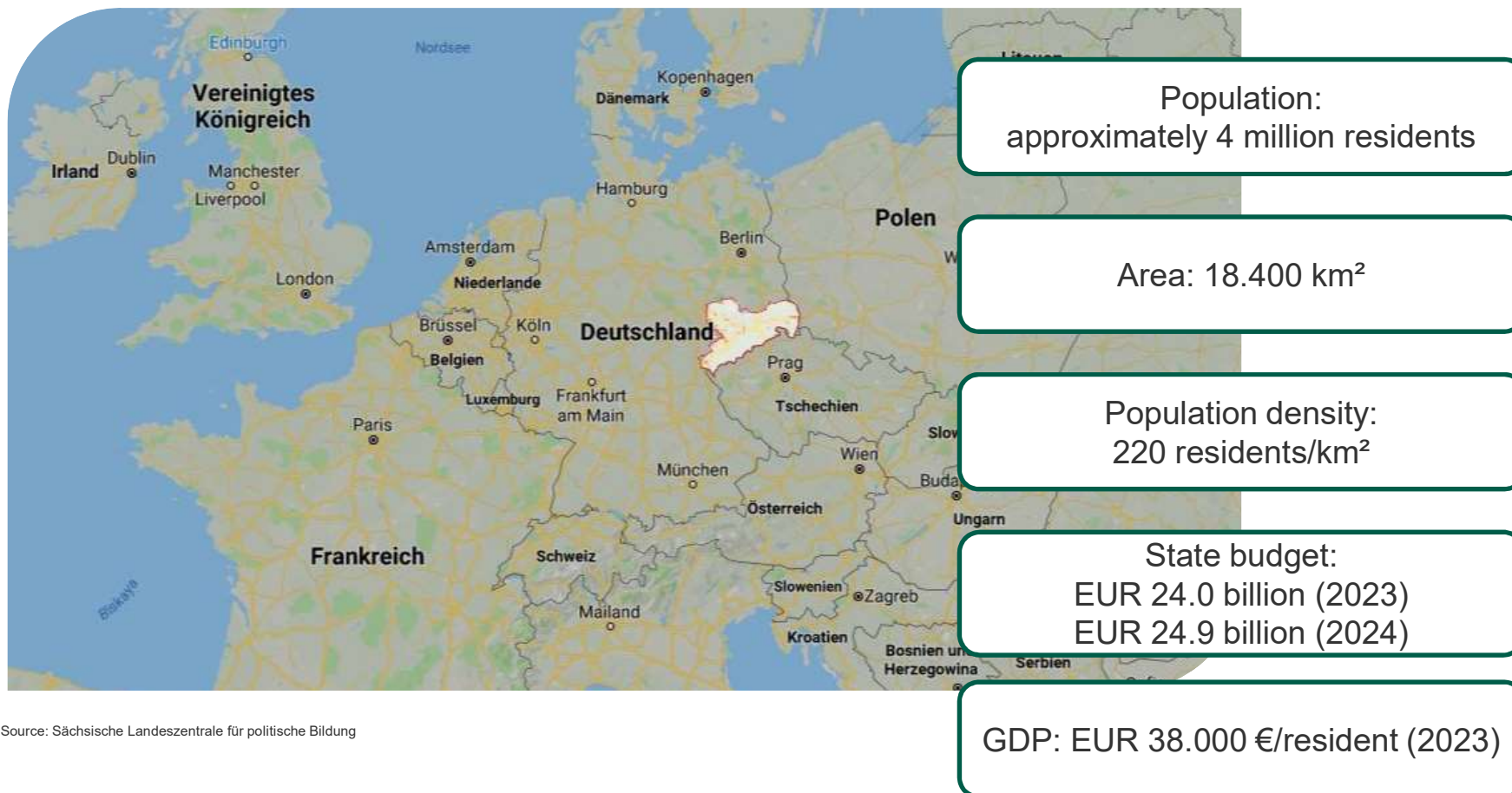
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State of Saxony

SÄCHSISCHER
RECHNUNGSHOF



Freistaat
SACHSEN



The Court of Audit of Saxony (SRH) in Döbeln

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Structural change in Germany

Phase-out of coal
and development
of alternative
energy sources

→ Topic affects all
of Germany



24.000
Jobs

Best Practice: The „Leipzig New Lakeland“

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1980s

Previous experience from the
consequences of German unity



today

Examples of challenges:

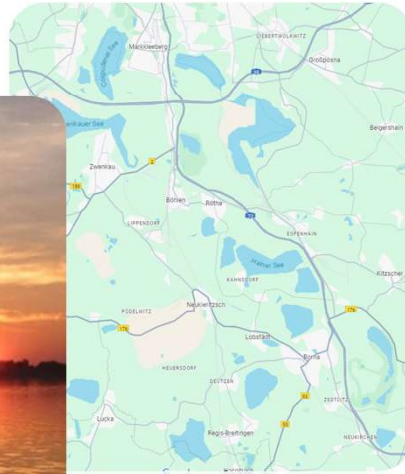
- Disposal of contaminated sites
- Compaction of shore areas
- Flooding
- Water quality
- Infrastructures

Best Practice: The „Leipzig New Lakeland“

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Development of structurally weak
mining landscape to tourism and
leisure industry

after 2050 around 260 km² of water
area and about 20 lakes

→ Experience usable for the
future



“Structural Strengthening” Act Coal Regions

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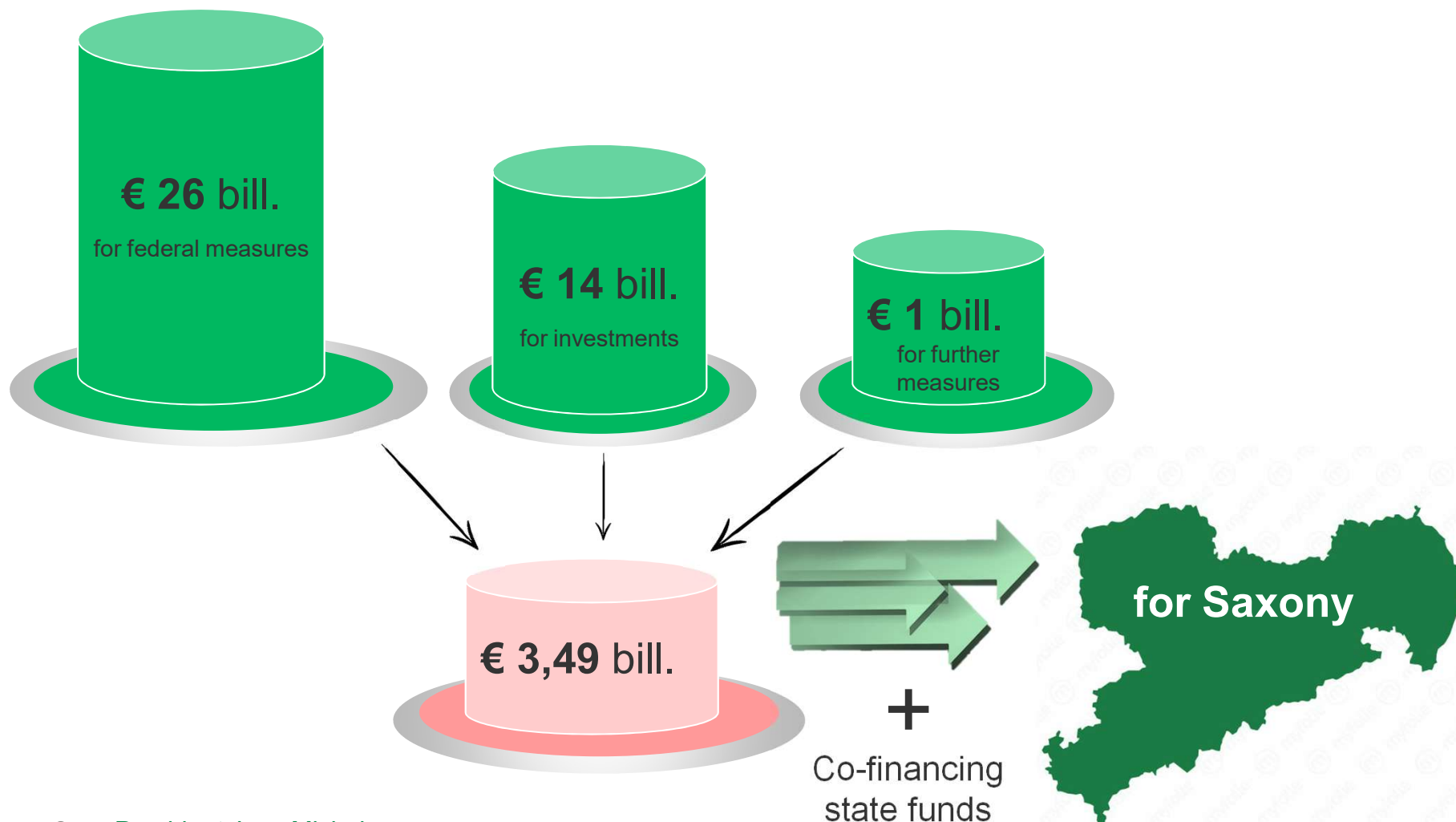
2020 passed by the
Bundestag to mitigate the
consequences of phasing
out coal power generation

Who audits

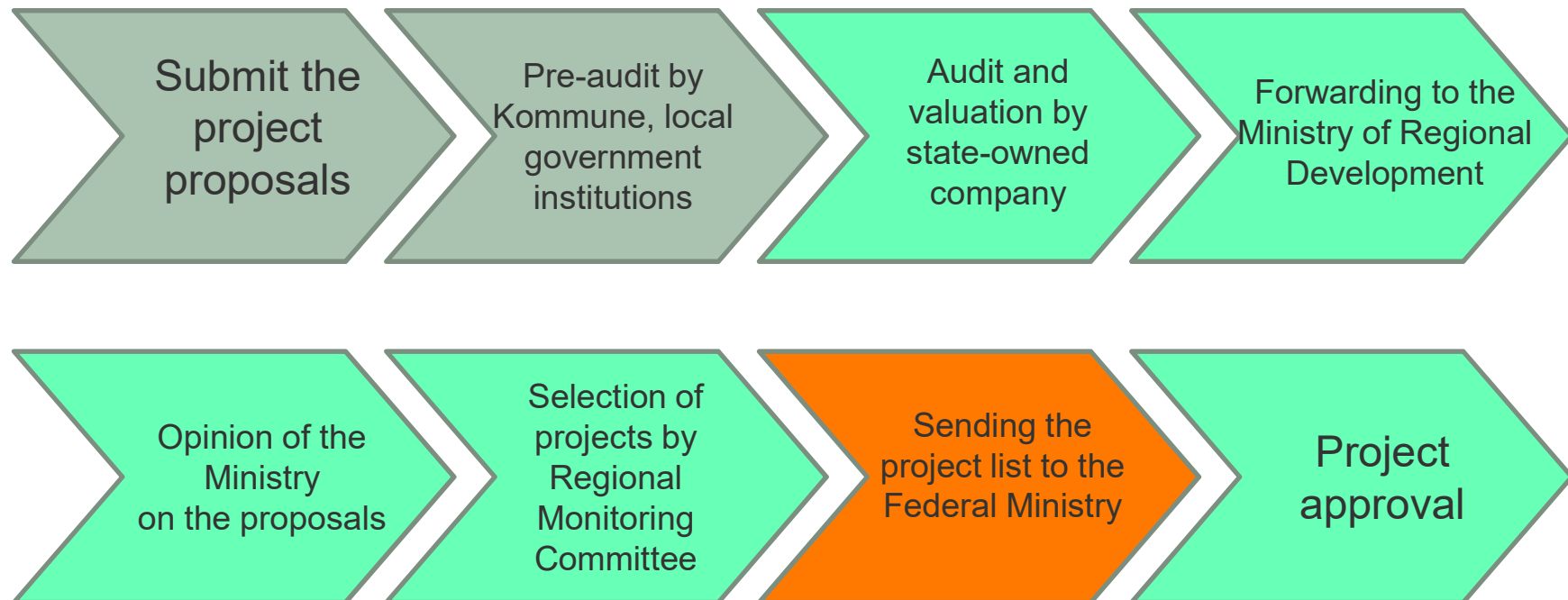
?

Implementation resp.
blending by federal states

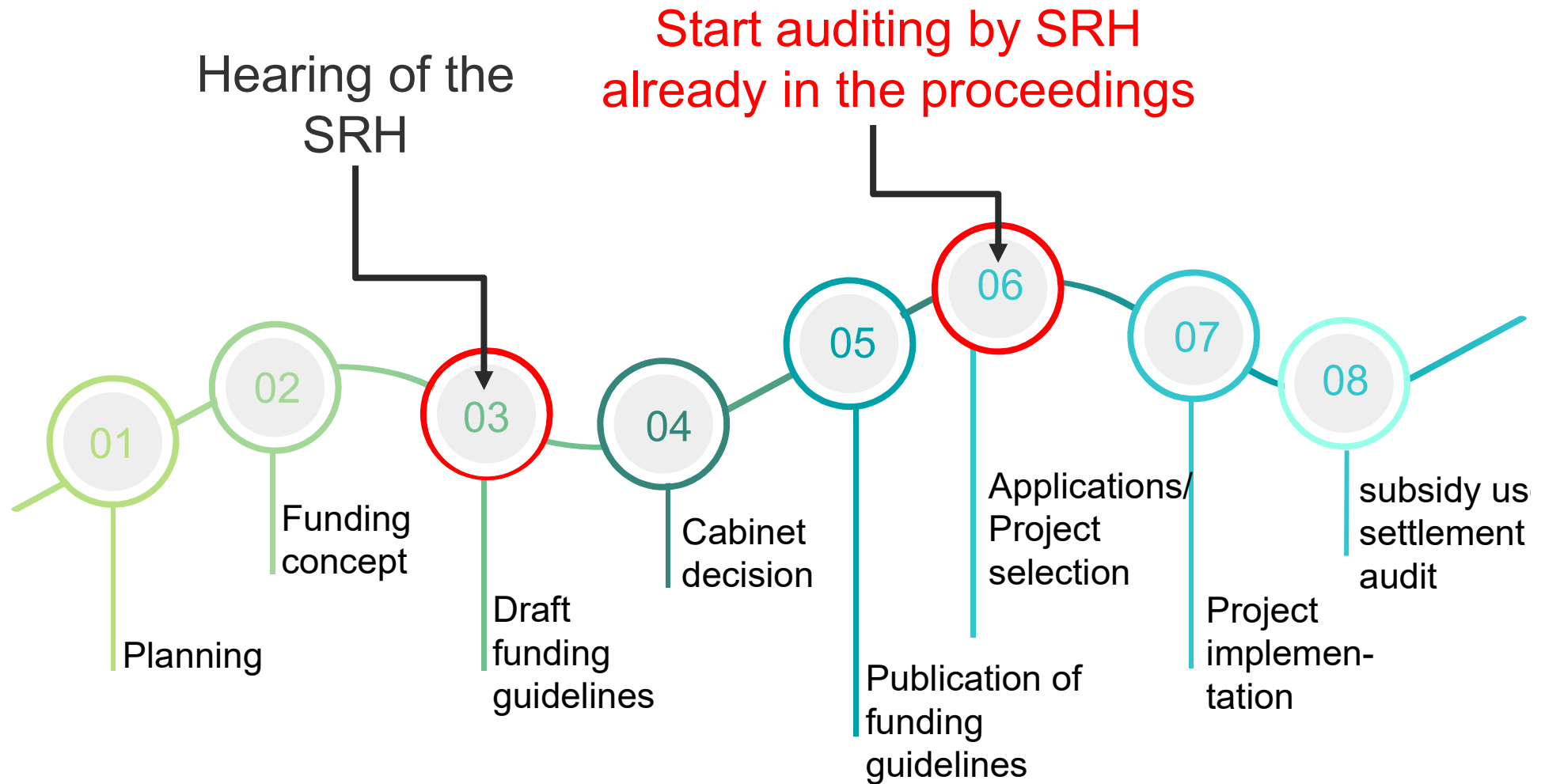
Federal grants until 2038 according to the Investment Act Coal Regions (InvKG)



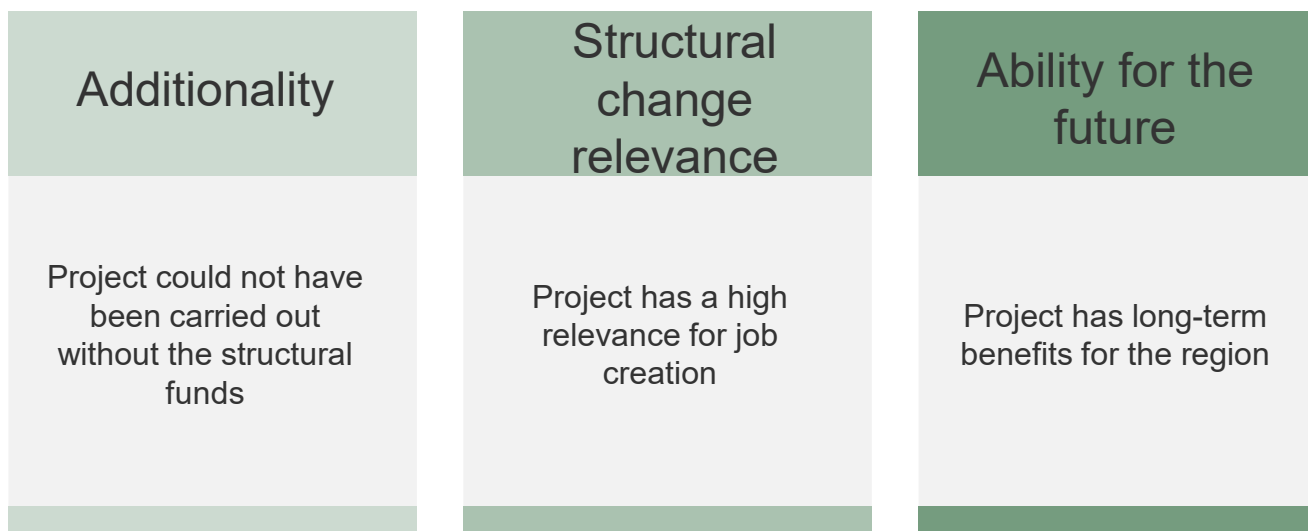
Sketch of Implementation of the InvKG in Saxony



Stages of project workflow of structural funding



3 important audit criteria



Audit results of the SRH

Structural change funds have been financed inter alia:



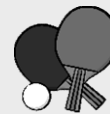
Eco toilets

for district festivals or
flea markets of an
association



Renovation

of an administrative
centre



Ball robot

for a table tennis club



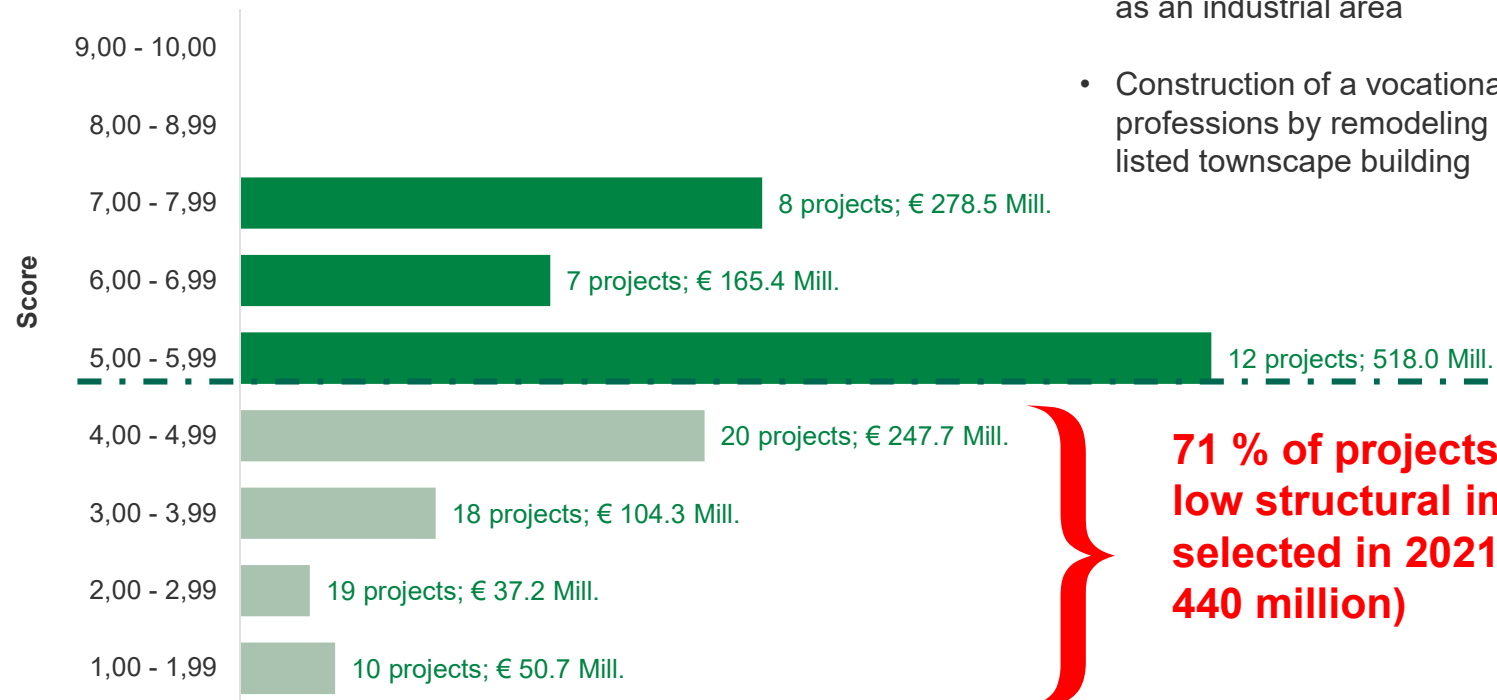
Purchase of battery- electric rail vehicles

for the extension of
the train-networks

Results of the structural effectiveness test using an indicator-based system (Scoring)

Funded projects with high structural impact:

- Construction of the new office and laboratory building of the DLR Institute for Low Carbon Industrial Processes in Zittau
- Reuse of a 16.000 m² area (former fur factory) as an industrial area
- Construction of a vocational school for nursing professions by remodeling and refurbishing a listed townscape building



71 % of projects with low structural impact selected in 2021 (EUR 440 million)

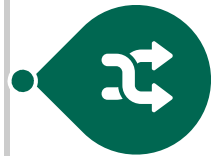
Source: SRH, Project data SMR as of 3.3.2022

Audit results of the SRH



EXPENSIVE

expenditure-intensive funding
system without added value



UNCOORDINATED

Projects of different programmes are not
coordinated



DISINCENTIVES

Funding rates of more than 90 % set
misincentives



STRATEGY

Lack of a common strategy

**→ An adequate
contribution to the
management of
structural change and
job creation cannot be
expected by numerous
audited projects.**

Recommendation for audit approach

- Large volume of funding makes parallel audits useful
- Benefits of 2 annual reports: faster response possible
- Experience from the COVID-audits (parallel)

...Recommendation



Audit in the process:
Bugs can be fixed at the beginning

Thank you for your attention

