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EUROPEAN NEWSLETTER ON ENVIRONMENTAL FISCAL REFORM

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Contents

Quotations of Spring 2010

“Whether to increase our reduction target for 2020 from 20 percent to 30 percent is a political decision for the EU leaders ... Obviously the immediate political priority is to handle the (financial) crisis.“

Connie Hedegaard, European Commissioner for Climate Action

“For nearly half a century, we were willing to pay any price and bear any burden to win the Cold War. The threat from Soviet nuclear warheads was a clear and present danger in our lives...Just as clear and present is the danger climate change poses to our economy and national security. We cannot drill and burn our way out of danger. But we can invent and invest our way out of it by leveraging a shift to a clean energy economy that will allow America to do what America always does best — lead the way into the future.”

John Kerry, Senior United States Senator

1. EDITORIAL

Dear readers and friends of Green Budget Germany,

The world has still not fully recovered from the repercussions of the financial crisis. Countries all over the world are realising that they have been living far beyond their means and that they will have to tighten their belts. In other words, not only less money can be spent, but also the consumption behaviour must be profoundly altered. Hence, the usage of natural resources will have to be cut down. This can be achieved by increasing efficiency, finding alternatives and by finally putting a price tag on resources. The enforcement of environmental policies can contribute to fiscal retrenchment, help to achieve climate change goals and therefore has the potential to ease the way out of the crisis for many countries. The goal is to build a sustainable market economy that will not compromise the lives of our children, but on the contrary, help to create jobs, spur innovations and fight climate change and the destruction of the environment.

The governments of numerous countries already understand that environmental policies do not merely benefit the environment, but also bear many more advantages. **Germany, for instance, recently passed an ambitious austerity package which will supposedly save up to 11.2 billion euros in 2011. It is a great success of our lobby strategy that it comprises many of the recent demands from GreenBudgetGermany.** By 2014, savings are predicted to go up to 80 billion euros (accumulated yearly savings). Measures to achieve these goals will include cutting down environmentally harmful subsidies, the removal of certain energy tax exemptions, the implementation of an air ticket tax, a charge on the production of nuclear energy, the reduction of the domestic hard coal support more than foreseen so far as well as the introduction of a financial market tax. Green Budget Germany particularly welcomes the green policy measures of the budget which will cut down subsidies and levy environmentally harmful actions. In recent months, GBG was deeply involved in many actions promoting and lobbying for the implementation of those measures, amongst others. And GBG is almost getting into trouble not having enough demands any more, since the Minister for Transport after the adoption of this austerity package picked up another demand of GBG to extend the heavy vehicle charge from motorways only to four-lane streets, too.

At EU level, EFR is also a highly discussed topic. As the second phase of the EU emissions trading is gradually coming to an end, the discussion on its tightening and improving for phase three is currently under debate. Furthermore, the 10-year 'Europe 2020' strategy aims to revive the European economy with smart, sustainable, inclusive growth and greater coordination of national and European policy. Green Budget Germany's European expert platform on Market Based Instruments, Green Budget Europe (GBE), supports the approach taken by the EU to become a sustainable economic bloc. Since the EU budget for 2014 to 2020 has recently begun to be discussed, it is of great importance to ensure that no EU funding is given for activities which would worsen the state of the environment.

Green Budget Reform is also gaining importance in the rest of the world. China and other Asian countries are debating the introduction of carbon levies and other green policy measures. China is said to draft a law for a carbon tax. Australia is introducing a tax on natural resource extraction. President Obama is about to set the very first national climate target in the United States. Even though the Kerry-Lieberman-Bill is highly debated by environmentalists who feel that the bill does not go far enough and by right-wing opponents who fear competitive disadvantages, it is a first step in the right direction.

In the light of EFR's increasing popularity in many countries, **GBE is hoping to organise two conferences in the course of this year to further discuss challenges and issues.** The annual GBE conference will examine the possibilities and advantages of the removal of environmentally harmful subsidies. **This conference will take place on the 8th and 9th of July in Budapest.**

The 11th Global Conference on Environmental Taxation will take place in Bangkok this year, from the 3rd to the 5th of November 2010. GBE is co-sponsor of the conference, and is planning to host a back-to-back conference in Bangkok in November to discuss the advantages and drawbacks of subsidy removals. The main theme of the conference will be 'Using Environmental Taxation Strategies to Support Climate Change Resilience'. During the conference, the Kreiser Award will be given to an expert who has made a significant contribution to the advancement of environmental taxation and other economic instruments in research or policy. Also a selection of the papers which were handed in prior to the conference will be eligible for publication in 'Critical Issues in Environmental Taxation', a peer-reviewed publication from the Oxford University Press. More detailed information about the conferences can be found in section 7 of the Newsletter and on our website

Over the past 12 months GBE has been doing a lot to further spread the message of MBIs in tackling climate change. GBE has taken part in meetings with EU TAXUD Commissioner Semeta, alongside representatives of the EEB and T&E, as well as in meetings with a number of members of DGs Environment and TAXUD to discuss and provide input on the revision of the Energy Tax Directive GBE has also been lobbying Barroso and all other relevant Commissioners calling on them to deliver a strong draft Energy/CO_2-Tax Directive. In addition, GBE has contributed to consultations on the EU2020 strategy and the reform of the CAP from 2013.

GBE has also lobbyied all EU Commissioners in support of Climate Commissioner Hedegaard's proposal to increase GHG emissions reductions targets to 30 percent by 2020. Regrettably, however, the Commission has decided not to support Hedegaard's suggestion at this stage, but to leave it up to the Council to decide.

GBE is also pleased to be able to support the activities of other organisations across Europe taking part in similar initiatives, and has broadened it's network by joining a coalition of NGOs campaigning for reform of the EU budget to meet sustainability criteria, focussing on EU structural and cohesion funds.

Work is continuing on GBE policy papers, two of which are currently in the pipeline - one looking at the green economy, and another on ETR in Europe.

The Green Budget Germany Office in Berlin is sorry to share the information about the departure of one of our Managing Directors, Sebastian Schmidt, and of the assistant of the management, Anke Fischer.

The more pleased we are to welcome two new members of staff. Ariane Parkes is the management assistant and has been supporting the GBG team since April 2010. Eike Meyer has a degree in Public Administration and has been working since March as a Research Assistant at GBG. As always we appreciate applications for internships.

2. GREEN BUDGET REFORM IN EUROPEAN MEMBER STATES

Environmental charges in Estonia

[Silja Kralik, 2010] Environmental charges apply in Estonia already since 1991. During 19 years the charges have been modified and charge rates gradually increased in order to

improve their effect. The aim of applying environmental charges is to motivate companies to invest into production facilities with lower environmental impact and to use natural resources more efficiently and sustainably. Revenues from environmental charges are to a large extent transferred back to environmental protection, helping to reduce and avoid pollution and impairment related to environmental resource management.

The basis for environmental charges is determined in the Environmental Charges Act entered into force on January 1st 2006. The Act determines natural resources, air and water pollutants and types of waste charged with environmental charge, conditions and rules of charging. The Act and Government Regulations based on the Act set the pollution and resource charge rates for the period of 2010-2015.

In 2008 the Ministry of Environment initiated discussion over the future development of the environmental charges. Ministry conducted wide economic, social and environmental analysis and open forums and workshops involving experts and scientist from different areas, companies, local government representatives, interest group representatives etc. Open discussion resulted in preparation of draft version of "Principles of development of environmental charges until 2020". The document included overview of the environmental charges in Estonia, the general principles, conditions and methods of developing environmental charges in coming years and for each of the 5 main charge category policy suggestions and detailed proposals for amendments of charge rates. The document was ready for approval in Government in November 2008. Considering the situation in economy and the goal of meeting the EURO-criteria, the Government decided in early 2009 not to increase taxes and charges in near future and the application period of the document was reviewed. In April 2009 the Government was apprised of the final version of the "Principles of environmental charges", however, the final decision of actual application period was postponed. **In June 2009 it was decided in the Government and Parliament that new environmental charge rates for 2010-2015 should however be set and amendments were done in the Environmental Charges Act, increasing the charge rates from year 2010.** In most cases the new charge rates reflect the principles agreed in the document presented to the Government, but the proposals for amending the charges system, for example to abolish some inconsistencies within the system, were not included.

Due to change in legislation, the major changes in environment charge rates in 2010-2015 are as follows:

- The air pollution charge rates for CO_2, NOx, VOC, heavy metals and mercaptans increase 5-10 percent annually; SO_2 and particulate matter charge rates increase 30 percent; CO_2 emission charges rate (2 euro/ ton of CO_2) does not change;
- Water pollution charge rates for BOD7, suspended particles, SO4 and pH increase 5-10 percent annually; naphtha and other dangerous substances, N-compounds, phenols charge rate increases 15-20 percent and for P-compounds 50 percent in 2010 and 2011, 30 percent afterwards;
- Waste disposal charges increase in average 20 percent annually;
- Mineral resources charges rates increase considerably during 2010-2012. Oil shale extraction charge increases 20 percent annually; construction minerals charge rates increase 10-25 percent annually in average. Considerable increase is foreseen for peat – the charge rate will be in average on the level of 20EEK/ton from 2010. From 2013 the rates of most of the minerals increase 5 percent annually;

- Water abstraction charges increase gradually 10 percent annually in 2010-2012, after 2013 – 5 percent.

At the moment the environmental charge rates are in place until 2015. The coming steps with respect to environmental charges include analysis of charges until 2020, taking into account the developments and policy recommendations from the EU and OECD, for example the results of the attempts to coordinate CO_2 taxation in EU etc.

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New UK government drops Pay-As-You-Throw Scheme

[*Rachel Mander, 10 June 2010, updated 16 June 2010*] The new Conservative-Liberal coalition government in the UK have declared one of their main aims to be moving the UK towards a low-carbon, green economy. In May 2010 they laid out their ambitious plans to achieve this goal. These included such moves as opposing the building of a third runway at Heathrow Airport and the expansion of other international airports, imposing a floor price for carbon, and the replacement of the Air Passenger Duty with a per flight duty, amongst others. **Unfortunately, however, the government also decided in early June to scrap Labour's former plans for a Pay As You Throw (PAYT) rubbish scheme, launching in it's place a 'recycling reward scheme' - but will the reward scheme have the same desired and environmentally necessary effects?**

PAYT treats waste like any other utility, such as electricity or gas. Rather than paying a flat rate for the service of waste removal, which offers individuals little incentive to recycle and reduce waste, households are charged by either units (bags of rubbish) or by weight. The PAYT scheme is nothing new, and has been running successfully across North America, Europe and Asia since the 1970s, and continues to spread and bring both economic and environmental benefits.

Communities Secretary, Eric Pickles and Environment Secretary, Caroline Spelman have announced that the new government will revise the Climate Change Act of 2008 to prevent local councils from trialling schemes similar to PAYT. The recycling reward scheme is already being pioneered by the Conservative-led council of Windsor and Maidenhead, and Spelman argues: "[the Council] have got it right by rewarding people for voluntarily doing the right thing, not penalising them for doing the wrong thing". It remains to be seen, however, how much of an effect this will have on waste reduction, as the financial benefits are limited to £135 per year in the form of vouchers which can be used at local outlets. Furthermore, it is absolutely imperative that effective policies are found to improve the UK's poor recycling record, lagging far behind its counterparts with a recycling rate of only 34 percent of municipal waste – compared to Austria's commendable 60 percent.

Although in other areas the new government seems to be making positive steps towards a greener economy, it is most regrettable that it has also discarded an initiative that has been proven in other parts of the world to have had a positive economic and environmental impact.

On the 15th June 2010 the Department for Environment, Food and Rural Affairs (DEFRA) announced that the Government will be carrying out a full review of waste policy to ascertain the most effective strategies for Britain to reach it's goal of a "zero waste economy".

Great Britain supports renewable energy – following the German model

[Sonnenseite.com, 08 April 2010, translated by Franziska Kohler] In order to increase the share of renewable energy, Great Britain introduced a feed-in compensation-model for

electricity produced from regenerative sources.

The new way of support is particularly aimed at private households. Similar to Germany, these will receive a fixed amount per kilowatt hour for electricity generated by wind, sun, water or bio-gas. This compensation is not only paid when fed into the grid, but also when the electricity is used by the households themselves. According to a sample calculation of the British Ministry of Energy and Climate Protection, an average household could gain up to 1,000 euros a year by installing a solar-powered system which produces 2.5Kw. At the same time their elec-tricity bill would fall by 150 euros. Enterprises and communities can also benefit if they install such installations.

Malcolm Scott, Director of UK Trade and Investment in Germany says: “In terms of using renewable energy, Germany is far ahead. Partly, this is due to the feed-in compensation which they implemented a lot earlier than us. We hope that this way of supporting renewables will show the same positive effects in Britain. For German companies – especially in the solar and wind energy sector – a new market with great potential is emerging.”

From April onwards, heat generation from renewable sources will also be supported in addition to the feed-in compensation. Planned is a Renewable Heat Incentive including biomass and geothermals.

http://www.sonnenseite.com/Aktuelle+News,Grossbritan-nien+foerdert+erneuerbare+Energien+mit+Einspeiseverguetung+nach+deutschem+Vorbild,6,a15542.html

Fuel Assistance for low-income families in Ireland

[Breaking News.ie, 29 April 2010] The Irish Government has insisted on emergency assistance being available to anyone with difficulties making fuel payments when the carbon levy comes into effect.

The levy on home heating oil - expected to add about nine percent to the cost - will be implemented this spring. The Government had promised a special waiver scheme for low income families, but it is not to be made available until it is added to the winter fuel allowance in October.

Labour leader Eamon Gilmore and Tánaiste Mary Coughlan clashed on the issue in the Dáil this morning. Deputy Gilmore accused the Government of breaking a promise to families who would be "very severely impacted" by the rise in fuel prices”. However the Tánaiste insisted that families experiencing difficulties in the interim would have access to ‘Exceptional Needs’ measures through the Department of Social Protection.

http://www.breakingnews.ie/ireland/govt-insists-fuel-assistance-will-be-made-available-455779.html

Read more on: http://www.breakingnews.ie/ireland/govt-insists-fuel-assistance-will-be-made-available-455779.html#ixzz0psWp5fi2

German austerity package: GreenBudgetGermany achieves unexpected success in Germany

[By Kai Schlegelmilch, 14.06.2010] The German Government has (after quite some years of non-action and eleven years after the introduction of the Ecological Tax Reform – ETR) eventually decided on several positive elements of an Environmental Fiscal Reform. Green Budget Germany (GBG) has been lobbying heavily for such elements and is now extremely pleased to see so many of them being implemented.

1. An air ticket tax will levy air plane tickets with an extra 10 to 20 Euros per flight. It is also supposed to be dependent on noise and fuel consumption.

2. A nuclear fuel tax, likely to be around 1.5 Ct/kWh, plans to levy the (in our view, unjustified) high profits that the nuclear industry is making from higher electricity prices. The prices increased due to ETS, however, the nu-

clear industry does not have to buy their allowances, but rather receives them for free. Hence, it will simply skim off the rent that they make from the high electricity prices. This tax should be quite simple to administer.

3. A reduction of the high exemptions for industry from the ecotax.

4. A financial transaction tax will be introduced in 2012.

5. German domestic hard coal subsidies will be reduced by an additional 10 percent (more than business as usual). Complete phase out is planned for 2018).

http://www.foes.de/pdf/2010-06%20PM%20Sparpaket.pdf?PHPSESSID=599709e3d94b0bb11167fe1fe12f7e0b

http://www.foes.de/pdf/2010-06%20PM%20Kabinettsklausur.pdf?PHPSESSID=599709e3d94b0bb11167fe1fe12f7e0b

http://www.bundeskanzlerin.de/Content/EN/Artikel/2010/06/2010-06-07-kabinettsklausur-pk__en.html

Nuclear power phase-out: A bright future?

[André Anwar, Rita Neubauer & Dominik Straub, Der Tagesspiegel, 24 February 2010, translated and summarised by Franziska Kohler] Barack Obama does not stand alone with his offensive on nuclear power. **Even countries which had previously said goodbye to nuclear energy, are currently planning on making a re-entry**

Italy

The Italian government passed a decree setting the framework for building four new nuclear power plants, even though Italy had bowed out of nuclear energy production after the reactor disaster of Chernobyl in 1986. The comeback of nuclear energy was part of the 2008 campaign of Berlusconi's centre-rightwing coalition.

After the cabinet meeting, Claudio Scajola, Minister of Industry, promised the "highest levels of transparency and security": The population would be involved in the approval procedures and new reactors would meet the highest security standards. Italy is planning the construction of four European Pressurized Water Reactors. The start of construction for the first reactor is planned for 2013, the entry into services in 2020.

During a referendum following the Chernobyl disaster, the Italian people voted for a nuclear phase out with a majority of 90 percent. Nowadays, they are still rejecting the planned re-entry into the nuclear energy sector.

Since the important local and regional elections which took place in March, to date, the Italian government has not announced any possible locations where the new nuclear power plants would be constructed. The three South-Italian regions Apulia, Campania and Basilicata all recently passed a law, simply to forbid the construction of new nuclear power plants on their soil. Thereupon, the federal government appealed at the constitutional court. This saw the beginning of the first, probably lengthy, lawsuit, which started before a location was even announced.

The question whether it will ever be possible to build nuclear power plants in Italy again, remains. Sceptics refer to other projects which are less debated and are still immobilised due to resistance from the population. One should bear in mind that the atomic waste which was produced in Italy before the Chernobyl disaster, is still only stored in temporary storage facilities - 20 years after the phase out. So far, all locations for permanent storage have been prevented by often ruthless protesting locals.

Sweden

The Swedish government also intends to build new nuclear reactors in the country and to push for the completion of an already approved disposal facility. Sweden has always been seen as an example by many German nuclear power opponents because they decided much earlier than other countries to phase out nuclear energy. Today, however, the country would be a paradise for German nuclear industry lobbyists. The right-wing four-party coalition under Prime Minister Fredrik Reinfeldt presented the new Atomic Energy Act only months before the autumn's parliamentary elections, which so far had only been announced cautiously.

The ban on new nuclear power stations will be abolished by a parliamentary majority, taking effect from 1st August, said Environment Minister Andreas Carlgren.

The Centre Party ensured that the construction of the plants will be funded without government assistance. "There is no way to operate nuclear plants in Sweden and then send the bill to the taxpayers," said Carlgren. The same would also be true with compensation in the case of a disaster.

The damage claim is to be greatly expanded in 2011 and divided into three parts. Reactor owners have to place a security deposit with the state covering costs of at least twelve billion kronor (1.2 billion euros), which is to be used in the case of accidents. For costs between 12 and 15 billion, however, the state is solely accountable. All costs exceeding this level will be under the responsibility of the reactor owner.

Only in November, Lars Josefsson, C.E.O of Vattenfall, was forced to quit. Although, he successfully pushed on Vattenfall's foreign expansion - barely taking into consideration environmental policy - he finally stumbled over a revelation in the Ministry of economics. Without the approval of the government, he had entered into a liability on the German market which, in the case of an accident, would have rendered the entire corporation bankrupt.

The Swedish government also pressed ahead for the construction of a final repository. The location will be at Östhammar, a town with 23,000 residents, about 130 kilometres north of Stockholm. It has already been the site of a test repository for several years. Unusual for German standards is that two towns which are both located close to nuclear power plants were literally fighting over the choice of location – because of the job possibilities that would be created. In Sweden, the government does not have to fear protests against re-entry. Nuclear energy is not a very important topic for Swedish voters.

http://www.tagesspiegel.de/politik/international/atomausstieg-strahlende-zukunft/1689742.html

Yet, the global trend clearly indicates that nuclear sees no renaissance, but is on a global downward trend as a report from the German Ministry fort he Environment unveiled already in 2009:

http://www.bmu.de/english/press_releases/archive/16th_legislative_period/pm/44840.php

3. GREEN BUDGET REFORM ON EUROPEAN LEVEL

EU draws up plan for first direct tax with fuel levy

[Telegraph, 04 March 2010] The European Union is drawing up plans for its first direct tax with a "green" levy on petrol, coal and natural gas.

Algirdas Semeta, the new European Commissioner for taxation, is planning a "minimum rate of tax on carbon" across the whole EU as a "priority".

Hervé Jouanjean, Director General of the European Commission's Budget department, recently told a Brussels audience that the EU was "very close to paralysis" because of the reluctance of stretched national treasuries to give it funding. "We should have a mechanism which would serve to exploit the possibility, in a progressive way, to lead to direct funding of the EU," he said.

Herman Van Rompuy, the new EU president, has already thrown his weight behind the idea of new taxes. The new tax would lead to direct rises in petrol and energy bills and additional price increases due to higher costs for industry.

Open Europe, the think-tank, has calculated, on the basis of the shelved 2005 proposal that set a £9 levy on a tonne of CO_2, that the cost of the new tax to British businesses and consumers would be £3.2 billion. The final cost could be even greater if electricity, generated from natural gas, was included in the levy. Mats Persson, director of Open Europe, warned that "a single EU levy is an unnecessarily inflexible tool" that takes no account of existing national taxes or measures to cut climate change.

"A single flat rate will disproportionately hit poorer consumers who spend a larger share of their in-come on energy and fuel bills," he said. "It will also impose a disproportionate burden on small businesses, which are vital for economic recovery and growth. The EU needs a more flexible and proportionate approach to cutting carbon emissions."

France and Sweden are enthusiastic supporters of an EU carbon tax as a part of Europe's fight against climate change. While many countries have yet to take a position Britain has been a lone voice in opposition to the new Brussels tax.

http://www.telegraph.co.uk/news/worldnews/europe/eu/7370614/EU-draws-up-plans-for-first-direct-tax-with-fuel-levy.html

Barroso announces initiative for green taxation

[CO_2 Handel.de, 30 April 2010, compiled and translated by Franziska Kohler] The EU Commission wants to submit proposals for levies on environmental pollution and energy waste in the course of this year. President of the Commission, José Manuel Barroso, said to the “Hamburger Abendblatt”: “We have to approach the question of how member states tax products and services that harm the environment and waste energy”. Concrete plans to the “so-called green taxation of products and services will be presented this year” he stated further. The drafting of the tax will not be an easy task, Barroso said.

In corporations and private households, “enormous amounts of energy is being wasted” Barroso said. As a negative example, he mentioned air conditioners which cooled down rooms to an extent that one freezes during summer. “Saving energy is the most efficient way to reach our climate goals. Hence, we need new incentives. One possibility is to encourage consumers to save energy via price structure” he was quoted.

Barroso emphasised: “Theoretically energy would have to have a higher price so that we use less fossil fuels. A permanent solution can only be found together with our global partners.” The EU cannot afford any competitive disadvantages.

http://www.co2handel.de/article344_14176.html

Hedegaard backtracks on EU climate goals

[EurActiv 27 May 2010, updated: 31 May 2010, Spiegel Online, 09 April 2010, shortened by Franziska Kohler] Only in April, EU Climate Action Commissioner Connie Hedegaard demanded higher taxes on energy in the European Union. She said that instead of taxing work, it would be much more efficient to increase taxes on goods that harm the general public. Since energy falls into this category, Hedegaard proposes higher taxes on energy consumption which would lead to a reduction of energy consumption and would improve climate protection.

Hedegaard also advocates a toll on highways as already proposed by the Federal Environmental Agency. In her opinion a toll can be beneficial if public transport is expanded at the same time.

On 26th of May, Hedegaard presented a paper making the case for moving towards a unilateral 30 percent cut in EU greenhouse gas emissions by 2020. But she failed to stand behind it, bowing to pressure from France and Germany.

The EU's climate chief unveiled a new communication arguing that increasing the EU's 2020 climate goal to a 30 percent emission reduction from 1990 levels would be both affordable and technically feasible.

The European Commission estimates that as a result of the economic downturn, the cost of meeting the current 20 percent target has dropped to 48 billion euros per year by 2020, down from an initial estimate of 70 billion euros when the package was agreed. **Consequently, making the extra effort to reach 30 percent would now cost just 11 billion euros more than what EU governments signed up to two years ago, it argued.**

The crisis has also taken its toll on the EU emissions trading scheme (EU ETS), the bloc's flagship tool for cutting global warming emissions, by bringing down carbon prices. Hedegaard warned that carbon prices might not automatically go up when Europe exits the crisis, requiring greater carbon-cutting ambitions to stimulate green investment.

Despite making the case for moving to 30 percent, the commissioner did not lend her support to unilateral EU action, saying that the shift would remain conditional on progress towards a new international climate treaty. "Are the conditions right now? Would it make sense at this moment? My answer would be 'no'" she said.

Hedegaard said the next step would be to analyse the impact of raising the targets for individual member states so that they can revise their positions. The Spanish EU Presidency is planning to hold preliminary discussions on the issue at a June meeting of environment ministers, she added.

The ambiguity may have been an effort to manage expectations, as many member states are opposed to any move by the Commission to impose further carbon restraints on their industries. They will ultimately make the call if the target is to be raised.

On Tuesday, French and German industry ministers told journalists that Paris and Berlin would only back a move to -30 percent if other nations were to make comparable efforts.

Hedegaard insisted that the conditional offer remains the best strategy to lever further commitments from other countries in the international negotiations, despite accusations that the strategy has so far seen few results. She said the EU could review the situation ahead of the Cancún climate conference to see how it could play its cards most effectively.

The communication also assessed the risk of businesses relocating from the EU to countries with less stringent carbon constraints, known as 'carbon leakage'. It concluded that the unused free allowances accruing to companies struggling with falling orders make it "less likely" that energy-intensive industries will lose ground to foreign businesses as a result of EU climate policies.

The extra effort required to move to a 30 percent target would only result in extra production losses of 1 percent for energy-intensive industries, with the chemicals industry worst hit, it added. The Commission is continuing to look into border tariffs as an option, she said, before warning that it would be "extremely difficult" to create a system without placing a huge bureaucratic burden on industries. A flux of recent studies have argued that the risk of carbon leakage has been hugely over-estimated and in fact only a few sectors are affected.

Businesses condemned the push towards 30 percent emission cuts, arguing that the target would put European companies at a competitive disadvantage. Green NGOs welcomed the communication, but stressed that it was only a first step. Jennifer Morgan, director of the climate and energy programme at the Washington-based World Resources Institute, made an interesting comment bringing a more international perspective to the 30 percent target. She said, "The EU sees it as a threat, whereas in the US they see it as a threat if the EU continues to lead."

http://www.spiegel.de/wirtschaft/unternehmen/0,1518,689863,00.html

http://www.euractiv.com/en/climate-environment/hedegaard-presents-30-assessment-news-494533?utm_source=EurActiv+Newsletter&utm_campaign=2a1b55054e-my_google_analytics_key&utm_medium=email

Sarkozy and Berlusconi step up calls for EU carbon tariff

[Jessica Shankleman, BusinessGreen, 16 April 2010] France and Italy stepped up their campaign for the European Union to impose a carbon tariff on imports from those countries that fail to adopt binding emission targets and carbon regulations.

In a joint letter to European Commission President Jose Manuel Barroso, French President Nicolas Sarkozy and Italian Prime Minister Silvio Berlusconi called on the Commission to include proposals for a tariff in an imminent EU report examining the risk of carbon intensive industries leaving Europe in order to escape carbon legislation - so called "carbon leakage"

The letter threatens to spark a major row between EU member states with the UK, Germany and Sweden amongst those fiercely opposed to any form of carbon tariff being imposed on imports from countries such as China and India. Trade experts, including EU trade commissioner-designate Karel De Gucht, have long maintained that any tariffs could result in a trade war as other countries implement protectionist measures.

But Sarkozy and Berlusconi argued that the measure would in fact encourage more countries to curb emissions. "Everyone would know that if they refused to take sufficient steps in the concerned sectors, compensation equivalent to the effort made by the EU would be applied to their products," they said in the letter.

The leaders also stressed that any mechanism could be in line with European law and WTO rules. "European law ... foresees the possibility of including importers in the European system for trading emission quotas," Sarkozy and Berlusconi said in the joint letter. "The Commission report should define the conditions in which such an adjustment mechanism should be applied to EU borders."

Sarkozy has long argued that some form of carbon tariff will be required to ensure a level playing field for European industries that have to contend with EU carbon targets and the EU emissions trading scheme.

http://www.businessgreen.com/articles/print/2261448

EU plans centralised CO_2 auctioning from 2011

[EurActiv, 04 March 2010] The European Commission is considering auctioning emissions permits over centralised platforms from 2011 and might cancel auctions if carbon prices are "abnormally low," according to two leaked documents.

Officials in the EU executive, pressured by industry calls for longer-term visibility on carbon permit prices, are deciding how to arrange auctions ahead of the third phase of bloc's emissions trading scheme, which starts in 2013.

The scheme's first two phases have been dogged by teething troubles that included low prices, stemming from an overall permit surplus and the economic slowdown, as well as windfall profits for industry as a result of receiving free permits. As a result, from 2013 the EU will force utilities to buy at auction most of their permits under a steadily tightening emissions cap.

There will be no active price management but if prices are too low, auctions might be cancelled. It said the Commission will determine what amounts to an abnormally low price using a confidential methodology that can be modified.

Auctions will occur at least weekly using a "uniform, single round, sealed bid," and will be mainly limited to ETS participants and regulated financial institutions, the draft said.

To prevent market manipulation, a maximum bid of 25 percent of allowances could be implemented, and to ensure the auctions are protected against fraud or abuse, a monitor will be appointed to supervise.

"The Commission's position is quite solid. There should be one central platform and no more loopholes." Said Sanjeev Kumar of environmental think-tank E3G.

Seb Walhain, head of environmental markets at Fortis Netherlands, said: "A centralised platform is good for the market as it is more transparent and guarantees the proper distribution of revenues."

By starting auctions from 2011, the Commission will keep industry happy, particularly utilities which, instead of receiving them for free, must pay for their permits from 2013.

Auctioning permits from 2011 will allow utilities to hedge their forward power sales.

http://www.euractiv.com/en/climate-environment/eu-plans-centralised-co2-auctioning-2011-news-304822?utm_source=EurActiv+Newsletter&utm_campaign=2032555af2-my_google_analytics_key&utm_medium=email#

Brussels rules out biofuels from deforested land

[ENDS Europe, 10 June 2010] Biofuels from palm oil grown on recently deforested land cannot be used to count towards the EU's 10 percent target for the share of renewable energy in transport fuels by 2020, according to guidance issued by the European Commission.

An earlier draft defined palm oil plantations as "continuously forested areas", which environmental groups described as "shameful" because it would have allowed further palm planation expansion in countries such as Indonesia and Malaysia.

In the end, the commission removed the reference to palm plantations as forests. Although they welcomed the move, green groups said the guidance does nothing to address crucial issues such as the impacts of indirect land use change (ILUC).

The guidance sets out how to implement EU sustainability criteria for biofuels adopted in 2008. It relates to criteria for greenhouse gas savings, land with high biodiversity value, land with high carbon stock and agro-environental practices.

Regarding greenhouse gas savings, the renewable energy directive states that biofuels must deliver savings of at least 35 percent compared with fossil fuels, rising to 50 percent for existing production facilities in 2017 and 60 percent for new installations in 2018.

But there is no way of knowing that a biofuel is truly environmentally friendly until the full extent of ILUC impacts is revealed, according to green groups. The commission, which is due to publish proposals for quantifying these impacts later this year, is unwilling to disclose crucial evidence on the issue, they say.

Environmentalists also want a tightening of exemptions for existing biofuel installations. According to the guidance, all installations in operations on 23 January 2008 do not have to comply with greenhouse gas savings criteria until 2013. Green groups say exemptions should apply only to refineries.

Another area of concern is waste. Biofuels from waste and residues such as animal fats will count double towards achieving the 10 percent renewables target compared with other biofuels. Environmental groups warn cosmetics makers may turn to palm oil if animal fats are increasingly used to produce biofuels in Europe.

http://www.endseurope.com/index.cfm?go=24110&referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY

Follow-up:

European Commission press release:

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/711&format=HTML

EU webpage on biofuel criteria

http://ec.europa.eu/energy/renewables/biofuels/sustainability_criteria_en.htm

See also reaction from green groups

http://www.eeb.org/EEB/index.cfm/news-events/news/new-eu-biofuel-sustainability-rules-missing-the-point/

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http://www.endseurope.com/news?mc=foes

EU tightens rules on industrial pollution

[EurActiv.com, 05 May 2010, updated 07 May 2010] On 04 May 2010, MEPs agreed to strengthen legislative proposals to limit industrial air pollution by allowing for more limited derogations than EU governments had demanded.

The European Parliament's environment committee was voting on a proposal to recast the Integrated Pollution Prevention and Control (IPPC) Directive, which combines seven existing directives into a single directive on industrial emissions (IED). The proposal seeks to reinforce the implementation of the legislation, which obliges industrial installations to obtain permits from national authorities to release pollutants into the air, soil and water.

MEPs strengthened the proposal by limiting the instances where public authorities can issue permits for installations that do not follow best available techniques (BATs).

The committee added new text to clarify the conditions under which national authorities can set limits on emissions that are not as strict as those associated with BATs. It states that derogations are not allowed "where environmental quality standards risk not being met and shall in any case ensure that any deviation does not result in significant impacts on the local environment".

MEPs decided to limit derogations to cases where assessments have demonstrated that the geo-graphical location or local environmental conditions of an installation prevent the implementation of BATs, or where the technical characteristics of an installation would create disproportional economic costs compared to environmental advantages.

The committee also agreed to allow member states to give their large combustion plants until mid-2019 to meet emission limit values. This goes some way to appeasing governments that had demanded an extension until the end of 2020.

The environment committee abandoned a controversial proposal to introduce EU-wide minimum requirements for emission limits after member states had made clear this would not be acceptable.

Instead, the new text would require the Commission to assess the need for EU-wide minimum limit values for individual industry sectors and to table legislative proposals if necessary. Assessments would be based on a sector's overall environmental impact and the state of the implementation of best available techniques.

The European Parliament as a whole is scheduled to vote on the amended text in July. The vote came as the European Environment Agency (EEA) reported that around half of EU member states will miss at least one of their air pollutant emission limits under the National Emissions Ceilings (NEC) Directive. Moreover, 11 countries expect to exceed their ceilings "by significant amounts," it said.

Rather than limiting pollution from individual sources like the IPPC directive, the law sets national limits for four pollutants.

The new data compiled by the EEA shows that nitrogen oxide (NOx) presents the biggest problem, as only 16 countries said they expected to meet their limits. This is mostly down to growth in the transport sector, where vehicle emissions standards have failed to deliver the required NOx reductions, the organisation said.

http://www.euractiv.com/en/climate-environment/meps-agree-tighter-rules-ippc-derogations-news-493759

EU starts defining energy strategy for next decade

[EurActiv, 01 June 2010, updated 02 June 2010, summarised by Franziska Kohler] On the 31st of May, EU ministers gave their first views on the upcoming EU energy strategy for 2011-2020, agreeing that it should be ready for endorsement by EU leaders in March 2011.

The strategy, originally intended for a 2010-2014 time frame, has been delayed. The EU executive decided to extend the horizon to 2020 to align it with the 'Europe 2020' strategy and give a stable framework for long-term energy investments, an EU official told EurActiv.

The ministers agreed that to meet the 2020 climate goals, it is important to first implement existing legislation fully. But considering the long lead time of energy investments, they stressed that the strategy should also be in line with long-term climate goals. The European Commission is planning to present a 2050 energy roadmap early next year to provide a long-term vision for EU energy policy. Many ministers also stressed the importance of external energy policy, calling for more cooperation.

The difficult economic situation in which many European governments currently find themselves shines through some of the more cautious language of the conclusions, published at the end of the ministerial meeting. The ministers stressed that there is a balance to strike between sustainable energy aspirations and economic growth. They further added that cost-efficient reporting and monitoring requirements, as well as review mechanisms, will be necessary to adapt policies to changing circumstances while guaranteeing national governments the right to decide on their energy choices.

The debates feed into a public consultation, which will run until the beginning of July. As part of the exercise, the Commission's energy department published a "stock-taking" document outlining outstanding issues. Among the shortcomings of EU energy policy identified by the Commission are poor implementation of EU energy legislation, lack of interconnected and smart grids, under-achievement of energy-efficiency potential, weak coordination of external energy policy and relatively low levels of the R&D spending required to lead on innovation leadership.

The implementation of the 3rd internal energy market package, as well as the Strategic Energy Technology (SET) Plan, should be key priorities of the new strategy, the EU executive argued. But while many ministers called for speedy implementation of the projects outlined in the SET Plan, they expressed concern that national administrative burdens could increase.

EU-2020 growth strategy: just a recycled version of the Lisbon-Strategy?

[Handelsblatt, 29 March 2010, translated by Franziska Kohler] The EU-2020 strategy is supposed to ensure economic growth in the EU in the coming ten years. The strategy includes various national reform programmes which will have to be implemented by EU member states. Compliance with set objectives will be reviewed and discussed on a yearly basis.

Originally, the strategy was supposed to concentrate EU efforts on climate protection, the digital agenda and on building a sustainable industry. Without reducing funds for the agricultural sector this will not be possible, since it still takes up more than 40 percent of the EU budget. However, France's President Nicolas Sarkozy is under national pressure due to lost regional elections and therefore cannot afford to alienate local farmers. Hence, in the final statement the importance of a sustainable, productive and competitive agricultural sector is emphasised, since it supposedly contributes to employment and growth in rural areas.

The goal to reduce CO_2 emissions by 30 percent by 2020 is not even included in the strategy paper anymore. Despite it already being a part of the EU energy and climate package, the exclusion from the EU-2020 strategy paper could be a hint that there is great resistance within the EU to pass the 30 percent goal unconditionally.

Also other originally planned goals were set aside. German federal states, for instance, prevented the entry of the target which was supposed to equip 40 percent of young people with a college education. The goal to reduce the number of people living in poverty by 20 million was also set aside by the heads of state.

“To me, it seems like a recycled Lisbon-Agenda” says Karel Lannoo from the Center for European Policy Studies in Brussels. The Lisbon-Agenda was supposed to render the EU the most dynamic economic zone in the world – and has failed.

http://www.handelsblatt.com/politik/international/eu-2020-budget-poker-wirft-seine-schatten-voraus;2553584

http://www.zeit.de/wirtschaft/2010-03/eu-2020-wachstumsstrategie-bruessel

2020 Strategy undermines economics of biodiversity

[*EurActiv, 04 March 2010, updated 05 March 2010, shortened by Franziska Kohler*] Despite recognising the key role that biodiversity and ecosystem services play in delivering economic prosperity, the 'Europe 2020' strategy fails to highlight the protection of nature, according to WWF's European director Tony Long.

The 'Europe 2020' strategy for smart, sustainable and inclusive growth mentions biodiversity merely as a means of addressing climate change. One of the strategy's flagship initiatives is entitled 'Re-source-efficient Europe', but its main stated objective is to support the shift towards a resource-efficient and low-carbon economy.

"EU thinking is still driven by the response to climate change and economic needs to accommodate to low-carbon pathways," and fails to understand the importance of protecting biodiversity for its economic value, Long deplored.

In November 2009, the Economics of Ecosystems and Biodiversity, an initiative hosted by the United Nations Environment Programme (UNEP), published a report arguing that the cost of nature conservation is by far outweighed by societal and economic benefits.

The report stressed that destruction of nature has direct economic repercussions which are systematically underestimated, and that valuing ecosystems makes "economic sense". Therefore, it urged international policymakers to scale-up investments in the management and restoration of ecosystems and to value the economic capital of nature in decision-making.

To increase protection of biodiversity, the report argues that a price tag should be put on nature's different ecosystem services to make them visible to economies and society as a whole.

http://www.euractiv.com/en/sustainability/eu-2020-strategy-undermines-role-biodiversity-economic-recovery-say-wwf-news-301200

EU funding: A recipe for ruining the environment and the economy

[By András Lukács, Clean Air Action Group, Hungary, May 2010] A much larger share of the EU aid to new member states should be used for improving the environment and reducing fossil fuel use. In these countries generally the energy efficiency of buildings is low, public transport services are deteriorating, bicycle infrastructure is lacking, waste

minimisation and waste recycling is often in its infancy, the agriculture is very much based on intensive methods with high energy use – just to mention some of the most striking problems. The argument for not providing more funding to improve the situation in these areas is that “the EU funds are needed first of all for helping the economy”. Recently there has been some research on the efficiency of the use of EU funds in Hungary. A new study as well as the opinion of several economic experts clearly shows that the use of EU funds has largely a detrimental effect for the national economy, too!

You can download the complete article in English here:

http://levego.hu/sites/default/files/GOP_1004_eng_GBN.pdf

Greening the CAP

[EurActiv, 17 March 2010, updated 06 April 2010] Participants in an agriculture forum which took place in March 2010, stressed that sustainable agricultural practices play a crucial role in ensuring both environmental protection and food security, as farmers manage up to 50 percent of EU land.

While the Commission stresses that European farmers must slash agricultural greenhouse gas emissions by at least 20 percent by 2020, the future CAP may well make support for farmers subject to delivering on biodiversity, sustainable farming practices and CO_2 reduction goals.

A recent report by the Worldwatch Institute, a think-tank, also stresses the climate change mitigation potential of agriculture. It argues that agriculture and land management have not received enough attention from scientists and politicians, while a number of innovations in food production and land use could help fight global warming.

Addressing the 3rd Forum for the Future of Agriculture in Brussels, EU Environment Commissioner Janez Potočnik even went as far as saying he sees "somewhere in the future" an EU policy called the 'Common Agricultural and Environmental Policy'.

"We need nothing less than a CAP (Common Agricultural Policy) that respects [soil and water] and promotes practices that use them in a sustainable and resource-efficient way. We also need a CAP that can invest in protecting and restoring them when they have been degraded, contaminated or polluted," Potočnik continued, calling for a "profound greening" of the CAP.

Commissioner Potočnik added that while the CAP has been significantly modernised over the past fifty years to reflect the bloc's concern about environmental issues, "much more environmental integration will be needed if the CAP is to support a broader environmental benefit to society". He added that while intensive agriculture can contaminate the environment and damage biodiversity, "more traditional or extensive farming systems generally bring benefits to biodiversity, landscape, soil and water".

Speakers agreed that increased production is needed to meet growing world demand for food and put forward several options. Columbia University economist and Professor Jagdish Natwarlal Bhagwati argued that the only way to increase food production is to liberalise agriculture and get rid of trade-distorting, production-related subsidies. Meanwhile, the audience heard testimonies from Russia and Malawi on how strong government intervention and subsidies help to small farmers and build infrastructure are key to helping different countries achieve self- sufficiency in food production.

John Atkin, chief operating officer for crop protection at Syngenta, underlined the role of agriculture in fighting climate change and said that EU agriculture should mitigate and adapt to a changing climate by growing more on existing farmland, "rather than expanding into natural habitats which are vital for carbon storage and biodiversity". But he also stressed that farmers need to be given tools like knowledge and technology to help them intensify production while respecting the environment.

Alexander Sarris from the United Nations Food and Agriculture Organisation argued that "a tremendous increase" in food production is already possible with current technologies, in particular in developing countries, asserting that new technology is not necessarily needed.

Italian Socialist MEP Paolo De Castro, chair of the European Parliament's committee on agriculture and rural development, stressed the need to 'green' the CAP by linking EU farm subsidies to delivery by farmers of environmental goods and services. He said that such green subsidies could even act as a model and trigger more sustainable agriculture practices around the world. In any case, he underlined that any green measures required of EU farmers should affect EU agricultural trade and that the principle of reciprocity in production methods should be respected to guarantee the competitiveness of EU agriculture.

http://www.euractiv.com/en/cap/ffa-2010-news-348530

EU Parliament favours financial transaction tax

[ORF.at, March 2010, translated by Franziska Kohler] The European Parliament asked the Commission to consider the introduction of taxes on financial operations.

These kinds of taxes could ensure that the financial sector make a "fair and noticeable" contribution to overcoming the financial crisis. Furthermore, it would counteract an "excessive risk-taking" by the banking sector. In the case that a global tax within the G20 is unenforceable, the EU would have to develop their "own strategy".

Can a tax prevent prospective crises?

The European Commission has to examine several points. The advantages and disadvantages of taxes on financial operations in the EU alone have to be compared with the introduction of a worldwide tax. A comparison to the current situation will also be necessary.

Beyond that, it is still to be learned, to what extent a tax on financial actions would stabilise financial markets concerning its impact on the excess of short-term stock exchange, dealing and speculation as well as transparency. Furthermore, the Commission will have to find out, if such a tax would prevent future financial crises by targeting a certain sort of "undesirable" businesses.

However, according to the resolution of the EU-parliamentarians, every solution discussed must implicitly take into consideration that the competitiveness of the EU is not impaired. Sustainable investments, innovations and growth which prove to be advantageous to the real economy and society should also not be hindered.

http://news.orf.at/?href=http%3A%2F%2Fnews.orf.at%2Fticker%2F361176.html

Swiss Green-Liberals want to introduce energy tax instead of VAT

[TagesAnzeiger, 20 February 2010, translated by Franziska Kohler] Energy Tax instead of VAT - this proposal of "ecological fiscal reform" was proposed during the meeting of delegates of the Swiss green-liberal party in Winterthur. The introduction of an energy tax would create an incentive for energy saving and environmentally friendly behaviour, they said in a release of the GLP on Saturday. Moreover, the use of non-renewable energy sources such as oil, gas and uranium would be reduced gradually.

The revenue generated by the energy tax is supposed to be as high as that of the VAT.

Infrastructure is already in place

Switching to the energy tax, according to the GLP, will lead to an enormous simplification in tax collection.

According to the GLP, the abolition of VAT will benefit numerous households, consumers and SME. The energy tax would also accelerate innovations and would lead to indirect support of the Swiss Green-Tech-Industry. Another benefit would be the gradual reduction of drainage of Swiss money to oil producing countries.

Accompanying Measures

In order to convince politicians and the industry to be in favour of the project "Energy Tax instead of VAT", it would need accompanying measures and temporary arrangements for population groups and economic sectors that would be especially hard hit.

The green-liberals want to discuss the concept of an ecological tax reform internally in depth. At the same time, they will examine the possibility of launching a popular initiative.

http://www.tagesanzeiger.ch/schweiz/standard/Gruenliberale-wollen-Mehrwertsteuer-ersetzen/story/25017483

4. GREEN BUDGET REFORM WORLDWIDE

Australia plans to introduce cutting-edge tax on natural resource extraction

[SÜDWIND und FIAN Press Release ASIA Business, 07 May 2010, translated and summarised by Franziska Kohler] At the beginning of May, Australia's government announced that from July 2012 it proposes to levy a special tax of 40 percent on the revenues of resource trusts. This is supposed to increase the Australian people's profit from the resource exploitation of the continent. The SÜDWIND-Institute along with the human rights organisation FIAN demand that developing countries will be enabled to take comparable steps.

In many developing countries great amounts of resources are produced, however, the governments as well as the population barely profit from this economic sector. The reason for this is laws which grant extensive tax exemptions to foreign investors. These laws mostly stem from the 1980s when many of the developing and newly industrialising nations were highly indebted. At that time facilitating foreign investments was part of the requirements for new loans by the International Monetary Fund (IMF) and the World Bank. Due to the very cheap commodity prices back then they created incentives in order to lure mining companies into the country. The governments of the resource-producing nations had no choice but to agree to those requirements. These new rules exempted investors from numerous duties and taxes as well as environmental directives. Furthermore, the contracts stated that these granted benefits cannot be reversed over a long period of time. Nowadays, mining companies register high profits; however, the indigenous people see only environmental damage, corruption as well as increasing poverty levels instead of a share of the earnings.

The case of Ghana shows how difficult it is to change the situation. The country belongs to the biggest gold exporters in the world. The licence payments were previously limited to between 3 and 6 percent of the pre-tax earnings. Due to extensive possibilities of reducing taxes many gold producers merely pay the minimum duty of 3 percent. Despite the continuous growth in the price of gold the payments remain at a constantly low level. According to the IMF, in 2008 Ghana exported gold worth 2.7 billion US Dollars. The income of the government originating from the gold sector, however, only accounted for 96 million US Dollars after subtracting subsidies.

Ghana is not an isolated case. Due to the massively increased prices of metallic resources, several African governments attempted to raise the low duties of the mining companies. However, the companies threaten the local governments with tedious and expensive trials in international law courts. They refer to the effective agreements which often exclude subsequently added tax law changes as well as tightened environmental and social law.

In the last couple of months, after the break-in of the financial crisis, commodity prices increased greatly once again. Hence, the Australian government points out explicitly the enormous profits yielded by the mining companies demanding an appropriate share for the Australian people.

Friedel Hütz-Adams, SÜDWIND, demands that developing countries have the same opportunities: "It is paradox that corporations from industrialised nations earn profits in the billions by resource exports while the majority of the population lives in poverty and hunger. In order to change the situation several steps would be necessary. Firstly, the producing countries have to get an appropriate share of the profits earned by resource exports. Secondly, corporations and governments have to be obliged to the disclosure of all payments involving the trade with resources. Finally, the profits have to be used in order to improve the population's living standard."

In Australia the tax proposal led to Rio Tinto, the world's second-largest iron ore producer, rethinking its strategy.

"We've got our projects on hold while we try to understand the ramifications of a 40 percent increase in taxes," iron ore chief, Sam Walsh, was quoted saying in The Australian.

Rio Tinto, which aims to boost annual Australian iron ore production to 330 million tonnes from 200 million within the next five years, later confirmed that Walsh had made the comments but distanced itself from them in a statement of clarification.

"The feasibility study into the proposed 330 million tonnes per annum expansion of Rio iron ore operations in Western Australia is continuing as previously advised," it added.

But Rio also said it was so far unable to determine the potential impact of the tax on its expansion plans.

Andrew Forrest, chief executive of Fortescue Metals Group, Australia's third largest iron ore miner, described the tax as a "40 percent nationalisation" of the mining industry.

"The wisest thing the prime minister can do is immediately take this off the table," Forrest said, adding that all Australian mining projects, including Fortescue, will now be under review.

Santos Ltd, Australia's second-largest oil and gas producer, warned yesterday that the tax would tarnish Australia's reputation as a place to invest in mining.

Australia is the world's top exporter of coal and iron ore and the world No.2 for the mining of gold. It also holds extensive reserves of copper, bauxite and other raw materials.

http://www.suedwind-institut.de/downloads/2010-05-07_SW-FIAN-PM_Down-under-als-Vorbild.pdf

Vietnamese government seeks environmental taxes

[ViêtNam News, 01 June 2010] A new draft law proposes that products causing harm to the environment be taxed. The Government had nominated five types of goods for its proposed environmental protection tax, Finance Minister Vu Van Ninh told the National Assembly yesterday. These were oil and gas, coal, hydro-chloro-fluoro-carbons (HCFCs), plastic bags and restricted pesticides.

The assembly's Finance and Budget Committee estimates yearly revenue from the tax at between VND14.3 trillion (US$752 million) and VND57 trillion ($3 billion). Economic growth, industrialisation and urban development had adversely effected the environment, said the finance minister when explaining the need for the new tax. The assembly was assessing a Finance and Budget Committee report which argues that all products and goods that adversely effect the environment should be taxed. But an initial selection had been to ensure domestic goods remained competitive.

While discussing the content of the draft law on the environment protection tax, most deputies said that the decision to tax only five groups of goods was insufficient. Deputy Nguyen Thi Nguyet Huong from Ha Noi said that there were many other goods that badly affected both the public and the environment that should be included on the list to ensure fairness.

Minister of Natural Resources and Environment Pham Khoi Nguyen said that the Government and the NA had taken measures to tackle the problem of pollution such as increasing fines for violations, organising communication campaigns and stricter supervision. He added that the law was not designed to generate revenue but, instead, to deter environmental violations.

Many deputies disagreed with the clause to exclude export products from the list because they were not consumed in the country. They said that this was irrational because the law also needed to take into account our responsibility to protect the environment not only in Viet Nam but also across the world. Deputy Tran Ba Thieu from Hai Phong City emphasised that all kinds of goods must bear a tax if they caused pollution.

Deputy Nguyen Dinh Quyen from Ha Noi said that more work needed to be carried out to avoid the overlapping of environment fees and taxes stated in different legal documents. Deputy Ngo Van Minh from Quang Nam was concerned about the taxation of oil and gas products, saying these were ultimately necessary goods and a tax would not stop people from using them. Deputy Le Van Hung from Hung Yen Province agreed, adding that this might have an adverse impact on poor people.

Finance and Budget Committee Chairman Phung Ngoc Hien said the draft law included many new regulations that would govern activities that affect the environment. But the impact of the legislation on production and trade, together with its relationship to other laws, would have to be assessed.

http://vietnamnews.vnagency.com.vn/Politics-Laws/200138/Govt-seeks-environmental-taxes.html

Is China ready for the carbon tax?

[Global Times, 25 April 2010] In the face of environmental crises, Chinese companies are seeking strategies to adapt to a new business atmosphere, and levying carbon taxes was a hot topic at the Annual Summit of China Green Companies 2010 held over the weekend.

Hundreds of corporate presidents and CEOs, as well as some political leaders, gathered in Chengdu, Southwest China's Sichuan Province, to discuss implementing a low-carbon economic model. Jiang Kejuan, a researcher with the Energy Research Institute at the National Development and Reform Commission, said the team he works with "has finished its research, and entered into the period of persuading the government to levy carbon taxes during the 12th Five-Year Plan" period from 2011 to 2015.

The carbon tax proposal appears to face difficulties in implementation, with questions remaining regarding the tax rate and what stage of production taxes would be applied to. Jiang suggested imposing carbon taxes on a company's producing period. He said a lower tax rate during the initial stage would be a practical step, one that would echo China's path in introducing a tax on oil products last year.

"The carbon tax rates could be raised gradually like taxes on oil products," Jiang said, "We want to inform companies that they need to seize the opportunities of a low-carbon economy, which is an inexorable trend worldwide, as quickly as they can."

Ding Liguo, board chairman of Delong Holding Limited, the country's first private steel company to list on the Singapore Stock Exchange, told the Global Times during a break at the conference that his company has already taken actions including utilizing water cyclically and generating power from waste gas.

"Some of the costly techniques could gain profits, while others could not," Ding added.

He said that as a private steel company, Delong has faced serious cost pressures, especially when global iron ore negotiations broke down and prices rose consequently, since steel companies pay heavy taxes.

"The steel industry is quite different from the monopolized sectors, which can transmit their carbon tax cost to consumers," Ding said. "But we are not (a monopoly), so I hope the government gives overall consideration when it enacts a carbon tax, and sets up incentive mechanisms to reward those companies that perform well in emission reductions."

For 2010, the report of the Ministry of Finance announced that their budget draft of the central- and local government son for expenditure on environmental protection will reach 141.3 billion Yuan. That would be an increase of 22.7 percent compared to the budget of 2009 where only 83.3 billion Yuan were allocated for environmental protection. The money will be used for energy conservation and emission reduction, development of low carbon technology, technical reform, the elimination of outdated production capacity and energy-saving buildings and new energy vehicles. The funds will also be utilised for the prevention and control of heavy metal pollution, water pollution of key river basins, capacity building for environmental supervision, supporting facilities for urban sewage treatment and refuse-disposal as well as rural environmental improvement and ecological demonstration projects. Another 10.9 billion Yuan is set for development of renewable energy.

http://business.globaltimes.cn/china-economy/2010-04/525720.html

Economic value of nature 'still invisible', says UN

[EurActiv, 08 March 2010, summarised by Franziska Kohler] A United Nations initiative is making massive calculations in an attempt to put a price on nature services such as soil, forest and fresh water in a drive to convince policymakers to implement the 'polluter pays' principle to protect nature, said Pavan Sukhdev, who is leading the initiative.

"Unfortunately our current economic systems are not geared to defending or preserving anything that does not carry economic value," Pavan deplored. As a result, he says, "society destroys nature," adding that it does not necessarily have to be that way.

The UN initiative is trying to demonstrate and capture the value that nature delivers to society before economic losses can occur, Pavan explained. He denied, however, that the aim of the Economics of Eco-systems and Biodiversity initiative hosted by the United Nations Environment Programme (UNEP) is to put a price tag on nature.

"In other terms, if you don't have clean air, fresh water or bee-based pollination, for example, how much do you need to spend on alternatives?" Pavan asked. According to him, the value of nutrients and fresh water flowing into farmers' fields can be established by calculating the cost of alternatives, such as nitrogen, phosphorus or potassium-based fertilisers and purpose-built irrigation systems.

Sparking policy changes

Sometimes the mere recognition of value can push policymakers to make changes and action is not necessarily always the conesquence of massive losses suffered, Pavan said. However, sometimes you need to capture the value and "reward the benefits of conservation and ecosystem services," he added.

Poor depend most on nature

"Lack of nature first and most importantly affects the poor," Pavan stated. He said that in

India for example, 480 million people - some 44 percent of the India's 1.1 billion people – depend on ecosystem services for their food, livelihoods and freshwater supplies.

"And when the pressures of business and society destroy nature, a few people may make private profits, but mostly you are depriving the poor of their wealth," he said.

Asked how and who should pay for damage and the restoration of nature, Pavan said one could start by asking who benefited from its destruction.

Nature should be compensated via pricing and taxes, but also rules must make sure that the poor are not deprived of it, Pavan stressed.

http://www.euractiv.com/en/sustainability/nterview-pavan-news-308155?utm_source=EurActiv+Newsletter&utm_campaign=3cec13bb4a-my_google_analytics_key&utm_medium=email

5. SPECIAL: GBR IN THE UNITED STATES

Obama attempting to take down subsidies

[Reuters, 01 February 2010] The Obama administration on Monday asked Congress for a second time to end some $36.5 billion in subsidies for oil and gas companies, saying it would help fight global warming.

In its proposed budget for the government's 2011 spending year that starts October 1, the administration said eliminating the subsidies would "foster the clean energy economy of the future and reduce our reliance on fossil fuels that contribute to climate change." The industry tax breaks that would be lost include: deductions for certain drilling costs, tax credits for low-volume oil and gas wells and a manufacturing tax deduction for oil and gas companies. "We will not continue costly tax cuts for oil companies," President Obama said.

The changes would take effect on January 1, 2011, and save $36.5 billion over 10 years, according to the budget proposal.

This is the second year the administration has sought to end the subsidies. The move has been strongly condemned by oil and gas companies, which argue that abolishing the tax breaks would reduce domestic drilling, cost jobs and increase U.S. reliance on foreign energy suppliers.

"With America still recovering from recession and one in 10 Americans out of work, now is not the time to impose new taxes on the nation's oil and natural gas industry," said Jack Gerard, president of the American Petroleum Institute. Devon Energy Corp spokesman Bill Whitsitt said repealing the tax breaks would "slow down a real revolution" in growing natural gas exploration. "We applauded the president last week during his State of the Union address for stating his desire to increase domestic energy production," said Charles Drevna, president of the oil refiners' trade group. "The additional taxes on our businesses run counter to those stated objectives, however, and will do nothing to stimulate increased investment."

U.S. Interior Secretary Ken Salazar disputed the oil and gas industry's contention that removing the subsidies will slow domestic oil and gas production. "All you have to do is to look at record profits in the oil and gas world over last several years and, in my view, you're going to continue to see a great interest in oil and gas because it's an essential part of our economy today," Salazar said. "I think the oil and gas industry will do just fine."

The White House justified its action by pointing out that the United States and other industrialized countries agreed last year to phase out fossil fuel subsidies, which could reduce global greenhouse gas emissions by 10 percent. It also said ending the subsidies would not have much of a financial impact on energy companies, as $36.5 billion represents about 1 percent of expected domestic oil and gas revenues over the coming decade.

While the Obama administration slammed the oil and gas industry in its budget, renewable energy got a funding boost. Research and development for solar energy was given $302 million, up 22 percent; wind energy received $123 million, a 53 percent increase, and geothermal energy was given $55 million, up 25 percent.

http://www.reuters.com/article/idUSTRE6103RM20100201

GOP tax extenders bill removes oil fund tax

[Katherine Ling, E&E reporter, 11.06.2010] A Republican proposal to extend several expired tax provisions would not raise a per-barrel fee on oil companies to supplement the nation's oil spill liability fund.

The bill offered by Sen. John Thune (R-S.D.), chairman of the Senate Republican Policy Committee, leaves out the 41-cent-per-barrel tax included in the Senate Democrats' proposal and the 34-cent-per-barrel tax in the bill passed by the House last week.

The current oil spill liability fund has about $1.5 billion in it. It has been estimated the Deepwater Horizon oil spill in the Gulf will cost at least $14 billion in economic and natural resource damages, with the price tag rising every day.

Democrats want to at least quadruple the current oil tax of eight cents per barrel in the tax extenders bill, creating an estimated $10 billion to $15 billion over ten years for the trust fund. Democrats say the additional money in the fund would cover any spill liability the government would have had to cover, freeing up the money to help offset other parts of the House and Senate bills.

Republicans objected to increasing the oil fund fee to offset the tax extenders bill, saying any money raised should stay in the fund's account, not just on paper.

The Democrats' proposals would also raise the per-incident damages cap the fund can pay out from $1 billion to $5 billion, including lifting the amount paid out for natural resource damages from $500 million to $2.4 billion.

The GOP proposal would also cut $37.5 billion in unspent stimulus funds, $5 billion in Build America Bonds, $1.5 billion for agriculture disaster assistance and a $3.4 billion settlement over mismanaged land trusts for American Indians that will expire June 15. It would also cut $45 billion in unspent appropriations, freezing government wages, cutting congressional office expense accounts and cut five percent in spending for all government agencies but Defense and Veterans Affairs.

The GOP bill keeps several yearlong extensions retroactive to Jan. 1 for energy tax credits in the bill, including a $1-per-gallon production tax credit for biodiesel and renewable diesel and other credits for energy efficiency, steel industry fuel and alternative vehicle fuel.

Overall, the proposal would cut the deficit by $55 billion over ten years and provide $26 billion in total tax cuts, according to the Congressional Budget Office.

This article is available on:
http://www.eenews.net/

In order to sign up for a free trial, click here:
http://www.eenews.net/login

Click here to view the GOP bill:
http://www.eenews.net/assets/2010/06/11/document_daily_01.pdf

The Kerry-Lieberman-Bill: A step in the right direction or just a rotten compromise?

[Klima der Gerechtigkeit –13 May 2010, The Huffington Post –17 February 2010 - and cantwell.senate.gov, summarised, compiled and partly translated by Franziska Kohler] After months-long negotiations, John Kerry and Joe Lieberman presented the ‘American

Power Act' which is supposed to tackle climate change in the United States.

The bill balances the interests of environmentalists and the industry. If the bill passed, it would be the first time in the history of the US that a national climate goal would be set.

The bill is expected to reduce America's CO_2 emissions by 83 percent relative to 2005 by the year 2050. The implementation of the Act would start in 2012 with the President setting an initial target amount of carbon from fossil fuels that can be emitted to the atmosphere. After remaining constant for a three year period, this cap would be increased by a quarter of a percent each year. The concept is to gradually accelerate emission reductions. Every upstream fossil fuel producer or importer participates in a monthly auction to bid for "carbon shares", permits required to accompany each ton of fossil carbon embedded in the fuel they are placing into commerce.

75 percent of the thereby generated revenues will be given back to the consumers directly in order to offset the increase of energy prices. The other 25 percent are earmarked for the Clean Energy Re-investment Trust Fund (CERT) to pay for additional greenhouse gas emissions reductions, low carbon energy investment, climate change adaptation, and related economic adjustment projects. It will also be used to grant assistance for communities and workers transitioning to a clean energy economy.

Besides reducing the carbon emitted into the atmosphere, the trading system has the advantage that neither the prices nor the supply for consumers can be manipulated by Wall Street traders, since participation is strictly limited to the few thousand upstream producers with a compliance obligation. As insurance against price volatility and excessive costs, an annual "price collar" sets minimum and maximum auction prices. Companies are not burdened by the government dictating how they must comply, and the strong economic signal will help generate innovation, investment and jobs rather than red tape. Auctioning pollution certificates under a fixed cap, avoids winners and losers being chosen beforehand, but rather sets a level playing field. Noteworthy is also the social equity of the bill, since the vast majority of American consumers will not have to face extra net costs. Low income families will even receive net positive benefits. Only 20 percent – the highest income earners – will see less that a 0.3 percent decrease in income. Indirectly, the trading system will also set incentives for consumers to make energy efficient investments.

According to a non-partisan study released on the 20th of May, the climate bill will spark a decade of multibillion-dollar investments to help overhaul how the nation produces and consumes energy, adding 200,000 jobs per year in the construction of new power plants and through greater demand. The Peterson Institute for International Economics said in its 18-page report that the bill creates new jobs between 2011 and 2020 because of its mandatory limits on greenhouse gases, which will prompt 41.1 billion dollars in investments per year as the nation shifts away from traditional fossil fuels like coal and oil, toward new nuclear power and renewables. That is 22.5 billion dollars more than what the country would otherwise be spending on new electricity sector investments. But the economic boom could be short-lived. After 2025, as energy prices increase and certain industry-friendly provisions of the legislation phase out, employment gains would be "clawed back" to their current, business-as-usual projections. The report also found that the bill would prompt a significant reshuffle in U.S. energy supplies thanks to its greenhouse gas caps and many other complimentary policies, including stronger vehicle efficiency and renewable energy standards.

Kerry welcomed the Peterson Institute's findings: "What greater incentive for action is needed than creating jobs and reducing our foreign oil dependency? This non-partisan, hard-headed study by an institute committed to fiscal truth-telling should be an economic and security wake-up call," he said.

Certainly, the bill also includes quite a number of provisions which must cause stomach pain for every climate protection activist. Enormous subsidies are designated to the nuclear and coal industries. In spite of the current disaster in the Gulf of Mexico, offshore-drilling is supposed to be continued. Federal States are lured with big revenues to give out drilling licenses. Moreover, the bill will cut down the competences of the environmental agency EPA. It also puts a restraint on several pioneer states, prohibiting them from running their own emissions trading systems.

Opponents of the bill state that it is no different to an energy tax, which will only bloat up the governmental machinery, destroy jobs and harm the ‘high-street’. Other critical voices come from environmentalists. Some of them describe the bill as too lax, others even see it as counterproductive. The latter would prefer no climate bill at all, rather than the one being offered. One of the major points under criticism is the “price collar” which is setting a “floor” and a “ceiling” restriction on the auction prices. As soon as prices reach the ceiling, further certificates are being issued until demand is satisfied. The revenues generated from these certificates are used entirely to support the CERT instead of being returned to consumers. Hence, to many climate activists, the main problem of this bill appears to be the fixed price collar. Even when the cap is tightened by the President it, it will not cause a reduction in emissions, since the reduced availability of permits will lead to higher permit prices which in turn will lead to the ceiling being hit more frequently. This would not only lead to failed emissions targets, but would also deprive consumers of their dividends, since 100 percent of the money is dedicated to the CERT. However, it is still to be decided by the Congress whether the “Price Collar” will remain at a constant level or if it will be redesigned annually. Another point that environmentalists criticise, is the fact that free permits outside of the cap are rewarded to carbon capture and storage facilities.

In order to advocate the bill, John Kerry stated that, in his opinion, it was a healthy mixture of climate protection and a more mainstream compromise. If he had written the bill just for him and other climate protectionists, it would have looked quite different. However, our planet did not have the time to wait for the perfect climate bill to come along.

Finally, and in this political climate most importantly, the American Power Act is transparent, simple, and cuts out the special interests that are the object of legitimate populist backlash. The bill has a straightforward mechanism to cut emissions, rather than a labyrinth set of policies that very few can decipher, and can be monitored by every American to see exactly who is getting what for how much.

But with problems this complicated, and scepticism of the American public this deep, we need to simplify the solutions. By cutting out special interests, and focusing on public interest, the Kerry Lieberman Bill gives Senators from both parties, representing states as diverse as Washington and Maine, a reason to come together. If we want climate change legislation in the near future, it may be time for the rest of us to jump on the bandwagon.

http://klima-der-gerechtigkeit.de/2010/05/13/jetzt-aber-american-power-act/

http://www.nytimes.com/gwire/2010/05/20/20greenwire-study-kerry-lieberman-climate-bill-would-promp-31963.html?pagewanted=2

http://www.huffingtonpost.com/richard-l-revesz-and-michael-a-livermore/last-best-chance-for-clim_b_465588.html

http://cantwell.senate.gov/issues/CLEARAct.cfm

Comment: Obama’s second chance on the predominant moral issue of this century

[Dr. James E. Hansen, 05 April 2010, shortened by Franziska Kohler] The predominant

moral issue of the 21st century, almost surely, will be climate change, comparable to Nazism faced by Churchill in the 20th century and slavery faced by Lincoln in the 19th century. Our fossil fuel addiction, if unabated, threatens our children and grandchildren, and most species on the planet.

Yet the President, addressing climate in the State-of-the-Union, was at his good-guy worst, leading with "I know that there are those who disagree [with the scientific evidence]”. This weak entrée, almost legitimising denialists, was predictably greeted by cheers and hoots from well-oiled coal-fired Congressmen. The President was embarrassed and his supporters cringed.

Why face the difficult truth presented by the climate science? Why not use the President's tack: just talk about the need for clean energy and energy independence? Answer: Because that approach leads to wrong policies, ineffectual legislation larded with giveaways to special interests, such as the Waxman-Markey bill in the House and the bills currently being considered in the Senate.

The fundamental requirement for solving our fossil fuel addiction, and moving to a clean energy future, is a rising price on carbon emissions. Otherwise, if we refuse to make fossil fuels pay for their damage to human health, the environment, and our children's future, fossil fuels will remain the cheapest energy and we will squeeze every drop from tar sands, oil shale, pristine lands, and offshore areas.

An essential corollary to the rising carbon price is 100 percent distribution of collected fees to the public – otherwise the public will never allow the fee to be high enough to affect lifestyles and energy choices. The fee must be collected from fossil-fuel companies across-the-board at the mine, wellhead or port of entry. Revenues should be divided equally among all legal adult residents, with half-shares for children up to two per family, distributed monthly as a "green check". Part of the revenue could be used to reduce taxes, provided the tax reduction is transparent and verifiable.

The rising carbon price will affect almost everything: People's purchases will reflect a desire to minimize their costs; food from nearby farms will benefit; imports from half way around the world will decline; renewable energies, other carbon-free energies, and energy efficiency will grow; fossil fuels will decline.

The fee-and-green-check approach is transparent, fair and effective. Congressman John Larson defined an appropriate rising fee. $15 per ton of carbon dioxide the first year and $10 more per ton each subsequent year. Economic modelling shows that carbon emissions would decline 30 percent by 2020. The annual dividend then would be $2000-3000 per legal adult resident, $6000-9000 per family with two or more children.

About sixty percent of the public would receive more in the green check than they pay in added energy costs. People will set their net cost or gain via their energy and other consumer choices. Dividends could be adjusted state-by-state to prevent transfer of wealth from one part of the country to another.

So far, however, Congress has been steamrolled by special interests. Congressional leaders add giveaways in their bills to attract industry support and specific votes. The best of the lot, the Cantwell-Collins bill, returns 75 percent of the revenue to the public. But it is still a cap-and-trade scheme, and its low carbon price and offset-type projects create little incentive for clean energy and would have only a small impact on carbon emissions. Can the cacophony of special interests be overcome? There is one way: The President must get involved. He must explain the situation to the public and use his bully pulpit to persuade Congress to do what is right for the nation and future generations.

He must explain that a rising carbon price is needed to phase out our fossil fuel addiction. The dividend will provide the public with the means to move to a clean energy future, stimulating the economy.

Carbon fee and dividend is the base policy needed to move the nation forward to a clean energy future. It must be supplemented by other actions including building and efficiency standards, and public investment in improved infrastructure and technology development.

Congress has a role to play toward these ends, but it is the rising carbon price that will make them feasible. Investment decisions are best left to the private sector. The government can provide loan guarantees for nuclear power and support development of trial carbon capture storage, but these energies must compete with energy efficiency and renewable energies in a free market.

The best part about a simple honest rising carbon price is that it provides the only realistic chance for an international climate accord. President Obama was right to abandon the 192-nation debate. The need is for an agreement between the two dominant emitters: the United States and China.

China will never agree to the "cap" approach that Congress favours. Developing nations will not cap their economies. But China is willing to negotiate a carbon price. How can I say that with confidence?

China is making enormous investments in nuclear power, wind power, and solar power. They want to avoid the fossil fuel addiction of the United States. They want to clean up their atmosphere and water. They want to protect the several hundred million Chinese living near sea level. They know that their clean fuels will win out only if fossil fuels are made to pay for damages that they cause.

Once the United States and China agree on a carbon price, most other nations will accept the same. Products made by nations that do not have a carbon price can be charged an equivalent duty under existing rules of the World Trade Organization. That will convince most nations to join, so they can collect the tax themselves.

Perhaps posterity may remember that Obama reduced the number of nuclear-tipped missiles, or that he added ten percent of Americans to the health care rolls. But if he dreams of being a great president, he needs to take on the great moral challenge of our century.

http://www.columbia.edu/~jeh1/mailings/2010/20100405_ObamaSecondChance.pdf

US-Airline EU ETS case against the UK to be referred to European Court as NGO coalition joins action

[Greenaironline, 28 May 2010] A judicial review held at the High Court in London agreed an application by the Air Transport Association of America (ATA) to challenge the legal validity of its airline members be included unilaterally in the EU Emissions Trading Scheme (EU ETS). The action was brought against the UK's Secretary of State for Energy and Climate Change and both sides' request for the case be referred to the European Court of Justice (ECJ) in Luxembourg was granted. The court also granted permission for a transatlantic coalition of environmental groups to join the action. Similar applications by the International Air Transport Association (IATA) and the National Airlines Council of Canada (NACC) to intervene were also granted although as a combined brief.

ATA has brought the case on behalf of its members along with three major US airlines – American, Continental and United. Under the EU ETS, the three airlines are being administered by the UK, hence the reason for the case to be heard initially in the High Court. The ATA argues that the inclusion of non-EU carriers in the EU ETS violates international civil aviation legal principles set out in the Chicago Convention, a claim firmly refuted by the Department of Energy and Climate Change (DECC). Both DECC and the ATA believe the EU directive on the Aviation EU ETS should be dealt with at an EU level, although the case is unlikely to be heard until next year.

“The High Court decision to refer this case to the European Court of Justice is an important step, as only the ECJ has the authority to rule on the Europe-wide directive that applies the European ETS to our airlines,” said ATA Vice President, Environmental Affairs, Nancy Young. “The unilateral extension of the EU ETS to international aviation is contrary to international law both as an extraterritorial action and an improper tax or charge. It also clearly stands in the way of an appropriate and effective global solution.”

ATA supports an aviation industry-wide initiative in which international aviation greenhouse gas emissions are dealt with in a global agreement under the control of the International Civil Aviation Organization (ICAO) – which administers the provisions of the Chicago Convention, rather than national or regional market-based schemes like the EU ETS.

Sarah Burt of California-based Earthjustice commented: “The US carriers say they want to achieve a global system for controlling emissions from aviation, but rather than building on the European approach, they are trying to destroy what progress has already been made. They are out of step with developments in the US, where lawmakers have seen no reason to give aviation a pass when designing climate legislation.”

Burt is referring to the Kerry-Lieberman climate bill, the American Power Act, which is currently before the US Senate, in which air carriers would pay a carbon surcharge on top of the fuel they purchase from 2013. For international aviation, the legislation pro-poses that a global framework agreed through ICAO would be the preferred option but until then, the US should “work with foreign governments towards a global agreement that reconciles foreign carbon emission reduction programmes to minimize duplicative measures and avoids unnecessary complication for the aviation industry, while still achieving measurable, reportable and verifiable environmental objectives.”

In the event the legislation should be passed – which is still far from certain, then this suggests the US and the EU would likely come to an agreement on how carriers would be accommodated under their respective emissions reduction regimes. The EU has tailored the Aviation EU ETS directive to allow for this eventuality, and will be keen to avoid a potential conflict with the US so near to the start date of the scheme in little over 18 month’s time.

http://www.greenaironline.com/news.php?viewStory=829

6. LINKS AND PUBLICATIONS

GSI: Fossil fuel still heavily subsidised around the world

[*The International Institute for Sustainable Development – Press Release, 21 April 2010 & Study undertaken by Earth Track May 2010 with contributions from GreenBudgetGermany]* The International Institute for Sustainable Development's Global Subsidies Initiative (GSI) has issued a **five-part series of reports into how nations might remove fossil-fuel subsidies**, on the eve of a meeting of G20 finance ministers in Washington this week.

GSI's Untold Billions: Fossil-fuel subsidies, their impacts and the path to reform provide necessary research and analysis to support the commitment by the G20 and the Asia-Pacific Economic Cooperation (APEC) forum to phase out inefficient fossil-fuel subsidies.

"This will be easier said than done. Subsidies are notoriously difficult to remove." said David Runnalls, president of IISD. "The issue of fossil-fuel subsidies drives right to the heart of climate change and sustainable development and must be addressed urgently. The G-20 should be commended for their early leadership but they can't afford to let that leadership lag."

GSI estimates subsidies to fossil fuels account for roughly US$500 billion per year. This figure includes subsidies to lower the prices of petroleum products, kerosene or liquefied petroleum gas (LPG), typically in developing countries, as well as subsidies to the oil, gas or coal industries, provided by many governments in both developing and developed countries.

A study by Earth Track found that the United States' Energy Information Administration (EIA) underestimates the true cost of federal energy subsidies. Earth Track recommends that the EIA should have the freedom to scope its work as needed and that any restriction should be made public. Reason for this demand is the finding in the EIA's past two studies where the U.S. Congress had instructed that some policies could not be included as subsidies. In its last study, in 2008, the EIA's lack of reference to non-governmental organisations also suggests that its use of information sources may be restricted.

Another outcome of the study shows that there are various areas in which the EIA could improve specific aspects of its estimation, such as using range estimates instead of point-estimates for subsidies that are not cash-payments; including analysis of the impact of subsidies on new investments; and disaggregating subsidies to renewable energy technologies into different categories.

The report can be downloaded from the Earth Track's website under the following link: http://earthtrack.net/documents/eia-energy-subsidy-estimates-review-assumptions-and-omissions

For additional information, go to: http://www.globalsubsidies.org/en/research/press-release-gsi-tackles-reform-inefficient-fossil-fuel-subsidies-ahead-g-20-meeting-fi

For the summary of key findings from the study by the International Institute for Sustainable Development, go to: http://www.globalsubsidies.org/files/assets/synthesis_ffs.pdf

EIA energy subsidies estimates: A review of assumptions and omissions

[By Doug Koplow, Earth Track Inc., March 2010] This study reviews subsidy estimation techniques prevailing in the United States, as applied by the U.S. Energy Information Administration (EIA), the energy statistics arm of the federal government. In 2008, the U.S. EIA issued a report that detailed federal subsidies to the nation‘s energy sector. Since EIA is the government‘s energy statistics arm, these assessments inevitably garnered much attention and carried a great deal of weight. Unfortunately, EIA‘s subsidy tallies systematically undercounted energy subsidies, and in doing so they falsely conveyed the impression that energy subsidies do not affect the country‘s energy path.

There have been a variety of problems with EIA‘s approach. These ranged from the limited sources it used in its research to the many subsidies of great benefit to the energy sector that the Administration ignored in its total—the result of overly narrow definitions and inconsistent application of its stated inclusion criteria. In combination, problems of estimation and omission in EIA‘s work render a picture of subsidies that has more to do with the scope and manner of its research than with the actual impact of policies in place.

Much is riding on a logical and cost-effective economic transition away from greenhouse gas-intensive fuels. The increasing involvement of government in the energy sector makes EIA's work on energy subsidies ever more important to get right. Only through systematic review of subsidy programs can the market distortions that these existing policies cause be addressed.

In providing details on the problems with EIA‘s work, this report aims to ensure that any future work the Administration carries out on the topic of energy subsidies will be done with a greater degree of freedom from political interference, with systematic coverage of all types of subsidies, and with more openness to existing work on the topic even if that work challenges previous core assumptions of the EIA research team.

If you want to read the full-length study, please go to:

http://earthtrack.net/files/uploaded_files/EIA%20subsidy%20review%20final_17Mar10.pdf

Environmentally harmful subsidies in Germany

[By Holger Berg, Dr. Andreas Burger & Karen Thiele – Umweltbundesamt, 2010, compiled and partly translated by Franziska Kohler] Germany is still a long way from pursuing a consistent and sustainable budget policy that systematically promotes environmental protection and takes systematic account of environmental interests in all governmental decisions on income and expenditure.

One central problem is Germany's policy on subsidies. In 2006, according to the Federal Environment Agency's calculations, subsidies in Germany totalling just under €42 billion have to be classified as environmentally harmful. Both public sector finances and the environment would benefit very considerably from a reduction in these subsidies.

The state uses subsidies to intervene in many aspects of the economic production process and individual consumption decisions, made by households. The reasons given for this are many and varied, but such interventions are rarely justified from an economic point of view. As a general rule, subsidies violate the 'polluter pays principle', i.e. the general principle - which is not only to be understood in economic terms - that the polluter (or party responsible) pays: a free market system can only function and be "fair" if producers and consumers each bear the full cost of their actions. Subsidies run contrary to this principle. Instead they give rise to a situation where responsible parties do not bear part of the microeconomic costs of production and consumption, but offload them onto society in general. Thus subsidies distort competition, resulting in suboptimal functioning of input and product markets and leading to market results that are inefficient at the macroeconomic level.

For the most part, current practice with regard to subsidies does not promote sustainable development, either from an environmental or an economic point of view. For this reason there is an urgent need to integrate environmental protection aspects in state policy on subsidies. To date the systematic investigation of impacts on environmental assets such as climate, air, water, soil, health or bio-diversity has played little or no role in the design of financial assistance, tax concessions or other forms of preferential treatment. The many calls to reduce subsidies are usually reflected - if at all - in across-the-board cuts in state subsidies. Unlike subsidy reductions on the "lawnmower" principle, targeted reductions in those subsidies that fail to achieve their purpose and/or have negative side effects - such as harmful effects on environmental assets - do contribute to a sustainable financial policy. That is why there is a need for an environment-oriented subsidy controlling system for all subsidies which - as well as reviewing the success of the subsidy - takes a systematic look at any negative impacts on environmental assets.

In order to access the full study, please go to:

http://www.umweltdaten.de/publikationen/fpdf-l/3896.pdf

ECF report: EU shown 2050 path to renewables-based economy

[EurActiv 14 April 2010, updated 20 April 2010] Europe could meet at least 80 percent of its energy needs from renewables by 2050 without paying more for electricity than it would by continuing with current fossil-fuel based infrastructure, according to a new report by the European Climate Foundation (ECF).

The 'Roadmap 2050' report, published on 13 April, lays down pathways for decarbonising the EU's power sector in order to cut greenhouse gases by at least 80 percent by 2050.

It assessed the implications of scenarios where 40 percent, 60 percent and 80 percent of Europe's energy comes from renewable sources, complemented with nuclear and conventional power plants equipped with carbon capture and storage (CCS) facilities.

The study concluded that regardless of the renewables scenario, the future cost of electricity would not be more expensive in 2050 than under fossil fuel-based generation. Moreover, decarbonisation would be possible with technologies that are already available and domestic sources of renewable energy, including wind, solar, biomass and geothermal, it added.

The roadmap is the most comprehensive analysis to date on the cost of shifting to low-carbon power generation. It is based on economic, policy and technical analyses by leading consultancies and bodies, including McKinsey and Imperial College London, and has been prepared in consultation with major industrial players and NGOs.

However, action will need to begin within the next five years as much of the infrastructure investment will have to be made in the early years, the foundation said.

"Whichever direction you want to go, you probably need to start now," said Tom Brookes, head of the Energy Strategy Centre at the European Climate Foundation.

"Delays only make things much more expensive."

http://www.euractiv.com/en/energy/eu-2050-climate-targets-deemed-feasible-news-442104

EU-citizens more willing to pay premium prices to use renewable energy

[OECD Survey, 30 April 2010] Almost half of households are unwilling to pay any premium to use renewable energy, according to one of two survey results on attitudes towards energy and water consumption and conservation.

The energy survey, based on 10,000 responses from ten OECD countries in 2008, found that in some nations only a quarter of respondents would pay 5 percent extra to use green energy. EU surveys have tended to show greater willingness to pay a premium.

The second survey on water found that households charged according to how much water they use consume an average of 25 percent less water than those that either pay a flat fee or have free access.

The OECD recently published three studies on water usage:

http://www.endseurope.com/23534?referrer=bulletin&DCMP=EMC-ENDS-EUROPE-DAILY

Follow-up: Findings of OECD surveys on energy:

http://www.oecd.org/dataoecd/48/55/45079491.pdf and water

http://www.oecd.org/dataoecd/61/43/45089018.pdf consumption.

Globalisation, transport and the environment

[OECD, January 2010] What impact has globalisation had on transport? And what have been the consequences for the environment? This book analyses these issues in detail. It is based on a series of papers prepared for an OECD/ITF Global Forum on Transport and Environment in a Globalising World, held in Guadalajara, Mexico, 10-12 November 2008. The original papers have been updated and edited, primarily in order to avoid overlap from chapter to chapter, and have been brought together in this volume to provide policy makers with a comprehensive overview of the interactions between globalisation, transport and the environment.

This book looks in detail at how globalisation has affected activity levels in maritime shipping, aviation, and road and rail freight, and assesses the impact that changes in activity levels have had on the environment. The book also discusses policy instruments that can be used to address negative environmental impacts, both from an economic perspective and from the point of view of international law.

If you want to purchase the full length study, please go to:

http://www.oecd.org/document/40/0,3343,en_2649_34363_44342184_1_1_1_1,00.html

EEA report: Europe's transport emissions reach all-time high

[EurActiv.com, 28 April 2010, updated 03 May 2010] Despite the development of cleaner and more efficient vehicles, Greenhouse gas emissions from Europe's transport sector continue to grow as more people and more goods are travelling longer distances. These are the findings of a new report from the European Environment Agency (EEA).

Greenhouse gas emissions from transport grew by 28 percent between 1990 and 2007 across the 32 EEA countries, accounting for 19 percent of total emissions, the data shows. And while Europe recorded some successes in reducing air pollutant emissions, road transport remains the largest emitter of nitrogen oxides and the second-largest source of particulate matter in 2007, it reveals.

The EU has spent the last decade trying to decouple transport emissions from economic growth while improving people's mobility, but the bloc now needs to develop a clear vision for its transport system by 2050, the EEA argued.

The report concludes that the most effective approach is to adopt a "policy package" that combines technological improvements reducing fuel consumption with measures to shift journeys to lower emission modes and to avoid travelling altogether.

The European Commission is due to publish a White Paper on the future of transport by the end of the year, outlining an action plan for sustainable transport. Strategy has to be a green one, focusing on absolute decoupling of economic growth from environmental degradation. It is now for President Barroso to take on the challenge.

http://www.euractiv.com/en/climate-environment/europes-transport-emissions-keep-rising-news-488648

German utilities biggest polluters in 2009 report

[Michael Szabo, REUTERS, 10 June 2010] German utilities RWE and E.ON were the top greenhouse gas emitters in Europe last year. Analysts Carbon Market Data said power plants fully or partly owned by the two companies pumped out a total 235 million tonnes of carbon dioxide, or more than Scandinavia's total carbon emissions last year.

RWE, Germany's largest power producer, topped the list, belching out 141 million tonnes of carbon dioxide, 5 million below 2008 levels. E.ON emitted 94 million tonnes, or 14 million tonnes less than the previous year, while Sweden's Vattenfall ranked third with 91 million tonnes, Carbon Market Data said in its report.

The three companies, regulated under the European Union's Emissions Trading Scheme that forces major polluters to buy carbon credits, also had the largest credit shortages in 2009. RWE received 89 million free carbon permits, called EU Allowances, last year, meaning it had to buy an additional 52 million credits on the market. E.ON had to buy 18 million extra and Vattenfall had to purchase another 29 million, Carbon Market Data said.

Carbon Market Data's figures were calculated at group level, taking into account both minority and majority stakeholdings in other companies included in the EU's Emissions Trading Scheme.

http://www.reuters.com/article/idUSTRE6592W820100610

ETS profits: The business of CO_2

[EurActiv, 05 March 2010, updated 09 March 2010 summarised by Franziska Kohler] The ten companies holding the largest number of surplus emission allowances under the EU's cap-and-trade system stand to make a profit of 3.2 billion euros in the 2008-2012 trading period, according to a new analysis of EU data.

The research, published on 3 March by climate NGO Sandbag, compared the emissions allowances that different companies had received under the EU's emissions trading scheme with their actual emissions. It found that the overly generous free allocation of permits, compounded by a drop in production following the global downturn, had added significant assets to many companies' books.

Sandbag warned that the large profits made by a few companies "raise questions as to whether EU companies are operating within a level playing field". It pointed out that the surplus permits held by steel and cement companies were counterbalanced by the power sector, which is required to deliver the majority of emissions reductions under the trading scheme.

The recession meant that the carbon cuts required under the EU ETS were achieved, but the scheme failed to fulfil its original purpose of providing incentives to develop low-carbon technologies, Sandbag warned.

http://www.euractiv.com/en/climate-environment/steel-and-cement-cash-billions-free-emission-permits-news-308484?utm_source=EurActiv+Newsletter&utm_campaign=2032555af2-my_google_analytics_key&utm_medium=email

European Commission study on the possibility of introducing an emissions trading system for NO_x and SO_2

[European Commission, February, 2010] In the context of the counsels on the renewal of the directive on integrated pollution prevention and control (IPPC directive) the possibility of the inclusion of marked based instruments has been discussed. As a result of these discussion forums, a study about the implementation and development of a possible Europe-wide trading system with NO_x and SO_2 has been presented and discussed with stakeholders.

The results of the study have predominantly been met with disapproval which seems to have spread from EU member states to trade as well as environmental associations. The fundamental criticisms expressed were mainly based on the following points:

The comparability of the emissions trade for CO_2 came under doubt due to the different chemical properties of NO_x and SO_2.

The study was referenced to a scenario which is based on an not yet passed directive on industry emissions, which is still subject to controversially discussed law propositions.

The Commission has already assigned a follow-up contract for a second study in order to develop further ascertainment concerning a trading system. This study is supposed to be discussed in October 2010 and finalised by the end of the year.

You can access the study at the following link:

http://www.vku.de/vkuGips/VKU/vku.de/Energiewirtschaft/Grundsatz_Strategie_Innovation/Newsletter___/Newsletter_Grundsatzfragen/Europaeische_Kommission_stellt_d_SO2_vor/Main_report_-_Draft10032i1_Anlage_1.pdf

See also Annexes 1 and 2 at:

http://www.vku.de/vkuGips/VKU/vku.de/Energiewirtschaft/Grundsatz_Strategie_Innovation/Newsletter___/Newsletter_Grundsatzfragen/Europaeische_Kommission_stellt_d_SO2_vor/Main_report_-_Draft10032i1_Anlage_1.pdf

and:

http://www.vku.de/vkuGips/VKU/vku.de/Energiewirtschaft/Grundsatz_Strategie_Innovation/Newsletter___/Newsletter_Grundsatzfragen/Europaeische_Kommission_stellt_d_SO2_vor/Main_report_-_Draft10032i1_Anlage_1.pdf

OECD reiterates case for higher water prices ends

[ENDSEurope, 17 March 2010] Households and industry in many industrialised countries are increasingly paying a price for water that reflects its true economic and environmental cost but the agriculture sector remains heavily subsidised, according to three new OECD studies issued this week.

The OECD says competition for water among households, industry and agriculture will increase, with demand predicted to rise signifycantly in the manufacturing and electricity sectors in particular. Agriculture will remain by far the largest user.

Tariffs for household water and wastewater services still vary significantly between OECD and EU countries, according to one of the studies. For example, water costs $1.45 per square metre in Italy and $6.7m3 in Denmark.

The OECD, which has published several studies on water pricing, says farmers should not only pay for operation and maintenance costs but also for the capital costs of water infrastructure. Subsidies can encourage wasteful use, it adds.

The Paris-based organisation points out that in countries where farmers are paying higher water prices, such as Australia, agricultural production has not fallen. Australia managed to reduce irrigation use by half without loss of output, the organisation adds.

Follow-up: Presentation of OECD reports on:

http://www.oecd.org/document/47/0,3343,en_2649_37465_36146415_1_1_1_1,00.html.

http://www.endseurope.com/23534

Research on industrial wastewater pollution reduction effects of the current environmental protection charges in Vietnam

[Dr. Le Thi Kim Oanh, Da Nang University of Technology from April 2008 to December 2009] In accordance to the Governmental Decree No. 67/2003/NĐ-CP, a collection of environmental protection charges for wastewater has been effective in Vietnam since January 1st 2004.

Data collected from field surveys conducted at industries that are paying environmental pollution charges in Danang city and statistical data on pollution charge implementation at other provinces showed that environmental protection charge system has positively affected to enhancing awareness of industrial community on the value of environment, especially on the value of water environment to production and to daily life. Industries have been becoming familiar with a fact that environmental costs should be included in their production cost accounting process. Besides, environmental protection has contributed additional revenue to the state budget.

However, regarding to the effects on pollution reduction and economical use of water resource, the current charges system has not yet met with the expected objectives. The amount of charge collected is very modest due to very low rate of charge and unreliable charge calculation. As a result, average charge level is much lower than pollution abatement costs, so that the current charge has not been an incentive which is strong enough to induce industrial firms applying pollution reduction measures.

Additionally, the use charge revenue, especially at the local level, has not been well defined. Up to present, charge revenues have not been used in many provinces, or used to the purposes other than water pollution control projects in some other places. Thus, charge revenues have not been able to contribute to enhance pollution reduction effects in accordance to the "polluter pays principle".

Through this research, some recommendations have been pointed out to improve efficiency and effectiveness for the present environmental protection charge system. Firstly, the rate of charge should be increased 1.5 – 2 times and gradually increase in the following years at 20 percent – 30 percent each year. Decision of charge rates should also be decentralized to the local governments so that rates of charges will be decided at levels which are appropriate to the local economic development and environmental protection objectives. Secondly, charges should be calculated based on discharge standards including quantity and concentration standards for wastewater discharges. Thirdly, these standards need to be issued as soon as possible to serve as a reasonable base for the proposed charge calculation method. Fourthly, it is necessary to have legal documents to impose penalties on industrial firms who deliberately avoid paying the environmental protection charges. Finally, a part of charge revenues left to the local governments should be used as financial aids to industrial wastewater pollution abatement projects initiated by the industries.

Why tax havens cause poverty

[Tax Justice Network, 25 May 2010] The latest edition of Tax Justice Focus explores the issue of taxing natural rents. Economists define land, alongside labour and capital, as a factor of production. Unlike labour and capital, however, it is in fixed supply and has no cost of production. Being scarce, land is in great demand, but in many cases it is used inefficiently and its potential as a source of significant amounts of public revenue goes unrecognised. In this edition, guest editor Carol Wilcox and her selected contributors argue the case for adopting Land Value Tax as a just and efficient fiscal tool.

In the lead article Nic Tideman presents LVT as a tool for development. Poor countries have generally low land values so LVT is not commonly considered as a useful instrument for raising government revenues. Nic describes the mechanism whereby LVT can trigger a virtuous circle of increasing land values and revenues.

Henry Law discusses how LVT might be introduced. One of the main objections to LVT seems to be that it is impracticable, particularly that the valuation process is problematic. As can be seen below LVT has already been successfully implemented and land value assessment is becoming a simpler task with the development of improved software and other tools.

Molly Scott Cato then presents LVT as a green tax. Ever since value slipped its attachment to the natural world—around when fractional reserve banking was invented in the 17th century—money has become increasingly important, and the planet and its resources less so. To find solutions to the financial crisis and the environmental crisis, she argues, we must get our feet back on the ground.

Finally, Joshua Vincent describes the LVT experience in Pennsylvania and presents some interesting data. The split-rate taxes levied in Pennsylvania are probably the best documented applications of LVT in practice. In fact only a small portion of rent is collected in this way, which some say is insufficient to show the effects.

This edition also covers news of the recently issued Nairobi Declaration on Tax and Development, plus details of a forthcoming conference on the Political Economy of Taxation at Loughborough University, UK, in September 2010, a review of an IMF paper looking at the role of tax distortions and tax havens in the build-up of debt in financial systems around the world, and finally an invitation to support a documentary drama film.

You can download Tax Justice Focus Vol. 6, No.1, here:

http://www.taxjustice.net/cms/upload/pdf/TJF_6-1-1.pdf

Distance-based fees for trucks as an example for the advantages of green budget reform

[Clean Air Action Group, Hungary, June 2010] Often it is difficult to explain the advantages of green budget reform. The idea of raising taxes and cutting subsidies inherently evokes opposition in most people. How to overcome this psychological barrier? The Clean Air Action Group, a Hungarian environmental NGO, has 20 years of experience in communicating green budget reform. Now it published a popular booklet which explains in simple terms and with concrete examples this complicated topic.

You can download the English version of the publication Shall we subsidize or charge trucks? here:

http://levego.hu/kamionstop/eng/kamion_en.pdf

7. EVENTS

GBE Annual Conference 2010

The 2010 GBE Annual Conference will take place on July 8th and 9th (Thursday and Friday) in Budapest. The site of the event is the Conference Room

http://www.andrassyuni.hu/deutsch/admin/data/00000001/_fix/00000000/_fix/00000004/_subpage/images/original/image0001.jpg?1968753122

of the Andrássy University

http://www.andrassyuni.hu/deutsch/list.php?konyvtar=admin/data/00000001/_fix/00000000/_fix/00000004&id=0

in the centre of Budapest.

The local organiser of the Conference is the Clean Air Action Group www.levego.hu (CAAG) in cooperation with the Hungarian Economic Association.

The whole conference will be accessible online in real time (i.e. there will be live web streaming), which means that anyone in the world with internet connection will be able to follow the conference, and make comments and ask questions to the speakers by e-mail, *which can be answered right away* – time permitting.

The proposed main topics of the conference are:

1. *Removing Environmentally Harmful Subsidies: Possibilities and Benefits*

There are many subsidies which are harmful to the environment. These include direct subsidies, like aid from the state budget for the construction of airports and cement factories or subsidies for fossil energy use in households. However, indirect subsidies constitute a much larger share, e.g. tax reductions for company cars and excise duty exemption for aviation fuel. The resulting unpaid environmental and health costs are also indirect subsidies. These costs should be paid for by the polluter, not by society. These subsidies are financially hugely significant worldwide. Their removal will benefit the environment and the economy and, if properly designed, can improve social equity as well. It can also help reduce the colossal deficit which states have accumulated as a result of the financial crisis. Subsidy removal would make economies more efficient and reduce market distortions that favour environmentally harmful behaviour.

This topic is very timely in relation to the following:

The EU Sustainable Development Strategy (2006) called on the European Commission to draft a roadmap for the removal of EHS in all relevant sectors. DG ENV has commissioned a study to provide practical guidelines for subsidy removal and indicators to enable policy makers to get a sense of the level and character of subsidies.

The European Union is now preparing its budget for the period 2014-2020. It is very important to ensure that no EU funding is given for activities which worsen the state of the environment

The EU is now in the process of revising the Energy Tax Directive and the Eurovignette Directive

The leaders of the G20 at their meeting in September 2009 committed themselves to phase out all subsidies for fossil fuels.

2. *Communicating Subsidy Removal and Environmental Fiscal Reform*

In recent years a lot of experience has accumulated concerning good and bad practices associated with the communication of GBR. Presentation and discussion of the most important findings during the conference will help improve the communication of GBR.

Registration

The conference is free of charge. It includes participation in the events of the conference, the conference materials and refreshments during the breaks. The organisers cannot reimburse travel and accommodation costs.

For more information, visit:

http://www.foes.de/internationales/green-budget-europe/gbe-veranstaltungen/anstehende-veranstaltungen/#information

The 11th Global Conference on “Using Environmental Taxation Strategies to Support Climate Change Resilience”

The 11th GCET will take place on 3rd-5th November 2010 in Bangkok. provides an international, interdisciplinary forum to explore issues involved in designing and implementing environmental taxes. The conference is not intended to advance any particular environmental agenda on an advocacy basis but rather to advance knowledge, understanding, and debate.

GCET2010 Host: Mahasarakham University, THAILAND
Supporting Partners: Cleveland State University, U.S.A., Macquarie University, AUSTRALIA, Vermont Law School, U.S.A., Walsh University, U.S.A., University of New South Wales, AUSTRALIA, University of Pavia, ITALY, Green Budget Europe, GERMANY

More Information is available here: http://www.acc.msu.ac.th/gcet2010http://www.acc.msu.ac.th/gcet2010/index.php.

A back-to-back conference by GreenBudgetEurope is envisaged, but no further details yet fixed.

8. IMPRINT

Best wishes from the founders and the editors!

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