



FÖRDERVEREIN ÖKOLOGISCHE STEUERREFORM

GREEN BUDGET GERMANY

Dear readers of Green Budget News,

This is a special edition of Green Budget News to report on the Eighth Global Conference on Environmental Taxation, the GCET (<http://www.worldecotax.org/home.html>).

As you probably know, the conference was entitled **Innovation, Technology and Employment – Impacts of Environmental Fiscal Reform and other Market-Based Instruments** and took place in the Kardinal Wendel Haus in Munich, Germany, from 18th-20th October 2007.

With this conference, we hoped to **highlight less well-publicised aspects of EFR (Environmental Fiscal Reform)**, such as the **stimulation of innovation, the development of new technologies, and job creation**, rather than focussing on the more usual topics of political controversies and administrative details of the instrument debate. Identifying, analysing and understanding the positive effects of MBIs (Market-Based Instruments) – and communicating them – has a **vital role to play in the implementation of EFR** in the future to support a smooth transition to a sustainable economy.

For several reasons, we believe that the conference went some way towards doing just that.

Green Budget Germany Conference Resolution

Green Budget Germany presented a resolution to the conference and participants were invited to indicate their support for / against the resolution during the conference. The resolution, *Climate Protection Needs the Power of Market Instruments*, points out that **only by combining all existing effective instruments can we safeguard our diminishing chance of achieving a sustainable future** and calls on the **outgoing and incoming G8 presidencies, together with the countries of the Outreach dialogue, to contribute to an agreement on an efficient and consistent post-2012 climate emission trading system.**

The Green Budget Germany resolution for the GCET is available online at <http://www.worldecotax.org/downloads/info/GCETResoEngFinal.pdf>. More than 80% of conference participants, shown in the online signatories list, supported the resolution. Other visitors to the conference website may also sign the resolution if they wish.

The Resolution will be presented to the United Nations Climate Change Conference in Bali in December 2007, to the European Commission, and to individual governments (anyone interested in presenting the resolution to their national government is kindly requested to contact us at foes@foes.de).

Launch of Green Budget Europe

Encouraged by our experiences as an unusually specialized NGO in Germany, supporting economic instruments since 1994, and by the enormous resonance and recognition we received at the GCET 2007, **we are currently preparing the formation and launch of a platform to promote EFR and MBIs on the European level.** This new organisation will – for the first few years at least – operate as a project within Green Budget Germany and will function as a **competence centre and discussion platform, primarily addressing insiders such as the European Commission, government institutions, NGOs, industry associations, and experts.**

gbn special internetfassung/25.01.2008

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Gemeinnützig zur Förderung wissenschaftlicher Zwecke laut Finanzamt München für Körperschaften

We are hoping to recruit **participants from all European countries** (not just the EU) to this new forum and to find sponsors from a number of sources. **If you are interested in contributing to this project in any way – either with your expertise, or by contributing urgently needed funding** to launch the project and support the organisation of a conference in autumn 2008, all being well together with the European Environmental Bureau (EEB), to lobby European Institutions on the implementation of MBIs for environmental policy, please get in touch with us at foes@foes.de.

Conference Achievements

The conference call for papers http://www.worldcotax.org/call_for_papers.html distributed this spring elicited the submission of **well over 130 abstracts**, all of extremely high quality, and of which **more than 80 were presented at the conference** itself. The conference itself was attended by more than **300 participants, from a total of 49 different countries**, with guests from – amongst others – Mexico, Nicaragua, Costa Rica, Brazil, Argentina, India, Pakistan, the Solomon Islands, Thailand, Japan, China, Tanzania, Uganda, the Gambia, Egypt, Morocco, Ghana, as well of course as many guests from the USA, Canada, Australia, New Zealand and almost all European countries.

Keynote speakers included **Professor Klaus Töpfer**, former Executive Director of UNEP, and former German Environment Minister; **Professor Jacqueline McGlade**, Executive Director of the European Environment Agency; **Professor Norbert Walter**, Chief Economist of the Deutsche Bank; **Dr. Martin Búrsík**, Czech Vice Premier and Environment Minister; Swedish State Secretary for Tax Issues **Ingemar Hansson**, **Professor Ernst-Ulrich von Weizsäcker**, one of the founding fathers of environmental tax reform and former Member of German Parliament (MdB); and **Rae Kwon Chung**, Director of the Environment and Sustainable Development Division of UNESCAP.

Reflecting the success of the GCET 2007, we will be organising a **Special Conference on EFR for policy makers, politicians, business, and NGOs** back-to-back with the main GCET in **Singapore in 2008**, which has a more academic focus. Keep your eye on www.ecotax.info and future newsletters for more information. We will keep you informed via our Green Budget Newsletter, which will also see a re-launching soon to make its wealth of information easier to digest.

We also recruited some **new Green Budget Germany members** at the conference, a reflection both of the conference's success and our free 2007 membership offer for participants. It's not too late to take advantage of our fantastic free membership offer and to join one of the smallest but – dare we say it – loudest environmental NGOs in Europe in this field. Please get in touch if you're interested in coming on board...

Professor Klaus Töpfer awarded Adam Smith Prize

The keynote speaker at the conference was **Professor Klaus Töpfer**, former Federal Minister for Environment, Nature Conservation and Nuclear Safety, and **former Executive Director of the United Nations Environment Programme (UNEP)**. In his speech, he underlined the importance of energy taxation and **called for product prices to reflect their costs in terms of the use of natural resources** – otherwise, he pointed out, the developed world will continue to exploit the natural world today, while future generations and those living in the developing world will be the ones who pay for it. Furthermore, during the GCET press conference, he also praised awarding Al Gore the Nobel Peace Prize, referring to it as an acknowledgement of the fact that **climate policy is very much in the interests of global peace and security**.

Not only did Professor Töpfer give all conference participants food for thought and discussion with his presentation, he was also awarded the **Adam Smith Prize for Environmental Economic Policy** by GBG President Dr. Anselm Görres

(<http://www.worldcotax.org/downloads/Presentations/GoerresAnselmAdamSmithPrize.pdf>).

The Conference in Detail

The first conference day focussed on the proven positive effects of EFR and other MBIs on innovation, technology and employment. The first plenary session highlighted some essential themes in this topic. **Jacqueline McGlade called for increased application of MBIs in the European Union** to ensure that the innovation advantage currently enjoyed in the EU resulting from its innovative use of MBIs to create incentives for innovation is not undermined by technological progress in China and the USA. **Kai Schlegelmilch gave a detailed description of the positive impacts of the German ETR on the German economy**, including increased public transport use, the creation of an incredible 250,000 jobs in new industries, concrete examples of innovative companies benefiting from the ETR in several ways, preferences in consumption patterns for fuel efficient cars, a boom in car-sharing, and for the first time ever decreased CO₂ emissions from the transport sector (after 50 years of steady growth)

<http://www.worldecotax.org/downloads/Presentations/SchlegelmilchKai.pdf> ;
http://www.bmu.de/english/climate_change/doc/3472.php . **Dr. Terry Barker discussed the positive competitive effects of environmental taxation in 6 European Union member states**, researched as part of the COMETR project (<http://www2.dmu.dk/cometr/>).

Other papers in the workshop sessions analysed the effects of MBIs on innovation, technological development, competition, and employment, for more details and PowerPoint presentations please see online programme: http://www.worldecotax.org/gcet_program.html.

On Friday 19th October, the second conference day, the first plenary session introduced the special workshop on **Environmental Fiscal Reform in Developing, Emerging and Transition Economies** hosted by the Federal Ministry for Economic Cooperation and Development (BMZ) and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). Representatives from the Ministry and the GTZ gave thought-provoking introductions to the topic, and **Rae Kwon Chung, Director of the Environment and Sustainable Development Division of UNESCAP**, gave a most interesting presentation on the state of environmental taxation in Asia. **He also stressed the importance of positive European examples, and noted that the German case is being analysed in some detail by policy makers in the region.** You can download Rae Kwon Chung's presentation at <http://www.worldecotax.org/downloads/Presentations/ChungRaeKwon.pdf>.

The Friday afternoon plenary session focussed on **EFR and energy**, with, amongst others, a speech from **Professor Ernst Ulrich von Weizsäcker**, currently Dean of Bren School for Environmental Science and Management and one of the major driving forces behind environmental taxation in Germany and elsewhere for many years, as well as co-founder of Green Budget Germany. Professor Weizsäcker called for annual energy and resource price increases in proportion to the resource productivity increases of the previous year. Such a long-term policy would create certainty of increasing resource prices and thus would prompt a 'race' towards higher resource productivity. Weizsäcker also looked at concrete ways of achieving this long-term policy, and discussed leading thinkers working on the problem of finding a global agreement today (<http://www.worldecotax.org/downloads/Presentations/Weizs%E4cker.pdf>).

One of the persons Professor Weizsäcker mentioned was **former economic adviser to George W. Bush and Harvard Economics Professor, Gregory Mankiw**, has also recently contributed to the New York Times, advising that international negotiations focus on the introduction of a global carbon tax, which has the advantage that revenues would remain within individual countries, in a marked contrast to probable outcomes of emission trading. His contribution to the New York Times is available online at <http://www.foes.de/en/downloads/GBN/GregoryMankiwCarbonTaxFinal.pdf> .

Subsequent workshop sessions on energy analysed **price and tax incentives for renewable energy production, other renewables issues, energy efficiency, and reductions of emissions from energy**. A special workshop

in the energy sessions examined international cross-cutting issues, particularly WTO law, environmentally harmful subsidies, and the possibility for border tax adjustments.

The plenary and workshop sessions on Saturday, the 20th October, the last conference day, focussed on transport, and after a very lively presentation on the **Congestion Charge in London** – which was extremely popular amongst GCET participants! – workshops went on to discuss **biofuels, environmentally harmful transport subsidies, tolls and road user charging**, as well as a special workshop on global solutions to combat climate change (<http://www.worldcotax.org/abstracts-SATworkshop4.html>) and a fishbowl discussion on EFR in emerging, developing and transition economies.

The Saturday afternoon session was taken up with a **political discussion of EFR and implementation issues**, including presentations by **Czech Vice-Premier and Environment Minister Martin Bursik, Dr. Christoph Beier, Director General, Mediterranean Region, Europe, Central Asian Countries, GTZ** and **Swedish State Secretary for Tax Issues Ingemar Hansson**, as well as a session reflecting on the conference, including contributions by **John Hontelez, Secretary General of the European Environmental Bureau (EEB)** and **Alexandra Treциak-Duval, Head of Development Co-operation Directorate's Policy Co-ordination Division, OECD**.

The majority of PowerPoint presentations have been posted on the website, on the conference programme page, as PDF files, see: http://www.worldcotax.org/gcet_program.html.

Conference Sponsors

We managed to attract a most impressive list of conference sponsors, including:

Government ministries

In Germany, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), the Federal Ministry for Economic Cooperation and Development (BMZ); in Austria, the Federal Austrian Ministry of Agriculture, Forestry, Environment and Water Management; the Ministry of the Environment in the Czech Republic.

Government organisations and implementing agencies

Federal Environment Agency (UBA), Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ); Swedish Agency for International Development Cooperation (SIDA) and the UK Department for International Development (DFID).

European and International organisations

The European Environment Agency (EEA), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the Organisation for Economic Cooperation and Development (OECD) and the European Environmental Bureau (EEB).

Business

Deutsche Bank; Ethikbank; Stadtwerke München; Project Complexity; HIPP; Greenpeace Energy; Unternehmensgrün; Volksbanken Raiffeisenbanken; ZMM Zeitmanager München GmbH; Management Angels GmbH; and Genossenschaftsverband Bayern.

Universities

The University of Regensburg; Macquarie Law School, Sydney, Australia; and the Environmental Tax Policy Institute at Vermont Law School.

Other organisations

The German Renewable Energy Federation (BEE); Rotary International, ENDS Europe Daily and ENDS Europe Report, Rotary International Munich Nymphenburg.

The City of Munich and Lord Mayor Christian Ude, our conference patron

We would like to take this opportunity to extend our sincere thanks to all those who offered us, or who were able to put us in touch with others able to offer us material support and sponsorship for the conference. We needed each and every sponsor to make the conference the success that it was.

GCET press coverage

Prior to the conference itself, we were present in at least two press articles discussing the conference itself in some depth. For example, an article appeared in *die Zeit* (http://www.zeit.de/2007/43/Toepfer_Gewuerdigt), and GBG President Dr. Görres was interviewed for an article in *UmweltAktuell* (October 2007). Press coverage during the conference itself was to follow in the *Tageszeitung*

<http://www.taz.de/nc/1/archiv/print-archiv/printressorts/digi-artikel/?ressort=wu&dig=2007%2F10%2F22%2Fa0116&src=GI&cHash=3bdb641c44>

and *telepolis* (<http://www.heise.de/tp/blogs/2/97718>). For Green Budget Germany press releases please see <http://www.worldcotax.org/press.html> (all articles and press releases are in German).

In Conclusion...

We hope those of you who attended the GCET conference enjoyed it as much as we did, and we hope to hear from many of you regarding **Green Budget Europe** and as **signatories of our GBG resolution and to see you, and many more, again in 2008 in Singapore and at the planned European EFR conference.**

Warmest regards from your GBN editors.

With best regards

Jacqueline Cottrell, Andrea Sauer, Christian Meyer, Sebastian Schmidt (Managing Team)

Dr. Anselm Görres (President)

Kai Schlegelmilch (Vice-President)