GREENBUDGETNEWS NO. 20 – 9/2008

EUROPEAN NEWSLETTER ON ENVIRONMENTAL FISCAL REFORM

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Launching conference for Green Budget Europe Brussels, September 25th 2008

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.

For more informations please go to: http://www.foes.de/en/GBE_Launching_Conference.html

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Quotation of the summer

Those who, for whatever reason, refuse to do their part must either be persuaded to join the effort or asked to step aside. This is such a moment. The survival of the United States of America as we know it is at risk. And even more - if more should be required - the future of human civilization is at stake.

Al Gore, June 17th

1. EDITORIAL

Dear Readers and Friends of GBG,

On the European level there are lots of very important questions to be answered in the second half of 2008 and the beginning of 2009. These questions concern e.g. the review of the European Energy-Tax-Directive and the Review of the EU-Budget as a whole. The corresponding decisions on their part will play a crucial role for the following discussions on the global scene. The majority always needed strong precursors before it switched to new ways of action. In particular the emerging and developping countries will understandably not implement measures which put (short- or middle-term) strains on their economy or degrade subventions if Europe does not show that the cost of doing so is lower than the cost of inaction. So the decisions which will be taken in Europe in 2008 will have a significant impact on global decisions in 2009 – particularly those awaited in Copenhagen in 2009.

Green Budget Germany takes these opportunities in account and will do its best to remind the European decision-makers of the stakes in the game and the chances for a sustainable development to be taken. After several policy-papers, conferences and lobby-meetings in 2008, GBG now attacks its most ambitious project in 2008 – the foundation of the European MBI-Platform Green Budget Europe. **The launching conference for Green Budget Europe (GBE) will take place on September 25th 2008 in Brussels.** The conference, entitled

**“MBIs for the Environment –
Prospects for Progress in the EU”**

will focus on dismantling Environmentally Harmful Subsidies (EHS) and the EU Energy Tax Directive. It will be organised with our conference partner, the European Environmental Bureau (EEB). Other conference partners are the European Commissions DG TAXUD, the Ecosocial Forum Europe and the World Wide Fund for Nature. All informations regarding the conference can be downloaded at: http://www.foes.de/en/GBE_Launching_Conference.html .

There is a consensus at the EU-COM that EHS are distortive and should be dismantled, and there are commitments to do so in Sustainable Development Strategies and the 6th European Action Programme and their reviews. The upcoming EU Budget Review of 2008/2009 provides a window of opportunity for subsidy reform to be implemented.

“By 2008, the Commission should put forward a roadmap for the reform, sector by sector, of subsidies that have considerable negative effects on the environment and are incompatible with sustainable development, with a view to gradually eliminating them.”

The revision of the Energy Tax Directive is due to be adopted in 2008, to ensure more targeted and coherent use of energy taxation and the integration of energy efficiency and environmental aspects.

Green Budget Germany is taking advantage of all these windows of opportunity to further the cause of Environmental Fiscal Reform, particularly by widening our focus to include the European perspective. As you know, new and inspirational projects always need an initial financial boost, and so does Green Budget Europe. We thank for your contributions:

Account Holder: Förderverein Ökologische

Steuerreform, at GLS Gemeinschaftsbank,

IBAN: DE87430609678043713000,
BIC/ SWIFT: GENODEM1GLS.

As accustomed this newsletter provides you with actual informations about environmentally relevant ficsal reforms in Europe and all over the world. Beginning with a summary of an EEA-Study on the taxation of aggregate materials in Europe (p.3), over the possible creation of a European Climate Commissioner (p.12), over the study from the European Commissions DG TAXUD about taxation trends in the European Union (p.9), over the situation in Hungary (p.15) and the reaction of the German Business on Sigmar Gabriels concept of an ecological industrial policy – up to the revolutionary speech of Al Gore, concerning Americas way to a succesful and sustainable future (p.17), the newsletter is filled with more and more optimistic contributions.

In Chapter 4, we docoment many voices from the US, Canada and other anglo-saxon countries that pronounce a strong preference for ecotaxes over trading. Who but we would delight in hearing such praise for green taxes which we have been advocating since our foundation in 1994! It is true that Europe probably intruduced the EU ETS only because the road to the more favored European ecotaxes was blocked by the unanimity principle. But now we have both instruments, and we are grateful for that. Perhaps in textbooks, one perfect instrument is preferible to a combination of two or more second-best instruments. Because the ecotaxes we have in Europe are a multitude of compromise models, very few of them are pure carbon taxes.

But is'n it here like this in most fields of economic policy? Central banks combine price and quantity instruments, they control interest rates, but they also buy and sell assets. Labour market policies usually combine several, if not many instruments. Taken all in all, more instruments give us more options, and our task is not too favour one over the other, but to combine all of them as intelligently as possible.

Undoubtedly, green taxes and trading are the supreme deities in the temple of market-based instruments, and each of them has its particular charme. But they can reign in perfect divine coexistence and we should not forget that there are other gods and godesses in that temple. We should honour and employ them all. This is one of the main reasons GBG changed their German name from Förderverein Ökologische Steuerreform to Forum Ökologisch-Soziale Marktwirtschaft. The challenge to protect the global climate is simply too vast to rely mainly on one instrument.

We wish you a pleasurable reading!

Your GBG Editorial Staff

2. GREEN BUDGET REFORM ON EU-LEVEL

Environmental taxes on aggregate materials in the EU: towards sustainable construction

[European Commission press release, July 8th 2008] Environmental taxes on construction materials can be a key element in achieving better sustainability in the construction sector, says a report presented today by the European Environment Agency. The study reviews taxation schemes for extractive activities in the Czech Republic, Italy, Sweden and the United Kingdom, focusing on a EUR 15.2 billion industry producing essential materials for the construction sector.

The aggregates industry contributes significantly to Europe's economy, where 3 billion tonnes of sand, gravel and rock are released onto the market every year.

Mining activities have considerable impacts on the environment, as materials are extracted directly from the ground in surface excavations, such as quarries or pits. More importantly, extraction of aggregates can substantially alter the landscape and affect groundwater reserves. There are also associated impacts in terms of energy use from the extraction and transportation of these materials.

While the study acknowledges that there is potential to extend taxation in the area of natural resource management to other sectors, it also reflects that the four countries surveyed in the report have achieved mixed results. Italy and the Czech Republic showed weak evidence of improved landscape following the introduction of the tax, whereas Sweden has succeeded in reducing demand for natural gravel — an invaluable resource to guarantee groundwater quality.

The report, presented today at the 16th annual conference of the European Association of Environmental and Resource Economists (EAERE) in Gothenburg, Sweden, also shows that taxes could encourage innovation and support research and development, in an attempt to balance economic growth with the protection of environment and health.

The report states that adopting environmental taxation schemes is helping to improve the quality and reliability of extraction data, which can then be used to encourage changes in quarry management activities. In the United Kingdom, for example, the tax on raw construction materials gives the sector added confidence when purchasing materials, since part of the levy revenues have been used to support the development of quality standards for recycled aggregates.

Taxes work better as part of a policy package

Other concerns highlighted by the report Effectiveness of environmental taxes and charges for managing sand, gravel and rock extraction in selected EU countries include the need to avoid tax distortions across country borders. Coordination is imperative to prevent an overload of extraction in regions with lower or no tax schemes, underlines the study. Furthermore, taxes 'need to be used as part of a package of policies', the report says, to ensure more effective environmental improvements.

In recent years, the EEA has published several reports assessing policy effectiveness and has become increasingly engaged in exploring the link between society's needs and the final impact of policies.

http://www.eea.europa.eu/highlights/environmental-tax-on-aggregate-materials-in-the-eu-towards-sustainable-construction-1

More information:

EEA Report No 2/2008 — Effectiveness of environmental taxes and charges for managing sand, gravel and rock extraction in selected EU countries

Published online under

http://reports.eea.europa.eu/eea_report_2008_2/en

EEA Report No 1/2006 — Using the market for cost-effective environmental policy

Published online under

http://reports.eea.europa.eu/eea_report_2006_1/en

EU mulls windfall tax on oil companies

[eubusiness.com, June 3rd 2008] An Italian proposal to hit oil companies with a special windfall tax gained EU traction on Tuesday, with several countries willing to consider the measure as a response to record fuel prices. Facing growing calls for government action in the face of record food and oil prices, EU finance ministers are struggling to come up with proposals to provide relief.

Italy's new Economy Minister Giulio Tremonti floated the idea, at a meeting with his EU counterparts in Luxembourg, of a so-called 'Robin Hood' tax that could be applied to oil companies and used to help those hit hardest. "Given the dramatic needs of the lowest social levels, for us this kind of tax makes sense," Tremonti told reporters on the sidelines of the meeting. Acknowledging that the idea remained to be "articulated," French Finance Minister Christine Lagarde said the ministers "concluded that all avenues deserved to be considered."

"It's certainly an intelligent proposal but the impact and its application have to be measured, not only in terms of record profits but also in terms of (the impact on) investment," she said. Luxembourg Finance Minister Jean-Claude Juncker, who chairs regular meetings of eurozone finance ministers, said that "all ideas should be studied.” "But I personally am not against this idea," he added.

EU finance ministers are considering a range of measures to help consumers cope with record oil and food prices, which are due to be submitted to the bloc's leaders for discussion at a June 19-20 summit in Brussels. Lagarde claimed broad support among her counterparts for introducing more transparency into oil markets by publishing weekly oil stocks data, as is already done in the United States and Japan.

Despite growing pressure to act, the ministers ruled out short-term tax breaks for consumers as a way of providing relief. "In the short run, we don't see any particular reason why we should take any tax measures to this end," said Slovenian Finance Minister Andrej Bajuk after chairing the meeting. Instead, the ministers agreed that any measures taken should "be targetted especially to alleviate the pressure on low-income families," said Bajuk, whose country holds the EU's rotating presidency.

Facing blockades of French ports by striking fishermen, French President Nicolas Sarkozy suggested last week that VAT on fuel could be suspended when prices go too high, but EU finance ministers have largely played down that idea.

With oil trading at all-time highs in May, protests have broken out across Europe recently as inflation snapped back to a record 3.6 percent after easing to 3.3 percent in April. "Ordinary people are increasingly suffering and we have to offer a response to those who are increasingly becoming poorer," Juncker said. "The European project is also about protection of normal, ordinary, average people." Juncker said that one answer to the problems of soaring oil and food prices was "to address these issues at the G7 and G8 (Group of Seven, Group of Eight industrialised economies) level" and stressed that "we have to stay in continuous dialogue with the oil-producing countries."

http://www.eubusiness.com/news-eu/1212508923.59/

Interview: EU's Kovács backs 'Robin Hood' tax on oil firms

[www.euractiv.com, July 18th 2008] In an exclusive interview with EurActiv Hungary, EU Taxation Commissioner László Kovács backed the idea of applying 'Robin Hood' taxes to oil companies as a means of compensating the poor for soaring fuel prices. Taxing the rich to fuel the poor for soaring fuel prices.

While the commissioner noted that "the Robin Hood tax is not appropriate for curbing oil prices," he said taxing excess profits could nevertheless provide a useful extra source of income for governments.

"It can be appropriate for compensation: extra taxes on extra profits mean extra income that can be used on compensating those most affected by high fuel prices," said Kovács.

However, he stressed that this is only a recommendation – nothing mandatory. He added that if member states do decide to use such a measure, the Commission will not seek to impose any restrictions the utilisation of additional revenues. These "can be used for any kind of compensation – from social assistance to food subsidies. The Commission does not give any recommendations on this," he said, adding that using the cash to subsidise R&D on renewable energy sources and other long-term projects could be an option.

In some member states, he points out, such schemes are already in operation. For example, the Portuguese government reimburses income taxes to those most exposed to soaring oil prices, he said.

Just raising fuel costs?

Regarding concerns that such measures could increase upward pressure on fuel prices as oil companies pass on the tax to consumers, the commissioner advised national governments to consult with oil companies beforehand. "In effect there is a chance of that, and the Commission cannot avoid it. Obviously we cannot know how oil companies will react to this new tax. This is why we say that member states themselves have to consider this possibility."

He conceded that if the tax is simply passed on to consumers, "member states will only be fabricating a kind of re-grouping of revenues," saying: "If oil companies pass on the tax to every consumer but the government just compensates the poorest, this would restructure revenues, diminishing the difference between lower and higher incomes."

However, the commissioner also pointed out that the applicability of the Robin Hood tax is limited, because most oil companies' profits go unrealised in the EU. Indeed, the majority of oil producing sites are not situated in Europe, which also means that investment decisions may not be affected by the measures.

Cutting taxes – a no-go area

Also commenting on a proposal by the Hungarian Ministry of Finance to cut excise duties on fuel as the current level is higher than what is obligatory at EU level, the commissioner said he had had no choice but to refuse it, referring to legislative and policy obstacles.

The Commission's opinion is firm concerning tax cuts in the field of oil prices, he said: "If the consumer does not have to face the effects of rising oil prices, it won't make him change his consumption habits and increase his savings instead […] It can result in possible tax incomes ending up in oil producing countries' budget. And that is obviously not our goal."

Freeing up currently frozen excise tax levels would need the whole Community's agreement, but according to the commissioner such proposals "would be vetoed by several countries". Instead, he believes a new recommendation regarding bioethanol content in fuel could help lead the way out by raising supply and reducing prices.

http://www.euractiv.com/en/socialeurope/interview-eu-kovacs-backs-robin-hood-tax-oil-firms/article-174341

EU signs up to G8 energy efficiency partnership

[ENDS Europe DAILY, June 9th 2008] Energy ministers from the group of eight most developed nations (G8) have signed up to a new international partnership to promote energy efficiency alongside China, India, South Korea and the European Union. The ministers also backed the launch of 20 large-scale CCS demonstration projects by 2010.

The international partnership for energy efficiency cooperation (Ipeec) was signed on June 8th at a meeting of G8 energy ministers in Aomori, Japan. The voluntary initiative aims to promote energy-saving policies internationally in areas such as efficiency standards, financing and public procurement.

The partners will also develop public-private partnerships in order to "improve energy efficiency in and across key energy consuming sectors", according to a joint declaration issued after the meeting.

But the G8 says the partnership will not develop or adopt efficiency standards and goals. High-level representatives from the participating countries will meet every year, and the partnership will report annually on its activities and plans.

At the same meeting G8 energy ministers underlined the critical role of carbon capture and storage (CCS) in tackling climate change and energy security. They supported a recommendation to launch 20 large-scale CCS demonstration projects by 2010, and pledged to work with international financial institutions to get them up and running in time for broad deployment in 2020.

Meanwhile, Japan's prime minister Yasuo Fukuda pledged on June 9th to reduce his country's greenhouse gas emissions by 60-80 per cent by 2050, in line with EU climate objectives. The announcement was made ahead of a meeting of G8 leaders in Japan in July.

EEA reports on progress in greenhouse gas emissions reductions in 2006

[European Commission press release, June 18th 2008] Greenhouse gas (GHG) emissions in the European Union decreased slightly between 2005 and 2006 according to the official inventory report prepared by the European Environment Agency (EEA). Overall emissions within the EU-27 fell by 14 million tonnes (0.3 %) and now stand 7.7 % below 1990 levels. Total emissions in the European Union were slightly more than 5.1 billion tonnes in 2006.

The main contributor to the decrease was lower consumption of gas and oil in households and services, which accounted for emission cuts of 16.6 million tonnes, particularly in Belgium, France, Italy, Spain and the United Kingdom. This was a result of reduced heating needs in Europe due to a warmer year in 2006, together with higher gas prices. Electricity demand remained largely stable in households.

Emissions from road transport continued to grow, releasing 6.5 million tonnes of CO_2 or 0.7 % more than in 2005. The rise was mostly driven by increased use of diesel for freight and passenger transport. Emissions of greenhouse gases from international aviation and shipping activities continued to rise sharply in 2006. Contributions from these sectors, currently not included under the Kyoto Protocol, rose by nearly 5 million tonnes (aviation) and 10 million tonnes (international shipping).

The published Annual European Community Greenhouse gas inventory 1990–2006 and inventory report 2008 (http://reports.eea.europa.eu/technical_report_2008_6/en) also includes the following key findings:

- The net reduction in GHG emissions observed for EU-27 was mainly due to reduced emission of nitrous oxide (12 million tonnes CO_2-equivalents) from chemical plants;
- Overall emissions of carbon dioxide (CO_2), the most important greenhouse gas, remained stable in the period 2005–2006;
- Heavier use of coal for power and heat production resulted in an increase of 15.4 million tonnes CO_2 from this sector in 2006. Poland alone accounted for an increment of 7.6 million tonnes of emissions from this sector;
- Denmark and Finland experienced the biggest relative increase in GHG emissions (with 10.9 and 16.3 % respectively), due to heavier use of solid fossil fuels for power generation;

- EU-15 Member States cut emissions by 0.8 % (or 35 million tones) in 2006 and account for 81 % of the EU total. In 2006, EU-15 emissions were 2.7 % below their levels in the base year (1990 in most cases).

http://www.eea.europa.eu/highlights/eea-reports-on-progress-in-greenhouse-gas-emissions-reductions-in-2006

Railways: ban on green tolls 'absurd' and 'interventionist'

[www.euractiv.com, July 7th 2008] EU rules must be revised to enable governments to make truck drivers pay for the full costs they impose on society and the environment, insisted Johannes Ludewig, the executive director of the railway association CER, in an interview with EurActiv. But he fears strong opposition from member states and extreme time pressure will lead to an unambitious outcome.

What are your initial reactions to the latest draft of Commission plans to revise the Eurovignette Directive? We see that CO_2 and accident costs have been left out…
First, I think the most important part is that we welcome very much the fact that the whole principle of internalisation of external costs is really now well understood and accepted as the key point of this proposal. This is really the most important – and a very positive – part of this proposal.

Of course, we are seeing that not all the elements are integrated. As you mentioned, CO_2 and also accident costs – as far as not covered by insurance – are not there, and of course we regret this.

We are seeing the argument from the Commission that, from a scientific point of view, CO_2 should be better internalised by taxes on gasoline or diesel. And, in our view, theoretically we can follow that. But in reality, seeing the price levels of gasoline and diesel today, it is unrealistic that, in the forseeable future, any taxes on these two will be increased.

And therefore we advise leaving these costs in the whole Eurovignette Directive as an option. I mean, it does not oblige member states to do anything, but it at least opens the door for them to do something if they want to.

We really don't understand why the Commission is making this differentiation – saying some elements of externalities can be internalised, some can't. On these two you just mentioned, it means it remains forbidden for national governments to do it in the context of toll systems for trucks in their countries. We simply don't really understand why this has been done. I repeat, it would have been and would be still only an option, not an obligation.

So, we think that, if this is an optional approach, why not leave it to member states to decide whether they share the Commission's reasoning or whether they want to use tolls to fight CO_2?

But do you agree that this directive should establish an enabling framework rather than a mandatory one?
Yes, we agree with that. Of course, we would prefer to have an obligation, but I think that is simply unrealistic. If you see the current state of the Eurovignette Directive and remember that we really had to convince the majority of member states to support that, it would be totally unrealistic to jump from a situation today where external costs are 100% forbidden to a situation where it's all of a sudden 100% obligatory.

So we think it is important now to take the next reasonable step by saying that the internalisation of external costs is allowed, is an option for member states and is not forbidden any more by European legislation. I think this is a realistic next step so we are supporting it. Although, of course, it could be a better world with an obligation, we are not asking for this at this moment.

The trucking inudstry is pointing the finger at railways, saying that all the measures are targeting road and that rail should also play its part.

But that is ridiculous! They always say that, simply relying on the fact that other people are not reading the text. What they don't say is that road is the only mode for which we have a legal situation explicitly forbidding the internalisation of external costs. For all the other modes, if national governments want to do that, they can do that – for rail, for inland waterways and so on.

So it is a totally different situation for road, on the one hand, and rail on the other. If this text is now adopted, we would have, for the first time, an equal situation between the different modes, allowing internalisation of external costs for both road and rail.

This is also what the Commission is saying. So the road lobby's argument of saying 'OK, this is creating an unequal situation' is simply not covered by the facts.

If there was agreement on a mandatory approach for road transport, would you agree to one for rail too?
Well again I think it is unrealistic in the Council. It will not work. We need both institutions.

By the way, the current version of Eurovignette, exclusively forbidding the internalisation of external costs, is unique in the whole European legislation in my view.

There is no other piece of legislation in any other sector forbidding the prices in the sector from reflecting costs. This is a unique intervention into a market system. Legislation here is telling national governments that the prices they may charge, for example for the use of infrastructure such as motorways, are not allowed to reflect costs. In a market economy this is absurd, and I think unique.

So what we are now doing – or what the Commission is proposing – is nothing more than returning, after a long time, to a normal situation. And that is long overdue, I think.

However, in the last revision of the Eurovignette in the autmumn of 2005, we had already asked for this. But is worthwhile recalling the dramatic debate, when a majority of Parliament's Transport Committee gave their support, for the first time, to the internalisation of external costs, and this nevertheless failed to materialise because the oppostion in the Council was just too strong.

So, even if you have a majority in the Parliament supporting a mandatory system for internalisation of external costs, it is unrealistic to foresee that we will get that in the Council. And we must not forget that we are under extreme time pressure because the Commission has only have one year left and one year to go now before the European elections.

So, more or less the only chance of getting anything adopted is in first reading. This means that we need to find a common basis between Parliament and Council very early on. And, against this background, I think we should not be too ambitious – although, in principle, of course we would support that. But I think it is more important now to get agreement on the principle of internalisation of external costs than on far-reaching details.

If member states actually establish tolls to internalise the external costs related to truck transportation, do you foresee a raise in the share of transport via rail and could the rail industry actually cope with this?
Yes. Well of course, as in every business, you need investments if the situation is changing. There is no business in the economy that can be successful without investments.

But we have seen over the last years, in quite a number of countries, a strong increase in rail freight already. At least, over the past three years, it has gone up more than 10%. So this shows that, even with short notice, the existing railway systems and infrastructure are able to absorb substantial rates of increase.

In Eastern Europe especially, it's no problem at all because the networks are anyway bigger than the traffic you have for the moment. And in Western Europe, I think that with improved traffic management, increasing the length of the trains and establishing more dedicated priority lines for freight, you can use the existing network in a much more efficient way. So I'm quite confident that, at least in the short-term perspective, the existing network can absorb more traffic and in the medium term, of course, investment plans for the infrastructure will need to be adjusted in favour of rail.

And lastly, I just want to say that people are already reacting to prices substantially – you just need to look at what is happening in cities like London or Copenhagen, or in Switzerland, where two thirds of the freight transit traffic is on rail because the toll system is, I think, also reflecting the internalised external costs. We are confident that what we have seen in Switzerland or in other countries is also going to work in the European Union.

http://www.euractiv.com/en/transport/railways-ban-green-tolls-absurd-interventionist/article-173983

Greening Transport: new Commission package to drive the market towards sustainability

[European Commission press release, July 8th 2008] The European Commission put forward a

package of new "Greening Transport" initiatives to steer transport towards sustainability. First, a strategy to ensure that the prices of transport better reflect their real cost to society, so that environmental damage and congestion can gradually be reduced in a way that boosts the efficiency of transport and ultimately the economy as a whole. Second, a proposal to enable Member States to help make this happen through more efficient and greener road tolls for lorries, with the revenue to be used to reduce environmental impacts from transport and cut congestion. Third, a communication to reduce noise from rail freight. The package also includes an inventory of existing EU measures on greening transport and a communication on the additional greening transport initiatives that this Commission will take before the end of 2009.

Antonio Tajani, Vice-President of the European Commission responsible for transport, said "This package is about tackling pollution and climate change, and making sure the polluter and not the taxpayer pays for environmental damage. Among the results will be greener transport, fewer emissions, up to 8% less fuel consumption by lorries and fewer hold-ups for all road users. Delays, unnecessary emissions and soaring costs are bad for transport companies, for their clients and for all of us. A more efficient and sustainable transport system will in the long run be a more user-friendly and cheaper transport system. "

The Strategy on the internalisation of external costs sets out how this can happen in all modes of transport. Building on existing EU measures and proposals, such as those on fuel taxation and including aviation in the EU's Emissions Trading System, it considers all external costs including climate change, local pollution, noise and congestion. It is accompanied by a common framework for estimating external costs in the EU.

The Proposal to revise the Directive on the charging of heavy goods vehicle for infrastructure use ("Eurovignette" Directive) is a key part of this Strategy. It seeks to establish a framework which enables Member States to calculate and vary tolls according to the air and noise pollution from traffic emissions and peak-hour congestion levels. This will encourage freight transport operators to buy cleaner vehicles and improve their logistics and route planning. The tolls must be collected using electronic systems with any revenue being used in projects to alleviate the negative impacts of transport, such as research and development on cleaner and more energy efficient vehicles. A common method must be used in toll calculation so that tolls are transparent, proportionate and compatible with the internal market.

The revision of the Eurovignette Directive will now go forward to the European Parliament and the Council for debate and adoption under the co-decision procedure. Both the Parliament and the Council had previously asked the Commission to bring forward this measure, so the Commission is hopeful of rapid adoption so that it takes effect before 2011.

The Communication to reduce rail noise from the existing fleet sets out the steps to reduce the noise from rail freight trains by 50%. This will mean that, by 2014, 16 million people in the EU will benefit from markedly less rail noise. Currently, old wagons are the main culprits, so at the end of this year the Commission will propose changing the EU rules on track access charges to promote the use of wagons with low-noise brake systems.

The full package will be made available at: http://ec.europa.eu/transport/greening/index_en.htm

Report „Taxation trends in the EU" published by the European Commission

[European Environmental Bureau, July 8th 2008]
The EU-Commission (DG TAXUD) presented a report highlighting the use of environmental taxes in the EU. This report contains a detailed statistical and economic analysis of the tax systems of the Member States of the European Union and Norway. Data cover the 1995-2006 period and are presented both as a percentage of GDP and as a percentage of total taxation.

The main finding is that in 2006, revenue from environmental taxes was at its lowest level since 1996, at only 2.6% of gross domestic product (GDP) in EU27. This fall is attributed to a lower rate of taxation for energy (Bulletin Quotidien Europe No. 9691; 27 June 2008).

Furthermore, country chapters give an overview of the tax system in each of the 28 countries covered, the revenue trends and the main recent policy changes. Detailed tables allow comparison between the individual countries and European averages.

The report can be found by following the link: http://ec.europa.eu/taxation_customs/taxation/gen_info/economic_analysis/tax_structures/index_en.htm

Emissions trading: Commission welcomes EP vote on including aviation in EU ETS

[European Commission press release, July 8th 2008] The European Commission welcomes the European Parliament's second reading vote today in favour of including aviation in the EU Emissions Trading System (EU ETS). The vote confirms the agreement reached between the Parliament and the Council last month. Under the new directive greenhouse gas emissions from flights to, from and within the EU will be included in the EU ETS from 2012. All airlines will be covered whatever their nationality. Like the industrial companies already covered by the EU ETS, airlines will be able to sell surplus allowances if they reduce their emissions and will need to buy additional allowances if their emissions grow.

Environment Commissioner Stavros Dimas said: "Greenhouse gas emissions from international air transport are increasing faster than from any other sector in the EU, and this growth threatens to undermine our overall progress in cutting emissions. This agreement will enable the aviation sector to make a fair contribution to Europe's climate change targets as many other sectors are already doing. It is a significant step forward which underlines to our partners once again the EU's commitment to implementing the concrete measures needed to reduce emissions. It also augurs well for agreement later this year on the Commission's January 2008 climate and energy package."

The directive is part of a comprehensive approach to addressing aviation emissions, which also includes more research into greener technologies and improvements in air traffic management through the creation of a 'Single European Sky'. A proposal to reduce nitrogen oxide emissions from aircraft is included in the Commission's work programme for this year.

The agreement reached between Parliament and Council endorses the key elements of the Commission's original proposal from December 2006. As well as some technical improvements, there are some key changes from the Commission's original proposal:

- Aviation will be included in the EU ETS from 2012; a proposed one-year introductory phase for intra-EU flights starting in 2011 has been dropped
- Emissions from aviation will be capped at 97% of their average 2004-2006 level in 2012. This will decrease to 95% from 2013, although this percentage may be reviewed as part of the general review of the Emissions Trading Directive
- Airlines will receive 85% of their emission allowances for free in 2012. This percentage may be reduced from 2013 as part of the general review of the Emissions Trading Directive.
- An exemption has been introduced for commercial air operators with very low traffic levels on routes to, from or within the EU or with low annual emissions (less than 10 000 tonnes CO_2 a year). This means many operators from developing countries with only limited air traffic links with the EU will be exempt. This will not have a significant effect on the emissions covered by the EU ETS.
- A special reserve of free allowances has been added for new entrants or very fast-growing airlines. The reserve does not increase the overall cap on allowances and therefore does not affect the environmental impact of the system. Airlines that are growing will be able to benefit from the reserve up to a limit of one million allowances.
- A new mechanism has been introduced to ensure consistent and robust enforcement throughout the EU. As a last resort, Member States could ask for an operator to be banned from operating in the EU if it persistently fails to comply with the system and other enforcement measures have proven ineffective.

The Council is expected to give formal approval to the directive at one of its next meetings. Once formally adopted, the directive will be published in the Official Journal and will enter into force the same day. Member States will then have 12 months to transpose it into national legislation.

Background

Emissions from domestic flights are covered by the Kyoto Protocol's targets for limiting or reducing national emissions, but international aviation is not. Moreover, historically jet fuel for international flights has been tax-exempt.

Emissions from aviation currently account for about 3% of total EU greenhouse gas emissions, but they are increasing fast – by 87% since 1990. Someone flying from London to New York and back, for example, generates roughly the same amount of emissions as the average person in the EU does by heating their home for a whole year.

On current trends, aviation emissions are likely to more than double from present levels by 2020. This rapid growth contrasts with the success of many other sectors of the economy in reducing emissions.

The March 2007 European Council committed the EU to cutting its emissions by at least 20% of 1990 levels by 2020, and by up to 30% provided other developed countries commit to comparable reductions. The Commission's January 2008 package of climate and energy proposals, now under discussion in the European Parliament and Council, puts in place key measures to deliver on these commitments, to improve the EU's energy security and to strengthen competitiveness.

For further information, take a look at the DG ENV climate change website:

http://europa.eu.int/comm/environment/climat/home_en.htm

MEPs debate about putting aircraft emissions in trading scheme

[European Parlament press release, July 2008] Plans to include CO_2 from aircraft in Europe's Emissions Trading Scheme were backed by MEPs on July 12th . Members endorsed a deal that has already been agreed by transport ministers across the Union. It will mean that all planes landing or taking off in the EU will be in the ETS by 2012. It should add up to €9 to an average flight by 2020. Airlines can sell CO_2 allowances if they reduce emissions and buy them if their emission output goes up.

Over 85% of emissions certificates will be allocated for free, whilst 15% will be auctioned. MEPs are supportive of plans to use the money from the auctioning of emissions for research into cleaner aircraft, anti-deforestation measures in the developing world and cleaner transport.

Emissions from flights up 87% since 1990

The wider aim is to reduce the emissions that planes produce. Although planes contribute just 5% of all greenhouse gases their output has risen 87% since 1990. Fumes released high in the air are harmful to the atmosphere as the thinness of air makes dispersal difficult.

Humanitarian flights and emergency medical services are just two of the areas that will be excluded along with police and military flights. Journeys taken by plane by European Government Ministers, Prime Ministers and Presidents will be included.

Tuesday morning sees MEPs debate the issues involved at this, the 2nd reading of the proposed legislation - which aims to amend an earlier directive. They will also vote on a relevant report by German centre-right MEP Peter Liese (EPP-ED).

http://www.europarl.europa.eu/news/public/story_page/064-33541-189-07-28-911-20080707STO33537-2008-07-07-2008/default_en.htm

Emissions Trading: Commission to connect EU with UN carbon credit registry before December

[European Commission press release, August 6th 2008] The European Commission, Member States and the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat have successfully completed all the testing required for connecting to the UN's international carbon credit registry. The EU's Community Independent Transaction Log (CITL) and Member State registries will be connected to the UN's International Transaction Log (ITL) before December 2008 at the latest. The link will mean carbon credits issued under the Clean Development Mechanism can be transferred to the registries of EU Member States.

Environment Commissioner Stavros Dimas said: "I welcome the successful outcome of the testing phase. This now paves the way for the transfer of credits from the Clean Development Mechanism into the EU registry system. Linking up with the UN's carbon credit registry will further strengthen Europe's leading role in the global carbon market."

Two systems working together

The EU's Community Independent Transaction Log (CITL) and the UN's International Transaction Log (ITL) are electronic accounting systems which keep track of emission allowances or carbon credits of companies participating in the carbon market. The CITL, which has been operational since 2005, is the central registry for tracking ownership of allowances in the EU Emissions Trading System (EU ETS). The International Transaction Log (ITL) keeps track of various types of UN credits from countries that have signed up to the Kyoto Protocol.

The linking of the two systems will enable companies to transfer certified emission reductions (CERs) issued under the Clean Development Mechanism into their accounts in Member State registries. The Clean Development Mechanism (CDM) allows countries with an emission reduction commitment under the Kyoto Protocol to implement an emission reduction project in developing countries. These projects earn saleable certified emission reduction (CER) credits, each equivalent to one tonne of CO_2, which can be counted towards meeting Kyoto targets. As CERs can be used to offset emissions under the EU ETS, the link is crucial to ensure that operators have access to an adequate supply of carbon credits.

The two systems will control and track transactions jointly. Currently, each Member State registry is connected to the CITL. After the ITL and CITL are connected, each Member State registry will be connected to the ITL only and each transaction involving an EU Member State will be passed on to the CITL for recording and additional checks.

Testing successfully completed

The European Commission, Member States and the UNFCCC Secretariat have carried out two rehearsals to test technical procedures. The first test-run, which took place from 15 to 30 May, involved five Member States. The second rehearsal, from 18 July to 4 August involved all Member States, as well as non-EU registries in Russia, Japan and New Zealand. These tests have now been successfully completed.

Next steps

The Commission is currently working with the UNFCCC Secretariat to fix the precise date for the official connection, which will be announced shortly. During the connection procedure, the Commission and Member States will suspend all registry operations for a maximum period of seven calendar days.

Further information:

http://ec.europa.eu/environment/climat/emission/
http://ec.europa.eu/environment/climat/emission/citl_en.htm

Europe and UN to link carbon trading schemes

[Sam Bond, edie.net, August 12th 2008] The two bodies have been looking at how links could be made between the two systems - the EU's Emissions Trading Scheme (ETS) and UN-administered Clean Development Mechanism (CDM) which issues credits under the aegis of the Kyoto Protocol.

Testing is now complete and the registries logging valid carbon credits in both schemes are to be linked before the end of the year.

In effect, this means credits earned in one system will be valid for trading in the other.

European Environment Commissioner Stavros Dimas said: "I welcome the successful outcome of the testing phase.

"This now paves the way for the transfer of credits from the Clean Development Mechanism into the EU registry system. Linking up with the UN's carbon credit registry will further strengthen Europe's leading role in the global carbon market."

The linking of the two systems will enable companies to transfer certified emission reductions (CERs) issued under the Clean Development Mechanism into their accounts in European Member State registries.

The CDM allows countries with an emission reduction commitment under the Kyoto Protocol to earn credits by funding carbon-reduction projects in developing countries.

These projects earn saleable CER credits, each equivalent to one tonne of CO_2, which can be counted towards meeting Kyoto targets.

As CERs can be used to offset emissions under the EU ETS, the link will help ensure that operators have access to an adequate supply of carbon credits.

http://www.edie.net/news/news_story.asp?id=15113&channel=0&title=Europe+and+UN+to+link+carbon+trading+schemes

More:
http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1246&format=HTML&aged=0&language=EN&guiLanguage=en

EU "could get climate commissioner"

[ENDS Europe DAILY 2599, August 13th 2008] The European commission is likely to create a new post of climate change commissioner when its mandate is renewed next year.

The move would unite climate-related policy roles currently held by several different commissioners. It would also bolster the profile of EU climate policy as the bloc enters serious negotiations on a post-2012 world climate policy.

"So much of climate change policy is not really environment policy these days," a senior commission official told ENDS. "It's about things like dealing with competition concerns and allocating carbon allowances."

A new "college" of 27 commissioners will be nominated by EU governments when the current commission's period of office ends next summer. The commissioner chosen as president of the body will have the sole right to decide whether or not to create a climate portfolio.

But the official told ENDS that there was now significant political momentum behind the idea of a climate commissioner. Current president José Manuel Barroso has made climate a major EU policy priority and is seeking nomination for a second term in the role.

Greek environment commissioner Stavros Dimas is also seeking a second nomination and would be keen to head the new department, ENDS understands. He would be unlikely to retain the environment portfolio because commissioners are generally discouraged from doing the same job for a second term.

A new climate change directorate-general (DG) would be created to back up the new commissioner, taking on tasks in trade, enterprise, competition and energy policy that are currently dealt with across various commission departments. An earlier suggestion to house these joint climate responsibilities in the commission's secretariat-general - the president's DG - has fallen out of favour, ENDS understands.

The new commissioner would be thrust into high-profile action almost immediately, at the crucial Copenhagen world climate summit in December 2009. Last year Denmark named former environment minister Connie Hedegaard as its first climate change minister.

Not everyone is happy with the thought of a dedicated climate change department. "Setting up a whole DG on climate change would throw a shadow on other environmental issues," Tamás Marghescu, European head of the International union for nature conservation (IUCN), said. "There is a very clear danger in doing so."

Meanwhile the head of the environment DG, Mogens Peter Carl, has formally begun a secondment as special advisor to the French EU presidency. The Dane's deputy, Jos Delbeke, is fulfilling his duties temporarily and a permanent replacement is likely to be chosen at the end of the year.

Follow-up: European commission (http://ec.europa.eu/index_en.htm), tel: +32 2 299 1111.

3. GREEN BUDGET REFORM IN SINGLE EUROPEAN COUNTRIES

Switzerland: Climate Change: Proposal for a global financing of adapted measurements

[Swiss UVEK press release, translated by Margit Spoettle, June 2nd 2008] The global climate change is coming – this awareness necessitates various measurements for adaptation in infrastructure. Aridity, floods and the expansion of diseases are only a few examples of problems which will intensify through the climatic change. Corresponding to the World Bank, between 10 and 40 billions will be necessary for adapted measurements in countries with small and medium income.

Within the Bali-action plan of the UNO-climate convention various possibilities to finance these measurements are discussed. Especially developing countries – which made a very low contribution to climate change – will be hit in an increasing degree and claim for international help.

Moritz Leuenberger, chief of the UVEK, the Swiss ministry for environment, transport, energy and communication, called for the polluter-pay principle during the international considerations in Nairobi 2006 and made a first financing proposal one year later in Bali.

The polluter-pay principle is known since several years, but only slowly industrial countries are becoming proactive by initiating a climate stock with concrete covenants. However, this doesn't cover demand.

The federal council of Switzerland talked things out on June 2nd and affirmed the principle of a collective, but differentiated responsibility of countries for the climate change. The contribution of each country for the financing of the adapted measurements should be oriented to the CO_2-emissions and could be 2 dollar per tonne CO_2. Those countries, which stand for a strong climate policy, should be charged to a lesser extent. For each country, 1.5 tons CO_2-equivalents per head should be free, what stands for the climate agreeable level for worldwide emissions. Developing countries with low emissions would be free of the charge. India's emissions per head would exceed the limit likely in 2010, whereas China outnumbers it clearly even today. Switzerland is about 7 tons CO_2-equivalents per head.

Based on this method, Switzerland would have to pay 60 Mio. Franken per year. Therefrom 36 Mio. Franken would go to the global stock and 24 Mio. Franken would be reserved for national adaptation. This wouldn't mean additional costs for consumers and industry, because the fee could financed through established instruments like the "Klimarappen" and the carbon tax.

Switzerland will bring this concept in the climate talks in Accra (21 till 27 August 2008). A decision for the financing model is expected at the world climate conference in Copenhagen in December 2008.

http://www.admin.ch/aktuell/00089/index.html?lang=de&msg-id=19944

Further information on the national climate report of the Swiss government:

http://www.uvek.admin.ch/dokumentation/00655/00895/01380/index.html?lang=de

Switzerland launches carbon trading scheme

[ENDS Europe DAILY 2562, June 12th 2008] The Swiss government has distributed carbon allowances to companies that have opted out of a national CO_2 levy on heating fuels in favour of an emission trading scheme. The government allocated 2.2m allowances to around 900 firms - their quota for 2008 - on June 11th.

These firms have chosen to adopt emissions caps for 2012, which they can meet through trading, rather than paying the tax of SFr12 (E7.2) per tonne of CO_2 emitted from heating fuels.

Firms can buy allowances from each other and purchase Kyoto protocol flexible mechanism credits limited to eight per cent of each installation's allocation. They may also be allowed to access the European carbon trading scheme in future.

Under the reductions agreed so far, the Swiss environment ministry expects a two per cent cut in emissions by 2010 relative to 2000. Companies will have to submit allowances for compliance for the first time in June next year. Small and medium-sized companies that have adopted objectives other than caps - such as emission benchmarks or reduction plans - do not receive free allowances. But they can buy them to meet their

targets.

Follow-up: Swiss environment ministry http://www.uvek.admin.ch/ tel: +41 31 322 68 59, plus press release (In French: http://www.uvek.admin.ch/dokumentation/00474/00492/index.html?lang=fr&msg-id=19266

and German: http://www.uvek.admin.ch/dokumentation/00474/00492/index.html?lang=de&msg-id=19266).

Netherlands lightens packaging tax burden

[ENDS Europe DAILY 2595, July 30th 2008] The Dutch government will further simplify a national packaging tax, it announced earlier this month. The finance ministry plans greater flexibility, a narrower scope and fewer tariff categories.

Sectors and companies will be able to agree tailored arrangements with the tax authorities, the finance ministry said. The definition of "packaging" will be narrowed, importers will face a simplified charge, and taxes will be shifted away from specialist packagers and towards the producers that outsource their work to them. The number of tariffs will be halved to eight. Business association VNO-NCW said the changes would make the tax "viable" but reiterated its belief that the plan serves no environmental purpose.

Meanwhile, the finance ministry has won a court case in which airlines and an airport challenged its right to introduce a new air passenger tax. Similar taxes already exist in other countries including the UK and France.

Follow-up: See finance ministry press release on packaging tax

http://www.minfin.nl/nl/actueel/nieuwsberichten,2008/07/Vereenvoudigingen-verpakkingenbelasting.html

plus VNO-NCW reaction
http://www.vno-ncw.nl/web/show/id=159028/dbcode=1755/filetype=news

and finance ministry on air passenger tax
http://www.minfin.nl/nl/actueel/nieuwsberichten,2008/07/Financi-n-wint-rechtszaak-vliegbelasting.html

plus SNM reaction
http://www.snm.nl/page.php?pageID=88&itemID=4267

Dutch packaging tax to be simplified by 2009

[euwid-packaging.com, August 18th 2008] The Dutch Ministerie van Financien plans to simplify the packaging tax, which has come into force on 1 January 2008. In the course of this simplification, packaging is to be defined differently in the future. Logistic tools such as pallets or large crates will no longer be considered as packaging. Furthermore single packaging components such as labels or staples will not have to be listed separately. However, the amendment of the definition of packaging for the packaging tax will not have any consequences for the Dutch Packaging Decree. Also the difference between primary, secondary and tertiary packaging will disappear.
http://www.euwidpackaging.com/news_single.html?&tx_ttnews%5Btt_news%5D=33&tx_ttnews%5BbackPid%5D=13&cHash=692c26a0b8

More:
http://www.minfin.nl/en/actual/newsrealeases,2008/07/Simplification-of-packaging-tax.html

News from Hungary: Standstill concerning ETR

[András Lukács, Levego Munkacsoport Clean Air Action Group, August 19th 2008] The Hungarian Ministry for Environment and Water created last year a working group to elaborate proposals for an environmental tax reform. The group consisted of experts of the Ministry, KPMG Hungaria Ltd., and the Clean Air Action Group. It worked out a set of concrete proposals. However, it seems that this work will have no effect on next year's tax system. The government will probably try to avoid any „risks" in 2009, because national elections are coming up in the spring of 2010. The opposition parties, which are very likely to be the winners of the national elections, have no concepts about the tax system (or if they have, they did not publicise it): they are only making demagogic demands to the government to „reduce taxes".

VAT changes in the wrong direction

[András Lukács, Levego Munkacsoport Clean Air Action Group, August 19th 2008] The last few years have shown little consistency in the changes of the tax system. For example, before the national elections in 2006 the government reduced the normal VAT from 25 to 20 percent. The Clean Air Action Group as well as some leading economists questioned the sense of this measure, and the subsequent results proved that we were right: environmentally harmful products like fuel and cars became cheaper, the state budget deficit substantially increased (and became the highest in the EU), and even inflation did not decrease (among others due to the fact that companies generally „swallowed" the difference and did not reduce prices). After the elections the government abolished the preferential VAT rate of 15 percent (which related mostly to food and services, including public transport). So, these measures had overall a detrimental effect on the environment. Now there are proposals from certain business organizations and trade unions to move in a direction which would at least partly replace the present VAT system with the previous system… CAAG urges the complete restoration of the previous system.

Successful study and conference on ETR

[András Lukács, Levego Munkacsoport Clean Air Action Group, August 19th 2008] In May this year

the Clean Air Action Group published a new study on the possibilities for a green budget reform in Hungary. The study contains an analysis of the present situation and an update of CAAG's concrete proposals. On May 9th the study was discussed during a conference organized by CAAG in the Hungarian Parliament. The keynote speaker of the conference was László Kovács, the EU Commissioner for taxation and customs. The State Secretary of the Ministry of Environment and Water presented the proposals of the ministry for greening the tax system. Unfortunately, the state secretary of the Finance Ministry cancelled her presentation in the last minute, and nobody from the ministry showed up to comment on the proposals…

More support for road freight

[András Lukács, Levego Munkacsoport Clean Air Action Group, August 19th 2008] As in other countries, in Hungary, too, the road freight organisations have demanded the reduction of the excise duty on diesel oil after the abrupt increase of fuel prices in the spring of this year. In order to evade strikes by the road hauliers, the government asked permission of the European Commission to reduce the tax, however, it did not receive the permission. Finally, the government and the hauliers agreed on other measures, including among others the reduction of the annual vehicle fee and more state aid for the training of truck drivers. These measures will cost the taxpayers about EUR 40 million per year. The Clean Air Action Group wrote letters to the government and issued press releases, proving that these measures will hurt both the environment and the economy, and demanded that road freight transport pay its full costs.

Meanwhile no progress has been made concerning the introduction of the distance-based fee for trucks. Although the government already had decided that the fee will be introduced in 2009, and all the technical preparation had been made for the necessary tenders, no tender is announced yet. It seems that the present minority government would like to leave this task for the next government in 2010.

RWE rejects German minister Seehofer's budget power plans

[Christoph Steitz, Thomson Financial News, August 25th 2008] RWE AG. has rejected the plans of German agricultural minister Horst Seehofer to introduce power discount rates, daily Bild reported.

"State price standards do not move us ahead," RWE management board member Ulrich Jobs was quoted as saying.

Previously, Seehofer had told the paper that the Federal Government is examining the introduction of a standardised power discount rate.

Jobs criticised the government, mainly due to high tax burdens regarding power, but did not completely rule out talks on how rates could be composed in the future, Bild added.

"Mr Seehofer should not forget that the government itself is one of the biggest price inflaters. This would be something to talk about, too," Jobs said.

http://www.forbes.com/afxnewslimited/feeds/afx/2008/08/25/afx5353079.html

German Business Attacks Ministry's Plan for Green Tax System

[Spiegel online, August 25th 2008] German Environment Minister Sigmar Gabriel has drawn fire from business lobbyists for his proposed tax system overhaul aimed at boosting demand for green products.

Gabriel, a member of the center-left Social Democrats, has distributed a 36-page discussion paper suggesting that the sales tax for environmentally-friendly products be slashed to 7 percent from the current 19 percent. The aim is "to give people an incentive to buy environmentally friendly consumer products," the paper says.

Gabriel also wants to change corporate taxation to encourage firms to make investments that protect the environment. Such investments should be tax-deductible by up to 100 percent, the paper says. He also wants to cut tax benefits for air travel and for company cars.

Current tax arrangements for company cars favor luxury cars and sports-utility vehicles, the paper states, adding that it's doubtful "whether off-road capability serves their use as company cars."

The environment ministry sent the list of proposals to industry associations, trade unions, scientists and environmental organizations.

One of Germany's top business lobbies, the German Association of Chambers of Commerce (DIHK), was quick to respond with criticism. "The state is taking too much on if it thinks it has to intervene in every last detail," DIHK chairman Martin Wansleben told Süddeutsche Zeitung newspaper.

Differentiating tax rates for political purposes would distort the economy, Wansleben said. Süddeutsche Zeitung said Gabriel's proposals have also met with skepticism from within Germany's coalition government, where Chancellor Angela Merkel's conservative Christian Democrats are the senior partner.

http://www.spiegel.de/international/germany/0,1518,574156,00.html

Germany: Revenues from "ecotaxes" descreased by 919 Mio. Euro

[Federal Statistical Office, translated by Margit Spoettle, July 8th 2008] Determined by the German Federal Statistical Office (germ. Statistisches Bundesamt – Destatis), revenues from "environmental based taxes" amount to 54,2 billion Euro in 2007, which means a decrease by 919 Mio. Euro (1.7%) compared to 2006. Within these "ecotaxes" about 39 billion Euro came from taxes on energy (former: tax on mineral oil), 2.4% less than in 2006. Motor vehicle Taxes were nearly the same wiht 8.9 billion Euro (-0.4%), whereas taxes on power consumption rose by 1.3% to 6.4 billion Euro.

One major raison for the tax decrease between 2006 and 2007 was the litte consumption of light fuel oil (-40%), mainly based on the mild weather in 2007. Taking a look at the total use of fuels (petrol and derv), the taxed quantity was nearly the same (+0,5%), whereas the quantity of taxed petrol decreased by 2.9%, during a rise of taxed derv by 3.6%.

Further information (in german) can be found on the website:

http://www.presseportal.de/pm/32102/1224575/mail

Further tables: http://www.destatis.de

4. GREEN BUDGET REFORM WORLDWIDE

Japan Plans Deep CO_2 Cuts, Carbon Cap-and-Trade System

[ClimateBiz News, June 11th 2008] Prime Minister Yasuo Fukuda has announced plans for Japan to cut its greenhouse gas emissions by as much as 80 percent and an experimental cap-and-trade system that will start this year.

In a speech earlier this week, Fukuda said Japan aims to cuts its GHG emissions by 60-80 percent by 2050 compared to current levels, according to news reports.

He also said the country can reduce CO_2 emissions by 14 percent compared to current levels by 2020, but did not set a definite mid-point commitment.

As part of the GHG-reduction goal, Japan will begin an experimental cap-and-trade emissions reduction system later this year. Although details have not been announced, some industries have expressed concern with the idea. According to Agence France-Presse, the Japan Iron and Steel Federation has said tougher emission caps could force businesses to buy carbon credits overseas.

Fukuda also called for a tenfold increase in the country's use of solar power by 2020 and announced Japan will contribute $1.2 billion to a fund being set up with the United States and Britain to assist GHG reductions in developing countries.

http://climatebiz.com/news/2008/06/11/japan-co2-cuts-carbon-cap-and-trade

Speech by Al Gore: A Generational Challenge to Repower America

[Al Gore, wecansolveit.org, June 17th 2008] Ladies and gentlemen: There are times in the history of our nation when our very way of life depends upon dispelling illusions and awakening to the challenge of a present danger. In such moments, we are called upon to move quickly and boldly to shake off complacency, throw aside old habits and rise, clear-eyed and alert, to the necessity of big changes. Those who, for whatever reason, refuse to do their part must either be persuaded to join the effort or asked to step aside. This is such a

moment. The survival of the United States of America as we know it is at risk. And even more - if more should be required - the future of human civilization is at stake.

[…]

America's transition to renewable energy sources must also include adequate provisions to assist those Americans who would unfairly face hardship. For example, we must recognize those who have toiled in dangerous conditions to bring us our present energy supply. We should guarantee good jobs in the fresh air and sunshine for any coal miner displaced by impacts on the coal industry. Every single one of them.

Of course, we could and should speed up this transition by insisting that the price of carbon-based energy include the costs of the environmental damage it causes. I have long supported a sharp reduction in payroll taxes with the difference made up in CO_2 taxes. We should tax what we burn, not what we earn. This is the single most important policy change we can make.

In order to foster international cooperation, it is also essential that the United States rejoin the global community and lead efforts to secure an international treaty at Copenhagen in December of next year that includes a cap on CO_2 emissions and a global partnership that recognizes the necessity of addressing the threats of extreme poverty and disease as part of the world's agenda for solving the climate crisis.

Of course the greatest obstacle to meeting the challenge of 100 percent renewable electricity in 10 years may be the deep dysfunction of our politics and our self-governing system as it exists today. In recent years, our politics has tended toward incremental proposals made up of small policies designed to avoid offending special interests, alternating with occasional baby steps in the right direction. Our democracy has become sclerotic at a time when these crises require boldness.

It is only a truly dysfunctional system that would buy into the perverse logic that the short-term answer to high gasoline prices is drilling for more oil ten years from now.

Am I the only one who finds it strange that our government so often adopts a so-called solution that has absolutely nothing to do with the problem it is supposed to address? When people rightly complain about higher gasoline prices, we propose to give more money to the oil companies and pretend that they're going to bring gasoline prices down. It will do nothing of the sort, and everyone knows it. If we keep going back to the same policies that have never ever worked in the past and have served only to produce the highest gasoline prices in history alongside the greatest oil company profits in history, nobody should be surprised if we get the same result over and over again. But the Congress may be poised to move in that direction anyway because some of them are being stampeded by lobbyists for special interests that know how to make the system work for them instead of the American people.

If you want to know the truth about gasoline prices, here it is: the exploding demand for oil, especially in places like China, is overwhelming the rate of new discoveries by so much that oil prices are almost certain to continue upward over time no matter what the oil companies promise. And politicians cannot bring gasoline prices down in the short term.

However, there actually is one extremely effective way to bring the costs of driving a car way down within a few short years. The way to bring gas prices down is to end our dependence on oil and use the renewable sources that can give us the equivalent of $1 per gallon gasoline.

[…]

We must now lift our nation to reach another goal that will change history. Our entire civilization depends upon us now embarking on a new journey of exploration and discovery. Our success depends on our willingness as a people to undertake this journey and to complete it within 10 years. Once again, we have an opportunity to take a giant leap for humankind.

The full speech available under: http://wecansolveit.org/pages/al_gore_a_generational_challenge_to_repower_america/
or http://www.sfv.de/artikel/2008/A_Genera.htm

Tax vs. Trade, or Attitudes in the Carbon Economy

[Brian Thomas, ClimateBiz News, July 10th 2008]
On his mock-"conservative news" show, Stephen Colbert once earnestly implored an environmentalist guest who warned about the impact of unrestrained carbon emissions, "Please, tell me, what

can I do to cut carbon emissions ... without inconveniencing myself in any way?"

Many businesses feel that way. Their first choice would be for no system, but by now most businesses realize that some sort of regulation is inevitable. Their biggest wish is for a clear signal from regulators about what's required of their companies. Given this reality, their clear second choice among methods to cut greenhouse gases is "cap-and-trade," also known as emissions trading.

Precedent has a lot to do with this. Emissions trading began in the 1990s for sulfur dioxide and nitrous oxide, and the system worked better than even its advocates hoped. Even though the carbon dioxide trading will be much larger and more complicated than the last decade's markets, the historical experience with emissions trading has played a large part in winning its wide acceptance. Many U.S. utilities like it, or can at least live with it. The flexibility of cap-and-trade is a huge plus for businesses -- participants choose their specific method for cutting or offsetting their emissions.

Under a cap-and-trade program, the Kyoto Protocol sets an overall emissions cap for each country. Participating governments then issue or auction allowances that grant businesses the right to emit a set amount, and these allowances can be traded. Green companies and projects with low emissions can sell their surplus allowances to others whose emissions exceed their allotment. Relying on the market, a cap-and-trade system lets a nation reach its cap at the lowest cost.

In political terms, the opacity of cap and trade does have a few cynical benefits. Governments can placate politically powerful polluters with permits, or pay developing countries to cut their emissions without any cash changing hands between governments.
Europe's cap-and-trade system, the ETS, is actually making progress. The system covers more than 10,000 sources and has spawned a dynamic emissions trading market with millions of transactions per month. Kyoto calls for more types of emissions to be brought into the system in the coming years.

Cap-and-trade readily links with other emissions trading systems around the world. In today's global economy, where companies operate in multiple countries, this kind of system reduces the incentives for companies to flee to more lax jurisdictions. Cap-and-trade could also allow the "banking" of emission allowances – reducing emissions early and using the saved emission allowances later.

Not every business sector is fond of cap-and-trade. Oil companies would be obliged to buy a great many allowances, as would the most coal-intensive utilities. A number of regional carbon trading initiatives are coming in the US, including the Regional Greenhouse Gas Initiative, or RGGI, in the Northeast, usually pronounced "Reggie." Its less-evolved counterpart in the western states is struggling to come up with a name that doesn't get pronounced "Wedgie."

To Tax or Not to Tax

The most prominent alternative to emissions trading is a carbon tax, in which emitters are required to pay a tax for every ton of pollution they emit. Most economists agree that carbon taxes are a better way to reduce greenhouse gases than cap-and-trade schemes. And yet a carbon tax has virtually no political support. Taxes are poison in America, where years of propaganda have undermined their legitimacy and make them almost impossible to get through congress. Many conservatives instinctively recoil from any tax, no matter how important the goal. Businesses often dislike the one-size-fits-all nature of a tax.

Undeterred by politics, tax advocates like the Carbon Tax Center and others tout the superiority of taxes.

- A tax would result in a predictable price – and business likes predictability. In the current system, volatile swings of the carbon price hampers investments in renewable energy and efficiency.
- Taxes are transparent and easily understandable.
- Taxes can be implemented much sooner than complex cap-and-trade systems, which require the arduous negotiation of many details.
- Carbon taxes hit every sector, while existing cap-and-trade systems have only targeted the largest emitters, which account for less than 40 percent of emissions. Small business, in particular, might never encounter the need for an offset – but they would still pay a tax.

- Carbon tax revenues can be returned to the public through progressive tax-shifting, while the costs of cap-and-trade systems are a hidden tax. Its biggest winners are market participants, lawyers and consultants.
- Carbon taxes are less prone to manipulation, while a cap-and-trade system's complexity empowers special interests and creates perverse incentives that can erode its effectiveness.

Under a carbon tax, the transfers to developing countries demanded by Kyoto and its successor agreement would set off loud alarm bells in the budget. Try explaining to a laid-off autoworker that we're paying billions to China to not build coal plants.

Other supposed pluses for a tax are probably illusory. The finagling flaws of cap-and-trade would also hobble a tax. Just consider the baroque complications and special dealing that encrust the U.S. tax code. System gaming would not be confined to emissions trading – it would just take different forms under a carbon tax.

Is There a Perfect Solution?

So what would a perfect system look like? The best set-up would closely link economic activity to the supremely important goal of cutting greenhouse gas emissions and halting climate change. That means winning the wholehearted participation of businesses. It should be simple and able to use markets to achieve its goals. Its design would eliminate most possibilities of finagling the rules for profit -- no system-gaming.

One's choice of a method hinges on attitude towards the market. "Free marketers" who subscribe to no-regulation orthodoxy favor cap-and-trade. Foes of emissions trading are offended by the idea that you can actually buy the right to pollute.

Even after hearing out the tax advocates, most businesses would favor the emissions trading system. Unless they're like Stephen Colbert, and personal comfort is the only thing that matters.

http://www.climatebiz.com/column/2008/07/02/tax-vs-trade-carbon-economy

Renewable Energy Tax Credit Legislation Voted Down in U.S. Senate

[renewableenergyworld.com, July 31th 2008] A bill introduced by Senate Tax Committee Chairman Max Baucus (D-MT) and Senate Majority Leader Harry Reid (D-NV) containing a one-year renewable energy production tax credit (PTC) extension and a small wind turbine investment tax credit has failed to move past a Cloture Vote in the U.S. Senate once again.

The American Wind Energy Association's (AWEA) senior director of governmental & public affairs Gregory Wetstone said that the failure by the senate to move forward to consideration of the bill will cost the U.S. economy 116,000 jobs and nearly US $19 billion for the wind industry alone.

“Thoughtful Americans, including Al Gore and T. Boone Pickens, have recently put forth visionary proposals to address our greatest energy challenges with an enhanced commitment to renewable energy. But we have to begin by continuing the one major federal policy we have that promotes renewable energy — the renewable production tax credit,” Wetstone said.

Rhone Resch, president of the Solar Energy Industries Association (SEIA) said that the solar industries are running out of time before they begin to lose contracts and projects get put on hold.

“Time is running out to extend the solar tax credits and without passage in the immediate future, tens of thousands of jobs and billions of dollars will be lost in new solar investment. Already companies are putting projects on hold and preparing to send thousands of jobs overseas — real jobs that would otherwise be filled by American workers. Failure to extend the solar tax credits is a severe blow to an industry that has proven to be an economic engine for the U.S. at a time when we need it most,” Resch said.

The Senate bill, S. 3335, contains a one-year PTC extension at its current value. After December 31, 2009, any further extension would include the "presumption" of a cost cap, which would, through a complex formula, put a ceiling on the value of the credits of no greater than 35% of project value. The small wind ITC has a cap of US $4,000 per system. The 10-year cost for the PTC, including all technologies to which it applies, is projected to be approximately US $7 billion, while the ITC, which includes solar, would cost approximately US $907 million over 10 years.

The bill also includes provisions to extend through 2014 the tax credits for solar energy, fuel cell and microturbine property, as well as the residential energy efficient property tax credit. Marine renewable energies could also benefit from the bill as credits to build wave, tidal, current and ocean thermal energy conversion systems of at least 150 kilowatts (kW) are extended through the end of 2011.

The 10-year cost for the PTC, including all technologies to which it applies is projected to be approximately US $7 billion, while the ITC, which includes solar, would cost approximately US $907 million over 10 years.

http://www.renewableenergyworld.com/rea/news/story?id=53210

Economists praise carbon tax

[*Mike De Souza, Canwest News Service, June 19th 2008]* Canadas Liberal Leader Stephane Dion's new "green shift" would make winners and losers across the country, top economists and fiscal experts predicted.

The plan is designed to collect money through new taxes on activities which release greenhouse gases through the burning of fossil fuels - such as home heating oil - trapping heat in the atmosphere and causing global warming. Although most experts contacted by Canwest News Service said they needed to see more details to calculate the impact on pollution, they all agreed that the Liberal proposal was an important step toward a low-carbon economy.

The Liberals have calculated that the carbon tax would gradually rise, forcing the average household to pay $60 more in the first year of the plan, increasing to about $250 in the fourth year. But while the plan calls for tax cuts for individual Canadians, families and businesses as well as new financial incentives and benefits for rural and low-income households, those who rely on fossil fuels for heating in some of the colder parts of the country will wind up with less money in the bank. "In the long run, maybe (more) hydro power or wind power will be developed and maybe these households will decide to upgrade to a more efficient furnace," said Jeremy Leonard, a senior fellow at the Institute for Research on Public Policy, an Montreal-based research organization.

"But certainly in the short-term, in the next year or two, or the time it takes households to reach those decisions, it's clear that there are going to be people who are going to be losers financially, and there will be winners."

The total tax cuts and benefits of the plan range from a few hundred dollars up to thousands of dollars depending on the size and income of a household.

Mark Jaccard, an award-winning environmental economist from Simon Fraser University who has done consulting work for the Harper government, noted that some wealthy Canadians with large homes or multiple dwellings could also pay a price. But at the same time, they could help stimulate investments in new technologies to reduce their emissions, benefitting both the economy and the environment.

"I've never met one (economist) who disagrees (with a carbon tax). They used to disagree with it because they didn't think that the climate risk was serious, and those days seem to be over," said Jaccard. "All the economists who used to sit on the sidelines, while those of us were out there, explaining what you needed to do for the last two decades, seem to be jumping in very rapidly now."

The green shift plan also states that the Liberals still support the principles of establishing a cap-and-trade system. But it does not offer estimates or analysis of how the introduction of regulations to cap pollution and encourage the trading of emission credits on a carbon exchange market would affect energy prices and the cost of living.

The Liberals also risk new constitutional battles with their proposal if it fails to share new revenues on a per-capita basis with the provinces in the spirit of "environmental federalism," said Tom Courchene, a professor of economic and financial policy from Queen's University's School of Policy Studies and the Faculty of Law.

"If it's just going to be a federal revenue grab, we're going to be in for a very, very substantial fight on the federal-provincial front," said Courchene.

A spokesman for Canada's petroleum producing industry said he needed time to review details of the Liberal plan, but also wondered how it would affect existing provincial climate change policies.

"You don't want to wind up paying twice on the same carbon molecule," said Pierre Alvarez, president of the Canadian Association of Petroleum Producers.

Alvarez added that the industry supports setting a price on carbon that covers all forms of combustion and not just the large industrial facilities, but he wouldn't say whether he endorses the concept of a carbon tax.

Meantime, an official with the Conference Board of Canada, an independent economic think tank which has endorsed the introduction of a carbon tax, said that the new Liberal proposal aligns closely with its own position. "This should really be about changing the whole incentive structure of our tax system - get people to consume less carbon in how we live our lives - but also trying to give better incentives to investment and to innovation," said Glenn Hodgson, Conference Board of Canada senior vice-president and senior economist.

http://www.canada.com/topics/news/story.html?id=e7f45eac-dc7f-4ca6-afcd-8178ca968d24

British Columbia Begins Taxing Carbon

[*Timothy B. Hurst, redgreenandblue.org, July 1st 2008]* On July 1st, North America's first ever carbon tax took effect in the Canadian province of British Columbia.

The carbon tax, introduced in the Feb. 19 budget, taxes carbon-based fuels like gasoline, diesel, natural gas and home heating fuel. The rate of taxation is $10 (Can.) per ton of greenhouse gases generated. The carbon tax will rise $5 a ton for the next four years until it hits $30 per ton in 2012. The tax increase works out to an extra 2.4 cents a liter on gasoline, increasing to 7.24 cents per liter by 2012.

The government has said all carbon tax revenue (roughly $1.8 billion over three years) will be returned to British Columbians through reductions to income and business taxes. But with rising gasoline prices, the addition of the new carbon tax will certainly be making some British Columbian drivers cringe when they fill up at the pump.

In an op-ed piece at the Globe and Mail, Gary Mason points to the political battle brewing as these two economic forces collide and drive up fuel prices. Mason cautions that knee-jerk reactions from the "well-orchestrated but morally bankrupt campaign led by the NDP Opposition" will only feed the division between those who think the tax is the right way and those who don't. Mason writes:

"Suddenly, it's being viewed as a financial burden in a way it wasn't before. Now, combined with the current price of gas, the tax is forcing people to seriously contemplate changing their emissions-producing ways, which is precisely what it was intended to do.

Still, it wouldn't take much for people in B.C. to recoup the money the carbon tax will cost them. They could do it by driving into the office four or five times less a year or taking transit the equivalent of a couple of weeks. They could also do it by implementing any number of cheap, energy-saving measures in their homes.

But the NDP in B.C. doesn't want you to believe that. It just wants people to feel rage over how "wrong and exploitive" the tax is. I say don't listen to the NDP's leaders, because what they are doing is playing politics with the planet."

http://redgreenandblue.org/2008/07/01/british-columbia-begins-taxing-carbon/

Tax needed to green Canada's economy: opposition party leader Stéphane Dion claims for a carbon tax "Make Polluters Pay and Put Every Single Penny Back into the Hands of Canadians"

[*Daniel Rosenblum, carbontax.org, August 20th 2008]* Canada's Liberal Party Leader Stéphane Dion yesterday dramatically transformed the debate in Canada over how to reduce greenhouse gas emission by proposing a $15.4 billion "Green Shift" over a four-year period. The proposed revenue-neutral carbon tax shift puts a significant price on carbon and demonstrates the type of leadership that's yet to emerge in the United States.

Introducing the carbon tax shift, Dion explained: "The Liberal Green Shift is as powerful as it is simple. We will cut taxes on those things we want more of such as income, investment and innovation. And we will shift taxes to what we all want less of: pollution, greenhouse gas emissions and waste. We need to make polluters pay an put every single penny back into the hands of Canadians.

The Green Shift Plan will be good for the environment and good for the economy. Good for the planet and good for your wallet. We need to make real progress in the fight against climate crisis, and at the same time make our economy more competitive. While energy prices continue to rise, we need to encourage energy efficiency. Some have said that nobody would have the courage or the political will to do what we believe is right. We need to do it. We will do it."

Dion's message and a detailed description of the Green Shift can be found in the Green Shift Handbook, easily downloaded from the Green Shift web page. The Green Shift will begin with an immediate $10 per tonne tax on carbon and steadily rise by an additional $10 per tonne each year, reaching $40 per tonne within four years.

The tax will apply at the wholesale level to all fossil fuels based upon their respective carbon content. The tax will not apply to gasoline at the pump, since the existing excise tax on gasoline at the pump is already the equivalent of $42 per tonne of carbon.

Revenue-neutrality is a key element of the Green Shift, which clearly states that "For every dollar raised in taxes there will be a dollar returned to Canadians in tax cuts." The Auditor General will ensure the Green Shift's revenue-neutrality.

The Green Shift will return the "pollution dividend" to Canadians through:

- Significant, broad-based income tax reductions, increasing each year as the pollution tax revenue rises;
- Reforms to the tax system to make it fairer for low-income Canadians, including;
  - Introducing a new, universal child tax benefit worth $350 per child, per year, on top of all existing child benefits;
  - Replacing the existing $1,000 employment credit with a $1,850 refundable employment credit targeting those making less than $50,000 per year;
  - Enriching the Working Income Tax Benefit, making it available on the first dollar earned; and
  - Making the Disability Tax Credit refundable;
- Additional support for rural and Northern Canadians, with every rural Canadian receiving, up front, an annual Green Rural Credit of $150;
- A boost in the Northern Residents Deduction for those living in Northern Canada;
- Broad-based corporate tax reductions;
- Small-business income tax reductions;
- Accelerated capital cost allowances for green technologies; and
- Better research and development incentives.

The Green Shift is already receiving massive press coverage in Canada, a small sample can be found in our "Latest News" column. And as the press coverage makes clear, the stakes are high for both the environment and for Dion and the Liberal Party's political future. Dion Stakes His Future on Being Greenest of Them All, according to the Globe and Mail. The attacks by Dion's political opponents have already begun. See, for example, the Vancouver Sun story Dion's 'Green Shift' Debuts to Heavy Fire, "The Conservative government and the New Democratic Party assailed Liberal Leader Stephane Dion's proposed national carbon tax Thursday as a crazy and irresponsible plan…."

Canadian environmentalists have been far more supportive. According to an article in today's Montreal Gazette, Greenpeace offered qualified support for the Green Shift arguing the price should be even higher, Équiterre says it's the type of policy it could support and the Sierra Club Canada's executive director said, "The benefit of a carbon tax is that it can be applied quickly, thereby raising the price of carbon emissions sooner; cap-and-trade systems have their benefits but they do take longer to implement properly."

That's CTC's response, too. We applaud Dion's political courage, but we prefer a higher carbon tax. We fully support the concept of revenue neutrality and like the "shift" and "dividend" language, although we would prefer more direct return of the revenues through a Green Shift/carbon tax dividend or offsetting tax reductions. We applaud Dion's targeting of Green Shift/carbon tax revenues to low-income rural energy users, necessary for both equity and political reasons. Finally, we're intrigued that the Green Shift does not tax gasoline at the pump, although we expect that some portion of the tax will be passed through to retail customers. As we noted in a post last week, gasoline prices have already increased as much in the last year as we proposed for the next ten years.

A floor on gasoline prices maintained by a revenue-neutral carbon tax might be appropriate.

There will be plenty of time to carefully examine the details of the Green Shift and, we're sure, plenty of lessons to be learned about both the substance of the Green Shift and the politics of promoting a carbon tax. Stay tuned!

http://www.carbontax.org/blogarchives/2008/06/20/dion-%E2%80%9Cmake-polluters-pay-and-put-every-single-penny-back-into-the-hands-of-canadians%E2%80%9D/

Struggle for national climate tax plan divides Canada

[Margit Spoettle, GBG, September 8th 2008] In an attempt to strengthen his party's majority in parliament, Prime Minister Stephen Harper used a conflict on a national climate tax plan to dissolve the Canadian parliament and to call for elections on 14 October, which should originally take place next year.

The prime minister insists that Canada can not afford to "gamble" on the opposition Liberal party's carbon tax-focussed agenda during economically challenging times. "The opposition insists on large-scale spending and a new tax. But even they admit that their carbon tax proposal is a work-in-progress," said Harper in a statement.

"This tax will tack a cost on to every expenditure every family and every business makes," he added. "And it will do so for one purpose and one purpose only: to pay for spending promises the country cannot afford at the worst possible time."

The Liberal party introduced in June its carbon tax proposal as a part of its "Green Shift" plan, including to cut domestic greenhouse gas emissions by taxing the burning of fossil fuels and to use revenue from the tax to reduce Canadian's income tax. The two other minorities, the National Democratic party and the Green party, are also agitating for carbon taxes.

The Conservative government has declared that Canada will not meet the greenhouse gas emission reduction targets it originally agreed to by ratifying the Kyoto protocol (a cut of over 30 per cent from current levels by 2012).

On Sunday, a poll for the Canadian Broadcasting Corporation showed a majority for Harper's climate change policy: 68 per cent of Canadians were in favour of his policy, whereas 26 per cent disagreed. Additionally, the poll showed that only 42 per cent agreed with the Liberal's Green Shift approach, while 51 per cent disagreed. Good times for Stephen Harper to finish the two and a half year old minority government and to get closer to an absolute majority in parliament.

Harper Proposes Cut In Diesel Tax

[Andrew Mayeda and David Akin, Canwest News Service, September 10th 2008] Stephen Harper said yesterday his government would cut the federal excise tax on diesel fuel to 2¢ a litre from 4¢.

The Prime Minister plugged the tax cut as something that would help the economy and at the same time defended his government's approach to cutting greenhouse gases, a mixture of regulations and technology investments.

He also contrasted his plan with the Liberal Green Shift, a plan which would impose new taxes on diesel fuel of up to 11¢ a litre within four years. Last week, Liberal leader Stephane Dion said he would set aside $900-million for rebate and incentive programs to help offset higher costs that would be borne by truckers, fishers, farmers and foresters.

"This highlights the choice Canadians have in this election," Mr. Harper said. "We should do what we can to lower prices. Reducing the tax on diesel will help Canadians and help the economy."

Along with the diesel cut, the Conservatives plan to cut the excise tax on aviation fuel by the same amount, to 2¢ per litre from 4¢.

Mr. Harper said lowering taxes on a fuel would have a "negligible effect" on efforts to cut the greenhouse gas emissions that cause climate change.

"We have a plan that sets realistic targets and then makes sure any penalties that companies have to pay go into technology funds that would encourage technological innovation and transformation over time," he said.

But Mr. Dion told supporters in the rural Ontario community of Napanee that the Conservatives are "buying your vote."

He promoted his own Green Shift plan for tax hikes on carbon fuels, including a 7¢ rise on diesel over four years. His plan would raise revenues for large income tax cuts, he said, as well as encouraging clean energy use. Some people called the Green Shift complicated, Mr. Dion said, but he had come up with a six-word description: "Cut income taxes, shift to pollution." Mr. Harper's plan to fight climate change could be summed up in two words, he added, prompting a roar from his audience: "No plan."

NDP leader Jack Layton also criticized Mr. Harper's proposed tax cut, arguing the government revenues should be set aside for green investments. "We have said excise tax should be invested specifically in solutions such as public transit, and it's very interesting to see Mr. Harper come up with these gimmicks at election time," he said.

Meanwhile, the Conservatives need to find a new candidate in Nova Scotia's Halifax riding. After being appointed to run in the riding currently held by the NDP's Alexa Mc-Donough only two days ago, Rosamond Luke announced yesterday she has bowed out of the race.

Ms. Luke was reached by phone by Canwest News Service and suggested that a reason for her withdrawal was because of the impact her candidacy would have on the non-profit group where she is executive director.

Ms. Luke founded the All Women's Empowerment and Development Association, a group that helps immigrant and refugee women.

"We had a meeting today, and we looked at how the programs will be going, and it was best not to continue but to focus on the program," she said.

http://www.nationalpost.com/news/canada/story.html?id=780575

Australia: Green Paper on Carbon Pollution Reduction Scheme released

[co2-handel.de, July 16th 2008] The Rudd Government (07,16) released proposals for a new plan to tackle climate change by reducing carbon pollution.

Australian GovermentReleasing the Government's Green Paper on the Carbon Pollution Reduction Scheme, Minister for Climate Change and Water, Senator Penny Wong, said the time for action on climate change was now.

“We confront a daunting reality: we cannot continue to pour carbon pollution into the atmosphere as if there is no cost,” Senator Wong told the National Press Club in Canberra. “The 12 hottest years in history have all been in the last 13 years. “As one of the hottest and driest continents on earth, Australia’s economy and environment will be one of the hardest and fastest hit by climate change if we don’t act now.

“Climate change threatens our food production, agriculture, and water supplies, as well as icons like the Great Barrier Reef, the Kakadu wetlands and the multi billion dollar tourism industries they support.

“The Carbon Pollution Reduction Scheme is a response to climate change that is economically responsible, supports families and prepares Australia for our future challenges.” Senator Wong said the Green Paper sets out options and identifies the Government’s disposition and preferred positions on emissions trading and the support proposed to help households and businesses adjust to this economic transformation. “

At the heart of the Carbon Pollution Reduction Scheme is emissions trading, in which the Government sets a limit on how much carbon pollution industry can produce, and then the Government sells permits up to that limit, creating an incentive to look for cleaner energy options. “Companies can buy and sell permits from each other depending on how much they value them, thereby enabling the market to find the most efficient ways to reduce carbon pollution.” Senator Wong said this was the most efficient, lowest cost and most economically responsible way to reduce carbon pollution, but any move to tackle climate change was not without costs.

“The Government will ensure that every cent raised from the selling of permits will be used to help households and business as they make the move to a clean energy future.” Senator Wong said the Carbon Pollution Reduction Scheme, that the Government intends to implement in 2010, is a whole of economy reform on par with past economic reforms such as the reduction in tariffs or deregulation of the financial system. “Placing a limit and a price on pollution will change the things we produce, the way we produce them, and the things we buy. It will open new doors to a cleaner energy future.”

“In this Green Paper, the Government has sought to strike the right balance, on the basis of economically responsible policy in the national interest.” Senator Wong said the Carbon Pollution Reduction Scheme will cover stationary energy, transport, fugitive emissions, industrial processes, waste and forestry sectors, and all six greenhouse gases counted under the Kyoto Protocol from the time the scheme begins. “To offset the initial price impact on fuel associated with the introduction of the Carbon Pollution Reduction Scheme, the Government will cut fuel taxes on a cent for cent basis. “We will periodically assess the adequacy of this adjustment measure for three years and adjust this offset accordingly. At the end of the three year period the measure will be reviewed.”

For heavy vehicle road users, who transport goods across the country, fuel taxes will be cut on a cent-for-cent basis to offset the initial price impact on fuel associated with the impact of the Carbon Pollution Reduction Scheme. The Government will review this measure after one year. To assist rural and regional areas, the Government will provide a rebate equivalent to the excise cut for businesses in the agricultural and fishing industries for three years.

“The Government will increase payments, above automatic indexation, to people in receipt of pensioner, carer, senior and allowance benefits and to provide other assistance to meet the overall increase in the cost of living flowing from the scheme,” Senator Wong said. “We will also increase assistance to other low-income households through the tax and payment system to meet the overall increase in the cost of living flowing from the scheme. “Middle-income households will also get assistance to help them meet any overall increase in the cost of living flowing from the scheme.”

The Government will establish the Climate Change Action Fund (CCAF) to help business transition to a cleaner economy, by providing in partnership funding for a range of activities, including:

- Capital investment in innovative new low emissions processes
- Industrial energy efficiency projects with long payback periods
- Dissemination of best and innovative practice among small to medium sized enterprises.

The Government will provide transitional assistance in the form of a share of free permits to the most emissions intensive trade exposed activities. The Government also proposes to provide a limited amount of direct assistance to existing coal-fired electricity generators. “After so many years of inaction, it is impossible for Australia to be in front of the rest of the world in tackling climate change,” Senator Wong said. “A greater risk is being left behind a world of emerging economic opportunities.”

http://www.co2-handel.de/article184_9221.html

Finland Joins Methane to Markets Partnership to Curb Greenhouse Gas Emissions

[co2-handel.de, July 25th 2008] Finland is the latest country to join the Methane to Markets Partnership, sharing their expertise in the fight against climate change. The partnership, now 26 members strong, aims to reduce emissions of methane, a potent greenhouse gas and clean energy source.

"The challenge of global climate change is exactly that - global," said EPA Administrator Stephen L. Johnson. "As good neighbors, the U.S. and Finland are working together toward a cleaner, healthier, more productive world."

By 2015, Methane to Markets has the potential to reduce annual methane emissions by up to 50 million metric tons of carbon equivalent. Roughly, this equals the carbon dioxide emissions from the annual energy use of about 16 million American homes.

Finland is reducing methane emissions by encouraging farmers to recover and use methane and by installing biogas recovery units on 33 of the nation's landfills. The Finnish government is providing grants that cover some of the costs of these domestic projects as well as funding projects overseas in nations like Honduras and Nicaragua.

"Our nation is one of the world pioneers in the capture and the utilization of biogases from landfills and agriculture," said Mr. Pekka Lintu, Finland's Ambassador to the United States. "Our companies have developed new technologies and gained expertise in methane utilization projects not only domestically but also around the world. The Methane to Markets Partnership offers an important new networking facility to Finnish companies and experts."

Finland's decision to seek membership in the Methane to Markets Partnership is well in line with its energy and climate policy objectives. Finland plans to serve on the Methane to Markets technical subcommittees for the landfill and agricultural sectors.

Methane is a greenhouse gas that traps heat in the atmosphere at a rate more than 20 times higher than carbon dioxide. In addition, methane is a primary constituent of natural gas and an important energy source. Efforts to prevent or utilize methane emissions can provide significant energy, economic and environmental benefits.

The other Methane to Markets partners include - Argentina, Australia, Brazil, Canada, China, Colombia, Ecuador, the European Commission, Germany, India, Italy, Japan, Mexico, Mongolia, Nigeria, Pakistan, the Philippines, Poland, Russia, South Korea, Thailand, Ukraine, the United Kingdom, the United States and Vietnam. Additionally, the partnership's project network includes more than 750 private sector entities, financial institutions, nongovernmental agencies and other organizations.

Methane to Markets, launched in 2004, is a public/private partnership that reduces greenhouse gas emissions by promoting the cost-effective, near-term recovery and use of methane, while providing clean energy to markets around the world.

http://www.co2-handel.de/article184_9298.html

Tax on energy use is best way to fight pollution

[Sinclair Davidson, business.theage.com.au ,August 1st 2008] The emissions trading scheme (ETS) is advertised as being a "market solution to a market problem". This is a clever piece of rhetoric that has long escaped scrutiny. Many economists support the notion of emission trading on the basis that it is "market based".

It is strange that the people proposing these "market-based" solutions are so seldom free-market enthusiasts. The misuse of economic terminology is rife in the whole debate.

The Stern report makes the argument that the "climate is a public good". Indeed, climate does have the characteristics of public goods — it is non-rivalous and non-excludable.

Yet the fundamental point is that the climate is not produced in a market, nor bought and sold in a market, nor can governments subsidise production of the climate. In other words, the "climate is a public good" argument is wrong and misleading.

Many policymakers like the market analogy because it allows them to sidestep the most obvious solution to anthropogenic (man-made) global warming (AGW) — taxation.

ETS proponents, however, are likely to argue that market solutions are preferable to government intervention. But this market solution is just government intervention in a different format. Markets emerge through human action, not human design.

Of course free markets are preferable to government command and control intervention, but AGW proponents are not calling for free markets.

Where the economic terminology does hold up is in identifying carbon pollution as an externality. Of course, we can all agree that the polluter-pays principle should apply. Yet this begs the question: "Who is the polluter?" Surprisingly, the Victorian Government has identified the true polluters. Its black balloons advertisement has shown that households are the true polluters. Carbon pollution is a byproduct of our modern living standards. If anything should be done to counter that byproduct, an energy consumption tax is the way to go.

This type of tax has much to recommend it. For a start, it could piggyback on the GST, making use of the existing acceptance of that tax and also making use of the technology and institutions that support the GST.

This would alleviate the need to create, from scratch, a new financial product and a new trading system that will have unknown and unforeseen consequences on the economy. Governments have long experience in levying taxes. Taxpayers understand taxes and can easily determine if they are broadly revenue neutral.

Of course, the question well worth asking is why both the former Howard government and the Rudd Government favour an ETS. The answer lies in the green paper's chapter on taxation. The ETS is a non-transparent revenue raiser. The proposed ETS aims to maximise revenue flowing to government.

Each step will be taxed at the highest possible rate — so much so that the "capital gains" will not be taxed as capital gains with a 50% discount; rather any "capital gain" will be taxed as ordinary income. The ETS is specifically not revenue neutral. All money raised will be spent on handouts and not used to reduce the overall tax burden.

One major advantage of an ETS is that it could be easily integrated into a global trading system. Yet, as Jeffrey Sachs explained, this system will not eventuate. Australia may well be investing time and effort in a complex trading system when a far easier product will suffice.

http://business.theage.com.au/business/tax-on-energy-use-is-best-way-to-fight-pollution-20080731-3o0z.html

Rand Institute study favours fossil-fuel tax over renewable energy subsidies

[Global Subsidies Initiative, August 4th 2008] A study released by the Rand Corporation, a non-profit think-tank, argues that it would be better for the United States to meet a 25% renewable energy standard by adopting a tax on fossil-fuels rather than providing subsidies for renewable energies.

The study, "Impacts on U.S. Energy Expenditures and Greenhouse-Gas Emissions of Increasing Renewable-Energy Use" (http://www.rand.org/pubs/technical_reports/2008/RAND_TR384-1.pdf), compared a tax on fossil fuels, subsidies for renewable energies, and a revenue-neutral tax-and-subsidy mechanism.

A fossil-fuel tax would increase the cost of fossil fuels, making renewable energies more competitive; subsidies would lower renewable-fuel prices, allowing renewable energies to better compete with fossil fuels; while the revenue-neutral tax-and-subsidy mechanism splits the difference, using a fossil-fuel tax to fund renewable-energy subsidies.

Michael Toman, the study's lead researcher, told a meeting of congressional staff on Capitol Hill that a fossil-fuel tax would encourage conservation, while also raising revenues which could be returned to the consumers to help offset higher fuel costs. In contrast, renewable energy subsidies shield consumers from real prices, giving them little incentive to conserve. Subsidies would also lead to an increase in government expenditures.

In the case of a revenue-neutral tax-and-subsidy mechanism, consumers are also shielded from some of the cost of renewable-energy prices, and are therefore likely to conserve less than with the fossil-fuel tax model.

The Rand Corporation adds that although increasing the use of renewable energies can reduce GHG emissions, reductions could be realized more cheaply through a diverse combination of measures, including higher energy-efficiency standards for vehicles, higher energy taxes, the introduction of alternatives to fossil-based fuels, and a CO_2 cap-and trade program.

Sri Lanka hopes to collect 800 million from 'eco' tax

[lankabusinessonline.com, August 5th 2008] Sri Lanka's environmental protection office is hoping to collect up to 800 million rupees from a series of taxes charged on people who own cars, mobile phones, standard light bulbs and firms that use telecom transmission towers.

The Central Environmental Authority (CEA) will also charge a two percent levy on top of ten percent mobile subscriber levy from August 15. People who use vehicles for personal transport such as motor cycle owners will have to pay 100 rupees a year, petrol vehicle owners 200 to 500 rupees and diesel vehicle owners between 300 to 800 rupees per vehicle.

But businessmen who own buses and lorries and use them to earn profits, would be freed from the tax. In a separate bizarre policy, Sri Lanka has also freed bus operators from income tax. CEA chairman Udaya Gammanpila says he is expecting to collect between 500 to 800 million rupees a year from the environmental levy.

He says Sri Lanka had an international obligation as far back as 1992 to start conservation and recycling projects as a signatory to the Rio Declaration on Environment and Development. "Income from the mobile phone levy will be used to properly dispose unused or broken handsets that contain metals and chemicals harmful to persons and the environment," Gammanpila said.

Telecom and broadcasting firms that use transmission towers will be charged 50,000 rupees. If there is more than one user of a tower, each will be charged 25,000 rupees. The tax will prompt companies to share towers and help the environment, Gammanpila said. The CEA also want to add a three rupee tax to every incandescent bulb over 40 watts to encourage the public to use energy efficient bulbs.

However, energy efficient bulbs have a percentage of lead, a metal hazardous to health, which must be extracted before disposal. The authority has been approached by a Danish company that will extract the lead if the government collects and hands over discarded bulbs to their plant, Gammanpila says. CEA is yet to conduct surveys on electronic wastage and draw up plans on recycling and environmental conservation, he told reporters.

"We are duty bound to impose ways to conserve the environment and we are also new to this game," Gammanpila said. Sri Lanka which has started a plastic waste management project abandoned the initiative, but not enough waste plastic was being collected to make the project commercially viable.

"Unless people respond, we cannot perform the rest of the process to initiate recycling," Gammanpila said. Sri Lanka has also been unable to establish a safe landfill for the last 30 years, he says. "We believe that natural resources and the environment are not inherited from the past but borrowed and it must be conserved," Gammanpila said.

http://www.lankabusinessonline.com/fullstory.php?nid=108604737

India: Biomass energy is the answer, say scientists

[thestatesman.net, August 11th .2008] While the nation stays focussed on nuclear energy, two scientists have suggested that India should look at production of decentralised biomass energy for ensuring energy security, since it would be a cheaper and eco-friendly option, available in the rural areas.

Mr VVN Kishore, a professor in the Centre for Energy in Environment, TERI University, New Delhi, who was here recently to attend a workshop at the MS Swaminathan Research Foundation on renewable energy resources, said that bio-resource energy had a very high potential to achieve energy security, without conflicting with the food production. He said that two-third of the nation's needs could be met using biomass for energy production. Using biomass energy would reduce the consumption of fossil fuels and reduce global warming, Mr Kishore said.

Giving the statistics, he said 619 million tons of biomass was available in the country in the year 2004-2005 and it would be 701 million tons in 2010-2011. Even seen from a long term perspective, 1,127 million tons of bio-mass would be available in 2024-25.

The cattle population of the country is 272 million, while the poultry population is 347 million, Mr Kishore said. Besides for generating electricity, bio-mass could be used for dryers in rubber industry, for baking tiles, silk reeling, dyeing and cooking, he said.

http://www.thestatesman.net/page.news.php?clid=2&theme=&usrsess=1&id=217964

Sustainable biofuel standards released

[businessgreen.com, August 14th 2008] International standards for guaranteeing that biofuels originate from environmentally sustainable moved a step closer yesterday after the Roundtable on Sustainable Biofuels (RSB) released draft guidelines.

The draft criteria, called Version Zero, set out 12 standards biofuel producers must adhere to if they are to label their fuels as sustainable, including compliance with local laws, provision of evidence their fuel delivers reductions in carbon emissions compared to fossil fuels and does not adversely impact food supplies, and the adoption of measures to limit impacts on biodiversity, soil quality and water supplies.

The standards were developed by the RSB's steering board, which includes representatives from green groups, oil companies and the UN Environment Programme, and drew on input from over 300 experts.

The standards will now be open to consultation until February next year with the RSB hoping to finalise the standards soon after.

"With all of the mixed messages we hear about biofuels, there is a clear need for a standard that can differentiate the good from the bad," said Dr. Claude Martin, formerly director-general of WWF, and current chair of the RSB.

Questions will remain about how the standards are to be enforced, but they are likely to be welcomed by green groups and politicians who have repeatedly argued sustainability criteria are essential to ensure that demand for energy crops does not contribute to deforestation and food shortages.

http://www.businessgreen.com/business-green/news/2223970/sustainable-biofuel-standards

http://www.pointcarbon.com/news/1.958336

Green taxes best option for Tanzania's action on Greenhouse gases

[africasciencenews.org, August 15th 2008] Tanzania, like many other developing countries, is pushing to industrialise her economy. But like many states in her level of development, Tanzania's industrialization is using environmental unfriendly technologies, and unsustainable use of forest resources such as cutting trees has been a major source of green house gases.

Yet still the penal laws such as environmental laws and environmental regulation are used as main control measures, when these instruments can not efficiently regulate emission in the country.

According to experts, current pollution regulations in Tanzania are based only on general environmental protection instruments which are penal laws such as environmental laws, and subsidiary regulations (environmental regulations).

They are old protection mechanisms and have been used to solve environmental disputes since and before independence.

But they lack power to deal with emission issues effectively. For effective emission regulation in Tanzania, economic instrument are highly recommended.

The country could for example adopt the idea of green taxation, which although appears reasonable, has a number of setbacks which may halt its development and implementation.

Generally three major distinguishing factors hindering implementation of environmental policy in Tanzania are; "the extent to which individuals' rights to resources and environmental assets are not well defined, institutional weakness, and intervention in the market-place with consequent government failure".

To be specific, in Tanzania, together with the policy problem highlighted above, other setbacks includes; funding, technology, corruption, public unawareness, and poverty.

For more, visit: http://diggy.ruc.dk/bitstream/1800/1541/3/ESSAY-ENVIRONMENTAL%2bECONOMICS.pdf
http://africasciencenews.org/asns/index.php?option=com_content&task=view&id=616&Itemid=1

Singapore at 'green' cutting edge

[Andrew Symon, atimes.com, August 19th 2008] Singapore is pushing ahead with ambitious alternative-energy and conservation campaigns, putting the city state into the vanguard of energy efficiency and proving that business and environmentalism can profitably mix.

The government's green thrusts range from cutting back on private car use through taxation, carbon dioxide emission reduction targets, public awareness campaigns and building regulations aimed at more efficient energy use. Public finances have been mobilized to support green business research and development, while new tax and other incentives aim at luring multinational manufacturers and other service companies breaking ground in the industry.

As with Singapore's past economic development schemes, this one is state-led, with the government serving as both catalyst and financial driving force. While there are no doubt noble aspirations behind Singapore's green drive, there is also a hard-nosed competitive calculation that it will give the country a new economic edge in a global economy faced with permanently higher oil and gas prices.

Singapore's government started to view climate change as a serious problem beginning in early 2006 and has since explored innovative ways to reduce its carbon dioxide emissions and other greenhouse gases thought to be responsible for global warming. The policy shift is supported by founding prime minister and current Mentor Minister Lee Kuan Yew, who, it is said, takes the climate change challenge seriously.

Lee already has a pioneering record in environmentally friendly urban planning. First launched in 1968 and sustained over the following four decades, Singapore's "garden city" concept aimed, through planting trees, efficient and affordable public transport and strong anti-pollution, measures to woo foreign investment while simultaneously softening the edge of rapid urbanization. Throughout the 1990s, government workgroups implemented green strategies, including in environmental education, nature conservation and clean technologies.

The results are most visibly seen in the mature trees and foliage surrounding Singapore's freeways, the still large swathes of the island that have been left untouched by development and the better air quality compared with its regional neighbors. Energy conservation was a policy blind spot, felt in the city-state's often igloo-like air-conditioned shopping malls and office buildings. Despite its position as a net-importer of fuels, Singapore seemed until now to have an unlimited supply of energy to burn - or freeze.

Lee himself opined in a 1999 Asian Wall Street Journal article that he thought air-conditioning was one of the greatest inventions over the last century because it enabled worker productivity to increase in tropical climates and joked that maybe the next breakthrough would be personal air-conditioned suits or underwear. A decade later and with oil prices at record highs, Singapore's attitudes about energy efficiency have changed substantially.

Long before the recent spike in global fuel prices, in April 2006 Singapore ratified the United Nation's Kyoto Accord on climate change, even though as a developing country it did not face any mandatory emission reduction targets. But for all intents and purposes, Singapore's is already a developed economy and an intensive energy user. Its 2006 gross domestic product per capita was US$31,000.

On a carbon dioxide emissions per capita basis, Singapore's 4.5 million people are on par with Japan and developed Western European countries, according to research by the Asia Pacific Energy Research Center in Tokyo. This reflects Singapore's high level of production and consumption of energy, including the island-state's large oil refining and petrochemical industries. Over the medium term, Singapore may face international obligations to cut emissions and the government has already imposed a national target to reduce carbon intensity to 25% below 1990 levels by 2012.

Environmental profits

One key thrust of the green campaign is to change energy consumer behavior. For instance, the government has increased the rates of its electronic road pricing and expanded its application to stem the recent rapid growth of private motor vehicle use. In a system pioneered by Singapore, gantries strategically placed around the city register a charge against a pre-paid credit card held in a sensor inside every privately owned vehicle. More gantries are now being placed to expand the system's reach.

Public awareness campaigns include new calls to residents to raise their air conditioning thermostats, while market forces have raised home temperature as power prices are a direct function of rising global fuel prices. To promote and celebrate the island state's enhanced environmental consciousness, a new regular feature program shown on government-owned Channel News Asia, "The Little Red Dot Goes Green", showcases environmental advances and innovations in business, industry and households.

Strong profit motives are intertwined with Singapore's green ambitions. The government now aims to develop the country as a regional research and business center for clean energy products and financial services such as carbon trading among corporations. On top of some of the region's lowest corporate tax rates, Singapore now offers a range of financial and tax incentives for green corporations, particularly for those that opt to establish regional headquarters or research and development (R&D)centers.

Germany's Conergy, Europe's largest solar energy company, established its Asia-Pacific base in Singapore in September 2006 with an eye to expanding its business in the region. Denmark's Vestas, the world's largest supplier of wind power systems, also chose Singapore to host its regional headquarters, and citing the country's location, infrastructure and skilled work force established an R&D center in 2007. Norway's Renewable Energy Corporation, a solar energy component manufacturer, is building what it says is the world's largest integrated solar manufacturing plant in Singapore, with an investment of over US$4 billion.

Singapore is also becoming involved in producing bio-fuel, though with an environmentally friendly twist. Government-run Nanyang Technological University and a Singapore-based logistics firm, Van Der Hoorst, are jointly developing a 200,000 barrel per day bio-diesel plant on Jurong Island. The venture plans another operation producing 200,000 barrels per day in the neighboring southern Malaysian state of Johor. Both plants will use as input jatropha curcas, a hardy plant that can grow on semi-arid land and does not encourage the deforestation that palm oil plantations have wrought in neighboring Malaysia and Indonesia.

On the auto industrial front, hydrogen fuel cells to power motor vehicles are being tested in two programs, one involving DaimlerChrysler and BP and another a joint venture between Rolls-Royce and a Singaporean consortium known as Enertek.

Over the past eight years, Singapore has shifted from almost total reliance on oil to cleaner burning natural gas for its power generation, tapping pipeline supplies from Indonesia's Sumatra, Malaysia and fields in the South China Sea. As part of its diversification strategy, which is as political as it is green, the government in April signed a liquefied natural gas supply contract with British Gas. While involving a more expensive option than locally piped gas, the deal ensures the island state will not be as susceptible to political or technical hiccups in regional supplies.

Spiraling global fuel prices and climate change concerns have pushed Singapore's commercial drive to tap new energy supplies and consumption choices. As the island state's mix of capitalism and environmentalism comes into closer view, it's not inconceivable that it serves as a state-led model for other countries in the region grappling with the same energy and environmental challenges.

http://www.atimes.com/atimes/Southeast_Asia/JH19Ae02.html

5. LETTERS TO THE EDITOR

New Waste Incineration Tax in Catalonia

[Dr. Ignasi Puig Ventosa, ENT Environment and Management, July 22th 2008] On 10 July 2008, the Parliament of Catalonia passed the Law 8/2008, which created a new incineration tax for municipal solid waste. This tax will come into force on 1 January 2009, and it will be the first one to be put in place in Spain.

The tax rate will be 5 €/t. However, there will be an increased tax rate of 15 €/t for those municipalities that do not have in place separate collection of biowaste but could potentially have it according to the regional waste planification.

The Law also maintains the existing landfill tax, created by Law 16/2003, of 13 June. Both taxes have a very similar structure (see the website of the Waste Catalan Agency for practical details on the application of these taxes: http://www.arc.cat/en/municipals/canon/index.html). Apart from the existing general landfill tax rate (10 €/t), Law 8/2008 also created an increased tax rate of 20 €/t for the municipalities without separate biowaste collection mentioned above.

In both cases, municipalities (and any other users) pay this amount to the landfill managers, who in turn are responsible for passing the money on to a special fund (Fons de Gestió de Residus).

Law 8/2008 also establishes that these two taxes are earmarked. At least 50% of the revenue must be used to reduce the cost for municipalities of managing biowaste coming from household source separation or to reduce the quantity or improve the quality of refuse, specially reducing the presence of organic matter. The remaining revenue must be dedicated to separate collection of biowaste, separate collection and recycling of other waste fractions, to other forms of valorisation or to awareness-raising campaigns. Following these general criteria, an important part of the revenue raised is channelled back to the municipalities where source separation is active. In 2008, between 85% and 90% of all revenue raised by the tax is expected to be returned to local waste authorities.

The following rates apply for the refunds (as for 2008):

Concept	Rate
1. Biowaste treatment	33.5 €/tonne
2. Treatments to reduce the quantity or improve the quality of refuse	5 €/tonne
3. Biowaste separate collection*	12 €/tonne
4. Paper/cardboard separate collection	21 €/tonne
5. Active recycling centre in the municipality	
5.1 Per inhabitant:**	0.32 €/inhabitant
5.2 Per tonne:	
Wood	12 €/tonne
Flat glass	12 €/tonne
Batteries	160 €/tonne
Vegetal oil	80 €/tonne

* Quantities are considered net of impurities.
** A correction factor is applied in municipalities with high seasonal population.

The rate for concept 3 is multiplied by a coefficient dependent on the level of impurities in the collected biowaste:

Level of impurities	0 < % ≤ 5	5 < % ≤ 10	10 < % ≤ 15	15 < % ≤ 20	20 < % ≤ 25	% > 25
Coefficient	3	2	1.5	1	0.5	0.2

In addition, the rates for concepts 3, 4 and 5.1 are adjusted using the following coefficients based on the size of the municipality:

Type of municipality	Population	Coefficient
Rural	Less than 5,000	1.50
Semi-rural	5,000 – 49,999	1.28
Urban	More than 50,000	1.00

These criteria are revised annually, and will continue to be so, since the revenue from the tax depends on waste generation and recycling levels, which vary from year to year.

In future years, it would be interesting from an environmental perspective to include home composting (and to a lesser extent, source separation of green wastes) among the concepts that benefit from these refunds.

As recycling levels increase, the revenue from these taxes will decline, and so will the quantities refunded. To prevent this and to enhance the environmental positive effects of this taxation scheme, the regional administration could increase the landfill and incineration tax rates. Several studies suggest that figures in the range of 25 €/t would be more according to the environmental costs of these waste treatmeant options. Most likely, recycling levels would increase in parallel.

The Law stipulates that the present tax rates may be increased annually by the Budget Law. And it specifically states that the tax rate for the incineration tax must be increased progressively. The possibility of annual revision was already in the original Law passed in 2003, but the landfill tax rate has remained constant ever since (which actually means a reduction in real terms).

Law 8/2008 also created a new tax on the landfill of construction waste, which will also come into force on 1 January 2009. The tax rate will be 3 €/t. Revenue will be directed to a specific fund dedicated to the promotion of waste prevention and valorisation of these type of wastes, optimisation of management strategies, and promotion and research of applications for recycled construction materials.

In the rest of Spain there are no taxes on the landfilling or incineration of municipal solid waste. The regions of Madrid and Murcia have landfill taxes for construction waste, whereas Andalusia, Madrid and Murcia have landfill taxes for industrial waste.

Switching on the life supports

[Farel Bradbury and Owen Ephraim, Unitax Association, August 31th 2008] “Once upon a time, when Europe was only Six,” Farel Bradbury recalls, “I had a discussion with the Belgian Chef du Cabinet who told me how difficult it had been to reach agreement among six nations for the new value added tax. He looked at me quizzically and asked if I was seriously suggesting that this should now be amended so as to become an added energy duty instead. A realist, I accepted political reality and shrugged. We talked about other things.”

Now, however, the world has begun to realise that the consumption of capital reserves of fossil fuel at the rate of several thousand years a day is placing strains on our biosphere because natural sinks cannot keep up with the processing of our wastes. And, of course, there is some adverse impact on our environment from extractions of natural resources. Despite countless individual efforts, and the development of ambient energies we still walk backwards as we are swamped in the continuing "growth" insisted upon by conventional economics.

What to do? Something serious needs to be done and, perhaps unfortunately, we have to depend on relatively short-term oriented politicians to do it. It seems therefore that we must devise a scheme which is actually pleasant in its effect, easy to do, equitable and vote-winning. This is quite a tall order. We submit that this is possible but some of the steps appear as unthinkable as taking a plunge into an icy pool: we argue that the water is actually delightfully welcoming if certain coincident steps are taken.

Let us look at the issues:

- The 'switch' has to be pleasant and broadly acceptable politically despite having a predictable impact on consumption patterns.
- The objective of economic 'growth' has to be replaced with measures of the ‘quality of life'
- Compensations must be co-incident to ensure equitability
- The 'switch' must be phased so as to avoid currency, production, consumption and international trading upheavals.

Value Added Tax has already developed many of the procedures whereby a reversal of consumption patterns can be implemented by a relatively straightforward use of the UNITax mechanism. The proof (q.v. http://www.rui.co.uk/eunmply/page3.html) that VAT falls entirely on the payroll (i.e. the sole means of adding money value is by payments of money to labour, be it the labour used to provide services, create capital goods or to apply capital goods in this or in previous links of the supply chain) is widely accepted. UNITax moves the tax burden from the human effort (energy + intelligence) used, to the natural energy (energy + no intelligence) used in production ('Effort energy' is measurable as 80watts maximum while intelligence can be measured from zero to O levels, A levels, Degree, 2nd Degree, Masters, PhD, who-you-know and an unmeasured amount gained from experience. Pay scales generally reflect 'effort intelligence' rather than 'effort energy'). UNITax is measured in physical (e.g. heat units) NOT money units of primary energy input and is therefore free of commodity price fluctuations. UNITax thereby appears immediately attractive when compared with the 'punishment' of labour value applied by present VAT.

Following implementation, revenue is effectively increased for the Treasury/Europe due to reduced evasion, exemptions and exceptions coupled with the virtually redundant administration costs of VAT-type procedures. (Added-energy administration is required only at relatively few primary sources and at frontiers)

The financial encouragement to 'recycle', use alternatives, economise, extend product life, and avoid waste becomes automatic, needing no exhortation.

People choose what and how they consume. They adjust their consumption to their circumstances. An important exception is in the need for fuel to survive: that is why this proposal seems, at first glance, so unthinkable. Overcoming this obstacle is, however, far simpler than means-tested and other 'social security' measures. During the VAT replacement phase a universal fuel cost allowance should be added to the income tax code and to benefit payments simply adjusting the rate of UNITax to suit. Ultimately, a non-selective basic income would do away with elaborate state pensions and social security departments lock-stock and barrel but that is when all income tax and benefits are abolished.

We have calculated that UK VAT could be replaced by a levy of £8.32/GJ (that is 8.32 GBP per gigajoule or 3.81 Euros/KwHr) of primary energy entering the economy: see http://hydatum.com).

This represents, of course, a swingeing increase in the price of primary fuels. No-one uses primary fuels until they have been processed, packaged distributed and retailed - all of these steps currently increasing the human effort used and therefore increasing the VAT. With VAT replaced by a fixed charge per unit of primary energy used at each stage, the embodied duty is diluted as a percentage of the cost. Consumption of primary energy will, as we know from the well established price-elasticity of fuels, decline (a halving of CO_2 emissions in ten years is suggested).

Cheer-up you oil companies: long term prosperity is ensured with a much higher added value product which will remain longer in the ground. Without the 'switch', consumers would eventually pay an even higher price as finite resources are exhausted. With the 'switch' a big piece of our tax is collected (not paid) for us through the primary energy companies and importers.

The UNITax system is unique in not suffering from a 'shrinking tax base' as people consume less - helped by tax free public transportation, natural farm husbandry and countless other life-enhancing reforms. This surprisingly simple fact has frequently been missed by economics journalists. The sums are simple but dynamic. Say the increased price leads to a halving of primary consumption; by cutting waste, more efficient processing, developing alternatives, greater conservation; by that time the tax rate will rise to (in this example and assuming government has not made comparable savings) £16.64/GJ (or 7.62 Euros/KwHr). Yet at this rate of UNITax we pay the same embodied tax because we are consuming half as much: Q.E.D. In reality, so many government departments are closed in the interim that the tax take could reduce substantially or increased public spending power be given to health and education for example.

Goods and Services produced within the UNITaxed area suffer no disadvantage in world trade. The energy content of exports will attract a rebate of tax (exactly as happens with VAT) and all imports will pay a duty at the same prevailing rate of UNITax (exactly as happens with VAT). Energy content (SPEC: Statutory Primary Energy Content) is obtained by, a) declaration, b) measurement or c) look-up tables in the National Integrated Tariff. This includes the unbonded fuel in the tanks of vehicles, aircraft and ships.

This brief summary sets out some aspect of what should be the first departure from classic-based capital/labour economic models. The border tax procedure, which ensures a 'level playing field', is almost certain to have knock-on influence on other trading nations to adopt the same procedures. It also gives natural benefit to the solar-rich and labour-rich 'Third World'. This self-motivation would, we suggest, be more effective in seeing world harmonisation of resource use than many international conferences.

6. EVENTS

Carbon Markets USA Washington DC, 16-17 September 2008

The 2007 inaugural Carbon Markets USA welcomed over 170 executives from across the US, UK, Europe and Latin America and featured high-level debate, discussion and analysis from a selection of leading players in government, industry and key associations involved in the region's growing carbon market. This year's event will continue to focus on in depth discussion and interactivity in order to get to the heart of the issues affecting the market.

List with main topics:

- Policy & Regulation
- Carbon Investment & Trading
- Project Development
- Voluntary Carbon Market
- Forestry
- Utilities & the Carbon Market
- Future Outlook

For further informations: http://www.pointcarbon.com/events/industryevents/1.953651

Launching conference for Green Budget Europe Brussels, September 25th 2008

The target audience encompasses representatives of business, NGOs, research institutions, trade unions, the EU-Commission and the European Parliament, other European Institutions, political parties, interested individuals and experts and the press will attend, as well as other decision makers and national government ministers.

The Conference will serve as launching Conference for the new European MBI-Platform Green Budget Europe. Main topics will be Environmentally Harmful Subsidies (EHS) and the EU Energy Tax Directive: two possible avenues for Green Budget Europe (GBE) to positively influence EU policy.

It will take place in the Maison des Associations Internationales, 40 rue Washington, 1050 Brussels in the room Magistrat. More information about the venue: http://www.mai.be/

The preliminary programme draft is available and the registration form are available under:

http://www.foes.de/en/GBE_Launching_Conference.html

Be aware of EEBs Annual Conference on september 26th!

http://www.eeb.org/events/AnnConf-agenda-240708.pdf

2nd US Carbon Finance Forum New York City, 24-25 September 2008

Following the success of the inaugural US Carbon Finance Forum, this year's conference promises to provide delegates with cutting-edge insight into this market and unparalleled networking opportunities. The event will unite investors with representatives from finance, industry and government bodies, to examine how carbon legislation will affect stakeholders in the US, and to identify existing opportunities in carbon markets worldwide.

More informations: http://www.pointcarbon.com/events/industryevents/1.947378

The inaugural joint UKNEE and IEEN seminar "The Economics of Environmental Emissions Belfast, 10th October 2008

The UK Network of Environmental Economists (UKNEE) and the Irish Environmental Economists' Network (IEEN) are pleased to announce a jointly organised seminar on the "The Economics of Environmental Emissions". The seminar will be hosted by AFBI-Economics, Belfast, and in conjunction with IEEN, this is the first UKNEE event to be held outside of London.

The seminar is aimed at academics, policymakers, NGOs and the private sector and will feature presentations from a series of speakers:

1. Professor Richard Tol, Economic and Social Research Institute (ESRI): "Environmental Emissions in the Republic of Ireland: past and future"
2. Brendan Forde, Department of Environment Northern Ireland (DoE(NI)): "Northern Ireland Greenhouse Gas Emissions: the policy context"
3. Dr. Giles Atkinson, London School of Economics and Political Science (LSE): "Policy Uses of Green Accounts: How far have we come?"

For further details please see: http://www.afbini.gov.uk/news/news-events?newsid=10652

Date: Friday 10th October 2008

Start time: 10.30am (finish – mid afternoon)

Venue: Agri-Food & Biosciences Institute (AFBI), 18a Newforge Lane, Belfast, BT9 5PX

Directions: http://www.afbini.gov.uk/index/about-us/location/about-us-site-newforge.htm

Restaurant facilities will be available.

Please contact Michelle Stevenson at mailto:info@afbini.gov.uk (or tel: +44 (0)28 90 255689) if you wish to attend by Monday 6th October, with car registration number if arriving by car.

Understanding and managing CDM project risk Zurich, Switzerland, 16 October 2008

Carbon credit revenues can be a make or break for your project. However, many projects never make it through to registration and issuance. One of the main reasons is that those developing them have not kept apace with rules and guidelines. At this seminar, some of the world's leading CDM experts explain what the main risk factors in a CDM project are, and how the latest regulatory developments can impact the progress and performance of your project. This knowledge will help you buy CERs from - or invest in – the right projects, and improve your understanding of the dynamics of CER supply.

Who is it for?

The workshop is designed for carbon buyers and investors from financial institutions and governments, CDM project developers, and for everybody else who needs a thorough understanding of CDM project risks. Basic understanding of the principle of the CDM is helpful to fully benefit from the workshop.

What will it provide?

Introduction: Why and how do CDM projects underperform?

- Early stage survival
- Advanced stage survival
- DOE rejection during validation
- EB delays during the registration process
- EB correction requests and rejections
- Performance of registered projects: delays and CER volume changes

How to manage project risks

• What are the most important stumbling blocks, and how to avoid them?

  – Key elements of baseline and monitoring methodologies
  – How to get your projects safely and quickly through third party validation
  – Financial and barrier approaches to proving additionality: How to interpret recent EB guidance?
  – Making sure your monitoring plan matches the monitoring methodology, and that it is possible to follow in practice

Risk assessment and due diligence methodologies

Technology-specific Q&A

The discussion will be tailor-made to fit the technology preferences signalled by participants when booking workshop participation and the questions posed to the experts prior to the seminar. The experts will be available after the workshop for one to one conversations. Please contact

mailto:conference@pointcarbon.com to schedule an appointment.

Jørund Buen: Co-founded Point Carbon. He is an expert on policy aspects of the Kyoto Protocol and its project-based mechanisms.

Axel Michaelowa: Perspectives. Senior founding partner of Perspectives, has 15 years of experience in analyzing market mechanisms in climate policy.

Anders Skogen: Point Carbon. Senior Analyst at Point Carbon and among the most experienced in the carbon markets with regards to quantitative analysis.

Course fee: € 795 (includes attendance to the workshop, refreshment, lunch and conference documentation for one person)

To register for this workshop, please visit our event section at http://www.pointcarbon.com or contact us: mailto:conference@pointcarbon.com tel. +47 22 40 53 47

Carbon Pricing and Environmental Federalism Conference Kingston, Ontario (Canada), 17th- 18th October, 2008

This October 17 and 18, the Canadian organization Sustainable Prosperity will be co-sponsoring a conference on "Carbon Pricing and Environmental Federalism", together with the Queen's University Institute of Intergovernmental Relations, and the Queen's University Institute of Energy and Environmental Policy. Sustainable Prosperity is an ambitious new Canadian research and policy initiative whose aim is to foster a greener, prosperous economy for all Canadians. Our Research-Policy Network focuses on producing innovative policy ideas for linking the environment and the economy by developing a new generation of market-based environmental policy approaches for Canada through quality, accessible research and outreach. The SP Network seeks to bridge the gap between research and practice; it brings together prominent academics from a range of disciplines and countries with leaders from business, government and civil society.

More informations on the conference can be found by going to

http://www.queensu.ca/iigr/conf/EnviroConference2008/EnviroConferenceProgram08.pdf

Climate Change and Business Kiev, 21th-22th October 2008

For the fourth consecutive year Point Carbon hosts Climate Change and Business 2008 Conference in Kiev, Ukraine, which gathers annually over 300 participants from 25 countries.

Among them: project developers and owners, representatives of the Ukrainian and foreign governments, carbon unit buyers, technology providers, scientific institutions, as well as international organisations. The event will provide an overview of the developments and trends in the Eastern Europe carbon markets.

Registration and further information can be found by going to

http://www.pointcarbon.com/events/climatechange08/1.937350

The Ninth Global Conference on Environmental Taxation Singapore, 6th- 8th November 2008

The 9th Global Conference on Environmental Taxation will be hosted by the Asia-Pacific Centre for Environmental Law (APCEL), Faculty of Law, National University of Singapore (NUS). Other partners include the Centre on Asia and Globalisation at the Lee Kuan Yew School of Public Policy, NUS; the Association of Chartered and Certified Accountants in Singapore (ACCA), the IUCN Academy of Environmental Law, and the International Tax and Investment Centre (ITIC) in Washing ton DC, USA.

The conference will focus on the special problems of the urban environment and the challenges which confront cities and megacities. Issues to be examined include energy generation and consumption, transportation, pollution, population growth, housing, urban development and public health. The role and efficacy of fiscal policies and market-based instruments will be evaluated, particularly from the perspectives of developed and developing countries. The conference aims to create a venue for discussions and the sharing of experiences on the use of fiscal instruments to guide policy makers toward ensuring the sustainability of urban environments in the wake of rapid industrialization, depleting natural resources, continued population growth, and climate change.

More information is available here:
http://law.nus.edu.sg/apcel/conference/gcet/callforpapers.html

Carbon Market insights Americas Washington DC, 12th-14th November 2008

Point Carbon and the Pew Center on Global Climate Change invite you to Carbon Market Insights Americas 2008, taking place the week following the presidential elections. The event will involve key decision makers in the forthcoming US Administration and Congress and provide participants with a fresh analysis on climate policy and carbon markets in North America. How will federal policy changes affect regional cap-and-trade schemes in North America, the global project market and allowance markets around the world? For more information and to register: http://www.pointcarbon.com/events/cmiam08/1.934587

CEPS 4th Annual European Energy Policy Conference 2009: Is Europe's Energy Security at Stake? Brussels, 20 & 21 January 2009

The conference will once again bring together major players from across the EU and internationally, to discuss a range of issues including:

- Diversifying supply
- Ensuring safe and reliable transit, and partnerships with transit countries
- Low-carbon energy technologies (financing of the SET-Plan)
- Effectiveness of the Gas Security of Supply Directive
- Global demand and supply balances and environmental pressures
- Macro-economic implications
- Future energy systems
- Unbundling and investment
- ETS
- Renewables and biomass
- Geopolitical issues and the role of partnerships
- The role of renewables and energy efficiency

The conference will present delegates with opportunities for both business development and information exchange and gathering. There are fees applicable to attend the conference and these can be found by going to the event website. The early bird deadline where savings of up to €200 can be made expires on the 8 December.

Email: mailto:jwilmott@epsilonevents.com

Event Website: http://www.euenergypolicy.com

CEPS: http://www.ceps.eu

4th World Congress of Environmental and Resource EconomistsMontreal (Canada), June 28th - July 2nd 2010

The international Committee has completed the selection process in charge of selecting the Congress Venue and Local Organising Committee for the 4th World Congress of Environmental and Resource Economists. Following a thorough evaluation of the excellent proposals submitted, the Selection Committee has decided to entrust the prestigious task of organising the Congress to the Université du Québec à Montréal (UQAM) and the Centre Interuniversitaire de Recherche en Économie Quantitative (CIREQ).

Therefore, AERE and EAERE are glad to announce that the 4th World Congress will be held in Montréal, Canada, from the 28th of June to the 2nd of July 2010.

Trudy Ann Cameron, AERE President, and Thomas Sterner, EAERE President, are looking forward to meeting you in Montreal in 2010.

7. LINKS AND PUBLICATIONS

GBG Policy Paper about the Taxation of Company and Staff Cars

Our board members, especially Dr. Görres and Mrs. Meyer, have authored a very elaborate paper about the rational greening of the taxation of company and staff cars. The perverse incentive structure in this realm needs to be reformed imperatively. These proposals are surely of interest for other states as well. Perhaps it will even be possible to find a solution on the European level.

The German version of the paper and more informations about the press conference with Greenpeace in Berlin, where the paper was presented to the public, are available at:

http://foes.de/de/dienstwagen.php

Interim Report "Environmental Priorities for Vietnam and Assessment of Current Environmental Levies in Vietnam" published

Described by the World Bank as "one of the best-performing developing economies in the world", the Socialist Republic of Vietnam is undergoing sweeping transformation from a planned economy to a globalized, market-based economy. Accompanying this process has been dramatic economic expansion, with real gross domestic product (GDP) growth at 8.4% in 2005, 8.2% in 2006, and estimated at 8.5% in 2007, affording Vietnam the second-highest growth rate in Asia over the past decade. While a crucial precondition of the foregoing development, this rapid growth is also placing a heavy burden on the environment, potentially undermining the sustainability of Vietnam's continued economic success and even threatening to offset many of its benefits for wide segments of the Vietnamese population.

Facing the difficulties, the government adopted a National Strategy for Environmental Protection (NSEP), including fiscal measurements with environmental relevance. An centrepiece in the arsenal of economic instruments for environmental policy are environmental taxes and similar pricing mechanisms, such as fees and charges.

To read the complete report and additionally the "European technical assistance programme for Vietnam" please go to

http://www.foes.de/de/downloads/links/ETV2%20-%20ISTE1b%20C1%20POL2%20Interim%20Report%20_7%202008_.pdf

Cooperation between Germany and Poland regarding economic instruments in environmental policy

On 18th and 19th of June a workshop between german and polish scientists and members of staff of ministries took place in Warsaw. Animated by several german-czech workshops about an ecological tax reform, which took place between 2003 and 2006, an exchange between "old" and "new" EU countries was hold. A report about the meeting is available in German under:

http://www.bmu.de/wirtschaft_und_umwelt/oekologische_finanzreform/doc/2508.php

8. SPECIALS

Documentary "Ahead of the Curve: States Lead on Climate Change"

In the absence of strong U.S. federal leadership on climate change, citizens and elected officials across America are discovering reasons to be hopeful about the future of our planet, and are taking matters into their own hands. This short documentary celebrates America at its best--and shows why Washington should be paying close attention.

Featuring Governors Pawlenty, Crist, O'Malley and Napolitano, it describes the experience of four quite different U.S. states.

The hopeful message it offers contrasts dramatically with the hand wringing on the Hill. When we get past the Warner Lieberman Climate Bill debate in Washington, we are all going to need to think about how to strengthen the case for even more substantial action on climate nationally. An obvious but heretofore neglected avenue is federal partnership with U.S. states…

The film (length 14 min) can be downloaded here: www.seastudios.org/ahead2

Nominations are now open for the Worst EU Lobbying Awards 2008

The Worst EU Lobbying Awards aim to discourage controversial lobbying practices by exposing them to the public. They are organised by Corporate Europe Observatory, Friends of the Earth Europe, LobbyControl and Spinwatch.

It's your chance to name and shame the perpetrators of some of the worst lobbying tactics in Brussels.

This year's awards are being made for two categories:

1. The Worst EU Lobbying Award – nominations should be made for any lobbying campaign which relies on deception, misleading information or other improper lobbying tactics to influence decision making within the EU.
2. The Worst Conflict of Interest Award – nominations sought for the MEP, European Commissioner or other member of EU staff whose background, other jobs or liaisons with special interest lobbyists raise the most serious concerns about their ability to act impartially and in the public interest.

Nominations can be submitted online at http://www.worstlobby.eu/2008/_en until Friday 12th September 2008.

From the nominations, shortlists of top nominees in each category will be selected, followed by public voting between Monday 13th October and Sunday 30th November. The Awards Ceremony will take place in Brussels in December.

Climate Change: EU-Commission launches public consultation on post-2012 agreement

[European Commission press release, August 4th 2008] The European Commission launches today a public consultation on the European Union's approach to a global climate change agreement up to and beyond 2012 when the current Kyoto Protocol targets will end. Stakeholders and the general public are invited to put forward their views on a number of critical issues, such as mid-term emission reduction targets for developed countries and emission reduction actions for developing countries, adaptation to climate change, technology cooperation and finance. The results of the survey will help shape the EU's position on the global post-2012 agreement.

Environment Commissioner Stavros Dimas said: "It was agreed in Bali last year that a new global climate change agreement should be adopted by the end of 2009. The ambitious agreement that needs to be reached in Copenhagen must bring together the world's nations to tackle this global challenge effectively. It is important that our contribution to this discussion is shaped by the knowledge and expertise of the different EU stakeholders."

The Commission launches a public consultation on the approach the European Union should take on the global post-2012 climate change agreement. The consultation follows the Commission's Communication "Limiting Global Climate Change to 2° Celsius: The way ahead for 2020 and beyond". Stakeholders are being asked for their views on the different building blocks of the Bali Road Map. These include a shared vision guiding commitments to mid-term targets by developed countries and greater collaboration on emission reduction and adaptation to climate change with the support of technology and finance.

The Commission welcomes comments from all interested parties, including individual citizens, industry, trade unions and consumer representatives, interest groups, the NGO community and other organisations. A conference for stakeholders is planned for autumn this year.

The consultation runs until 29 September 2008. Interested stakeholders are invited to participate by filling in the online questionnaire at:

http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=climatepost2012

St Andrews Prize for the Environment 2009 open for submissions

The St Andrews Prize for the Environment, an initiative of the University of St Andrews and the international energy company ConocoPhillips, is one of the biggest environmental prizes worldwide. Now in its 11th year, the prize will grant USD 75 000 to the winner and USD 25 000 each to the two runners-up.

'We know that technology has a key role to play in improving our environmental performance. The St Andrews Prize promotes practical and relevant solutions suited to local communities' needs and know-how', said Professor Jacqueline McGlade, Executive Director of the European Environment Agency.

Since its launch in 1998, the St Andrews Prize has attracted more than 2 000 entries from 50 countries around the globe, on a wide range of topics, including renewable energy, health and water issues, waste and recycling.

To enter the 2009 competition, a 500-word summary of your project should be submitted by 31 October 2008 to: mailto:prize@st-andrews.ac.uk

For more information on the prize, please see: http://www.thestandrewsprize.com

9. IMPRINT

Best wishes from the founders and the editors!

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