GREENBUDGETNEWS NO. 22 – 4/2009

EUROPEAN NEWSLETTER ON ENVIRONMENTAL FISCAL REFORM

Founders:

www.eco-tax.info www.eeb.org www.ecocouncil.dk www.levego.hu www.oegut.at

Chief editor: Dr. Anselm Görres
Editors: Kai Schlegelmilch, Sebastian Schmidt, Damian Ludewig, Jacqueline Cottrell, Benjamin Back

Contents

1. EDITORIAL 2
2. GREEN BUDGET REFORM IN GERMANY 3
3. GREEN BUDGET REFORM ON EU-LEVEL 5
4. GREEN BUDGET REFORM WORLDWIDE 16
5. CURRENT ISSUES – FINANCIAL CRISIS 20
6. LINKS AND PUBLICATIONS 35
7. EVENTS 37
8. JOB OPPORTUNITIES 41
9. IMPRINT 41

Quotation of the Spring

*This crisis offers a unique opportunity in that now, it is clear to all of us that no-one can permanently create advantages solely for himself. We, all of humanity, are in the same boat. And people in the same boat must help each other. **In the 21st century, self-interest has come to mean that we must take care of one another.***
Horst Köhler, Federal President of Germany, March 2009

1. EDITORIAL

Dear readers and friends of GBG,

We are living in turbulent and shocking times. Our entire economy and the financial system are in decline. Fears of redundancy are widespread. The global economy, which had appeared stable for many years and was producing astounding rates of growth, is now in recession. Many banks, financial institutions and private individuals have lost a great deal of money during the financial crisis. And this crisis is showing its effects not only on financial markets and economic systems, but also on the manufacturing industry, with negative effects for millions who have lost their jobs or have been forced to work reduced hours.

The typical response of governments has been to run into debts to halt the financial and economic meltdown. They are spending huge and unprecedented amounts of taxpayers money on calming the markets, stabilizing the financial system and fighting the looming depression.

The German government has created two stimulus packages (Konjunkturpakete), which give guarantees for financial insititutions and invest billions of Euros in the economy to promote employment, save jobs, and stabilise the economy.

Sadly, the majority of these investments are being spent on keeping old, obselete structures alive, rather than on renewal and innovation for a low carbon economy. Many activities are short-sighted, creating incentives that stimulate the economy and promote environmentally harmful actions. For instance, about €1.5 billion is being spent on the scrapping incentive to support the purchase of new cars and thus boost the German car industry. New cars were also given one year's road tax for free, without purchases being related to environmental criteria in any shape or form (apart from EURO IV which even a Porsche complies with).

Green Budget Germany is extremely concerned about such developments, as most governments are missing the chance to implement very different legislation in the interest of both economy and environment. Some assessments, however, suggest, that some countries such as South-Korea have made a difference and invested in building up a green economy.

And yet one of the main questions remains unanswered: how can these investments be funded? (In Germany, these investments amount to €82 billion).

These actions should only be financed in an environmentally friendly way, to foster the development of a sustainable economy and a greener future. The serious threat posed by climate change to us all and our planet must not be forgotten in times of financial crisis!

What is more, finding a cure for the financial crisis could prove to be a golden opportunity to redirect our economic system from its current unsustainable trajectory. What we really need is a critical review of all our actions. Which actions and conditions fostered the financial crisis? How can we change these conditions to guarantee that this was an isolated incident? In what way do we have to change our way of life, or are the problems part of our economic system and the corresponding institutions? And what can we do about it?

There is no easy solution to all of these questions. Nobody knows how to solve all the problems we are facing right know. But what we definitely know is that this crisis is a golden opportunity for all of us to throw off old habits and fight for fundamental, long-standing change.

We shouldn't only expect governments to take action for us - we should take action ourselves. Everyone should ask him/herself: Am I part of the problem or part of the solution?

Here at GBG we are devoting our work to finding answers to this simple question. There are no easy answers. Such questions are too complex to be easily solved. But every small step for (one) man (or woman) can be one huge step for mankind.

To go on this path of small steps, GBG took the small step at the start of year 2009 of moving our office from Munich to Berlin to be at the heart of German politics. By this change of location, we hope to increase our influence on politicians, political parties and the government and to promote EFR even more effectively as a result.

Additionally, we increased our staff team with Anke Fischer, a charming, motivated and friendly member of the team in Berlin to provide us with administrative and event management support. Anke is a certified office administrator and wrote her diploma thesis about ecotaxes, so she can also support the team in relation to content.

And there is a lot of work to do. Just last month we organized a conference with representatives from other NGOs and trade unions to encourage the exchange of common goals and interests, to build an alliance of like-minded people and find connections for future work coalitions.

Currently we are working on three different research reports, one of them on fiscal stimulus packages in Europe and Germany. We are organizing seven internal and external events, besides many other activities, such as meetings with media representatives.

One of the highlights of our work will be a conference on May 29 about the **Solution of the Crisis with public spending? Contribution of market-based environmental policy.** The conference will take place in Rotes Rathaus, the town hall of Berlin and will include several workshops and as highlight in the evening, the **award ceremony of our Adam-Smith Prize (for market-based environmental policy).** This year, our recipient is a high ranking political actor, whose name will remain a secret for the time being.
On the following day, May 30th, we will hold our annual general meeting (AGM) in 10178 Berlin-Mitte at the "Deutsche Umwelthilfe" in Hackescher Markt 4. Topics of the meeting will be, besides other things, the elections of our executive board members.

We invite everyone to attend our conference on May 29th and our AGM the following day.

At European level, we are organizing a conference at Kings College London titled: **„Environmental Policy in Times of Financial Crisis"** on July 17th. Besides this, on April 28/29, after several EU-wide telephone conferences, the steering committee of Green Budget Europe will come together in Prague to dicuss conceptional tasks as well as forthcoming events this year.

To manage all these activities, organization of conferences and work on different studies we are really dependent on your contributions to support us on our work towards a greener and more sustainable future.

We wish you a pleasurable reading of our first newsletter this year and hope to see you soon on one of our conferences.

Your GBG Editorial Staff

2. GREEN BUDGET REFORM IN GERMANY

Germany Considers Tax on Nuclear Power to Cover Cleanup Costs

[Jeremy van Loon: Bloomberg.com, March 11th]
Germany's Environment Minister Sigmar Gabriel wants to impose a tax on nuclear power plant operators to pay for more of the radioactive waste they produce.

A tax of 1 cent per kilowatt hour of electricity from nuclear power would generate 1.6 billion euros ($2 billion) that would be used to pay for clean-up costs, Gabriel said at a press conference in Berlin today.

German taxpayers have already contributed about 20 billion euros to pay for costs to treat nuclear waste as well as construction of disposal facilities, Gabriel said. Germany, which is phasing out the use of atomic energy, will have to spend about 2 billion euros to treat waste and upgrade its Asse disposal center where radioactive material has been improperly stored.

"Cutting into the profits of the power operators is fine because we can't have privatization of profits and yet keep the burdens of social costs of nuclear with taxpayers," he said. "I can't see any reason why the federal government should pay for this, especially given the current economic situation."

About 71 percent of the radioactive waste at the Asse disposal operation comes from nuclear power plants, whose owners have contributed less than 1 million euros to clean-up efforts, said Gabriel. Germany is also debating a new radioactive waste center in Gorleben.

Asse stores 125,000 barrels of weak and mid-radioactive waste from the years 1967 to 1978. A government report in September showed former operator GSF GmbH overlooked or failed to report water seepage in dry disposal chambers and unauthorized storage of highly radioactive waste.

The Federal Office for Radiation Protection took over management of the project set up in former salt mines in the state of Lower Saxony on Jan. 1.

Gabriel and his Social Democratic Party have resisted calls to lengthen the use of nuclear power, arguing that the technology is too costly, polluting and can't be used in conjunction with renewable energy such as wind turbines and solar panels.

To contact the reporter on this story: Jeremy van Loon in Berlin at jvanloon@bloomberg.net

Environmental awareness among Germans is high

[Federal Environment Ministry; UBA: Dezember 16th 2008]

The environmental awareness of Germans remains at a high level: 91 percent of the population rates environmental protection as important, according to the results of a new study on environmental awareness in Germany which was commissioned by the German Federal Environment Ministry and the Federal Environment Agency (UBA). The study also points out that consciousness of the risks and consequences of global warming is very high. Well over 80 percent of respondents is apprehensive about the high costs that Germany will incur to repair damages or for protection against the consequences of climate change. At the same time, the number of people who believe the effects of climate change in Germany are manageable rose from 39 percent in 2006 to 54 percent.

Parliamentary State Secretary of the German Federal Ministry of Environment, Astrid Klug, said, "This show of optimism enhances the foundation of goal-oriented environmental policy. I am happy that more and more people understand that environmental protection is about shaping our future, and that they are calling for systematic ecological modernisation."

Dr. Harry Lehmann, Head of the Environmental Planning and Sustainability Strategies Division at UBA, stated, "The public's willingness to act is on hand.

It is the task of politicians as well as the Federal Environment Agency to devote more energy to environmental communication that is appropriate for its target group. It is vital to define opportunities for action that are easy to understand and comprehend. We must make use of this positive public sentiment towards environmental protection and illustrate its impact on people's quality of life.“

Citizens are also very concerned about the rising cost of energy. The current survey asked for the first time how important they felt it was to relieve financial pressure by lowering energy costs. Agreement to this policy proposal was as strong as with the job of stimulating the economy. Astrid Klug comments, "I take these expectations very seriously. Rising electricity and energy prices could potentially bring about social decline, even among the middle class. Therefore, our policy of increasing energy efficiency and taking advantage of great energy saving potential is on the mark. It represents an important step towards achieving more social equity."

There is a lot of confidence placed in technological innovation as a solution to the problem. Some three-quarters of respondents expect increased economic competitiveness as a result of ambitious environmental protection policy. Nevertheless, the public does not simply dismiss its personal responsibility: a large majority agreed with the statement that we must all change our everyday habits.

Public awareness of the significance of biological diversity is also high. 90 percent believe that preservation of natural habitats is vital to nature and mankind. Generational justice is seen as the best argument for the maintenance of biodiversity, although the significance of natural habitats as sites for recreation, and preventative health care by association, is also rated as important. Respondents perceive overall close correlation between environmental protection and health.

The 2008 study of environmental awareness applied the Sinus Institute's social environment models, which help to gain information about the public which might improve environmental communications directed at them. The study's authors are Carsten Wippermann and Marc Calmbach (SINUS Institute) and Silke Kleinhückelkotten (ECOLOG Institute).

Note: The environmental awareness study 2008 is available on the Internet (in German) at www.umweltbundesamt.de/umweltbewusstsein. Previous studies are also listed on the site.

Dessau-Roßlau, 10 December 2008

3. Green Budget Reform on EU-Level

What would Adam Smith have said?

[Craig Morris: PV magazine 01/2009]

Abstract

British energy policy: Long known for its opposition to the Continent's feed-in tariffs, the UK has adopted a proposal in its Energy Bill to implement the policy that has made Denmark, Germany, and Spain leaders in renewables. But disputes over specifics could still drive a wedge into the coalition behind feed-in tariffs, and the policy could still be poorly designed.

Vijay Vaitheeswaren, the author of "Power to the People" and energy correspondent for the British weekly "The Economist", is Indian-born and MIT-trained. He knows his way around the English-speaking world. And his energy views are progressive. For instance, in his book he points out the benefits of higher energy prices, which make energy efficiency measures pay for themselves faster. Germany is one country that has implemented such "eco-taxes". So when asked at a conference in Germany in October of 2006 what he thought of German energy policy, including the feed-in rates that make electricity slightly more expensive to pay for renewables, his answer was as short as it was surprising: "Stalinist".

It seems that the Anglophone world has a different view of markets than the European continent does. The 20-year guarantees on prices for distributed renewables generators sound to Anglophone ears like the five-year plans of central communist planning. While the success of feed-in tariffs (FITs) in such countries as Denmark, Germany and Spain have obviously led to the greatest market success for renewables, the British and Americans charge, as Vaitheeswaren himself put it, that FITs "pick winners": prices are fixed in advance (anathema to the principle of the free market) to make each source of renewable energy equally profitable, whereas the UK's system of Renewable Obligations (ROs) and the US's Renewable Portfolio Standards (RPSs) allow utilities to choose the least costly option. Thus, renewables can compete with each other just as gas, nuclear, and coal compete for power generation.

The Continent counters that the British Wind Energy Association's categories of projects "submitted," "approved", and "rejected" sound more like government intervention than a free market. And Europeans repeatedly point out that FITs, though they may pay high rates (the Economist called them "madly generous subsidies"), actually cost less overall than ROs and RPSs, which are overly bureaucratic. The EU itself has published this conclusion, as has the policy-neutral International Solar Energy Society based in Germany. Indeed, the UK's Stern Review of 2006 wrote that FITs "achieve larger deployment at lower costs." So there have been proponents of FITs in the UK all along – including several MPs. And in 2008, some institutional changes allowed them to add FITs to a new Energy Bill.

New leadership

Just a few years ago, the UK was trying to have FITs thrown out of Europe altogether via the EU. Former Business Secretary John Hutton (MP Labour) and former Energy Minister Malcolm Wicks (MP Labour) were two of the main drivers behind this movement. But the Department of Trade and Industry where Wicks worked changed its name in mid-2007, and energy matters moved to the Department for Business, Enterprise and Regulatory Reform (BERR). At this point, energy was still handled as a subcategory of industry. The business world in the UK argued that nuclear and coal are cheaper than renewables, so solar went nowhere.

Priority was placed on renewables when the Department of Energy and Climate Change was spun out of BERR and the Department for Environment, Food and Rural Affairs as part of Prime Minister Gordon Brown's response to the financial crisis on October 3, 2009 – the same day that the US passed its Bailout Bill. With Ed Miliband, brother of the current Secretary of State for Foreign and Commonwealth Affairs David Miliband and son of Marxist political theorist Ralph Miliband, at the helm, everything suddenly went quickly. Within two weeks, Ed Miliband had announced a more ambitious target: not a 60 percent reduction in carbon emissions by 2050, but 80 percent. And within two months, the mechanism to meet that target changed when FITs were added to the UK's new Energy Bill.

But Miliband was not alone. A number of MPs, primarily Adam Simpson (Labour), helped out, and the website wesupportsolar.net lists more. Simpson argued that Germany's feed-in rates have allowed it to install 200 times more solar than the UK, though the two have similar solar conditions. His campaign was successful not only because energy policy was cleverly promoted as a football match that Germany is winning 200:1, but also because the UK now has numerous organizations that support feed-in rates.

Widespread coalition

Miguel Mendonça, a campaigner for the World Future Council and author of the book "Feed-in Tariffs: accelerating the deployment of renewable energy" does not believe that the Anglo world is as ideologically opposed to the governmental pricing behind FITs as Vaitheeswaren is. "There are just a few bad apples in important positions, and we have to find out where the rest are now that the main ones have been removed," he sums up the future focus. His colleague Leonie Greene of the UK's Renewable Energy Association says that the coalition behind FITs includes, obviously, the solar sector and the National Farmers' Union (biomass producers), but also – less obviously – the British Retail Consortium. "Companies like Tesco and Wal-Mart are keen on 'greening' their image by investing in renewables," she explains.

Dave Timms of Friends of the Earth UK adds a number of additional supporters from outside the renewables sector, such as the Trades Union Congress, the Royal Institute of British Architects, and the Institution of Civil Engineers, all of which understand that renewables create well paying jobs. He says he has definitely confronted "strong resistance to price setting" and calls the UK government's approach to renewables "verging on hostile" - until recently.

Sebastian Berry of British PV and solar thermal firm Solar Century says the British public has itself become impatient. "The Labour Government under Blair said that it wanted to catch up with Germany and Japan, but that promise has not been fulfilled." While he agrees with Mendonça that the British are open to FITs, he says the sales pitch is still tough: "There is a lot of background noise in the UK," by which he means misunderstandings about the cost and performance of solar. Timms agrees: "We have to stress the ease of integration of PV, not only in the grid, but in the built environment. The requirement for a permit if you want to put solar on your roof was done away with, for instance."

ROs vs. FITs

The details have yet to be worked out; we are still only talking about a proposal for a new policy, not a fully fledged law. No one believes that FITs will completely replace ROs. By the summer of 2009, feed-in rates are to be specified for each renewable source as an additional policy for distributed generators; ROs would still apply for utility-scale projects.

Already, BERR has come out against FITs, which can no longer be ignored. The executive summary of its UK Renewable Energy Strategy Consultation says, "while feed-in tariffs could … have theoretical financial advantages, these benefits could be within the margin of modelling error and would be small for the scale of deployment required" – not exactly an enthusiastic assessment. BERR adds that implementation will take time, possibly leaving too little leeway for 2020 targets "due to the delay and uncertainty that a change of support scheme (which could take several years to introduce) would necessarily entail." Sebastian Berry believes that, even if an agreement is reached next summer for specific rates, the new rates would probably not take effect until April of 2010 at the end of the fiscal year for Phase Two of the UK's Low-Carbon Building Programme.

BERR also adds an argument familiar to FIT proponents in the US: the policy might be great for Germany, but is ill suited to the UK (the San Francisco Chronicle recently published an article entitled "Feed-in tariffs – right for Germany, wrong for California"). Admittedly, BERR has a diplomatic way of saying FITs are antithetical to free markets: "There could also potentially be difficulties in the operation of feed-in tariffs in the UK's market-based system." BERR's conclusion? "This document therefore concludes strongly in favour of maintaining the RO for large-scale electricity while recognising that we need to continue to improve its efficiency."

And Dave Timms says it was easier to get FITs on the agenda in 2008 because the revised ROs "already conceded that different renewable sources required different levels of support." Originally, the principle behind ROs was that the cheapest renewable project would be awarded the contract. But a few years ago, the UK realized that its ROs were in fact picking winners by promoting mainly the least expensive renewable energy source:

wind. The solution was to specify four different categories of renewables (some RPSs in the US also set aside a separate target for solar, effectively producing two rates). From there, the philosophical step to FITs is indeed small, as Timms points out.

Support for ROs should nonetheless not be taken lightly. The British Wind Energy Association (BWEA) itself still supports ROs and has tried to have a lower cap put on projects eligible for FITs. At present, a five-megawatt ceiling is proposed, which would essentially be sufficient for almost all solar roofs and facades, though perhaps not large ground-mounted arrays. But the fivemegawatt cap would mean that community wind projects would have to stop at three or four turbines. Above that, ROs apply.

Why would the UK's wind lobby support such a cap? A campaigner who wished to remain anonymous believes that the BWEA essentially represents large energy corporations – the ones who benefit most from ROs and therefore tend to see FITs as an enabler for small competitors. "Wind is the reserve of big business in the UK," the campaigner stated. If FITs are to be implemented, the public will have to be convinced that ROs do not apply to them, but FITs would. As Leonie Greene puts it, "ROs are very complicated mechanisms, and people don't understand them." This debate may be easy to win.

At any rate, all companies and organizations in the UK's solar sector seem to be supportive of FITs. The reason is simple, says Solarcentury's Sebastian Berry: "ROs are largely irrelevant for photovoltaics in the UK" because the incentives are too low. He says that Solar Century and Sharp UK asked the government to increase the payment under ROs fourfold but only got a twofold hike.

A study published in mid-September by the UK's public-private Energy Saving Trust showed how woefully underfunded solar is in the UK; it found that a fivefold increase in ROs for PV would allow "around 1.0 GW of PV … to be installed by 2020", roughly a fourth of what Germany already has and even less than would be installed under an FIT of 20 pence per kilowatt-hour.

Power vs. heat

So how high should the rate for solar be? Neither Berry nor anyone else wished to state a figure because such issues are not only fodder for their opponents, but also delicate matters that could drive a wedge into the coalition itself. After all, its members represent different energy sources, and not everyone will get what they want.

One potential bone of contention is already clear: a lot of attention is being paid to renewable heat. In principle, this is excellent. Heat makes up a far greater piece of the EU's energy pie than electricity, and the UK is no exception. Furthermore, FITs in Germany in particular have largely overlooked renewable heat. So the UK could set an example for the continent if it designs its policy well. But solar electricity could also be neglected if solar heat is found to be so much cheaper.

In addition to the question of rates, Berry says, "The nightmare is a ninemonth gap"between policies; he adds that the roller coaster ride of policies up to now have led the industry to lose confidence.

Devil in the detail?

Will the loose FIT coalition hold now that the rates have to be negotiated? Mendonça says everyone is elated at the moment, so the coalition's eye is on the goal: "we have to make sure this is not net-metering or a FIT in name alone," such as the "competitive feed-in tariffs" proposed by the Tories in their 'Quality of Life' report on energy in 2007. "The big companies would prefer to recreate the same centralized, monopolized ownership structures for renewables," he warns. But he is also not too worried about the 5 MW cap. "Getting small scale supported properly is a start, and down the line the failings of the RO will become increasingly evident by comparison. Common sense on policy is therefore very likely to prevail."

Dave Timms is also confident: "The coalition will stay strong. We have differences of opinion, but also a high degree of trust." And Sebastian Berry specifically praised the Renewable Energy Association for its "thorough process of input for each technology".

"Solar has been getting very bad press in the UK, but it is really much more cost-effective than people think," the REA's Leonie Greene argues. She is also concerned about fears that high rates for PV will heighten concerns about energy poverty in the UK; when power becomes more expensive, the poor are hit hardest. But she says there are solutions, such as contracting, and she argues that "social policy should not dictate energy policy." In other words, the UK can structure its entire tax system and social services differently if it really wants to help the poor. After all, concerns about energy poverty are great in the US and UK but rarely voiced in Germany, where power is kept artificially high with greater taxation.

Indeed, if the UK looked closer, it would see that Germany not only sets floor prices for renewables, but also for other products that society wants to protect, such as books; in return, Germany sets price ceilings for social housing and prescription medication to protect the poor. While such ideas are also known in the UK, they are on the retreat – the UK got rid of its Net Book Agreement in 1997, for instance. For the British, markets mean that Adam Smith's invisible hand sets prices, not some central government in a five or 20-year plan – not even with degressions to phase out subsidies altogether.

And yet, Germans see no contradiction between Adam Smith and FITs, between free markets and governmental pricing. Price floors with degressions do not pick winners among companies; they merely give the chosen industry a window of opportunity. Once a rate has been set, may the best company win! No doubt, the British will be surprised to hear the name of the award that **Green Budget Germany**, the group behind the German ecotax, hands out every year. No, it's not the Stalin Award. It's the Adam Smith Award.

Scenarios for PV in UK

FIT	Installed capacity by 2020	Degression	Share of RE by 2020	Subsidy cost
20 pence / kWh	1.25 GW	0 %	0.44 %	£ 260 m
30 pence / kWh	11.7 GW	2 %	3.70 %	£ 8.7 b
40 pence / kWh	15.4 GW	2 %	4.80 %	£ 17.9 b

Source: Energy Saving Trust

Graphic: Solarpraxis/ Harald Schütt

Note of the editors: Besides, the Prime Minister of China, Wen Jiabao, admitted recently that he has the Adam Smith book "The Theory of Moral Sentiments" in his suitcase: (http://www.chinaconsulatesf.org/eng/xw/t535971.htm)

Industry demands freeze on new EU green rules

[ENDS Europe, March 16th]

A coalition of leading industry associations has called on the European commission to postpone ongoing and planned reviews of EU environmental rules, and to drop plans for an EU-wide cap and trade scheme for nitrogen oxides and sulphur dioxide.

Increased regulatory burden would jeopardise the industry's chances of survival as the global economic crisis deepens, according to the Alliance for a competitive European industry (ACEI). The coalition includes trade bodies for sectors such as chemicals (Cefic), auto manufacturing (Acea) and electricity generation (Eurelectric).

The coalition says it accepts the EU's climate change agenda will require new legislation to be tabled in due course. But in other areas of environment policy, new proposals should be "put at a standstill" and "alternatives elaborated", according to ACEI.

The industry is particularly concerned that a current overhaul of EU rules on industrial pollution will create significant additional costs, and call for the revision to be delayed. This echoes similar concerns raised by EU governments during their discussions of the IPPC proposals (EE 02/03/09 ; EE 10/03/09).

Several sectors also strongly reject any move by the commission to propose an EU cap and trade system for NOx and SO2. Cement industry association Cembureau says the commission's environment department is investigating such a system as a "solution to the problematic NEC directive".

The commission has blamed the delayed review of the national emission ceilings directive on technical issues rather than political opposition (EE 22/07/08). But it is debatable whether a trading scheme for NOx and SO2 would be any more politically acceptable, with few EU countries supporting the idea.

Other legislative proposals that industry would like to see shelved include revisions of EU rules on waste electronic equipment and eco labelling (EE 03/12/08 and EE 18/02/09).

The coalition's demands are timed to coincide with a conference on industrial competitiveness to be held in Brussels on Tuesday, as well as this week's summit of EU leaders. Industry ministers recently rejected a call by EU industry commissioner Günter Verheugen to suspend new environmental legislation for the car industry (EE 06/03/09)

16 states exceed emisson limits

[AcidNews No.1, March 2009]

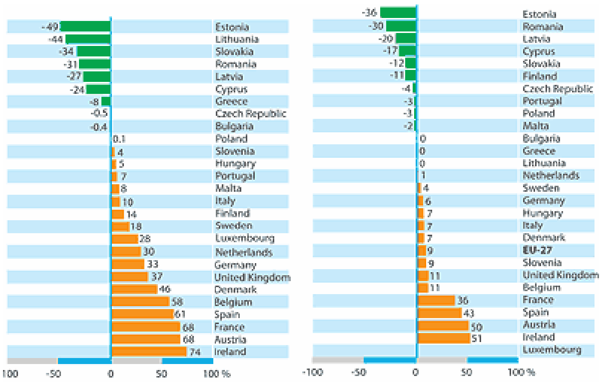
Only eleven member states expect to comply with their emission limits for all four air pollutants set by the EU national emission ceilings directive.

Sixteen EU countries are likely to exceed national limits on emissions of at least one of four key air pollutants set for 2010, according to an analysis carried out by the European Environment Agency (EEA).

The national emission ceilings directive (NEC) sets pollutant-specific and legally binding emission ceilings for each member state to meet by 2010. It requires the countries to submit annual reports on emissions and projections for four air pollutants: sulphur dioxide (SO2), nitrogen oxides (NOx), volatile organic compounds (VOCs) and ammonia (NH3).

EEA's analysis is based on figures reported by member states, including final data for 2005, preliminary data for 2006 and projected emissions in 2010. Only eleven member states anticipate they will meet all four emission ceilings, while fifteen states indicate they will miss at least one of their respective ceilings. One member state – Luxembourg – did not provide any emission projections.

Nitrogen oxides continue to pose the greatest challenge, with thirteen member states predicting they will miss their national tional ceilings for 2010. NOx emissions for the EU27 as a whole are still projected to be nine per cent above the aggregated member state limits (known as the Annex I ceiling) and 20 per cent above the stricter ceiling for the EU as a whole (the Annex II ceiling) set for 2010.



Distance to NO_x emission ceilings for countries' emission levels in the year 2006

Over the period 1990–2006 emissions rose in four countries: Cyprus, Greece, Portugal and Spain. The largest single polluter was the UK, which alone accounted for nearly 15 per cent of the total emissions. Germany, Spain and France each contributed about 12 per cent. The shortfall in reaching the ceilings in absolute terms is largest for Spain (364 kilotonnes), France (295 kt) and the UK (127 kt), and in relative terms for Ireland (whose 2006 NOx emissions were 74 per cent above the 2010 ceiling), Austria (68 per cent), France (68 per cent) and Spain (61 per cent).

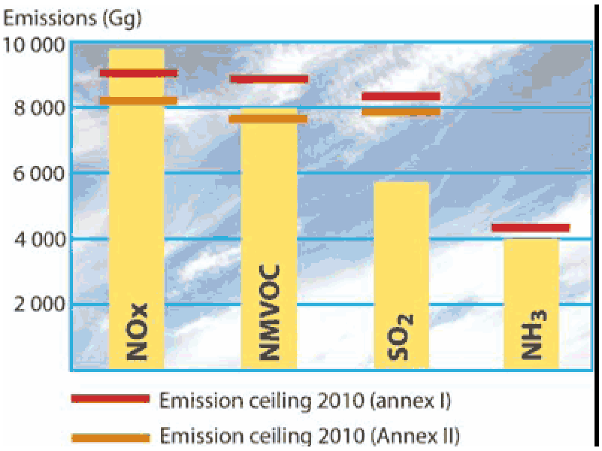
Even taking into account NOx control measures already in place within the member states, some states including the Netherlands, Sweden and Germany expect to emit only slightly more NOx than their ceilings. Others, such as Ireland, Austria and Spain, are projected to miss substantially their targets by as much as 50 per cent.

According to the EEA, higher than expected growth in road transport is partly to blame. Moreover, the effectiveness of certain vehicle emission controls measures, especially the Euro II and Euro III standards for heavy-duty vehicles, turned out to be smaller than originally anticipated. Despite the fact that the lower than expected effectiveness of these control measures has been widely known since around 2002 or 2003, very few – if any – Member States seem to have taken the needed additional action to compensate for the shortfall. In fact several countries that expect to exceed their NOx ceilings by 2010 have not reported on plans to implement additional measures that may allow them to comply with their 2010 ceilings. According to article 6:2 of the NEC directive, any country that is not on track should already have developed and presented such plans by 2006.

Regarding sulphur dioxide the Netherlands is the only country that does not expect, with the current measures in place, to meet its ceilings by 2010, although by implementing additional measures it anticipates meeting the ceiling in time. Between 1990 and 2006 all member states except Greece report a decrease in emissions. The biggest reductions were reported by Latvia (97 per cent), Germany (90 per cent), Hungary (88 per cent), Denmark (86 per cent), and Italy (77 per cent). The major polluters were Poland and Spain, which contributed 15 and 14 per cent respectively of total emissions. The EU as a whole is projected to be 31 per cent below the aggregate ceiling and 27 per cent below the Annex II ceiling.

Five member states – Denmark, France, Poland, Portugal, and Spain – report that they do not envisage meeting their VOC ceilings in 2010. Two countries – Greece and Portugal – increased their emissions during the period 1990–2006. The *biggest single polluters were Germany and France*, each accounting for nearly 15 per cent of the total emissions. The projections for the EU as a whole are nine per cent below the aggregated ceiling target of Annex I, but six per cent above the Annex II ceiling.

Twenty member states have already reduced ammonia emissions below their respective ceilings for 2010. Germany and Spain report that they will not reach the target for 2010 with the current measures in place. The projections for the EU27 are seven per cent below the aggregated EU emission ceiling. Inadequate reporting by several countries makes comparisons and forecasts for the EU as a whole unreliable. Amongst the fourteen member states that provided emission estimates for the years 1990 and 2006, Italy, Spain and Cyprus report increased emissions, whilst all other countries reported decreases.



Aggregated "with measures" projected emissions for 2010 reported by Member States compared with the EU27 combined emission ceilings as given in Annex I and Annex II of the NEC directive

Only eighteen out of 27 member states met the required reporting deadline of 31 December 2007. Ten countries provided additional or revised data between January and July 2008. Only nine member states submitted emission inventories in a comparable and consistent format, while the remaining eighteen states submitted data using a variety of non-standard formats. To help improve transparency, the EEA suggest that future reporting by member states could include a short informative report with explanatory information. It also suggests that a definition of formats for emission inventory reporting should be included in the forthcoming revised NEC directive.

Based on its Thematic Strategy on Air Pollution from September 2005, the European Commission spent nearly three years preparing a proposal for a revised NEC directive – the main intention being to set new (stricter) emission ceilings for 2020, and expand the number of air pollutants covered from four to five by adding fine particles (PM2.5). For various reasons the proposal has been postponed several times, and in June 2008 the Commission had a draft proposal ready, but decided again to postpone (see AN 3/08). The Commission has so far failed to explain why the draft new legislation was again delayed or when it is expected to be published.

Climate Package
Strong structure, weak numbers

[Fredrick Lundberg: AcidNews No.1, March 2009]

The final agreement on the EU climate package retains the goal to reduce emissions by 20 per cent. Together with a 20-per-cent share of renewables and 20-per-cent energy savings, this creates the triple goal of 20-20-20 by 2020.

The EU climate package was finally agreed in December, despite some last-minute drama, mostly in accordance with the Commission's January proposal. It means that the EU now has a strong climate policy framework. However, the agreed limits are inadequate to reliably achieve the 2ºC climate target, according to the environmentalists, who also believe that measures in other countries, mainly through the CDM, have been given too big a role.

If the press is to be believed, the entire climate package was at risk of crumbling under pressure from the new Member States and from Italy. This never came about and the EU's unconditional goal to reduce emissions by 20 per cent was retained. Together with a 20-per-cent share of renewables and 20-per-cent energy savings, this creates the triple goal of 20-20-20 by 2020.

The promise to make reductions of 30 per cent if other nations make similar undertakings was also retained. The allocation of emission targets between the member states has been agreed. (see map). Member states have additional binding targets for renewable energy sources and energy efficiency measures. For many big companies the regulations governing emissions trading set clear requirements to reduce emissions by emissions trading. The car industry faces demands to reduce the emissions of new cars. The package also provides regulation for the storage of carbon dioxide and some funding for CCS (Carbon Capture and Storage) demo plants.

The package, which was first adopted by the Council and then by Parliament in December, *consists of four sets of legislation*:

- Trading in emissions rights for greenhouse gases
- Common initiatives to reduce greenhouse gas emissions
- Geological storage of carbon dioxide
- Emission standards for new passenger cars

One of the most important elements of the package (under Common initiatives…) is the use of effort sharing to achieve a 20-per-cent reduction. If the EU is to cut emissions by 30 per cent the entire package will have to be renegotiated in spring 2010.

Emissions trading accounts for two billion tonnes of EU emissions, which total around 5.1 billion tonnes of CO2 equivalents. Some progress has already been made towards the 20-per-cent cut from 1990 levels, and a further 14-percent reduction is required from 2005. The trading sector must make cuts of 21 per cent or 457 megatonnes from 2005 emission figures, while the non-trading sector must make reductions of 10 per cent or 310 megatonnes. The Member States cannot influence emissions in the trading sector. Effort sharing applies to the non-trading sector. The reductions must be achieved either in the EU or partly through projects in other countries, corresponding to a maximum of three percent of 2005 emissions from the non-trading sector. This nevertheless represents a large share, roughly half of the reduction required by 2020. In addition, most countries can use a further one per cent for projects, but only in the poorest countries or poor island states and subject to a string of conditions. It therefore seems doubtful whether this percentage will actually be used to any great extent. It does however open the possibility that the EU could achieve more than half its undertaking in other countries.

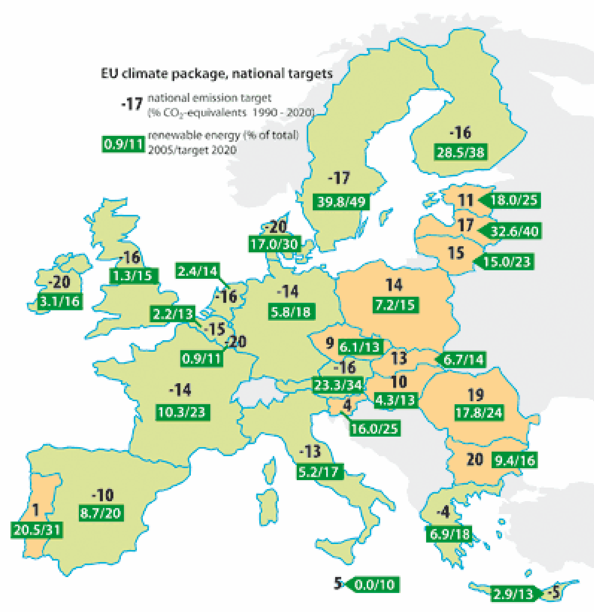
Energy efficiency must be improved by 20 per cent "compared with forecasts for 2020", according to the hardly crystal-clear explanation given under "Common initiatives". The Commission will get back with an evaluation of the national energy efficiency plans and new proposals by 2012.

This does not mean that everything is on hold. In autumn 2008 the Council urged the Commission to propose a ban on incandescent bulbs under the framework of the Eco-Design directive. The national experts gave their backing to this requirement.

As concerns emissions trading the revised directive on emissions trading states that the majority of rights must be auctioned instead of being allocated free of charge, as in the past. The Commission is also to take a decision on the criteria for free distribution , particularly to some sectors of high-carbon industry where competition is strong.

This means that the emissions trading system will in theory become a very strong incentive, but it remains to be seen just how effective it is in practice. During the first trading period of 2005–2007 the first priority was to get the machinery in place. This led to overly generous allocation and eventually to a collapse in prices. In the run-up to the second trading period, 2008–2012, the Commission examined the plans much more actively and cut back allocations in most countries, but retained the national allocation plans. In the third period the energy sector will have to buy all its rights at auction, with a few exceptions. The exceptions apply to Poland, Estonia, Latvia and Lithuania, for whom free allocations will be ramped down and disappear completely by 2020. Harmonized rules will apply to the whole of manufacturing industry, including steel, cement, lime, and aluminium producers. Opportunities for Member States to look after "their own" industries are thus greatly reduced. This also increases the collective ability of the EU to deliver large reductions in emissions.

The difficulty lies with the numbers. To achieve a 20-per-cent reduction in greenhouse gas emissions over the period 1990–2020, trading in emissions rights must deliver a reduction of 21 per cent between 2005 and 2020.



National targets for emission reductions and renewable energy according to the new EU climate package.

Problems have quickly surfaced. The price of emission rights plummeted from 20–30 euro per tonne for most of 2008 to 8–10 euro in February 2009. This not only applies to spot prices but also futures. This is to some extent due to the economic crisis, but naturally means less incentive for change. Because surplus emission rights can be saved until 2020 at least, today's prices also say something about the way the market expects things to turn out in the longer term.

Investments in low-carbon technology require a higher and more stable price for emission rights. One of the methods in which many EU governments are putting a lot of faith is Carbon Capture and Storage (CCS). One common estimate is that CCS will not become profitable until the price of emissions rights reaches 30–35 euro/tonne. It is even difficult for many forms of renewable energy to compete with fossil fuels when the price of emission rights is so low.

Emission credits from projects may also be used in the trading sector. This represents roughly half of the reduction, in other words around 130 million tonnes per year, or a total of roughly 1.6 billion tonnes for the period 2008–2020. The CDM will also apply to new participants and new sectors, although its effect is unclear.

The package does not rely entirely on emissions trading and national undertakings for the non-trading sector. In the case of renewable energy the EU must achieve at least a 20-per-cent share by 2020. Each country will be given a binding target, expressed as a percentage of total energy use. This means drastic changes for many countries (see map). The action plans of the member countries must be complete by 30 June 2010. The Commission will specify the information the plans must provide on 30 June 2009.

There are opportunities to meet part of the undertaking through common initiatives within the EU and by building power plants in countries outside the EU, but only if the electricity is used in the EU. In other words constructing a wind farm in China will not count under this directive, but the construction of a wind farm in Norway or solar power plant in Algeria would, assuming that power could be transmitted satisfactorily.

The directive also establishes that renewable electricity must be given guaranteed or priority access to the grid.

The EU does not take any position on whether the increased share of renewables should be achieved through feed-in tariffs, as in Germany, Spain and other countries, or by a quota system, as used in Sweden and Great Britain, for example.

Each member state must also have a renewable energy share of at least 10 per cent in the transport sector. It is clear however that the EU has taken note of the criticism levelled against biofuels.

Extensive sustainability requirements are set out for biofuels, regardless of whether they are grown in the EU or imported. The Commission will report to Parliament on compliance with these sustainability criteria every alternate year from 2012.

Biofuels may not be counted as fully renewable if they give rise to greenhouse gas emissions during their lifecycle. As a standard value, it is assumed that biofuels reduce greenhouse gas emissions by 35 per cent, unless better values can be proven.

Electric vehicles and hydrogen vehicles are particularly encouraged, since electricity that is used for this purpose may be multiplied by a factor of 2.5. This is based on a conventional coal power plant having an efficiency of roughly 40 per cent, which makes it more profitable to replace fossil fuel with renewable power than to replace petrol with ethanol.

The *main purpose of the CCS directive is to ensure consistent regulation of carbon capture and storage*. An emission limit for new power plants of 350 grams/kWh was proposed in the report by Parliament (Chris Davies, British liberal democrat). This would have meant a ban on new coal power plants without CCS, but permitted efficient fossil gas power plants. New coal power without CCS thus remains a big possibility – a possibility that many power companies are of course banking on.

In other respects the potential for CCS is governed mainly by the emissions trading directive.

Revenues from the sale of up to 300 million emission rights will be taken from reserve for newcomers to the trading system and distributed to as many as 12 CCS demo plants or projects that demonstrate innovative renewable energy technologies. At an emission price of 10 euro this totals three billion euro. This is not such good news for CCS as it may seem. The figure was cut from 500 to 300 million rights and at the same time the value has fallen sharply as a result of the price drop in emission rights.

Parliament also wanted half the revenues from auctioning to be earmarked for a variety of purposes, including CCS. But this figure was whittled down to 12 per cent, to be used for climate policy measures in poorer EU countries.

At the end of January the Commission proposed that 1,250 million euro from unused agricultural subsidies in the 2008 budget should be used for CCS projects, but no decision has been reached.

Of the other possibilities for reducing emissions, no decision was reached on nuclear power, as expected. Nuclear power is in any case influenced by both emissions trading, which slightly favours nuclear power, and by the renewables directive, under which nuclear power makes it more difficult to achieve targets. The energy efficiency target probably also works against nuclear power most of the time. In Sweden, for example, increased nuclear power generation that results from increasing capacity by 1 TWh would require a corresponding 1 TWh increase in wind power output. But if electricity consumption were to increase at the same rate it would be very difficult to meet the energy efficiency target. Exporting nuclear power does not provide any solution to the problem either, since the origin of all electricity must be identified. If Germany, for example, imports Swedish nuclear power it is added to other non-renewable sources of energy.

The legislation on emissions standards for new passenger cars sets a *target of 130 grams/km for the average new car by the year 2015. This will be reduced to 95 grams in 2020*.

It is assumed that a further 10-gram reduction can by achieved by using biofuels, for example. Significant penalties are imposed per car if emission targets are exceeded.

Manufacturers of cars with very low emissions (less than 50 grams/km) will receive "super credits", meaning that one of these cars will counts as 3.5 normal cars. This is a further move to favour electric and hybrid cars that mostly run in electric mode.

Yvo de Boer: an insider's view on global climate talks

[ENDS Europe, March 3rd 2009]

In late February, UNFCCC (United Nations Framework Convention on Climate Change) executive director Yvo de Boer attended a ministerial meeting in Nairobi to hold further talks on a new global climate agreement. In an interview for ENDS, Mr de Boer outlines the current state of play in the talks and looks ahead to this December's crunch summit in Copenhagen.

Q: Did world environment ministers make any progress in their discussions on climate change at the UNEP meeting in Nairobi?

A: I think the meeting was useful for ministers. The last UNFCCC meeting in Poznan ended on a sour note, but the mood here was generally positive. There were a number of areas with plenty of consensus on how to take the process forward. There is also a clear willingness to remain politically engaged.

Q: According the work programme agreed in Bali in December 2007 for the global climate talks, developed countries were due to quantify their combined emission reduction commitment at next month's meeting in Bonn. Is this timetable still on track?

A: We will have figures on the table from a large number of countries in Bonn, but not all of them. Japan has already said that it will not be able to define a reduction level before June, and we don’t know when Russia will table its proposal.

Q: What was your assessment of the plans outlined in the European commission's recent Copenhagen communication, particularly on how developed economies should finance adaptation and mitigation efforts in developing countries?

A: The paper contains some very useful suggestions. The main advantage of securing funds for developing countries by selling emission allowances to rich countries at a fixed price is that this generates resources from within the international climate framework itself. It's a polluter pays approach.

Clearly there is a general resistance among EU finance ministers to any earmarking of funds, given the current global economic woes. But everyone recognises that the money has to be generated one way or another if we're going to get an agreement in Copenhagen. So, clearly it would be best to generate new and additional funding from within the climate change regime.

Q: Global climate negotiations are currently running on two separate tracks. First, parties to the Kyoto protocol are discussing further emission cuts after the first commitment period expires in 2012. The second stream involves all countries, including non-Kyoto parties such as the US. Do you think these two tracks should be merged?

A: Whether or not the two tracks are merged is a part of the politics surrounding the negotiations. Most developed countries are working on both tracks, but the EU and Japan would favour a single approach.

Developing countries would clearly prefer a second commitment period under the Kyoto protocol, together with the participation of the US. Given past experience, many of them are reluctant to abandon Kyoto if there's no clarity on an alternative approach. So it's still not clear whether there will be a merging of the tracks.

Q: Much has been made of the potential of sectoral agreements to achieve emission reductions worldwide. Do you think this is realistic?

A: I see a huge resistance on the part of developing countries to international sectoral approaches – they regard them as a back-door way of putting restrictions on their economic growth.

My question is: if companies are part of an international sectoral agreement, how do you reconcile that target with national emission reduction goals? And what legal basis do you have for taking action if a sector fails to meet its target?

I know that the European commission and countries like Poland and Japan are still studying sectoral approaches, so the debate is not dead. But I think that approach is surrounded by political and technical difficulties.

Q: Do you think the current global financial crisis has undermined the chances of a successful outcome in Copenhagen in December?

A: I don’t see the present economic situation as a threat. I was at the World economic forum in Davos recently, and I had expected climate change to be completely pushed off the agenda. But a large number of government heads and corporate leaders were still calling for a strong outcome in Copenhagen. Industries want predictable climate policies that give them investment certainty.

Energy and climate issues also feature in many of the economic recovery plans announced by governments. For example, the US stimulus plan includes billions of dollars for renewables, clean vehicles and energy efficiency. And in China, huge amounts are being set aside for the transition to a low carbon economy.

But it is true that finance ministers in many countries are using government funds to bail out their banking sectors. That certainly makes it harder to ask for money to fund global cooperation on climate change.

Q: Just how significant is the change in US administration for the success of international climate negotiations?

A: President Obama's position on climate change is a huge encouragement for the international process, not only because he is engaging fully, but also because he is putting in place a credible domestic policy to limit emissions.

Secretary of state Clinton's visit to China [in February] is also very important. A key issue in the global climate negotiations is how the US and China can come to an agreement on limiting their emissions.

Q: What is the minimum result that you think the Copenhagen summit in December has to deliver to be considered a success?

A: Copenhagen has to deliver on four fronts. First we need ambitious emission reductions by indus-

trialised countries. We need the engagement of developing countries – especially major ones – to limit their emissions growth. For that to happen, we also require an agreement on financing that results in new, additional, sustainable and predictable funding and technological support. There would be resistance towards repackaged Overseas Development Assistance (ODA). Fourth we need a governance structure to manage the money for adaptation and mitigation. It must ensure that all countries are equal managers of the resources, as opposed to being simply donor-driven.
We're seeing movement on all fronts. Most developed countries have made offers to cut their emissions, and action plans are being drawn up by many developing countries. On financing there are several proposals on the table including the EU's. The governance debate is a bit more behind the others, and deserves more attention.
The Copenhagen summit has to deliver a result. It may not turn out to be a total success, but with the commitment of all countries it's inconceivable that it will be a failure.

ECOFIN argues against reduced VATs for environmental friendly products

[Benjamin Back, GBG, March 17th 2009]
The Economic and Financial Affairs Council agreed on March 10th 2009 on a list of goods and services on which the European Member States are allowed to levy a reduced VAT. The list includes among other things minor repairing of bicycles and clothings, restaurant services, hairdressing as well as renovations and repairing of private dwellings. The Council refused reduced VATs on environmentally friendly products with the argument **"that reduced VAT rates as a tool for achieving environmental policy objectives are relevant only to a certain extent".**
The Council argued instead, that there might be better and more focused instruments to achieve environmental goals. As insiders heard, even the two member states, France and the United Kingdom, which had pushed the Commission most to propose reduced VAT rates for environmental purposes did not vote in favour of them. Though it is clear that such reduced rates are not the first-best solution, given the very slow progress regarding energy taxation on EU level due to the unanimity voting requirement this is very disappointing, not at least since the UK is always reluctant to support EU taxation rules.
The meeting report is available under: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ecofin/106576.pdf

Sweden proposes divisive fuel tax hike

[Peter Vinthagen Simpson, The Local, March 10th, 2009]
The Swedish government has proposed rises in diesel and vehicle taxes in a move designed to cut carbon emissions.Energy taxes on diesel are set to rise by 0.40 kronor ($0.04) per litre and a scale introduced to link vehicle tax to carbon emissions. Taxes will rise for every extra gramme of carbon dioxide emitted.
New eco-cars will also be made exempt from vehicle taxes for their first five years.
These are some of the suggestions in the government's climate proposition, presented by cabinet ministers, Anders Borg, Maud Olofsson and Andreas Carlgren, in a debate article in Dagens Nyheter on Tuesday.
"The rule should be that it should be expensive to drive with fossil fuels," environment minister, Andreas Carlgren, said at a press conference in connection with the presentation of a new book of climate proposals and their costs in Stockholm. The Green party climate spokesperson, Karin Svensson Smith, described the proposition as "far too weak" and was critical of the lack of a proposal to introduce a kilometre tax on lorries.
The Federation of Swedish Farmers (LRF) was scathing in its criticism of the proposed rise in diesel taxes in a statement on Tuesday morning. LRF called the tax rise a "declaration of war" and claimed the impact of higher fuel costs would be severe on the Swedish agricultural sector. According to Lars-Göran Pettersson at LRF the higher diesel taxes will cost the sector around one billion kronor per annum. "Already at current levels we are above average in European terms. We will now be in a situation of where large tracts of Swedish agriculture will be in threat," Pettersson claims. Andreas Carlgren has responded to the criticism by claiming that the rise in diesel taxes, in preference to a kilometre tax on lorries, is a more efficient way of meeting carbon emissions targets.

"Tax rises will be compensated by tax cuts, for companies through lower social and payroll taxes," said Carlgren, adding that these proposals will be presented at a later date.

The government proposes that taxes on diesel be raised in two 0.20 kronor steps with the first rise planned for January 2011 and the second in January 2013.

New eco-cars will become exempt from vehicle taxes from January 2010. This would replace the current 10,000 kronor rebate given to buyers of all new electric or renewable fuel cars. The tax exemption would also apply to new vehicles that emit less than 120 grammes of carbon dioxide per kilometre. For all cars emitting more than 120 grammes of carbon dioxide per kilometre, vehicle taxes will rise by five kronor to 20 kronor for every extra gramme from January 2011.

Furthermore *taxes on fuel for heating within industry, agriculture and forestry will climb from 21 percent to 60 percent.*

The proposals are part of Sweden's commitment to cut carbon emissions by 40 percent in comparison with 1990 levels, one of the most ambitious targets of all the European Union countries. Link to the press release of the Swedish Ministry of Finance, dated 10th March 2009: http://www.sweden.gov.se/sb/d/11760/a/122175

4. GREEN BUDGET REFORM WORLDWIDE

One per cent of GDP will save the climate

[*AcidNews No.1, March 2009*]

A new study shows that global warming can be kept below the critical 2°C rise at a cost of well below one per cent of the global gross domestic product (GDP).

A new study by McKinsey and Co shows that global warming can be kept below the critical 2°C rise and that it is well within our means to do so. The study spells out in detail the costs of cutting damaging carbon emissions, but makes it clear that only by acting now will we avoid the worst impacts of climate change.

“Every year of delay adds to the challenge, not only because emissions will continue to grow during that year, but also because it will lock the economy into high-carbon infrastructure,” said the report.

The report lists more than 200 opportunities, spread across ten sectors and twenty-one geographical regions, which could cut global greenhouse gas emissions by about 40 per cent below 1990 levels by 2030.

By 2030, wind, solar and other sustainable renewable sources of energy could provide almost a third of all global power needs. Energy efficiency could reduce greenhouse gas emissions by more than a quarter, and deforestation in developing countries – one of the biggest drivers of climate change and a major threat to sustainable development – could be almost fully halted. And all at a cost of less than half a percent of the world’s Gross Domestic Product (GDP), a measure of the market value of all goods and services.

“The McKinsey study shows once and for all that taking action on climate change is both urgent and affordable,” said WWF director James Leape. “The figures show clearly that not only can we move to a low-carbon economy, but that the costs are manageable. Adopting these measures will be a major step towards avoiding the worst effects of climate change.”

Findings are presented in the form of an “abatement cost curve” which graphically illustrates the sectors where the most cost-effective carbon reductions can be made, including saving 14 billion tonnes of CO_2 by replacing carbon-based power generation with – amongst other things – existing and proven clean, renewable energy; 14 billion tonnes through more sustainable use of land in the agriculture and forestry sectors; and 11 billion tonnes from energy efficiency. Another 9 billion tonnes of potential emission reductions are identified, which either are more expensive or represent behaviour changes that are difficult to quantify.

McKinsey analyses the potential for emission abatement across all sectors including nuclear power. WWF believes however that the costs for nuclear have been underestimated, and moreover states that nuclear power is not a viable option when the risks from proliferation, highly radioactive waste and plutonium leaks are taken into consideration.

In addition, WWF believes that further substantial reductions are possible from combined heat & power (CHP) biomass, better energy efficiency, and low-carbon products which will protect the climate without the need for nuclear power.

If all the technology options listed in the study were put into practice**, it would be possible to achieve a global reduction of approximately 40 per cent of greenhouse gas emissions by the year 2030** compared with 1990 levels – which equates to a 70-per-cent reduction from “business as usual” levels. That would be enough to put the world on track to keep global average temperature rises below the 2°C level which has been identified as the maximum allowable before widespread irreversible environmental damage kicks in.

Source: WWF press release, 26 January 2009 http://www.panda.org/

The report Pathways to a Low Carbon Economy was supported by ten global companies and organizations: The Carbon Trust, ClimateWorks, Enel, Entergy, Holcim, Honeywell, Shell, Vattenfall, Volvo, and WWF. It can be downloaded from: http://globalghgcostcurve.bymckinsey.com/

Republican US Senator: Raise the Gas Tax

[Richard G. Lugar (US Senator for Indiana), February 1st 2009]

A Revenue-Neutral Way to Treat Our Oil Addiction

Reality is stark: Nearly every major foreign policy challenge we face is aggravated by our continued addiction to oil. Recent developments in Europe, the Middle East and Africa only underscore this fact. But a new president and changed economic conditions offer the chance to take a bold step toward freeing our nation from the grip of foreign petroleum.

In March 2006, I characterized America's excessive reliance on oil as "the albatross of national security." http://lugar.senate.gov/energy/press/speech/brookings.cfm

When oil prices soared to a peak of nearly $150 a barrel last summer, oil riches emboldened authoritarian rulers from Venezuela to Iran to the genocidal regime in Sudan. Poor countries struggling to grow were crushed by the weight of oil import expenses. Allies in Europe have gone cold this winter as Russia wielded its near-monopoly on gas supplies as a political weapon. And our own economic woes were exacerbated as we shipped billions of dollars overseas to pay our oil bills.

Yet the huge external costs of our oil addiction - in terms of national security, economic vulnerability and environmental damage -- are not accounted for in the price Americans pay at the pump. Classic economics identifies two basic options to intercede where Adam Smith's invisible hand fails: Governments can regulate to force, or prevent, certain actions. The government also can impose targeted taxes, which are almost always the most efficient, least invasive and most transparent remedy for market failure.

In the Jan. 5 edition of the Weekly Standard, conservative writer (and Post columnist) Charles Krauthammer http://www.washingtonpost.com/wp-dyn/content/linkset/2005/03/24/LI2005032401690.html made a strong case for a "net-zero gas tax http://www.weeklystandard.com/Content/Public/Articles/000/000/015/949rsrgi.asp" proposal that would match, dollar for dollar, an increase in the federal gas tax with a decrease in payroll tax, which is paid by every working American. Because it represents no net tax hike, it would bring the benefits of reduced consumption while putting money into the hands of Americans.

A gasoline tax is transparent, easy to administer and targeted at the one sector that burns most of our oil. We know it would cut imports. When gasoline prices topped $4 a gallon last year, Americans chose to use less, leading to a major drop in gasoline consumption. The gains from accurately priced gasoline would grow as Americans demanded more fuel-efficient vehicles, chose non-petroleum alternatives to power them and found public transit options that work. Pricing gasoline to reflect its true cost to the nation would help spur a vast market in which oil alternatives such as advanced biofuels would become competitive and innovation would flourish.

The auto industry would benefit from knowing that it could invest aggressively in high-mileage technology without worrying that consumers might turn back to inefficient gas guzzlers. We would cut our greenhouse gas emissions, 30 percent of which come from transportation. Adjusting Americans' tax burden to put more spending power into their own hands makes sense when household budgets are squeezed. A revenue-neutral oil security tax would take every penny collected at the pump and put it right back into the pockets of consumers.

Options for doing so include cutting the payroll tax, which disproportionately affects the lowest-paid employees, so workers would see extra money every payday. Alternatively, the government could regularly send a check to everyone over 18. I am prepared to work with the Obama administration and colleagues in Congress to devise the most efficient way to return the revenue to the American people, even as we advocate the general policy of a gas tax to promote better cars and alternative fuels.

Americans sent nearly $430 billion to other countries in 2008 for the cost of imported oil -- an amount equal to almost half of President Obama's stimulus package. Those hundreds of billions should be spent to build a new energy economy here, not shipped to dangerous regimes overseas.

No tax is perfect, and some special provisions may be necessary for individuals and groups disproportionately affected. But we as a nation are already suffering every day from our oil dependence, and decisive measures are needed. The alternative to a net-zero gas tax is ever-greater regulation, with more bureaucracy and the inevitable temptations for lobbyists to exploit regulatory loopholes. Krauthammer's net-zero gas tax proposal identifies common ground for fiscal conservatives, security hawks, environmentalists and America's lowest-paid workers. New York Times columnist Thomas Friedman has argued for similar steps. Whether it is a $1-a-gallon tax or some greater amount commensurate with the true cost of oil, a net-zero gas tax is the type of transformational policy that we could implement quickly and that would have immediate impact.

One of the simplest and most effective means available for strengthening U.S. national security is to dramatically reduce our oil dependence. A gas tax that returns money to Americans would take us a long way toward that goal.

The writer, a member of the Senate Foreign Relations Committee, is a Republican from Indiana.

http://lugar.senate.gov/energy/press/speech/brookings.cfm

Impacts of energy prices on the energy use in the cement industry

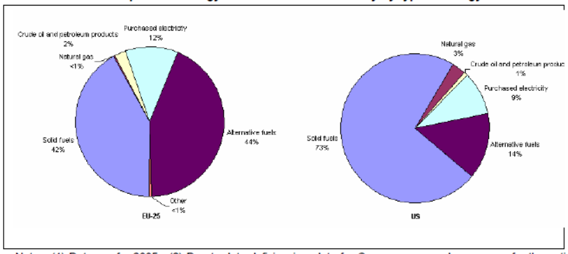
[ICF International: Analysis of the economic impact of energy product prices on competitiveness of the energy and manufacturing sectors in the EU: comparison between EU and US July 2007]

Energy use

According to the European Cement Association (CEMBUREAU), historically coal has been the primary fuel used in cement production in Europe. Currently it accounts for over 40 percent of the total energy use. Dependency on coal has been declining in the EU with a greater use of alternative fuels (e.g., tires, liquid and solid waste). Western Europe is the world leader in alternative fuel use, with alternative fuels accounting for over 30 percent of the total energy use in France and Norway, over 40 percent in Germany, Austria and Switzerland and over 80 percent in Netherlands. Purchased electricity accounts for approximately 12 percent of the total energy use, while the share of oil and natural gas is marginal.

Coal is the dominant energy source in the US cement production, accounting for over 70 percent of the total energy use. The US cement industry has significantly reduced its use of natural gas, from 44 percent of the total energy used in 1970 to 3 percent in 2005 due to natural gas price increases and the availability and a lower price of domestic coal. Alternative fuels account for a significantly smaller share of the total energy use in the US relative to the EU. In 2005, their share was 14 percent. Purchased electricity accounts for approximately 9 percent of the total energy use, while the share of oil is marginal.

Graph 4-33: Energy use in the cement industry by type of energy



Notes: (1) Data are for 2005. (2) Due to data deficiencies, data for Germany are used as a proxy for the entire EU.
Source: Verein Deutscher Zementwerke e.V., "Environmental Data of the German Cement Industry 2005"; United States Geological Survey.

According to CEMBUREAU, about 80 percent of the energy used in the EU glass industry is from fossil fuels (natural gas and oil), while electricity accounts for the remaining 20 percent. In the US, 77 percent of the energy used by the glass industry is from natural gas, with electricity accounting for 21 percent and other fuels for the remaining 2 percent.

Impact of energy price increase

Using the information on the percent increase in the energy product prices from 2000 to 2006 (graph 4-2 and graph 4-3) and the share of each energy product in the total energy use of cement manufacturers, we calculate that the energy costs of the EU producers increased by 26 percent, while the energy costs of the US producers increased by 51 percent.

Using the same approach for the glass sector, we calculate that the total energy costs of the EU producers increased by close to 91 percent (assuming equal shares of oil and natural gas in the total energy use), while the energy costs of the US producers increased by 47 percent.

Productivity improvements – energy efficiency

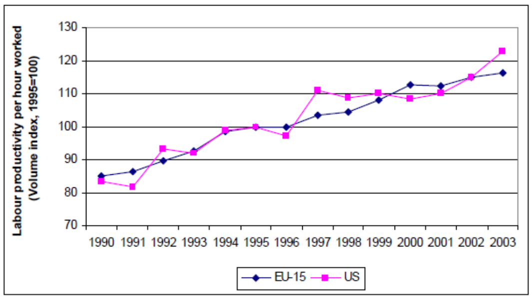
To improve energy efficiency, the European industry has been moving gradually toward greater use of the dry process, which currently accounts for about 78 percent of Europe's cement production. According to the CEMBUREAU, the European industry has made a significant improvement in increasing energy efficiency to the extent that energy consumption in the production of clinker was reduced by approximately 30 percent since the 1970s. Data for the US indicate that US mills have achieved very similar progress by reducing the primary energy intensity of cement kilns from 8.5 GJ/tonne in 1977 to 6.2 GJ/tonne in 1999 (a 27 percent reduction in per unit energy use). According to the 2001 study by the European IPPC Bureau, energy efficiency of European mills using dry process rotary kiln is, on average, between 3.1- 4.2 GJ per tonne of clinker, and for those using the wet process 5.0 - 6.0 GJ of energy per tonne clinker.145 The US mills appear to be somewhat less energy efficient compared to the EU mills. Specifically, the average dry kiln fuel intensity in 1999 was estimated at 4.7 GJ per tonne and the average wet kiln fuel intensity was estimated at 7.0 GJ per tonne. We should point out that the available data are at least seven years old and that the US mills may have narrowed the gap with the EU mills over the past several years.

According to the European IPPC Bureau, the EU glass industry as a whole has reduced energy consumption by approximately 1.5 percent per year since the 1960s. The rate at which further energy reductions are being achieved is declining, however, as the thermodynamic limits of modern regenerative furnaces are approached.

Productivity improvements - labour productivity

In the period 1990 to 2003, labour productivity in both the EU-15 and the US non-metallic minerals industry improved. The EU industry grew steadily throughout the period at an average annual rate of abut two and a half percent. The US industry exhibited a more uneven growth during the same period. It grew, on average by four percent per year in the period 1990 to 1997, stayed constant over the next four years, and then grew at an average annual rate of six percent in the period 2001 to 2003.

Graph 4-34: Labour productivity per hour worked in the non-metallic mineral products industry



Source: Groningen Growth and Development Centre, The 60-industry Database, available at http://www.ggdc.net/dseries/60-industry.html. Note: Comparable data for the EU-25 were not available

Taxation initiatives

Taxation can be used to minimise distortion between competing fuel-supply sources. Excise taxes and other non-recoverable taxes can be used by governments as instruments of industrial policy. These can therefore introduce incentives to implement projects that are higher cost than alternatives which do not enjoy tax breaks. And whilst member states may have specific reasons to maintain a set of tax incentives, this can result in higher resource costs when actual investment and fuel costs are summed across various jurisdictions. For illustration, a power plant may be built on one side of a national border because corporate taxes are lower. Nevertheless, if gas costs are higher, it may well have been more efficient overall to have the plant built in the jurisdiction that has lower gas costs and a higher corporate tax rate.

The EU should consider the use of an external common tariff. Whilst this may not affect the export cost of goods produced in the EU, this can be used to adjust the cost of imports into the EU so that these reflect their carbon input. Legal opinion will be required to establish the validity of any detailed plans for such a measure under international trading rules under the auspices of the WTO.

The full study is available on: http://ec.europa.eu/energy/doc/studies/2007_study_energy_price_on_sectors.pdf;

5. CURRENT ISSUES – FINANCIAL CRISIS

Not Insane

[Hendrik Hertzberg, The New Yorker, March 23th 2009]

From The New Yorker, an idea so good everyone thinks it's crazy: 'If the economic crisis necessitates a second stimulus—and it probably will—then a payroll-tax holiday deserves a look. But it's only half a good idea. A whole good idea would be to make a payroll-tax holiday the first step in an orderly transition to scrapping the payroll tax altogether and replacing the lost revenue with a package of levies on things that, unlike jobs, we want less rather than more of—things like pollution, carbon emissions, oil imports, inefficient use of energy and natural resources, and excessive consumption. The net tax burden on the economy would be unchanged, but the shift in relative price signals would nudge investment from resource-intensive enterprises toward labor-intensive ones. This wouldn't be just a tax adjustment. It would be an environmental program, an anti-global-warming program, a youth-employment (and anti-crime) program, and an energy program.'

On "Hardball" the other night, David Frum was complaining about the Republican Party—a popular activity at MSNBC, a cable news network whose prime-time hosts are non-Republicans, including "Hardball" 's Chris Matthews. Frum, however, is a non-non-Republican, and an overdetermined one: 1980 Reagan volunteer, Federalist Society activist, Wall Street Journal editorial-page editor, George W. Bush speechwriter ("axis of evil"), National Review contributing editor, American Enterprise Institute resident fellow. What conservatives are saying, he told Matthews, is increasingly not only counterproductive economically but also politically. We look like we don't care. We look like we're indifferent. We don't offer solutions. We're talking about a spending freeze in the middle of a 1929-30-style meltdown!

On ABC's "This Week," David Brooks, the Times columnist, was even more aghast. Brooks—whose conservative credentials (William F. Buckley, Jr., protégé, Wall Street Journal op-ed editor, Weekly Standard senior editor) aren't too shabby, either—said wonderingly, "There are a lot of Republicans up on Capitol Hill right now who are calling for a spending freeze in the middle of a recession slash depression. That is insane." Quite a lot of Republicans, actually, and they weren't just talking about it: On March 6th, John Boehner, the House Republican leader, made a motion on the floor for just such a freeze. His charges voted for it, a hundred and fifty-two to nothing.

The theory that preventing the United States government from spending more money will halt the cascading crisis of demand that threatens the world with recession slash depression is indeed crazy. And many Republicans, even as they rail against "government spending," at least understand that the government must cause more money to be spent, and that the fiscal deficit must rise in the process. They just want the government to do the job indirectly, by cutting taxes—especially taxes paid by the well-off, such as inheritance taxes, capital-gains taxes, corporate taxes, and high-bracket income taxes—in the hope that the money left untaxed will be spent. It is useless to point out to them that this approach was tried for eight years and found wanting, that in this economy the comfortable are less likely than the strapped to spend any extra cash that comes their way, that government spending often serves socially useful purposes, that "wasteful spending" is not a government monopoly (see corporate jets, golf-course "conferences," premium vodkas), and that the only way to insure that money is spent is, precisely, to spend it.

And yet, lurking underneath the anti-spending, pro-tax-cutting cant is one idea that might truly have merit. Frum mentioned it on that "Hardball" broadcast, touching off this rather cryptic exchange:

FRUM: I'm for a big payroll-tax holiday that would go into effect immediately.

MATTHEWS: I know about the payroll, uh—in other words, it gets money back in the hands of people who are working people, right?

FRUM: Up to a hundred and twenty dollars per week per worker, starting last month.

MATTHEWS: But it sounds like a liberal argument. The funny thing is, the liberals haven't pushed it. And I don't know why, because working people pay a very regressive tax when they go to work, right?

Right. The payroll tax—a.k.a. the Social Security tax, the Social Security and Medicare tax, or the

Federal Insurance Contributions Act (FICA) tax—skims around fifteen per cent from the payroll of every business and the paycheck of every worker, from minimum-wage burger-flippers on up, with no deductions. No exemptions, either—except that everything above a hundred grand or so a year is untouched, which means that as salaries climb into the stratosphere the tax, as a percentage, shrinks to a speck far below. This is one reason that Warren Buffett's secretary (as her boss has unproudly noted) pays Uncle Sam a higher share of her income than he does. In fact, three-quarters of American households pay more in payroll tax than in income tax.

Where income taxes are concerned, even Republicans seldom argue that taxing added income over a quarter million dollars at, say, thirty-six per cent rather than thirty-three per cent is wrong because the affluent need more stuff. They argue that making the rich richer enables them to create jobs for the non-rich. More jobs: that's a big argument for capital-gains and inheritance-tax cuts, too. But the payroll tax is a direct tax on work and workers—on jobs per se. If the power to tax is the power to destroy, then the payroll tax is, well, insane.

Frum is not the only Republican on the case. "If you want a quick answer to the question what would I do," Mitch McConnell, the Senate Republican leader, said recently, "I'd have a payroll-tax holiday for a year or two. That would put taxes in the hands of everybody who has a job, whether they pay income taxes or not." Other Republican politicians and conservative publicists have made similar noises. They haven't made it a rallying point, though; it would, after all, shape the overall tax system in a progressive direction. Anyhow, their sincerity may be doubted: when President Obama proposed a much more modest cut along similar lines—a refundable payroll-tax credit of four hundred dollars—they denounced it as a welfare giveaway.

Liberals have been reticent, too. The payroll tax now provides a third of federal revenues. And, because it nominally funds Social Security and Medicare, some liberals regard its continuance as essential to the survival of those programs. That's almost certainly wrong. Public pensions and medical care for the aged have become fixed, integral parts of American life. Their political support no longer depends on analogizing them to private insurance. Besides, the aging of the population, the collapse of defined-benefit private pensions, the volatility of 401(k)s, and pricey advances in medical technology mean that, no matter what efficiencies may be achieved, Social Security and Medicare will—and should—grow. Holding them hostage to ever-rising, job-killing payroll taxes is perverse.

If the economic crisis necessitates a second stimulus—and it probably will—then a payroll-tax holiday deserves a look. But it's only half a good idea. A whole good idea would be to make a payroll-tax holiday the first step in an orderly transition to scrapping the payroll tax altogether and replacing the lost revenue with a package of levies on things that, unlike jobs, we want less rather than more of—things like pollution, carbon emissions, oil imports, inefficient use of energy and natural resources, and excessive consumption. The net tax burden on the economy would be unchanged, but the shift in relative price signals would nudge investment from resource-intensive enterprises toward labor-intensive ones. **This wouldn't be just a tax adjustment. It would be an environmental program, an anti-global-warming program, a youth-employment (and anti-crime) program, and an energy program.** Impossible? A politically heterogeneous little group with the unfortunately punctuated name of Get America Working! has been quietly pushing this combination for twenty years. In one form or another, without much fanfare, it has earned the backing of such diverse characters as Al Gore and T. Boone Pickens, the liberal economist James Galbraith and the conservative economist Irwin Stelzer, Republican heavies like C. Boyden Gray and Democratic heavies like Robert Reich. It's ambitious, it jumbles ideological and partisan preconceptions, and it represents the kind of change that great crises open political space for. Does that sound like anyone you know?

Wrecking bonus

[Claudia Kemfert, EuropeanEnergyReview]

The financial crisis is currently overshadowing everything., It is a global crisis and because of its export strength Germany is particularly susceptible. But it is strange that the German government's first response is to stimulate consumption by reducing the tax burden and supporting its struggling car industry.

Germans are more likely to save rather than spend most of their "tax gifts", which will not take effect until the second half of the year anyway, when hopefully the economy will have recovered somewhat. There is no doubt that investment is the best way to stimulate the economy long-term because such investments encourage growth and are not just short-term flashes in the pan which in no way help the economy. In particular, investments in infrastructure are important.

But what does the German government do? It opts for a wrecking bonus. Owners of cars at least 9 years old, who send them to the wreckers and at the same time buy low-emission vehicles (European emission standard 4), receive €2,500. You couldn't do it worse if you tried. Car sales were already in dire straits before the financial crisis. A wrecking bonus would certainly not provide the necessary stimulus because consumers wanting to buy fuel-efficient and innovative cars will delay their purchase until they are available. Long before the financial crisis the car industry had pinned its hopes on the wrong models, leading to its current problems. It is ludicrous to support this misguided management decision-making now with a wrecking bonus. How about the electrification of transport as a solution? All these problems could be solved in one fell swoop if power were to be exclusively generated from renewable energy sources. Batteries could then be used for storage if battery technology were improved. This certainly won't be achieved with a wrecking bonus.

Money from the economic stimulus package could have been much more sensibly used. Here are 10 policies to make Germany's energy supply more independent and stimulate the economy in the long term.

1. Extensive improvements in building insulation.
2. More money for research into innovative energy technologies.
3. Support for renewable energy sources and alternative fuels. Second generation bio-fuels will strengthen the security of supply and protect the climate.
4. Support for energy storage facilities. These facilities are essential to offset fluctuations in power generation and to guarantee security of supply. Innovative energy storage facilities could equally be used for transportation (electro-transport).
5. Expansion of natural gas storage facilities.
6. Strengthening of domestic sources of energy and promotion of decentralized energy generation.
7. Expansion of cogeneration power plants and greater use of district heating.
8. Development of grid infrastructure. The grid must be significantly developed to allow for the greater use of renewable energy sources.
9. Construction of an LNG terminal. A supply of liquid natural gas would be crucial to maximizing flexibility in response to supply shortages. It would also increase competition.
10. Road taxes based on carbon emissions. This change is now indeed being planned, and rightly so.

This is the perfect time to provide targeted support for the emissions trading markets. As the new US president Obama recently said: the US can learn a lot from Germany when it comes to climate change and supporting renewable energy sources. People might soon be saying the reverse: Germany can learn a lot from the US, which is once more leading by example.

The article is also available online: http://www.europeanenergyreview.eu/index.php?id=854

The Credibility of Freedom - Berlin Address by Federal President Horst Köhler

[Horst Köhler, March 24th 2009]

Let me tell you a story of how I once failed.
It was in Prague, in September of 2000. I had recently been appointed as Managing Director of the International Monetary Fund. My goal was to

turn the IMF into a center of excellence that was to ensure the stability of the global financial system.

I was worried about the development the financial markets were taking at the time, because I was no longer able to gain a perspective on the gigantic financing volumes and the overly complex financial products. That is why I began to develop in-house expertise within the IMF on capital market policy. This was not welcomed by everyone. In fact, I was surprised to note that the G7 countries were quite hesitant to subject themselves to an assessment of their financial sectors; after all, these reviews had been resolved by the member states of the International Monetary Fund in 1999, as a lesson learned from the financial crisis in Asia. Many people familiar with these matters had warned of the growing risk to the system as a whole. But these warnings went unheeded in the capital cities of the industrialized nations: no-one was willing to actually exercise political authority over the financial markets.

Now, the big wheels have broken down and we are experiencing a crisis, the outcome of which may define the 21st century. I believe this could be for our good, provided we are able to learn from our mistakes.

At present, however, the recession continues to unfold. It has reached every continent. The financial crisis has hit the real economy, at lightning speed and hard. Yesterday, Germany was the world champion of exports. Today, we see our proud title in tatters. Orders are drying up at an unprecedented speed.

It is reassuring to see that most companies in Germany are trying to avoid dismissals. They know they will truly need their highly motivated, well-trained employees if they want to overcome the crisis. But we should be honest: many companies will be able to ensure their survival, and thus retain jobs, only if they let go some of their workforce. We should prepare ourselves: the unemployment rate in Germany will rise steeply again.

Some people are asking, why don't we just opt out of globalization? But having a national economy in which every product, from bread to shirts, from computers to cars, is manufactured in our own country, is no longer conceivable. Pulling out of the world markets would destroy our prosperity in next to no time.

So let us face our responsibility. This is in our interests, as we sell half of our economic output abroad. The global economy is our destiny. That is why we must now involve ourselves, actively and constructively, in the efforts made all over the world to overcome the crisis, and must bring our weight to bear.

This crisis offers a unique opportunity in that now, it is clear to all of us that no-one can permanently create advantages solely for himself. We, all of humanity, are in the same boat. And people in the same boat must help each other. In the 21st century, self-interest has come to mean that we must take care of one another.

In particular, we in the North must learn to rethink. Currently, about 6.5 billion people live on our earth. A mere fifteen percent of them live in the same circumstances we do. More than two billion people live on two dollars a day, and one billion people must make do with one dollar a day. We should stop fooling ourselves into thinking that this is just. Security, prosperity and peace - they will be assured for the industrialized nations only if we achieve greater equity throughout the entire world. We need to have a development policy for the whole planet. This means that the industrialized nations - including Germany - must find out what changes they need to make, in order to ensure there will be a good future for the world.

In the past months, the German federal government and the Bundestag, our parliament, have proved that while they are capable and willing to act, they will not rush into action just to be seen to be doing something. Their opinion is heard and respected by others involved in managing the crisis, both within Europe and internationally.

In Germany, our government must now deal with exceptionally difficult decisions and balance them carefully. They will affect the weal and woe of many people. There are no ready formulas. We cannot be sure what the specific steps will be, nor can we foresee the difficulties lying ahead. But we can trust in one thing: we are headed in the right direction.

Any serious suggestion must be considered seriously. Struggling to find the best solution is what constitutes democracy. However, our upcoming parliamentary elections cannot mean that the administration can take some "time out" from its governmental responsibilities. In particular in times of crisis, the populace is entitled to see its government act as one and develop sustainable solutions meeting tomorrow's needs, and those of the day after. The crisis cannot serve as a backdrop for political posturing. It is a trial by fire that will put democracy itself to the test.

Many citizens of our country are concerned. They are asking what is still in store for us, and what is to be done now. They see the income earned by bank executives, the losses suffered by investors, the crises that many companies are going through, and the gigantic economic relief programs developed by various nations. Many of them are beginning to doubt the validity of the market economy, and are not convinced that this system will last.

People need more information; they need to be given an explanation of what is happening. They want to know how they can become involved, how they can contribute their own ideas and concepts. In fact, parliaments and government administrations, both at the federal level and in our states, the Länder, need the support and cooperation of their citizens in dealing with the crisis. We must now find new ways to do so, together.

It all begins with the question: How did we get into this?

We do not know all of the causes yet. But some things have become clear in the meantime. Too many people working with much too little of their own money were able to use huge financial levers. For many years, they succeeded in fooling people into thinking that debt is a commodity with real value, and all you need to do is trade it. Increasingly, banks bought and sold securities whose effects they themselves no longer understood. The focus was on obtaining maximum returns in the short term.

Even reputable German banks increasingly lost their perspicacity and good judgment in dealing with risk. That was possible only because they gave up their own culture. They lost touch with the principles that made them the major institutions they are today - a sense of monetary stability, respect for their savings depositors, and the ability to think long-range. Even banks can create added value in the long term only if they see themselves as a part of society as a whole and have its support. If they respect the principle set out in our constitution: Property has its duties. And when property is used, this use must also serve the general good.

But for many, piling up financial pyramids became an end in itself, in particular for the institutions called investment banks. In this way, they disconnected themselves not only from the real economy, but from society as a whole. These matters also concern issues of responsibility and of integrity. Many have lost this sense of decency, the knowledge that some things are simply not done. We have yet to see those responsible analyze their actions with an appropriate degree of self-critique, to say nothing of making an appropriate contribution to mitigating the damage they have wrought.

In the meantime, the circulation through the veins of international finance continues to be blocked. This leads to consequences everywhere, and also for us. In order to make investments, companies need to obtain loans, and banks need to cooperate with each other in granting such loans. But they continue to mistrust each other. They are holding on to whatever money they have. The financial crisis is engendering a sense of uncertainty and paralyzing the spirit of entrepreneurship all over the world.

We are now experiencing the consequences of insufficient transparency, lax controls, deficient supervision and risky decisions taken without anyone being personally accountable. We are experiencing the consequences that freedom without responsibility will entail.

But passing the blame and making short-term repairs is not going to teach us any of the profound lessons we want to learn from this crisis. Because there is an issue that concerns us all. Although prosperity has been increasing continuously since the 1970s - in the Western world, in Europe and also in Germany - the national debt likewise has increased continuously. Bills of exchange were issued on our future, and the promise was made to discharge them. But as of today, that has not happened, because we shied away from the effort that redeeming debts inevitably entails. We handed those bills of exchange to our children and grandchildren, putting our minds at ease by telling ourselves that economic growth was going to help them honor these bills. Now, the crisis is demonstrating that we have all lived beyond our means.

The crisis originated in the industrialized nations - those who thus far had believed themselves to be strongest. Thus, it illustrates the contradictions in which the industrialized world has been caught up in the past decades. We ourselves have made the world the place it is today. But increasingly, we are losing our bearings in it. That is how the gap widened between the demands of our new reality and our sense of entitlement that everything should stay the way it is.

And we fooled ourselves into thinking that there was a perfect resolution to these contradictions. We fooled ourselves into thinking that permanent economic growth was the answer to all questions. As long as the gross domestic product increases, so the logic went, we can finance all the needs that are so dear to our hearts - while at the same time raising the funds that adjusting to a new world will require.

The financial markets were growth machines. And for a long time, they ran quite smoothly. That is why we left them alone - only to see them rid themselves of all constraints and sever all ties. Now we see that the market is unable to deal with this alone. In fact, we need a strong state that lays down the rules for the market and ensures they are enforced. The market economy is based on competition, and on setting limits to economic power. It is based on responsibility and on people being held accountable for their actions. It needs to have transparency and a general willingness to abide by the law. People must be able to trust in all of these things.

At present, this trust has been shaken to the core. There was no regulatory power controlling the financial markets. They evaded the supervision by governments. **The crisis is now teaching us that destruction lies at the core of freedom that knows no constraints. But the market must have rules and a sense of ethics.**

We need to remember something else as well: Those who are free are strong. But this freedom cannot mean that we are subject to the might of the strongest. Because that is the string attached to freedom: it will sow the seed of self-aggrandizement in those who have sated themselves and grown strong. And it will also instill in them the idea that freedom can be had without responsibility.

Freedom is not the prerogative to reserve the best seats for ourselves. We want to learn to not only make sure we are free, but that others are as well. The credibility of freedom is something that can be measured by our ability to share opportunities with others, internally and externally. And it can be measured by our readiness to accept responsibility for our neighbor, and for the good of the whole. If we could manage that, then we will be able to bring out the best in ourselves.

That is why it is precisely the crisis that confirms the value of the social market economy. It is more than an economic system. It is a system of values. The social market economy merges freedom and responsibility to the benefit of all stakeholders. This culture now has been violated. Let us rediscover the cultural good that the social market economy represents. And all are well advised, in particular those active in the financial markets, to also learn to become modest.

On the other hand, the crisis is already developing into something positive. The goals that President Barack Obama intends to achieve for the American economy and society are quite similar to our model of a social market economy - another aspect showing that Germans can make a contribution to dealing with the crisis.

Our government and our parliamentarians are faced with a huge challenge. The need to accomplish a two-fold task in shaping the policy of our country: they must prevent a self-intensifying, downwards spiral from taking hold, and they must concurrently lay the foundations for stability and prosperity in a world that is undergoing fundamental changes.

The first step is to restart the circulation of money. We metaphorically refer to the "main artery of the economy", and we know that the economy needs to be supplied with funds in order to ensure that the people who work hard and play by the rules will still have a job tomorrow. Also, we must combat global recession to prevent it from taking hold. And finally, the international financial markets need to be reformed and given better rules, strong regulation and effective accountability.

All three of these tasks are being worked on. The political level has reacted quickly and decisively. Banks are being supplied with capital and guarantees to ensure that money does not stop circulating entirely. The economic incentive programs generate demand and help companies weather the crisis. State aid for banks and companies is costing a lot of money. In granting it, we must accept a higher national deficit as the consequence. But it can be justified only if the money is used intelligently. For us in Germany, such intelligent use means:

- We are aware that the global crisis demands a global answer. This will entail a new quality in international collaboration. Germany as the largest economy in the European Union will have a leadership role to play. At the same time, we need to face the crisis with the full force of 500 million people jointly committing themselves to this effort. Let us use the crisis to our benefit and give the unity of Europe new momentum.
- We are working energetically towards reforming the international financial markets. This should be oriented by the following principles: Banks must base their transactions on a considerably higher share of equity. This will increase their awareness of risk. The financial markets need to augment consumer protection. Bank employees should not be remunerated based on their turnover. They should be rewarded for their clients' long-term satisfaction. We cannot allow there to be locations where financial transactions are not subject to regulations, nor an we permit financial institutions and financial products to be unregulated. And we must subject the major financial institutions to uniform international supervision.
- The financial rescue package is not a gift to the banks. We are demanding counterperformance in that the banks involve the government in their decisions, that they pay interest, and that they contribute to overcoming the crisis. The taxpayers are being made liable for gigantic amounts of money. That is why the state is accountable. In fact, ownership interest temporarily held by the state is not entirely out of the question. But none of this will affect the protection of private ownership, the constituent element of freedom and prosperity.
- This having been said, one thing is certain: the financial power of the state has its limits. Governments as well can lose their credit standing. That is a risk we must not allow. That is why we have already entered into obligation, and this is binding upon us, to reduce the national deficit as soon as we have brought this crisis behind us. Because we cannot postpone the issue of generational equity for an indefinite period of time. We are facing a credibility test concerning the cohesiveness of our society.

As the country located in the center of Europe and as an exporting nation, we depend on free trade and we depend on as many nations as possible taking part in it. As a result, we need to take action in another arena as well:

We Germans should commit ourselves especially to bringing the ongoing negotiations on development-friendly trade facilitation to a prompt end. The Director-General of the World Trade Organization, Pascal Lamy, has informed me that eighty percent of the issues in dispute have been dealt with. All it takes now to promote world trade and thus global trust is one last effort, reasonable behavior and political decisiveness on the part of all involved. The European Union should contribute to the best of its abilities. Its future also depends on open world markets. And we must likewise energetically oppose all protectionist tendencies within the European internal market.

There are some tensions in the Euro zone. And some of our partners in Central and Eastern Europe are in an awkward position. This is the backlash of growth euphoria and the failure to implement reforms. Nonetheless, the European Union should be prepared to give aid. But it must be able to rely on our partners being willing to exercise discipline and responsibility.

In Asia, Latin America and Africa as well, more and more countries are encountering difficulties. And we are coming to realize that the global economy is substantially under-insured. The funds do not suffice that were to be provided by institutions such as the International Monetary Fund and the World Bank, which were established with emergencies such as this one in mind. A consensus seems to be developing to double the funds available to the IMF for financing purposes. That is good news. More would be better.

I would like to reiterate my suggestion that another "Bretton Woods II" conference be organized under the auspices of the United Nations, in order to promote fundamental reforms of the international economic and financial system. We need a new, well thought-out international monetary system and a political procedure for dealing with global imbalances.

The European Union can significantly contribute to the reform of international financial institutions if the member states could agree to bundle their interests at one location in the International Monetary Fund and the World Bank. The introduction of the Euro has already strengthened Europe and given it greater protection.

Augmenting one's own freedom by joining one's sovereignty to that of others - the EU should use the opportunity to transfer this principle, the basis of peace, to a new era of cooperative world policy. In the process, we will also take care to ensure that whatever people are able to decide better themselves, at home, will remain their responsibility in future.

We have reached the point at which we can come to an understanding on the joint tasks that humanity faces, and can commit ourselves to deal with them. All of us have recognized that we need to regulate globalization, we need generally accepted rules and effective institutions. This new order must ensure that global public goods like international financial stability, slowing the process of global warming and the assurance of free and fair trade are defined and safeguarded jointly by all concerned.

This is about our responsibility for global solidarity. It is about the inalienable dignity of all people. **It is about a global economy in which capital serves people, and cannot become the ruler over people**.

Let us understand the battle against poverty and climate change as strategic tasks to be solved by us all. As the main sources of the factors causing climate change, the industrialized nations are responsible for the people in developing countries having been hit hardest. **The fight against poverty and climate change must be one.**

Today, the world is asking the global social question of us. It is our obligation to find answers to it, and it is also a great opportunity. Let us prove that the North will not fail the South. The changes we need to make must be made everywhere.

As a global community, we need to have a mutual set of ethical principles. We must come to an understanding concerning the values we all share, and whose violation will not be accepted by the community. The basic principle is: in future, we intend to treat others only the way we ourselves want to be treated.

That is why we will need to very carefully scrutinize where we ourselves have used double standards. This as well will give us greater credibility.

Let me give you an example. Decades of industrial-scale fishing by the European Union have largely depleted fish stocks along the coasts of Western Africa. Today, West African fishermen can barely eke out a living with their small boats. We should not be surprised, then, that these boats are increasingly being used to transport refugees to Europe. How much more effective it would have been, more sustainable and also cheaper, to enter into a true partnership with the nations of West Africa at an early stage, to create mechanisms monitoring the depletion of fish stocks and to jointly ensure that the abundance of their fishing grounds benefits the local fishermen first and foremost.

Let me share my personal conviction with you: the humanity of our world will be measured against the fate of Africa.

We know today that building a train line across Africa would have posed less of a risk than investing funds with a reputable New York investment bank.

Let us put these newly gained insights to use. Let us verify whether what we always believed to be certain still holds true today, and let us overcome our fear of the unknown. Then we can discover how much joy can be found in the creative task of accepting responsibility for the future. I am convinced we will be able to accomplish this.

The reason is that we have already started, long ago. I am heartened to see more and more people in Germany recognize that if all of humanity wanted to live the lives we do, right away, we would need to have more than one earth. But we only have this one. It is the one that has been entrusted to us. An increasing number of people is drawing their conclusions from that knowledge and is changing their lifestyles. They have recognized that **everyone can make a contribution**.

Climate change is showing that the earth is growing impatient. We need to find a new balance between our needs and what our planet can sustain. This also concerns the community of nations, since the poor nations and the rich nations must now try to find common ground. Rich countries must save energy and resources and deliver the technology enabling this. Poor countries must align their economic activities with the principle of sustainability and must avoid repeating our mistakes. We need to achieve a model of prosperity that enables justice and equity to take hold everywhere.

Let us jointly resolve to no longer live at the cost of others.

Climate scientists tell me that the earth needs a global system to trade pollution rights. And they also tell me that this will work better the more the rules of the market economy are applied. By instituting a market and rules, the contamination of the environment can be reduced everywhere, and quickly. And it is just as important to factor in the price of each and every good and service, to include every cost that the general public must pay - the loss of clean air and of exhaustible raw materials, the cost of waste, of noise and traffic jams.

I am convinced that if these costs are made transparent and everyone makes an effort to ensure that their economic pursuits are environmentally sound, research and science will enter the race. And that is where considerable opportunities will open up, especially for us Germans. Already, we are the global leader in environmental economics and environmental technology. Nearly two million people work in this sector, and that number will be increasing.

Ernst Ulrich von Weizsäcker, who received the German Environmental Award, described his vision of "Factor 4" several years ago. This is shorthand for doubling wealth while halving resource use. We should understand the quantum leap that we can take in terms of energy and resource productivity.

Let us, therefore, consciously decide on the next industrial revolution, this time an **ecological industrial revolution**. Creating good conditions for it requires the market and the state to interact intelligently. And **it requires alert and critical consumers.** We need a general spirit of innovation and strong ecological awareness in our society.

This is not only a task for the economy. It is a cultural challenge. Man does not live by bread alone. Ludwig Erhard knew this. To him, prosperity was not an end in itself. Prosperity was and continues to be the basis for a life that transcends it.

Let us turn Erhard's insight into a question to ourselves: how much is enough? Once the world has weathered this crisis, we will need to have answers for questions like this. We have good reason to be grateful that we can go in search of answers as self-determined individuals. And we should know that we can no longer rely mainly on economic growth as the solution to our problems and the peacemaker in our societies.

What, then, is happiness? I believe we should set ourselves new goals in our quest for fulfillment. True, this will affect our lifestyle. But in fact, the quality of our lives may improve. Thrift should become an expression of a sense of decency - not as a form of stinginess, but as a way of respecting our fellow humans and the world we live in. Democracy is more than just ensuring that material benefits accrue to people. We do not want to be good democrats only for as long as we can be sure that we are rich enough to afford it.

We no longer want to make contentment and cohesiveness in our society dependent only on a quantitative concept of "more and ever more". Our country needs to see knowledge and intelligence grow, as factors enabling us to lead better lives.

We produce the best cars of the world. But that is not enough. We must produce the best cars of the future world. The German Association of the Automotive Industry forecasts that the zero-emissions vehicle will be ready for series production in fifteen years. I believe we can be faster than that. I place great trust in the engineering capabilities of our auto manufacturers. One German manufacturer currently is facing special difficulties. That company also has great engineers. I am told that they have worked far into the future. That is where I would like to see hope for Opel. And I see it in the willingness of the employees and the board of management to work with each other, in a spirit of trust and leaving prescribed roles behind them.

The gain in knowledge and abilities we need to achieve will also make us aware of where we have failed in education and integration. We cannot afford to give up on our youth. We need each and every one of the around 70,000 young people who drop out of school in Germany each year. We must do more for the permeability of our society's strata. This is a good thing not only for those who manage to come through. It will also strengthen the dynamism and creativity of our society and give us a sense of community. Having a sense of superiority will paralyze us, just as remaining tied to the circumstances into which we were born will.

We also need to rediscover the value and the dignity of the work done by people in the service of others. Let us not fool ourselves: our factories will continue to empty themselves of people. Machines will continue to take over those tasks that they can perform better than we can. But machines cannot take over our uniquely human tasks. What is the value of the work done by a nurse helping a patient in need at night, giving him the gift of compassion? Why, for such a long time, have we turned the fields of caring for the elderly and for small children into a market for illegal employment? I am convinced that in future, work will mean people dealing with other people. Because that is a field where we cannot be replaced.

Let us bring more awareness, more empathy and care for our fellow humans into this world, into our private world and into that of others. We have all the right and all the reason in the world to commit ourselves more strongly. Because we also bear responsibility. I am sure that if we accept this, new opportunities will open up to us, and give us new answers in our search for meaning.

The way in which we have presented ourselves to the world in the past sixty years of our history is exemplary. We are filled with joy that our Germany has been reunited since twenty years now. We Germans have retained our ability to self-critque. As a nation, we have remained modest even as we were growing stronger. We look at others without cynicism, we approach them openly and as potential partners. We form a community that deals with its neighbors with peaceful intent, but nonetheless with a clear objective. Helmut Schmidt is right when he says that we should not make ourselves larger than we are.

But neither should we make ourselves smaller.

The social market economy has demonstrated that solidarity does not mean taking pity. Solidarity means helping ourselves. When the ties connecting those above to those below are firm, then this will endow society with such power that it will have the ability to deal with seemingly unsolvable problems. That is the lesson we have learned from our history. Work, capital and sustainability belong together. Here in Germany and everywhere else.

Let us not fool ourselves: the coming months will be very difficult, also for us in Germany. We will be put to the test. We will continue to hear names and wish it were in a different context: Märklin, Schiesser, Rosenthal.

We will feel powerless, and helpless, and angry. But never before has there been a time in which our fate was in our own hands as much as it is today. We have the opportunity to sustainably link freedom to responsibility in our time. This is a task of great responsibility, because our freedom is so great. Let us treat it with care. Let us show humility, before our own freedom and before that of others.

Ladies and gentlemen, look around you in this church. It speaks to us, even today, about the work of destruction that humankind can wreak. But it also tells us that **we can always manage a fresh start. It is up to us.**

The speech is also available in german under http://www.bundespraesident.de/-,2.653300/Berliner-Rede-2009-von-Bundesp.htm

Save the planet from capitalism

[Evo Morales, November 28, 2008]

Sisters and brothers, today our Mother Earth is ill. From the beginning of the 21st century we have lived the hottest years of the last thousand years. Global warming is generating abrupt changes in the weather: the retreat of glaciers and the decrease of the polar ice caps; the increase of the sea level and the flooding of coastal areas, where approximately 60 per cent of the world population live; the increase in the processes of desertification and the decrease of fresh water sources; a higher frequency in natural disasters that the communities of the earth suffer; the extinction of animal and plant species; and the spread of diseases in areas that before were free from those diseases.

One of the most tragic consequences of the climate change is that some nations and territories are the condemned to disappear by the increase of the sea level.

Everything began with the industrial revolution in 1750, which gave birth to the capitalist system. In two and a half centuries, the so called "developed" countries have consumed a large part of the fossil fuels created over five million centuries.

Capitalism
Competition and the thirst for profit without limits of the capitalist system are destroying the planet. **Under Capitalism we are not human beings but consumers**. Under Capitalism Mother Earth does not exist, instead there are raw materials. Capitalism is the source of the asymmetries and imbalances in the world. It generates luxury, ostentation and waste for a few, while millions in the world die from hunger in the world. In the hands of capitalism everything becomes a commodity: the water, the soil, the human genome, the ancestral cultures, justice, ethics, death ... and life itself. Everything, absolutely everything, can be bought and sold under capitalism. And even "climate change" itself has become a business.

"Climate change" has placed all humankind before a great choice: to continue in the ways of capitalism and death, or to start down the path of harmony with nature and respect for life.

In the 1997 Kyoto Protocol, the developed countries and economies in transition committed to reduce their greenhouse gas emissions by at least 5 per cent below the 1990 levels, through the implementation of different mechanisms among which market mechanisms predominate.

Until 2006, greenhouse effect gases, far from being reduced, have increased by 9.1 per cent in relation to the 1990 levels, demonstrating also in this way the breach of commitments by the developed countries.

The market mechanisms applied in the developing countries have not accomplished a significant reduction of greenhouse effect gas emissions.

Just as well as the market is incapable of regulating global financial and productive system, the market is unable to regulate greenhouse effect gas emissions and will only generate a big business for financial agents and major corporations.

The Earth is much more important than the stock exchanges of Wall Street and the world

While the United States and the European Union allocate $4100 billion to save the bankers from a financial crisis that they themselves have caused, programs on climate change get 313 times less, that is to say, only $13 billion.

The resources for climate change are unfairly distributed. More resources are directed to reduce emissions (mitigation) and less to reduce the effects of climate change that all the countries suffer (adaptation). The vast majority of resources flow to those countries that have contaminated the most, and not to the countries where we have preserved the environment most. Around 80 per cent of the Clean Development Mechanism projects are concentrated in four emerging countries.

Capitalist logic promotes a paradox in which the sectors that have contributed the most to deterioration of the environment are those that benefit the most from climate change programs.

At the same time, technology transfer and the financing for clean and sustainable development of the countries of the South have remained just speeches.

The next summit on climate change in Copenhagen must allow us to make a leap forward if we want to save Mother Earth and humanity. For that purpose the following proposals for the process from Poznan to Copenhagen:

Attack the structural causes of climate change
1) Debate the structural causes of climate change. As long as we do not change the capitalist system for a system based in complementarity, solidarity and harmony between the people and nature, the measures that we adopt will be palliatives that will limited and precarious in character. For us, what has failed is the model of "living better", of unlimited development, industrialisation without frontiers, of modernity that deprecates history, of increasing accumulation of goods at the expense of others and nature. For that reason we promote the idea of Living Well, in harmony with other human beings and with our Mother Earth.

2) Developed countries need to control their patterns of consumption -- of luxury and waste -- especially the excessive consumption of fossil fuels. Subsidies of fossil fuel, that reach $150-250 billion, must be progressively eliminated. It is fundamental to develop alternative forms of power,

such as solar, geothermal, wind and hydroelectric both at small and medium scales.

3) Agrofuels are not an alternative, because they put the production of foodstuffs for transport before the production of food for human beings. Agrofuels expand the agricultural frontier destroying forests and biodiversity, generate monocropping, promote land concentration, deteriorate soils, exhaust water sources, contribute to rises in food prices and, in many cases, result in more consumption of more energy than is produced.

Substantial commitments to emissions reduction that are met

4) Strict fulfilment by 2012 of the commitments[5] of the developed countries to reduce greenhouse gas emissions by at least by 5 per cent below the 1990 levels. It is unacceptable that the countries that polluted the planet throughout the course of history make statements about larger reductions in the future while not complying with their present commitments.

5) Establish new minimum commitments for the developed countries of greenhouse gas emission reduction of 40 per cent by 2020 and 90 per cent by for 2050, taking as a starting point 1990 emission levels. These minimum commitments must be met internally in developed countries and not through flexible market mechanisms that allow for the purchase of certified emissions reduction certificates to continue polluting in their own country. Likewise, monitoring mechanisms must be established for the measuring, reporting and verifying that are transparent and accessible to the public, to guarantee the compliance of commitments.

6) Developing countries not responsible for the historical pollution must preserve the necessary space to implement an alternative and sustainable form of development that does not repeat the mistakes of savage industrialisation that has brought us to the current situation. To ensure this process, developing countries need, as a prerequisite, finance and technology transfer.

Address ecological debt

7) Acknowledging the historical ecological debt that they owe to the planet, developed countries must create an Integral Financial Mechanism to support developing countries in: implementation of their plans and programs for adaptation to and mitigation of climate change; the innovation, development and transfer of technology; in the preservation and improvement of the sinks and reservoirs; response actions to the serious natural disasters caused by climate change; and the carrying out of sustainable and eco-friendly development plans.

8) This Integral Financial Mechanism, in order to be effective, must count on a contribution of at least 1 per cent of the GDP in developed countries[6] and other contributions from taxes on oil and gas, financial transactions, sea and air transport, and the profits of transnational companies.

9) Contributions from developed countries must be additional to Official Development Assistance (ODA), bilateral aid or aid channelled through organisms not part of the United Nations. Any finance outside the UNFCCC cannot be considered as the fulfilment of developed country's commitments under the convention.

10) Finance has to be directed to the plans or national programs of the different states and not to projects that follow market logic.

11) Financing must not be concentrated just in some developed countries but has to give priority to the countries that have contributed less to greenhouse gas emissions, those that preserve nature and are suffering the impact of climate change.

12) The Integral Financial Mechanism must be under the coverage of the United Nations, not under the Global Environment Facility (GEF) and other intermediaries such as the World Bank and regional development banks; its management must be collective, transparent and non-bureaucratic. Its decisions must be made by all member countries, especially by developing countries, and not by the donors or bureaucratic administrators.

Technology transfer to developing countries

13) Innovation and technology related to climate changes must be within the public domain, not under any private monopolistic patent regime that obstructs and makes technology transfer more expensive to developing countries.

14) Products that are the fruit of public financing for technology innovation and development of have to be placed within the public domain and not under a private regime of patents[7], so that they can be freely accessed by developing countries.

15) Encourage and improve the system of voluntary and compulsory licenses so that all countries can access products already patented quickly and free of cost. Developed countries cannot treat patents and intellectual property rights as something "sacred" that has to be preserved at any cost. The regime of flexibilities available for the intellectual property rights in the cases of serious problems for public health has to be adapted and substantially enlarged to heal Mother Earth.

16) Recover and promote indigenous peoples' practices in harmony with nature which have proven to be sustainable through centuries.

Adaptation and mitigation with the participation of all the people

17) Promote mitigation actions, programs and plans with the participation of local communities and indigenous people in the framework of full respect for and implementation of the United Nations Declaration on Rights of Indigenous Peoples. The best mechanism to confront the challenge of climate change are not market mechanisms, but conscious, motivated and well organised human beings endowed with an identity of their own.

18) The reduction of the emissions from deforestation and forest degradation must be based on a mechanism of direct compensation from developed to developing countries, through a sovereign implementation that ensures broad participation of local communities, and a mechanism for monitoring, reporting and verifying that is transparent and public.

A UN for the environment and climate change

19) We need a World Environment and Climate Change Organisation to which multilateral trade and financial organisations are subordinated, so as to promote a different model of development that environmentally friendly and resolves the profound problems of impoverishment. This organisation must have effective follow-up, verification and sanctioning mechanisms to ensure that the present and future agreements are complied with.

20) It is fundamental to structurally transform the World Trade Organiation, the World Bank, the International Monetary Fund and the international economic system as a whole, in order to guarantee fair and complementary trade, as well as financing without conditions for sustainable development that avoids the waste of natural resources and fossil fuels in the production processes, trade and product transport.

In this negotiation process towards Copenhagen, it is fundamental to guarantee the participation of our people as active stakeholders at a national, regional and worldwide level, especially taking into account those sectors most affected, such as indigenous peoples who have always promoted the defense of Mother Earth.

Humankind is capable of saving the Earth if we recover the principles of solidarity, complementarity and harmony with nature in contraposition to the reign of competition, profits and rampant consumption of natural resources.

Time for a Carbon Tax – Time for a Grand Bargain on Climate Change

[Roy Morrison, Ecocivilisation]

It's time for Barack Obama to seize the day and give bi-partisanship a chance to help solve the climate change dilemma. The stakes are huge. Fail, and we may have forfeited our last realistic change to act soon enough and effectively enough to avoid global climate catastrophe. Succeed and the way becomes open for a global carbon tax that can get the job done.

Time's running out. We can't just dial back global temperature as if we had control of a thermostat by reducing our carbon emissions when it gets too hot. Wait much longer and we risk unleashing a run-away greenhouse effect that we will not be able to control by cutting human carbon dioxide emissions.

The choices are between an Obama administration complex cap and trade system and a carbon tax where all the revenue will be rebated to every American, every month.

A *carbon tax* was supported by Al Gore and by most economists, including Obama budget director Peter Orzag while he was head of the Congressional Budget Office in 2007.

The good news is that a carbon tax has now also been embraced by Exxon CEO Rex Tillerson and Republican supply-side guru Arthur Laffer.

President Obama should invite the Republicans to craft a bi-partisan carbon tax and rebate plan. If a deal emerges, we'll all be winners. If the Republicans are unmasked as climate frauds, Obama can exert his political muscle in 2010 behind cap and trade or carbon taxes.

A carbon tax with monthly rebate checks to every American pushes all the right political buttons. It's a zero new net revenue tax. It puts all the money back in people's pockets every month to offset the tax. Since lower income people use less energy, on average they will benefit, and are almost sure to spend all the money as economic stimulus. And the rebate can be structured to meet the concerns of conservative Democrats and Republicans from coal using states of the mid-west and south

Carbon cap and trade has mainly the belief that it is politically viable to recommend it. It supposedly can be pushed through a Democratic Congress.

Carbon cap and trade will have large energy users purchasing and trading carbon pollution allowances. They can also buy so-called carbon offsets, from activities like tree planting, from anywhere on the globe. Carbon cap and trade is complex, open to manipulation by traders, and subject to wild market swings which discourages investment in the renewables we need.

Most important, as the Kyoto protocol has shown, it just doesn't work to cut global net carbon emissions. It's too easy to game the system, for speculators to make money by manipulating offset markets, and to concoct unverifiable carbon offset schemes, or Madoff style scams, with the assistance of corruptible officials in poor and desperate nations.

Under Kyoto, we witnessing, for example, more and more methane, a greenhouse gas twenty-times more powerful than carbon dioxide, being released from melting arctic permafrost, and ocean and land soaking up more and more heat as the ice and snow cover retreats.

Atmospheric carbon is now 385 parts per million (ppm) and rising yearly toward 600 to 700 ppm or more if we do nothing. Leading atmospheric scientists, like James Hansen of Columbia, caution that we must reduce carbon to 350 ppm or risk losing control of planetary climate dynamics and face the consequences.

It's time for Obama to exert his intelligence, courage and political legerdemain and lead the way toward a workable carbon tax for all our sakes, for our kids and their kids.

The Article is also available online: http://www.ecocivilization.info/id67.html

Stuck in reverse: recommendations on a long-term solution to a broken-down automobile industry

[Peter Wooders, Oshani Perera, International Institute for Sustainable Development; http://www.globalsubsidies.org]

The dramatic decline in the demand for cars has been a signature effect of the global economic crisis. Faced with a massive drop in sales - for example, 29 per cent in the case of Toyota and 49 per cent across the General Motors brands - the United States, France, Germany, Italy, Spain, and more recently, South Korea, Brazil, Japan and China have concluded that government bail-outs are both justifiable and necessary for the health of their auto sectors. However, at a time when government should be looking at the opportunity costs of all their economic stimulus plans, we wonder if rescuing the automobile industry - whose product emits a significant share of the world's GHG emissions and whose primary fuel causes much of the world's concern for security of energy supply - is a just and equitable allocation of tax payers' money.

At face value, it is not difficult to appreciate the logic behind these handouts. The automobile industry provides jobs, nurtures design and technology skills and creates local demand for manufactured products. Uppermost on the minds of policy makers is that the sector has a supply chain so long and diverse that, in automobile-producing economies, 1 job in every 11 depends on it. If one considers the third and fourth tier suppliers and the number of functions that are outsourced and off-shored, this number grows even higher.

We also cannot ignore the fact that the automobile industry was a pioneer of mass-production techniques and has made a phenomenal contribution to the rise of the industrialised world. We also recognise that globally, societies continue to maintain their dependence on cars as a symbol of personal freedom, expression and affluence. And finally, as the focus on growing new 'green jobs' gains momentum, developing domestic expertise on low-carbon innovation becomes particularly important.

But are these facts sufficient to justify such large handouts? It must be borne in mind that the automobile industry has some fundamental shortcomings: rates of return on capital are not high over the economic cycle; it has for the most part not invested in the future markets for low-carbon products and services; many companies had made significant losses even before the crisis hit; and the industry is plagued with inefficient processes and over-capacity.

The automobile industries' failure to respond to the low-carbon agenda is a particularly important case in point. When governments have attempted to impose emission targets, as the EU did in 2007, the industry has lobbied hard, claiming prohibitively high R&D costs and the supposedly "small" contribution of vehicles to global carbon emissions.

However, even putting aside the question of whether the car industry should be held responsible for the environmental performance of its products (public demand for small, efficient cars and government regulations mandating their use have also been largely conspicuous by their absence), it is still right to question whether the industry should receive publicly financed support and, if so, what conditions should be attached to it.

Stimulus packages should increase demand for those domestic industries that have a profitable future. The automobile industry is anything but this. For one, it has become so globally integrated that it is not feasible for governments to help the entities and subsidiaries within its national boarders without having a massive knock-on effect around the world. It is difficult to foresee how government support can be ring-fenced into feeding into the national economy alone.

Indeed, maintaining jobs at domestic plants is a condition of all the bailouts, but sympathy in this regard is with the automobile industry, which will face even higher inefficiencies in complying, for the fundamental laws of economics dictates that as capital and knowledge become more mobile, jobs will move to where they can be performed most cost-effectively.

Second, we should not believe that the latest round of government bailouts will be the last. In addition to the US$17.4 billion awarded to Chrysler and GM in December 2008 (which dwarfs all bailouts elsewhere), two firms recently submitted a renewed appeal to the USA Treasury: GM asked for an additional US$16.6 billion (and a further US$13.4 billion from other governments to prop up its overseas operations) while Chrysler requested an additional US$5 billion. This news was greeted by hasty comments from the finance ministers of France and Germany suggesting it would be 'fatal' not to support European firms while their competitors across the Atlantic were getting billions.

Continued improvements in sustainable development requires an industry which is not subsidised by periodic bail-outs and which delivers fuel-efficiency. Little can be achieved in the near term: what is needed is policy and regulation which does not allow the current situation to repeat. A wide set of measures are required:

- Address the issue of market concentration. Some financial gurus are suggesting that one of the lessons from the downfall of the banking sector is that oligopolies should be broken up in favour of more manageable and more efficient structures.
- Work out the value of supporting domestic production as against letting it migrate to countries with lower wages. Indeed, the French bail-out packages contain such express provisions on maintaining jobs in France that both the EU and the WTO have seen it fit to warn against protectionism and market distortion.
- Introduce progressive environmental regulation across the whole vehicle fleet. Governments should concentrate first on improving the fuel efficiency of the oil-fuelled vehicles that dominate the market now rather than promising future changes in the fleet at some indeterminate future date through the introduction of electric or hydrogen vehicles.
- Encourage governments to be more transparent on the subsidies they provide to the industry, and provide full accounts of what support has been provided and appropriate metrics for judging their cost-effectiveness.
- Avoid subsidising investments that would have taken place even in the absence of incentives.

What governments do now will dictate what position they find themselves in during the next downturn: will they again be bailing out an industry whose finances and products remain unsustainable or will the actions taken now give rise to a proactive and competitive sector that will be the hallmark of a sustainable future?

6. LINKS AND PUBLICATIONS

European Commission analysing the replies to the Green Paper on market-based instruments

[EU Commission, January 16th 2009]

In January the European Parliament published a working document which analyses the replies to the Green Paper on market-based instruments for environment. To see this reply visit following homepage:
http://ec.europa.eu/environment/enveco/pdf/analyse_doc.pdf
To see the original document visit
http://ec.europa.eu/taxation_customs/article_3849_en.html
And for our german reply to the Green Paper visit our homepage
http://www.foes.de/de/downloads/Politische%20Forderungen/FOES-Stellungnahme-Gruenbuch-MBI.pdf

Environmental Federalism and the Taxation of Natural Resources

[World Bank 2008, Edited by Anwar Shah]

This book reviews taxing choices to protect the local and global environment and to preserve and sustain natural resources. Alternative economic instruments such as carbon taxes and tradable permits to combat global climate change are examined. Strategies and practices to manage and sharing of revenues from natural resources revenues are highlighted. In addition, roles of various orders of government in managing, taxing and sharing natural resources in selected federal countries are documented to highlight the impact of such division of responsibilities in preserving natural resources and the environment.
For more informations visit the website here

ISBN: 0-8213-7550-4
ISBN-13: 978-0-8213-7550-1

GTZ International Fuel Prices 2008 Data Preview

[GTZ]

The 2008 edition of GTZ "International Fuel Prices" provides an overview of retail prices of gasoline and diesel in more than 170 countries. Taxation of fossil fuels is a powerful instrument to generate revenues for road infrastructure and its maintenance. But by increasing the cost of (individual) transport, it can also serve as a strong incentive to road users – by promoting the use and purchase of more efficient vehicles or by promoting the use of public transport, walking and cycling. Experiences from countries with high fuel price levels reveal that users and providers of transport services and infrastructure adapt habits and policies – often in a very smart manner. This should encourage countries with low taxation levels to gradually increase taxes on fossil fuels in order to promote more efficient mobility solutions.
Higher fuel taxes are indispensable for the transition to a low-carbon and energy efficient transport sector. Higher fuel taxes in conjunction with other policy instruments and investment in sustainable transport services and infrastructure should aim at reshaping transport systems that provide:

- Efficient public transport means
- Better choices for walking and cycling
- Integrated land-use and transport planning and policies
- More efficient vehicles and infrastructure linking people and markets
- Safer environments for all the end-users of urban transport system

For more informations and the full report visit:
http://www.gtz.de/en/themen/umwelt-infrastruktur/transport/10285.htm

Europe: Size, structure and distribution of transport subsidies

[EEA/OPOCET]Technical report No 3/2007

Transport contributes to several environmental problems such as climate change, air emissions and noise and is at the same time favoured by significant subsidies. An EEA report identifies *European transport subsidies worth at least EUR 270 to 290 billion a year*. Road transport receives

EUR 125 billion in annual subsidies, most of it as infrastructure subsidies, assuming that taxes on road transport are not regarded as contributions to finance infrastructure. Aviation, as the mode with the highest specific climate impact, gets significant subsidies in the form of preferential tax treatment, in particular exemptions from fuel tax and VAT, which add up to EUR 27 to 35 billion per year. Rail is subsidised with EUR 73 billion per year and benefits the most from other on-budget subsidies. For water-borne transport, EUR 14 to 30 billion in subsidies have been identified. For more informations and the full report visit: http://www.eea.europa.eu/publications/technical_report_2007_3

OECD: Taxes on consumption continue to grow

[OECD Study: Consumption Tax Trends VAT/GST and Excise Rates, Trends and Administration Issues]
In 1965 consumption taxes accounted for 3.8 per cent of GDP across the OECD; by 2006 this had increased to 6.8 per cent. Over the same period the number of countries using a VAT (Value Added Tax) – one of the forms of general consumption taxes – rose from around 10 to in excess of 140. These, and other, developments are explained in the 2008 issue of "*Consumption Tax Trends*", published by the OECD in December. The publication looks at all forms of taxes on consumption including value added taxes, general sales taxes and excise taxes. It provides data to show how each of these taxes have developed since 1965. What is clear from the data is that these consumption taxes now account for around a third of the total tax revenue in the OECD area. Other issues covered in the publication include:

- What difficulties do business and governments encounter in applying VAT/GST to cross-border sales?
- Which countries have the best performing VAT/GST systems?
- Have excise taxes – or "sin" taxes on smoking, drinking and driving – decreased in importance?
- How does tax affect the costs of buying and registering a new car in OECD countries?

For the first time "Consumption Tax Trends" includes a section on the experience of consumption taxes in three significant non-OECD countries – China, India and Russia.

In addition there are the usual sections illustrating the share of consumption taxes in overall tax revenues and as a percentage of GDP plus data on VAT/GST rates, exemptions, excise rates and motor vehicle taxes.
The publication ist available here

Hungary: Spot on road freight transport: Running on empty

[Lukács András, Clean Air Action Group]
An important objective of the Clean Air Action Group (CAAG) is to raise public awareness about the economic disadvantages of distorted prices. CAAG now prepared a new spot showing on the example of road freight transport, that putting the prices right will lead to more sound economic decisions. The spot can be seen here in English: http://www.levego.hu/kamionstop/eng/run_on_empty.swf

Hungary: Tax evasion concerning car use continues

[Lukács András, Clean Air Action Group]
After several exchange of letters and personal discussions between the state secretary of the Hungarian Finance Ministry and experts of the Clean Air Action Group, last autumn the Ministry proposed a bill to the Parliament which could have reduced substantially the illegal accounting of car use. Namely, in Hungary the use of cars for private purposes is very often illegally accounted as company use, and the present regulations make it practically impossible for the authorities to control this.(See: http://www.levego.hu/english/environmental_fiscal_reform/szgk_adocsalas.pdf, http://www.foes.de/en/downloads/Green_Budget_Europe/Lukacs.pdf).
Unfortunately, the Parliament watered down the bill. The new law accepted by the Parliament at the end of 2008 makes such tax evasions more difficult in some cases, but left most of the loopholes. A very negative side of the new law is that the owners of expensive cars can evade taxes much more than before!

Complaint to the European Parliament about unsustainable EU aid

[Lukács András, Clean Air Action Group]

The European Union is providing funding to environmentally unsustainable transport infrastructure projects in Hungary (see: http://www.foes.de/en/GBN18-5Art1.html). This clearly contradicts the EU acquis. For this reason the Clean Air Action Group sent a complaint to the Committee on Petitions of the European Parliament (see: http://www.levego.hu/english/ec-op-summary0810.pdf). As the situation is similar in practically all countries which receive EU aid, it would be very useful if NGOs and citizens in other EU Member States would also send a petition to the EP complaining that such financing is against the provisions of the EU law (especially the sustainability criteria and the polluter pays principle). A model text can be downloaded here: http://www.levego.hu/english/ec-op-ep0810-ngos.doc

7. EVENTS

FÖS-conference: Solution of the Crisis with public spending? Contribution of market-based environmental policy Germany, Berlin 29th May

On May 29th Green Budget Germany the GBG/ FÖS (Forum Ökologisch-Soziale Marktwirtschaft) is organizing a conference in the town hall Berlin, called Rotes Rathaus.

Purpose of this conference is the discussion and interaction between politicians, financial and social persons and representatives of NGOs. We want to discuss about the current financial crisis and the challenges and opportunities which can arise for an environmental fiscal reform.

Especially we want to review the actual political solutions related to the crisis from a critical point of view to discuss the likely positive and negative outcomes and provide action recommendations to the politicians to solve the crisis.

The present actions and the huge amounts of money which the politicians are spending to solve the crisis should be seen as opportunity to reorganize the economy and the financial system towards a greener future.

Therefore we invite everyone to participate and interact on our conference to find ecological and social compatible solutions for one of the biggest crisis humanity has ever faced.

Main topics of the conference include:

- Ecological crisis: Challenges and contributions of an environmental fiscal reform
- Social Crisis: Challenges for an environmental fiscal reform
- Economic Crisis: Challenges of an ecological-social stimulation of the economy and the chances of an environmental fiscal reform for the industry and economy
- Future of the emission trading, inter alia with inclusion of the air
- Taxation of company cars, reform of the motor vehicle tax and the scrapping bonus
- Steering of the land use through the reform of the tax on land and buildings and other economic instruments
- Refurbishment of buildings – with concept and free-markets

The Conference will take place in the town hall Berlin, Rathausstraße 15 in Berlin-Mitte from 9am till 7pm. During the conference we will organize different workshops, so participation and interaction with other conference participants will be guaranteed. Yet, the conference will only be in German.

Subsequent to the conference we will award our **Adam-Smith-price** to our awardee this year. For more informations about the Adam-Smith Prize visit the website: http://www.foes.de/en/AdamSmithPrize.html

More informations, registrations for the conference and the full programe will soon be available under: http://www.foes.de/en/

FÖS general annual meeting Germany, Berlin, May 30th

Just one day after our conference we will hold our annual meeting in the rooms of the “Deutsche Umwelthilfe” in Hackescher Markt 4 in Berlin-Mitte.

The meeting from 10am till 1pm will give a review of the last year, our actions, themes and conference we had been working on and an outlook for our coming topics we are working on. Additionally, there will be the election of our executive board, the financial review and the amendment of our statutes.

We hope to see many FÖS-members although the participation is open for everyone who is interested and not (yet) a member.

The programme of the meeting will soon be available under http://www.foes.de/en (but in German only – AGM and programme).

Environmental Policy in Times of Financial Crisis, UK, London, 17th July

Kings College, Great Hall

The main goal of the conference is to show and to explain to decision makers and the interested public in the EU that economic instruments in environmental policy can both contribute to the solution of environmental and economic problems. Energy and resource taxation, emission trading and the removal of environmental harmful subsidies are on the one hand providing incentives to increase the efficiency and effectivity of the economic activity in Europe and lead to a better quality of our ecosystems on the other hand. By the way they could be used to raise revenue for stabilising measures. Therefore we will choose several items, whom we attribute such impacts. Green Budget Europe will then take up the points made in the discussion to sharpen its positions and to engage further on a high level in the discourse on the European level.
The Conference programm and more informations are available on our website: http://www.foes.de/en/

Conference entitled "Resource productivity, environmental tax reform and sustainable growth in Europe", UK, London, July 15th/16th

Before the GBE-Conference, another one will take place at the Kings College London looking at radical long-term EFR options. During the conference the long-term results of a project funded by the Anglo-German Foundation will be presented. Informations about the conference are available on:
http://www.agf.org.uk/programme/events/2009/index.html

12th Energy and environment international trade fair in Madrid, Spain, 12th-14th May 2009

Genera’09 announces the second Innovation Gallery. The Innovation Gallery at Genera’09 will demonstrate some of the main investigations of today regarding renewable energy and efficient energy.
This initiative of Genera will offer the opportunity of recognition and collaboration for professionals and institutions from the research world, considered to have an essential role in this sector. Moreover, it seeks to contribute towards providing better knowledge of the research projects underway for their future beneficiaries – businesses and professionals from the energy sector and society in general.
The Innovation Gallery at Genera’09 includes a selection of projects completed by companies as well as private and public organisations. Deadline for the project presentation will be January the 30th 2009.

Further details:

http://www.ifema.es/web/ferias/genera/pdfs/galeria_inov_i.pdf
Project Presentation Form:

http://www.ifema.es/web/ferias/genera/pdfs/ficha_productos_i.pdf

SustainabilityLive Birmingham, UK, 19th – 21st May

Organisations and individuals are under increasing pressure to be more environmentally aware with imminent government legislations and social pressures to become more sustainable. Sustain-

abilitylive! 2009 gives visitors the tools, expertise and knowledge to do their part and adopt sustainable practices.
Taking place at the NEC in Birmingham from 19 - 21 May 2009 Sustainabilitylive! offers visitors:

- Access 100´s of exhibitors who are offering solutions to your environmental issues.
- Discover long-term strategies & solutions through comprehensive seminar sessions & master class programmes.
- Network with industry peers and experts face-to-face.
- Celebrate industry achievements at the Environment and Energy Awards ceremony and dinner.
- Entry into co-located Sustainabilitylive! shows ET & ES, IWEX, Brownfield Expo, and NEMEX.

For more informations and registration visit:
http://www.sustainabilitylive.com/registration

Offshore Wind & Transmission Forum, Brussels, Begium, 27th-28th May 2009

The offshore wind industry has a tremendous opportunity to contribute to baseline renewable energy targets across Europe. Recent reports estimate that almost 25 per cent of European electricity demand could come from about 3 per cent of the North Sea. There are many challenges to overcome on the path to achieving an industry of scale including: stable and regional policy, transmission access, costs, technology, maritime services, skill shortages and this two day executive forum will look at key areas with a special focus on transmission.

Adam Bruce, Head of Corporate Affairs, Mainstream will join fellow offshore wind and maritime services experts to address the key challenges to scaling up the offshore wind industry with a specific focus on creating and enabling offshore transmission grids.

Expert speakers incluce:

- Rory O'Neil, Chief Executive Officer, Imera
- Joel Staadecker, Chief Executive Officer, SeaEnergy
- Niels Ladefoged - Directorate-General for Energy and Transport
- Rob Hastings , Director of Marine Estates, Crown Estate UK
- Adam Bruce, Head of Corporate Affairs, Mainstream Renewable Power
- Frauke Thies, Greenpeace International
- Stephan Singer, European Policy Office, World Wildlife Fund
- Peter Schaumann, Forwind-Center for Wind Energy Research

The event will be highly interactive and with discussion centred around:

Effective & Stable Regional Policy, Costs and Financing, Offshore Transmission access and grid connection, Technology Advancements: Blades, Turbines and construction machinery and vessels, Maritime Services & Skill shortages, Environmental Planning & Impact Assessments

2009 International Energy Workshop 17th – 19th June, Venice, Italy

The 2009 International Energy Workshop is organised in cooperation with the International Center for Climate Governance - a joint initiative of the Fondazione Eni Enrico Mattei (FEEM) and the Fondazione Giorgio Cini (FGC) - and the Euro-Mediterranean Center on Climate Change (CMCC). The conference, which will gather the main world experts in energy and climate change economics, will be held in Venice, in the magnificent scenario of the Island of San Giorgio Maggiore, on June 17th-19th, 2009.
Deadline for early registrations: 30 April 2009.
For further informations, registration and accomodations visit the website http://www.iccgov.org/iew2009/5-0.htm or contact
Angela Marigo
Fondazione Eni Enrico Mattei
E-mail: angela.marigo@feem.it

15th International Symposium on Society and Resource Management (ISSRM) Vienna, Austria 5th – 8th July

Hosted by the University of Natural Resources and Applied Life Sciences (BOKU)

The International Symposium on Society and Resource Management is the official annual meeting of the International Association for Social and Natural Resources for academic and government researchers, students, land managers and NGO representatives. The upcoming ISSRM 2009 conference in Vienna opens insights into diverse themes in Research, Planning and Management from all over the world.
Conference themes include following topics:

- Climate Change Adaptation with a special focus on gender aspects
- Non-wood services: Nature and human health
- Wildlife and Conservation: “Threat or threatened? Challenges and opportunities in recovering predatory endangered species”
- Sustainable Development: “What is non-renewable but sustainable? The role of extractive industries in development”
- New Governance: “Participatory governance in natural resource management: Between effectiveness and legitimacy”
- Natural Resource Policy: “The challenge of coordination: Bridging horizontal and vertical boundaries in environmental and natural resource policy"

Please visit the website: http://www.issrm09.info/ or contact issrm09@boku.ac.at for further information on the ISSRM 2009.
ISSRM 2009 Symposium Coordination Team
Tel: +43 1 47 654 7247
Fax: +43 1 47 654 7209

Tenth Annual Global Conference on Environmental Taxation: Water Management and Climate Change Lisbon, Portugal 23th – 25th September 2009

Calouste Gulbenkian Foundation, Lisbon, Portugal
The Tenth Annual Global Conference on Environmental Taxation will take place on 23 - 25 September 2009 in Lisbon (Portugal) focusing on two topics, Water Management and Climate Change.
The conference will cover a broad spectrum of environmental tax policy issues with regard to water management and climate change law and foster cross-disciplinary links among economics, law and political science. Each topic includes a keynote plenary session and several parallel panels.

CALL FOR PAPERS
Contributions from the following fields are especially welcome:

- Water management policies and institutional frameworks
- Tax instruments for climate change prevention and mitigation
- Coordination of environmental taxes with other environmental economic instruments
- Benchmarking of energy tax systems
- International competitiveness in the presence of climate policies with tax instruments
- New tax-related financial mechanisms for climate and coastal protection in developing countries and small island states

Green Budget Germany will at least be repressented by its Vice-President Kai Schlegelmilch.
Conference website: http://GCET2009.com/
Contact for further information: Claudia Dias Soares (casoares@porto.ucp.pt)

The Copenhagen Climate Exchange 2009, Copenhagen, Denmark, 3rd – 6th December 2009

The Copenhagen Climate Exchange 2009 offers you an opportunity to share your visions and experiences on how to fight climate change with an international audience. NGOs, cities and innovative enterprises from across the World gather in Copenhagen to exchange ideas. Thousands of visitors and international media exposure will be expected. The Copenhagen Climate Exchange 2009 is a four day event leading up to COP15, the official UN climate summit in Copenhagen, December 2009.
Further details:
http://www.cphco2009.dk

8. JOB OPPORTUNITIES

International Energy Job Market Venice, Italy, 17th – 19th June

An International Energy Job Market is organised within the 2009 International Energy Workshop (17-19 June, Venice). The Job Market aims to offer the two sides of the market - institutions with open positions and candidates looking for a job - both a virtual and a physical place to meet and look for the best match. Candidates, universities, public and private institutions, and corporations are invited to apply to participate in the Job Market.

Candidates' profiles and information on open positions are posted free of charge in the 2009 IEW website. Interviews to be held within the 2009 IEW must be organised by the participants in the market directly. A limited number of rooms situated within the Workshop venue is available for Job Market interviews: institutions can book them. Rooms are allocated among the different institutions that apply on a first-come first-serve basis.

Further information about how to apply is available in the workshop website at http://www.iccgov.org/iew2009/8a-0.htm.

Contact
Angela Marigo
Fondazione Eni Enrico Mattei
E-mail: angela.marigo@feem.it

9. IMPRINT

Best wishes from the founders and the editors!

Green Budget Germany's Team of Editors

You can contact the Green Budget News editors at the following addresses:

Forum Ökologisch-Soziale Marktwirtschaft
Green Budget Germany
Seestraße 113 – D – 13353 Berlin
Tel.: +49 30 510 530 -80, Fax: - 79
foes@foes.de
www.foes.de
www.eco-tax.info

Levego Munkacsoport
Clean Air Action Group
H-1465 Budapest, Pf. 1676, Hungary
Phone: +36-1 4110509/-10
Fax: +36-1 2660150
levego@levego.hu
www.levego.hu

ÖGUT – Österreichische Gesellschaft für Umwelt und Technik
Austrian Society for Environment and Technology
Hollandstraße 10/46
A – 1020 Vienna
Tel.: +43 1 315 63 93 – 13, Fax: - 22
office@oegut.at
www.oegut.at

European Environmental Bureau
Boulevard de Waterloo 34,
B-1000 Brussels
Tel: +32 2 2891090
Fax: +32 2 2891099
secretariat@eeb.org
www.eeb.org

The Ecological Council
Blegdamsvej 4B
DK - 2200 Copenhagen N
Phone: +45 33 15 09 77
Fax: +45 33 15 09 71
info@ecocouncil.dk
www.ecocouncil.dk