

## REMOVING ENVIRONMENTALLY HARMFUL SUBSIDIES: POSSIBILITIES AND BENEFITS

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

This topic is very timely in relation to the following:

- The **EU Sustainable Development Strategy** (2006) called on the European Commission to draft a roadmap for the removal of EHS in all relevant sectors. DG ENV has commissioned a study to provide practical guidelines for subsidy removal and indicators to enable policy makers to get a sense of the level and character of subsidies.
- The European Union is now preparing its **budget** for the period 2014–2020. It is very important to ensure that no EU funding is given for activities which worsen the state of the environment.
- The EU is currently in the process of revising the **Energy Tax Directive and the Eurovignette Directive**.
- The leaders of the **G20**, at their meeting in September 2009, committed themselves to phase out all subsidies for fossil fuels.

In recent years, a lot of experience has been accumulated concerning good and bad practices associated with the communication of subsidy reform and environmental fiscal reform (EFR) as a whole. Communicating the ways in which subsidy removal and EFR can be effective tools to address the current economic, social and environmental crises is the focus of the final conference sessions. The most important findings in this area will help improve such communication and enable the mainstreaming of green budget reform in the future.

The conference in Budapest will also help Hungary to prepare for the EU Presidency, which it will hold in the first half of 2011.

## VENUE

Andrássy University, Conference Room,  
Pollack Mihály tér 3, H-1088 Budapest  
Phone: +36-1-266-3101  
Public Transport: metro stations Astoria (M2), Kálvin tér (M3)

## REGISTRATION

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

For registration, **please contact:**  
Clean Air Action Group (CAAG)  
Pf. 1676, HU-1465 Budapest, Hungary  
Phone: + 361 411 0509  
[konf@levego.hu](mailto:konf@levego.hu)

## ABOUT US

Green Budget Europe (GBE) was founded in Brussels in September 2008 in response to the EU's growing influence on environmental and fiscal policy. It is an **EU-wide umbrella organisation to promote the use of Market Based Instruments (MBI) in environmental policy**. Members include researchers, politicians, business, and NGOs. New members welcome!

## CONTACT

### Green Budget Europe (GBE) Forum Ökologisch-Soziale Marktwirtschaft e.V. (FÖS)

Schwedenstraße D 13357 Berlin	15a	Phone: +49-30-7623991-80 Fax: +49-30-7623991-79
<a href="http://www.green-budget.eu">www.green-budget.eu</a>		<a href="mailto:foes@foes.de">foes@foes.de</a>

### Clean Air Action Group (CAAG)

András Lukács Pf. 1676, HU-1465 Budapest, Hungary	Phone: + 36 1 411 0510 Fax: +36 1 266 0150
	<a href="mailto:konf@levego.hu">konf@levego.hu</a>

### Hungarian Economic Association (MKT)

Miklós Gábor Nagy 1245 Budapest, Pf. 1044 Hungary	Phone: +36 1 331-6906 Fax: +36 1 331-6906
	<a href="mailto:office.mkt@t-online.hu">office.mkt@t-online.hu</a>

# GreenBudgetEurope

A EUROPEAN EXPERT PLATFORM FOR ECONOMIC INSTRUMENTS IN ENVIRONMENTAL POLICY

**DRAFT PROGRAMME**  
**Speakers to be confirmed**

**GBE Annual Conference 2010**

## REMOVING ENVIRONMENTALLY HARMFUL SUBSIDIES: POSSIBILITIES AND BENEFITS



**Date: Thursday, July 8<sup>th</sup> – Friday, July 9<sup>th</sup> 2010**

**Venue: Andrássy University Budapest**

**Local organisers: the Clean Air Action Group (Levegő Munkacsoport) and the Hungarian Economic Association.**

## CONFERENCE PROGRAMME

(speakers to be confirmed)

<b>July 8th 2010 Morning Session</b>	
	<p><b>Welcome Speeches</b></p> <ul style="list-style-type: none"> <li>• Anselm Görres (President Green Budget Germany)</li> <li>• György Matolcsy (Minister of National Economy, Hungary) tbc</li> <li>• László Parragh (President of the Hungarian Chamber of Commerce and Industry, President of the Hungarian Economic and Social Council) tbc</li> </ul>
	<p><b>Keynote Speeches</b></p> <p><b>The current political field of action on EHS</b></p> <ul style="list-style-type: none"> <li>• The EU SDS and the roadmap for the elimination of EHS, Janez Potočnik, European Commissioner for the Environment</li> <li>• OECD work on phasing-out fossil fuel subsidies and developments in the G20, Helen Mountford, Senior Counsellor at OECD</li> </ul>
	<p><b>Panel discussion</b></p> <p>Subsidy removal – possibilities and ways forward</p> <ul style="list-style-type: none"> <li>• Samuela Bassi (IEEP – Institute for European Environmental Policy)</li> <li>• Mikael Skou Andersen (European Environment Agency - EEA)</li> <li>• Stefan Speck (European Environment Agency - EEA)</li> <li>• Aldo Ravazzi Douvan (Italian Ministry for Environment &amp; Territory)</li> </ul>
	<p><b>Discussion and questions</b></p>
	<p><b>Lunch</b></p>

<b>July 8th 2010 Afternoon Session</b>	
	<p><b>Parallel Workshops I</b></p> <p><b>EHS in transport:</b></p> <ul style="list-style-type: none"> <li>• Arno Schroten (CE Delft)</li> <li>• Jos Dings (T&amp;E)</li> <li>• Károly Kiss (Clean Air Action Group, Hungary)</li> <li>• Maryvonne Phantarangsi (Chargée de mission entreprises et politique environnementale Commissariat Général au Développement Durable Ministère de l'Ecologie, de l'Energie, du Développement Durable et de la Mer)</li> </ul>
	<p><b>Parallel Workshops II</b></p> <p><b>EHS in the agricultural sector, water management, land use and construction:</b></p> <ul style="list-style-type: none"> <li>• László Podmaniczky (Institute of Environmental &amp; Landscape Management, Szent István University, Hungary)</li> <li>• Arnd Spahn (EFFAT – European Federation of Food, Agriculture and Tourism Trade Unions)</li> <li>• Representative of DG Agriculture, tbc</li> <li>• Samuela Bassi (IEEP)</li> <li>• Erzsébet Beliczay (Vice-President, Clean Air Action Group, Hungary)</li> <li>• János Pál (Program Manager, Clean Air Action Group)</li> </ul>
	<p><b>July 9th 2010 Morning Session</b></p>
	<p><b>Keynote speeches</b></p> <p><b>Making progress on subsidy removal</b></p> <ul style="list-style-type: none"> <li>• Zoltán Illés (State Secretary for the Environment, Hungary)</li> <li>• Jacqueline McGlade (Executive Director, EEA)</li> <li>• Pavel Pribyl (CEE Bankwatch Network)</li> <li>• Walter Deffaa, (Director General, European Commission Taxation and Customs Union, Audit and Anti-Fraud)</li> </ul>

	<p><b>Discussion of the previous day's findings</b></p> <ul style="list-style-type: none"> <li>• Reports from the workshops, summary of the findings of the previous day</li> </ul> <p><b>Panel discussion with Q&amp;A session</b></p>
	<p><b>EHS in the energy sector:</b></p> <ul style="list-style-type: none"> <li>• Frans Oosterhuis (IVM)</li> <li>• Cees van Beers (Delft Technical University)</li> <li>• Jean Chateau (Environment Directorate, OECD)</li> <li>• Yannis Paleocrassas (Patron, GBE)</li> </ul>
	<p><b>Lunch</b></p>
	<p><b>Afternoon Session Communicating Subsidy Removal and Environmental Fiscal Reform</b></p>
	<p><b>Experiences at EU level and from various countries: Recommendations for the future</b></p>
	<p>Comments invited from:</p> <ul style="list-style-type: none"> <li>• Sándor Fülöp (Parliamentary Commissioner for Future Generations, Hungary)</li> <li>• Martin Bursik (former Deputy Prime Minister and Environment Minister of the Czech Republic)</li> <li>• John Hontelez (Secretary General, European Environment Bureau - EEB)</li> <li>• Ion Karagounis (Swiss foundation for environmental management Pusch)</li> <li>• Erwin Mayer (Denkstatt)</li> <li>• Gabi Hildesheimer (Obü)</li> <li>• Kai Schlegelmilch (Vice President, GBE)</li> <li>• Søren Dyck-Madsen (Danish Ecological Council)</li> <li>• András Lukács (Clean Air Action Group Hungary)</li> <li>• Péter Szeles (President, Hungarian Public Relations Association)</li> </ul> <p><b>Comments to be followed by a round table with panellists, journalists and communication experts</b></p> <p><b>Afternoon session will include coffee break</b></p>
	<p><b>Conference ends</b></p>