

Thematic session: Water quality and marine litter

Final conference: Capacity building for environmental tax reform
5 October 2017, Committee of the Regions, Rue Belliard 99/101, Brussels

Prof. Mikael Skou Andersen, Ph.D.



Water quality and marine litter: issues & challenges

- › Good ecological status in 53% of EU surface water bodies (2015), up from 43% (2009)
- › Still, 90% of river basin management plans identify fertilizers and pesticides as main pressures,
- › For certain water bodies, pollution from industrial activities remain significant,
- › Sewer overflows frequently a main source of pollution,
- › Plastic waste from consumers into marine waters,
- › Can be tackled with waste water, pesticide, fertilizer and packaging taxes!



Water quality and marine litter: issues & challenges

- › TFEU art 191(2) Polluter-pays principle (cf. OECD)
 - “the polluter should bear the expenses of carrying out the measures decided by public authorities to ensure that the environment is in an acceptable state”;
 - “..reflected in the cost of goods and services which cause pollution in production and/or consumption. Such measures should not be accompanied by subsidies that would create significant distortions in international trade and investment.”
- › WFD art. 9
 - requires Member States to have water pricing policies in place that provide adequate incentives to use water resources efficiently, so as to contribute to the environmental objectives of WFD. Recovery of the costs should include not only operational costs but related environmental and resource costs too
 - WFD Art. 2(39) defines water use as “water services together with any other activity identified under Article 5 and Annex II having a significant impact on the status of water”

Water quality and marine litter: instruments used

- › Lithuanian environmental pollution tax;
- › Polish wastewater fee;
- › Swedish fertilizer tax (N, P and cadmium)
- › Danish animal feed mineral phosphorus tax;
- › Danish pesticide tax;
- › Italian phytosanitary product tax;
- › Irish plastic bag levy;
- › Belgian packaging tax;
- › Finnish packaging tax and beverage container deposit refund;
- › Latvian packaging tax;
- › Romanian packaging charge
- › Dutch port fee reductions;



Water quality and marine litter: revenues, effectiveness & efficiency

› Ringfencing of revenues

- Waste water taxation revenues for investment in WWTP
- Pesticide tax revenues for research and organic farming
- Fertilizer tax revenues for environmental projects

› Shift in tax burdens (ETR)

- Reductions in farmers land value taxes for animal feed mineral phosphorus tax
- Reductions in payroll taxes for packaging taxes, as part of wider (environmental) tax reform

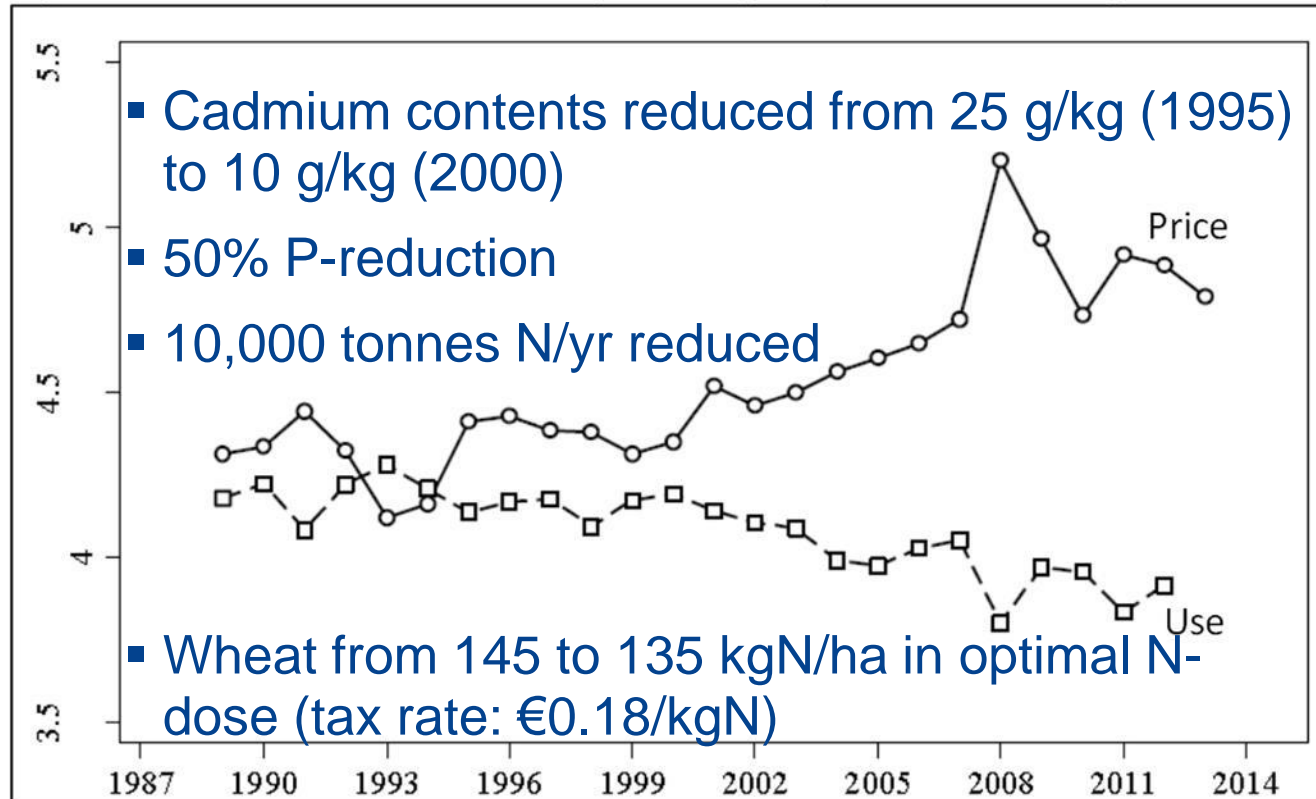
› Combinations of the above

- Pesticide tax rate increase under ETR



Water quality and marine litter: effectiveness of Sweden's fertilizer tax

Figure 1: Price of mineral fertilizer (including tax) and use of nitrogen in Sweden

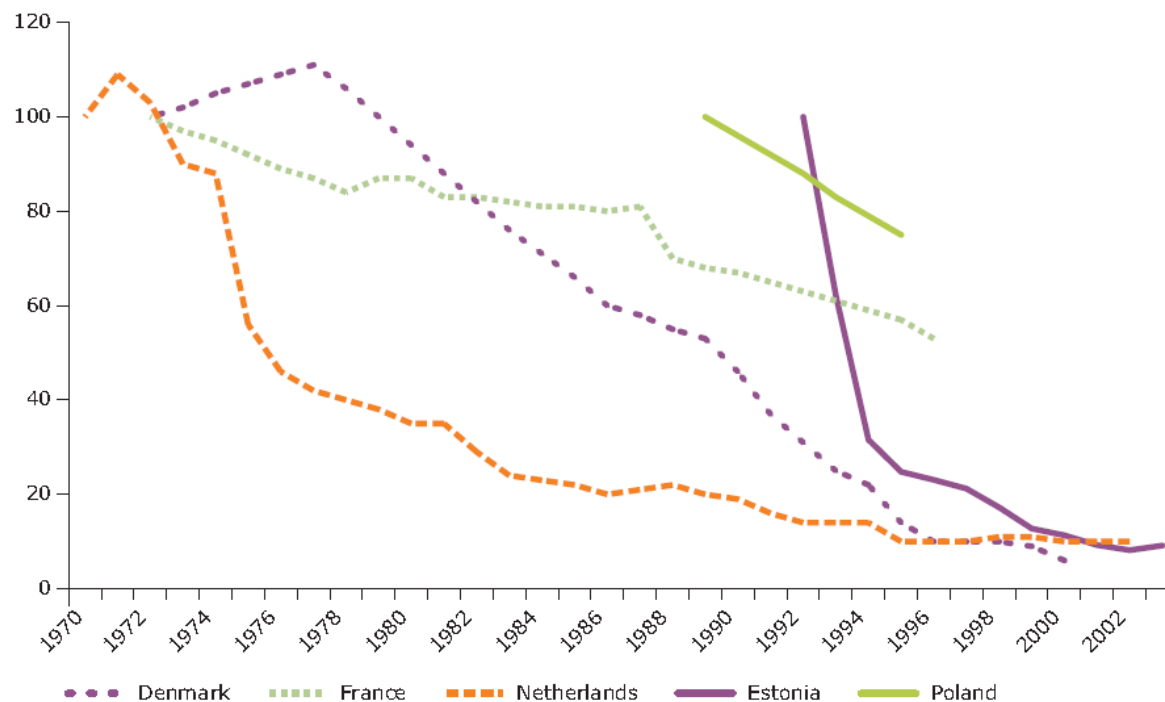


Source: (Konjunkturinstitutet, 2014:66)

Water quality and marine litter: effectiveness of waste water taxes

Figure 10 Net load on surface waters – organic discharges (BOD) from sewage treatment plants, industry and other direct outlets. 1970–2002

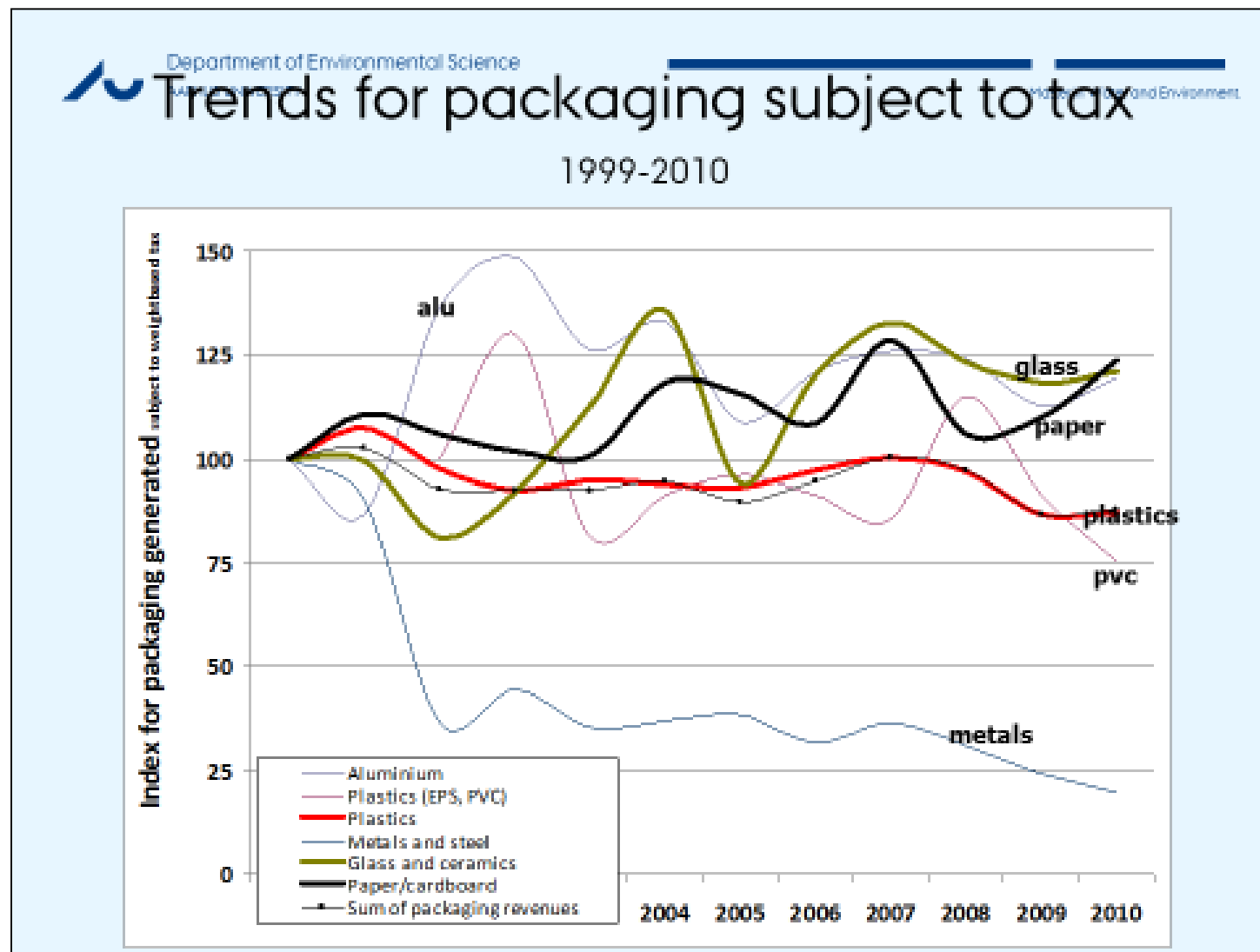
Index (policy start year = 100)



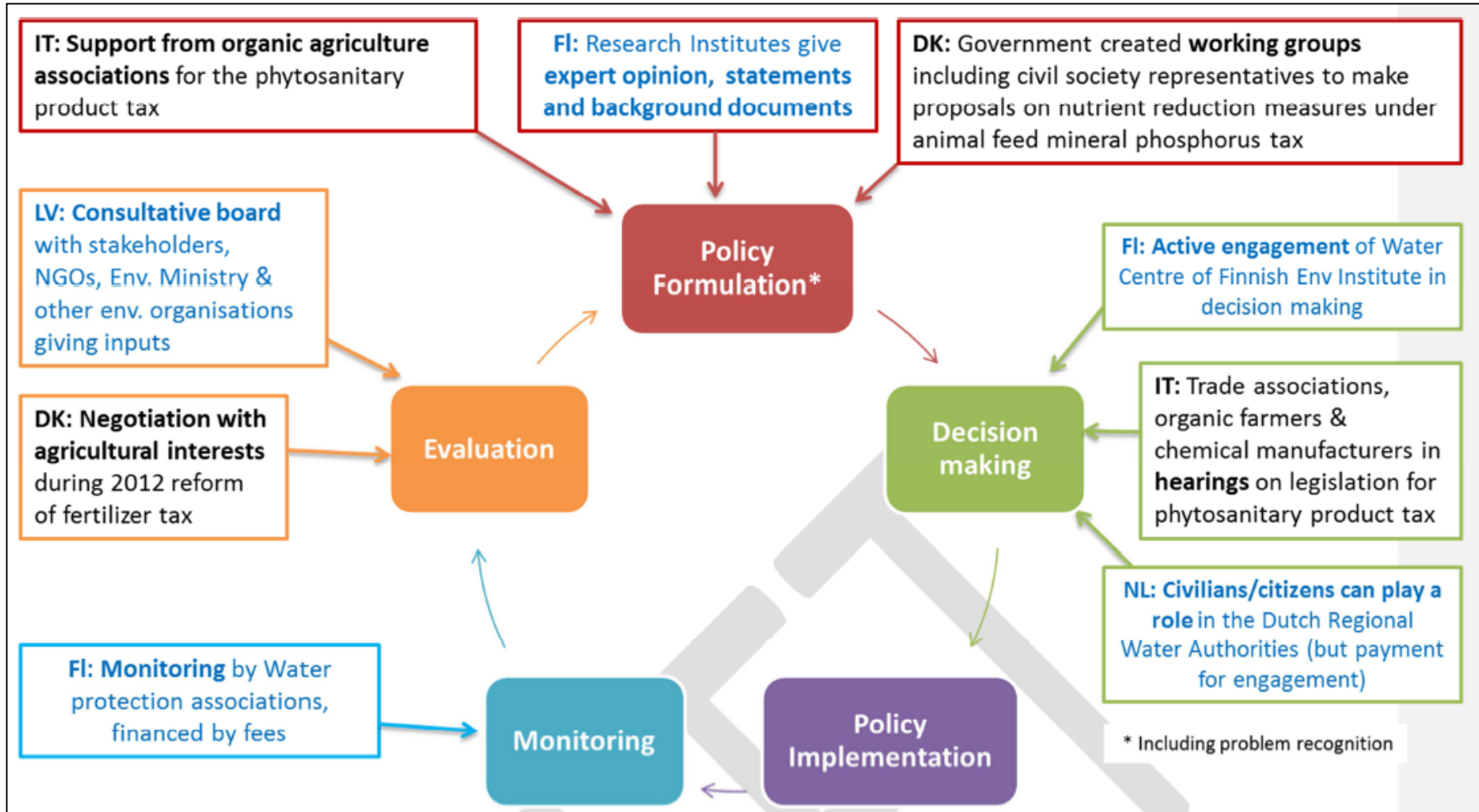
Sources: OECD, UNECE, Danish National Environmental Research Institute and national statistical services.

Note: Absent or incomplete data on industrial discharges in Spain precludes calculation of the development in discharges.

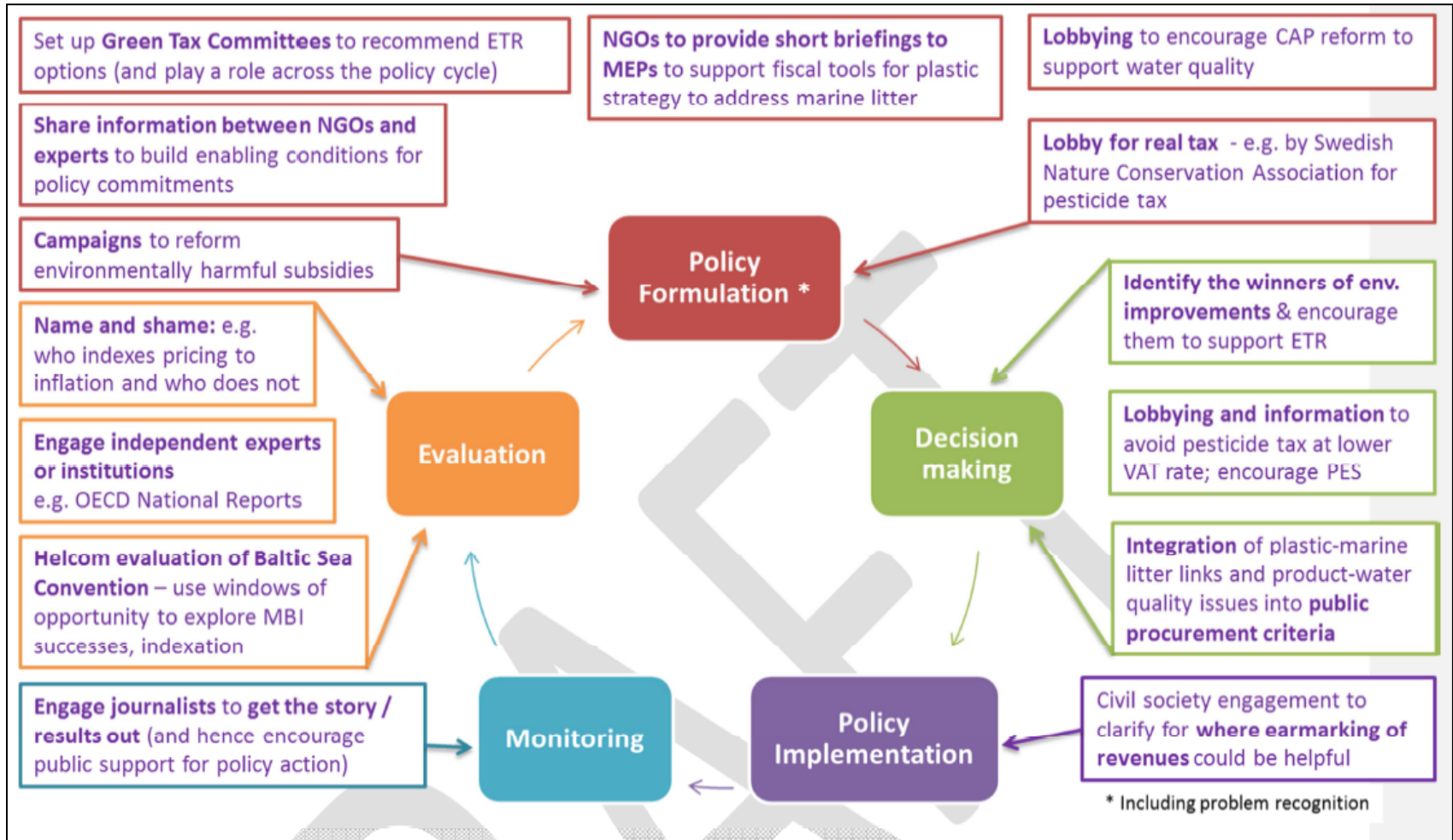
Water quality and marine litter: effectiveness of packaging tax in Denmark



Water quality and marine litter: stakeholder & civil society engagement



Water quality and marine litter: stakeholder & civil society engagement



Water quality and marine litter: the way forward

- › Support environmental taxation under WFD directive through common framework for adoption in MS (model: Eurovignette directive)
- › Set up an EEA/EIONET network of relevant Member State officials with experience and responsibility in area of environmental charges and taxes – from environmental and tax administrations
- › Ringfencing of some revenues (20-25%) can increase target group support in water sector
- › Integrate ETR in macro-economic tax shifting, support employment



Water quality and marine litter: case study presentations

- › Case study 1: Poland: Waste water taxation to address urban and industry discharges
 - Kamila Paquel (IEEP)

- › Case study 2: Netherlands: Addressing plastic waste in Dutch ports
 - Coen Peelen (Dutch Ministry of Infrastructure & Environment)

Thank you for your attention!

