To: Commissioner POTOČNIK
European Commission


Concerning: Reform of environmentally harmful subsidies


Dear Commissioner POTOČNIK,

Thank you for your reply concerning the position of the Commission on environmentally harmful subsidies (EHS). We appreciate the Commission’s efforts, partly listed also in your letter, to remove such subsidies.

However, we are disappointed that the Commission, after working on this internally for three years, has apparently given up on the idea of developing a roadmap for the reform of environmentally harmful subsidies. This roadmap was part of the EU Sustainable Development Strategy of 2006, and its need has been reconfirmed in particular by the Environmental Council on more than one occasion. The purpose of the roadmap was not only to give guidance to Member States and the Commission itself, but also to give this issue a higher profile and to create incentives to act and momentum in favour of reform.

Preparatory work included an impressive study on the hidden, environmentally perverse, subsidies through tax reductions for company cars. The billions of Euros these subsidies are worth represent a very substantial and direct disincentive for more environmentally sound mobility choices – and it is also clear that this is the tip of the iceberg. The very existence of this study, and the scale of its findings, already makes it clear that your decision will be regretted. This is all the more true in times of fiscal austerity, when all Member State governments are searching for possible means of cutting spending – and what better way to reduce spending than to stop paying polluters to pollute?
We do appreciate that thanks to the Commission, the practical methodology for EHS identification, assessment and quantification is now available. We would like to ask you to commission a new study which, using this methodology, will identify, assess and quantify the EHS in the Multiannual Financial Framework (the EU-Budget) for the years 2007-2013.

We are convinced that such a study can be started immediately, as it does not require the involvement of the Council or the Parliament. This study might serve as a basis for avoiding from the start most, if not all, EHS in the EU-Budget during the years 2014-2020. Such timely research, and the application of such an approach to the drafting of the EU-Budget for 2014-2020, could also serve as a model for the Member States which intend to remove EHS in their own countries.

We are looking forward to your positive reply concerning our proposal.

Yours sincerely,

John Hontelez  
Secretary General  
European Environmental Bureau

Dr Anselm Görres  
President  
Green Budget Germany