



WWF

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EU SEMESTER: WWF RECOMMENDATIONS FOR COUNTRY-SPECIFIC RECOMMENDATIONS 2014

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BELGIUM

WWF Proposed Recommendation 2014	Justification
<p>Belgium should significantly shift labour taxes to environmental taxes.</p> <p>To lower labour taxes in a neutral way Belgium should:</p> <ul style="list-style-type: none"> • Apply the standard VAT to environmentally harmful products such as fuel heating (coal) in households; • Set up a fuel-neutral energy tax which takes into account the CO2 content 	<p>Belgium has the highest implicit tax rate on labour (ITR) in Europe while it has the second lowest share of environmental taxes as a percentage of total taxation (4,1%) among EU Member States. In this regard, Belgium is far from implementing the shift of taxation from labour to resource use that would make its economy more resource efficient and sustainable while fostering job creation.</p> <p><i>European Commission (2013):Tax burden on labour</i> http://ec.europa.eu/europe2020/pdf/themes/20_tax_burden_on_labour.pdf</p> <p><i>Eurostat (2013):Taxation trend in the European Union, p238</i> http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/economic_analysis/tax_structures/2013/report.pdf</p> <p>More information on the Environmental Fiscal Reform in Belgium can be found in the 12 recommendations of the “Belgian environmental movement”. The movement can be contacted through our WWF focal point in Belgium (see contact below)</p>
<p>To reach its 2020 climate targets, Belgium should reduce greenhouse gas emissions in transport and address congestion by:</p> <ul style="list-style-type: none"> • improving public transportation system; • raising road pricing or congestion charges; • scaling back tax exemptions for company cars and fuel cards 	<p>Belgium is not reaching its non-ETS climate target. It is one of six Member States (Austria, Belgium, Finland, Ireland, Luxembourg and Spain), for which the latest European Environmental Agency projections indicate that “even additional measures planned at national level will not be sufficient to bring 2020 emissions below their respective 2020 target under the Effort Sharing Directive. These Member States must therefore increase their efforts to design, adopt and implement emission-reducing policies and measures”.</p> <p><i>European Environmental Agency, Trends and projections 2013:</i> http://www.eea.europa.eu/publications/trends-and-projections-2013</p> <p>Additionally, Belgium is the second most fragmented territory in the EU according to the European Environmental Agency.</p>

	<p><i>European Environmental Agency (2011):</i> http://www.eea.europa.eu/publications/landscape-fragmentation-in-europe</p> <p>Finally, according to the EU working paper 2013 of the EU Semester, congestion costs Belgium up to 2% of its GDP annually.</p> <p><i>European Commission (2013):</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_belgium_en.pdf (p27)</p>
Belgium should urgently improve its climate and energy governance and decide on the division of its 2020 climate and energy targets between federal and regional level	<p>Projections for greenhouse gas emissions in 2020 indicate that Belgium will miss its 15% reduction target by 11 pps. It also remains unclear how isolated initiatives taken by the various authorities will ensure that the collective target is met. This general lack of coordination and effort-sharing agreement between authorities is also the main concern with regard to the national renewable energy target of 13% by 2020, together with the need to complete transposition of the Renewable Energy Directive.</p> <p><i>European Commission, working paper on Belgium (2013):</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_belgium_en.pdf (p26)</p>

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BULGARIA

WWF Proposed Recommendation 2014	Justification
<p>Improve energy efficiency in Bulgaria to reach its 2020 target:</p> <ul style="list-style-type: none"> • Step up efforts to improve energy efficiency of public and private buildings. Large scale energy renovations of private buildings are particularly needed to reduce energy poverty; • Increase excise duty on gas and electricity for business use 	<p>Bulgaria is the most energy- and carbon-intensive economy in the EU and has one of the highest energy trade deficits.</p> <ul style="list-style-type: none"> • Energy efficiency is seen as part of a long-term solution to lower energy bills, which have recently sparked widespread public discontent. Public funding for energy efficiency projects in housing estates is held back by unclear institutional responsibilities for the maintenance of multi-family residential buildings and the functioning of house-owners' associations. An improved policy framework and greater use of Cohesion Policy funds could promote innovative financing schemes and thereby increase the energy efficiency of buildings, district heating and the cogeneration fleet. • Excise duties on gas and electricity for business use are relatively low. Their increase would be a means to strengthen incentives for the efficient use of energy. <p><i>European Commission, working paper on Bulgaria (2013):</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_bulgaria_en.pdf</p>
<p>Set up efforts to increase renewable energy in the energy mix and reduce energy dependency to fossil fuels</p>	<p>The current policy measures are insufficient to reach Bulgaria's renewable energy target for 2020. In addition, the authorities have recently set temporary grid access tariffs exclusively for renewable energy producers, with a negative impact on the renewables sector.</p> <p><i>European Commission, working paper on Bulgaria (2013):</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_bulgaria_en.pdf</p>

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FINLAND

WWF Proposed Recommendation 2014	Justification
Substantially step up efforts to improve energy efficiency in the industrial sector	<p>Finland's energy intensity is high compared to its Nordic neighbours and other euro area members. The industry accounts for almost half of the final energy consumption. Within the manufacturing sector, the forestry industry is by far the largest energy consumer, followed by the metal and the chemical industries. High energy intensity means that rising energy prices translate into increased production costs for Finnish industries. Although the overall high energy intensity stems from the dominance of energy-intensive industries in Finland, an improvement in the energy efficiency would enhance the competitive position of these industries by lowering the cost of inputs.</p> <p><i>EC working paper on Finland 2013</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_finland_en.pdf</p>
<p>Step up efforts in public and private building energy renovation</p> <p>Especially, the current building stock should be renovated to comply with ambitious energy efficiency requirements</p>	<p>According to the European Environmental Agency, fifteen Member States (Austria, Belgium, the Czech Republic, Ireland, Finland, Greece, Hungary, Latvia, Lithuania, the Netherlands, Poland, Portugal, Slovenia, Sweden and the United Kingdom) are considered to have achieved some progress in reducing energy consumption. However, further improvements are deemed necessary in order to further develop their policy package or to better implement the existing one.</p> <p><i>European Environmental Agency</i> http://www.eea.europa.eu/publications/trends-and-projections-2013</p>

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FRANCE

WWF Proposed Recommendation 2014	Justification
<p>Ensure that the fiscal reform announced by the government shifts the taxation burden away from labour to resource-use:</p> <p>Phase out environmentally harmful subsidies:</p> <ul style="list-style-type: none"> • Implement the eco-tax; • Reform the TIPCE to bridge the gap between petrol and diesel taxations by increasing diesel taxes, phase out the current exemptions amounting to 100 million € subsidy for refineries and the 300 million € tax rebate for trucks; • Apply normal VAT rate to products harmful to the environment; • Reconsider tax exemption for productive investments in overseas territories that benefit to activities harmful to the environment <p>Protect the French landscape from urban sprawl by:</p> <ul style="list-style-type: none"> • Setting back fiscal incentives for non-constructed wetlands (TFNB); • Redefining the tax on urban development to create an incentive for development next to the linear infrastructures; • Redefining housing aids based on the proximity to city centers and public transports criteria 	<p>Shift taxation burden away from labour to resource-use:</p> <p>France is the third EU country with the highest labour taxation rate while the share of environmental taxation as a percentage of total taxation is one of the lowest in the EU (4%). In this regards, France is quite far in implementing the shift of taxation from labour to resource use that would make its economy more sustainable while facilitating job creation.</p> <p><i>Comité pour la fiscalité écologique CFE, Etat des lieux de la taxation écologique (2013)</i> http://www.comite-fiscalite-ecologique.gouv.fr/la-fiscalite-ecologique-r1.html</p> <p><i>Les aides publiques dommageables à la biodiversité - Guillaume Sainteny</i> http://www.strategie.gouv.fr/content/rapport-les-aides-publiques-dommageables-la-biodiversite</p> <p><i>European Commission Tax burden on labour</i> http://ec.europa.eu/europe2020/pdf/themes/20_tax_burden_on_labour.pdf</p> <p><i>European Commission Environmental Tax on Total Tax Revenue, 2011,</i> http://ec.europa.eu/europe2020/pdf/themes/17_resource_efficiency.pdf</p> <p>TICPE Exemptions:</p> <p><i>Comité pour la fiscalité écologique CFE (2013)</i> http://www.comite-fiscalite-ecologique.gouv.fr/IMG/pdf/CGDD_SoES_Inventaires_des_taxes_environnementales_en_France_Doc9TaxesEnvTV2_decembre_2012.pdf (p12)</p> <p>VAT Rate:</p> <p>Implicit subsidy to the use of nitrogen-rich fertilizers in agriculture in France (Lack of full cost pricing) <i>IEEP (2013)</i> http://www.ieep.eu/assets/1286/Reforming_EHS_-_Sirini_Withana_-_29_October_2013.pdf</p> <p><i>European Commission, VAT rates applied in the Member States of the European Union (2013)</i></p>

	<p><u>Bridge the gap between gasoil and petrol</u> <i>Avis n°3 du Comité pour la fiscalité écologique, 18 avril 2013, l'écart de taxation entre le gazole et l'essence</i></p> <p><u>Overseas investments:</u> <i>Les défiscalisations « girardin » en faveur de l'outre-mer, Cour des comptes, Rapport public annuel 2012 – février 2012</i> http://www.ccomptes.fr/Publications/Publications/Rapport-public-annuel-2012 <i>Assemblée nationale rapport d'information fait au nom de la délégation aux outre-mer sur la défiscalisation des investissements outre-mer, N° 1024</i> http://www.assemblee-nationale.fr/14/rap-info/i1024.asp</p> <p><u>Urban development:</u> Over the last fifty years urban development has been characterized notably by non-controlled expansion of urban areas (60 000 ha per year), a progressive urban sprawl, a weakening of agricultural and natural areas and an increased mobility by car. All these phenomena have greatly contributed to the increase in energy consumption and emissions of greenhouse gas emissions in the country. Urban sprawl has an economic and social cost, including urban development costs, costs for households and social segregation. http://www.cdu.urbanisme.equipement.gouv.fr/IMG/pdf/Synthese_Etalement_Urbain2012.pdf <i>Comité pour la fiscalité écologique, Avis « Fiscalité et artificialisation des sols », 13 juin 2013</i></p> <p><u>The TFNB tax:</u> It was removed in the fiscal law 2014 <i>Sénat Français, loi de finance 2014</i> http://www.senat.fr/rap/l13-156-2-1-1/l13-156-2-1-12.html</p>
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GERMANY

WWF Proposed Recommendation 2014	Justification
<p>Phase out environmentally harmful subsidies distorting competition for the benefit of fossil energy sources by 2015:</p> <ul style="list-style-type: none"> • Abolish subsidies and tax exemptions for coal; • Make sure to phase out energy tax reduction for diesel fuel and tax relaxation scheme for agricultural diesel; • Phase out exemptions and reduced tariffs for industry on energy consumption concerning electricity tax (EEG); • Harmonise the eco-tax based on energy content and external costs of different sources and improve the conditions under which the eco-tax is refunded to the manufacturing sector by linking the refund to a decarbonisation agenda 	<p><u>On the fiscal effect of phasing out environmentally harmful subsidies:</u></p> <p><i>Vivid Economics (2012): Carbon taxation and fiscal consolidation: the potential of carbon pricing to reduce Europe's fiscal deficits</i> http://www.foes.de/pdf/2012-05_CETRIE_Carbon_Pricing_Report_web.pdf</p> <p><u>Coal:</u> Coal still benefits various subsidies (producer income support, 1778 million € in 2011) and tax exemptions (mining royalty exemption for hard coal 153 million €, energy tax relief for energy intensive processes 218 million € in 2011).</p> <p><i>OECD Inventory of estimated budgetary support and tax expenditures for fossil fuels 2012</i> http://www.oecd.org/site/tadffss/</p> <p><i>UBA (2010): Umweltschädliche Subventionen in Deutschland</i> http://www.umweltdaten.de/publikationen/fpdf-l/3780.pdf</p> <p><u>Fuel benefits to the agricultural sector:</u> Germany supports firms in the agricultural sector in the form of tax benefits: 214.8 € per 1000 liters of diesel or a total of approx. 400 million € per year. The eligible quantity per producer is limited to 10000 liters per year. (para. 8, letter from the EC to Germany, Brussels 2 May 2013). The measure expires on 31 December 2016. This does not apply for biodiesel, in order to support a complete conversion to biodiesel.</p> <p><u>Exemptions and reduced tariffs for industry:</u> EEG apportionment and network charges, amounting for revenue losses of approximately 13 billion € in 2012. Legal rules need to be simplified and clear criteria need to be defined to classify energy intensive businesses exposed to international competition.</p> <p>For the industry, the fiscal incentive to improve energy efficiency is weakened.</p>

	<p>Remaining reductions have to be linked to the implementation of energy management schemes and ambitious binding objectives in order to ensure progress regarding energy efficiency.</p> <p><i>UBA (2010): Umweltschädliche Subventionen in Deutschland</i> http://www.umweltdaten.de/publikationen/fpdf-l/3780.pdf</p> <p><i>FÖS and IZES (2012): Strom- und Energiekosten der Industrie. Pauschale Vergünstigungen auf dem Prüfstand</i> http://www.foes.de/pdf/2012-06-14-FOES-IZES-Verquenstigungen-Industrie-lang.pdf</p> <p>Eco-tax: The current eco-tax is neither based on the carbon content of fuels nor on other environmental externalities. Diesel even benefits from a doubly reduced tax rate: the volume based levy on diesel is lower than on petrol, despite its higher carbon content (16 %) and the higher levels of local air pollutants it generates. This tax structure did not only lead to annual revenue losses of about 6.6 billion € (2008), it also induced changes in the car fleet.</p> <p><i>OECD (2012): OECD Environmental Performance Reviews: Germany 2012</i> http://www.oecd.org/env/environmentalcountryreviews/germany2012.htm</p> <p>Eco-tax refund: In addition to the general electricity and energy tax concession of 40% of the standard rates, enterprises in the manufacturing sector receive a refund of 95% of the remaining eco tax payments that exceed the relief on pension scheme contributions.</p> <p><i>German Ministry of environment:</i> http://www.bmu.de/en/bmu/press-and-speeches/current-press-releases/detailansicht-en/artikel/federal-cabinet-extends-the-eco-tax-cap-for-manufacturing-industry-1/</p>
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ITALY

WWF Proposed Recommendation 2014	Justification
<p>Italy shall devote particular attention to properly implement EU energy efficiency legislation, such as the Energy Performance of Buildings Directive or the Energy Efficiency Directive</p> <p>The existing buildings renovation tax breaks shall be made permanent as to ensure predictability for market actors and citizens</p>	<p>A National Strategy for Energy was approved in March 2013 and now needs to be translated into concrete actions. It intends to reduce costs, ensure security of supply, promote industrial development in the energy sector and encourage the development of renewable energy sources, with a view to meeting the Europe 2020 environmental targets and fostering energy efficiency.</p> <p><i>European Commission, working paper on Italy (2013)</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_italy_en.pdf</p> <p>By the end of the first commitment period, gaps between average 2008–2012 non-ETS emissions and their respective budgets remained in Italy. Eight Member States (Italy, Cyprus, Estonia, Luxembourg, Malta, Romania, Slovakia and Spain) have made limited progress so far in reducing their energy consumption and require further improvements to develop their policy package and implement it.</p> <p>In Italy, the trends in energy consumption are partly explained by the economic crisis; the policy package could be significantly improved</p> <p><i>European Environmental Agency, Projections and trends (2013)</i> http://www.eea.europa.eu/publications/trends-and-projections-2013</p>
<p>Ensure that a fiscal reform shifts the taxation burden away from labour to resource-use</p>	<p>Italy faces a fiscal challenge the addressing of which will require a combination of cuts in government expenditure and increases in taxation over the next several years. Italy with its current high level of taxation, measured as a share of GDP, ranks 4th in the EU. With regard to the implicit taxation of labour it ranks second according to the European Commission, with such taxes (incl. social contributions) amounting in 2009 to 42.6 % of reported labour earnings. The policies for an environmental fiscal reform are described consistently in the report of the European Environmental Agency</p> <p><i>European Environmental Agency environmental fiscal reform – illustrative potential in Italy</i></p>

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POLAND

WWF Proposed Recommendation 2014	Justification
<p>Poland should modernize its power sector and improve energy efficiency in order to increase its energy security, taking into account a full cost-benefit analysis of different power generation options</p> <p>Implementing the renewable energy directive and the energy efficiency directive in a more comprehensive manner will be necessary to achieve the 2020 renewable energy and energy efficiency targets</p> <p>Poland should eliminate subsidizing co-firing of biomass with coal</p>	<p>As far as energy efficiency is considered, potential gains remain very high in all sectors of Poland's economy and achieving them would have multiple benefits. Poland set an indicative national energy efficiency target to stabilise its primary energy consumption at the level of 96 Mtoe in 2020. According to Eurostat, in 2010 primary energy consumption excluding non-energy uses in Poland had already reached 96.9 Mtoe. Because of projected economic growth, further efforts in strengthening energy efficiency will be required.</p> <p>Large reductions could be achieved through better insulation in the building sector, that consumes 21 million tons of oil equivalent. In January 2013, Poland started a new white certificate scheme intended to deliver at least half the overall targeted energy savings. The start of the scheme is an important step in achieving energy efficiency. However, its progress requires close monitoring so that it is adjusted if the desired results are not delivered.</p> <p>Half of renewable power generation comes from subsidized co-firing of biomass with coal. Poland should reshape its RES policy towards supporting micro and small scale generation along with offshore wind. In 2012 Poland imported approximately 80 billion PLN (20 billion €) of fossil fuels (gas and oil), which is about 5% of its GDP. Energy efficiency and renewable energy deployment is a huge opportunity to keep more of this money in-country and invest in a healthier and more innovative economy.</p> <p><i>European Commission, EU Semester's Staff Working Document on Poland (2013)</i> http://ec.europa.eu/europe2020/pdf/nd/swd2013_poland_en.pdf</p> <p><i>European Environmental Agency, Trends and projections (2013)</i> http://www.eea.europa.eu/publications/trends-and-projections-2013</p>
<p>Reduce environmentally harmful subsidies and ensure that Cohesion Policy's Operational Programmes 2014-2020 support a green economic approach</p>	<p>Poland is by far the biggest beneficiary of Cohesion Policy funds for 2014-2020 with the total amount of 72,9 billion €. It is necessary to ensure that a significant amount of these funds will be dedicated to improvements if energy efficiency and renewable energy projects.</p>

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ROMANIA

WWF Proposed Recommendation 2014	Justification
<p>Extend the use of cost-effective green infrastructures, in particular regarding flood management in order to reduce the expenses related to flood protection</p>	<p>Traditional measures to reduce negative impacts of floods include constructing new or reinforcing existing flood defense infrastructure such as dykes and dams. There are, however, alternative potentially very cost-effective ways of achieving flood protection which profit from nature's own capacity to absorb large quantities of excess waters: large scale floodplain restoration is such an alternative, and first lessons learned from field experience show that it is very cost effective. Such green infrastructure measures can play a major role in sustainable flood risk management: win-win solutions should be the focus of flood risk management.</p> <p><i>European Commission</i> http://ec.europa.eu/environment/water/flood_risk/better_options.htm <i>European Commission, Environmental Flood Risk Management (2011)</i> http://ec.europa.eu/environment/water/flood_risk/pdf/Note%20-%20Better%20environmental%20options.pdf</p>
<p>Romania should improve energy efficiency as a first priority for its energy security Energy efficiency of industrial operators and the housing sector requires substantial investments</p>	<p>Increasing energy efficiency in businesses is key to improving Romania's competitiveness and contributing to job creation, with particular potential in agriculture and food processing and through the promotion of eco-innovation in SMEs. Enhancing carbon sequestration, emission reduction and improvement of air quality through agro-forestry systems, forest planting and maintenance should also be promoted.</p> <p>An efficient use of energy in public and private housing is also essential to improve air quality and public health in urban areas.</p> <p>The energy intensity of GDP in Romania is much higher than the EU average and the second highest per capita in the EU, with a negative impact contributing to high greenhouse gas emission levels.</p> <p><i>European Commission, Position of the Commission Services on the development of Partnership Agreement and programmes in ROMANIA for the period 2014-2020</i> http://ec.europa.eu/regional_policy/what/future/pdf/partnership/ro_position_paper.pdf</p> <p>Romania has reached its average 2011–2012 indicative trajectory for both the Renewable</p>

	<p>Energy Directive and the National Renewable Energy Action Plan, but limited progress is made so far in improving energy efficiency and further efforts are needed to develop policies across the relevant sectors (housing, public buildings and infrastructure, SMEs and the agricultural sector) and to implement them.</p> <p><i>European Environmental Agency, trends and projections (2013)</i> http://www.eea.europa.eu/publications/trends-and-projections-2013</p>
<p>Ensure adoption and implementation of Natura 2000 management plans, considering public financial support from EU funds (Cohesion Policy and Rural Development) and the re-organization of the decision-making process and the governance system</p>	<p><i>European Commission, Position of the Commission Services on the development of Partnership Agreement and programmes in ROMANIA for the period 2014-2020</i> http://ec.europa.eu/regional_policy/what/future/pdf/partnership/ro_position_paper.pdf</p>

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SPAIN

WWF Proposed Recommendation 2014	Justification
<p>Improve water management:</p> <ul style="list-style-type: none"> Solve the problem of the more than 500.000 illegal boreholes (more than 7.000 m3/year), and enforce a stricter control of legal boreholes to ensure that water abstraction does not pass the authorized limits Towards cost-recovery, conduct a public evaluation of the real cost (as established in the Water Framework Directive) of the use of water, reflected in a public study, and adapt the water price accordingly Design modernization of irrigation systems to allow for the reduction of both water use (water abstracted from an aquifer or from a reservoir) and water consumption (the actual volume consumed by the crop through evapotranspiration), to avoid the current “bounce effect” 	<p>Most Spanish areas facing illegal water abstraction are currently over-abstracted. The problem of illegal boreholes should not be solved by issuing more permits: water banks have showed to have negative effect if not implemented in a context of “good governance” (as happened in the Upper Guadiana basin) and water transfers as proposed for the National Park of Doñana are not a solution because of the demonstrated “call effect”, as happened with the Tagus-Segura water transfer.</p> <p>Spanish Water authorities already have information on legality of boreholes with the existing water permits, and the rest of the boreholes can be considered illegal. Spain should therefore develop a Plan to close illegal boreholes, increase the control of law compliance for all abstractions, and review existing permits to allow for reallocation of over-abstracted basins.</p> <p>A water price should be implemented, which stimulates better use of water and investments in better equipment and practices. Any “subsidy” in the price of water should be justified and made public.</p> <p>The “bounce effect” is now taking place, with modernized areas using and consuming more water than they did before the modernization, with less water left in the natural systems and higher energy consumption from farming (irrigated farming is now the second biggest energy consumer in Spain, after the national railway company).</p> <p>Water savings from irrigation should be “allocated” to nature and, where necessary, to human consumption. Saved water should not be allocated to new irrigated fields, in particular in overexploited basins and in basins where sufficient environmental flows have not been ensured. New irrigated fields, in general, should not be approved in overexploited basins; in no case should they receive European funds.</p> <p><i>Report on modernization of irrigation available on request (see contact of WWF focal point in Spain below)</i></p>
Step up the efforts to improve the coherence and	Coherence and effectiveness of the energy policy:

effectiveness of the legislative framework for **energy efficiency policy** and renewable energy production:

- Mobilize necessary funds (including EU funds) to trigger buildings renovation, which can create local jobs;
- Remove or lower the tax on residential use of renewable energy;
- Set back the financial aids for renewable energy production;
- Reduce environmentally harmful subsidies for coal

Energy savings:

Energy represents a major input cost for the economy that could be reduced by greater efforts to enhance energy efficiency. The energy trade deficit has been increasing since 2009, to reach more than 4 % of the GDP in 2012, partly due to higher world energy prices, which limit the scope for achieving a trade surplus. Significant improvements in energy efficiency could be achieved in the buildings, transport and industrial sectors.

Meanwhile, measures to improve energy efficiency have not always followed the Second National Energy Efficiency Plan 2011-2020, and are not always being achieved at the lowest possible cost. For example, the car fleet renewal scheme has limited benefits for the environment but a high budget allocation. In other cases, measures only address a part of the potential energy saving, e.g. only focus on lighting appliances instead of proposing a broader range of actions for SMEs.

Eight Member States (Spain, Cyprus, Estonia, Italy, Luxembourg, Malta, Romania, Slovakia) have made limited progress so far in reducing their energy consumption and require further improvements to develop their policy package and implement it. In Spain, the significant decrease in energy consumption was due to the economic crisis more than the implementation of energy efficiency policies; the policy package is not ambitious and lacks a long-term view.

European Commission, working paper on Spain (2013)

http://ec.europa.eu/europe2020/pdf/nd/swd2013_spain_en.pdf

European Environmental Agency, Trends and projections (2013):

<http://www.eea.europa.eu/publications/trends-and-projections-2013>

Financial aids for renewable energy and energy savings

The Law 24/2013 of December 26th on the Electric Sector introduces changes which create an unsecure frame for renewable energy development in Spain. The Law, still pending for approval, changes the conditions for the development of renewable energy projects and lowers the remuneration. The pending regulation also plans to impose a tax on residential use of renewable energy.

Coal subsidies in Spain in 2011 were 636 million €

	<p>http://ow.ly/hiyo5</p> <p>In September 2013, the Spanish government has agreed to extend subsidies for domestic coal production until the end of 2018 following negotiations with sector representatives. CO2 emissions from Spain's power sector increased by 24% year-on-year to about 70 million tonnes following the measure's introduction in 2010.</p> <p><i>OECD, Inventory of estimated budgetary support and tax expenditures for fossil fuels 2012</i></p> <p>http://www.oecd.org/site/tadffss/</p> <p><i>ENDS Europe 25/09/13 Spain prolongs subsidies for domestic coal</i></p>
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UNITED KINGDOM

WWF Proposed Recommendation 2014	Justification
Use appropriate fiscal measures on animal food products and highly processed foods high in salt, fat and sugar	<p>According to the OECD, 25% of the population in the UK is obese and 65% is overweighted. This is responsible for important public direct and indirect costs.</p> <p><i>OECD, Health at a Glance in Europe (2012)</i> http://www.oecd.org/health/health-systems/HealthAtAGlanceEurope2012.pdf</p>
Appropriate fiscal measures and/or better designed subsidies need to be adopted to support the penetration of energy efficiency measures in SMEs as well as in private buildings , with particular attention to those households in energy poverty	<p>Fifteen Member States (Austria, Belgium, the Czech Republic, Ireland, Finland, Greece, Hungary, Latvia, Lithuania, the Netherlands, Poland, Portugal, Slovenia, Sweden and the United Kingdom) are considered to have achieved some progress in reducing energy consumption. However, further improvements are deemed necessary in order to further develop their policy package or to better implement the existing one.</p> <p>In the United Kingdom, the significant decrease in energy consumption can be partly explained by the economic crisis; the policy package should be improved as well.</p> <p>Greater levels of financial support are needed to increase the number of energy efficiency measures installed in UK homes. The number of measures installed has dropped off significantly since the introduction of the Green Deal, that relies on self-financing of measures by consumers at interest rates that are unattractive.</p> <p>In addition, more should be done to ensure maximum penetration of measures into the homes suffering from fuel poverty, who usually live in the least energy efficient housing and have little to no money to fund the installation of measures. Public funding for energy efficiency in fuel-poor households has decreased significantly in recent years. Appropriate levels of public funding measures should be targeted for those specific homes.</p> <p><i>European Environmental Agency, Trends and projections (2013)</i> http://www.eea.europa.eu/publications/trends-and-projections-2013</p>

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