



Mr. Anders **BORG**
Minister of Finance
MINISTRY OF FINANCE
Drottningsgatan 21
103 33 Stockholm
Sweden

Concerning: Informal Finance Ministers Council in Göteborg 1-2 October

Brussels, 30th September 2009

Dear Mr. BORG

First of all I would like to congratulate you with your decision to focus on an eco-efficient economy during the upcoming Informal Finance Ministers Council. The Energy and Environment Informal Councils have already laid important groundwork for conclusions on this issue that potentially could drive the EU in the right direction, in particular through a new Lisbon Strategy that focuses on the multi-dimensions of sustainable development and a exemplary role of the EU in leading the world towards prosperous and low resource and energy input societies, living within the carrying capacity of the planet.

Financial instruments are an essential tool for creating demand for new products and services that reduce impacts on the environment, and the Finance Minister obviously have an important say on the choice and application of such instruments.

Your Presidency has a unique opportunity to develop and take forward past Presidency initiatives on eco-efficiency at a time when “greening” the economy is higher on political agendas than it has ever been before. This is for politicians and business, and for the public at large. The most recent survey of the Euro barometer also shows a large support among citizens for the use of, for example, fiscal instruments to promote eco-efficiency¹. The EEB would therefore like to see the ECOFIN Council to support conclusions, demands and recommendations that clearly identify the objective, the actors, the timing and the instruments concerning eco-efficiency. Concrete conclusions are needed to counter the risk that the eco-efficiency agenda remain a debate without a lasting impact in practice, as we have seen with initiatives of some previous Presidencies.

The EEB calls upon you in particular to promote that the Finance Ministers discuss and support:

- A call for a sustainable eco-efficient economy to become the overall objective of the Lisbon Strategy, ensuring coherence of the Lisbon strategy with the (adopted, existing) sustainable development objectives of the EU.
- Put the slogan of “getting prices right” into operation. Reforming national tax systems to reduce taxes from labour or income, and increase taxes on pollution and resource use is a key tool to give both producers and consumers the right incentives to reduce their environmental impact, and

¹ http://ec.europa.eu/environment/eussd/pdf/FL256_summary.pdf

labour intensive, environmentally friendly services will be easier to afford. The money mobilised with (increased) environmental taxes also can be used to prevent negative purchasing power impacts on people with low incomes or social benefits. Sweden has experience with this; in our view your practice is something to learn from. We therefore ask you to raise this issue at the informal council and work with Minister Carlgren and Minister Olofsson towards a strong Council message to the Commission to include in the new Lisbon Strategy in 2010 clear guidelines for fiscal reform that has as main purpose to reduce labour taxes while introducing or increasing taxation on resource and energy use and other environmental impacts. We urge you to take the next step on this topic and call for a concrete initiative now, to be integrated into the Lisbon Strategy. The Spring Alliance, a coalition of European trade unions, social, environmental and development organisations has proposed to go even one step further and set clear targets for this: *“By 2020 a shift of at least 10% of the national tax incomes away from labour to environmental pressures, resource use and capital, coordinated throughout the EU by applying the Open Method of Coordination combined with Enhanced Cooperation, with a strong mandate for the Commission to monitor, advise, review progress at the national level on an annual basis.”*²(See attached a description of how this could work).

- Creation of green jobs is the social motivation for eco-innovation. In the current economic crisis, job creation is a politically hot issue. I encourage you to include in your Presidency summary a call for public spending, including EU funding, for lifelong learning policies to support employers and employees in developing the needed skills.

- Take a step further in promoting green public procurement by setting a 100% target for this by 2012. Call upon the Commission to lead on the acceleration of agreements on EU-labels to progressively function as criteria for such procurement.

- Your conclusions also ought to touch upon the value of ecosystems for the economy and the need to express this in economic value, also in relation to GDP. The EEB considers this to be important, in addition to the intrinsic value of ecosystems. We ask you to support a call upon the Commission to develop by 2010 a post-2010 Biodiversity Rescue Plan and to urge the implementation of the ecosystem approach. This would mean “ecosystem-proofing” policies for relevant sectors, and in natural resources and spatial planning.

Dear Minister, I think the Swedish Presidency has made a good start with the eco-efficiency debate in the EU. I hope you can continue on this basis and leave a real impact behind on the new Lisbon Strategy and other relevant EU policies. As EEB we would be happy to discuss our points further.

Yours sincerely,



John Hontelez
Secretary General
European Environmental Bureau

² www.springalliance.eu