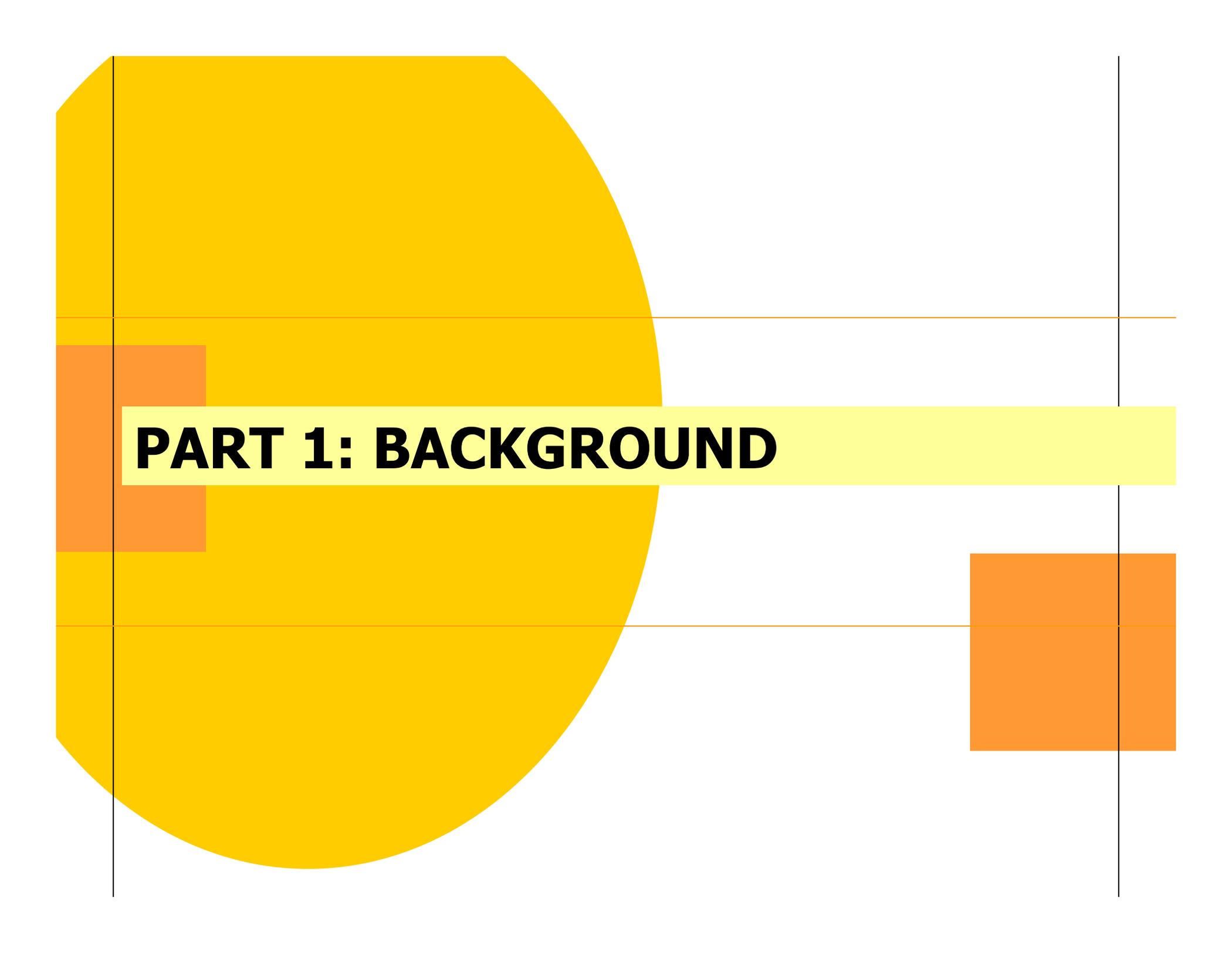


The experience of Malta with Economic Instruments and the EEA/OECD Database

Marie Briguglio

The image features a large yellow circle on the left side, partially cut off by the edge. A vertical black line runs through the center of the circle. A horizontal orange line extends from the right edge of the circle across the page. Another horizontal orange line extends from the right edge of the circle down to a square on the right side. A vertical black line runs through the square. The text 'PART 1: BACKGROUND' is centered in a yellow bar.

PART 1: BACKGROUND

What's Malta like?

403,000 population

316 square km

1275 persons per sq km

1.2 million tourists

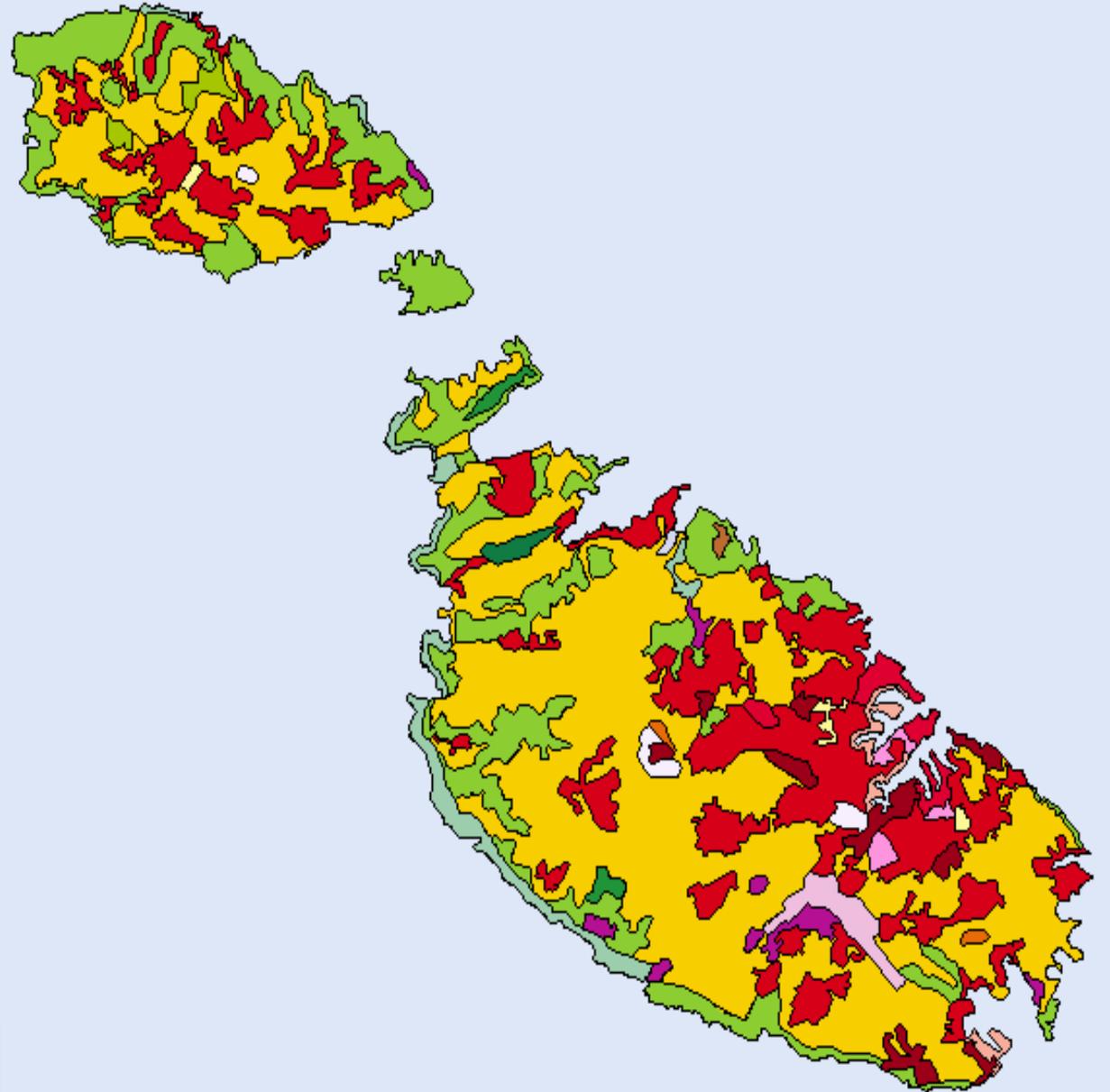
280,000 vehicles

50% of water supply

23% built up land

49% Agricultural land

22% Natural vegetation



Environmental Aims

MEPA is responsible for the implementation of obligations for apx 200 EU directives, regulations and other policy instruments in the following fields:

Waste

Water

Air Quality

Noise

Chemicals

Nature Protection

Industrial Pollution Control

Radiation Protection

Horizontal Directives

Who is regulating?

Approximately one-third of the EU Environmental Acquis is shared between MEPA and other authorities, inc:

Malta Resources Authority

Malta Maritime Authority

Malta Transport Authority

Health Department

Civil Protection Department

Malta Standards Authority

Malta Enterprise

Customs

OHS Authority

Radiation Protection Board

Trade Department

Agriculture Department

National Statistics Office

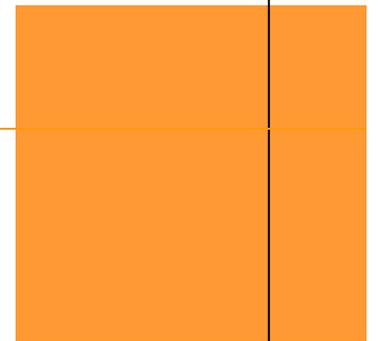
Fisheries Department

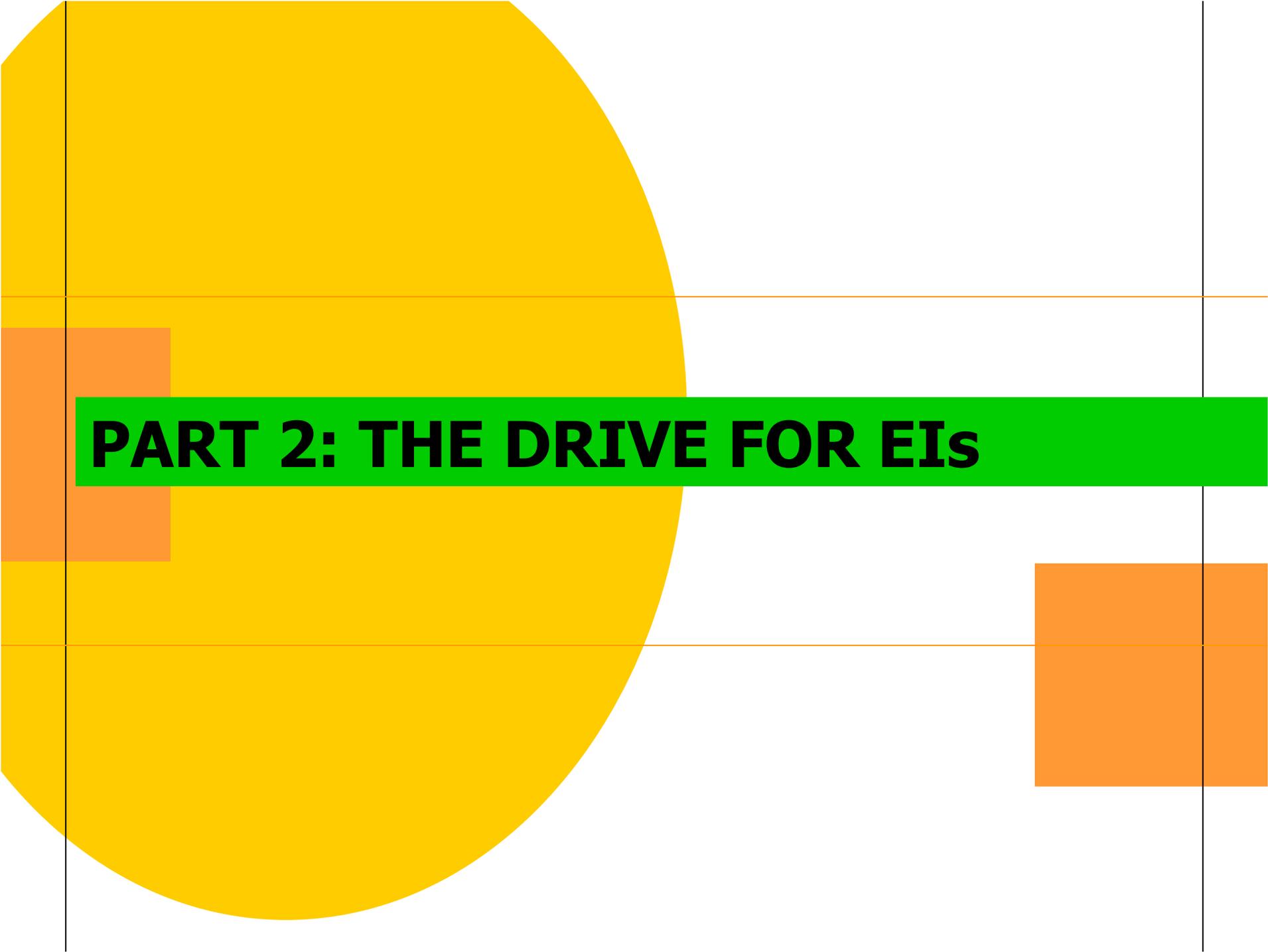
With what instruments?

Economic Instruments

Command and Control

Other Approaches





PART 2: THE DRIVE FOR EIs

What do we mean by EIs?

A financial **INCENTIVE**
to shift **from** environmentally harmful activities
to less harmful activities

e.g. environmental charges
e.g. environmental taxes
e.g. emissions trading
e.g. subsidies
e.g. deposit refund schemes

NB: An Economic Instrument implements the polluter pays principle by internalising negative externalities. "Revenue is a double dividend"

Rationale for EIs

To reach environmental objectives in an economically efficient manner

- + Efficient**
- + Flexible**
- + Offer choice**
- + Encourage innovation**
- + Generate revenue**

NB: revenue is a positive by-product NOT the rationale of Economic Instruments

Policy Direction Malta

- **Basic legislative framework for Polluter Pays principle in place since the 90's**
- **Attempt to shift from indirect to direct environmental taxation pre-budget "A Better Quality of Life 2006-2010"**
- **Malta's National Reform Programme 2005**
- **Draft National Sustainable Development Strategy**
"Encourage further use of economic instruments such as charges, taxes, subsidies, grants, rebates, deposit refund schemes and performance bonds to promote sustainable development in Malta"

Policy Direction EU

Sixth Environment Action Programme 2001:

The promotion of polluter pays principle, through the use of market based instruments, including the use of emissions trading, environmental taxes, charges and subsidies, to internalise the negative as well as the positive impacts on the environment

1997: Communication on Environmental Taxes + ENVECO

2006: The New Lisbon Strategy

2004: The Communication on Environmental Technologies Action Plan - including removal of harmful subsidies

2007: Green Paper on Market Based Instruments

THE EU & THE PPP

Examples of EU Environmental Acquis relating to polluter pays principle:

- 2004/12/EC amending Directive 94/62/EC Packaging and packaging waste
- 2000/53/EC End-of life vehicles
- 2003/108/EC amending 2002/96/EC Waste Electrical and Electronic Equipment (WEEE)
- 2000/60/EC Establishing a framework for Community action in the field of water policy
- 2003/87/EC Establishing a scheme for greenhouse gas emission allowance trading within the Community
- 2003/96/EC Restructuring the Community framework for the taxation of energy products and electricity

THE EEA/OECD database

Revealed gaps in current knowledge on

What instruments exist?

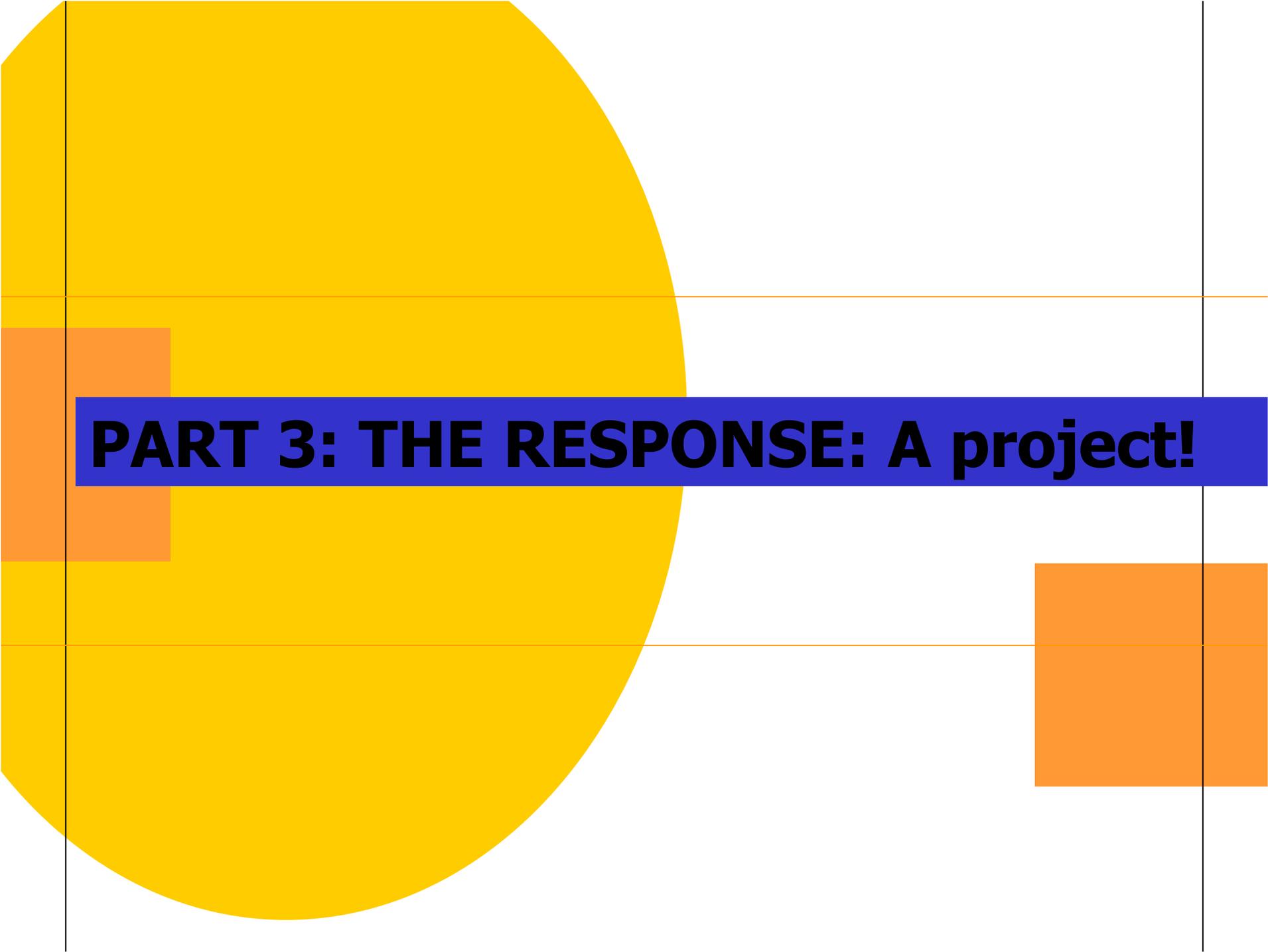
What qualifies as an EI?

What data have we collected?

Are they effective?

Is there further scope?

- Transport
- Land
- Energy
- Housing
- Marine environment
- Waste
- Water
- Biodiversity
- Industry specific



PART 3: THE RESPONSE: A project!

Project Aim

“To build the Maltese Government’s capacity to devise and implement a package of environmental and economic instruments applying the Polluter Pays Principle in practice”

TITLE: Building capacity to Introduce the Polluter Pays principle through Economic Instruments to Implement the EU Environmental Acquis

Project Team

Consultancy

Malta EPA

Ministry of Finance

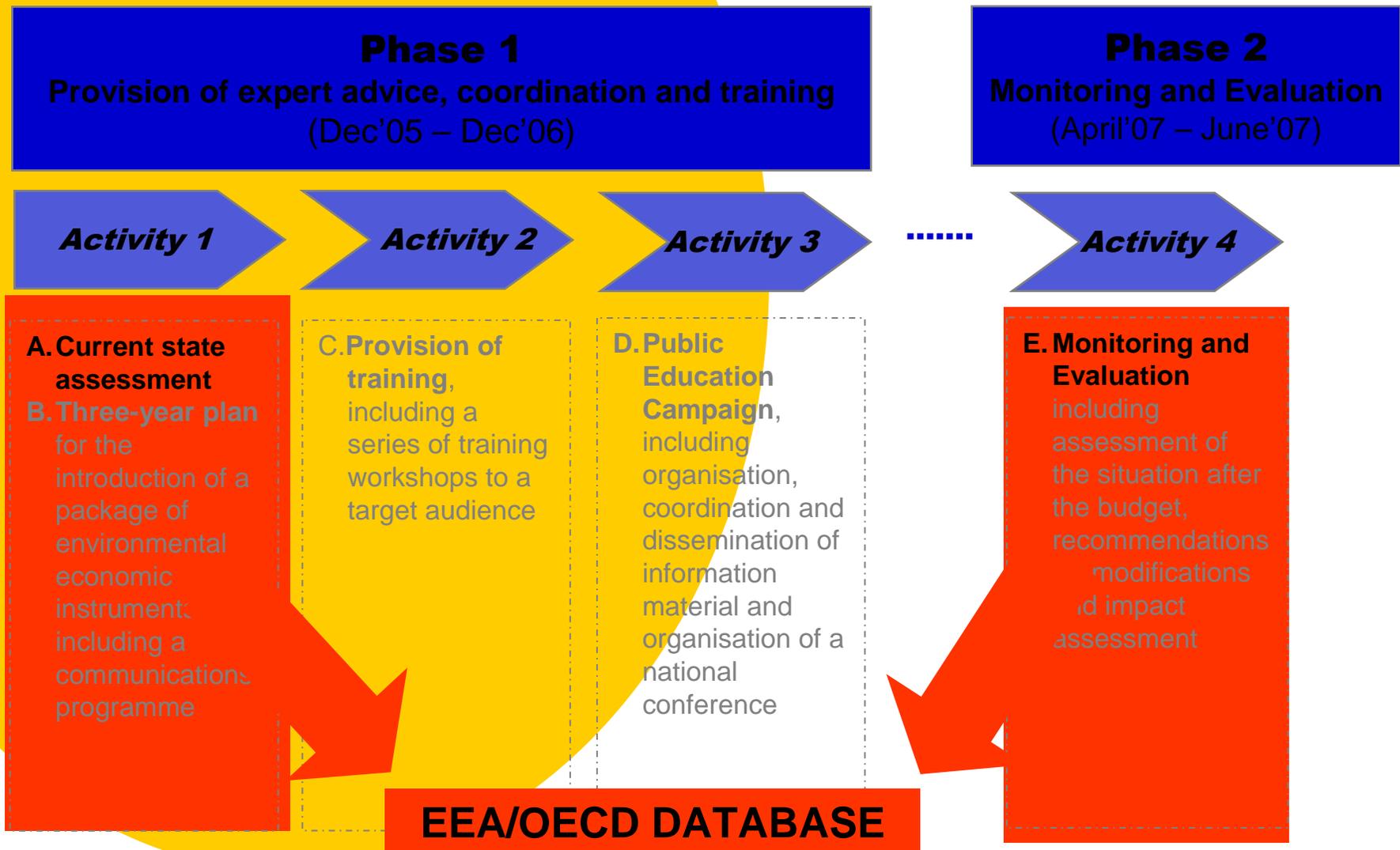
Other stakeholders / players

Expected Results

This Project **EU funded project 'Building capacity to Introduce the Polluter Pays principle through Economic Instruments to Implement the EU Environmental Acquis'** will result in:

1. A 3 yr plan for introducing a package of EE instruments
2. A series of training workshops for government officials;
3. A public awareness campaign on the PPP;
4. A national conference addressing all the stakeholders.

Project Phases



Project Approach

Build on Malta's existing EU / international commitments in the EU field, as well as Malta's key priority areas

Make use of international practice and experience

Be sensitive to Affordability, Competitiveness and Social issues.

Aim to come to pragmatic, realisable options that make sense and work

First Result – A stock take

Legislative framework largely in place

Significant number of Evt. Related instruments (appx 46)

Notable attempts, obtaining varying degrees of success, at using economic instruments for environment:

No coherent strategic approach

Implementation of instruments fragmented

Implementation and enforcement lacks effectiveness

Second Result: A plan

Testing existing instruments assessed against list of key criteria and recommending changes

Recommending introduction of new instruments to respond to Malta's key priority needs and based on international experience

+ a Checklist for EI Design

- **Address important environmental objectives**
- **Yield significant environmental benefits**
- **Raise useful revenues**
- **The extent to which an instrument is likely to be fair**
- **The likely social effects of an instrument**
- **The consistency with the overall economic policy**
- **The cost-effectiveness of an instrument**
- **Pricing efficiency**
- **Credibility and understandability by the public**
- **Capacity to design, implement and enforce**

Third Result: Training

An Executive programme - 4 hrs

Focused training programme – 8 hours, over 2 days

Total Participants:

Fourth Result: Communication

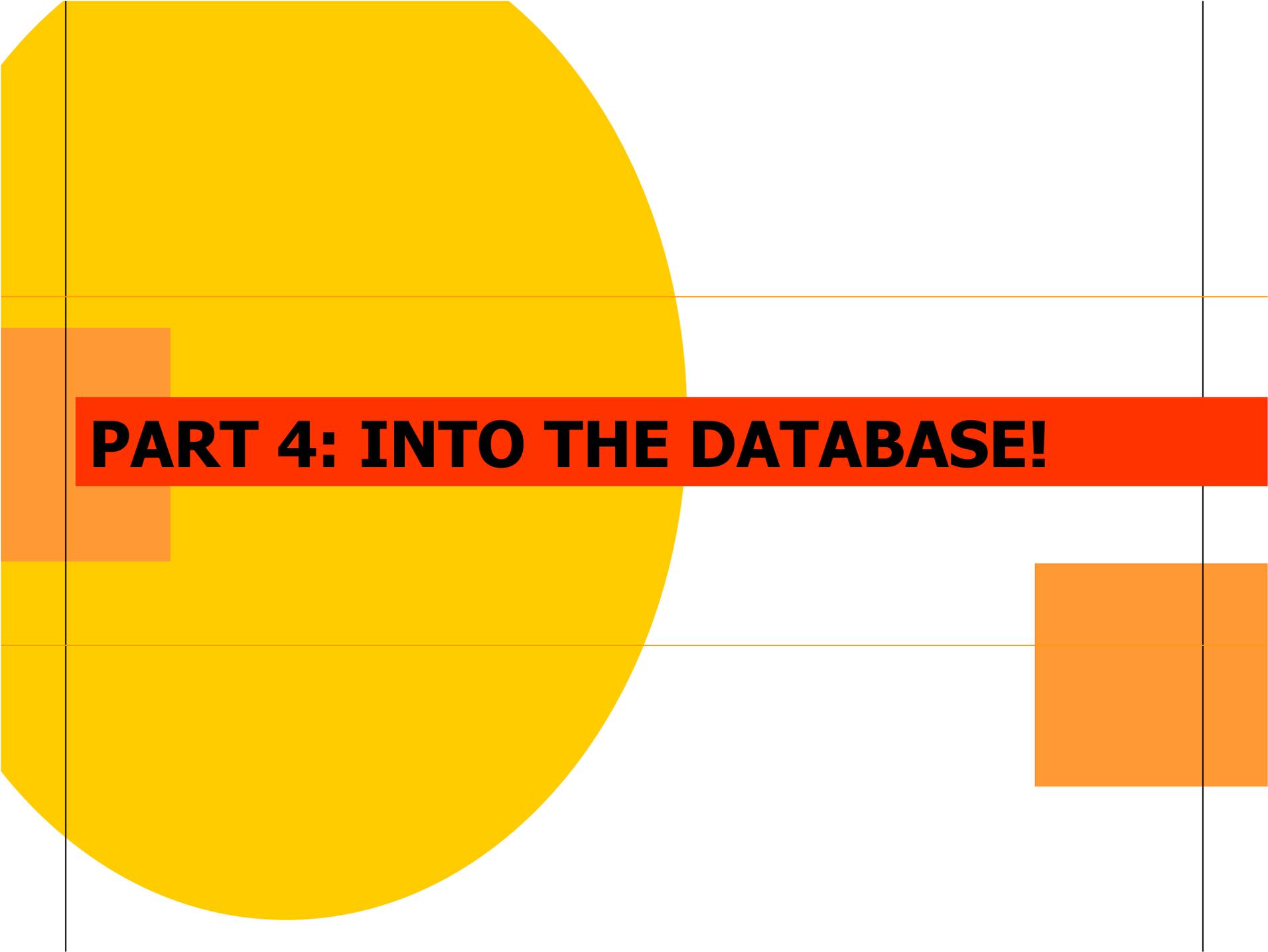
Aim

To make the PPP attractive, understandable, acceptable, interesting and to rally public support

To appeal to the economic understanding

Key message

“Tisraqx lilek innifsek”



PART 4: INTO THE DATABASE!

OECD – EEA Database

www2.oecd.org/eoinst/

1. Find out what is happening

Economic Instruments database - Microsoft Internet Explorer provided by MEPA

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites

Address <http://www2.oecd.org/eoinst/queries/index.htm> Go Links

European Environment Agency OECD

Queries into the OECD / EEA database on instruments used in environmental policy

Select a *specific topic* for one, several, or all countries:
Click on one of the queries below to select the topic and see the choice of countries

[All Information on a specific scheme](#)

This query first lets you select a country, after that a particular instrument, and then provides all the information available on the instrument you have chosen.

[Schemes related to given ISIC sectors or COICOP expenditure categories](#)

This query lets you select either one or more sectors of the economy (based on the UN ISIC Rev 3.1 classification) or one or more household expenditure categories (based on the UN COICOP classification). You can, however, not in a single query combine an ISIC sector and a COICOP category. Once you have selected the sectors or expenditure categories of interest, the query will list all the instruments to which these sectors/categories have been linked.

[General Information on all types of Instruments by Environmental Domain](#)

- [Water Pollution](#)
- [Air Pollution](#)
- [Climate Change](#)

Address <http://www2.oecd.org/eoinst/queries/index.htm>

Internet

OECD – EEA Database

www2.oecd.org/eoinst/

3. Validate once sure



The screenshot shows a web browser window titled "http://www2.oecd.org - Validate a Scheme - Microsoft Internet Explorer provided by MEPA". The page content is titled "Scheme Validation" and includes a "Validate" button and a "Close" button. A blue arrow points to the "Validate" button. Below the buttons, the page displays details for a "Tax Scheme" for Malta.

Tax Scheme

Country: **Malta**
SchemeID: **1222**
Name: **Development permit fees**
Category: Taxes-Fees/Charges
Purpose:
AuthIntro: National / federal parliament
IntroOth:
AuthOver: National / federal Ministry of Environment
OverOth:
AuthD2D: Other national / federal institution
D2DOth: Malta Environment and Planning Authority
Evaluation:
WebSite: docs.justice.gov.mt/lom/legislation/english/subleg/35/11.pdf
Year_Revision: 2000
RevDetails:
Year_Introduction: 1975
ContactID:
OrganisationID: 164
LastUpdate: 5/1/2007 11:50:00 AM
LogIn: MLT_Briguglio_M
Created: 8/11/2004 5:33:00 PM
Flag: U
Type: Fee/Charge
Depending on type (commercial/non-commercial), scale or location of the intended development. Development permit fees for non-commercial purposes vary between Lm15 to Lm2500. The fee also varies depending on the use of building such as commercial purposes, farm use, building of a greenhouse, quarries, waste disposal, garage spaces, and adhoc applications such as installation of a satellite dish.
TR_ProdDetails:
TR_SectDetails:
TR_RegDetails:
TR_OthDetails: Charges differ depending on type of development and on development floor area.
RefFrequency: None

OECD – EEA Database

www2.oecd.org/ecoinst/

4. EEA reviews and confirms

5. Record appears on internet



The screenshot shows a web browser window titled "Economic Instruments database - Microsoft Internet Explorer provided by MEPA". The address bar shows "http://www2.oecd.org/ecoinst/queries/index.htm". The page features the logos of the European Environment Agency and the OECD. Below the logos, there is a form with a dropdown menu labeled "Please select a country" and "Submit" and "Reset" buttons. A blue arrow points to the "Submit" button. Below the form, a table lists schemes for Malta.

Select a country and click the Submit button to see the existing schemes. Then select a scheme and click Submit to see the full details

Please select a country

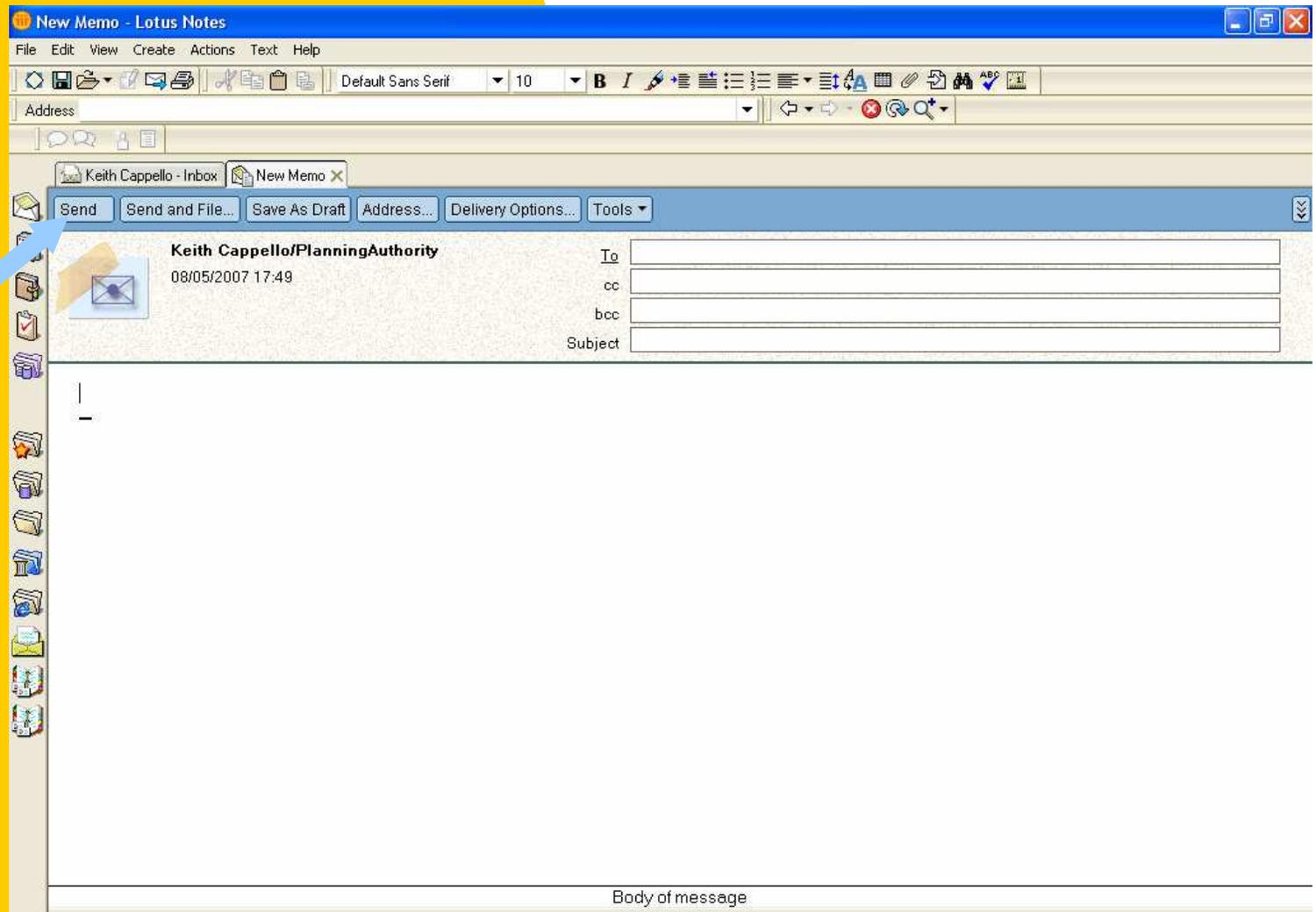
Category	Scheme
Deposit-refund system	Deposit refund system for beverage containers
Deposit-refund system	Waste, Rubble & Containers' Deposit
Environmentally motivated subsidy	Household Waste
Taxes-Fees/Charges	Air transport charges
Taxes-Fees/Charges	Bunkering Fuels Tax
Taxes-Fees/Charges	Drinking water charge
Taxes-Fees/Charges	Electricity charges
Taxes-Fees/Charges	Fuel excise tax
Taxes-Fees/Charges	Hunting licence fees
Taxes-Fees/Charges	Motor vehicles import duty
Taxes-Fees/Charges	Parking Contribution
Taxes-Fees/Charges	Vehicles annual road licence fee

Queries

OECD – EEA Database

www2.oecd.org/ecoinst/

6. If record requires to be updated advise EEA by e-mail



OECD – EEA Database

www2.oecd.org/ecoinst/

7. Record disappears from internet and appears on intranet

Country: Malta [Home](#) You are logged in as user: MLT_BRIGUGLIO_M

[Taxes Fees/Charges](#) [Tradable Permits](#) [Deposit-Refund](#) [Environmental Subsidies](#) [Voluntary Approaches](#)

Name	Last Update	Updated by
Air transport charges	14/3/2007	MLT_Briguglio_M
Bunkering Fuels Tax	14/3/2007	MLT_Briguglio_M
Drinking water charge	14/3/2007	EEA_Mautone_O_P
Electricity charges	14/3/2007	EEA_Mautone_O_P
Fuel excise tax	7/5/2007	EEA_Mautone_O_E
Hunting licence fees	14/3/2007	MLT_Briguglio_M
Motor vehicles import duty	14/3/2007	MLT_Briguglio_M
Parking Contribution	14/3/2007	MLT_Briguglio_M
Vehicles annual road licence fee	14/3/2007	EEA_Mautone_O_P

jump to page: 1
9 records found

Click on the item you would like to update.

Some Perceived strengths

Transparency

One common data repository for the Country

One common data repository for all Countries

Can motivate serious action

Enables updating

Value added through EEA validation

Some weaknesses

Keeping track and getting the information

Complex querying but not enough to capture detail

Difficulties of definition of economic instrument

No data on outcome or effect on pollution flow

Not exhaustive

Potential threats

Partial, out-of-date data renders database unreliable

High maintenance, Low return

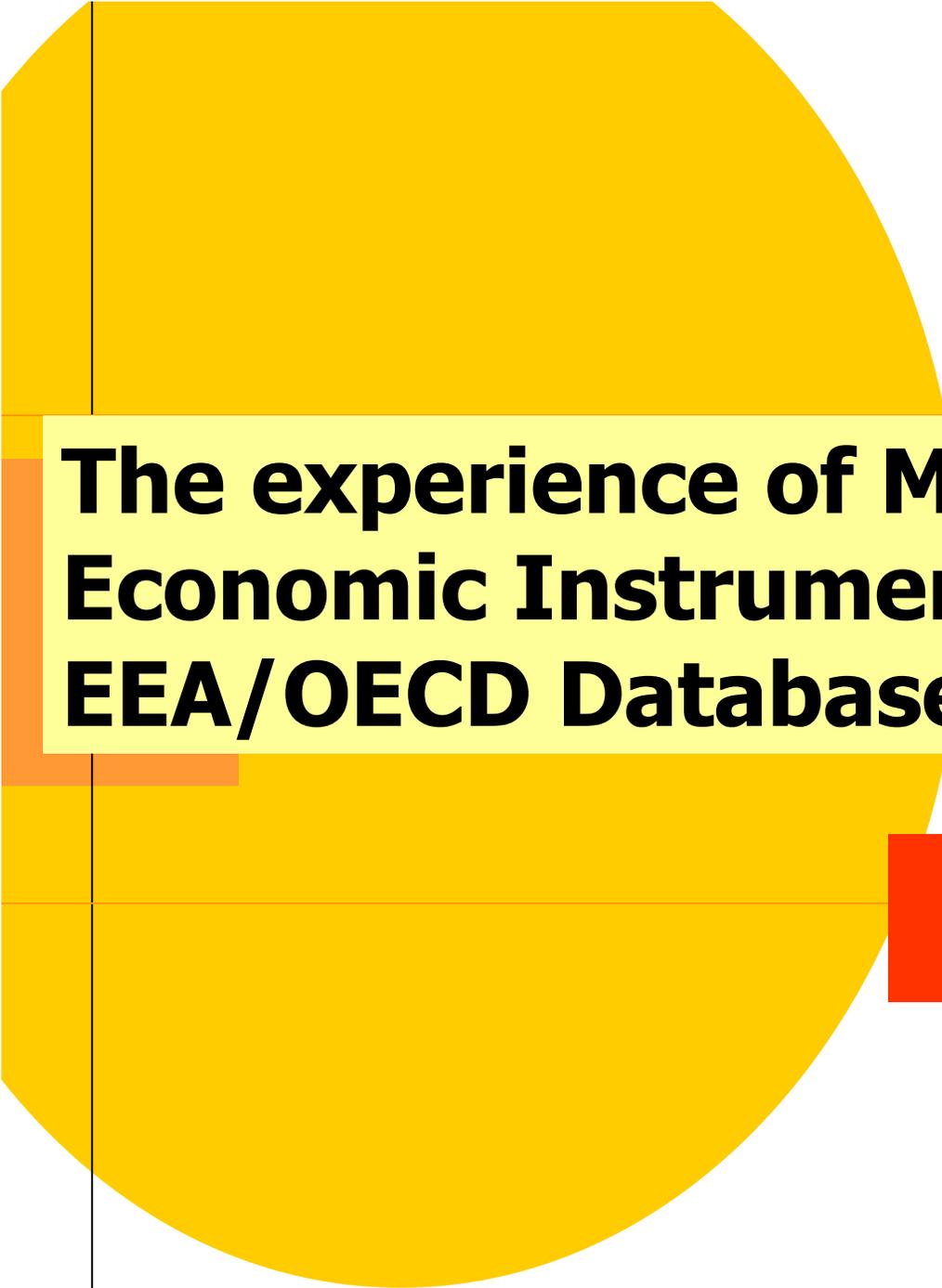
Risk of being overtaken by events

Opportunities

One national contact point empowered to be informed

Improve data capture search and query capabilities

Make it reach out - create useful hooks



**The experience of Malta with
Economic Instruments and the
EEA/OECD Database**



Thank You!