



# Alternatives to the Environmental Permit

## Dream or Nightmare?

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# Integrated Permitting versus Market Based approaches:

What does theory say?  
What does practice learn?

# Integrated **Permitting**

## “Command and control”:

- Lot of administrative costs and court procedures
- Not much discretion for industries
- Difficult for authorities to amend the permit

Stewart: permitting is not very efficient, market based alternatives are.

Faure/Lefevere: focus should not be on harmonised best available techniques (not efficient) but on quality standards

# Integrated permitting

- Integration: to what extent?
- Is integration really doable?
- How to control the integrated decision making?  
Which control possibility for the court?

## Bohne:

- there is no common approach for integrated assessment : the science is not yet there.
- the European obligation to have integrated permitting was not necessary

# Market based approaches (theory)

## Emissions trading:

- Establish a cap,
- Auction the rights
- Let industries decide themselves how to behave
- Enforce

## Taxation

- Establish a tax
- Let industries decide themselves how to behave
- Enforce

## Drawback I : market based approaches are very pollutant specific

However:

- Trading / taxation can possibly be added to (integrated) permitting
- Pollutants can be exempted from a permit system in order to be covered by taxation / trading

## Other caveats for in particular emissions trading:

- It is not easy to develop a good emissions trading scheme: different design models are discussed in literature...
- Solid enforcement approach is extremely needed

## Practice....



What do we really know about how instruments work in practice?



## Practice:

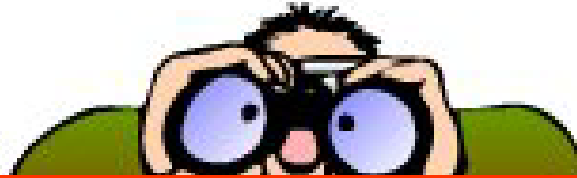
How are obligations imposed in practice?

Are there enough control mechanisms to ensure a proper application in practice?

- With permitting, there is a negotiation between the authority and the industry
- With free allocation of emission rights, there is also such a negotiation

## Practice: How are obligations enforced?

- EU wide emissions trading: enforcement is crucial (continuous monitoring is needed), but possibly not solid enough
- Permitting: how sure do we know that standards are set strict enough with permitting, and whether monitoring and sanctioning is done effectively?



**Empirical insight is needed**









## Moreover

### Combinations of trading and taxation:

- Tax on CDM transists
- Hybrid forms of carbon trading / taxation
- Member state taxation in addition to the European EU ETS