

In Serbia, 211.8 billion dinars (about 1.8 billion euros) were collected in the name of taxes in the field of environmental protection in 2018, according to the data of the Republic Bureau of Statistics (RZS).

This information could deceive that this is a country that has significant resources for ecology. Insiders, however, warn that Serbia is far below the average of the European Union in terms of allocations in this area, and that only a part of the mentioned amount is spent on purpose.

“Environmental taxes include energy taxes (excises on fuel and electricity), then taxes in the field of transport (on motor vehicles, on the use of vessels and aircraft), taxes on the use of resources and taxes on pollution. These taxes are only statistically recorded as”

“environmental”, in accordance with EU regulations, however, that does not mean that they are spent on environmental protection activities. Energy and traffic taxes were not even earmarked and revenues from them could be spent for any purpose, ” Dejan Maksimović from the Ecological Center Stanište explains for Al Jazeera.

This is indicated by the data from the Report on Economic Instruments for Environmental Protection in 2018, published this year by the Environmental Protection Agency of Serbia, which states that the total amount of funds for investments and current expenditures in this area was two years ago. amounted to 38.26 billion dinars (about 324 million euros), or just over a sixth of the amount mentioned by the SBS. That is 0.8 percent of the gross domestic product (GDP) of Serbia, while, for example, the members of the European Union in 2018, according to Eurostat estimates, spent 1.87 percent of GDP on environmental protection. On the other hand, adds Maksimović, there are fees for pollution, which are earmarked and paid by both citizens and the economy.

However, despite the obligation, significant amounts of revenues from eco-fees were spent inappropriately without consequences, for non-environmental needs. “In the period 2010-18, budgets at all levels earned a total of about 89 billion dinars in total, while only about 34 billion dinars were spent on activities that really contribute to environmental protection. So, about half a billion euros were spent for purposes which have nothing to do with the environment. ”

Less and less money for environmental protection

This practice happens every year, in the republic budget and in about 80 percent of local self-governments.

“We can say that this is a deliberate and systematic failure in the environment. Instead of consistently suspending this practice, the government decided to adjust the regulations to

lawlessness. Thus, at the end of 2015, amendments to the Law on Budget System abolished the purpose of all fees, and even environmental. If the money is no longer earmarked, then there is no more unintended spending – the problem is solved! “, says Maksimović.

While the Fiscal Council of Serbia, in its study two years ago, pointed out the need to increase the allocation for environmental protection by 1.2 to 1.4 percent of GDP (about 500 million euros), the mentioned report of the Environmental Protection Agency indicates that the goal set by the National Environmental Protection Program from 2010, according to which the total investment in environmental protection should reach 2.4 percent of GDP in 2019 (with the projected economic growth of five percent per year), has not been achieved. Environmentalists point out the absurdity that in the meantime, expenditures for environment are increasingly lower than the revenues collected from environmental taxes, and that such a practice has almost become the rule after the mentioned legal changes.

“This encouraged the authorities at all levels to freely, in even larger amounts, continue with the conversion, but now without violating the regulations, which can be seen in our research. Thus, in 2015, the planned expenditures amounted to 6.45 billion dinars, in total for As soon as the fees ceased to be earmarked, exactly one billion less was planned in 2016, and only 4.62 billion dinars were planned in 2019. As in the same period, revenues from fees increased from 4.5 to 6.3 billion dinars in total, the only reason for reducing the expenditure plan is that municipalities and cities use the opportunities that are open to the amendments to the Law on Budget System, “explains Maksimović.

Revenues from these fees could be even higher, since the Government of Serbia passed a decree at the end of last year, which introduces the obligation to pay the environmental tax for all companies, according to size and production activity.

Natasa Djereg from the Center for Environment and Sustainable Development told Al Jazeera that this is not a good solution and that it should be changed, because “it does not create an incentive to reduce pollution, but only to extend the payment obligation and fill the budget to as many users as possible.”

Mild penal policy towards polluters

According to her, it now pays even more for big polluters to continue with old and polluting technologies, because according to the new regulation, they pay much less than before, and the obligation has been extended to companies that may not even pollute.

The position of Dejan Maksimović is similar, reminding that previously it was paid in accordance with the amount of income from polluting activities, and now a fixed amount is paid in relation to the size of the company.

However, we did not receive answers from the Ministry of Finance and the Ministry of Environmental Protection to the questions for which the money collected from environmental taxes and fees was spent, or even which of the largest projects were financed with that money. From the report of the Environmental Protection Agency, it can be seen that most of the funds were spent on waste management (24.5 billion dinars, or about 207 million euros), but not in what way.

Also, we did not receive an answer from the Ministry of Environmental Protection to the question of how many fines the environmental inspection imposed on companies that violate regulations in the last two years, or how much money was collected from those fines.

Natasa Djereg says that in Serbia there is a penal policy towards polluters of treasures and that the existing system enables many laws in the field of environmental protection to be knowingly violated.

Maksimović claims that there is a corrupt combination of interests of political and economic powerful people in Serbia.

“There are cases when polluters’ fees are reduced, even exempt from payment. The fact that they do not charge eco-fees, municipalities often use for advertising, as proof of a favorable environment for investment. Polluters know how to threaten to close the plant, so the government is lenient and is reluctant to persuade them to ‘know the law’. It also makes it easier for investors who use problematic technologies to open a plant. An additional problem is that the majority of the public hardly reacts to such phenomena, or even supports them, “he said, jobs and a healthy environment are equally important social goals.

Pollution protests

Djereg adds that it is necessary to define anti-corruption policies in the field of environmental protection, because, they do not exist now.

Two years ago, the Fiscal Council estimated that it is necessary for Serbia to invest around eight and a half billion euros in environmental protection in the next ten years. The fact that drinking water in Serbia is of significantly lower quality than comparable countries and that practically all wastewater from sewage flows into watercourses without any treatment, even in the largest cities, testifies to how alarming the situation is. The mentioned amount of investments could be reached in five years if all the money collected annually from environmental taxes and fees (according to the methodology of the RZS) was spent for those purposes.

Maksimović warns that according to the report of this body, but also of the Environmental Protection Agency, Serbia is one of the most polluted countries in Europe, and that it is now

lagging behind the countries of Eastern Europe, which, he says, was not the case until recently.

“It is estimated that we lack more than 10,000 kilometers of sewage, for the construction of which about 2.3 billion euros are needed. Only 12 percent of wastewater is treated and 1.3 billion euros need to be invested in 350 treatment plants. There is almost no difference whether the waste will end up in one of the 3,000 illegal dumpsites, or the utility company will collect it and dispose of it only in one of the 160 municipal landfills, which do not meet the prescribed requirements. “Only for the modernization of the heating plants, the local self-government will have to invest around 550 million euros,” Maksimović said.

He believes that there is still hope that things could get better, which is indicated by the increase in civic activism in an increasing number of local communities.

“Some citizens are less and less willing to suffer from pollution and start acting in an organized way. Thanks to public pressure, some legal proceedings have been initiated against polluters and those who destroy nature. I believe that these local points of resistance are the beginning of improving our attitude towards the environment.” concludes Maksimović.

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