

A Review of the Legislative Framework for Addressing Carbon Dioxide Emissions in Trinidad and Tobago

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Sustainable Development

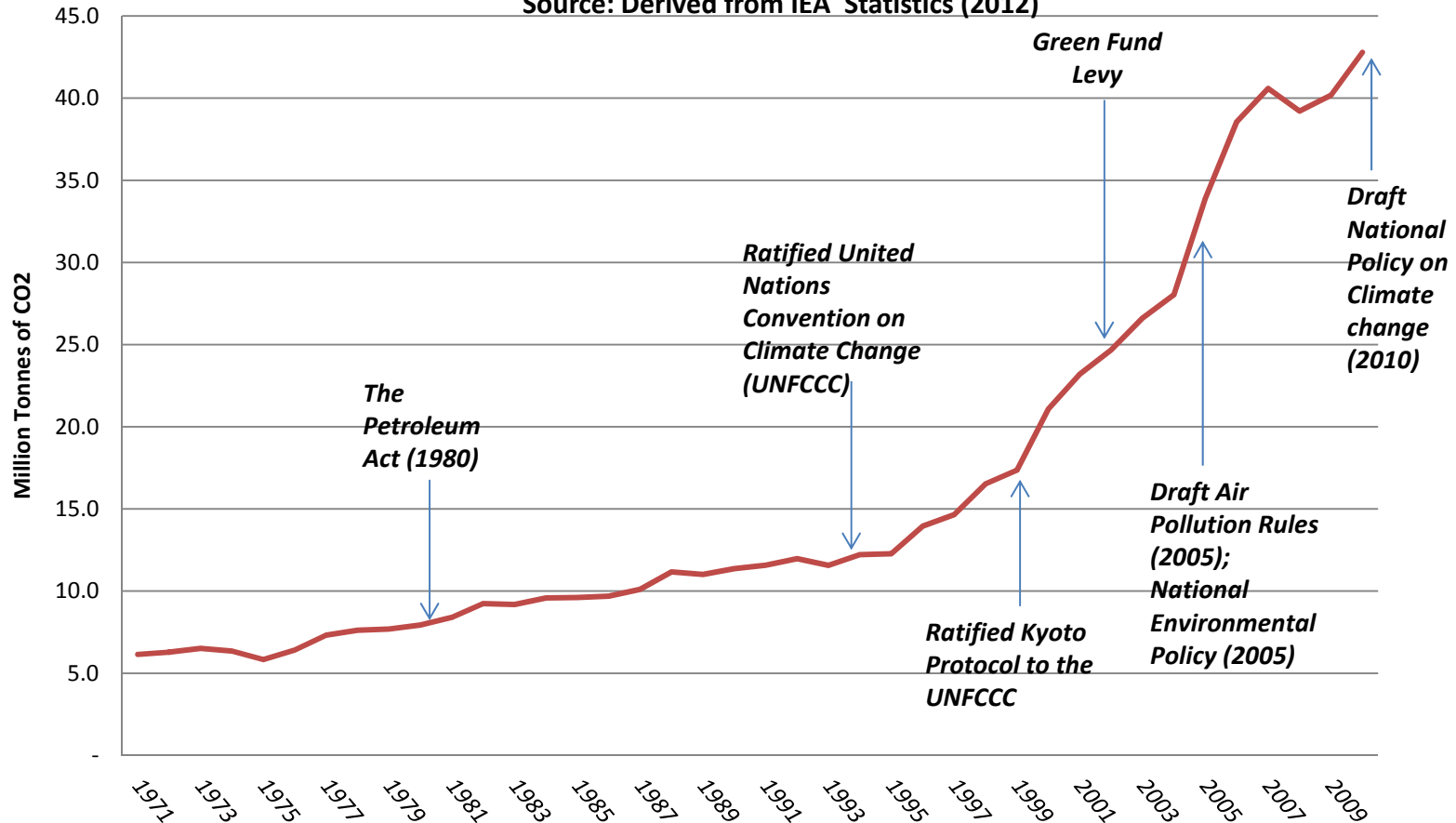
- development paths: complex array of technological, economic, social, institutional, cultural, and biophysical characteristics that determine the interactions between human and natural systems, including consumption and production patterns in all countries, over time at a particular scale.

(The Intergovernmental Panel on Climate Change (IPCC) Working Group 3's contribution to the Fourth Assessment Report as cited in Sathaye et al. 2007)

Trend in CO2 emissions and environmental related legislation.

Trinidad and Tobago CO2 Emissions- Sectoral Approach

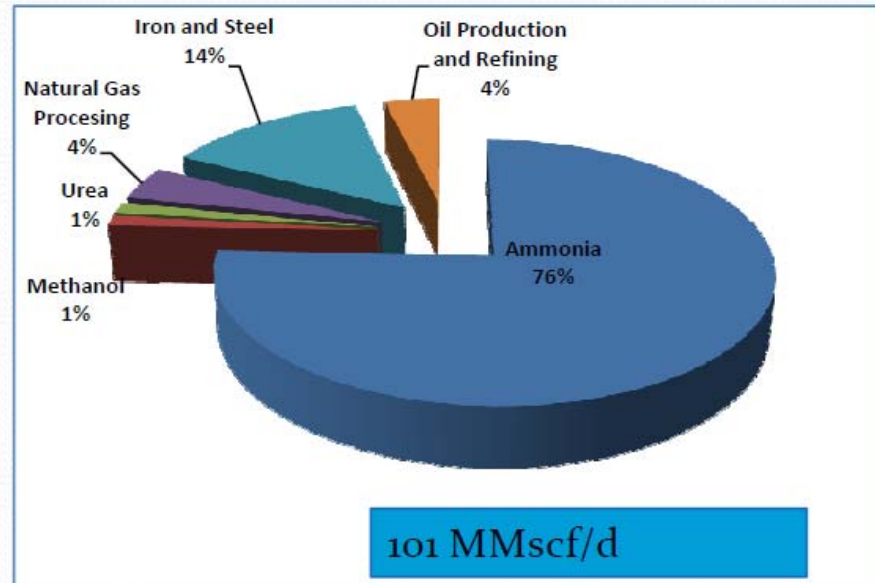
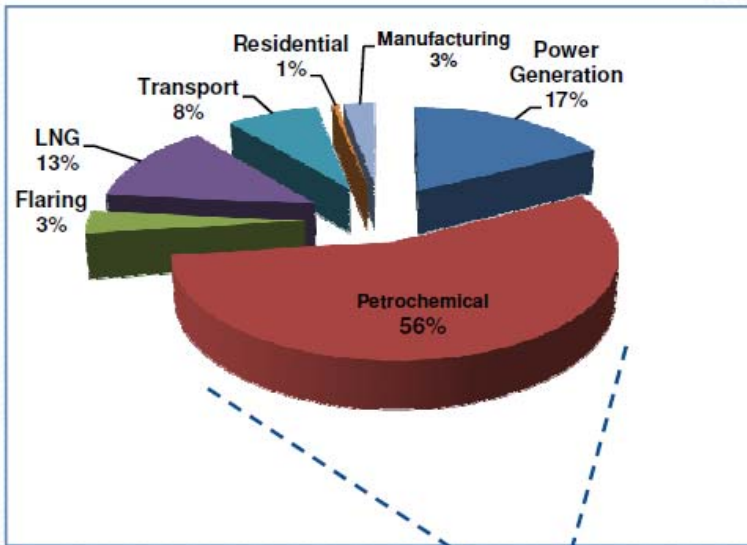
Source: Derived from IEA Statistics (2012)



Emissions (cont'd)

As cited in: Sobers and Lashley (2012)

Contributions of the Various Sectors to CO₂ Emissions in T&T (2009)



Breakdown of the Petrochemical Sector (2009)

Trinidad & Tobago CO₂ Emissions

Source: Boodlal et al (2009)

The Case Study:

The legislative framework of Trinidad and Tobago

- The Petroleum Act and Regulations, Chap 62:01
- The Petroleum Production Levy And Subsidy Act, Chap 62:02.
- The Income Tax Act, Chap 75:01
- The Petroleum Taxes Act, Chap 75:04
 - *The Petroleum Profits Tax*
 - *The Supplemental Petroleum Tax (Part 11 of the PTA)*
- The Income Tax (In Aid of Industry) Act Chap. 85:04
- The Unemployment Levy Act Chap 75:03
- The Green Fund Levy, established by Section 67(1) of the Miscellaneous Taxes Act Part XIV.

The legislative framework

- National Environmental Policy implemented through the Environmental Management Act (EMAct, 2000)
- Subsidiary legislation: Air Pollution Control Rules; Noise Pollution Control Rules, Water Pollution Rules; Environmentally Sensitive Areas (ESA) Rules; Environmentally Sensitive Species (ESS) Rules; and, Certificates of Environmental Clearance Rules (EMAct, No 3/2000).

The legislative framework

The promotion of economic instruments and market instruments are identified in the National Environmental policy including:

- Deposit/refund taxes;
- A tax on energy consumption;
- A fuel tax on diesel;
- Revision of legal standard of liability so that polluters are held responsible for the financial consequences of their actions.

The legislative framework

- Renewable Energy Policy;
- Climate Change Policy;
- Biodiversity Strategy and Action Plan; and
- National Action Programme to Combat Land Degradation

The legislative framework: a review

- Petroleum Act (1982, Chapter 62.01) section 29 (1) states that:

“The President may make any such Regulations as he considers necessary or expedient for carrying out the purposes of this Act, and in particular-

(j) for the prevention of pollution of land, water or air and for compensation therefore.”

The legislative framework: a review

- The Draft Climate Change Policy acknowledges the commitments of Trinidad and Tobago as a ratified signatory to the UNFCCC and its Kyoto Protocol which includes inter alia:
- *Develop, periodically, update and publish national inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases;*
- Under the Kyoto Protocol to:
- *Formulate, where relevant and to the extent possible, cost effective national programmes to improve the quality of local emission factors, activity data and/or models which reflect the socio-economic conditions for the preparation and periodic updating of national inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases*
- *Formulate, implement, publish and regularly update national programmes containing measures to mitigate climate change and measures to facilitate adequate adaptation to climate change. Such programmes would, inter alia, concern energy, transport and industry sectors as well as agriculture, forestry and waste management.....*

The legislative framework: a review

(g) Control air pollution through a system of permits based on the Polluter Pays Principle, for listed activities emitting specified air pollutants above the maximum permissible limit. The cost of pollution prevention or of minimizing environmental damage due to pollution will be borne by those responsible for pollution;

(l) Explore and develop strategies to “encourage” compliance with standards and maximum permissible limits of listed air pollutants including the following approaches to achieve compliance with emission controls:

- *Conduct regular inventories of greenhouse gases;*
- *Cooperate with relevant local, regional and international agencies to implement technologies that will reduce, prevent or control man-made emissions of greenhouse gases including the energy, transport, industry, agriculture, forestry and waste management sectors;*

(EMA 2006, pp 29-31).

The legislative framework: a review

- *(2) When developing the draft Environmental Code, the Authority shall consider and where appropriate, seek to incorporate-*
- *(a) the imposition of product charges where the product manufacturing process or usage is a significant source of pollution; and*
- *(b) the adjustment of direct Government subsidies, or the establishment of tax differentiation or tax incentives, to encourage beneficial environmental activities or to ensure that pricing reflects environmental costs more adequately.*
- *(EMAct, 2000, Section 19, paragraphs 1 and 2)*

Conclusion

- Chapter six (6) of the Trinidad and Tobago National Environmental Policy states that the “Government’s aim is to broaden the range of financial instruments used in the implementation of the national environmental policy.”

The promotion of economic instruments and market instruments as discussed above, are identified in the National Environmental policy including:

- Deposit/refund taxes;
- A tax on energy consumption;
- A fuel tax on diesel;
- Revision of legal standard of liability so that polluters are held responsible for the financial consequences of their actions.

IS THIS ENOUGH?

Recommendations

- Reformation of the Green Fund Levy to conform with Environmental Taxes;
- Examine the potential of other Economic Instruments to create policy packages that will meet environmental objectives;
- Enable the development of greenhouse gas inventories (for CO₂ and Methane) e.g.: American Petroleum Institute (API) Compendium of Greenhouse Gas Emissions Estimation Methodologies for the Oil and Gas Industry; and