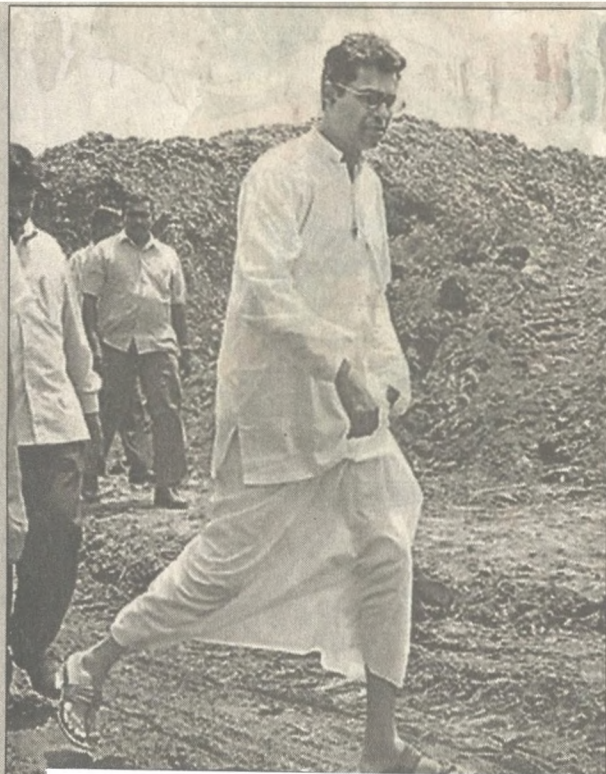




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Minister Champika Ranawaka walks past a garbage heap

Environment Conservation Levy

Environment Conservation Levy is one of the market based instruments (MBIs) that can be used to improve the efficiency of environmental management.

Use of MBIs is one of the strategies that can be used by the Government for changing behaviour of the General Public through economic incentives to reduce pollution and to improve efficiency of Natural Resource Management (e.g. Permits, deposits, Environmental Conservation Levy, Environmental Conservation Subsidies etc).

Environmental Management cannot be achieved only by using command and control methods. Various other incentives are required to improve its efficiency. Use of MBIs promotes environment friendly production and consumption and discourages environment unfriendly production and

consumption. This situation will undoubtedly lead to waste minimization and improve the efficiency of Natural Resources Management. MBIs also generate funds that can be utilized to take environmental conservation measures timely.

According to the present situation, both the polluter and non polluter bear the cost of pollution. Use of Environment Conservation Levy prevents this situation to a considerable extent. For example, the Levy imposed on mobile phones makes the user pay for disposal of this product once it becomes waste. This prevents non user bearing the cost of pollution.

It should be noted that even at present there is a cess imposed on plastic and polythene products which is to be used for post consumer plastic - polythene waste management.

It is extremely important to

note that the ecosystem cannot absorb unlimited pollution. According to the present situation, all the members of the society have to share the economic, social and environmental costs arising due to failure of taking appropriate measures timely in environmental management (Purchasing of bottle water, bearing Doctors charges are examples).

Use of MBIs in environmental management has been accepted internationally. The Rio declaration signed by the countries including Sri Lanka at the Earth Summit held in 1992 in the Rio de Janeiro, Brazil promotes use of market based instruments (MBIs) in environmental management based on the polluter pays principles.

Also it is important to note that polluter pays principle is one of the five principles of the Industrial Pollution Management Policy Statement

signed by the three Ministers of Ministry of Environment, Ministry Industrial Development, Ministry of Science and Technology in 1996 in Sri Lanka.

Items such as electronic products, batteries etc., which contain chemicals and heavy metals can cause irreversible damages to the ecosystem if these chemicals are exposed to the ecosystem even in small quantities. Rehabilitation cost to the society will be much higher than the cost of initial investment which is necessary to prevent such damages. This situation has been especially considered when selecting items for the proposed Environmental Conservation Levy system planned by the Government. The items proposed for the levy are cellular phones, mobile phones, electrical equipment, batteries mercury fluorescent bulbs, Asbestos,

tyres, and glass products.

It has been proposed to establish an environmental conservation council to ensure effective and efficient utilization of revenue collected from the levy. This council comprises of Senior Government Officers and experienced Personnel in the fields of economics and environment. Under the supervision of this council steps will be taken to address the pollution problems that need to be addressed on priority basis.

In fact it is important to note that an environmental conservation levy should have been established at least about a decade ago. Anyway it is not too late for us to understand the need of using innovative strategies to address essential pollution problems timely to achieve sustainable development of the country.

Environment Ministry