

EXPENDITURE

Efforts to reduce environmental pressures imply public and private expenditure, to: i) finance pollution abatement and control at national level, and ii) provide financial and technical support for environmental protection measures in developing countries.

Indicators presented here relate to:

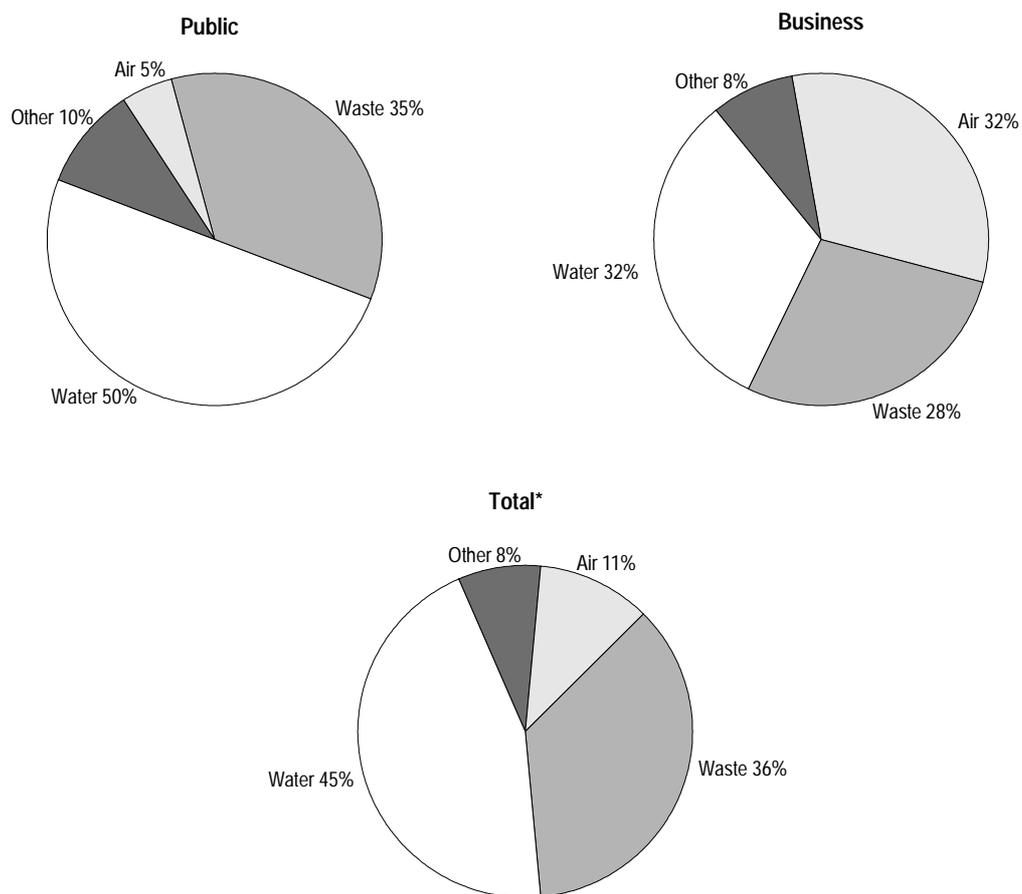
- ◆ *levels of pollution abatement and control (PAC) expenditure as a general indication of how much a country spends on controlling and reducing pressures from pollution. This expenditure is disaggregated by medium (air, water, waste) and by the sector undertaking the measures (public sector, businesses). Activities such as nature protection, natural resource preservation and water supply are excluded, as is expenditure on workplace protection, energy saving or improvement of production processes for commercial or technical reasons, though these may have environmental benefits.*
- ◆ *levels of official development assistance (ODA), as part of ODA supports sustainable development and, in particular, environmental protection.*

EXPENDITURE: REFERENCES

-  OECD (1996), Pollution abatement and control expenditure in OECD countries
-  OECD (2001), Overview of environmental expenditure in NIS
-  OECD (2002), Pollution abatement and control expenditure in OECD countries, forthcoming
-  OECD (2004), OECD Environmental Data — Compendium 2004

POLLUTION ABATEMENT AND CONTROL EXPENDITURE **33**

OECD PAC expenditure, early 2000s



* excluding households; based on data for 13 countries representing two third of the GDP of the OECD.

33 POLLUTION ABATEMENT AND CONTROL EXPENDITURE

		PAC expenditure, early 2000s or latest available year							
		as % of GDP				in USD per capita			
		Public	Business	Private specialised producers	Total*	Public	Business	Private specialised producers	Total*
Canada	♦	0.6	0.5	..	1.1	173	144	..	316
Mexico	♦	0.2	..	..	..	19	..	..	..
Japan	♦	0.6	0.8	..	1.4	144	202	..	346
Korea	♦	0.8	0.7	..	1.5	133	111	..	244
Australia	♦	0.5	0.3	..	0.8	118	63	..	181
Austria	♦	1.3	0.5	0.6	2.4	261	96	115	471
Belgium	♦	0.7	0.3	0.4	1.5	207	97	118	422
Czech Republic	♦	0.3	0.3	0.6	1.2	86	87	158	331
Denmark	♦	1.4	..	0.9	..	197	..	135	..
Finland	♦	0.5	0.3	..	0.8	136	77	..	209
France	♦	1.0	0.3	0.4	1.7	265	89	102	456
Germany	♦	1.3	0.3	..	1.6	333	74	..	408
Greece	♦	0.5	..	..	..	119	..	..	..
Hungary	♦	0.5	0.3	0.6	1.4	78	46	89	214
Iceland	♦	0.3	..	..	..	39	..	..	..
Ireland	♦	0.4	0.2	..	0.6	111	57	..	168
Italy	♦	0.7	0.1	..	0.8	207	24	..	174
Luxembourg	♦	0.6	..	..	..	134	..	..	..
Netherlands	♦	1.1	0.5	0.4	2.0	427	202	141	770
Poland	♦	0.8	1.2	-	2.0	275	424	3	702
Portugal	♦	0.5	0.3	..	0.8	53	29	..	82
Slovak Republic	♦	0.1	0.7	-	0.8	24	113	8	144
Spain	♦	0.6	0.2	..	0.8	61	19	..	80
Sweden	♦	0.7	0.4	..	1.1	156	87	..	243
Switzerland	♦	0.8	..	..	..	203	..	..	..
Turkey	♦	0.9	0.2	..	1.1	242	58	..	300
United Kingdom	♦	0.4	0.3	..	0.7	30	18	..	48

*excluding households.

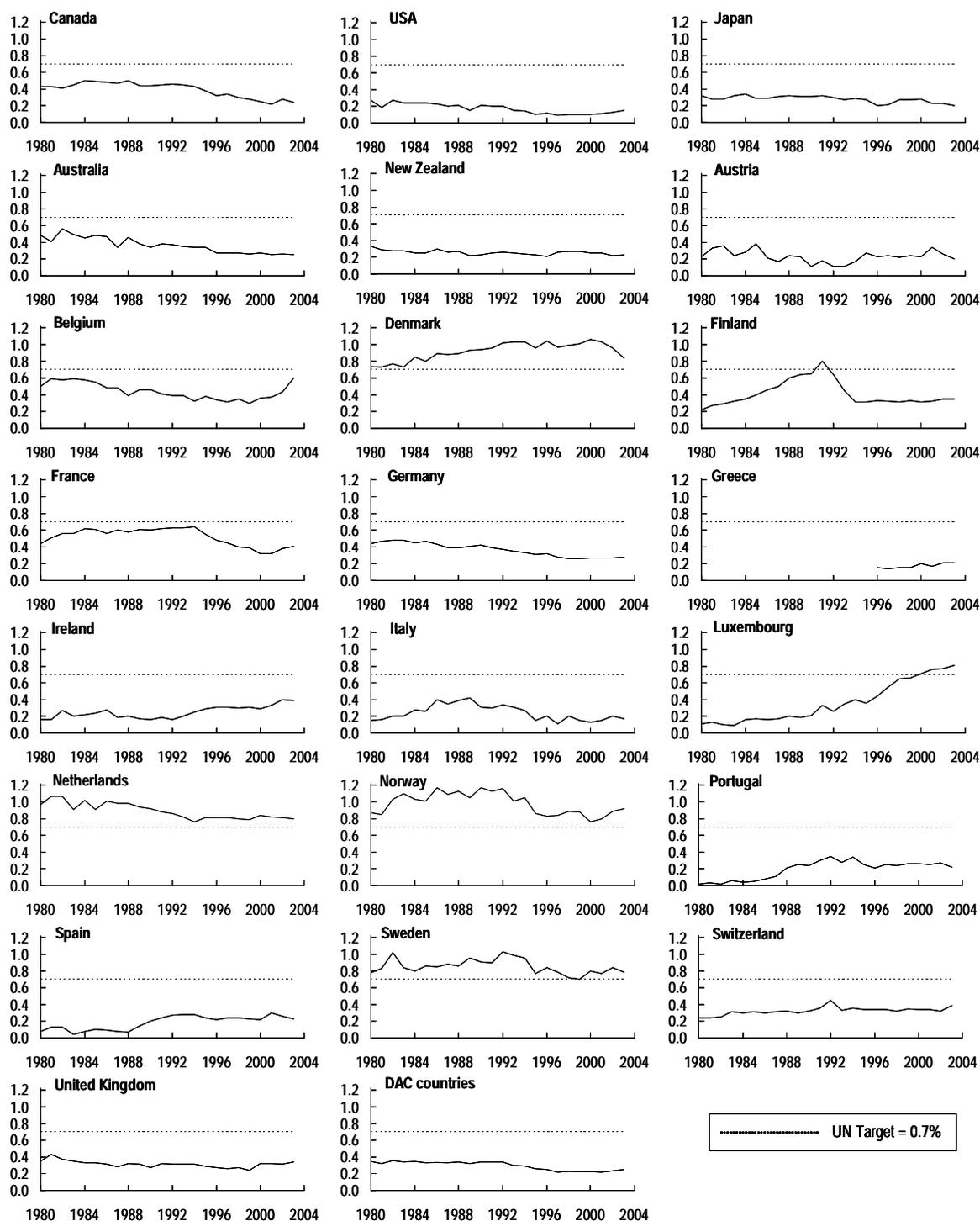
♦ See Technical Annex for data sources, notes and comments.

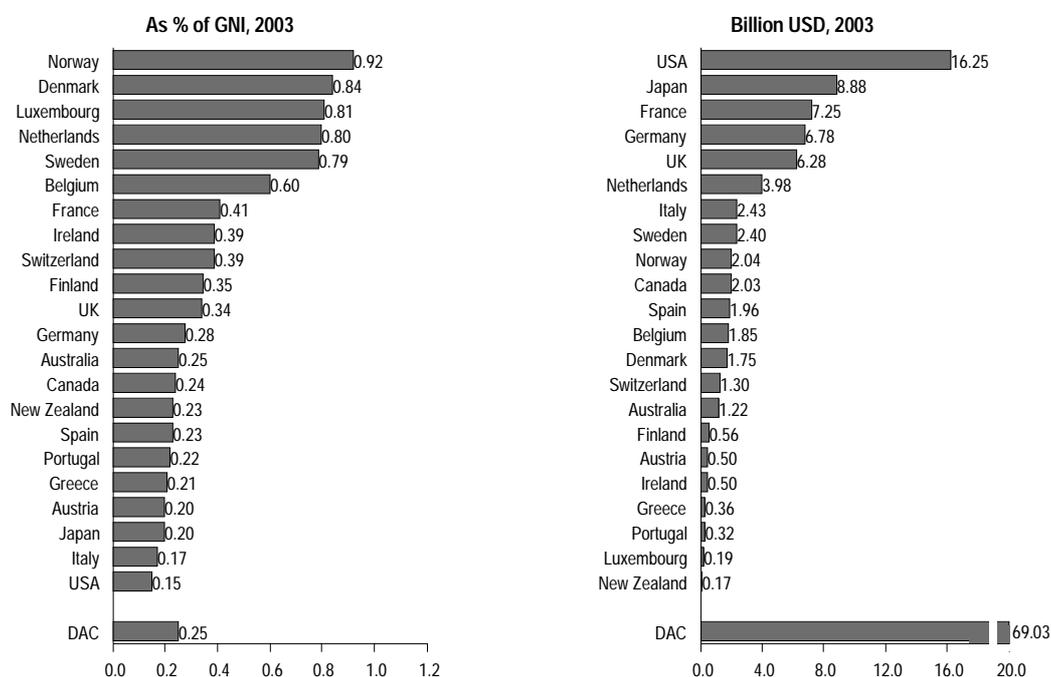
STATE AND TRENDS SUMMARY

PAC expenditure is part of environmental protection expenditure, covering curative and preventive measures directly aimed at pollution abatement and control. PAC expenditure as a percentage of GDP is slowly growing as stronger pollution prevention and control policies are implemented. It now generally amounts to 1 to 2 per cent of GDP in most OECD countries. In general, the investment-related share of PAC decreases as investment programmes progress, while operating expenses' share grows. In countries with small GDP, a low level of expenditure in GDP terms means PAC is very limited.

Public sector PAC measures mainly concern sewerage, waste water treatment and the collection and disposal of municipal waste. Such measures, either done directly or by the purchase of services from public specialised producers, generally represent 0.3 to 1.4 per cent of GDP. Public expenditure on water is usually large, and growing in line with efforts to ensure that most of the population is connected to sewerage and public waste water treatment. Public expenditure is generally financed by pollution taxes or charges paid by households, but most countries still fund PAC partly from the general budget.

Private sector (business) measures mostly relate to air and water pollution and hazardous waste disposal. They generally amount to 0.2 to 1.2 per cent of GDP. They mainly represent compliance with the polluter pays principle. Business also pays pollution charges to public authorities, either to offset costs of services or in relation to externalities.

Trends in Official Development Assistance, 1980-2003
as % of GNI

34 OFFICIAL DEVELOPMENT ASSISTANCE

	GNI per capita 1 000 USD/cap.	Official development assistance			
		Total, 2003 million USD	% , 2003	absolute change since 1980	absolute change since 1992
Canada	27.0	2031	0.24	-0.19	-0.22
USA	37.7	16254	0.15	-0.12	-0.05
Japan	34.3	8880	0.20	-0.12	-0.1
Australia	24.8	1219	0.25	-0.23	-0.12
New Zealand	18.3	165	0.23	-0.10	-0.03
Austria	31.0	505	0.20	-0.03	0.09
Belgium	29.7	1853	0.60	0.10	0.21
Denmark	38.7	1748	0.84	0.10	-0.18
Finland	30.8	558	0.35	0.13	-0.29
France	29.5	7253	0.41	-0.03	-0.22
Germany	29.0	6784	0.28	-0.16	-0.09
Greece	15.7	362	0.21	..	..
Ireland	32.3	504	0.39	0.23	0.23
Italy	25.0	2433	0.17	0.02	-0.17
Luxembourg	53.1	194	0.81	0.70	0.55
Netherlands	30.8	3981	0.80	-0.17	-0.06
Norway	48.7	2042	0.92	0.05	-0.24
Portugal	13.9	320	0.22	0.20	-0.13
Spain	20.0	1961	0.23	0.15	-0.04
Sweden	33.7	2400	0.79	0.01	-0.24
Switzerland	45.9	1299	0.39	0.15	-0.06
UK	30.2	6282	0.34	-0.01	0.03
DAC	32.0	69029	0.25	-0.10	-0.09

**STATE AND TRENDS
SUMMARY**

ODA is provided to support socio-economic development of less developed countries. A large fraction of ODA aims at ensuring more sustainable development and, in particular, conserving natural resources and protecting the environment. Despite commitments made at UNCED (Rio de Janeiro, 1992), ODA is decreasing. There is no direct relation between assistance and donor wealth; the level of discrepancy is a factor of more than eight. Most countries' aid to developing countries amounts to 0.2 to 0.4 per cent of GNI. Special funding via the Global Environment Facility is directed at global environmental problems. Total aid for environmental protection is relatively small. About 10 to 25 per cent of ODA can be related to drinking water provision, river management, soil conservation, tropical forest management, nature protection and PAC.