

We are slightly confused by the terminology used, and the meaning of this question. Why would you take the whole subsidy for such a vast area as regional development and label that as environmentally related? It would drown every other type of transfer with a more obvious purpose.

We also have some more detailed comments about subsidies:

About section 4.4 in general

In general i think the headlines should be more clear and include also the part in **fat**;

4.4.2 Environmentally related transfers – **overview**

4.4.3 Environmentally related payment to government – **taxes**

4.4.4 Environmentally related payment by government – **subsidies and similar transfers**

About section 4.4.2

The table could be more detailed, with a clear connection to National Accounts (include also the codes such as D3, D6, D7, D9 and so on). It is important to be clear regarding what is an subsidy in the national accounts (D3) and what SEEA say is an subsidy and similar transfers (D3, part of D6, D7 and D9).

About section 4.4.3

The table showing how taxes **could** be presented is too detailed. Rather show an example based on type of tax and years, which is how we present these taxes (see on www.scb.se/seea under Environmental taxes and Total environmental taxes)

About section 4.4.4

We propose a new headline here about the fact that Environmentally related = environmentally motivated subsidies + potentially environmentally harmful subsidies + other types of (environmental) subsidies (if such are requested).

It is very important to **use the term “environmentally related” for all these types** and not as now only for the motivated subsidies.

Thereafter in the chapter use the terms environmentally motivated subsidies and potentially environmentally damaging subsidies.

Under 130:

The fact that D3 is larger than D6, D7 and D9, is this true? Source? The Swedish results regarding the year 2010 is seen in the table below.

Type	SEK million	Share of total
D3	3 004	35%
D62	12	0%
D7	4 002	47%
D9	1 569	18%

About primary purpose – this is how we work.

If regional development is the purpose, then it is possible for a country to collect these under a new type of environmentally related subsidies. But not under environmentally motivated since the definition here clearly says that the primary purpose ought to be environmental.

We suggest a new headline about the possible need for share of the total amount. The need is not to include more than with the primary motive, but there are many cases – due to the data source for example – where only a share of a larger sum is to be included.

We use the result of the state budget as the data source, and there are a few cases where only a share of the total budget line is environmentally motivated. For example the case of environmental aid, that is integrated in the total aid budget line. Another example is the environmental supports to the agriculture where the budget line also have other supports for farmers, and where a share is used in order to take out the environmentally motivated transfers.

Section about PEDS:

The reason that there is no internationally agreed method, is because it is in the process of being developed. Currently it is being discussed in the Eurostat TF on transfers, ending in 2012. This process needs time as well as testing of the suggested methods by countries. So please write this differently than "no clear limit on the activities.." since it does not give a correct picture. The situation is more clear than it sounds like in the text.

For implicit subsidies, these transfers can be in government finance statistics since it at least is in the government budget. We need to investigate this before writing something too definitive.

Under 139-141 (non-government institutional units):

Why the large focus on this part? Now it takes more "space" than the PEDS, which I do not think illustrate the international interest at all.