

*The 6th EAP of the EC  
& capital markets*



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## *Main issues*



- Environmental liability
- Measurement and disclosure of companies' sustainability performance
- An increased attention to market-based instruments

# *Environmental liability*

- Commission proposal adopted on the 23rd January 2002
- What does it cover?
- Who is potentially liable?
- A balanced proposal
- No financial assurance but...

# *Encouraging the market to work for the environment*

- European Commission Recommendation of 30 May 2001 on the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies

# *The Commission Recommendation*

- Measurement and disclosure of environment liabilities and provisions
- Discounting
- EPI (eco-efficiency)
- PACE
- Key improvements against targets
- Policies and programs

# *Recent developments in the accounting area*



- France
- Denmark
- The Netherlands
- PACE definitions

# *An increased attention to market-based instruments*



- Climate Change Policy
- Review existing energy subsidies
- Energy taxation, taxes in general

## *The way ahead*

- A legislative framework designed to work with the markets
- but ready to introduce corrective measures whenever there are market failures