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