



CAD-01009

Sri Adrain Cabbans

Thank you for your letter. Scope of
your review noted. However you may
be interested to see the enclosed which
summarized my note. *Ronald Small.*

With compliments

EC Eco-Audit Draft Regulation

The European Community plans for the introduction of a comprehensive environmental auditing programme have recently taken one step further following the circulation of a new draft consultation paper. Significantly, the status of the proposal has been raised from Directive to Regulation - a change meaning that, when approved, the requirements must be incorporated in full and unchanged by each of the Member States.

Participation in the scheme has, however, been described as voluntary. This represents a possible softening from the original hard-line stance but there are several important caveats:

- the EC may make the scheme mandatory following the consultation phase;
- the Council of Ministers may make the scheme mandatory in specific industry sectors;
- individual governments may be able to make the scheme mandatory in specific industrial sectors.

SCOPE

The scheme, termed Eco-Audit, will cover a wide range of industrial processes and activities including chemicals, power, minerals, metals, pharmaceuticals, food and drink, pulp & paper and many other sectors. In all, 58 industrial activities are listed although size threshold limits are given for some.

AUDITORS

A system of "agreed auditors" is proposed, who will be persons or organisations approved by an Environmental Auditing Professional Body, to verify audits executed by companies and certify their environmental statements.

PROFESSIONAL BODIES

Member States are to promote the establishment of national Environmental Auditing Professional

Bodies. These will be responsible for approving auditors entitled to perform audit verifications, for establishing mandatory codes of practice and for ensuring compliance of auditors with criteria, rules and procedures laid down.

ENVIRONMENTAL STATEMENTS

Under the scheme, Environmental Statements will need to be prepared by companies to describe their environmental performance and policy. These statements are to be prepared yearly together with the conduct of an audit; they are to be verified by an agreed external auditor, must be submitted to a regulatory authority and must be made available to the public.

AUDIT ACTIVITIES

Audit procedures are defined and, as a minimum, are to contain the following steps:

- planning of audit activities;
- review of the company's environmental policy;
- assessment of the organisation, management and equipment;
- gathering of data and all relevant information;
- evaluation of the overall performance;
- identification of areas for improvement;
- internal reporting to top management;
- a follow-up policy statement by top management.

INCENTIVES

To encourage companies to join the scheme, the EC will allow participants to use an approved EC Eco-Audit logo and national governments may also be allowed to offer other incentives.

TIMING

The EC aims to have the final text of the Regulation ready early next year and to have it in operation 12 months after adoption by the Council of Ministers.

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