

## Factsheet 2.11 – Cost-benefit methodologies

The quantitative analysis of costs and benefits will usually require that a range of possible information sources are considered to draw relevant data. In assigning values to environmental harm, useful references may exist in national publications.

Article 15(4) places an obligation on the competent authority to make a judgement about what constitutes disproportionately higher costs compared to the environmental benefits. This has close links to the issue of cost-benefit analysis. However, the results of any cost-benefit analysis will not necessarily provide an answer as to what is disproportionate for a particular installation.

Factors that could be considered in deciding on disproportionality:

- Payback periods for investments to be made to comply with BAT-AELs;
- The impact of compliance with the BAT-AELs on product prices;
- Cross-media impacts of compliance with the BAT-AELs including energy costs and resource consumption;
- Cost-effectiveness of the measures proposed to be implemented;
- Disproportionality may vary by installation and by sector given the wide variety of activities covered by the IED.