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## The relevance of Extended Producer Responsibility

## in the Urban Wastewater Directive (UWWTD)

## Statement of the Bavarian, Baden-Württemberg and Saxon municipalities

The Extended Producer Responsibility (EPR) proposed by the EU Commission represents a **milestone** in European water policy. It is therefore crucial that the Extended Producer Responsibility in Art. 9 of the recast of the Urban Wastewater Directive **remains** in the legal text and is not weakened. The following reasons are decisive from a municipal perspective:

- Financial relief & acceptance by citizens: Water and wastewater are original aspects of municipal services of general interest. These vital services must remain affordable for citizens. Particularly against the backdrop of the current crises and the considerable increase in the cost of living, the legislator cannot create even more additional financial burdens for citizens. These already have to shoulder considerable additional costs due to climate and energy policy measures in the heating sector, among others. Without the introduction of the EPR, the implementation of the proposed measures (especially the 4<sup>th</sup> treatment stage) would require an increase in wastewater charges due to the necessary investments, which would ultimately affect the population the most. However, future investments in infrastructure must be financed on a solidarity basis carried on several shoulders. The EPR would contribute to this and support the acceptance of the population for these necessary investments. In addition to burden sharing, the social dimension of affordability of the essential commodity of clean water must also be considered for successful implementation.
- Only minor impact on the pharmaceutical and cosmetics industries: According to the Commission's estimates, the cost of EPR to the industry with a price increase or impact on profits would be less than 1%. As the cost of EPR is marginal compared to drug prices and profit margins of pharmaceutical and cosmetic companies, accessibility or affordability would not be affected in any case. The introduction of the EPR would even contribute positively to a functioning internal market, as it would create a level playing field for industry across the EU. However, in order for the EPR to be implemented in all EU countries, including the smaller ones, the 2-ton limit would have to be removed from Art. 9 2 (a). Furthermore, the EU as an industrial location for the pharmaceutical and cosmetics industry is in no way endangered, as the EPR does not refer to the production location, but to the marketing of the medicines and cosmetics, i. e. the industry would not have a location advantage due to possible migration to third countries.
- Steering effect for water protection: The introduction of an EPR system is also important and correct because it can provide significant economic and ecological incentives for industry and thus tackle environmental pollution directly at the source. The consideration by manufacturers of the environmental impact of certain products may lead to increased development of "green" molecules, which in turn would give European industry a competitive advantage over third countries.
- The polluter pays principle as a cornerstone of EU environmental policy under Art. 191 (2) TFEU: The polluter pays principle was already established in 2007 in Art. 191 (2) TFEU as the cornerstone of EU environmental policy. However, in a Special <u>Report</u> of 2021, the European Court of Auditors notes the inconsistent or inadequate application of this. Therefore, this must now be implemented consistently and horizontally, also and above all in the UWWTD.