

Extended producer responsibility in the Urban Wastewater Directive (2024/3019/EU): an environmental-economic milestone

Answers on the implementation of the
Extended Producer Responsibility

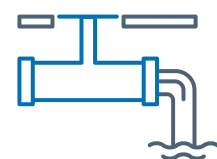
The new Urban Wastewater Treatment Directive (2024/3019/EU) stipulates that wastewater treatment plants above a certain size must gradually introduce quaternary treatment in order to remove trace substances such as pharmaceutical residues from urban wastewater. To finance this measure, the Extended Producer Responsibility (EPR) is introduced in Articles 9 and 10 in a legally binding manner – a decisive step for the European wastewater industry. EPR is based on the polluter-pays principle, which is firmly anchored in the European Treaties (Article 191 TFEU) and ensures that the costs of quaternary treatment are financed according to the polluter-pays principle. This represents a sustainable and innovative solution and is an environmental-economic milestone in the history of EU environmental policy.

Financing based on the polluter pays principle

The Extended Producer Responsibility is based on the polluter-pays principle: those who cause environmental pollution must also pay for its removal. This leads to a fair distribution of costs and relieves the burden on the population, who already have to bear the full costs of primary, secondary and tertiary treatment via water tariffs and probably 20% of the costs for quaternary treatment. With producer responsibility, the producers will be directly involved in financing quaternary treatment. This can also incentivise the avoidance of environmental pollution. It is clear that the use of environmental media is not free of charge. The cur-

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rent financing of wastewater treatment is tantamount to a licence to pollute, as it offers no incentives nor promotes innovations for producers to avoid or reduce trace substance discharges. It is thereby irrelevant whether trace substances



from an industrial sector cause high or medium substance inputs, as quaternary treatment can only be installed as a “complete technological unit”, which means that the investment costs are incurred immediately in full.

Polluter pays vs. direct burden on households, commercial enterprises and wastewater-intensive industries

According to calculations by BDEW, the costs for consumers would be considerable without the implementation of producer responsibility: Depending on the size of the treatment plant in the agglomeration, an increase in wastewater charges in double digit percentages would be expected. This increase would affect all households, including those on low incomes, as well as commercial enterprises, and industries with high wastewater volumes. It would have a particularly negative impact in the context of the sharp rise in the cost of living. EPR therefore ensures that all producers and importers bear their fair share of the costs, which leads to stable and more transparent financing of quaternary treatment according to the polluter pays principle.

Promoting innovation and competitiveness of the sectors concerned

Producer responsibility also creates a market-orientated incentive to develop more environmentally friendly products. As externalities are made visible, the research and development of greener pharmaceuticals and cosmetic products is promoted. This in turn supports the EU's zero-pollution agenda and contributes to greater coherence of the various measures.



Environmental protection and resource conservation

The consistent implementation of quaternary treatment will minimise pollutant inputs into water bodies, thereby improving water quality and protecting the ecological balance. Against the backdrop of the increasingly clear effects of climate change on water resources, whether through floods or droughts, it is clear that every sector must make its contribution to greater water resilience. This applies not only to the water industry but also to the sectors that have an impact on our water resources. The pharmaceutical and cosmetics industries make their contribution through EPR, among other things.

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EPR – not a “bureaucratic monster”

Bureaucracy can be avoided if the affected industries also participate pragmatically in the development of solutions and actively shape the implementation process. BDEW has therefore presented a private-sector approach in the form of an “implementation organisation”, with which all stakeholders involved can achieve an efficient and low-bureaucracy implementation of producer responsibility. With many years of practical experience in implementing the “energy arbitration board” in the legal form of an association, BDEW and other associations have shown that private sector solutions are possible. The longer the pharmaceutical and cosmetic industries delay constructive cooperation on the implementation of a private-sector approach, the more likely it will be that a solution through a public authority will be necessary.

Affordability of medicines

One argument often put forward is that EPR could lead to a significant increase in the cost of medicines. At this point,

concrete statements about cost increases for individual drugs are not reliable, as key factors for cost allocation have not yet been determined. For example, there are not yet any quantitative data on pollution loads or an indicator for the respective harmfulness of a substance, both of which essentially determine the cost allocation. Furthermore, it is still unclear how many wastewater treatment plants in the respective Member States will be affected by the requirements. It also has to be considered that the practical implementation of the treatment stages will be staggered gradually until 2045, as there is a lack of technical and personnel capacity to implement all plants in one step. Consequently, the costs will be spread over a long period of time. It could also be a task of a private-law solution to make sure that cash flows from producers and importers are reliable and manageable. Further treatment should only be introduced where it is absolutely necessary and beneficial from an ecological or use-related point of view. This corresponds to the so-called “risk-based approach”.

Transparency and fairness

The market-based incentives of EPR and the development or increased attractiveness of more sustainable pharmaceuticals and cosmetic products will also ensure greater transparency and fairness. Consumers are currently unaware of the ecological impact of various products or are insufficiently informed about greener alternatives. EPR will indirectly have a decisive steering effect here. The clear allocation of funding according to the polluter-pays principle therefore ensures greater transparency and acceptance – both among the companies concerned and the general public. This is also explicitly the subject of an information measure in the Urban Wastewater Treatment Directive (see Art. 9, Para. 3 (a)).

Gradual expansion of the EPR to other product groups

The Urban Wastewater Treatment Directive provides for the option to gradually extend EPR to other product groups. The European Commission is planning a regular evaluation of this. BDEW considers the evaluation date currently specified in the Directive, namely end of 2033, to be appropriate and welcomes this approach.

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The German Association of Energy and Water Industries (BDEW), Berlin, represents over 1,900 companies. The range of members stretches from local and communal through regional and up to national and international businesses. It represents around 90 percent of the electricity production, over 60 percent of local and district heating supply, 90 percent of natural gas, over 90 percent of energy grid as well as 80 percent of drinking water extraction as well as around a third of wastewater disposal in Germany.

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