Dr. Ursula von der Leyen President European Commission Rue de la Loi 200 1040 Brussels

Tuesday, 6 May 2025

Subject: Safeguarding the EPR scheme in the recast UWWTD

Dear President von der Leyen,

CC: Executive Vice-President Séjourné and Commissioners Dombrovskis and Roswall

On 1<sup>st</sup> January 2025, the recast Urban Wastewater Treatment Directive (UWWTD) entered into force, introducing ambitious new requirements to remove micropollutants from wastewater, reach energy neutrality, strengthen the circular economy, promote water reuse as well as improve transparency and access to sanitation. This marks a significant milestone for the protection of public health and water resources in Europe.

A cornerstone of this legislation is the Extended Producer Responsibility (EPR) scheme, which ensures that the two most polluting sectors, the pharmaceutical and cosmetic industries – jointly responsible for 92% of micropollutants in wastewater according to the European Commission's impact assessment – cover at least 80% of the costs of the 'quaternary treatment' needed to remove micropollutants.

Member States, local and regional authorities, and wastewater service providers are actively working on the implementation of this additional treatment step. In this context, we, the representatives of the undersigned organisations – representing drinking water and wastewater service providers, local public utilities, local and regional governments, civil society organisations, social partners, and water-related technology providers – call on the European Commission to firmly uphold the EPR scheme and push back against any pressures to revise or weaken this core provision of the recast Directive, whether through a potential future simplification package or any other instrument not included in the recast UWWTD.

The EPR scheme is the result of a carefully negotiated and balanced compromise achieved during the interinstitutional negotiations, which factored in other significant investment needs required by the recast Directive that will be covered by water tariffs or public budgets. Reopening this debate would create serious legal and financial uncertainties, which would postpone the rollout of quaternary treatment and delay the overall implementation of an essential service at a time when urgent and consistent action is needed to protect public health and avoid the degradation of aquatic ecosystems.

The scheme, based on the polluter-pays principle enshrined in Article 191(2) of the TFEU, allows for an equitable distribution of wastewater treatment costs between polluting industries and urban water users. It is essential to the implementation of quaternary treatment requirements – it ensures that the financial burden does not fall disproportionately on public water services and protects water affordability for European households in line with SDG 6's right to safe and affordable water and sanitation services. The scheme also contributes to the protection of wastewater treatment identified by the recently adopted EU Preparedness Union Strategy as essential for maintaining vital societal functions.

In addition, the EPR scheme creates a level playing field across the EU and is a driver for eco-innovation and sustainable product design, thereby enhancing the competitiveness of Europe's economy. Having less polluting products and substances entering wastewater also supports the circular economy, in which local authorities and water services play a key role, by facilitating wastewater reuse and resources recovery as well as enhancing sludge quality. These improvements are essential enablers of closed-loop systems and provide further incentives for their implementation.

According to the impact assessment published together with the European Commission's proposal, the EPR scheme is expected to have a limited financial impact on the pharmaceutical and cosmetic sectors: these industries have the choice either to pass these new costs on in the price of their products (max increase of 0.59%) or to reduce their profit margins on them (average max impact of 0.7%). In addition, the recast Directive gives room for Member States to add to the EPR scheme other sectors producing micropollutants that can be found in urban wastewater.

Claims that the scheme would undermine the competitiveness of companies established in the EU are misleading. The EPR scheme needs to be funded by all economic actors that put cosmetics and pharmaceuticals on the EU internal market, no matter whether these products are made within the EU or in a third country.

In conclusion, we strongly believe that the recast UWWTD is a crucial tool for improving Europe's water quality, protecting aquatic biodiversity and public health as well as promoting circular solutions. Its EPR scheme is a proportionate instrument to encourage sustainable market practices and pollution reduction whilst spreading the cost of pollution equitably. We therefore call on the European Commission to uphold this approach and avoid any revisions that would jeopardise a timely, equitable, and effective implementation of the recast Directive.

We remain at your disposal should you require any further information.

Yours sincerely,

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