



10 April 2026

Call to swiftly implement the recast UWWTD to protect public health, the environment and Europe's competitiveness

Dear Member of the European Parliament,

CEMR, Aqua Publica Europea, EurEau and SGI Europe, representing Europe's cities and regions, drinking water and wastewater operators, and services of general interest call on you to **reject any initiative to suspend or delay the implementation of the recast Urban Wastewater Treatment Directive (UWWTD)**, and instead to **support its requirements and innovative tools for better protecting public health and the environment**. This includes **the Extended Producer Responsibility (EPR) mechanism**, as agreed by the co-legislators.

Reasons

Water supply and sanitation are essential services

Access to safe and affordable water and sanitation services is a human right. Well-functioning and resilient water services are the foundations for a competitive European economy. This is why the European Union considers water operators to be critical entities¹ and essential to **maintaining vital societal functions**².

Wastewater operators protect human health and the environment

The recast UWWTD responds to the co-legislators' desire to further **reduce the pollution of our water bodies through the implementation of a new treatment step to remove micropollutants from urban wastewater (quaternary treatment)**, and implement the One-Health approach. Substances from two product groups - pharmaceuticals and cosmetics – have been identified as the main contributors to the overall micropollutant load in urban wastewater³.

Implementing the Polluter-Pays Principle

Removing micropollutants from urban wastewater is not currently a requirement for European urban wastewater treatment plants (UWWTPs) and will require costly upgrades to the plants. Co-legislators agreed to include the implementation of the **polluter-pays principle** among the objectives of the Directive. This principle is

¹ Directive 2022/2557 on the resilience of critical entities.

² Preparedness Union strategy.

³ Impact Assessment accompanying Commission proposal for recast UWWTD.

enshrined in the EU Treaty (Article 191(2)) and is a fundamental pillar of EU environmental legislation. It has also been recommended by the European Court of Auditors⁴. It is not a punitive measure. Its main purpose is to shift the financial burden of environmental protection from the public sector to the polluters. It ensures that industries internalise the cost of pollution prevention, control and remediation, thereby correcting market failures where environmental degradation is externalised onto society. As such, it promotes sustainable development, as well as research and innovation in less polluting products.

The UWWTD introduces an EPR scheme for producers placing pharmaceutical and cosmetic products on the EU market; these producers will pay at least 80% of the quaternary treatment costs. This ensures that **local businesses, farmers and private households will not bear the full financial burden of the additional treatment**, although they may still have to cover up to 20% of the overall quaternary treatment costs, even if they are not the source of micropollutant emissions.

The UWWTD includes tools to protect EU pharmaceuticals (including generics) and cosmetics producers

During the European Parliament debate on 25 March 2026, several Members of Parliament emphasised the need to protect critical and generic medicines in particular. While we fully support this, we question the potential threat of the UWWTD.

Several MEPs expressed concern during the debate that the UWWTD would force pharmaceutical producers out of Europe. However, in order to protect EU production, contributions to the EPR scheme are based on products placed on the market. This includes **all EU and non-EU cosmetics and pharmaceutical producers, whether their products are manufactured in an EU Member State or outside the EU**. Therefore, production sites in Europe will not be at a disadvantage, while the competitiveness of local companies will be safeguarded.

Furthermore, the EU already relies heavily on imports of active pharmaceutical ingredients (APIs). It is estimated that around **80%** of all APIs and intermediate substances used in EU/EEA medicines are sourced outside the EU⁵. Additionally, a significant proportion of Europe's finished pharmaceutical market is served by non-EU manufacturing. According to trade data and industry analysis, roughly 30–35% of medicines consumed in the EU/EEA are produced outside the EU⁶. Furthermore, Eurostat data indicates that a substantial proportion (30–40%) of critical medicines consumed in the EU/EEA are manufactured outside the EU⁷. Clearly, the process of shifting production outside the EU had been ongoing for years prior to the UWWTD.

The Critical Medicines Act, adopted by the European Parliament on 20 January 2026, includes measures to reduce EU dependency on third countries and boost the competitiveness of its pharmaceutical sector. These measures include targeted financial

⁴ [Special Report. The Polluter Pays Principle: Inconsistent application across EU environmental policies and actions. European Court of Auditors. 2021.](#)

⁵ [STUDY Requested by the ENVI Committee - Potential measures to facilitate the production of active pharmaceutical ingredients \(APIs\)](#)

⁶ [International trade in medicinal and pharmaceutical products - Statistics Explained – Eurostat](#)

⁷ [International trade in medicinal and pharmaceutical products - Statistics Explained – Eurostat](#)

incentives, simplified administrative processes and better Union-level coordination. The Act also calls for the highest social, health and environmental standards to be upheld when implementing these measures.

It is important to note that the UWWTD allows **adjustments to be made to the formula for calculating EPR contributions in order to mitigate the impact on generics**. According to Article 9.3(c), producers' contributions should be determined based on the quantity and hazardousness of substances in products placed on the market as present in urban wastewater. Member States have discretion over how to set the formula for allocating costs, provided quantity and hazardousness are included.

Price setting for water services is highly regulated

The pricing of medicines, particularly generics, is subject to strict regulation. The same applies to water services. In Europe, water services are usually the responsibility of local entities, and it is always the competent public authority that defines the water tariff (if tariffs are applied). Furthermore, in many countries, water services are not permitted to make a profit by law, and where they are, profits often need to be reinvested in the services. It is worth noting that the EU⁸ has identified an investment gap of €23 billion per year in order to implement existing water legislation (not including the revised Drinking Water Directive 2020/2184 or the revised UWWTD).

Abolishing EPR means punishing local businesses, in particular in rural areas

Given their very difficult financial situation across the EU, municipalities do not have the resources to finance quaternary treatment. Therefore, the costs will be passed on to users of water services. Available data show that quaternary treatment will cost more per m³ in smaller UWWTPs than in larger ones. Users in rural areas already pay higher tariffs than those in larger urban areas. This situation would worsen, putting local businesses and farmers at an increasing competitive disadvantage. This is why Copa-Cogeca, IFOAM and FIEC call for the implementation of EPR in the UWWTD (see attached).

Should we 'stop the clock' to reassess the EPR rules?

The current debate on the costs of EPR is unlikely to provide clarity. Different studies using different methodologies will produce different results. Furthermore, there is considerable confusion surrounding best- and worst-case scenarios, initial versus final costs in 2045, and investment versus depreciation costs. **The only way to ensure a fair and balanced system is to implement EPR and adjust it where necessary based on initial experience.**

A 'stop the clock' approach would also create further legal uncertainty for the pharmaceutical and cosmetics industries. The fastest way to provide legal certainty for

⁸ [Water Resilience Strategy](#)

these industries and all other affected parties is to implement EPR quickly and efficiently and establish producer responsibility organisations.

The recast UWWTD contains all necessary tools to allow for flexibility in the implementation of the EPR:

- ~ **Article 9** requires producers of pharmaceuticals cosmetics placed on the market to have EPR by 31 December 2028. By then, the financing of EPR will need to be ensured and, hence, detailed data on costs for the first year(s) will have been collected. In other words, **transparent and verifiable data** will be available. In the first years of implementation, EPR costs will be limited, as only 20% of the bigger UWWTPs and 10% of the smaller ones will require quaternary treatment by end of 2033. Corrective measures can be taken at that stage. Moreover, **Article 23** asks Member States to establish national implementation programmes, which shall include the identification and planning of investments required to implement this Directive, by 1 January 2028. Hence, estimates on quaternary treatment cost will be available in early stages of the implementation.
- ~ **Articles 8 and 18** offer a powerful incentive to develop more environmentally friendly cosmetics and pharmaceuticals with similar effectiveness over the next years and decades. In the long run, thousands of smaller UWWTP will not need to be equipped with quaternary treatment, if an assessment shows that there is no risk from micropollutants for the aquatic environment and public health. This flexible approach enables the producers concerned to reduce their contributions to the EPR system.
- ~ **Recital 21** requires Member States to take the possible impacts of EPR on the accessibility, availability and affordability of products, in particular medicines into consideration.
- ~ **Article 30** requires the Commission to analyse the possible need to adapt the list of products to be covered by EPR taking into account improved knowledge on micropollutants in urban wastewater, their impacts on the environment and public health, and data resulting from the monitoring obligations by 31 December 2033. This will take place at a moment when the costs to be covered by EPR will still be low, as mentioned above. Corrective measure can be taken based on real-life experience. Furthermore, **Recital 20** requires the Commission to evaluate regularly whether other products should be included in the EPR system.
- ~ **Recital 3** authorises Member States to add more sectors to their national EPR scheme.

What would be the impact of stopping the clock?

With a stop-the-clock, the Parliament will trigger the worst-case scenario for UWWTPs and local businesses, and create economic and social injustice. It would also undermine Europe's competitiveness by introducing regulatory uncertainty at a moment when operators, technology providers and investors are already mobilising resources to support the transition.

Local and regional governments and larger UWWTP are already planning their investments to ensure the continuity of these services of general interest. Stopping the clock now would see this preparatory work wasted amid substantial regulatory and financial uncertainty, thus undermining the efficient use of public funds.

As the wastewater treatment process needs to be planned in a holistic manner, other investments in secondary and tertiary treatment, nutrient recovery and renewable energy generation, all of which are vital to strengthen Europe's strategic autonomy, would also need to be suspended.

Water treatment technology providers and construction companies trusting in a stable long-term framework **would be left in limbo** as to whether they should expend their production capacities and invest in innovative solutions.

The Parliament voted in favour of quaternary treatment and should not abandon the wastewater sector now

On 26 March 2026, the Parliament held a plenary vote to adopt the **revised Water Framework Directive (WFD)**. This was also a vote in favour of quaternary treatment, as the new Environmental Quality Standards (EQS) cannot be achieved without additional wastewater treatment. This is particularly true for the nine pharmaceutical substances for which EQS have been set. A stop-the-clock could result in quaternary treatment being suspended through the UWWTD. However, as Member States must comply with the WFD and the EQS for pharmaceutical substances can only be achieved through quaternary treatment, it is likely that they will impose such treatment through the operational permits of UWWTPs. Nevertheless, there will be no funding available to upgrade the plants.

As previously mentioned, quaternary treatment is usually more expensive per m³ in smaller UWWTPs. If EPR is suspended, municipalities may be unable to take on the financing, meaning the costs would be passed on to users of water services. This would put local businesses and farmers at an increasing competitive disadvantage.

At the same time, feedback from water service providers indicates that quaternary treatment would only need to be implemented in many small rural UWWTPs to meet the **EQS for one generic substance: diclofenac**. In other words, if EPR is suspended or abolished, the **financial burden of setting up quaternary treatment would fall on local businesses and farmers while diclofenac producers would not contribute**. This would remove the incentive to develop less harmful alternatives and perpetuate the need for costly quaternary treatment for decades.

The way forward

The European wastewater sector is strongly committed to applying the demanding requirements of the recast UWWTD and to enhancing the protection of public health and the environment. We expect all societal actors to do the same. Let us implement the Directive and assess its real impact on medicines and cosmetics producers, as stated in the directive. If corrections are necessary, they should be agreed quickly and the

inclusion of additional sectors should be considered. This procedure is already foreseen in the Directive and will take place at a time when only a fraction of UWWTP need to be equipped with micropollutant removal and EPR costs are still low.

Yours sincerely,

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