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Fitness check of the Polluter Pays Principle application to the environment

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Introduction

The polluter pays principle (PPP) should be implemented in EU environmental policies, as set out in Article 191(2) of the Consolidated Version of the Treaty on the Functioning of the European Union <u>EUR-Lex-12008E191 - EN (europa.eu)</u>.

The PPP requires polluters to pay for the measures they take to stop pollution happening and for the pollution they cause. Implementing the principle provides an incentive to avoid damaging the environment at source and makes polluters responsible. For example, does an industrial operator pay for pollution abatement systems and risk management systems, and does that operator pay for remediation of any environmental damage that does occur, or for any costs to society of pollution? What is at stake therefore is environmental effectiveness, economic efficiency and a just transition that minimises social inequalities resulting from impacts on and policies for the environment and in which measures to protect the environment are implemented in a socially fair and inclusive way.

The European Court of Auditors has concluded that the PPP[1] is reflected and implemented to varying degrees in EU environmental policies and its coverage and implementation is therefore incomplete. Following up on the Court's recommendation, the Commission announced in its Zero pollution action plan that it would prepare a 'recommendation on how to better implement the polluter pays principle on the basis of a fitness check in 2024'.

The fitness check will consider whether EU and national policies ensure polluters bear the cost of measures to prevent, control and remedy pollution. It covers aspects such as the use of market-based instruments by the EU and the EU Member States, indirectly paying the polluter through environmentally harmful subsidies or possibly failing to implement the PPP in the context of EU funds, how environmental liabilities are dealt with and the use of pricing in policies.

The objective of this public consultation is to collect stakeholders' views — along with any evidence they might provide — on the implementation of the PPP in the EU, what is working well and not so well, and the EU added value of its implementation.

[1] ECA (2021). Special Report 12/2021.

About you

English
Estonian
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French
German
Greek
Hungarian
Irish
Italian
Latvian
Lithuanian
Maltese
Polish
Portuguese
Romanian
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Slovenian
Spanish
Swedish
*I am giving my contribution as
Academic/research institution
Business association
Company/business
Consumer organisation
EU citizen
Environmental organisation
Non-EU citizen
Non-governmental organisation (NGO)

*Language of my contribution

Bulgarian

Croatian

Czech

Danish

Dutch

Public authority		
Trade union		
Other		
* First name		
Axel		
*Surname		
STEINSBERG		
*Email (this won't be published)		
axel.steinsberg@wko.at		
*Organisation name		
255 character(s) maximum		
Austrian Federal Economic Chamber (WKO)		
*Organisation size		
Micro (1 to 9 employees)		
Small (10 to 49 employees)		
Medium (50 to 249 employees)		
Large (250 or more)		
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	Albania	0	Dominican	0	Lithuania	Saint Vincent
			Republic			and the
						Grenadines
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	American Samoa		Egypt	0	Macau	San Marino
	Andorra		El Salvador		Madagascar	São Tomé and
						Príncipe
	Angola	0	Equatorial Guinea	3 [©]	Malawi	Saudi Arabia
0	Anguilla		Eritrea		Malaysia	Senegal
0	Antarctica		Estonia		Maldives	Serbia
	Antigua and		Eswatini		Mali	Seychelles
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	Argentina	0	Ethiopia	0	Malta	Sierra Leone
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	Benin		Gibraltar		Morocco	Sudan
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0	Bhutan		Greenland	0	Myanmar/Burma	Svalbard and
						Jan Mayen
	Bolivia		Grenada		Namibia	Sweden

	Bonaire Saint Eustatius and Saba		Guadeloupe	0	Nauru	0	Switzerland
0	Bosnia and Herzegovina	0	Guam	0	Nepal	0	Syria
0	Botswana	0	Guatemala	0	Netherlands	0	Taiwan
0	Bouvet Island		Guernsey		New Caledonia	0	Tajikistan
0	Brazil		Guinea		New Zealand	0	Tanzania
0	British Indian Ocean Territory	0	Guinea-Bissau	0	Nicaragua	0	Thailand
0	British Virgin Islands	0	Guyana	0	Niger	0	The Gambia
0	Brunei		Haiti		Nigeria	0	Timor-Leste
0	Bulgaria		Heard Island and	0	Niue	0	Togo
			McDonald Islands	3			
0	Burkina Faso		Honduras	0	Norfolk Island	0	Tokelau
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0	Cambodia		Hungary		North Korea	0	Trinidad and
							Tobago
0	Cameroon		Iceland		North Macedonia	0	Tunisia
0	Canada		India	0	Norway	0	Türkiye
0	Cape Verde		Indonesia		Oman	0	Turkmenistan
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							Caicos Islands
0	Central African		Iraq		Palau	0	Tuvalu
	Republic						
0	Chad		Ireland		Palestine	0	Uganda
0	Chile		Isle of Man		Panama	0	Ukraine
0	China		Israel	0	Papua New	0	United Arab
					Guinea		Emirates
0	Christmas Island		Italy	0	Paraguay	0	United Kingdom
0	Clipperton		Jamaica		Peru	0	United States

0	Cocos (Keeling)	Japan	0	Philippines	0	United States
	Islands					Minor Outlying
						Islands
	Colombia	Jersey		Pitcairn Islands		Uruguay
	Comoros	Jordan	0	Poland	0	US Virgin Islands
0	Congo	Kazakhstan		Portugal	0	Uzbekistan
0	Cook Islands	Kenya		Puerto Rico	0	Vanuatu
0	Costa Rica	Kiribati		Qatar	0	Vatican City
0	Côte d'Ivoire	Kosovo		Réunion	0	Venezuela
0	Croatia	Kuwait		Romania	0	Vietnam
0	Cuba	Kyrgyzstan		Russia	0	Wallis and
						Futuna
0	Curaçao	Laos		Rwanda	0	Western Sahara
0	Cyprus	Latvia		Saint Barthélemy		Yemen
0	Czechia	Lebanon		Saint Helena	0	Zambia
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				Tristan da Cunha		
0	Democratic	Lesotho		Saint Kitts and	0	Zimbabwe
	Republic of the			Nevis		
	Congo					
0	Denmark	Liberia		Saint Lucia		

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. Fo r the purpose of transparency, the type of respondent (for example, 'business association, 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published. Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

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The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

- I agree with the personal data protection provisions
- 1. Are you familiar with the polluter pays principle?
 - I have never heard about the polluter pays principle before this survey
 - I have only a general idea of what the polluter pays principle means
 - I am familiar with the polluter pays principle
- 2. How familiar are you with the implementation of the polluter pays principle?
 - I have no idea how the principle is implemented
 - I am familiar with its implementation in national legislation only
 - I am familiar with its implementation in at least one piece of the EU environmental legislation
 - I am familiar with its implementation in various pieces of the EU environmental legislation
- 3. How important do you consider it is to ensure that the polluter pays principle is implemented?
 - It is a major priority
 - It is important
 - It is important, but only to a limited degree
 - It is not important

Part 1: effectiveness

4. In your opinion, to what extent do polluters in the following sectors bear the costs for the pollution they are directly responsible for? [Rank from 1 'not at all' to 5 'too large an extent', or select 'don't know']

	1 Not at all	2 Insufficient extent	3 To some extent	4 Sufficient extent	5 Too large an extent	Don't know
Agriculture, forestry and fishing	0	0	•	0	0	0
Mining and quarrying	0	0	0	•	©	0
Manufacturing of food products and beverages	0	0	0	•	0	0
Manufacturing of tobacco products	0	0	0	•	0	0
Manufacture of textiles, wearing apparel, leather and related products	0	0	0	•	0	0
Manufacture of wood, paper and related products	0	0	0	•	0	0
Manufacture of coke and refined petroleum products	0	0	0	•	©	0
Manufacture of chemicals and chemical products incl. pharmaceutical ingredients and products	0	©	•	•	©	0
Manufacture of rubber and plastic products	0	0	0	•	0	0
Manufacture of basic metals and metal products	0	0	0	•	0	0
Manufacture of electronic and electrical equipment	0	0	0	•	0	0
Manufacture of vehicles, transporting and storage	0	0	0	•	0	0
Electricity, gas, steam and air conditioning supply	0	©	0	•	0	0
Water supply; sewerage; waste management and remediation activities	0	0	0	•	0	0
Construction	0	0	0	•	0	0
Wholesale and retail	0	0	0	•	0	0
Non-financial service activities	0	0	0	•	0	0

Financial and insurance activities	0	0	0	•	0	0
Public administration and defence	0	0	0	0	0	•
Other	0	0	•	0	0	0

If other, please specify:

Agriculture is hardly affected of any legal responsibilities such as mandatory approval procedures.

5. In your opinion, to what extent are the following polluter pays principle implementation instruments effective for **preventing/reducing** environmental pollution caused by human activities? [Rank each instrument from 1 'not effective at all ' to 5 'fully effective', or select 'don't know']

	1 Not effective at all	2	3	4	5 Fully effective	Don' t know
Command and control measures (licensing procedures, bans, emission limit values, administrative orders and sanctions)	0	0	0	•	0	0
Market-based/economic instruments (subsidies /feed-in tariffs, taxes, charges, fees, tradable permits and quotas, Payment for Ecosystem Services, liability rules)	0	0	•	0	0	0
Voluntary approaches (voluntary agreements, environmental management systems (e.g. ISO 14001), labelling (e.g. eco-label)	0	0	0	•	0	0
International agreements (i.e. international environmental agreements, and the inclusion of environmental provisions in trade agreements, cooperation agreements and partnerships with third countries)	0	0	0	•	0	0

6. Not all pollution is reduced or stopped. In your opinion, to what extent are the following instruments of the polluter pays principle effective for **remedying** the remaining environmental pollution caused by human activities? [Rank each instrument from 1 'not effective at all' to 5 'fully effective', or select 'don't know']

Command and control law (licensing procedures, bans, emission limit values, administrative orders and sanctions)	•	0	0	•	•	0
Market-based/economic instruments (subsidies /feed-in tariffs, taxes, charges, fees, tradable permits and quotas, Payment for Ecosystem Services, liability rules)	•	0	0	•	0	•
Voluntary approaches (voluntary agreements, environmental management systems (e.g. ISO 14001), labelling (e.g. eco-label)	•	0	0	•	0	0
International agreements (i.e. international environmental agreements, and the inclusion of environmental provisions in trade agreements, cooperation agreements and partnerships with third countries)	•	0	0	•	0	0

7. In your opinion, what are the most important obstacles to ensure that polluters pay for the pollution they are responsible for? [Rank from 1 'not important' to 5 'very important', or select 'don't know']

	1 Not important	2 Slightly important	3 Moderately important	4 Important	5 Very important	Don' t know
The polluter pays principle is implemented by the most polluting industrial installations, but not by all	0	•	0	0	0	0
Public funds are used to support pollution prevention and control actions instead of the polluter paying for them	0	•	0	0	0	0
Public funds are used for pollution remediation activities even though the polluters are known, exist, and could be made liable	0	•	0	0	0	0
National authorities fail to enforce environmental legislation and to make the polluters pay	0	0	0	•	0	0
Industrial installations are not liable for environmental damage (because it is not captured by national liability rules or by the EU's Environmental Liability Directive)	•	0	0	0	0	0
The polluter pays principle is implemented only partially, as polluters are not required to meet the cost to society of the impact of residual pollution (i.e. pollution that stays within legal requirements)	•	0	0	0	0	0
The price of products and services does not fully reflect (internalise) the environmental damage (externalities) of the products and services' lifecycles	0	•	0	0	0	0
It is difficult to identify the polluters and make them accountable when the pollution originates from diffuse sources (sources that are hard to trace)	0	0	0	•	0	0
EU Member States supplement the income or lower the costs of consumers and producers in the form of subsidies which results in increasing negative environmental impacts (environmentally harmful subsidies)	0	•	0	0	0	0

Concerns about competitiveness of the EU versus non-EU countries implementing the principle differently, potentially leading to relocation of production (and associated pollution) outside the EU	0	•	•	•	•	0
Concerns about competitiveness between EU countries implementing the principle differently	0	0	©	•	0	0
Concerns about the social impact (e.g., on vulnerable households) of implementing the principle more fully	0	0	0	0	•	0
Lack of political willingness to introduce and enforce implementation of the principle	0	•	0	0	0	0

- 8. In your opinion, are there other factors that may have hindered the effective implementation of the polluter pays principle and prevented it from fully meeting its objectives?
 - Feasibility to calculate relevant costs / definition of system boundaries: costs should be calculated in a fair and thorough way
 - Allocation and distribution of costs of pollution between polluters regarding the
 - whole life cycle (producer/producer; producer/trader/customer (use-phase)/disposal etc.)
 - Lack of differentiation between officially approved, authorized pollution (BREF documents, compliance with environmental quality standards, EU vehicle emissions) and illegal pollution by breaking the law
 - Integration of non-EU-pollution in the PPP to avoid, that EU-market participants are favoured, when they outsource polluting production outside the EU and therefore produce at far lower prices than market participants underlying the full EU-PPP approach.
 - Over-burdening of new or up-to-revision EU legislative acts: so far, IED has been focusing mainly on environmental issues such as air, water and soil; the extension of BREFs to climate protection and circularity is on the one hand obsolete because of many EU legislative acts covering those issues being relevant for IED installations, too; on the other hand, the contradictions arising of too many environmental issues covered all-in-one may lead to a worse environmental performance than before by at the same time over-burdening affected industry sectors and BREF authorities.

Part 2: efficiency

9. In your opinion, does the implementation of the polluter pays principle cause disproportionate costs to operators and consumers? Please rate your level of agreement or disagreement with the following statements (rate from 1 'completely disagree' to 5 'completely agree', or select 'don't know']

	1 Completely disagree	2 Mostly disagree	3 Neither agree nor disagree	4 Mostly agree	5 Completely agree	Don't know
The implementation of the polluter pays principle has led to disproportionate costs in the production of products and the provision of services by EU companies	0	0	0	•	0	0
The implementation of the polluter pays principle has led to disproportionately high prices of products and services for EU consumers	0	0	0	•	0	0
The costs of the implementation of the polluter pays principle has negatively impacted the profitability and competitiveness of EU companies vs their competitors	0	0	0	0	•	0

If y	ou wish, please provide examples.						
	PPP has been addressed by EU law for decades mainly hardly to consumers et al.	towards bu	siness	and inc	dustry,		
	Product policy: the latest EU legislation or pending propolifie cycle and supply chain may very probably contradict or produce cumulated costs and red tape: supply chain legackage, green claims, eco-design, carbon removal cert products etc.	each other aw, green e	already empower	/ at EU erment			
<u>Par</u>	t 3: relevance						
	In your opinion, to what extent does the inciple contribute to the achievement of the	•			•	•	•
Gr	een Deal? [Please rate from 1 'not at all' to	5 'full e	extent	i', or s	selec	t 'don't k	now']
		1 Not at all	2	3	4	5 Full extent	Don't know
	A zero-pollution ambition for a toxic-free environment	•	0	0	0	0	0

10. In your opinion, has the polluter pays principle been implemented to the

detriment of some social groups?

Preserving and restoring ecosystems and

A fair, healthy and environmentally friendly food

biodiversity

system

Yes

[◎] No

In part

Don't know

0

0

Accelerating the shift to sustainable and smart mobility	0	0	•	0	0	0
Building and renovating in an energy and resource efficient way	0	0	•	0	0	0
Mobilising industry for a clean and circular economy	0	0	0	•	0	0
Supplying clean, affordable and secure energy	0	0	•	0	0	0
Increasing the EU's Climate ambition for 2030 and 2050	0	0	0	•	0	0
Just transition and leaving no one behind	0	0	•	0	0	0

12. In your opinion, is the implementation of the polluter pays principle in the EU acquis adequate to tackle new or emerging environmental issues and changes in technology (i.e. issues that are not yet generally recognised but potentially having a major impact on human wellbeing and the environment, such as new materials and new production methods, or the increasing use of digital tools)?

- Adequate
- Neither adequate nor inadequate
- Inadequate
- Don't know

Part 4: coherence

13. In your opinion, is the polluter pays principle coherently and consistently implemented in the following areas? [Please rate your answer from 1 'completely disagree' to 5 'completely agree', or select 'don't know']

	1 Completely disagree	2 Mostly disagree	3 Neither agree nor disagree	4 Mostly agree	5 Completely agree	Don't know
Across environmental policies and mechanisms at the EU level	0	©	0	•	0	0
Across environmental policies and mechanisms at the Member State level	0	•	0	•	0	0
Across relevant policies (e. g., agriculture, transport, trade) and strategies at the EU level	0	•	•	0	•	0

Across relevant policies (e. g., agriculture, transport, trade) and strategies at the Member State level	•	•	•	•	•	0
Across trade agreements	0	0	•	0	0	0

14. In your opinion, what is the impact of the EU implementation of the polluter pays principle outside the EU? [Please rate your answer from 1 'very negative' to 5 'very positive', or select 'don't know']

	1 Very negative	2 Negative	3 Neither positive nor negative	4 Positive	5 Very positive	Don't know
Impact on the competitiveness of EU industries vs non-EU industries	0	•	0	0	0	0
Impact on environmental legislation in other developed world regions	0	0	•	•	0	0
Impact on environmental legislation in least-developed countries	0	0	•	0	0	0

Part 5: EU added value

15. In your opinion, to what extent have EU requirements led to your Member State implementing the polluter pays principle in its policies?

- To a large extent
- To a limited extent
- Not at all
- Don't know

16. Market based instruments on Member State level are one approach to implement the polluter pays principle to pollution. Are there cases where you consider the polluter pays principle would have better been implemented through an EU level market based instrument (such as taxes, charges, fees, tradable permits and quotas, Payment for Ecosystem Services)? Please explain your answer below, possibly pointing to specific examples.

the	ease provide any other comment or suggestion you would like to share regarding evaluation of the implementation of the polluter pays principle in the EU gislation.
	- The PPP should be implemented in a balanced way by not putting burden on one of more polluters, only (such as littering costs for plastic waste being allocated to the producer, only, whereas the real polluter in such a case is the consumer, mostly – based on the EU Single-Use Plastics Directive) - all relevant stakeholders are to be included by shared responsibility - Not any pollution is fit for PPP application - Costs should be calculated in a fair and thorough way with feasible and relevant costs, only, defining system boundaries (versus including "all" costs).

Please upload a document if you wish to share a more extensive contribution or any background materials that will help us to understand your answers. [Please note the maximum file size is 1 MB, however, multiple files may be uploaded].

Please upload your file(s)

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

468ddb89-d3dd-4eeb-beb9-9b18e1761262/230803_PPP_V07_WKO_Position_Paper_EN.pdf

Contact

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