Fitness check of the Polluter Pays Principle application to the environment

Fields marked with * are mandatory.

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 -</u> <u>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 <u>Zero pollution action plan</u> 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

*Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- 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)

- Public authority
- Trade union
- Other

* First name

Sophie

*Surname

Redon

* Email (this won't be published)

sre@iogp.org

*Organisation name

255 character(s) maximum

IOGP Europe

*Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the <u>transparency register</u>. It's a voluntary database for organisations seeking to influence EU decision-making.

3954187491-70

* Country of origin

Please add your country of origin, or that of your organisation.

This list does not represent the official position of the European institutions with regard to the legal status or policy of the entities mentioned. It is a harmonisation of often divergent lists and practices.

- Afghanistan
- Djibouti
- Libya
- Åland Islands
 Dominica
- Liechtenstein
- Saint Martin
- Saint Pierre and Miquelon

Albania	Dominican Republic	Lithuania	Saint Vincent and the Grenadines
Algeria	Ecuador	Luxembourg	Samoa
American Samoa	a [©] Egypt	Macau	San Marino
Andorra	El Salvador	Madagascar	São Tomé and
Annala		Malawi	Príncipe
Angola	Equatorial Guine		Saudi Arabia
Anguilla	Eritrea	Malaysia	Senegal
Antarctica	Estonia	Maldives	Serbia
Antigua and	Eswatini	Mali	Seychelles
Barbuda			
Argentina	Ethiopia	Malta	Sierra Leone
Armenia	Falkland Islands	Marshall Islands	
Aruba	Faroe Islands	Martinique	Sint Maarten
Australia	Fiji	Mauritania	Slovakia
Austria	Finland	Mauritius	Slovenia
Azerbaijan	France	Mayotte	Solomon Islands
Bahamas	French Guiana	Mexico	Somalia
Bahrain	French Polynes	a [©] Micronesia	South Africa
Bangladesh	French Souther	n [©] Moldova	South Georgia
	and Antarctic		and the South
	Lands		Sandwich
			Islands
Barbados	Gabon	Monaco	South Korea
Belarus	Georgia	Mongolia	South Sudan
Belgium	Germany	Montenegro	Spain
Belize	Ghana	Montserrat	Sri Lanka
Benin	Gibraltar	Morocco	Sudan
Bermuda	Greece	Mozambique	Suriname
Bhutan	Greenland	Myanmar/Burma	\mathfrak{a}° Svalbard and
		,	Jan Mayen
Bolivia	Grenada	Namibia	© Sweden

Bonaire Saint Eustatius and Saba	۲	Guadeloupe	0	Nauru	0	Switzerland
Bosnia and Herzegovina	0	Guam	0	Nepal	0	Syria
Botswana	\bigcirc	Guatemala	۲	Netherlands	۲	Taiwan
Bouvet Island	۲	Guernsey	۲	New Caledonia	۲	Tajikistan
Brazil	۲	Guinea	۲	New Zealand	۲	Tanzania
British Indian Ocean Territory	0	Guinea-Bissau	٢	Nicaragua	٢	Thailand
British Virgin Islands	0	Guyana	٢	Niger	٢	The Gambia
Brunei	۲	Haiti	0	Nigeria	0	Timor-Leste
Bulgaria	0	Heard Island and McDonald Islands		Niue	۲	Togo
Burkina Faso	0	Honduras	0	Norfolk Island	0	Tokelau
Burundi	۲	Hong Kong	0	Northern	0	Tonga
				Mariana Islands		
Cambodia	0	Hungary	0	North Korea	0	Trinidad and
	_		_		_	Tobago
Cameroon	0	Iceland	0	North Macedonia	0	Tunisia
Canada	0	India	0	Norway	0	Türkiye
Cape Verde	0	Indonesia	0	Oman	0	Turkmenistan
Cayman Islands	0	Iran	0	Pakistan	0	Turks and
-	_		_		_	Caicos Islands
Central African Republic	0	Iraq	0	Palau	0	Tuvalu
Chad	۲	Ireland	۲	Palestine	۲	Uganda
Chile	۲	Isle of Man	0	Panama	0	Ukraine
China	\bigcirc	Israel	۲	Papua New	۲	United Arab
				Guinea		Emirates
Christmas Island	0	Italy	0	Paraguay	0	United Kingdom
Clipperton	0	Jamaica	0	Peru	0	United States

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

* Contribution publication privacy settings

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	۲
Mining and quarrying	0	0	0	۲	0	0
Manufacturing of food products and beverages	0	O	0	0	0	۲
Manufacturing of tobacco products	0	0	0	0	0	۲
Manufacture of textiles, wearing apparel, leather and related products	۲	0	O	0	0	۲
Manufacture of wood, paper and related products	۲	0	O	0	0	۲
Manufacture of coke and refined petroleum products	۲	0	0	0	۲	0
Manufacture of chemicals and chemical products incl. pharmaceutical ingredients and products	0	0	0	O	O	۲
Manufacture of rubber and plastic products	0	0	۲	0	0	0
Manufacture of basic metals and metal products	0	O	0	0	0	0
Manufacture of electronic and electrical equipment	0	0	0	0	0	0
Manufacture of vehicles, transporting and storage	۲	0	O	0	0	٢
Electricity, gas, steam and air conditioning supply	0	0	0	0	۲	0
Water supply; sewerage; waste management and remediation activities	0	0	0	۲	O	۲
Construction	0	0	۲	0	0	۲
Wholesale and retail	0	0	۲	0	۲	۲
Non-financial service activities	0	۲	0	0	0	۲

Financial and insurance activities		0	0	0	0	۲
Public administration and defence	0	0	0	0	0	۲
Other		0	0	0	0	۲

If other, please specify:

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	۲	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	۲	0	0	0
Voluntary approaches (voluntary agreements, environmental management systems (e.g. ISO 14001), labelling (e.g. eco-label)	0	۲	0	۲	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)	O	0	۲	0	O	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']

	1 Not effective at all	2	3	4	5 Fully effective	Don' t know
--	---------------------------------	---	---	---	-------------------------	-------------------

Command and control law (licensing procedures, bans, emission limit values, administrative orders and sanctions)	0	0	۲	0	0	۲
Market-based/economic instruments (subsidies /feed-in tariffs, taxes, charges, fees, tradable permits and quotas, Payment for Ecosystem Services, liability rules)	0	۲	0	0	O	0
Voluntary approaches (voluntary agreements, environmental management systems (e.g. ISO 14001), labelling (e.g. eco-label)	0	۲	0	0	0	۲
International agreements (i.e. international environmental agreements, and the inclusion of environmental provisions in trade agreements, cooperation agreements and partnerships with third countries)	۲	۲	0	0	۲	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	0
Public funds are used to support pollution prevention and control actions instead of the polluter paying for them	0	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	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	O	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	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	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	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	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	0	0	0	
Concerns about competitiveness between EU countries implementing the principle differently	0	O	0	0	O	O
Concerns about the social impact (e.g., on vulnerable households) of implementing the principle more fully	0	0	0	0	0	O
Lack of political willingness to introduce and enforce implementation of the principle	0	0	0	0	0	O

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?

Due to the complexity of the impact of pollution on health and the environment and of the implementation of the PPP, it appears to us that the main challenges to overcome are the identification of the polluter and its contribution to the pollution at stake and the assessment of the compensation/ penalties.

Other topics that could be potentially identified:

- Need for legal clarity aligned with to EU allowances: Does payment of a permit for a certain amount of pollution to states or authorities, do not remove eternal obligations for that pollution?

- Lack of clarity in determining the type of cost (preventive / monitoring / produced / type of restoration)

- Insufficient alignment with Extended Producer Responsibility creates risks or double (or more) compensation liabilities, extent of duration of polluter responsibility and lack of clarity on ability to move liability between parties

- Lack of legal clarity on the causal link liability between the cause of the pollution and the responsible for it

- Lack of coordination between the application of this principle in the different legislations regulating pollution (e.g Industrial Emissions Directive)

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	۲	O	O
The implementation of the polluter pays principle has led to disproportionately high prices of products and services for EU consumers	0	0	0	۲	0	۲
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	۲	0	0

10. In your opinion, has the polluter pays principle been implemented to the detriment of some social groups?

- Yes
- No
- In part
- Don't know

If you wish, please provide examples.

In a number of cases implementation of the PPP does not provide incentives to avoid damaging the environment due to the lack (or limited possibility) to improve environmental impact of some installations – e. g. old coal-fired heating plants providing heat to urban residents. Given the lack of an alternative heat suppliers in the area (most common case) and inability to finance new installations with less environmental impact, increasing the environmental requirements with regard to such an installation will only result in higher prices for heat supplied to consumers or bankruptcy of the company. Given the above, it is crucial to provide EU financial support to critical entities providing services essential for the maintenance of vital societal functions – e.g. district heating sector.

Moreover, excessive environmental requirements for EU companies and lack of level playing field outside the European Union can lead to relocation or replacement of industrial activities from the EU to third countries. CBAM designed to reduce risk of carbon leakage applies to limited number of sectors and covers only GHG emissions, while EU entities are subject to additional environmental requirements – e.g. pollution arising from industrial activities. Only by providing level playing field for the EU industry and the industry from third countries, it can be ensured that industrial activity is not transferred from the EU to third countries with lower emission ambitions and pollution reduction and EU products are not replaced by more carbon-intensive imports. Otherwise, global emissions and pollution would increase while EU's economic position would be weakened.

Part 3: relevance

11. In your opinion, to what extent does the implementation of the polluter pays principle contribute to the achievement of the following objectives of the European Green Deal? [Please rate from 1 'not at all' to 5 'full extent', or select 'don't know']

	1 Not at all	2	3	4	5 Full extent	Don't know
A zero-pollution ambition for a toxic-free environment	0	\bigcirc	\bigcirc	۲	0	0
Preserving and restoring ecosystems and biodiversity	O	0	0	۲	0	۲
A fair, healthy and environmentally friendly food system	O			0	0	۲

Accelerating the shift to sustainable and smart mobility	0	0	0	0	0	۲
Building and renovating in an energy and resource efficient way	0	0	0	0	0	۲
Mobilising industry for a clean and circular economy	0	۲	0	۲	0	۲
Supplying clean, affordable and secure energy	0	۲	۲	۲	0	0
Increasing the EU's Climate ambition for 2030 and 2050	0	0	0	0	0	۲
Just transition and leaving no one behind	0	۲	۲	۲	0	۲

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	۲	0	O
Across environmental policies and mechanisms at the Member State level	0	0	0	0	0	۲
Across relevant policies (e. g., agriculture, transport, trade) and strategies at the EU level	0	0	0	۲	0	0

Across relevant policies (e. g., agriculture, transport, trade) and strategies at the Member State level	0	O	O	0	0	۲
Across trade agreements	O		0	0	\odot	۲

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	۲	O	O	O	0
Impact on environmental legislation in other developed world regions	0	0	©	O	O	۲
Impact on environmental legislation in least-developed countries	0	0	O	©	O	۲

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.

For example, in Poland polluter pays principle is applied in the form of fees for standard exploitation of the environment (e.g. emissions from industrial installations complying with legal standards) and penalties are imposed for excessive environmental impacts. A separate system, compliant with EU regulations, has been in place with regard to GHG emissions. Such combination comprehensively regulates the responsibility of business entities for the use of the environment and any additional measures would be excessive.

Please provide any other comment or suggestion you would like to share regarding the evaluation of the implementation of the polluter pays principle in the EU legislation.

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

Contact

ENV-CONSULTATION-ON-PPP@ec.europa.eu