



Press Release
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European taxpayers too often have to pay instead of polluters

The polluter pays principle requires that polluters should bear the costs of their pollution. But this is not always the case in the EU, as reported today by the European Court of Auditors (ECA). While the principle is generally reflected in the EU's environmental policies, its coverage remains incomplete and it is applied unevenly across sectors and Member States. As a result, public money – instead of polluters' – is sometimes used to fund clean-up actions, the auditors point out.

In the EU, nearly 3 million sites are potentially contaminated, primarily by industrial activity and waste treatment and disposal. Six in ten bodies of surface water, such as rivers and lakes, are not in good chemical and ecological condition. Air pollution, a major health risk in the EU, also damages vegetation and ecosystems. All of this entails significant costs for EU citizens. The polluter pays principle holds polluters responsible for their pollution and the environmental damage they cause. It is polluters, and not taxpayers, who are supposed to cover the associated costs.

“To deliver the EU's Green Deal ambitions efficiently and fairly, polluters need to pay for the environmental damage they cause”, said Viorel Ștefan, the member of the European Court of Auditors responsible for the report. “Up to now, though, European taxpayers have far too often been forced to bear the costs that polluters should have paid.”

The polluter pays principle is one of the key principles underlying EU environment legislation and policies, but it is applied unevenly, and to differing extents, the auditors found. While the Industrial Emissions Directive covers the most polluting installations, most Member States still do not make industries liable when allowed emissions cause environmental damage. Nor does the Directive require industries to meet the costs of the impact of residual pollution, which runs into the hundreds of billions of euros. Similarly, the EU's waste legislation incorporates the polluter pays principle, for instance through 'extended producer responsibility'. But the auditors note that significant public investments are often needed to bridge the funding gap.

Polluters also do not bear the full costs of water pollution. EU households usually pay the most, even though they consume only 10 % of water. The polluter pays principle remains difficult to apply in the case of pollution originating from diffuse sources, and particularly from agriculture.

The purpose of this press release is to convey the main messages of the European Court of Auditors' special report. The full report is available at eca.europa.eu.

ECA Press

12, rue Alcide De Gasperi – L-1615 Luxembourg

E: press@eca.europa.eu @EUAuditors eca.europa.eu

Very often, the contamination of sites happened so long ago that polluters no longer exist, cannot be identified, or cannot be made liable. This ‘orphan pollution’ is one of the reasons why the EU has had to finance remediation projects that should have been paid for by polluters. What is worse, EU public money has also been used contrary to the polluter-pays principle, for instance when authorities in Member States have failed to enforce environmental legislation and make polluters pay.

Finally, the auditors underline that, where businesses do not have sufficient financial security (e.g. insurance policy covering environmental liability), there is a risk that environmental clean-up costs will end up being borne by taxpayers. To date, only seven Member States (the Czech Republic, Ireland, Spain, Italy, Poland, Portugal and Slovakia) require financial security to be given for some or all environmental liabilities. But at EU level, such guarantees are not mandatory, which in practice means that taxpayers are forced to step in and pay for clean-up costs when a company which has caused environmental damage becomes insolvent.

Background information

A significant proportion of the EU budget is dedicated to achieving the EU’s climate change and environment-related objectives. Over the 2014-2020 period, about €29 billion from the EU’s cohesion policy and the LIFE programme were aimed specifically at protecting the environment.

Special report 12/2021: “The polluter pays principle: inconsistent application across EU environmental policies and actions” is available on the ECA website (eca.europa.eu) in 23 EU languages. This report does not focus on the energy and climate sector, as these topics have been covered in several recent ECA reports, such as a special report on the [EU’s emissions trading systems](#) and a special report on [air pollution](#). Two weeks ago, the ECA also published a report on [climate change and agriculture](#) in the EU. Today’s report, however, is the first time that the polluter pays principle has been examined specifically.

The ECA presents its special reports to the European Parliament and the Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations made in the reports are put into practice.

Press contact

ECA press office: press@eca.europa.eu

- Vincent Bourgeois: vincent.bourgeois@eca.europa.eu - M: (+352) 691 551 502
- Claudia Spiti : claudia.spiti@eca.europa.eu - M: (+352) 691 553 547