

Registered stakeholder ID Nr 59513031434-92

CEEP Position on Policy Options for the Blueprint strategy

Appendix to the on-line answer to the consultation on Policy Options for the
Blueprint to safeguard Europe's waters

EXECUTIVE SUMMARY

- **CEEP regrets that 11 out of 12 issues of the questionnaire refer to water quantity while important challenges for water quality remain unsolved.**
- **To control pollution at source should be better taken into account, particularly from diffuse sources.**
- **The integration of water policy in other policies, particularly agriculture and energy, has still a long way to go.**
- **There is a need for a reliable indicator to distinguish water-stressed river basins from the others and to replace the Water Exploitation Index.**
- **Water quantity management is more successful at regional, river-basin level. The EU level should develop a tool box to help regional authorities in their management.**
- **The innovation partnership on water should focus primarily on environmental innovations instead of only pursuing growth aspects.**
- **Efforts to improve the water efficiency in buildings should not consist of a mere transposition of instruments used in the field of energy efficiency, but should be adapted to the specific conditions in the river basin.**
- **The polluter-pays-principle should be better implemented.**
- **Many efforts are still needed to implement Article 9 of the Water Framework Directive on water pricing.**

General Remarks:

CEEP is delighted by the fact that Commissioner Potocnik has endorsed the UN declaration of 2012 “year of water”. Water as precious resource and basis of all kinds of life on earth gets finally the attention and esteem it deserves. CEEP welcomes the intensive consultation process in the run-up to the Blueprint-strategy and the opportunity to discuss policy options with the Commission. The objective of the Blueprint strategy to ensure the availability of fresh water resources in the very long-run (2020 to 2050) is very ambitious but necessary and worth supporting. But given this objective we would like to highlight that we are surprised by the problems identified and the policy choices proposed. The proposed measures do not correspond to all the long-term challenges for fresh water resources in Europe. 11 out of 12 problems refer to water quantity in the first place while problems related to water quality are far from being solved and new challenges arise:

- The current framework is insufficient to deal with the ever growing number of chemicals. The pace of the development of new chemicals makes it practically impossible to evaluate and assess them all before they are placed on the market;
- Climate change could potentially inhibit the risk of intensified pesticide use;
- Pharmaceutical residues in the aquatic environment represent not only an ecological, but rather a social challenge, which deserves a broad debate in society about the acceptable risks linked to our style of living and to demographic aging;
- The boom in biomass production risks reversing the trend of slight extensified agricultural production since the McSherry-reforms 1992.

All these challenges and critical long-term trends deserve a strategic response, which assesses long-term risks and threats and identifies the need for new instruments and possible measures. The Blueprint strategy would be the right place to come up with such a response, but unfortunately these aspects are barely covered by the consultation document.

Furthermore, we fear that the Blueprint strategy will suffer from conceptual deficits which are already visible in the current EU water policy. On the one hand, there is a remaining tension between ambitious water quality targets and lacking/ insufficient measures to control pollution at source. Especially, the EU water policy still lacks a long-term strategic response to challenges linked to fighting pollution from diffuse sources. On the other hand, CEEP accepts that major achievements in the integration of the needs of water protection in other policies are undeniable, but we have undoubtedly still a long way to go until all other sectors and policies affecting water availability and quality make the necessary contribution

to reach the objectives of the water framework directive, especially agriculture and energy. A long-term strategy like the Blueprint should also entail some conceptual reflections on how to better integrate the needs of water protection in other policies, on how to manage trade-offs and how to respond to changing priorities in these sectors (i.e. intensified biomass production as climate change mitigation measure).

Problem 1: Water balances and water efficiency targets

CEEP welcomes the fact that the Commission no longer bases its policies on water quantity on the Water Exploitation Index, given the important shortcomings of this indicator. The development of water balances which include all streams of water (green and blue water) in a river basin seems to be a promising attempt to come to a better indicator, which makes the necessary distinction between consumptive water use and non-consumptive use in the first place. As a first principle, water efficiency policies on European level should only be developed once a reliable indicator clearly sorting out water stressed river basins from non-stressed river basins is available and applicable. As a second principle, these policies should adopt a regional approach and target specifically those regions/ river basins, which are identified as water scarce taking into account the very different availability levels and water allocations in the river basins. Therefore, further guidance to authorities on how to use water accounting and the integration of drought management plans in the water framework directive might be useful, but concrete efficiency targets should only be set as lender of last resort and only in water scarce river basins.

Problem 2: Droughts and water quantity

CEEP accepts that a better integration of quantity aspects into the water framework directive might be regarded as necessary, since the current framework focuses primarily on water quality. Nonetheless, CEEP invites the Commission to adopt a regional approach to the issue of droughts and water scarcity. Even though some river basins may heavily suffer from a lack of water quantity, water quality will certainly remain the major challenge for most river basins in Europe. Any European approach to water quantity should therefore leave the necessary room for regional priority setting. Consequently, CEEP rejects any attempt to develop an one-size-fits all approach to all European regions and river basins. Instead, the Commission should rather pursue a tool box concept, which provides the responsible authorities with the tools they need, be it measures for water demand management, green infrastructures, or the development of new sources of fresh water supply. Therefore, CEEP supports an improved planning in the framework of the water framework directive, an assessment of the possibility of an early warning system and the financial support for preemptive measures through structural funds, but challenges the necessity and proportionality of a drought management directive.

Problem 3: Land use and water protection

CEEP would like to highlight that the link between land use and water protection may be the most important problem identified in the consultation document. We welcome the innovation partnerships on water and on agriculture, since innovations promise to have a huge potential to deal with and to ease trade-offs. We ask the Commission to ensure that in these partnerships not only technologies for intensified production are discussed, but rather environmental innovations in the first place.

CEEP welcomes the proposed greening of the CAP, but emphasizes the necessity to ensure that the standards in the regulations are not weakened through implementing rules. It is especially important, that the proposed ecological focus areas fulfill high standards on intensified production, indeed (i.e. absolutely now growing of energy crops in these areas). The proposed guidance on green infrastructures could have positive effects. It appears worth considering to link this kind of guidance to the article 32 of the direct payments regulation (COM 625/2011) on ecological focus areas.

Biomass production constitutes a new pressure on water resources which is partly triggered by the directive 2009/28 on the promotion of energy from renewable sources. The new incentives granted in many member states to grow energy crops devalue (i.e. through rising lease rates) existing incentives to intensify production, i.e. agro-environmental measures funded through the 2nd pillar of the CAP. Furthermore, the nitrates directive turns out to be outdated, since its nitrogen ceiling only covers manure, but not organic fertilizer from vegetal sources (i.e. digested maize). Therefore, an update of the nitrates directive is absolutely necessary to cover all kinds of land application of nitrogen fertilizers. Furthermore, the funding for agro-environmental measures in the 2nd pillar of the CAP has to be ensured on a level which reflects the new pressures on land use. The proposed new guidance on effective measures by farmers to deliver water quality and quantity should only be developed, when they become part of the cross-compliance rules/ rules on best environmental practices (Art. 10 wfd).

Finally, the rising competition in land use for energy and climate change purposes like CCS, geothermal energy or unconventional gas inhibits potential threats for ground water, which also need a strategic response. The Commission should ensure, that as a minimum the eia-directive has to be applied to all projects with potentials risks for water bodies.

Problem 4: Water efficiency in buildings

Given the low share of public water supply of all water users, CEEP disagrees with the strong focus the Commission puts on the issue of water efficiency of buildings. Since public water supply uses only a very small percentage of available water resources (i.e. 2,7 % in Germany) a tangible solution for water scarce regions will rather be found among the other users.

Furthermore, the list of measures proposed in the consultation document leaves the impression that instruments applied in the field of energy efficiency could easily be transformed into instruments fostering an efficient use of water. CEEP insists that measures to be taken to promote water efficiency should leave room for regionally different solutions in order to correspond to the needs and challenges on the ground. The uniform application of market-placing directives, like the ecodesign-directive, does not allow for the necessary level of differentiation. CEEP therefore asks the Commission to stop plans to apply the ecodesign-directive on water using appliances. Furthermore, any attempts to develop water demand policies on European level have to take into account effects on infrastructure (i.e. hygienic problems due to reduced flows). Under these conditions the Commission should concentrate its activities on facilitating the exchange of best practices. The innovation partnership on water could play an important role, while the Sevilla-process does not seem to be the most suitable forum.

Problem 5: Leakages in water infrastructure

CEEP shares the view that high leakage rates are barely acceptable, especially in water scarce regions. We would like to remind of the fact that a consequent application of the full cost recovery principle is an important tool which puts water companies in a position to maintain the value of their assets. Further guidance and dissemination of best practices could concentrate both on the technical aspects of leakage reduction as well as the economic aspects. If the Commission intends to spend public money on the issue of leakages, it should ensure that incentives are set promoting an preemptive approach on leakage avoidance through high quality installations and regular maintenance efforts rather than funding retroactive remediation.

Problem 6: Waste water reuse

CEEP shares the view that it is important to adopt common EU standards, to guarantee a significant increase of the use of this potential source of water and, at the same time, an adequate soil and water protection. The technical standards to be determined may refer to numerous and well-established experiences and must be realistic and adaptable to the different conditions of water reuse. In any event, standards should not create technical and economic barriers that could discourage potential users.

At the same time proper EU guidance would give both users and suppliers confidence in applying water reuse techniques. After all, the development of treated waste water reuse will heavily depend on stakeholders' acceptance and political commitment which, by and large, differs from country to country. It might also involve institutional reform, and changing stakeholders' behaviour by more public involvement and better awareness campaigning.

Problem 8/9: Economic instruments

CEEP is convinced that the use of economic instruments like green taxes, water pricing and the abolition of environmentally harmful subsidies are important tools to implement the polluter pays principle and to foster water efficiency. Unfortunately, due to the poor implementation of art. 9 of the water framework directive, an "adequate contribution of all water users" is currently not ensured. In many member states private households pay the full price of the water service, but other users are excluded from this obligation. More guidance and clear water pricing obligations might be a useful step, but mechanisms have to be in place to ensure that these instruments are actually applied on the ground. Furthermore, the costs linked with pollution from non-point sources are often not carried by the polluter, but have also to be paid by the customer with the water bill. Given the natural difficulties to trace back exactly the sources of diffuse pollution, the Commission should as part of the Blueprint exploit the further potential of economic instruments to tackle these sources of pollution and develop guidance on successful policy mixes.
