Opinion of the European Economic and Social Committee on 'Integration of water policy into other EU policies' (exploratory opinion at the request of the Hungarian presidency)

(2011/C 248/07)

Rapporteur: **Ms LE NOUAIL-MARLIÈRE**

On 13 November 2010 the future Hungarian presidency of the EU decided to consult the European Economic and Social Committee on

Integration of water policy into other EU policies.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 20 May 2011. The rapporteur was Ms LE NOUAIL-MARLIÈRE.

At its 472nd plenary session, held on 15 and 16 June 2011 (meeting of 15 June), the European Economic and Social Committee adopted the following opinion by 106 votes to 26 with 8 abstentions.

1. **Conclusions**

1.1 Drawing on its expertise in the fields of the environment and agriculture, the challenges relating to the impact of climate change in Europe - alternating periods of flooding and drought, with consequent deteriorations in water resources, land and infrastructure and economic and social activities - the EESC advocates a consolidated and crosscutting approach to environmental, economic and social issues.

1.2 The EESC considers it extremely important for the EU to adopt a European policy on water through the Water Framework Directive and encourages Member States and EU institutions to consolidate this policy, bearing in mind that water is of primary importance to people, industries, farming, and local authorities, not only because it is vital for life but also for the economy, social life and the environment.

1.3 It therefore advocates giving it central importance through all other EU policies.

1.4 Focusing on the specific needs and commitments of rural and farming communities during the discussion phase of the post-2013 CAP, the EESC recommends making funds under the first pillar more conditional upon water policies through the application of 'environmental cross-compliance' ([1]) and increasing agri-environmental measures under the second pillar together with subsidies earmarked for water protection, up to levels that will attract the support of farmers.

1.5 Since there are numerous homeless or poorly-housed Europeans who still have no free access to running and/or drinking water, the EESC links challenges associated with water with measures to fight poverty and the goal of eradicating it.

1.6 The EESC highlights the international and extra-European dimension of EU environmental policy, through the EU's strategy, and its approach to trade, as well as to the environment and development, and its involvement in international environment strategies in Europe (cross-border catchment areas) and in its external policies ([2]).

1.7 The EESC calls on Member States to ratify the 1997 UN Convention ([3]).

1.8 Where the internal market is concerned, fundamental rights, social integration and cohesion, and health all call for a thorough-going study of the impact and cost of any water policy that does not integrate social, environmental and economic considerations.

1.9 This integration requires that the ongoing strategies be made consistent with the various regional interests in Member States and among the sectors (employment, health, the environment, intensive or organic farming, energy, spatial planning, public policy funding, etc) and stakeholders (users and consumers), which are all generally concerned.

([1]) Subsidies would have to be paid back in case of non-compliance with the relevant EU legislation (WFD) and national transposing legislation on nitrates pollution, water quality and the Water Framework Directive, in accordance with the polluter pays principle, etc.

([2]) Information Report on *Decent work and sustainable development around the Mediterranean: the fresh water, sea water and sanitation sectors*

([3]) 1997 United Nations Convention on the Law of the Non-Navigational Uses of International Watercourses http://untreaty.un.org/ilc/texts/instruments/english/conventions/8_3_1997.pdf
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1.10 Traditionally, water resource management across Europe has focused on supply and distribution. The EU now needs to develop new early warning measures to respond to natural or anthropogenic disasters that endanger and damage water resources in the short term.

1.11 Recalling the fundamental role of soil and vegetation, which act as a rainfall buffer, the Committee calls on the Council to seek once again to have the Soil Directive adopted, insofar as it is essential to an effective water policy ([4]).

1.12 The EU also needs to develop a sustainable approach to water management, by focusing on more economical demand in order to conserve this resource by using it more efficiently: reorganising abstraction and using new technologies.

1.13 Although water cycles are still largely natural, new technologies have allowed the introduction of artificial phases. This must not lead to misconceptions about the need to give democratic thought to choice. Indeed, the EU needs to develop a fairer approach to water abstraction, which responds to needs and to competition between economic and energy sectors, as well as to the need to conserve fresh water ecosystems and fulfil a fundamental citizens' right.

1.14 Integrated river basin management is crucial to water conservation and management. It facilitates stakeholder involvement in identifying and implementing regionally-differentiated measures, which often call for trade-offs between different interests and sectors (urban planning, flood plains, land use, especially for farming and the industrial and energy sectors).

1.15 The EESC emphasises that scope could be defined for EU and national subsidies and funds could be allocated and/or increased to include support aimed at preserving regional public community interests, such as wetland rehabilitation and biodiversity conservation, particularly when looking at the reform of EU state aid rules on services of general economic interest ([5]).

1.16 In order to secure the fundamental right of adequate water supplies for all citizens, the EESC urges Member States and regional and local authorities to be vigilant and to improve transparency requirements and reversibility conditions in the delegation of public services of general interest, in legal as well as economic spheres: public ownership, leasing, pricing, reinvestment, maintenance of works.

1.17 The EESC warns of the need for equally integrated human and social resource management: initial and lifelong training; a framework for certification and the recognition of qualifications; comprehensive and integrated forward management to facilitate professional and geographical mobility integrating gender issues; and a database.

1.18 The EESC advocates integrating social dialogue, which will contribute to ensuring all missions, in all their diversity, at all levels of water services and treatment, with respect to workers' statutes and staff and public safety.

1.19 With regard to user information and consultation, economic and social councils are a valuable consultation resource wherever they exist because they are representative and independent, and have the experience and capacity to hold public hearings.

2. **Legislation on water policy**

2.1 Several issues are raised by water policy: the management and conservation of the resource, its use, water-related disaster management, natural habitat protection, and public health.

2.2 Below is a list of the most relevant EU legislation and policy development in the field of water management:

— 1970s: Early initiatives

  — 1976 Bathing Water Directive

  — 1980 Drinking Water Directive

— 1990s: Addressing key sources of pollution at source

  — 1991 Urban Waste Water Treatment

  — 1991 Nitrates Pollution from Agriculture

  — 1996 Integrated Prevention and Control of Pollution IPPC

— Since 2000: Expansion, coherence, streamlining

  — 2000 Water Framework Directive and daughter Directives in 2006 and 2008 on groundwater and priority substances

  — 2007 Floods Directive

  — 2007 Water Scarcity and Droughts Communication.

([4]) COM(2006) 232 final – 2006/0086 (COD); COM(2009) 665 final.
([5]) COM(2011) 146 final, EESC opinion '*Reform of the EU State Aid Rules on Services of General Economic Interest*' (See page 149 of this Official Journal).

2.2.1 The Water Framework Directive (Directive 2000/60/EC) calls for the 'day-to-day' integrated management of bodies of water for the purposes of water conservation by introducing the concept of river basins. It also allows for the integrated management of inland waterways and coastal waters.

2.2.2 By adopting programmes of measures that are coordinated for the whole of a river basin district, the WFD requires good status of water to be achieved by 2015 (but allows justified derogations) and the prevention of its future deterioration:

— preventing and reducing pollution,

— promoting sustainable water use,

— protecting the environment,

— enhancing the status of aquatic ecosystems, and mitigating the effects of floods and droughts.

2.2.3 It requires Member States to identify and classify the bodies of water in their countries, analyse their characteristics, identify at-risk bodies of water and study the impact of human activity on bodies of water. Management plans are set up for surface waters, groundwater as well as protected areas in order to prevent their deterioration and pollution, and to restore them. It also seeks to reduce pollution caused by the disposal or emission of hazardous substances. In this respect, the WFD is complemented by the 2008 Directive on Priority Substances.

2.2.4 Temporary deterioration in the status of bodies of water is subject to many exceptions. It is not considered to be in breach of this Directive if this is the result of exceptional or unforeseeable circumstances, such as an accident, natural cause or *force majeure*. Member States must explain and substantiate the reasons for these exceptions to the Commission.

2.2.5 The Directive requires Member States to ensure, as of 2010, that water-pricing policies put pressure on users (households, farming, industry, etc.) by applying proportionate principles regarding the volume of abstraction, polluter, payer, and cost recovery.

2.2.6 Member States are required to determine penalties applicable to breaches of the Directive. Furthermore, the Commission can institute infringement proceedings, accompanied by penalties, in case of non-compliance. Nevertheless, the complex procedures relating to breaches do not allow a strict application of penalties and are not sufficiently dissuasive. An exponential fine for repeat offences would be welcomed (the fine would double for each repeat offence).

2.2.7 The work carried out under REACH (the regulation that deals with the registration, evaluation and authorisation of chemical substances, and sets out a list of pollutants constituting a serious risk) helps to reduce the use of persistent water pollutants, protect aquatic ecosystems, and therefore mitigates public health risks.

2.3 *The Commission is addressing water issues through the Common Agricultural Policy 'Health Check'.*

2.3.1 The 'Health Check' introduces the requirement to establish 'buffer strips' along watercourses, where the use of pesticides is restricted and to allocate a portion of the funds to mitigating water scarcity. The application of these measures needs to be ensured. It also seems important to carry out impact assessments on the amount of water used in biofuel and biomass production.

2.4 *The Directive on the management of flood risks seeks to protect the resource in the context of natural disasters* ([6])

2.4.1 Directive 2007/60/EC of the European Parliament and of the Council on the assessment and management of flood risks requires Member States to establish flood hazard and risk maps and flood risk management plans in order to reduce these risks. The Directive also calls for cross-border cooperation and the exchange of information on cross-border river basin districts throughout its implementation.

2.5 *The European Union Solidarity Fund compensates the victims of natural disasters*

2.5.1 An EESC opinion ([7]) has drawn attention to areas where the functioning of the Fund could be improved. Indeed, the criteria for operations eligible for funds under Article 4 are too restrictive and do not take certain types of damage into account. The opinion stresses the importance of including disasters caused by cumulative effects or consequences of long-term situations. Disasters of this type, such as droughts or heat waves, are the outcome of environmental trends for which all EU Member States are responsible. The opinion considers that the provision of water and the functioning of infrastructures should be covered by the EUSF even if the disaster is not caused by a rapid event.

([6]) OJ C 195, 18.8.2006, p. 20.
([7]) OJ C 28, 3.2.2006, p. 69

2.6 *Directive 2008/1/EC concerning integrated pollution prevention and control (the IPPC Directive) sets out a framework for the installation of industrial and agri-industrial production units* ([8])

2.6.1 In theory, this Directive requires industrial plants to use the best technology available. It is by no means a key EU water policy instrument. Nevertheless, the recent red sludge spill in Hungary, which caused ground and river pollution in the Akja region and reached the Danube, has drawn attention to a number of issues concerning the environment and the protection of watercourses, not to mention the treatment and compensation of disaster victims and the level of vigilance required in the implementation of water resources. There are however, for example, still some 150 plants flanking the 3 019 kilometres of the Danube's banks ([9]), which the WWF defines as 'time bombs'. Thus, the red sludge residue from alumina production had not been treated, despite the fact that the technology exists and is used elsewhere. This technology allows a significant reduction of the 96 % of the caustic soda left over in residues. Many industrialists simply store their waste in tailing ponds rather than employ real depollution methods. Indeed, the storage capacity of their tailing ponds is often not enough for their production ([10]). This new requirement to use the best performing treatment techniques available should significantly enhance a higher and safer standard of better proportioned storage infrastructure.

2.7 *Directive on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors (90/531/EEC and 93/38 EEC) provides a framework for the use of water resources by public or private undertakings and sets the conditions for public procurement*

2.7.1 During the pre-accession period, acceding States were asked to bring their industries up to European standards. Some countries had amended legislation, but by lowering certain thresholds and minimising environmental problems.

2.7.2 As a result, it is imperative for the EU and its Member States to strengthen the means to implement EU legislation in order to increase public information and safety regarding access to water and water treatment.

2.8 *Climate change and flooding*

2.8.1 Following recent floods across Europe, numerous questions were raised concerning flood prevention. The European Union has funds to contain natural disasters but, paradoxically, not to prevent and foresee the risk of disasters caused by human intent or negligence. To be fully effective, flood prevention policies need to be integrated with policies of broader scope covering spatial planning, infrastructure, the protection of eco-systems, and action against climate change ([11]).

2.9 *Cross-border cooperation: the example of the Saarland and Lorraine in the 'lower Blies' river basin*

2.9.1 Interregional cooperation was set up between operators in order to establish a cross-border flood risk management partnership under the Interreg IV-A Programme 'FLOW-MS Flood and Low Water Mosel/Saar Interreg project'. The agreement brought together CIPMS/IKSMS (International Commissions for the Protection of the Mosel and the Saar), the Saarland MUEV (Ministry for the Environment, Energy and Transport of Saarland), the prefecture of the Lorraine region and the sub-prefecture of Sarreguemines, four German Councils and five French municipalities. The objective is to manage flooding through joint prevention and regular experience sharing. This consists in improving the coordination of early warning and action plans and to adapt municipal flood protection plans.

2.9.2 The purpose of cross-border cooperation in the lower Blies river basin is to encourage the development of flood hazard and flood risk maps, assess flood risks and draw up recommendations to be consolidated as flood risk management plans.

2.9.3 Rivers do not stop at borders. Local initiatives in the upstream management of resources are essential, as can be seen from a number of examples. Cross-border cooperation is being established in river basins such as the Rhine, the Oder, the Meuse, the Danube, the Saar, the Mosel and the Elbe. The countries along these rivers are setting up institutions to ensure a coordinated approach to flood risk management and cross-border protection plans.

2.9.4 The basin of the Semois (a tributary of the Meuse), which is shared by Belgium and France, is one such example. Despite differences in prevention measures and legislation, a joint action plan has been in place since 2002 to counter upstream (Belgium) and downstream (France) flooding. The France-Wallonia-Flanders Interreg III financial programme (2002-2006) for promoting trans-European cooperation has made it possible to organise joint flood prevention measures through 'river contracts' (joint water management tools) undertaken on either side of the border.

2.9.5 Other projects, such as EUROTAS or cross-border strategies for the Danube or the Baltic Sea, seek to develop shared methodologies between several countries for long-term flood risk management, real-time flood forecasting, and conservation of freshwater sources.

([8]) OJ C 182, 4.8.2009, p. 46; OJ C 97, 28.4.2007, p. 12; OJ C 80, 30.3.2004, p. 29.

([9]) WWF/*Usine Nouvelle*, 21.10.2010

([10]) For years, SANOFI AVENTIS, based in Ivry (France), spilt pollutants, including the highly carcinogenic benzene, into SIAAP's water treatment networks, because its tailing ponds lacked capacity.

([11]) OJ C 195, 18.8.2006, p. 20.

2.9.6 It therefore seems possible, necessary and appropriate for cooperation initiatives to be defined at the level of local authorities and to then receive political and financial backing from the European Union.

3. **The place and role of the local authorities and civil society**

There are various areas where EU citizens are directly concerned by the integration of EU water policy:

3.1 *The impact of water and disaster management on the public*

3.1.1 Growing water scarcity and alternating periods of prolonged drought, flooding or water pollution have grave consequences in economic and social terms. They can lead to the disappearance of economic activities (such as farming), job losses, with the result that regions are abandoned and their viability undermined.

3.1.2 Action against the chemical pollution of water is vital. It is a matter of animal and human health, not to mention chemical residues entering the food chain. It is important to revise the list of prohibited or controlled pollutants on a regular basis, as laid down in the Directive on Priority Substances. We therefore need to work in partnership with farmers, industrialists and environmental associations to monitor the use of new products and set thresholds for their use, as stated in earlier EESC opinions ([12]).

3.2 *The different uses of water*

3.2.1 The industrial, tourism and agricultural sectors are all concerned by water consumption and pollution. The rampant urbanisation of river and coastal areas also puts pressure on this fragile environment. In the European Union, energy production accounts for 44 % of total water abstraction, primarily serving as cooling water. Twenty-four per cent of abstracted water is used in agriculture, 21 % for public water supply and 11 % for industrial purposes. These figures mask regional differences in use. In southern Europe, for example, agriculture accounts for more than half of total abstraction, rising to more than 80 % in some regions, while in western Europe more than half of water abstracted goes to energy production as cooling water ([13]).

3.2.2 The interdependence of water management and electricity production is clear and needs to be studied by the European Union. Very little of the water used in energy production is consumed; most of it is discharged at a higher temperature. The stakes involved in the conservation of aquatic systems are high. We have the technology to reduce the amount of water required to generate electricity or to collect water efficiently but it is not necessarily used because it raises costs. We therefore need not only to encourage investment in R&D in this field and the use of these new technologies but also to link discussions on investment and the sustainability of its yield with environmental, social and economic concerns.

3.2.3 Practices in farmland use and development planning could have a major impact on water scarcity. Uncontrolled use exacerbates groundwater or surface water exploitation and can cause irreversible environmental damage and establish a cycle of unsustainable socio-economic developments – putting food and energy security and social stability at risk. Many important wetlands, forests and floodplains in Europe have been drained and dammed, and regulation facilities and channels have been constructed to support urbanisation, agriculture, energy demand and flood protection from floods ([14]). Future spatial planning policies need to accommodate water-related constraints.

3.3 *Managing demand and offering a sustainable supply*

3.3.1 A range of factors influence household water demand, including population and household size, urbanisation, tourism, income, technology, and consumer behaviour. In addition, 'leakage' in the distribution and supply networks plays a key role in determining the amount of water reaching end users. Leakage should be reduced wherever possible. There is a need to invest in the maintenance and development of distribution networks and in wastewater treatment infrastructures. Ten percent of the population in EU25 was not always connected to a wastewater collection system in 2006, with substantial differences between countries ([15]).

3.3.2 Tourism can markedly increase water use, particularly during the peak summer holiday months and especially in southern European coastal regions already subject to considerable water stress. Raising user awareness is essentially complementary to other water conservation measures.

3.3.3 Rules and independence: the re-use of waste water for agricultural purposes can play a significant part in sustainable water management and should be made safe in terms of public health like other sources, by setting and monitoring health standards. The transparency of these standards should be ensured by the legislator and monitored independently by certified or public control bodies.

([12]) OJ C 97, 28.4.2007, p. 3.

([13]) *Water resources across Europe — confronting water scarcity and drought*, European Environment Agency Report, ISSN 1725-9177, February 2009.

([14]) *The European environment – state and outlook 2010*, European Environment Agency, SOER 2010.

([15]) SOER p. 103 + EEA report p.5 + Eurostat press release of 2006.

3.4 *Civil society and EU water policies*

3.4.1 On 22 March 2010, prior to the resolution of the United Nations General Assembly of 26 July 2010 ([16]), the Council of the European Union announced that the 27 EU Member States recognised the right to water and sanitation, reaffirming that 'all States bear human rights obligations regarding access to safe drinking water', and that 'the human rights obligations regarding access to safe drinking water and to sanitation are closely related with individual human rights – as the rights to housing, food and health'.

3.4.2 The right of civil society to information on water data is essential. In 1999, *Land* Berlin privatised its water management companies to the advantage of Veolia and the German conglomerate RWE, thereby raising prices for users. Delegated contracts and the terms agreed among the parties were not disclosed. A citizens' initiative launched by the Greens led to the *Berliner Wassertisch* movement, which succeeded in collecting enough signatures to trigger a referendum. Ninety-eight percent of the twenty-seven percent of the population who participated in the referendum voted for the undisclosed contracts to be published and then annulled. Following this initiative, published extracts from these contracts revealed that the profits of the shareholders of these two companies had been guaranteed under a compensatory system. This meant that *Land* Berlin was (with public funds) ensuring the profits of these companies in years when they failed to make the sums stipulated in the undisclosed terms. More and more European local authorities are using the expiry of these delegated contracts to 'take back control' for water services. Nevertheless, a number of them, and not only the smallest, found that they were trapped in earlier contracts concluded under such initial and legally unequal terms, and were forced to retain the participating private operators ([17]). We could take steps to improve transparency when delegating public services of general interest and regarding their reversibility, more specifically by studying the following issues:

— the management of water: reinvesting profits in the maintenance and modernisation of networks;

— the nature and high levels of investment impact on access to private as well as public markets and should not result in monopolies and/or cartels;

— the largest private water companies are predominantly financed by public funds ([18]);

— working and employment conditions and safety for staff: sufficient numbers of trained and qualified women and men, covered by a single public statute for employees working in the water sector, i.e. in the spheres of water treatment, monitoring, deterring infringements, research, etc., are and will continue to be required in the framework of a workers' statute in order to ensure all missions, in all their diversity at all levels; and

— user information and consultation: Economic and Social Councils, are a valuable consultation resource wherever they exist because they are representative and independent, and have the experience and capacity to hold public hearings.

Brussels, 15 June 2011.

The President
of the European Economic and Social Committee
Staffan NILSSON

([16]) United Nations General Assembly Resolution: 'The human right to water and sanitation', 26/7/2010, A/64/L.63/Rev.1, see: http://www.internationalwaterlaw.org/documents/intldocs/UNGA_Resolution_HR_to_Water.pdf.

([17]) *Veolia Environnement: A Corporate Profile. A special report by Public Citizens' Water for All program* http://documents.foodandwaterwatch.org/Vivendi05.pdf.
Berlin's secret water privatisation contract was exposed in the Saturday 30 October 2010 edition of the Berlin daily newspaper, *Tageszeitung* (TAZ) http://www.taz.de/1/zukunft/wirtschaft/artikel/1/die-raeuberische-wasser-privatisierung/.

([18]) http://www.psiru.org/reports/2010-W-EWCS.doc.