



CEPS Task Force on: Which economic model for a water efficient Europe? - relation to the Blueprint to safeguard Europe's water resources

Lukasz Latala,

EC Directorate General ENVIRONMENT,

Protection of Water Resources Unit

Proposal of Task Force input to the Blueprint Impact Assessment in following areas:

- *define possibilities of financing measures needed to ensure sustainable supply of good quality water,*
 - *assess effectiveness of defined financing possibilities to let to choose the most appropriate ones for a particular measure,*
- *investigate how to integrate water efficiency into the business model within different sectors (water users),*
 - *we need strong foundations and evidence that sustainable and transparent management of water can be one of the drivers for economic growth and recovery from global crisis.*

Problems defined within Blueprint - 1

Problem 1: *Water accounts and minimum environmental flows are poorly implemented at river basin level.*

Problem 2: *Droughts have been more frequent and severe in large parts of Europe in the last few years, and the severity and frequency is expected to increase in the future as a result of climate change.*

Problem 3: *Agriculture's impacts threaten water quality and quantity across much of Europe.*

Problems defined within Blueprint - 2

Problem 4: *The design of building and water using appliances does not factor in water efficiency. This causes water waste, which is problematic in areas, which are water stressed*

Problem 5: *Significant leakage in water infrastructure in some parts of the EU causes great waste of water which is problematic in areas which are water stressed or at risk of becoming water stressed.*

Problem 6: *The lack of common EU standards for waste water re-use for agriculture and industrial uses limits potentially important alternative water source, threatens farmers exporting crops within the single market and prevents water companies from making long-term investment decisions.*

Problems defined within Blueprint - 3

Problem 7: *Absence of metering for individual users is a key barrier for the effective implementation of pricing schemes that incentivise water efficiency. Illegal abstraction in some parts of the EU is a large phenomenon that puts at risk water availability*

Problem 8: *Current water pricing levels and structure do not provide sufficient incentives to increase water efficiency (this includes the identification of environmentally harmful subsidies e.g. in energy and agriculture)*

Problem 9: *Costs and benefits of measures are not properly understood or quantified due to the lack of a methodology to calculate the adequate recovery of environmental costs.*

Problems defined within Blueprint - 4

Problem 10: *Governance of water and sectoral policies at MS level is, in some cases, fragmented and faces a lack of capacity and resources to fully address to water management objectives. There is lack of coordination in river basin shared between different administrative entities or MS.*

Problem 11: *There is insufficient sharing of data by Member States leading to an incomplete understanding of the problems facing Europe's waters. Data provision is not timely and different systems prevent data access.*

3 levels of policy options

*First, improving the **implementation** of current EU water policy by making full use of the opportunities provided by the current framework;*

*Second, fostering the **integration** of water and other policies' objectives. Trade-offs should be managed on the basis of a better understanding of the costs and benefits of both economic activities and water resources management; and*

*When necessary, seeking the **completion** of the current policy framework, especially in relation to water efficiency and adaptation to climate change.*

Addressed areas

In above mentioned problems there are 3 areas where measures has to be addressed:

- Improving availability of clean water*
- Protecting water ecosystems*
- Managing water demand*

Measures to be financed

- *improvement of irrigation system and management*
- *crop management*
- *soil management*
- *restoring riparian areas*
- *efficiency measures at buildings level*
- *water efficient products*
- *distribution networks*
- *reducing water pollution at source*
- *water reuse and recycling*
- *water storage*
- *treatment of brackish or sea water*
- *water transfers*

Examples of financing Blueprint measures:

- 1. self financing economic tools: ex. water pricing, allocation*
- 2. financing water infrastructure: Cohesion Fund, structural funds, EIB loans...*
- 3. financing payments for environmental services: environmental taxes, CAP-payments, environmental and resource costs payments*