



3rd European Water Conference

Brussels, 24 – 25 May 2012

Charlemagne Conference Centre Brussels,

Room Alcide de Gasperi

Summary Report

Organized by  on behalf of the





3rd European Water Conference

24-25 May 2012, Charlemagne Conference Centre Brussels

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Conference webpage: Presentations, webcast videos, conference background document, speaker biographies, all available at:

<http://waterblueprint2012.eu>



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I Introduction

The Water Framework Directive (WFD) adopted in 2000 put forward an integrated approach for EU water policy, centred on the concept of river basin management with the objective of achieving good status of all EU waters by 2015. Nevertheless, the achievement of EU water policy goals is still challenging due to a number of old and emerging water management issues, making it difficult to achieve the WFD objective of good water status by 2015.

In this context, improvements in implementation of the current EU water legislative framework are considered the first priority. Member States need to meet their obligations under EU water law to ensure the instruments are effective and that the benefits of implementation can be realised.

In relation to other policies, better integration is needed, e.g. with the Common Agriculture Policy (CAP) and with Regional Policy to ensure EU funds are better targeted at measures that deliver improvements to water and water law obligations are respected.

With a view to responding to these challenges and ensuring the achievement of EU water policy objectives, it is necessary to clarify whether and what additional actions and tools are needed at Member State and EU level. The **Blueprint to Safeguard Europe's Water Resources** will try to do this with the long term aim of ensuring availability of good quality water for sustainable and equitable water use in line with the WFD objective.

The Blueprint intends to set the agenda for EU water policy for the years to come, in particular for the Common Implementation Strategy (CIS) that brings together the European Commission, Member States and stakeholders under the Water Framework Directive.

The **3rd European Water Conference** took place on 24-25 May 2012 in Brussels to serve as a platform for consultation and debate between a large number of different stakeholders, Member States and the European Commission on the Blueprint policy options and on the accompanying impact assessment.

A background document was prepared for the Conference, including an overview of the Commission preliminary assessment of the first River Basin Management Plans and the draft gap analysis of the Water Scarcity and Droughts Strategy.

The 3rd European Water Conference was hosted by the Directorate-General for Environment of the European Commission. 230 participants representing 177 different organisations attended the conference, 11 speakers gave wide-ranging points of view and 12 exhibitors presented key European water projects. A live webcast was available on the Conference website.



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This report summarises the speeches, presentations and discussions held at the Conference as well as the key messages of this event. The presentations and speeches held at the Conference can be viewed at: <http://waterblueprint2012.eu>.

2 Key messages

Status of Europe's water and challenges for water policy

- More than 50% of European surface water bodies are in less than good ecological status and the environmental objectives of the Water Framework Directive (WFD) for 2015 will not be fully met. The status of groundwater is also worrying. The main challenges in this context derive from agriculture, climate change, hydromorphological pressures, and systemic challenges (i.e. communication and sharing of data).
- In addition, a significant proportion of EU basins are currently water scarce and this proportion will increase by 2030. Some measures are being implemented, but these will not be able to reverse the trend in the near future. There is a need to maximize Europe's water saving potential and innovation and research can play a fundamental role in this respect.
- The 1st cycle of the WFD clearly shows success stories (integration of ecological perspective into water management, enhancement of international cooperation, public and stakeholder participation, increase of knowledge base, improvement of chemical water quality), but also a long road ahead to meet the ambitious objectives of European water policy (e.g. not all River Basin Management Plans have been submitted, low ambition of the River Basin Management Plans, lack of concreteness and comparability, dressing up "business as usual" as WFD implementation).

"Unlocking" the most promising measures

- Taking a mix of measures to address European water challenges is critical. We need to "unlock" measures that give answers to different problems in a coordinated way, since no single measure will be able to solve the problems at hand.
- Stronger policy integration is needed between water, agricultural and energy policy as well as key relevant policy reforms (e.g. in the Common Agricultural Policy (CAP)). The European Commission can play a key role in further promoting integration, and providing further instruments and practical guidance on the improvement of water



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management at a local level.

- It is essential to have a good set of both mandatory and voluntary measures for the agricultural sector. At the same time, we should not rely on regulation only to reinforce policy. Reliable funding (public and private) is fundamental for implementing measures. Agreements between farmers and water companies are a successful concept and should be further promoted.
- Some stakeholders support the development of EU standards for water reuse, underlining the need to have common quality parameters for the reuse of water at EU level. Different quality levels for reused water should be set for different users on a scientific basis and in cooperation with the relevant sectors (agriculture, water suppliers, industry). Some stakeholders, however, argue that EU standards will not help because situations vary greatly between countries and sectors.
- For the protection of water ecosystems, there is a need to further promote win-win measures, such as wetland restoration (win-win for the WFD, flood prevention, Habitats and Birds Directives). More attention should also be given to strategic approaches such as green corridor strategies at river basin level.
- Stakeholders pointed to the need for further action and European regulation on pharmaceutical substances in water. Besides discussions in the context of the Environmental Quality Standards Directive, further steps should be taken: firstly, implementing stringent legislative criteria, and secondly, looking at ways to reduce pharmaceuticals at source (upstream) and working on hotspot management (e.g. hospital discharges).

Economic incentives for more efficient water resources management

- Water pricing needs to be implemented in combination with other policy tools, but certain preconditions are necessary:
 - Economic instruments will only work if necessary background data (e.g. information on environmental flows) and preconditions (e.g. abstraction licenses) to inform their design and implementation are available.
 - Enforcement and monitoring of water legislation and property rights is a necessary requirement. Illegal water abstractions need to be controlled.
 - Mandatory metering is needed for the implementation of water pricing policies in Europe.



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- Water pricing should be accompanied by education and awareness-raising related to water demand management.
- Stakeholder involvement is critical to set the prices right. All relevant actors (agriculture, industry, households) need to collaborate in achieving water policy objectives.
- Regarding the application of social water tariffs, it was argued that everybody should pay the same price for their water use. This would ensure consistency. Governments can use other policy tools to support low income groups.
- There is a need to impose conditions on the use of EU funds (Rural Development, Cohesion Policy). It was also argued that the objectives of the WFD should be included in cross-compliance requirements under the CAP.
- It could be considered unfair that remediation costs are not borne by the polluter. These costs according to a recent OECD report are very significant. There is a need to strengthen the application of the polluter pays principle.
- The interpretation of environmental and resource costs needs practical guidance from the European Commission.

Governance system and knowledge base

- Since its adoption, the WFD has been the main driver for improvement of governance in European water management. Public participation, transboundary cooperation and the knowledge base have improved. The existing water policy framework and the WFD Common Implementation Strategy process should be continued.
- The implementation of water policy has sometimes been difficult due to the fragmentation of institutions. Taking cooperation and coordination to a higher level requires the definition of common objectives.
- Member States have difficulty implementing cross-sectoral activities between the WFD and other sectors, because water policy makers have no competence to intervene in other sectors such as agriculture and energy. In addition, coordination between water quality and hydromorphological aspects as well as between water policy and nature protection has so far not been sufficient.
- Cooperation between the water and agricultural sector is where governance is most deficient, mainly due to the difficulty in setting up a dialogue and because of the system of subsidies in the agricultural sector. Political will is needed to push further



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cooperation between the CAP and the WFD.

- To address the problem of illegal water abstraction, river basin authorities and managers need more leverage in identifying illegal abstractions and penalizing them. Compliance mechanisms applicable to all river basins are needed. In some parts of Europe, the rigidity of the water concession system is still a major problem, limiting the ability of river basin authorities to register the amount of water abstracted.
- Sound scientific results adapted to the needs of policy have to be communicated to decision makers via an improved Science Policy Interface. Research work could identify appropriate data collection to support key measures, e.g. setting water efficiency targets, and should focus more on reasons for missing the targets of water policy.

Innovation and global aspects

- The EU needs to consider the water challenges beyond Europe and incorporate the global dimension of water into the Blueprint discussions.
- The European Innovation Partnership on Water is an opportunity to find new solutions for the water challenges we face. It is also a chance for the EU water industry to become more competitive and to translate ideas of the European water sector into marketable solutions.
- The scope and aims of the Innovation Partnership will be further clarified together with the industry and the public sector until the end of 2012, when the strategic implementation plan of the Partnership is due.
- The European Water Initiative (EUWI) has been a successful instrument to put water on the development agenda and stakeholders favour its continuation. Strategic discussions on how and whether to continue the EUWI are ongoing with emphasis on the means to have a significant impact on the water sector and to gain support at the political level.



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3 Session I: Status of Europe's water and challenges for water policy

Welcome

Alan Seatter, Deputy Director General for Environment, European Commission

In his welcoming speech, the Deputy Director General for Environment reaffirmed the purpose of the 3rd European Water Conference (EWC), i.e. shaping the Blueprint planned for November 2012. Collaboration will be of foremost importance in this process, to agree on key challenges and solutions. In this spirit, conference participants were invited to take part in the ongoing public consultation on the Blueprint, which explores the same themes as the 3rd EWC and to use the Conference as an opportunity for direct exchange. The Deputy Director General placed this discussion in the context of the upcoming Rio+20 conference and the Green Growth debates of European leaders. Water resources are becoming more stressed; however, the water sector is an important growth sector. How can Europe face this paradox and exploit the growth opportunities, while delivering better efficiency and quality? The Rio+20 conference reminds us of the global importance and challenges of managing this resource and calls on us to look beyond the borders of Europe and seek to contribute to solutions on a global scale.



Science supporting water policies

Dominique Ristori, Director General, Joint Research Center, European Commission

Mr. Ristori emphasised three points: challenges in the water sector, the need for strong and innovative scientific support, and the need for global governance.



Water is at the heart of human and economic development. Rapid urbanization, population growth, climate change, and increasing water scarcity have become top political concerns. Research conducted recently at JRC reminds Europeans that they are not immune to water scarcity; many regions face a yearly water demand 10 times higher than their current water availability. This consideration raises daunting prospects and underscores the importance for Europe to become a sustainable water user. Scientific research will be instrumental to rise to



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the challenge. The JRC is actively developing science based solutions in all its fields.

Mr. Ristori highlighted the importance of an integrative multidisciplinary approach and praised the World Water Forum in Marseille for clearly identifying key priorities: water savings, water treatment and desalinization. Water savings are by far the most cost efficient way of meeting our society's demand for water overall. One clear issue is to reduce leakage; some cities have leakage rates of up to 70% in Europe. Desalinization is a rapidly growing option that is both an energy and environmental challenge. The JRC carries out research for the development of standards for the reuse of wastewater as well as new technologies to assess cost and benefits and environmental impacts.

The JRC is playing an important role in improving the implementation of European water legislation, for example through supporting the Water Framework Directive through an inter-calibration exercise. It is also involved in providing scientific support for the preparation of the Blueprint. The outcome of an analysis of policy scenarios and indicative target setting for the protection of water resources will be used for the preparation of the impact assessment for the Blueprint.

Mr. Ristori also emphasized the need for a new global governance model in the water sector, referring to an initiative launched by the JRC for the Danube Strategy to promote environmental protection, irrigation and agricultural development, navigability, and energy production. It is hoped that the work on the Danube Strategy will be the starting point of large scale projects to ensure synergies between research funds and structural funds and that the governance model developed for the strategy could serve as a model for other large rivers worldwide.

Status of Water

Professor Jacqueline McGlade, Executive Director, European Environment Agency (EEA)

A key message from the 2010 EEA State of Environment report is that water resources management has become a systemic issue for many other discussions within the environment. As a follow up to this report, the EEA has planned a series of reports on different issues which will feed into the Blueprint: on efficiency (i.e. metering, monitoring and measuring), fresh water ecosystems and biodiversity, and vulnerability.

Professor McGlade is the lead author of a report on "Measuring water use in a green economy" launched on 10 May 2012 at the 10th International Resource Panel. The report sets out how all the different approaches to water accounting can be harmonized globally to get the best regional





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outcome. The EEA has developed full water accounts to bring the physical asset into the same setting as the social and the economic asset in the system of national accounts. The report also underlines the need for good water stewardship (e.g. water registers and property rights). Possible solutions to consider in the Blueprint are water registers, which are commonly applied in water scarce regions and define water management and allocation.

Professor McGlade also addressed bathing water quality in Europe, an area where Member States are, in general, performing well. She pointed out that while it took much investment to develop the infrastructure required to reach a good hygienic status of water in terms of human health, we now have to address the issue of chemicals and pharmaceuticals in our waters. The scorecard for the environmental objectives of the WFD is not as encouraging as it is for bathing waters: more than 50% of all water bodies are in less than good ecological status and the 2015 target will not be met. The status of groundwater is also worrying; the main challenges in this context derive from agriculture, climate change, hydromorphological pressures, and systemic challenges (i.e. communication and sharing of data).

Professor McGlade concluded by emphasizing that access to good data is a premise to tackling the water challenges. The demand for information is increasing. Good governance models need to cover all aspects and actors and these must have their own underpinning of monitoring/metering/measuring to understand current and future water needs and availability.

Baseline for policy options: River Basin Management Plans, EU action on Water Scarcity and Drought and the Fitness Check

Peter Gammeltoft, Head of Unit Protection of Water Resources, Environment Directorate General, European Commission



The overall aim of the Blueprint remains the same as that of the WFD, affirmed Mr. Gammeltoft, i.e. to ensure good water quality and quantity in Europe.

The assessment of the RBMPs reveals positive and negative aspects. On the positive side, Member States have put a huge effort into the preparation of RBMPs; there was a very high uptake of the common framework and common language on water management; there has been an integration of an ecological perspective and ecological targets have been set; international cooperation and participation of public and stakeholders from different sectors was enhanced; and the knowledge base was improved. On the negative side, four Member States have not submitted their RBMPs; the plans often lack ambition, concrete measures, and comparability, and we witness dressing up of “business as usual” as WFD implementation.



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Concerning water scarcity and droughts, the review of the Water Scarcity and Drought policy shows that a significant proportion of EU basins are currently water scarce and this proportion will increase (almost double) by 2030. Some of the measures put forward in the Commission Communication of 18 July 2007: "Addressing the challenge of water scarcity and droughts in the European Union" [COM(2007) 414 final] are being implemented, but the responses will not reverse the trend in the near future. The following policy gaps are identified: lack of common understanding of water scarcity and droughts concepts, lack of indicators, policy and governance gaps, information gaps, implementation gaps.

On climate change vulnerability and adaptation, the EU study ClimWatAdapt recommended among others additional research on uncertainty and adaptive capacity, improvement of economic analysis under the WFD and EU wide vulnerability indicators to assess adaptation measures. The study also advocates for the mainstreaming of the ecosystem-based approach into all EU policies, the assignment of funding priority to "green" or "soft" and multi-objectives measures, and the climate proofing of measures in the 2nd RBMPs.

Public and stakeholder consultation has revealed that stakeholders largely share the European Commission's assessment of the challenges and gaps in water policy. Stakeholders agree that improvements in policy implementation are required, that we need a stronger basis for tackling water scarcity and droughts, that ecosystem services are not systematically addressed within water policy, that more coherence is needed with other policies, that there is a need to enhance synergies with policies related to chemicals, pesticides and pharmaceuticals and to improve the analysis of costs and benefits of water protection. All these elements will be integrated in developing a policy baseline based on implementation of existing measures. We can then develop scenarios with new measures to see how they affect the achievement of the goals of EU water policy, and choose the policy package that will deliver results in a cost effective way under the Blueprint.

Towards policy scenarios

Giovanni Bidoglio, Head of Unit, Joint Research Center, European Commission

In 2009, a study on the safe level of planetary boundaries suggested that we have already crossed three points of no return. These pertain to climate change, biodiversity loss, and the nitrogen cycle. Concerning global water use, the same study suggests that we have not yet reached that boundary. However, other studies indicate that this boundary might have been reached regionally. Matching availability and demand of water needs to be evaluated in terms of competing objectives of the different sectors. We also need to look at the implications for water resources allocation based on environmental,





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social and economic considerations, and select the most appropriate combination of measures that requires compromises acceptable to all stakeholders. That is what the Blueprint strives to develop: policy, land use and demographic scenarios as drivers of changes in water demand.

Mr. Bidoglio shared some of the results emerging from the JRC's work on developing an optimization model linked with dynamic, spatially explicit water quality and quantity models to test impacts of measures affecting water availability and water demands. One important point Mr. Bidoglio emphasized is that there is no single set of suitable measures. The set of measures will depend on the objective and the financial resources available.

An integrated assessment of cost effectiveness of a range of measures affecting water is feasible for large regions in Europe. This requires being able to identify ecosystem services and analysing tradeoffs in a spatially explicit manner to help make efficient decisions. This work can only be achieved across scales by combining river basin, national and EU wide assessments. To this end, the improvement of the knowledge base and information sharing is essential.

4 Session II: "Unlocking" the most promising measures

Introductory presentation

Jacques Delsalle, Policy Officer, Environment Directorate General, European Commission

The focus of Mr. Delsalle's talk was the identification of measures which serve multiple benefits. The three categories of benefits are: managing water demand, improving availability of clean water, and protecting the water ecosystems. The categories of measures considered in this analysis relate to natural water retention measures, measures aiming at protecting ecosystems, water efficiency measures, water re-use measures, and alternative water supply



options. The analysis, which will be reflected in the Blueprint, will showcase currently available information on the cost and effectiveness, co-benefits and side effects of these measures.

Many barriers contribute to the lack of implementation of these measures. The main barriers are: market failures, lack of financial sources, regulatory shortcomings, lack of coordination, and societal barriers. The RBMP process has its limitations in ensuring integration between water policy and sectoral policies. There is a need for further integration at EU level to support the implementation of these strategic measures. Horizontal actions can also be used, such as better use of economic and communication



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instruments (e.g. pricing, payment for ecosystem services, labeling), governance and improving the knowledge base. Mr. Delsalle suggested that better integration could be achieved in the context of implementing rules for the post 2013 CAP, making better use of EIA/SEA and ecodesign, defining and using EU standards, regulation on wastewater reuse, and prioritizing the use of structural and cohesion funds.

The Blueprint Impact Assessment looks at these different options. Different contributions received from stakeholders and the public consultation will help better assess these options and take action as soon as possible to integrate them in the next RBMPs in 2015.

Discussions:

Chair: Philip Weller, ICPDR Executive Secretary

Panel: Carl-Emil Larsen, President, EUREAU; Corrado Pirzio-Biroli, Vice Chairman of RISE and President of ELO; André Weidenhaupt, Water Director, Luxembourg; Erik Kraaij, Secretary General, EUWMA

- Taking a mix of measures to address European water challenges is critical. We need to “unlock” measures that give answers to different problems simultaneously in a coordinated way, since no single measure will be able to solve the problems (Water Director Luxembourg and Session Chair ICPDR).

Measures to address impacts on water from agriculture

- The RISE/ELO panelist pointed out that, in the agricultural sector, it is difficult to prioritise one measure over another. To reach the WFD objectives, we need to ensure better implementation of a package of measures.
- In addition, stronger policy integration is needed between water, agricultural and energy policy as well as key relevant policy reforms (e.g. in the CAP) (RISE/ELO panelist and Grüne Liga). The RISE/ELO panelist and the Water Director from Luxembourg pointed to the issue of biofuel production as an energy source, which sets pressure on water (especially in water scarce areas) and has to be taken forward carefully. The EUWMA panelist pointed out that it should be made more explicit that the Blueprint is also relevant for the agricultural and the energy sectors. In this respect, he emphasized the key role that the European Commission can play in promoting integration, and providing further instruments and practical guidance on the improvement of water management at a





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local level, also by drawing lessons learned on the way other sectors deal with similar problems.

- According to the RISE/ELO panelist, one should explicitly include elements relevant to the WFD in the cross-compliance regimes of Pillar I of the CAP. WWF argued for water abstraction measures to be part of cross-compliance. However, the German Farmers Union commented that the WFD should not be part of cross-compliance, because of differences in its implementation in the Member States. They rather proposed to look for workable, cost effective measures that allow farmers to be productive and efficient in their use of water.
- Concerning voluntary schemes under Pillar II of the CAP, these are often not taken up by farmers according to the RISE/ELO panelist, partly due to insufficient regional environmental expertise, appropriate socioeconomic incentives, lack of training and promotion. The German Farmers Union contradicted that in Germany the take up of voluntary measures is very high and voluntary measures have also been very effective, e.g. contributing to significant reduction of nitrate surplus. On this, the RISE/ELO panelist commented that voluntary measures may work in some countries, but in others they may not, thus their application is not a level playing field.
- The Water Director from Luxembourg pointed out that it is vital to have a good set of both mandatory and voluntary measures. WWF reinforced this point by emphasizing that voluntary measures can only work in combination with regulation. The RISE/ELO panelist agreed that regulation is essential, but it should be recognized that only regulation is not solving the problem and there are concerns on the degree of implementation.
- The issue of addressing market failures and making use of market measures was raised by the RISE/ELO panelist in relation to the fact that we should not rely on regulation only to reinforce policy implementation. Reliable funding is essential for implementing measures and we need to find ways to raise more private funds through agreements with farmers, water companies etc. He also pointed to the possible role of the CAP reform to promote private-public partnerships on the ground. Grüne Liga, nevertheless, pointed out that before private funds are raised, e.g. from water companies, we should make sure that public funds are spent in a coherent way, considering that most money for agriculture is spent without proper coherence with the objectives of water policy.
- It was also suggested that agreements between farmers and water companies should be further promoted. The EUREAU panelist commented that the agricultural sector and the water sector have been cooperating well in recent years, at least in certain regions of Europe. The Water Director from Luxembourg commented that payments of water producers or other users to farmers in return for a certain (environmental)



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service are a successful concept. Such incentives could possibly be further promoted in the CAP reform.

Measures to address water efficiency

- Farmers need to realize that water will have a (higher) price in the near future (RISE/ELO panelist). In order to increase water efficiency in agriculture, we need to encourage farmers to save water and to promote relevant agreements between water companies and farmers (win-win situations).
- The EUREAU panelist argued that water can be saved in significant quantities, but we should be conscious of the fact that water savings will come with a bill passes on to the consumers.

Measures to address the reuse of water

- From the point of view of water service providers, there is a need to have common quality parameters for water reuse at EU level. Different quality levels should be set for different users on a scientific basis (EUREAU panelist). However, the EUWMA panelist was of a different opinion, namely that reuse of water is an issue at more local level and that EU standards will not help because situations are too different between countries and sectors.
- Common EU standards for water reuse should be set in cooperation with different sectors (agriculture, water suppliers, industry) (EUREAU panelist, RISE/ELO panelist).
- According to the Women for Water Partnership, a lot of legislation at EU level or national level on hygiene and health issues may prevent the development of common standards for water reuse. Thus, more horizontal coordination in this respect would be helpful.

Protecting ecosystems and green infrastructure

- There is a need to further promote win-win measures, e.g. Green Infrastructure such as wetland restoration, which is beneficial not only for the WFD goals but also for the Floods, Habitats and Birds directives' objectives (Water Director Luxembourg).
- The restoration of river continuity in a combined way within specific river basin networks is also important to reduce hydromorphological impacts (Water Director Luxembourg).





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- In this context, the need was stressed for a stronger presence of the ecosystem approach and the non-deterioration objective of WFD as concepts in the Blueprint draft (Friends of the Earth Germany / Danube Environment Forum). According to Friends of the Earth Germany / Danube Environment Forum, more attention is needed to green corridor strategies by river basin institutions and further promotion of green infrastructure at river basin level. The RISE/ELO panelist commented that, in order to have the possibility of green corridors, there is a need to change the proposal of the European Commission on ecological areas in the CAP, so that these are not implemented on the basis of individual farmers, but rather groups of farmers in specific areas.
- On the issue of chemicals in European waters, the EUREAU panelist argued for more stringent authorization procedures. The Water Director from Luxembourg pointed out that new products should be designed in a way that they do not cause problems for water quality according to new European policy (relevant to the presence of pesticides, micropollutants and nutrients in water).
- The Women for Water Partnership raised the issue of pharmaceutical substances in water and pointed to the need for European regulation on this. The Water Director from Luxembourg pointed to the negotiation of a new proposal on the Environmental Quality Standards (EQS) Directive (not adopted yet), which may lead to quality standards and necessary measures for certain pharmaceuticals. According to EUREAU, the EQS Directive is valuable and important. However, EUREAU argues that on the issue of pharmaceuticals, we need to go further: firstly, by implementing stringent legislative authorization criteria, and secondly, by looking at ways to reduce pharmaceuticals at source (upstream) and working on hotspot management (e.g. hospital discharges). All end-of-pipe solutions (measures at wastewater treatment plants) will be paid for by the consumers.

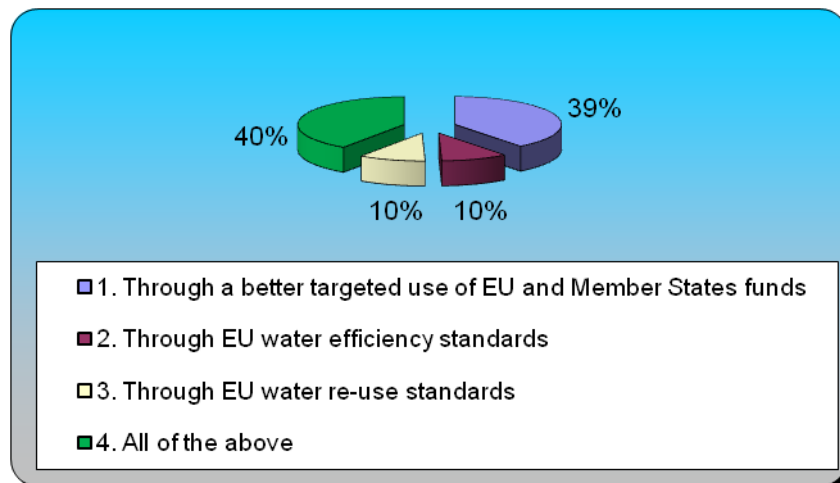


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Results of audience voting

“How could the uptake of measures discussed in this session be improved (especially measures to protect ecosystems, manage water demand and improve availability of clean water)?”



5 Session III: Economic incentives for a more efficient water resources management

Introductory presentation

Henriette Faergemann, Policy Officer, Environment Directorate General, European Commission

Economic instruments can be used to complement other policy instruments and contribute to environmental objectives by creating incentives for behavioural changes.

Water pricing is used to achieve an efficient, fair, and sustainable system that includes environmental cost recovery. Unfortunately, the current pricing levels in Europe fail to combine these objectives. Indeed, the RBMP assessments reveal a discouraging reality: the polluter pays principle is not consistently applied and the water pricing system is not designed to give incentive for more efficient use of water. In some cases there is a lack of metering and of fairness linked to the fact that not all sectors are contributing. In terms of sustainability, often not all the environmental costs are included as there is a lack of internalization of the external costs and a lack of transparency. The assessment also



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identified the following barriers to the implementation of water pricing: insufficient knowledge, inappropriate and ineffective structures of present economic instruments, historical water rights, pressure from some sectors of the economy and the lack of some pre-conditions (water metering, control of illegal abstraction).

Water markets are another economic instrument which can help setting the correct price. If chosen as an instrument, they should be applied to the river basin or smaller scales. Preconditions for properly functioning markets include a solid legal framework, good understanding of hydrological conditions, ensuring sufficient environmental allocations, as well as social equity. For water markets to work properly, relevant stakeholders must be trained and educated. The introduction of water markets should also be preceded by proper cost benefit analysis.

Payments for ecosystem services can help getting the incentives right, by sending service providers and users signals reflecting the real social environmental and economic benefits that ecosystem services deliver. While this approach is new and not sufficiently developed yet, it can nonetheless foster the achievement of environmental objectives that go beyond the minimum threshold of the polluter-pays-principle.

Certification and labeling schemes enable consumers to express environmental and social values through their purchasing decisions. Two main trends are observed: water footprinting, and encouraging good water stewardship. Labeling based on the water footprint is currently not recommended as it needs further research, whereas stewardship is deemed more appropriate.

Options considered at EU level on economic instruments include mandatory metering for (some) individual users, properly enforcing Article 9 of WFD, imposing conditionality for using EU funds, producing guidance on cost recovery calculation and the monetization of environmental and resource costs. Also, the European Commission is looking into the possibility of removing harmful subsidies, promoting water trading in some regions, and fostering efficient allocation mechanisms.

Discussions:

Chair: Kevin Parris, Senior Policy Analyst, Trade and Agriculture Directorate, OECD

Panel: Kyriakos Kyrou, Water Director, Cyprus; Sergiy Moroz, Senior Water Policy Officer, WWF EPO; Christian Pèes, Vice President, COPA-COGECA

Preconditions for water pricing & enforcement of economic instruments

- Water pricing needs to be implemented in combination with other policy tools, but some preconditions apply:



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- Economic instruments will only work if necessary background data (e.g. information on environmental flows) and preconditions (e.g. abstraction licenses) to inform their design and implementation are available (WWF panellist, Water Director from Cyprus).
- Enforcement and monitoring of water legislation and property rights are necessary requirements for the appropriate implementation of water pricing policies. Illegal water abstractions breach the law and need to be controlled (WWF panellist, Water Director from Cyprus).
- Mandatory metering is a precondition for the implementation of water pricing policies in Europe (WWF panellist).
- Water pricing should be accompanied by education and awareness raising related to demand management. Society must also realise that water cannot be provided at no cost (Water Director from Cyprus).
- Stakeholder involvement is critical to set the prices right. All relevant actors (agriculture, industry, households) need to collaborate in achieving water policy objectives (all panellists from COPA-COGECA, WWF, Cyprus).
- There is a need to impose conditions on the use of EU funds (Rural Development, Cohesion Policy) (WWF panellist). WWF also argued for the WFD objectives to be included in cross-compliance requirements under the CAP.
- It could be considered unfair that remediation costs are not borne by the polluter. These costs, according to a recent OECD report, are very significant. There is a need to strengthen the application of the polluter pays principle (WWF panellist).
- The interpretation of environmental and resource costs needs practical guidance from the European Commission (WWF panellist, Water Director from Cyprus).

Setting the prices right and social water tariffs

- The Water Director from Cyprus argued that everybody should pay the same price for their water use. This would ensure consistency. Governments can use other policy tools to support low income groups.
- The representative of RISE/ELO warned that there is a need to be careful with the consequences of increased water price. Expensive water will be allocated to higher value water use activities. This may well





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mean a shift to industrial water use from agricultural use, which is regarded as a low value water user, and in consequence may result in an increased demand to import food. In this context, the panellists from COPA-COGECA and WWF agreed that reducing food waste is something that needs consideration, as a lot of farming products that require water are wasted.

- Furthermore, an academic researcher from Wageningen University wondered if social water tariffs are relevant at all for water management in Europe, especially since EU households do not have the same low income levels as in other less developed parts of the world. The WWF panellist reminded the audience that the OECD already has a definition for water poverty and warned that the threshold of 3% of disposable income may be met in certain cases/parts of Europe. Nevertheless, he also reminded the audience that there are economic instruments, such as increasing block tariffs, that can help in these situations to subsidise low income costumers. The Water Director from Cyprus replied that to offer low income households subsidised prices is not a good option, as it encourages bad practices in water use. The best alternative is that everybody pays the same price and subsidies come through from other policy tools. Water should not be seen as a means of subsidising people. The representative from the Women for Water Partnership added that there are large regional differences in social tariffs across Europe and stressed that the use and impact of cross subsidies needs to be evaluated.

Baselines for environmental flows

- A representative from the Environment Agency of England and Wales asked the panel about the baselines that would need to be considered when designing pricing mechanisms in the face of climate change. There is evidence that summer flows in rivers in England and Wales will be seriously reduced in the next 50 years because of climate change; therefore, if information about environmental flow indicators is a precondition to set the right prices of water, the question remains about what environment we will be protecting: the one we currently have now or the predictions in 50 years time. The WWF panellist argued that including actual environmental costs into water pricing schemes would be a good starting point for successful adaptation to future changes in the climate. In this regard, he reminded the audience that aid to increase capacity for water use efficiency (e.g. irrigation in Spain) may lead to further abuse of available water resources. The Water Director from Cyprus concluded that it would be catastrophic for the economy of his country to ensure environmental flows during the summer. He stressed that there is a geographical variability that needs to be taken into account.



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Agricultural water use and payment for ecosystem services (or payments for services to ecosystems)

- The representative of RISE/ELO stressed that communication between relevant actors is important (e.g. between farmers and environmentalists). In this context, he introduced the idea that if farmers produce a service for society by saving natural resources, society should pay part of the costs for that. In principle, farmers are passing the costs of pollution on to society; instead, they could pass on some of the costs of a reduction in natural resource use. This idea is closely related with payments for ecosystem services. The representative from the Women for Water Partnership expanded on the topic by asking if instead of talking about payments for ecosystem services, it may be more appropriate to consider payments for services to ecosystems as an option to compensate farmers for the services to ecosystems they provide. This scheme would have a higher impact in less rich areas in Europe and might finally become an economic instrument that captures the interest of the economists.
- The panellist from COPA-COGECA added that more work needs to be done to understand payments for ecosystem services. It is important to finance environmentally friendly farming practices that would otherwise not be profitable. There are a lot of examples and ideas for further exploration of the topic. The WWF panellist reminded the audience that farmers need to be treated as business people that understand the risks they face if they run out of water. Also, agriculture needs to share the risks with other water uses. Public support can be justified, but without breaching the law (no illegal abstraction) and by meeting certain preconditions, for example, meeting good farming practices. The Water Director from Cyprus commented that water should be supplied to farmers at such a price that they pay a good cost recovery for its use. If farming is no longer profitable, there is a risk of land abandonment in rural areas, which may have an impact on ecosystem services. Furthermore, recycled water can prove a valid solution in water scarce areas.

Water trading schemes and water footprint

- A representative from the European Investment Bank asked whether there are any successful water trading schemes in Europe. According to the OECD Chair of the Session, there is no water quantity trading operational in Europe, but the system has been successfully applied in other parts of the world (e.g. Australia). He highlighted that there is also the potential to introduce water quality trading. The OECD chair further commented that water trading is a real possibility which has low transaction costs, but many people are not yet sure what trading means. The Water Director from Cyprus questioned the goal of trading mechanisms in water poor areas and areas where water is treated as a public good, owned and distributed by the central government as in Cyprus.
- The representative from the European Investment Bank also raised questions about the



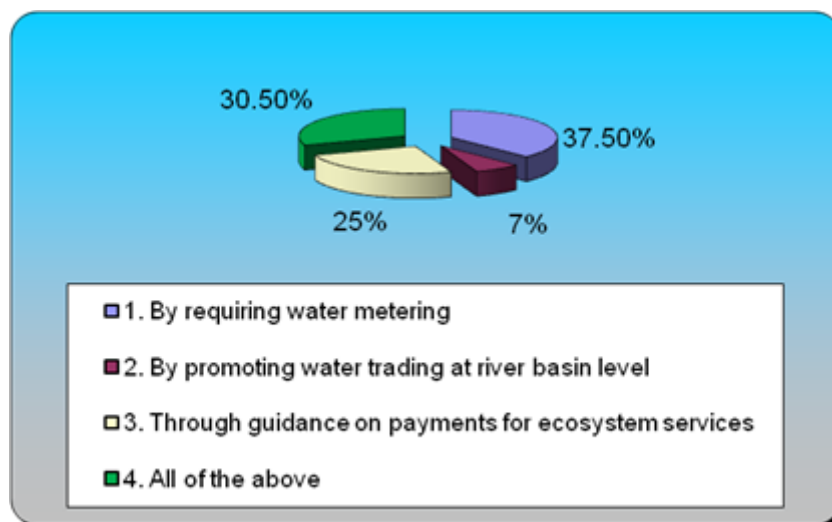
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use of the water footprint or virtual water concepts as tools for water policy decision makers. A representative of the Water Footprint Network highlighted that criticism to the policy applications of the water footprint and virtual water come from lack of understanding of the concepts. These can be used in policy as a language that connects different sectors. The OECD Chair of the Session replied that virtual water is useful to show how the water is used in the value chain of a product and, therefore, it is a useful concept for business. However, it is not useful for policy as water is only one element of the chain; water footprint does not account for other resources that are used (e.g. energy) and it does not account for issues such as the price currently paid for water.

Results of audience voting

"How can the EU further support the use of economic instruments for water management?"



6 Session IV: Governance system and knowledge base

Introductory presentation

Jorge Rodriguez-Romero, Policy Officer, Environment Directorate General, European Commission

Mr. Rodriguez Romero emphasized the importance of good information and governance for successful river basin management. Notwithstanding the progress achieved, administrative barriers are hindering adequate river basin management in many parts of Europe.



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The river basin scale is the appropriate level for water management. However, problems such as lack of coordination between the geographical and administrative scales often hinder effective river basin management.

The importance of the role of governance is made explicit in the Driving Forces–Pressures–State–Impacts–Responses (DPSIR) framework. The water managers' tools, which are the responses to drivers and pressures, need to be backed by political determination and a clear legal framework if they are to be effective. Common problems in Member States hindering proper management are: the rigidity of the water concessional system, fragmented institutional set up, poor intra and inter institutional relationships, and poor capacity.

The political difficulty to raise water tariffs threatens the financial viability of utilities and perpetuates the vicious circle of low tariffs, low service and willingness to pay. The economic crisis gives rise to both threats and opportunities in the water financing sector. On the one hand, national authorities are cutting public expenditure, increasing taxes and charges, and lowering investment in water infrastructure and innovation. Water service providers are generating lower income and short term goals are given priority over investment needs. On the other hand, the crisis has also promoted the uptake of measures that are not always considered: priority for cost effective solutions, the abandonment of large and expensive emblematic water projects, the removal of harmful subsidies.

The WFD has brought impressive improvements in the knowledge base on water along with increased transparency in setting objectives and managing water. However, there remain areas where additional guidance is required (e.g. chemical status, cost and benefit analysis). Important aspects to improve include: quantitative aspects of water management (flows, stocks, water use), reporting and statistical obligations, increasing the interoperability of available information and further decreasing administrative burden, further development of WISE.

The assessment of measures will require a better understanding of the cost of inaction. Water accounts and hydro-economic modeling are very promising tools in this respect. Overall, common methodologies and shared data sets across EU will help to make informed decision across Europe and bring policies forward.

Discussions:

Chair: Ivan Zavadsky, Senior Water Resources Management Specialist, Global Environment Facility

Panel: Fritz Holzwarth, Water Director, Germany; Pieter de Pous, Policy Director, European Environmental Bureau; Mario Andres Urrea Mallebrera, Technical Director, Confederación Hidrográfica del Segura



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- Panelists agreed that, since the implementation of the WFD, the water governance situation in the EU has improved (German Water Director and EEB). The Water Director from Germany said that the difference the WFD made for water management in Europe should not be forgotten when conducting the Fitness Check and the assessments of the implementation of RBMPs. He also mentioned that the WFD led to cooperation of the different federal and administrative levels in Germany.
- The panelist from the EEB added that major improvements were achieved in the areas of public participation, transboundary cooperation, the knowledge base and putting water policy higher on the agenda.

Governance system

- The Session Chair from the Global Environment Facility introduced the governance discussion by stating that the implementation of water policy has often been difficult due to the fragmentation of institutions. Coordination of shared river basins between different political entities and administrative units as well as integration of sectoral policies need to be strengthened. Stronger institutional and legal structures could help circumvent these problems.
- 
- According to the Water Director from Germany, the deficiencies in our governance system do not arise from regulatory burden. Rather, they are caused by administrative reforms in the last decades which led administrations to a state where they are not able to implement a whole range of EU legislation. A better solution for the governance system is often sought in the privatization of water supply and wastewater management. However, privatization cannot be a substitute for poor governance systems in the Member States.
 - The panelist from the Confederación Hidrográfica del Segura reported on a major problem in the Segura river basin which concerns the clash of competencies between national and regional level administrations. Despite hard work and efforts, these different levels of governance hinder implementation.

Cooperation between different sectors

- The Water Director from Germany commented that Member States have difficulties in implementing cross-sectoral activities of the WFD, because they have no competence to intervene in sectors such as hydropower, navigation or agriculture. However, he also mentioned an example where cooperation has worked. In Germany, specific provisions exist which require the Ministry for Transport to implement ecological measures during



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maintenance, even if they are more expensive. More generally, the Water Director from Germany commented that integration between water quality and hydromorphological aspects as well as between water policy and nature protection has so far not been sufficient. This point was strongly supported by Friends of the Earth Germany and Danube Environment Forum, who highlighted the importance of bringing nature conservation and the WFD together. They suggested developing a common strategy for both policies and starting by implementing it in one river basin as pilot, for example the Danube.

- The interface between the water and agricultural sectors is where governance is most deficient, according to the Water Director from Germany. This is mainly due to the difficulty in setting up a dialogue and because of the system of subsidies in the agricultural sector. The Commission proposal on the CAP addresses WFD issues through cross compliance and ecological focus areas (EEB panelist). However, this is now being scrapped by the agricultural ministers in the Council negotiations over the Commission proposal.

Illegal abstractions and concessions

- The issue of illegal water abstraction was raised by the panelist from the Confederación Hidrográfica del Segura. In his view, giving river basin authorities and managers more leverage in identifying illegal abstraction and penalizing the illegal action would help address this issue. Currently, when illegal abstraction is recorded, the fragmentation between the administration and the legal system hinders appropriate punishment. Compliance mechanisms applicable to all river basins are needed.
- The panelist from Confederación Hidrográfica del Segura also considered the rigidity of the water concession system as a major problem, particularly when concessions are beyond renewable limits. Currently, there are difficulties with registering the amount abstracted by licence holders. Also, in river basins where there is a lot of competition, the river basin authorities need to be very vigilant on the quantity of water used. Control, surveillance, monitoring and inspection have to be carried out with special care.

Knowledge base

- The Chair (Global Environment Facility) introduced the session by stating that sound scientific results need to be communicated to decision makers and stressed the importance of stakeholder participation and consultation.
- The panelist from the Confederación Hidrográfica del Segura reported that in Spain information sharing in the implementation process of the WFD has improved considerably. However, taking cooperation and coordination to a higher level requires defining common objectives. Public consultation processes in water planning have



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helped to increase the transparency and helped understand the interests of stakeholders. This process needs to be continued.

- The importance of the Blueprint ownership by the Member States, as they are in the forefront of implementation, was highlighted by the panelist from the EEB.
- The gap between science and policy makers was identified and the need for better communication and Science Policy Interface was highlighted. The panelist from the EEB mentioned possibilities to bridge knowledge gaps. In his view, this can be done by identifying appropriate data collection for setting water efficiency targets and making Art. 9 of the WFD more effective. He added that it is essential that this happens inside the WFD CIS process.
- The European Association of Mining Industries commented that more research should be focused on distance to targets of water policy (by how far are we missing good status and why) instead of only looking at pressures, impacts and cause-and-effect relationships.

Next steps

- The implementation cycles of the WFD are an iterative process. During the first round of the RBMPs the parties involved in implementation were learning by doing (Water Director from Germany). The RBMP assessments now identify what has worked and what not and the gaps. The 2nd and 3rd cycle will require more efforts.
- Panelists agreed that there is a need to act now and that sufficient knowledge is available to implement existing policies. The Water Director from Germany advocated the use of the existing policy framework and the WFD CIS process, without creating a new one at EU level.
- The Chair from the Global Environment Facility concluded that the governance structure needs to be adapted to the hydrological complexity and all relevant drivers, that the alignment of objectives in the different sectors is important for a full implementation of the policy goals and that we need to strengthen the interface of policy with science.

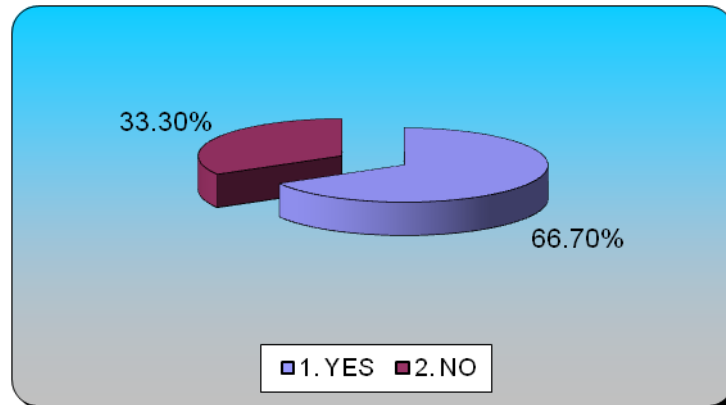


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Results of audience voting

“Would the setting of water efficiency targets be a useful tool in water stressed river basin districts to foster the integration of water policy objectives in all relevant sectors?”



7 Session V: Innovation and global aspects

Innovation partnership

Alan Seatter, Deputy Director General for Environment, European Commission

Traditionally, growth has been achieved at the expense of resources and by economizing on labor. The reasoning behind the idea of the European Innovation Partnership (EIP) on Water can be summarized in the following question: Can we create new ideas and use less resources and more labour in order to find solutions for resource efficiency and a better growth pattern?

The EIP proposes to provide opportunities for the EU water industry (a 100 billion € per year industry with 30% of the world market) and water managers to take advantage of the growing world market and innovate to better deliver the objectives of the water legislation. The EU water industry is a world leader in the sector but can do more to translate new ideas into marketable solutions. The partnership addresses the global dimension by recognizing that most of the growth in the water market will come from the rest of the world where useful solutions for water and sanitation are needed.

Three specific objectives were set for the EIP: cut the time to market new ideas, set ambitious targets for increasing turn over and jobs, and roll out solutions globally, beyond the EU market. The benefits will be felt beyond the water sector and encompass the energy,



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agricultural and health sectors. A platform bringing private and public sectors together should be in place soon. In his concluding remarks, Mr. Seatter emphasized that, to begin with, the focus should be put on a few simple solutions, one of which should address the problem of water sanitation in developing countries, and strongly encouraged people to join the initiative and make it a success.

Global aspects of the policy options

Kristian Schmidt, Director, Development and Cooperation Directorate General, European Commission

Mr. Schmidt addressed the EU's contribution to key development challenges on all continents: prolonged droughts, flooding, food insecurity, malnutrition, insufficient agricultural production, etc. While the MDG targets on drinking water are being met, 2.6 billion people still do not have access to sanitation and diarrhea is the second biggest killer in Africa. In addition, the global demand for water is expected to grow by 40% by 2030.



For DG DEVCO, the issue of developing agriculture in a manner that uses water wisely is also key. This sector uses 70% of the world's freshwater supply and food production will have to increase to meet the demand of the growing population.

In support of the water and sanitation sector on all continents, DG DEVCO committed 3 billion € to water and sanitation in the last 7 years. The official development assistance from the EU to the water and sanitation sector has almost tripled between 2002 and 2008, clearly demonstrating the EU's awareness of the importance of this strategic sector.

The development agenda presented by DG DEVCO last year suggested reducing the exposure of developing countries to shocks like climate change, volatile food and energy prices and called on the EU to invest more in sustainable agricultural systems and efficient renewable energy, both sectors with a strong water dimension. The future approach will be to address in an integrated manner the productive interrelationships between those sectors.

In connection with Rio+20, the goals and targets proposed by the EU for the water sector seek to ensure universal access to water and sanitation and sustainable water use through integrated water management and increased resource efficiency. However, agreement over these goals in Rio does not mean an implicit promise on the part of the EU to pay for these. Obviously, for the poorest countries, Official Development Assistance will remain a component. For the Commission, working with water ministries and local authorities to share and export lessons learned and experiences is an important priority.



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Discussions:

Chair: Friedrich Barth, Senior Advisor UNDP

Innovation Partnership

- A representative from a water analysis company asked whether there is any plan to develop unified certification for analysis products in the context of the Innovation Partnership. The Deputy Director General for Environment clarified that within the Innovation Partnership, there is no pre-determined agenda item to standardize or regulate, since it is a completely bottom up process. However, there is an ongoing debate on ways to facilitate the trading of products in the European market by taking further steps forward, such as the definition of product standards related to efficient water or energy use.
- Concerns were raised about the language used in the Innovation Partnership Communication. It should be made clearer that the WFD targets are very ambitious and that in Europe we have experiences to share but we are still in the learning mode with our RBMPs. The Deputy Director General for Environment agreed that the Innovation Partnership is not about delivering the wider objectives of the WFD, but targets specific activities to promote innovation in the water sector. It is the task of the Blueprint to address ways to deliver the WFD objectives in the RBMPs and other targets of water policies. The language of the Innovation Partnership can be further clarified together with the industry and the public sector until the end of 2012, when the strategic implementation plan of the partnership is due.



Global aspects of policy options in the Blueprint

- The OECD commented that virtual water as a policy tool has particular weaknesses and questioned whether virtual water can be a useful policy tool to guide the European Commission. The representative of DG DEVCO commented that virtual water should not be used as a concept to halt the import of tropical products but, at the same time, it is important that we support products from producers who follow a good stewardship of water.
- The representative of DG DEVCO noted that land grabs, often accompanied by the introduction of water-demanding crops, are increasing globally. There is general internationalization of land use and if there is lack of consultation of small farm



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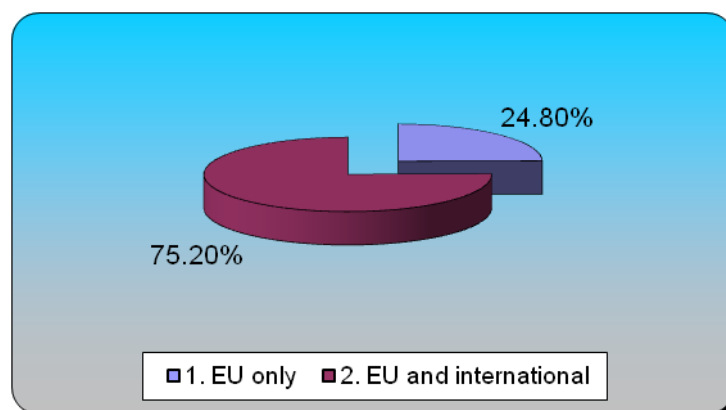
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holders, then we may face violations of human rights. On the other hand, developing countries need investments to improve their agricultural sector. In this context, the European Commission is working in an international framework on guidelines for land use and land grabbing.

- The WWF pointed to the lack of a mechanism for global water governance. The Deputy Director General for Environment commented that the European Commission promotes the ratification of international conventions, first by Member States and then internationally. However, international conventions are characterized by weak secretariats, they are under-resourced and suffer from weak implementation. At Rio+20, environmental governance is on the agenda and we need to make sure that we agree on ways to improve global governance.
- The Women for Water Partnership raised the question of why the European Commission is not making a declaration of intent to continue the EU Water Initiative (EUWI), which is one of the most successful political instruments to put water on the development agenda. It was emphasized that it is important and urgent to continue the EUWI, as a means of enhancing NGO involvement, national platforms and the water and sanitation agenda. The representative of DG DEVCO explained that there is no decision yet on the future of the EUWI. Strategic discussions on how to continue this initiative are ongoing. There is need for a credible and coherent package and Europe should invest efficiently in order to have a significant impact on the water sector on the ground and beyond support at the political level.

Results of audience voting

“Should the Innovation Partnership on Water focus mostly/exclusively on the EU or also have a strong international component?”

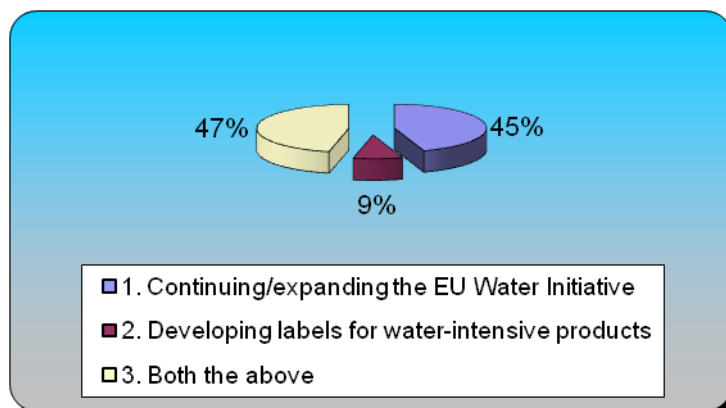




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“How can the EU best contribute to addressing global water resources shortage via its development cooperation policy and measures targeting water-intensive products?”



Concluding remarks

Gustaaf Borchardt, Director, Environment Directorate General

The discussions during the Conference clearly demonstrate that the European Partnership on Water needs to take the international/global dimension into consideration. This dimension is important in view of the enormous challenges at the global level with regard to water, particularly for the provision of safe drinking water and sanitation. In addition, it is in the EU's interest to exploit the significant market opportunities at the global level.

Outside the EU, there are possibilities to step ahead with innovative solutions. For instance, starting from scratch is at times easier than upgrading existing infrastructures, especially in many developing countries relying on old technologies. These countries can be the test markets for innovative solutions that, if successful, can then be applied globally. The EU, through its development cooperation policy and its private sector, can share its experience in water management as well as learn from others' experiences.



On the Conference discussions of the Blueprint options, a very strong message has underpinned most of the debates: water management is about finding the balance – and often a compromise – between different needs and users. A lot of support was expressed for

many of the options put forward by the Commission – such as green infrastructure, water re-use, reducing water wastage, reinforcing our knowledge base and the way we share it – and also very diverse or opposing views, for instance on water trading. The challenging but



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exciting task ahead is to digest the results of the studies leading up to the Blueprint and the views expressed by stakeholders in the public consultation with the aim of finding the right balance. It has been said in previous days at Green Week, that water cannot be loaned. We cannot borrow our water from the next generation. If we pollute and deplete water resources, we are leaving behind us a big debt that we will never be able to pay back. No-one can sensibly want this. Let's hope that in our Blueprint we find the balanced and innovative solutions that we need to prevent this.

8 Closing Session: The future of EU water policy

Bart Devos, President of the World Youth Parliament for Water

There is a growing recognition of the importance of youth participation in the water debate. However, a lack of financial resources limits the range of possible actions by young people and the ability to exchange knowledge. In addition, youth participants rarely have a recognized formal status; this makes it difficult for them to organize and speak with one voice in debates. In order to improve this situation, the World Youth Parliament for Water, a network of 85 people from 70 countries, was created as a legitimate representation of the world youth taking action for water. The Parliament's Declaration reflects the vision of young people on water issues, but also proposes concrete guidelines, actions and commitments. Work in the coming years will be based on this Declaration and on the five aims it identifies: encouragement, support, communication, advocacy, and animating the network of young people.

Mr. Devos shared with the audience the following opinions and requests from the World Youth Parliament for Water. Firstly, the Parliament is uniquely positioned to play a role in education and awareness-raising. Secondly, the Parliament offered Commissioner Potočník to write a youth strategy paper as a contribution to the Blueprint. Thirdly, lamenting the relative decrease in investments on access to water and improved sanitation, the Parliament requested the EU to increase the investments in this sector. Mr. Devos also recommended placing ecosystem services higher on the political agenda. Finally, the Parliament requested that the EU promoted the youth initiative concerning water related problems in a formal way at global events by sending a youth representative to international conferences such as Rio+20.



Mr. Devos concluded by reminding the audience that the World Youth Parliament for Water is not a typical stakeholder; its representatives are the decision makers, civil society, and the economic actors of tomorrow. Young people are becoming increasingly aware that decisions



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taken today will influence their well-being the most and they want to take responsibility.

Yves Leterme, Deputy-Secretary-General, OECD

In his talk, Mr. Leterme highlighted recent OECD findings, which can support the European Commission's tasks. Global water demand will have increased by 55% by 2050. The OECD outlook to 2050 underlines that costs of inadequate water management are very high financially, but also in terms of lost opportunities, health and environmental damage. The deterioration of water quality is estimated to have already reduced biodiversity in rivers, lakes and wetlands by about one third globally. Continued efficiency improvements in agriculture, and investments in waste water treatment are expected to stabilize the situation in most OECD countries; however, meeting increasingly stringent standards of water quality will be costly and will require significant investments. According to the OECD, the adoption of efficient approaches that minimize costs constitutes the EU's major challenge for the coming years.



Mr. Leterme put forward possible answers to these challenges. The cost recovery principle in the WFD makes a clear case for the first solution proposed: pricing water and water related services appropriately to help improve efficiency of its use. Although the exact scope of water pricing could be further refined and implemented, the basic tenets are robust. Secondly, securing enough water of good quality at the right time, where it is most needed is a challenge, in view of competing water demands and less available water resources. Ensuring minimum ecological flow is essential and, increasingly, part of spatial and environmental planning. Therefore, investments in ecologically sound water storage and distribution systems in water scarce or flood prone regions are an imperative. Thirdly, taking into account social concerns and the distributional effects of water reforms is key to securing water reforms. Lastly, green innovations for water can play an important role. Several areas stand out: waste water treatment equipment and techniques, the management of nutrient agricultural run-off, non-technological innovations (e.g. business models and city planning).

The solutions proposed above require effective governance across different levels. The OECD has developed a framework to assess multi level governance gaps, which could be helpful in these efforts. Some Member States are finding it useful to review the organization of their water authorities. Water governance also requires coordination across jurisdictions. Governments should pay more attention to how the water, energy, agricultural, and environmental policies interact. Mr. Leterme proposes the two following areas of focus: eliminating bad policies from the past to get incentives right and free up public funds (e.g.



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decoupling farm subsidies from production is changing irrigation practices and crop patterns in Europe), and using cost-benefit analysis to better integrate water considerations across the water/energy/food nexus.

Richard Seeber, Member of the European Parliament

History has demonstrated that societies which use their resources efficiently are more successful than societies that do not. Over the last 100 years Europe has made astonishing progress, principally due to the fact that we have been able to use technologies to make the most efficient use of those resources. This approach should be pursued.

In the area of water, there are increasing stress factors: population increase, urbanization and industrialization. A great deal has been achieved in Europe, particularly with regard to legislation. However, implementation and enforcement of this legislation must be improved to ensure that we use water efficiently.

Ensuring sufficient administrative expertise is an important challenge. Member States need better access to information, in order to base sound water policy on data. Major shortcomings are also observed in efficiency in all sectors. Public private partnerships must be encouraged if we are to be in a position where we can maintain and improve water systems. The following solutions are proposed: concentrating on regional approaches (because there is no one size fits all solution), looking at politically feasible proposals, and improving general awareness amongst the population to foster behavioral changes. Most importantly, water must be mainstreamed in all other policy spheres and decision-making processes. Achievements have been made in the realm of agriculture through the CAP and in access to drinking water; however, we need to continue efforts, particularly in new Member States, where problems associated to the transposition and implementation of legislation persist. The Commission should help Member States make the best use of financial resources at their disposal.



The topic of water efficiency links to our efforts in the area of research and development. In the Horizon 2020 programme, substantial financial resources have been set aside for the water sector. We must make the best possible use of these resources. The water sector accounts for a high proportion of the overall GDP. The EU should act as a driving force to benefit from the opportunities that arise in the water market and maintain the 600 000 jobs in the water sector while creating new jobs. Mr. Seeber concluded by emphasizing the importance of developing water pricing mechanisms and exploiting the opportunities that the water sector offers.



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Commissioner Potočník, Commissioner for Environment, European Commission

Progress has been made towards developing a water policy fit to face the challenges ahead. But policy-making can only be as good as the knowledge it is based on. Numerous studies and assessments have helped boost our knowledge and understanding of the current trends, emerging problems and existing gaps in the implementation of our water policy.

In the course of the Green Week and the 3rd European Water Conference, key areas of water policy were tackled: water scarcity and efficiency, the status of water resources including marine resources, the Innovation Partnership on Water, and international water policy with its fundamental link to development and poverty alleviation. The 3rd European Water Conference has sharpened the focus on specific policy options.

The 2015 deadline set by the Water Framework Directive to achieve good water status in the EU is just round the corner. The assessment of more than one hundred river basin management plans from all over Europe tells us that, in spite of the considerable progress made, there is strong need to improve pollution sources control across all sectors. If our rivers are to stay alive or to come back to life, we need to act to restore water bodies which have been significantly altered through physical modifications, leading to changes in water flows, habitat fragmentation and obstructions of species migration. Moreover, rising water demand and the impacts of climate change are expected to increase the pressure on Europe's water resources, underlining the importance of increased efficiency and savings in water use. Europe is suffering from changes in patterns of rainfall and land use. Further socio-economic, land-use and climate changes are likely to exacerbate the situation.



A number of solutions were discussed during both the Green Week and the 3rd Water Conference. We must address the big knowledge gap in water quantitative management. The Conference made clear that economic instruments such as pricing efficiency targets or payments for ecosystem services will only work if the right information is available beforehand. We also need to agree and implement water stress indicators that tell us in a timely fashion when action is needed because our water resources are becoming too scarce.

These are potentially powerful tools for integrating water efficiency objectives into other sectoral policies. But most of all, to foster water efficiency, we need to fully implement the provisions of the WFD.

That means pricing policies that provide adequate incentives to water efficiency. Of course, we must also take into account social and local considerations for both targets and prices, but we can no longer allow water to be seen as a good with no price in the parts of Europe where desertification is advancing. We need to put a price tag on the ecosystem services that nature provides. We have to bear in mind that our rivers, in order to thrive, cannot be



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turned into canals. We have to think of other ways to manage nature, for instance by relying on Green Infrastructure, restoring natural flood plains, protecting and creating wetlands, and protecting or planting forests. These measures work on the ground because they are the result of effective governance systems.

There are many important tools within EU policies that can help implement these measures. A reformed CAP can become a game changer in the implementation of EU water policy. The new Cohesion policy offers additional opportunities to support not only traditional water measures such as waste water treatment but also, much more than in the past, Green Infrastructure. Commissioner Potočník concluded that since: Every drop counts, we should count every drop indeed!