



SUPPORTING
BRIEFING

Water Scarcity

THE EU POLICY
CONTEXT

SEPTEMBER 2011

Summary

The primary legal instrument at EU level to address water scarcity is the 2000 Water Framework Directive (WFD). This includes objectives for water quantity for surface and ground waters, encourages full cost recovery of water use and water pricing and use of drought management plans where needed. In 2007 the Commission published a Communication on water scarcity and droughts, with three follow-up reports to 2011. This promotes a wide range of actions on water scarcity, from fiscal and regulatory to long-term integrated planning. Progress is seen in some Member States, but further action is needed. In 2012 the Commission will publish its 'Blueprint to Safeguard Europe's Waters' further reviewing progress and making proposals for action (which could be legislative in character). Parliamentarians and other stakeholders will have the opportunity to contribute to this debate in the first half of 2012.



1 INTRODUCTION

The EU has adopted a range of legislation and policies related to the problems of water scarcity, largely starting with the adoption of the Water Framework Directive (2000/60/EC) (WFD) in 2000. The nature of EU policy on water scarcity is currently under close examination with proposals for further policy responses expected to be made by the European Commission late in 2012.

This briefing, therefore, supports the general briefing on water scarcity, providing the current policy context for the issue and indicating the opportunities for engaging in future development of policy in this area. It has been written by Andrew Farmer of IEEP.

2 LEGISLATION

The introduction of the WFD provided the first coherent legal tool to address water scarcity by requiring long-term planning on water resources and measures to take this forward. The WFD sets a framework for the comprehensive management of water. In particular, Article 11 requires the implementation of a programme of measures taking into account water quantity issues and measures to promote efficient and sustainable water use. It also requires systematic control over the abstraction of surface and ground water. Furthermore, Article 9 and Annex III require Member States to take into account the principle cost of recovery of water services, including environmental and resource costs. The WFD required Member States to ensure, at the latest by 2010, that water-pricing policies provide adequate incentives for users to use water resources efficiently and that the various economic sectors contribute to the recovery of the costs of water services.

Water scarcity occurs where there are insufficient water resources to satisfy long-term average requirements, whereas droughts occur because of a temporary decrease of the average water availability, e.g. due to lack of rainfall. Regarding droughts, Article 13.5 of the WFD requires River Basin Management Plans (RBMPs) to be supplemented by the production of Drought Management Plans (DMPs) where there is a risk of drought. These should include indicators and thresholds, measures to be taken and organisational framework to deal with drought, including information on prolonged droughts.¹

3 THE COMMUNICATION ON WATER SCARCITY AND DROUGHTS

3.1 The 2007 Communication

On 18 July 2007, the European Commission published a Communication on water scarcity and droughts (COM(2007)414), which presented a set of policy options at EU, national and regional levels to address and mitigate water scarcity and droughts within the Union. It identified key challenges:

- The need fully to implement the WFD, especially the provisions on water tariffs and compulsory metering, RBMPs and DMPs.
- Improving water pricing policies to better reflect the 'user pays principle'.
- Moving towards sustainable land-use planning.
- The need to base policy making on a clear water hierarchy, giving priorities to water-saving and water-efficiency measures.
- Further integrating water issues into all sectoral policies.
- Improving knowledge and information.

The Communication stated that an integrated approach is needed, based on a combination of multiple options. A key option is to put the right price on water in accordance with the 'user pays' principle, noting the WFD requirement for cost recovery. Another major option is improving land-use planning, in particular to tackle the impact of agriculture and tourism on water resources. Adapting all economic activities to the amount of water available locally is considered to be a key condition for sustainable land-use planning.

The Commission proposed a hierarchy of measures. It placed water saving at the top of the 'water hierarchy', whereas creating new water supplies (storage of water, river basin transfers and desalinization) was considered to be a last resort. In order to save water, water-efficient technologies and practices need to be encouraged. The Commission recommended, amongst others, to develop standards for irrigation systems and other farm water-using equipment, to develop legislation for water-using devices such as taps, shower heads and toilets and to develop a new Directive for water performance of buildings.

The Communication also encouraged the efficient use of EU and national funds to improve water demand management and respond to droughts (including through the use of the EU Solidarity Fund and the European Mechanism for Civil Protection), the development of a European Drought Observatory and early warning systems by 2012. The effective implementation of the EIA and SEA Directives by all Member States was also considered key to avoid any adverse impact of water management projects on water resources.

In October 2007 the Council supported the options identified in the Communication and invited the Commission to review and further develop the strategy for water scarcity and drought by 2012. NGOs criticized the policy for not adequately addressing agricultural water use.²

3.2 First follow-up report

In 2008 the Commission published the first of three follow-up reports (COM(2008)875) reviewing progress on how actions in the 2007 Communication were being implemented. It continued to stress the importance of implementation of the WFD as an integrating mechanism to tackle water issues. However, it recognized that ensuring coherence across policy areas is a major governance challenge. On water pricing, the Commission reported action by some Member States, although it was not clear how far this was a response to the WFD.

The inclusion of water issues within the Good Agricultural and Environmental Conditions requirements under cross-compliance under the Common Agricultural Policy (CAP) was viewed as an important step forward. The Commission had immediately rejected adding further requirements of the WFD as a cross-compliance condition (due to problems identifying what these should be), but it stated that this would be considered in the discussion on the revision of CAP post-2013. The Commission noted some improvements on land-use planning in relation to water scarcity, but overall concluded that 'there is currently little evidence that land-use challenges are being fully integrated into the water management decisions taken by the Member States'. It noted increasing use of different types of drought management plans and increasing technological innovation.

The Commission reported in the follow-up report that some Member States were taking actions to set tariffs that are consistent with the level of water scarcity at local level, the season and/or the level of consumption. Others were conducting reviews and assessing the effectiveness of different types of tariffs in water-stressed areas. Progress was also being made in the area of water metering. A few Member States were developing national strategies to ensure the metering of water abstraction in agriculture and proof of public authorization to abstract, extending metering to include water abstraction and consumption, and introducing possible metering obligations in water-stressed areas or to all households that were part of new multi-occupancy buildings. However, further action was needed. A few had taken some steps to reduce the pressure on water resources, such as a ban on increases in water abstraction in overexploited areas, an assessment of the volumes that can be sustainably abstracted and a review of the abstraction authorizations, and an obligation to put in place collective irrigation organizations in charge of limiting and distributing abstraction volumes among irrigators.

As for fiscal incentives, some Member States had taken a range of initiatives to promote water efficiency. Some for instance had put in place schemes to support the purchase of rainwater harvesting and waste water reuse equipment in private and public buildings or aquifer recharge. Some were developing schemes that enable businesses to claim allowances for investments in water-efficient technologies and equipment. Both regional and local authorities and the private sector had sometimes put in place specific action plans in order to support the use of water-saving devices and improve water supply networks. Some Member States also took actions to improve water management through the CAP rural development programmes.

Some Member States were also implementing, or planning to implement, additional measures, such as water company drought plans, national drought plans, a system for the prediction and management of droughts, but only a few Member States had taken action.

The Commission concluded that progress had been made, but that the key challenges remained and the EU and Member States needed to take significant further

action to tackle the priorities identified in the 2007 Communication.

3.3 Second follow-up report

The second follow-up Communication was published in May 2010 (COM(2010)228), which drew on additional analysis by the EEA.³ It concluded that many of the 2007 objectives remained valid and that specific measures it prescribed had been implemented. However, more efforts were required to 'stop and reverse the process of over-exploitation of Europe's precious but limited water resources'. It also emphasised the lack of production of some of the RBMPs under the WFD. Many of the Member States that failed to meet the deadline of December 2009 to finalised RBMPs were also those where drought is the most severe.

The Communication focused mainly on measures concerning water pricing, water saving and water efficiency. However, other measures, such as creating a water saving culture, improving information and data collection and financing, were also discussed. It stressed that water pricing on its own may not be effective in reducing water consumption. Thus increased prices need to be introduced gradually and complemented with additional measures that would encourage efficient use of water. The Commission supported the promotion of developing a new culture of water management in municipalities' development plans. Only a few Member States had adopted taxation policies to address water scarcity issues.

The Commission encouraged the development of large scale water planning especially in the areas of farming or tourism, where over-abstraction is a problem. It emphasised the need to improve drought risk management, and argued for a conceptual shift from 'crisis response to risk management'. In addition to the identification of areas likely to be affected by regular or long-lasting drought, it continued to encourage the development of DMPs (also emphasised in a separate report by the European Commission).⁴

The link between climate change and water scarcity was also explored. The Commission referred to its 2009 guidance document on incorporating climate change in RBMPs. Also in March 2009 the Commission published 'Regions 2020 - Climate change challenges for European Regions' which also addressed the effect of climate change on water scarcity and droughts. The Commission proposed further development of the European Drought Observatory, engaged 'in pre-operational production of drought indices'. It also reported that for the first time the EU solidarity fund had been used in relation to droughts. However the procedure to apply for funding was not appropriate for 'slowly unfolding disasters'. Thus it called for a reconsideration of the EU Solidarity Fund Regulation to widen the scope of events eligible for funding. Concerning water efficiency measures, the Communication stressed the results of a 2009 assessment that showed that the introduction of a mandatory requirement on water using devices under the revised Eco-design Directive would result in significant savings (up to 19.6 per cent of the total EU public water supply).

3.4 Third follow-up report

The Commission published its third follow-up report in March 2011 (COM(2011)133). Mitigation actions and restrictions of uses had been implemented in various Member States. Few Member States had implemented water efficiency standards in buildings. Some had integrated it within their RBMPs, but only in a minority of cases. Water efficiency was also being addressed in some Member States through leakage reduction programmes in distribution systems and agricultural uses, because as much as 50 per cent of the water abstracted was lost in distribution in certain parts of the EU.

Eight Member States had introduced water tariffs and five more were developing them. An assessment had been launched by the Commission on water pricing policies for the agricultural sector. The Commission reported on a lack of comparable quality data across the EU. Indicators were being developed for the period 2010-2012 and a set of vulnerability indicators were also being developed to analyse the water related impacts, both with a strong emphasis on water scarcity and droughts.

4 FUTURE DEVELOPMENTS

The Commission is to publish a 'Blueprint to Safeguard Europe's Waters' in 2012. This will include a review on progress of the Communication on water scarcity and droughts and a report on the implementation of the WFD. A number of studies are being commissioned to support this process and DG ENV is drawing on the results of FP6&7 research projects. There will also be significant opportunities for stakeholder engagement from early 2012, including for Parliamentarians. There is already debate on appropriate future measures, ranging from the possibility of a proposal for a water scarcity and droughts directive to focusing on better implementation of, and support for, existing policies.

The challenges of EU level policy development on water scarcity have been explored within the SCENES FP6 project. In particular, the large number of competing economic and social factors and roles for different governance levels means that effective EU action is likely to be limited to promotion of planning frameworks, integration in other EU policies (e.g. the CAP) and promotion of individual tools (e.g. pricing).⁵

5 REFERENCES

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- ⁵ Farmer, A.M. 2011. Challenges of Developing a European Union Strategic Approach to Water Scarcity. *International Journal of Water Resources and Arid Environments* 1(3): 153-162.



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