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SUSTAINABLE WATER MANAGEMENT AND COHESION POLICY
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Ladies and Gentleman,

It is a great honour for me to represent the European Commission today in Zaragoza at the 2008 **ENCORE Conference on Water and Climate Change**. The management of water resources and the impact of climate change are two burning issues that the EU has to address. These are also global challenges and it is hence entirely appropriate that this ENCORE Conference is taking place within the International EXPO on Water and Sustainable Development.

My address to you is split into **three parts**: firstly, I will recall of some of the major possible impacts of climate change on water resources, on EU citizens and on economic activities; secondly, I will comment on a few key EU initiatives to tackle some of these risks; and thirdly, I will position European regional policy as a partner for you to deal with these challenges.

The importance of water can never be stressed enough. As global warming takes place the global water cycle also intensifies. In Northern

Europe we will have to deal with much more rain, while Southern Europe will increasingly suffer from droughts.

Since 1998, Europe has suffered more than 100 major floods causing extensive damage. The intensity and frequency of such floods is expected to increase considerably in the future. You might remember that in 2002 the EU Solidarity Fund was created out of solidarity with the Austrian, Czech and German people severely affected by floods. Unfortunately we have had to have recourse to this fund more often than we anticipated or desired at that stage.

Meanwhile one third of Europe's population lives within 50 km of a coast. For many of them, **rising sea levels** start to cause real problems. Coastal zones will also suffer from **salt water intrusion** as well as from the over-exploited aquifers.

Severe water shortages can be expected particularly in the Southern and Eastern part of the EU. In the Mediterranean river basins, there will likely be less water available which will inevitably increase water stress. Since 1990, the average land area and population affected by droughts has doubled every year. Today water scarcity is a problem that affects at least 14 Member States and around 100 million inhabitants.

Disruptions in **water** supply have a direct **impact on a whole range of economic activities**. About 150.000 litres of water are used to produce one small sized car; 40.000 litres for a ton of paper; 2.000 litres for a ton

of meat. Given that water resources will become scarcer they **need to be efficiently managed** by all sectors concerned.

There will also be knock-on effects. The changing water cycle will severely strain our soils and all our ecosystems and biodiversity.

The conclusion is clear. Climate change is going to have a very significant impact on the environmental conditions which underpin our current standards of living and it will increase the risk of extreme climatic disturbances affecting the lives of our people and our economies.

That is why the EU started already in the 90s to develop a policy based on sustainable water management and enhancing the global management of the water resources. The cornerstone of this approach is of course the Water Framework Directive that constituted the first step in modernising the water policy in the EU. It takes a holistic approach looking in a co-ordinated way at the water system as a whole including groundwater, surface and marine. It also seeks to promote its efficient use through proper pricing policies.

Implementation of the Directive has already provided some success stories. The **Danube** river basin is one example of how the Directive has contributed to promote the co-operation among the 13 countries that cover it, not all of them being members of the EU. This is an important reference given the fact that more than 60% of the river basins in the EU are trans-boundary.

In Spain, several proactive water saving programmes have been initiated. In the place we are today, **Zaragoza**, a vast programme based in modern water equipments and devices was started in 1997, with the introduction of water meters and a public awareness programme. Its results show how important it is - before promoting new water supply infrastructures - to think if we have fully exploited the measures of water savings and efficiency. The measures in Zaragoza have achieved savings of 1.200 millions of litres of water which made the city reach the lowest consumption level per person per day in Spain.

One important shortcoming in the Water Framework Directive implementation is the slow incorporation of economic instruments into water management. While the level of recovery of the water service cost is quite high for households and industries, in a number of Member States the cost of the water service for agriculture is far from being fully recovered or at least we are far from implementing a scheme allowing progressive recovery of such costs.

To tackle the **specific impacts of climate change on water resources**, the Council adopted in November 2007 the Directive on **flood** risk management. In July 2007 the Commission adopted a Communication on water scarcity and droughts. In June 2007, The Commission published a Green Paper on adaptation to climate change, leading to a White Paper later this year.

Floods are natural phenomena but human activity can exacerbate their likelihood. By undertaking prevention measures **the probability of**

floods can be reduced and their impact minimised. The Directive makes flood management a key part of river basin management stressing the importance of non-structural measures such as using natural flood plains as retention areas for water during floods.

To respond to the increasing impact of **water scarcity and droughts** all over the EU the **Commission opened a debate** on the ways to prevent these problems and on how to solve them once they have affected us. A key concept in the **Communication** on water scarcity and droughts is that there should be a “**water hierarchy**”. This means that whenever there is scope for water savings, increased efficiency in water utilisation and any possibility of cost-effective measures on demand management, they should be undertaken prior to considering any other alternative such as planning for additional water supply infrastructure.

The Communication stresses the **need to** proceed with the **full** implementation of the **Water Framework Directive** – expected to be fully operational by 2015. The Communication also highlights that the average water savings potential in the EU is of 40%. Furthermore, land, being a limited resource, is increasingly submitted to competing demands.

The impact of climate change is felt in many economic sectors and requires a policy response which integrates sectoral objectives within one framework. Therefore I would finally like to say a few words about the contribution of Cohesion Policy to support regions in their effort to cope with the climate change impact on the water sector.

The objective of Cohesion Policy is to assist regions to reduce socio-economic and territorial disparities by supporting their competitiveness in a sustainable way. Regions and territories are exposed to different climate change events and to various degrees; these climate risks may increase existing disparities or even create new ones.

No one is sure of how exactly these risks will materialise on a given territory in the course of the next 50 to 100 years; but what is sure is that the costs of acting now to prepare regions to cope with them, in an efficient way, is far less than the costs of the non-action.

Cohesion policy has been assisting regions to meet these challenges in various ways.

First, the specific cohesion policy approach of **multilevel governance** has encouraged the consultation of all interested parties in the Member States and regions in the preparation of the Cohesion programmes. Prior to their adoption, all programmes have been **assessed for their environmental impact**. Of course, **individual projects** continue to be assessed in turn too for their environmental impacts. Regional and environmental partners are included in the programmes monitoring and control systems ensuring that local needs and perceived risks are properly taken into account by the programmes.

Nevertheless, while all possible efforts were made, based on the best available information we had at the time of the preparation of the 2007-

13 programmes, recent scientific evidence on the impact of climate change calls for a **deeper examination of opportunities for integrating climate change proofing of investments supported by our policy** already during the present programming period. This approach is supported by the results of public consultation on **the post 2013 cohesion policy** which show that supporting regions to cope with climate change should be one of its top priorities.

I encourage the partners to think creatively. They may for example consider the building of separated drainage pipelines so as to avoid overload of the existing water treatment plants. Regions increasingly subject to **droughts** can systematically examine all possible measures to rationalise water use are exhausted prior to considering new supply. Additionally, any investment in new infrastructure needs to take more into account **flooding** risks and the way it might contribute to exacerbate them.

I am pleased to note that a number of Member States have introduced a programme-level indicator into their Operational Programmes for measuring carbon neutrality or achieving a reduction in greenhouse gases; there will be a specific session during this year's Open Days in Brussels to address this topic. In addition, consultations on Green Paper on territorial cohesion due later this year provide for you an opportunity for linking territorial cohesion to improving water management and dealing with the threats of climate change.

Second, cohesion policy has a long history of supporting the protection of the environment and the implementation of the EU environmental policy in the Member States; in the old as well as in the new ones. Compliance with the Community "acquis" in the environmental area, and particularly in relation to the Water Framework Directive, is costly and to that end the Cohesion Fund has assisted Member States in meeting their obligations without unbalancing their national budgets.

For example, for the period 2007-13, cohesion policy has allocated € 104 billion for supporting the environmental sector or 30% of the total Cohesion policy allocation. In particular, € 22 Billion are allocated to the water sector, namely helping regions meeting the Community acquis in the water resources sector. For Member States like Spain, where water supply is a crucial factor for economic activities, it was granted to include the water corresponding expenses in their convergence regions as contributing to meet the Lisbon goals as part of the earmarking exercise.

Third, there is scope for improving the **information** to regional and local authorities on the concrete risks of climate change and on what they can do to reduce these risks and limit their impact on humans and the economic activity. In particular technical assistance is made available through JASPERS in assisting the EU-12 countries to identify adaptation measures that can be undertaken by regional authorities. Cohesion policy will continue to support these efforts and will encourage the **exchange of best practices** among EU regions and territories exposed to similar risks through the Regions for Economic Change initiative, supported by the INTERREG IV programme.

In conclusion, the combination of accelerating climate change and human activity is intensifying the impact on water resources leading to very different extreme consequences such as floods and droughts causing serious damages to our populations and economic sectors.

To cope with these risks, the EU has adopted a number of initiatives among which the promotion of a holistic management of the water resources secured by the full implementation of the Water Framework Directive stands-out, the adoption of the Flood Risk Management Directive and the adoption of the Communication on Water Scarcity and Drought. The foreseen adoption later this year of a Green Paper on Territorial Cohesion and a White Paper on Adaptation to Climate Change are also important landmarks.

Cohesion policy is encouraging regions to balance management of supply and management of demand of the water resources and assists regions taking the necessary measures for preventing climate related risks. Our concern is how to enhance our policy support during the present and next programming periods. We must design our development strategies with the objective of long term sustainability and the sooner we include climate change the better for the EU citizens and our economies.

Thank you for your attention