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### **Water: challenges and opportunities for European regions**

Ladies and Gentlemen, Dear Friends,

First of all let me thank the Assembly of European Regions for bringing us here to talk about water. Congratulations for this event. I am impressed by the interest expressed by young people. Your participation, as well as that of local and regional officials and experts from all over Europe clearly shows the interest that this topic raises at the most various levels.

I find the title of this Summer School 'Water: engagement for our future ' particularly relevant – it concerns our future, it is about solidarity with next generations. So, it is indeed a good news to see so many of you here to talk about a topic which I believe is central to the future development.

I would like to elaborate on four issues: first, that water indeed matters; second, that the European Union cares about water; third, that tasks related to water challenge must be shared between the Union, member states, regional and local levels, business community and citizens and fourth, that crisis related big structural change gives Europe not only a chance to come out from it more energy efficient but also more water efficient.

We all know today that we are facing many challenges putting growing pressure on water availability and on its quality. Europe has been regarded as a continent with sufficient water resources. Without any doubt there are other parts of the world which face more severe water related problems. But today we are fully aware that we are not immune to water challenge. It

is not only due to human activities. It is also because global warming is a fact of life: over 10 000 years global temperatures rose by 1 degree Celsius; now the future threatens us with potential increase between 2 and 6 degrees. Water scarcity and droughts are affecting many parts of our continent already today. This is clearly proved by many studies, including the one made by the European Commission Directorate General for Regional Policy a year ago "Regions 2020". These problems will only be exacerbated in the future due to climate change, demographic trends, changes in land use and spatial development patterns, water management practices etc.

The fact that water challenge is affecting European development in an asymmetric way from the territorial perspective matters. We all know that temperatures in Europe will grow by the end of this century between 1 and 5.5°C which will lead to substantial territorial increase of precipitation. In particular, we will see large increase of precipitation in the North, and a decrease in some regions in the South. You do not need to be an expert to realize that this will increase the probability of natural disasters, will affect river flows, resulting in more floods or water scarcity. This might lead to a new map of Europe, disparities might increase, new ones will emerge. This will depend on how we will react at all governance levels to the challenge.

You might remember the heat flow of 2003, when one fifth of EU population and one third of EU territory were strongly affected. Maybe some of you come from Cyprus affected by droughts the third year in row and have seen ships bringing water to the island.

Available data say that 17% of European territory – corresponding to 11% of the population – has been already affected by water scarcity at different extents. In the past 30 years the number of areas and people affected by droughts increased by almost 20%.

And at the same time, according to our data, 60% of European citizens over-exploit water resources. And this is happening in times when in some parts of the world availability of fresh water could be reduced by between 20 and 30% in the next years as a consequence of climate change.

I am sure you have discussed potential and real impacts the water challenge is having and might have on our life as citizens, on our economy, and in particular on sectors which rely heavily on water supply. I am thinking here not only about agriculture, but also about tourism and many industrial sectors, including such basic ones as energy and transport.

Experts claim that water scarcity and droughts on the one hand, and flooding on the other have cascading effects on our economy, our life, our health. Statistics on water related disasters show the size of damage taking as reference national context. Local and regional impacts are far more spectacular and painful.

Over the last years I had many meetings with authorities of regions affected by droughts, floods and fires in the context of their applications for the European Solidarity Fund. And I know how seriously they can reduce the economic activity, how they can bring about losses in forestry, livestock, farming – just to mention few consequences. And one can imagine disastrous impacts of such events on biodiversity, soil impoverishment or water quality and accessibility. There are regions in the EU which have fought for years against the risk of desertification.

These are just few example of factors behind the risk of water scarcity. For years therefore we have been investing at the EU level in creating a legal framework that would give us a solid, shared across our territory foundation for an ambitious water policy. We need such a policy not only for today, we need it out of solidarity with future generations.

There have been many studies made so far demonstrating unsustainability and inefficiency of use of water resources and weaknesses of water management.

And many efforts have been undertaken aiming at establishing a good framework for long-term water management , based on strategic planning , on integrated approach and also on promoting sustainable use of this scarce resource.

I am sure you had a good discussion on what is our European flagship water legislative act – the Water Framework Directive of 2000. It is a tool that allows us to incorporate especially the impacts of climate change into the management of our water resources. Thanks to this Directive we can be more efficient in protecting our European waters.

Last year the European Commission presented to the Council and the European Parliament its Communication on water scarcity and droughts, focussing on policy options that would lead to efficient addressing and mitigating the water scarcity and droughts challenge. It was followed by a Green Paper on adapting to climate change, and by a White Paper this year.

There are without any doubt many tools we can use to move towards lowering water related risks at stake. I am sure you would agree with me that changing our water culture towards the culture of water saving and water efficient use, should be our common priority. It is not an easy task but an urgent one. Estimates show that we are in the European Union wasting up to 40% of the water we use. We clearly do not start from scratch, a lot has been done in Europe but much more remains to be done.

I belong to the club of those who believe that a good water pricing policy is a must. And this is true not only with regard to industry but equally to the public at large, to the domestic sector.

Our industries should invest more in water efficiency measures. There are many water saving technologies available and not so difficult to implement. There are estimates that introducing water saving devices and more efficient water using domestic appliances alone could reduce in the domestic sector the use of water by one third.

I am not an expert on agriculture but those who are say that switching from gravity to drop irrigation for crops such as citrus or grapes could also lead to substantial savings in the water use.

I have seen many projects financed by European regional policy, bringing huge savings in small and medium size companies in the water usage, allowing for recycle of water or the use of rain water.

As you might know there is also a system of labels, environmental audit schemes or ISO14001 standard that firms can use to show publicly their commitment to good practice in water management. There is a wealth of good practise in the Union that we can be proud of. There is already a path to be followed.

So where we are in Europe today with regard to the smart use of water?

I would say there is awareness which is growing. There is commitment and it is spreading. And there is still a lot of wasted water. So we need efforts, we need engagement. We need those efforts from politicians, industries, consumers. We need education.

Current crisis triggers a lot of restructuring, related first of all to energy efficiency and the use of alternative energy sources. Why not making water efficiency a business opportunity and get out of the crisis not only more energy efficient but also more water efficient ?

I am convinced that water protection requires joint European response, there is a clear European value added in this area of utmost importance for us, citizens. The oldest of us remember European rivers 30 years ago so heavily polluted that fish had disappeared. We remember beaches and coastal waters too dirty to swim. We remember the bad quality of drinking water. So we know that a revolutionary change is feasible.

From what I have said above you may see that Europe cares about water. We have a special financial instrument to help inhabitants of territories hit by natural disasters such as those caused by floods or droughts (European Solidarity Fund).

And we have been reaching out to this instrument more and more often over the last years.

You would agree with me that climate change related challenges do not recognize political or administrative borders. They require Europe wide approaches and solutions. But at the same time, as I was trying to convince you at the beginning of my introductory remarks, water related challenges, problems deriving from water misuse have consequences depending on the characteristics and the specifics of each EU region. They often require tailor made solutions. They often can be more efficiently coped with at local and regional level. That is why the European Commission has made the European cohesion policy a major policy instrument of sustainable development. This policy offers an important contribution to strategic and effective response to challenges such as increasing globalization, concerns about energy supplies, demographic decline, climate change or world recession. Its pledge to deliver growth, jobs and competitiveness is matched by its commitment to the EU' sustainable growth agenda. In the period 2007-2013, sustainability is marked by reinforced action, with ambitious amounts of funds dedicated to environmental initiatives. The total structural and cohesion funding allocated to environmental investment – direct and indirect – for 2007-2013 amounts to 105 bln euro or 30,4% of the total policy funding. It is nearly three times more than in the 2000 – 2006 . Half of the total is devoted to investment in such capital intensive infrastructure as water and waste treatment, renewal of contaminated sites, pollution reduction and support for nature protection. The other half goes to investment with an environmental

impact, e.g. in areas such as transport and energy systems, eco-innovation, urban and rural regeneration, environmental management for businesses, eco-tourism, energy efficiency and renewable energy. About 48 bln euro is allocated to direct or indirect actions to combat climate change. 22 bln euro goes directly to water sector.

Cohesion policy has also recognized that some of the environmental challenges can be better addressed at macroregional level. This has led to the Baltic Sea Strategy, adopted by the European Commission in June 2009. Sustainable environment has been identified as requiring urgent action at the level of Baltic Sea area. Particular attention is given to the impact of excess nutrients in the Sea itself leading to eutrophication and algal blooms. There is also damage to the ecological balance due to overfishing, land based pollution, rising sea temperatures, the presence of hazardous substances and other pressures. Adaptation to climate change has been recognized as a growing challenge. We, in the European Commission, strongly supported by the European Parliament are convinced that these challenges and opportunities can best be addressed by an integrated multisectoral strategy. Preparation of another strategy of the same multiregional, multisectoral nature is being launched for the Danube river basin.

As you know, in the European Union the right of initiative belongs to the European Commission, but other European institutions, in particular the European Parliament, have been very active in the area of water management. In its initiative report of 2008 on the EC Communication 'Addressing the challenge of water scarcity and droughts in the European Union', the European Parliament clearly expressed the view that 'the EU should adopt a holistic approach when managing water resources, combining measures of demand management, measures to optimise existing resources within the water cycle, and measures to create new resources, and that the approach need to integrate environment, social and economic considerations'.(2008/2074(INI), p.6

The Parliament trusts that it is possible to find a balance between economic development, environmental protection and the sustainable management of resources, in particular water, which are the elements defining the attractiveness of a territory in the long term.

In the same report, the EP has also pointed out that in the future revision of the Community budget environmental priorities should be given a higher priority, and in particular policies

designed to combat the effects of climate change, including drought and water scarcity.

(2008/2074(INI), p.7

One should, however, underline that in any case the EU budget cannot be the only source of investing in smart water management.

The Parliament has been over years very supportive in making the European cohesion policy an essential policy tool to address water challenge. This European policy has been considered such a good vehicle for efficient investment in water management due to its characteristics, such as for example the role played by local and regional authorities and economic agents in its programming and implementation. All over EU their role is crucial not only with regard to water smart investment but also with regard to climate change related investment in general. These issues must be taken on board at early stage of decision making on the use of soil and on development strategies and investment. (Committee of the Regions opinion on 'Addressing the challenge of water scarcity and droughts in the EU'-DEVE-IV-020) More and more decisions on public investment have been taken on subnational – regional and local – level, including those that have a decisive impact on water consumption in the long term.

In their water related efforts, the European Commission and Parliament have been accompanied over many years by the Committee of the Regions. An example can be the opinion of the COR of April 2009 on the EC Communication 'Water scarcity and droughts' where rapporteur in charge was Mr Francisco Camps Ortiz, President of the region which is our host today. In this opinion, the importance of the principle of subsidiarity and of European multi-level governance are clearly underlined. The same is true for the strategic role of local and regional authorities in 'planning land and water use,... and ensuring supply to citizens of sufficient good quality water'. Water is a public good and all users and providers must share responsibility in this field. For this to become a reality, we need not only pressure coming from below – citizens, businesses, local agents and authorities, we need also concrete actions taken by them.

The entry into force of the Lisbon Treaty will only facilitate this task. We will have a more powerful European Parliament with extended co-decision competences. The recognition of territorial cohesion as a community objective, complementary to the social and economic cohesion, will also generate more space for EU activities aiming at achieving better

management of water resources. Extension of subsidiarity to local and regional level will allow for more effective water policy.

It goes without saying that the involvement of civil society is a must in this area, at all stages of the process. I have mentioned before the need of cultural change to be smart on water. We do need more efforts to change mentality toward water friendly behaviour. European, national, regional and local level in partnership with all those who care about our future should work together on delivering targeted information to the public at large and make the change of water culture happen.

I know that this task has been taken seriously here in Spain and in Comunidad Valenciana. In the last years public awareness campaigns to promote water savings and inform the public about the different domestic actions have been launched (UNFCCC National Communication). The 2008 Water Expo in Zaragoza was an excellent opportunity in this respect as well. And, today this year AER Summer School in Valencia will certainly further contribute to spread information to decision makers and citizens, especially young citizens, who are the decision makers of tomorrow. I welcome wholeheartedly the idea of creating a Water Award for best performing regions and elaborating a 'European regional charter for water'. These are, indeed, valuable examples of concrete commitment by accountable authorities and efficient methods to spread awareness in the civil society on how such a collective approach to actions can lead to better results than a simple sum of individual initiatives. Challenges are unprecedented but we can drive threats back and come out from water challenge as winners.

Thank you very much for your attention.