



TIME FOR AN

# EU Blue Deal

## Conference Highlights

Consultative Commission on Industrial Change (CCMI) high-level hearing

27/02/2023



European Economic  
and Social Committee



# PROGRAMME

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**Moderation: Mariam Zaidi**

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## **14.30 – 15.00 Opening**

- **Christa Schweng**, President of the European Economic and Social Committee (EESC)
  - **Pernille Weiss**, MEP, Chair of the MEP Water Group (intervening remotely)
  - **Pietro Francesco De Lotto**, President of Consultative Commission on Industrial Change (CCMI)
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## **15.00 – 16.10 Panel 1: Global challenges at stake**

- **Sergiy Moroz**, Policy Manager for Water and Biodiversity, European Environmental Bureau (EEB)
  - **Mirjam Wolfrum**, Director of Policy Engagement, CDP Europe
  - **Milo Fiasconaro**, Executive Director, Aqua Publica Europea
  - **Marc Zeitoun**, Director General, Geneva Water Hub
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## **16.20 – 17.30 Panel 2: Sustainable water management**

- **Will Sarni**, Founder and CEO, Water Foundry and Founder and General Partner, Water Foundry Ventures (intervening remotely)
  - **Li Lifeng**, Director of Division for Land and Water, Food and Agriculture Organisation of the United Nations (FAO)
  - **Johannes Lohaus**, Secretary General, European Water Association
  - **Oliver Loebel**, Secretary General, EurEau
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## **17.30 – 18.00 Closing**

- **Oliver Röpke**, President of the Workers' Group, EESC
- **Salla Saastamoinen**, Deputy Director-General, Joint Research Centre (JRC)



## The event

Water is a vital but an increasingly scarce resource. The topic is high on the international agenda in 2023 with the UN Water Conference, which aims to decide on concerted action to achieve internationally agreed water-related goals and targets. The EU has anticipated water-related challenges to a certain extent, setting up legal frameworks for the protection and management of our freshwater and marine resources. However, many of these objectives have not been reached, largely due to insufficient funding, slow implementation and lack of integration of environmental objectives in sectoral policies. The water dimension is not sufficiently embedded in public and private decision making.

Considering the challenges at stake, the European Economic and Social Committee (EESC) considers that the current EU policy framework is not fit for purpose. A change of scale is urgently needed. Against this background, the EESC is working on water as a cross-cutting theme in 2023. Its aim is to raise awareness and bring the topic as one of the priorities on the European Union's agenda via a call for an "EU Blue Deal". The EESC will adopt a set of own-initiative opinions, addressing the topic from sectoral perspectives and making concrete proposals with a view to building a comprehensive approach to European water policies.



The high-level hearing of the 27<sup>th</sup> February 2023 on water policies and challenges - Time for a Blue Deal - set the scene for the EESC's work. Rapporteurs of the EESC's own-initiative opinions had an opportunity to exchange with top water experts on the most pressing water-related challenges now and in the years to come, and to discuss the state of play regarding existing policies. The outcomes of the event will feed into the content of the EESC's opinions. At the end of the work, the EESC's proposals will be summarised in a Declaration to be handed over at a high-level conference "Call for an EU Blue Deal" in October 2023.

The conference on the Blue Deal was divided into two panels, and included keynote speeches by high-level speakers on:

- Key challenges and existing policies concerning the preservation of freshwater resources and clean water, access to water, the economics and geopolitics of water and blue diplomacy
- Sustainable water management by businesses, agriculture and households and sustainable and resilient water infrastructures.





# Opening



**Christa Schweng,**  
President of the EESC

**"I am delighted to kick off our work on the EU Blue Deal today. The availability and sustainable management of water impacts industries, energy consumption, health, migration and social peace. It is time to act and set water as an EU top priority."**

President Christa Schweng opened the event by noting that the gap between global water supply and demand is projected to reach 40% by 2030, if current practices continue.

Access to water, water quality, water use, and consumption needs to be given the corresponding political attention. Following this hearing, the EESC will start preparing a set of own-initiative opinions, covering the economic, social, environmental and geopolitical aspects of water. The water dimension must be embedded in every policy area. The way forward can only be together – with joint and coordinated actions at regional, local, national, and European levels.



**Pietro Francesco De Lotto,**  
President of the CCMI

**"All industries rely on water. Industries must also manage and anticipate water risks, and we need to make sure that we have the right policy tools in place to minimise these risks."**

CCMI President Pietro Francesco De Lotto discussed the importance of placing water higher on the EU political agenda, in a comprehensive way, while also developing the appropriate policy tools to mitigate risk and guide strategic investment. We have to push our employers and industries towards adapting new technologies, instruments and more efficient production methods with a positive approach. To achieve this, we must avoid silos and work across disciplines and with organised civil society. Water-efficient technologies are an important part of the solution, not just for industry, but for all society – making public and private consumption more efficient and sustainable. Water is a public good, one that is both scarce and strategically critical.



**MEP Pernille Weiss,**  
MEP, Chair of the European Parliament's Water Group

**"The EU can be a leader in protecting water resources, and should work with other countries globally to address water-related risks. I look forward to seeing the EESC's Declaration and learning about your concrete suggestions."**

Intervening remotely, MEP Pernille Weiss welcomed the EESC's initiative and stressed the need to work together for better water policies. She mentioned the need for an innovative toolbox and incentives for our industries, supporting them in their use of resources and addressing also our energy issues and the water-energy nexus. Incentives and investments are required to boost the uptake of new, innovative technologies, data and digital solutions addressing water challenges. She finished by saying that in addressing the issue from all angles, we can develop a world-leading EU water strategy.

## Panel 1: Global challenges at stake



**Sergiy Moroz,**  
Policy Manager for Water and Biodiversity, European Environmental Bureau (EEB)

**“The EU has good water legislation in place that is recognised as an inspirational example globally. However, having good laws in place is not enough, we need much better implementation and enforcement and with the Water Framework Directive’s 2027 deadline around the corner, it needs to start now.”**

Mr. Sergiy Moroz set the scene for the panels by explaining how our water ecosystems are in a dire state. He discussed how strong regulation and policy was undermined by implementation issues, including a lack of political will, funding and political coherence. Mr. Moroz welcomed the Blue Deal initiative, saying that water has not been high enough on the EU agenda.

Water has been taken for granted, but many climate issues are water related. Proper implementation of existing laws and closing the gaps in regulation is key, and political will can help to do this and secure the needed funding. Investments in green/grey/blue infrastructures are important to address the issues with water use in agriculture, as well as water and energy nexuses and the ecosystem nexus. He closed his speech by discussing the need to identify solutions together, as water risk is shared across groups and across countries.



**Mirjam Wolfrum,**  
Director of Policy Engagement, CDP Europe

**“Strong political commitment and the development of an enabling environment can accelerate and scale up private capital flows towards the water secure transition.”**

Ms. Mirjam Wolfrum opened her speech by presenting the main water-related risks that companies across all sectors are facing, and the actions companies are taking to respond to these risks. In terms of money spent, companies are increasing their capital expenditure to respond to water-related risks and investing money in pollution abatement and control, infrastructure, new technologies, as well as compliance with local regulatory requirements.

Although majority of financial institutions have integrated climate priorities into their commercial offerings, there is still a need to increase their action in water in order to drive companies’ water transitions. Understanding the real value of water is also important to incentivise more sustainable practices. There is a need to look beyond the current legislation to fix gaps and make sure we achieve effective and efficient water usage goals. Ms. Wolfrum concluded that the EU Sustainable Finance Framework, including the EU Taxonomy, the Sustainable Finance Disclosure Regulation, the Corporate Sustainability Reporting Directive and its technical level – the EU Sustainability Reporting Standards, as well as the upcoming Corporate Sustainability Due Diligence Directive, provides a very comprehensive framework, and now it is time to implement it.





**Milo Fiasconaro,**  
**Executive Director, Aqua Publica Europea**

**“Ensuring water affordability is a common responsibility. It requires greater efficiency in the management of water resources, better application of the polluter-pays principle and effective solidarity mechanisms.”**

Mr. Milo Fiasconaro explained how EU Member States spend roughly €100bn annually on water supply and sanitation, with an additional €289bn of expenditure needed by 2030 to improve efficiency and comply with existing legislation. These costs are expected to grow further with forthcoming legislation and will be exacerbated by aging infrastructure, as well as climate change related stresses to the water system such as floods and droughts.

He continued by showing how water poverty remains a real issue in Europe. This is partly due to the current cost-recovery model, in which most of the costs are borne by households. To tackle this issue, we need new financing mechanisms - the impacts of water scarcity and degradation of water quality affect all members of society, and the costs should be borne jointly. Additional social measures are needed to ensure access to water and address vulnerability. In addition to this, Mr. Fiasconaro also discussed how the energy / water / pollution nexus needs to be addressed, as increasing water treatment capacity also requires more energy, which in turn creates more emissions.



**Marc Zeitoun,**  
**Director General, Geneva Water Hub**

**“When water is spared from the ravages of war and sanctions, and shared equitably, peace can prevail.”**

In his speech, Mr. Mark Zeitoun focused on the intersection between water and conflict. He explained how water can be weaponized during conflict to the detriment of all, causing long-term issues related to both people's health and livelihoods, as well as hugely inflated maintenance and reconstruction costs. Alternatively, water diplomacy can also be used as a tool for peace, with water being a key asset in negotiations and often the last thing conflicting parties will sacrifice.

Mr. Zeitoun continued by describing how the biggest challenges to using water for peace include a lack of political will, and asymmetric interests and abilities when it comes to water. Water that crosses borders creates an inextricable link between parties, and legal frameworks such as the proposed Blue Deal have the opportunity to reinforce both UNECE and Helsinki conventions, and provide guidance towards the peaceful and equitable use of water.



## Panel 2: Sustainable water management



**Will Sarni,**  
Founder and CEO, Water Foundry and Founder and General Partner,  
Water Foundry Ventures

**“Multinationals have a unique role to build and scale “catalytic communities” to solve our water, energy and food nexus challenges amplified by the impacts of climate change. We are now seeing multinationals take the lead on scaling innovative technology solutions, partnerships and financing to solve “wicked water problems”.”**

The second panel was opened by Mr. Will Sarni, who explored how the private sector can create catalytic communities that engage with other stakeholder groups. Water stewardship requires companies to invest in water strategies. This can act as a driver for innovation, pushing companies to do better and deliver positive environmental and social impacts, in addition to providing significant business value. The solutions are there, they are just not well distributed yet.

Corporations look at water as a business risk: risk of access, regulatory risks and reputational risks. One approach to quantifying this risk would be to look at the shadow prices for water, as is done for price of carbon, which could re-frame how risk is assessed and drive transitional investments. Mr. Sarni noted that businesses understand that they have a key role to play. Some multinationals, for instance, are directly exploring ways to mitigate these risks through direct investment in innovation and their value chains.



**Lifeng Li,**  
Director of the Land and Water Division (NSL), Food and Agriculture  
Organization of the United Nations (FAO)

**“Europe is in a relatively good position regarding per capita renewable freshwater resources, but the future is not secure.”**

Mr. Lifeng Li began his speech by discussing how critical water resources are under increasing pressure globally, with more than 2.3 billion people living in water stressed countries. There is a need to increase the resilience of agriculture and produce more crops per drop by saving water and increasing yields. More efficient irrigated agriculture needs to be a part of our future solutions against climate change. One solution to this is improving agricultural practices, such as using innovative irrigation techniques, as well as technological advances that can scale-up the benefits of improved water management and climate-smart agriculture.

Innovation is key to driving the improved efficiency of agriculture, but financing is difficult, especially for smallholder farmers. Political leadership is needed to foster their inclusion, and develop pathways that include water as a key driver of food security globally. Mr. Li went on to discuss how the WASAG Global Framework on Water Scarcity in Agriculture was established to help develop water security and encourage all countries to develop their national water pathways. He closed by saying that political leadership was needed to ensure that these policies work together effectively and promote coherent strategies for addressing water scarcity.





**Johannes Lohaus,**  
Secretary General, European Water Association

**“A lot more can be done across all domains concerning the use of water and the state of our valuable infrastructure. The EU needs good technical standards, and aligning EU law with these standards would incentivise people and industry to follow them more effectively.”**

Mr. Johannes Lohaus identified three key areas which need to be addressed to reduce the risks and impacts of water scarcity. Firstly, concerning use of water, he pointed out that agriculture is responsible for 40% of water consumption, with industry following closely so additional work is needed to improve efficiency and reduce consumption without sacrificing productivity.

Secondly, the water infrastructure must be properly surveyed and maintained, with a minimum of 2% of the whole system needing to be renovated each year. This includes both public sewer systems, but also the private networks which link them and are often forgotten about. Finally, he discussed how we must address the energy and water nexus. In the drive towards energy neutrality by 2040, we will need to develop and install additional renewable, sustainable energy sources for providing the energy needs of water purification systems and water treatment plants.



**Oliver Loebel,**  
Secretary General, EurEau

**“In the light of increasing water stress, future-proof water management is a must for all European countries, regions and municipalities. It requires a holistic approach involving all relevant stakeholders. Private households must be enabled and encouraged to contribute to efficient water use.”**

Mr. Oliver Loebel closed the second panel by discussing how the awareness of water consumption and scarcity is important and varies from region to region. Water consumption per inhabitant and day is a significant indicator when examining water usage, but so is peak demand, which can also lead to short-term water shortages.

Change requires a holistic approach, long-term financing, good governance and cooperation between sectors and actors. Changing consumer behaviour can be obtained through measures such as price signals, product labelling, restrictions in moments of water scarcity, encouraging the use of rainwater etc. Public authorities should refine climate models and up-to-date water demand predictions as well as adapted spatial planning. Public water supply should be given priority over other uses in times of scarcity. Utility measures such as diversified water sources, water storage and reserves, and leakage reductions are key.

All sectors need to contribute, particularly agriculture. Although industry has reduced its water consumption, further savings are possible including through increased water reuse.

## Closing remarks



**Oliver Röpke,**  
President of the Workers' Group, EESC

**“Water merits its place as the flagship initiative of the EESC. Solidarity and sustainability must be at the heart of our solutions. The EESC is committed to ensuring that the EU delivers on this topic, which is so important to our citizens and to our common future.”**

Mr. Oliver Röpke asserted that water is a fundamental, human right, and that we need to ensure an affordable access to water for all. This global issue also concerns Europe, but EU water policies remain fragmented. A comprehensive long-term EU water strategy is needed. To do this, we need more foresight in the EU on water, and we also need to reassess how water is embedded in different policies.

He continued by stating that the EESC will deliver both concrete and meaningful proposals, which will be delivered at the high-level conference in October. The EESC's aim is to have water as one of the European Commission's political priorities for the next mandate. The EESC is ready to work together with European civil society and with the other EU institutions to make the EU Blue Deal a reality.



**Salla Saastamoinen,**  
Deputy Director-General of the Joint Research Centre (JRC)

**“Water is a vital and precious resource under pressure that we must protect better! We need to explore alternative sources of fresh water as part of a sustainable approach to water management. The European Commission Joint Research Centre has shown that water reuse and desalination could be sustainable and affordable adaptation solutions across regions in Europe. This will require further scientific analysis, combined with the assessment of costs and benefits.”**

Ms. Salla Saastamoinen closed the hearing by stating that water is an indispensable resource. For its preservation, we need to strengthen our cooperation across economic sectors and enhance our pace on global efforts. To this end, the 2023 EU Environmental Foresight System for the identification of emerging environmental issues will focus on water resilience. Furthermore, at the UN Water Conference, the European Commission will endorse the Water Action Agenda and aims to engage with EU member states.

What is needed, is a holistic approach to water management, and this requires a nexus approach encompassing food production, the industry, energy and ecosystems. We need to consider new options for water resources, and we must guarantee fair prices and access to water for all. Welcoming the Blue Deal exercise, Ms. Saastamoinen concluded by saying that the JRC is eager to engage with the EESC, stakeholders and other experts present at the hearing for future cooperation on water.





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