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From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

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Subject: COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY
OF THE IMPACT ASSESSMENT Accompanying the document Proposal
for a Regulation of the European Parliament and of the Council on
minimum requirements for water reuse

Delegations will find attached document SWD(2018) 250 final.

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Brussels, 28.5.2018
SWD(2018) 250 final

COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council
on minimum requirements for water reuse

{COM(2018) 337 final} - {SEC(2018) 249 final} - {SWD(2018) 249 final}

A. Need for action

Why? What is the problem being addressed? Maximum 11 lines

Today, one third of the EU territory suffers from water stress all year round, and water scarcity is a concern for many EU Member States. According to climate change projections, the problem will increase across the EU in the next decades. Reduced availability negatively impacts upon EU citizens and economic sectors (agriculture, tourism, industry, energy and transport). This may affect competitiveness and the Internal Market. As part of an integrated water management approach that includes water savings and water efficiency measures, treated water from urban waste water treatment plants provides a reliable alternative water supply for various purposes such as agricultural irrigation or aquifer recharge. Water reuse in the EU today is far below its significant potential even though it has a lower environmental impact than water transfers or desalination and can yield environmental, economic and social benefits. The initiative thus seeks to address the **overall problem of a too limited application of water reuse in order to contribute significantly to alleviating water scarcity in the EU**. The need for EU action has been acknowledged in the Blueprint (2012) and taken up in the Circular Economy Action Plan (2015) and Commission Work Programme.

What is this initiative expected to achieve? Maximum 8 lines

The general objective is to contribute to alleviating water scarcity across the EU, in the context of adaptation to climate change, notably by increasing the uptake of water reuse for agricultural irrigation wherever this is relevant and cost-effective while ensuring the maintenance of a high level of public health and environmental protection. More specifically, establishing an enabling framework through a common approach to water reuse in agricultural irrigation across the EU can facilitate a more efficient management of scarce water resources. Setting common minimum requirements is expected to achieve a high level of protection for consumers, workers and any other exposed public as well as for the environment, in particular water resources and dependent ecosystems and soils; more indirectly, it is expected to positively impact on public perception.

What is the value added of action at the EU level? Maximum 7 lines

EU Member States share 60% of EU river basins, making action at EU level necessary to address water management and pollution. For water reuse, if Member States act alone, the technical barriers and associated costs are unnecessarily high, including for technology providers which are EU-scale companies. EU action for agricultural irrigation is also justified to prevent different national requirements from negatively affecting the level playing field, causing obstacles to the internal market for agricultural products irrigated with reclaimed water. This need for EU action was confirmed by the extensive public and stakeholder consultations. For aquifer recharge, EU regulatory action is not found proportionate, due to a strong local dimension.

B. Solutions

What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why? Maximum 14 lines

To address the problem and meet the objectives, the following policy options for agricultural irrigation have been considered: (1) a legal instrument ensuring safety of agricultural products with a "one-size-fits-all" approach and protection of local public health and of the environment, (2) a legal instrument ensuring safety of agricultural products with a "fit-for-purpose" approach and protection of local public health and of the environment and (3) a Guidance document on safety of agricultural products and protection of local public health and of the environment. The analysis and comparison of options concludes that the preferred option for agricultural irrigation is (2) as it is able to provide a higher volume of treated waste water at lower cost than the other options, thereby ensuring the best result in achieving the overall objective.

For the choice of legal instrument, the possibilities of a Directive or a Regulation are discussed and both options are considered suitable, each with certain advantages and disadvantages. While a Regulation would cater better to the enabling nature of the initiative, a Directive may allow for easier flexibility in terms of setting more stringent national requirements (while at the same time imposing a transposition burden on all Member States, including those where water reuse is not relevant at the present moment).

Who supports which option? Maximum 7 lines

The general concept of water reuse is broadly supported by all stakeholders and the public. For agricultural irrigation, in particular Member States already practicing water reuse strongly support an EU legal instrument. Other Member States are broadly supportive as long as water reuse is not made obligatory. The farming sector is also supportive provided flexibility for local conditions and cost efficiency are guaranteed. Private companies are the most positive across stakeholders and also see the economic potential. NGOs are generally supportive.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise main ones)? Maximum 12 lines

For agricultural irrigation, an EU legal instrument with a "fit-for-purpose" approach and risk management would

<p>entail environmental, economic and social benefits. In the context of an integrated approach to water management and climate change adaptation, farmers could benefit from a more secure water supply, including during times of droughts when other irrigation sources may not be available. It would in particular contribute to alleviating water stress through an increased uptake of water reuse at affordable prices which could reach a magnitude of about 6.6 billion m³ per year as compared to the baseline of 1.7 billion m³. In addition, it would create a level playing field for investors and provide certainty for the distribution of the relevant products in the internal market, thereby also contributing to increased public confidence in water reuse for irrigation.</p>
<p>What are the costs of the preferred option (if any, otherwise main ones)? <u>Maximum 12 lines</u></p>
<p>For agricultural irrigation, an EU legal instrument with a "fit-for-purpose" approach is expected to require investments to treat the available volumes of water of EUR 38 /(m³/day) while under a "one-size-fits-all" approach these rise to EUR 271 /(m³/day). An investment of less than EUR 700 million would allow treating more than 6,6 billion m³ yearly below the same cost threshold under the "fit-for-purpose" approach compared to an investment of about EUR 600 million for only about 800 million m³ yearly under the "one-size-fits-all" approach, in both cases with a total cost of reclaimed water below EUR 0.5 /m³.</p>
<p>How will businesses, SMEs and micro-enterprises be affected? <u>Maximum 8 lines</u></p>
<p>The initiative is expected to have an impact on both technology providers and farming businesses, both of which include SMEs. It will create new opportunities for water-reuse oriented SMEs such as job creation and deployment of innovative solutions in water reuse technologies, innovative monitoring systems and analytical techniques to comply with new requirements. Agricultural businesses, including SMEs, which are the largest consumer of freshwater in Member States, would benefit from secure access to water resources. Capital investments to set up irrigation infrastructure may be an important cost. Microenterprises, small and medium sized farmers would not be impacted disproportionately.</p>
<p>Will there be significant impacts on national budgets and administrations? <u>Maximum 4 lines</u></p>
<p>The additional administrative burden will be minimal. Existing reporting streams under the Water Framework Directive and Urban Waste Water Treatment Directive will mostly be used, only limited additional monitoring and reporting requirements will be developed. Member States will need to set up the necessary permitting procedures. Monitoring requirements on the quality of reclaimed water will be assumed by operators.</p>
<p>Will there be other significant impacts? <u>Max 6 lines</u></p>
<p>The initiative will contribute to the transition to a Circular Economy and the implementation of Sustainable Development Goal n° 6 on Clean Water and Sanitation. In addition, it will complement the ongoing modernisation and simplification of the Common Agricultural Policy.</p>
<p>D. Follow up</p>
<p>When will the policy be reviewed? <u>Maximum 4 lines</u></p>
<p>The draft legal instrument will include a Committee procedure to adapt the annexes (minimum requirements and key risk management tasks) to scientific progress as needed. It will also include a general review clause (after 6 years).</p>