

Ms Jessika Roswall Commissioner for Environment, Water Resilience and a Competitive Circular Economy European Commission

B- Brussels

By email

BEUC-X-2025-040

Brussels, 7 May 2025

## <u>Subject</u>: BEUC comments on EU Water Resilience Strategy following High-Level Roundtable conversations

Dear Commissioner Roswall,

I would like to thank you again for consulting BEUC, The European Consumer Organisation, on the future EU Water Resilience Strategy as part of the three roundtable conversations you hosted on 25, 27 and 28 March. We would like to share with you some additional elements relevant for consumers, which we think are essential for the future strategy to consider.

## Reducing water pollution and water usage from agricultural and industrial activities

Consumer organisations have been recommending to consumers to prefer tap water over bottled water to save money and protect the environment. However, in several EU countries such as in France, Spain, Greece and Hungary, our members are hesitant to promote this message because the tap water is too polluted, or people are unsure about the water quality, while using water filtering carafes does not work. At the same time, people are being misled about the environmental impact of bottled water. This is a matter of high concern which urgently needs to be addressed for human health, societal justice and environmental protection. Consumers pay high unit costs for water, more so than industry and agricultural users. The pricing of water consumption should therefore be reevaluated to protect consumers from further increases in the price of unavoidable necessities after recent shocks in the energy market. Higher use and pollution by agriculture and industry should be priced according to the strain put on the system by these activities, thereby taking the pressure of these externalities off private households and ensuring the implementation of the polluter pays principle.

In addition, BEUC supports phasing out PFAS for non-essential uses and sees an important role for the upcoming reform of the REACH Regulation to make grouped regulation of chemicals with similar characteristics simpler and faster.

We see an important role for the EU to reform the Common Agricultural Policy (CAP) to support more sustainable agriculture and food production systems. BEUC will be releasing a survey which we are happy to share with you when it is ready towards the end of spring, which demonstrates that steering CAP subsidies towards more sustainable production models is what consumers expect.

## Water as an essential public service which needs improvement

BEUC's member network considers water to be a public good and the provision of freshwater and wastewater management an essential public service. While the decision to privatise or re-municipalise such infrastructure rests with Member States, the question of finance guides those decisions. BEUC favours a public fund accessible to municipal authorities for their investment needs in water infrastructure, complementing private funding. Such a construct could raise the needed funds while keeping the operations of essential infrastructure public. Approaches to public funding could include supporting the European Investment Bank to expand its programme, and making use of the much lower cost of finance for sovereign borrowing compared to private industry or local government branches.

BEUC emphasises this point since there is a significant body of research and many concrete examples available which demonstrate that water privatisation leads to an increase in costs for consumers and underinvestment in infrastructure instead of serving people's needs. BEUC's members report, for example, issues related to leakages in the pipeline network for both fresh- and wastewater which leads to a waste of resources and environmental pollution.

## A way to price water safety

The insurance market may prove to be a suitable vehicle to protect water systems. Effectively no economic activity takes place inside the EU without insurance coverage. As previously explored by the Climate Resilience Dialogue, insurance premiums could be designed to reward preventative measures in favour of safe water systems. In such a design, the premiums for insuring water systems would be lower for well-designed and maintained systems than otherwise. Likewise, activities that cause significant risk to the water system could be subject to higher insurance premiums, to raise funds to safeguard the system against such pollution. In this way it would be possible to generate a price for water safety inside the insurance market, contributing to the polluter pays principle, and unlocking private investment in infrastructure without privatising it. In essence, this proposal suggests internalising the cost of safe water into the calculations of both operators, industrial and agricultural users for the benefit of saving consumers and municipalities from shouldering the negative externalities of reckless pollution or negligent water system operation.

While BEUC supports the efforts of the EU to gain strategic autonomy and to re-locate essential industrial production to the EU to serve the population's needs, this could put a significant strain on water availability and water quality in the EU. Producing chemicals,

hydrogen, batteries, chips, and medicines in the EU will use more water but also necessitate additional requirements for water treatment, which is costly. The EU must therefore integrate water issues horizontally into all its policies and take a broad societal approach.

In conclusion, the EU must establish an enforceable water management strategy, which prioritises the basic needs of our population. We are looking forward to working with you to find policy solutions to this effect and to raise consumers' awareness as well as the capacity of consumer organisations across the EU to tackle this issue.

Thank you in advance for taking these considerations into account in the upcoming strategy. We remain at your disposal should you have any questions or would require addition information from consumer organisations.

Yours sincerely,

Agustín Reyna Director General