



SPEECH - 19 NOVEMBER 2015

European Parliament Water Group Dinner

Dear Esther, dear Members of the European Parliament, dear members of the Water Group, Ladies and Gentlemen,

Before discussing our topic, I want to thank you for the invite, and also for your work.

2015 has been a headline year for sustainability. Back in September, world leaders adopted the 2030 Agenda for Sustainable Development in New York, and a global deal on climate change is expected in Paris next month.

The European Parliament Water Group continuously ensures that water issues are highlighted - on SDGs - and on many other issues. And it is not just on "Ensuring access to water and sanitation for all" – which is goal 6.

The Water Group's political expertise has always ensured a strategic approach. Whether on the link between water and biodiversity, the monitoring of the Water Framework Directive, or on the role of the private sector, your group has always been to the fore.

2 weeks ago I was in Amsterdam for the International Water Week. What struck me most was the success of the city of Amsterdam's water system, which is highly impressive. And I am mentioning this because the necessity of good water management in cities is also one of your group's core priorities.

Closely related to the success of water management in cities, is the role of water in the circular economy. ***And that is what I want to talk to you about today.***

Over the last 12 months the political awareness of the Circular Economy has grown. That is in no small part thanks to the Parliament's commitment to this issue.

Also over the last 12 months the Commission has invested significant resources in researching and discussing the Circular Economy. We have consulted widely – formally and informally –

with all of those directly interested. What is very, very clear is that we cannot continue to extract, consume, and discard resources 'ad-infinitum'. **Europe cannot continue to import 6 times the amount of resources that it exports.**

Our flagship conference on circular economy in June, which went by the title 'Closing the Loop', brought together over 600 participants. There was a real recognition of the economic, as well as the environmental contribution that a strategic approach to the Circular Economy can make.

Agriculture, environment, research, transport, energy, regional policies, health; all of these and other sectors need to 'close that loop'.

When it comes to water, literally an intrinsic part of the cycle of life, closing the loop is even more critical. We are all aware of the social, climatic and environmental pressures on water. And we all understand the 'double-challenge' of increased water pollution on one hand and the increasing demand for water on the other.

That is why the re-use and recycling of water for example in industrial processes are an essential part of the circular economy. It reduces the costs of water input, and it reduces the pressure on water resources. It can also prevent industrial harmful emissions through untreated industrial waste water. Not to mention that water treatment offers a number of new opportunities.

Similar benefits could also be achieved by re-using and recycling also water in community processes. In fact the **greatest potential** in relation to the Circular Economy is in the reuse of municipal waste water.

Currently about 1 billion cubic metres of treated urban wastewater is reused annually. But this volume represents less than 0.5% of annual EU freshwater withdrawals.

We estimate that the EU potential, mainly in Southern Europe, is in the order of 6 billion cubic metres – **that's six times the current rate.**

Re-using water isn't just an opportunity to address the issue of local scarcity. This is also an economic opportunity that European Union companies could take up even more.

I said even more, because European companies are already among the global leaders in the field of reusing municipal wastewater. Our expertise in this field can become a globally recognised source for sound investments, quality jobs, and economic growth.

Let us for a moment consider the population growth trend within the EU. By 2020, 80 % of the EU population will be living in urban areas. This growth, especially when coupled with

seasonal peaks in tourism, is going to put a lot more pressure on our water resources and on the need for better water management.

Sound water management is also crucial to avoid climatic disasters. In Brussels this year we have been lucky with the weather. But winter will certainly bring with it heavier rainfall and more severe weather. Luckily, Brussels has the right infrastructure to cope with this.

However, some European cities do not as yet have the same standard of infrastructure as that of Brussels.

You know all too well how vulnerable cities can be to extreme weather events. It is a fact that water management makes urban areas more resilient to climatic disasters such as floods and droughts.

Sound water management is often regarded as a cost. But in reality it is always an excellent investment. ***The strategic investment of disaster prevention is always easier to pay, than the emergency cost of recovery.***

And the cost of investment could be drastically reduced once we remove investment barriers.

In sectors where circular economy has a great potential, such as in agriculture and food waste just to name a couple, we need to address the barriers to re-cycle and re-use. These barriers need to be tackled also in the case of water, so that reuse becomes an obvious solution for water managers, farmers, and water utilities across Europe.

One way of doing this is through the **European Innovation Partnership on Water**. We are now supporting 30 action groups working on water innovation, helping them bring their valuable innovations to the market. At the same time that we are supporting the industry, we are also learning and gaining experience.

Tomorrow morning I will chair the EIP Steering Group meeting.

I will present the new strategic framework which aims to make the Partnership even more efficient and even more goals oriented. We will then present this work in the EIP Water conference in February next year in Leuwarden.

We will continue developing the European Innovation Partnership on Water to deliver tangible results for the market and thereby support more efficient and sustainable water use. And I will continue working with **Commissioner Moedas, with whom I know you had an excellent meeting**. We wish to ensure that investment in water resources plays an important role in Horizon 2020 across all relevant Societal Challenges.

Many of my fellow commissioners are also involved in the water development and they recognise the importance of water, especially linked with the potential of the Circular economy. And here I want to conclude with a very simple clarification!

A circular economy model is not just a new way of producing and consuming. It's much more than that. It's really about a large-scale move to a greater resource efficiency. If we want a sustainable economy, we need a profound transformation of the European economy. That's our only sure path to future prosperity. A European economy where water will always have a central role to play.

I know I am preaching to the converted. And that is why I very much look forward to your continued support and co-operation in making the circular economy a reality.

Dear colleagues thank you for your kind attention and please continue to enjoy your meal.