



European Water Resilience Strategy

Austrian Federal Economic Chamber - Wirtschaftskammer Österreich
(WKO)

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1. Status of the Water Resource

The available reports and studies show that the EU-legally established goals and environmental standards from the Water Framework Directive, Groundwater Directive, or Environmental Quality Standards Directive cannot be met in many European waters today and in the future. The draft report of the European Commission (Report on the implementation of the Water Framework Directive (2000/60/EC) and the Floods Directive (2007/60/EC)) also indicates that many member states have announced that they will need to make extensive exceptions by 2027. This casts a worse image on EU water management than it deserves.

As representatives of the economy and social partners, we aim for newly revised standards and goals in EU water law that are:

- a. organizationally, technically, and economically feasible,
- b. suited to the actual local uses of the water resource, and
- c. logically coordinated with all relevant EU policies and regulations.

2. Competing Sustainability Goals

Various social, economic, environmental, climate or energy policy requirements lead to conflicts in today's water management or project approvals. These obvious contradictions permanently question the credibility of the sustainability and transformation policies of the EU and its member states if timely repairs are not made.

The coordination between water-related regulations and rules concerning ecosystems, soil protection, or nature restoration must be carried out with care.

3. Approach: Equitable Balancing of Interests and Subsidiary Decisions

The EU legislators must facilitate the compatibility of substantive legal requirements at the local level in this legislative period. Absolute prohibitions on deterioration, unclear exceptions, predefined "overriding interests," no-go areas, or "acceleration zones" from the Water Framework Directive, the Regulation on Nature Restoration, RED III, etc., increasingly overlap and overwhelm the decision-making authorities due to contradictions. As emphasized by the European Commission in its call for evidence paper, the principle of subsidiarity must be respected! Authorities, planning offices, municipalities, and companies should be able to conduct an equitable balancing of interests through revised provisions in EU water law to develop the best possible solutions locally, e.g., clean drinking water supply, renewable hydropower, water withdrawals by industry, commerce, or agriculture, etc., in a subsidiary and legally compliant manner.

Future EU regulations on water management must be developed as a basis for regionally coordinated solutions for various uses due to the highly different regional conditions in Europe. Better legal and investment security would also create more incentives for investors to invest in the sustainable use of water or infrastructure.

Proposal: Reality Check

It is essential to better understand the challenges and obstacles in reality to draw the right conclusions for improving water legislation.

Therefore, the European Commission should regularly participate as an independent observer in member state procedures and approvals (renaturation with water bodies, wastewater discharges, water withdrawals, hydropower, etc.).

4. Bureaucracy

Better resource management and water resilience require a good data basis. Our member companies expect the EU legislators to fully consider the data-once-only principle. Given the great discontent over current administrative burdens, no additional reporting obligations should be imposed on companies. If new requirements must be applied to certain actors, the one-in-one-out principle should be used. We also expect significant relief for companies in light of the European Commission's "Environmental Reporting and Simplification" project.

5. Economic Component

Our companies provide many important goods for the water industry, such as water supply and disposal systems, loss-free distribution networks, drinking water treatment, hydropower plants, flood protection, and renaturation structures.

The entire sector still shows very high value creation in Europe, unlike other industries. Its economic importance should therefore be considered within the framework of the resilience strategy.

However, water is also essential for traditional industrial sectors, in addition to the mentioned green technologies. Many productions are strategically essential for human health, manufacture or process strategic raw materials, or fall under the Critical Raw Materials Act, etc.

6. Details on Sustainable Water Use in the Economy

The following topics are of particular importance:

- I. **Water as a location-determining factor for industry**
For all future measures concerning industry, there must be a common commitment: The secure and plannable access to industrial water use is a location-determining factor.
- II. **Correct definitions for water use and water consumption**
The study "Wasserschatz Österreich" (2021) by the responsible federal ministry has clarified that industry and commerce, with about 2,210 million m³ per year, are by far the sector with the largest water withdrawals in Austria. At the same time, it is noted that "the majority of withdrawals from surface waters are used for cooling purposes and are usually returned to the waters nearby." There should also be a clear definitional distinction between temporary use and permanent "consumption" at the EU level.
- III. **Established state of the art in efficiency and emission limitations**
The EU legal framework already regulates the efficient use of water and the state of the art in emissions through the Industrial Emissions Directive. Additional or overlapping regulations are not sensible here.
- IV. **Diverse, future-proof functions of water and water bodies**
For the sustainable development of people and the economy, decarbonization, and industrial transformation, water will experience a significant increase in importance in the following areas:
 - Water bodies as alternative transport routes for bulk goods
 - Water as a raw material for hydrogen electrolysis with sometimes very high consumption
 - Groundwater as a possible factor in CCS (Carbon Capture and Storage) projects
 - Cooling water as an essential part of the cycle in the energy sector (thermal power plants)

- V. **Ensure flexibility in the circulation of process water**
Requirements for the circulation of process water should consider regional conditions. In water-rich regions like Austria, a high number of circulations can significantly increase chemical and energy consumption, which would not be environmentally and resource-efficient. Many companies already rely on multiple circulations - provided this is sensible considering hygiene requirements and in a balanced ratio to resource expenditure.
- VI. **Sensible rules for water withdrawals**
Water-intensive industrial companies have deliberately located their sites in water-rich regions to ensure sustainable use of this resource. Therefore, it is important that a possible legal framework considers regional conditions. In Austria, for example, there is currently no shortage of surface or groundwater. In other countries, the situation may be different, requiring a differentiated approach. There are groundwaters with high renewal rates, e.g., bank filtration wells or wells in karst areas, where aquifers communicate intensively with surface water. Restrictions would be excessive here, and equating them with surface waters seems appropriate.
- VII. **Water prices EU-wide**
Water pricing, which goes beyond the existing Article 9 of the Water Framework Directive and nationally coordinated implementations, should be rejected. Since industrial water demand is hardly flexible, pricing would not achieve a steering effect, as is the case with CO₂, for example. Instead, it could impair the competitiveness of the business location.
- VIII. **Consider water quality management on a regional level**
To secure sufficient water resources and strengthen the interplay between water, energy, food, and ecosystems, a harmonized, regional approach to water quality management should be found, based on a consensus among member states. Besides the spatial perspective, the temporal framework is also crucial, which should be suitable for adequately depicting seasonal dynamics and the impact of reservoir management.
- IX. **Water Availability**
Information on water availability should be further developed. For successful water management, it is crucial to create a broad and detailed data base. Only through well-founded data can risks be minimized and the potential for sustainable water use be optimally exploited.



Contact:

Juergen Streitner, Director of Environment and Energy Policy Department, Austrian Federal Economic Chamber (WKO), Wiedner Hauptstraße 63, 1045 Wien, Austria, Vienna, +43 590 900-4195, juergen.streitner@wko.at

Adriane Kaufmann, Department of Environment and Energy Policy, Austrian Federal Economic Chamber (WKO), Wiedner Hauptstraße 63, 1045 Wien, Austria, Vienna, +43 (0)5 90900 4529, M +43 (0)664 8179177, adriane.kaufmann@wko.at, <https://wko.at/up>

