



Water efficiency for rural Europe



POLICY INSIGHTS

This edition of the [Policy Insights series](#) highlights how the **Common Agricultural Policy (CAP)** can help rural Europe use water wisely by better protecting both the quality and quantity of EU water reserves.

Food and agriculture have a dedicated section in the [UN World Water Development Report](#), and the European Commission President acknowledges water as a significant matter for EU farmers, because “[droughts and floods have destroyed their harvests and threatened livestock](#)”.

A comprehensive insight into the topic is found in the [European Parliament AGRI Committee report](#) from 2023 explaining the impact of extreme climate events on agricultural production in the EU. It states that synergies between [water management policies](#) and [agricultural policies](#) still need to be strengthened, notably through a better integration of [flood risk management](#) and [drought risk management](#) into CAP Strategic Plans ([CSPs](#)). The MEPs' report also says that financial support for adaptation in the agricultural sector is needed through [direct payments](#) and [eco-schemes, sectoral interventions, environment and climate-related commitments](#), advisory services, risk management tools including [InvestEU](#) instruments, and the [LIFE programme](#).

Water resilience will be the theme for [EU Green Week 2024](#) and the European Economic and Social Committee has called for an [EU Blue Deal](#) to safeguard food security, the environment, human health and overall political stability. The European Committee of the Regions is also active in raising awareness about [water use and agriculture](#). Concerns in rural Europe about negative [impacts from recent droughts and floods on food production systems](#) further underscore why water management is a central component of EU policy supporting sustainable food systems.

Increases in flooding and water scarcity both require holistic responses, including farm-level adaptations (e.g. farming practices), farm advisory services, risk management tools and other investments. The CAP [interventions](#) have potential to foster such systemic approaches. Water management for instance can be closely aligned with business competitiveness, soil resilience, nature restoration, and village development. EU land managers and rural communities can benefit from CAP funding to help ensure that future generations enjoy access to sufficient safe water, where and when they need it.

New EU forecasting and foresight tools have been developed to enhance preparedness and combat droughts and water scarcity. These are in line with the EU strategy on adaptation to climate change adopted in 2021. For instance, the European Drought Observatory for Resilience and Adaptation project (EDORA) aims to improve drought resilience and adaptation in the EU. EDORA and the EU's Joint Research Centre have developed a [Drought Risk Atlas](#) and a Drought Impact Database to support the development and implementation of drought management and adaptation policies across the EU. In addition, in the framework of the EU Flood Risk Assessment and Management Directive, the EU has launched an [online tool](#) providing [flood data](#) and contributing to flood risk assessment.

Water efficiency

Water efficiency is set to become increasingly visible in EU policy fields in the same way that energy efficiency is widely known as a valuable global goal for Member States. CSPs offer many opportunities for enhancing water efficiency in the agri-food sector through supporting land-based action that better balances supply and demand for water or contribute to climate change adaptation (e.g. breeding of drought tolerant plant varieties).



Investments in drinking water and wastewater infrastructure are also important for the future of rural Europe. Too many isolated areas may still lack very basic water services and environmental safety standards require modernisation of outdated facilities throughout the EU. Access to water is a key catalyst for developing rural communities and CSPs can co-finance investments that improve water efficiency as well as water quality. CSP funding can also help carry out preparatory work that facilitates strategic water engineering projects.

Farmers and other rural residents seek long-term solutions to the water challenges they face, and investments in infrastructure can make major differences with **lasting benefits** being sustained for many decades going forward. Irrigation systems are among the top targets and investment needs for land-based water efficiency.

CSP funds can be managed to help mitigate lack of access to funding associated with **credit instruments**, enabling Member States to complement CAP grants by offering accessible financial options, including preferential loans and guarantees, to support a diverse array of rural water efficiency projects. There are opportunities for specialised water 'investment platforms' that aggregate demand from smaller regions, allowing large-scale private investors interested in water projects focused on cost savings or profitability to benefit from economies of scale. Experience with **CAP-subsidised investment platforms** exists and could potentially be used for water resilience.

Farmers, foresters, water authorities, and municipalities all have access to financing opportunities from the CSPs and many other sources for land-based water efficiency works. Uptake of all available funding can be closely monitored to help understand what works best to promote water efficiency in different parts of the countryside. For instance, it can be shown that farmers in some parts of Europe where uptake of CAP-funded water protection measures was low are incentivised by information campaigns that clarify the commercial benefits of water efficiency and debunk unfounded worries.

Sharing new approaches to rural innovation is also particularly useful here and the EU CAP Network's **database of good practices** includes examples of CAP-funded water projects. Two examples of these are featured in the 2023 Agriculture and Rural Inspiration Awards (ARIA):

- > Belgium's success story in **treating wastewater for subirrigation of farm fields** which is reusing treated wastewater to combat drought and improve groundwater levels; and

- > A LEADER cooperation initiative between Slovenia and Italy protecting the resilience of **waterway networks in the Kamnik-Savinja Alps** by raising awareness about conserving drinking water and preserving natural resources.



To sum up, long-term solutions are needed to safeguard water supplies in EU countries and rural or remote areas should not feel left behind in support for improved water quality and quantity. CSP implementation can have the potential to make a significant difference in helping sustainable agri-food systems become more water efficient and CAP resources can be coordinated carefully (with other financing options from EU, national, and private sources) to optimise the spread of water management action across Europe's countryside.

