



**COUNCIL OF
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NOTE

From: General Secretariat
to: Council

Subject: Issues paper on The Role of Water in EU Development Policy

With a view to the Council (Foreign Affairs /Development Ministers) on 24 May 2011, Delegations will find at annex an issues paper on the above.

Issues paper on***The Role of Water in EU Development Policy******Goals and objectives of a discussion on Water***

An exchange of views has been initiated by the Hungarian Presidency in several Council formations, in order to increase the EU's ability to deliver results that address future development and sustainability needs. The Working Party on Development Cooperation has examined and discussed the initiative with regard to the role of water in developing countries. The outcome of discussions reveals that mainstreaming of water into relevant policies and initiatives related to agriculture, energy, environment, health, education, gender, peace and security can significantly contribute to poverty-reducing growth and sustainable development if done in parallel with moving water high on the development agenda.

The medium term objective is to reinforce the EU's policy and implementation framework with regard to the role water plays in developing countries, by contributing to discussions on the importance of water resources for sustainable development and inclusive growth in the context of the Rio+20 Conference preparations and other relevant forums during the months ahead such as the Conference on "The Water, Energy and Food Security Nexus – Water Resources in the Green Economy" (November, 2011 - Bonn) and the 6th World Water Forum (March, 2012 – Marseille).

This initiative is met with a strong call by development partners of the EU to address existing and emerging challenges in water management for developing countries.

Context

Water is the essence of and the precondition for human life. One third of the world's population is living in areas affected by water scarcity. The ever increasing demand for the limited water resources directly affects cross-border and regional relations, and has strong implications on inter and intra state peace and security. Water is also an indispensable natural resource for the economy, needed for agricultural production, energy generation, rural development, as well as all other key aspects of development and growth strategies for developing countries.

Water plays a significant role in human and economic development, especially in the context of the global challenges of climate change, accelerated population growth and rising food prices. At the same time, the water-food-energy nexus is arising as a major global risk. Projections show that the world economy will demand at least 40% more energy by 2030 than at present and overall food production must increase by around 70% by 2050 in order to provide sufficient food supplies for a world population of 9,1 billion. Currently accounting for more than 70% of water resource exploitation worldwide, these trends will bring about further extensive water demands by agriculture and the productive sectors.

Sustainable management and development of water resources will therefore be one of the key challenges our world will be facing in the coming decades.

Where the EU can make a difference

The provision of water and sanitation services is amongst the most efficient ways of addressing the objectives by EU development policy of reducing poverty and achieving the Millennium Development Goals.

The EU's interactions with developing countries are fundamental in supporting access to water and sanitation, as well as in helping manage water as a resource sustainably and can pave the way for an improved food and energy security for the poor. Water plays a crucial role in both the productive and social sectors to ensure human, social and economic development and in this way to achieve the goals of inclusive growth and poverty reduction. **Therefore water cannot simply be regarded as a sector on its own.**

The approaches of integrated water resources management and trans-boundary river basin management imply that water should be made an integral part of all key sectors that impact on sustainable development and growth. In light of the above, water should be **at the heart of the future EU development policy**, as a **horizontal** issue.

In order to raise the profile of water in EU development policy, Ministers could consider:

- How ***to better integrate the role of water*** as a key element into policies on inclusive growth and sustainable development, taking fully account of future needs and changing dynamics, lessons learnt and best practices of the last decade;

- How to ***promote a strengthened EU policy and implementation framework for water management and development, reinforcing the catalytic role of water in the green economy*** - Would a comprehensive policy framework and a Plan of Action for implementation on Water in EU Development Cooperation focusing on inclusive growth and sustainable development be a useful tool in this regard? ;

- Should *such a policy initiative reinforce* the interlinks between water and the productive sectors, through integration of sustainable water resources management into agricultural and energy programs supported by EU development assistance; while setting out ways to combat climate change, in particularly related to developing countries' adaptation efforts?;

- *Conducting a high impact approach* by further developing appropriate integrated EU instruments and implementation mechanisms to overcome factors hindering efficient policy implementation. This will require comprehensive initiatives that effectively link political and policy dialogue with flexible financial instruments. Would innovative strategies such as **cooperating with private sector operators** and cross-boundary actors, or an enhanced **coordination with donors** and **interactions with NGOs** add value in achieving results?

- *Revitalizing* the **EU Water Initiative** by building on the experiences from the Initiative and from the Water Facility, and by *defining* a **new Strategy** to respond to future policy priorities, while linking dialogue with partner countries to coordination, policy making and implementation.

