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OUTCOME OF PROCEEDINGS

From:	General Secretariat of the Council
On:	18 July 2022
To:	Delegations

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Subject:	Special Report No 20/2021 from the European Court of Auditors entitled "Sustainable water use in agriculture: CAP funds more likely to promote greater rather than more efficient water use" - <i>Council conclusions</i>
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Delegations will find in the annex the Council conclusions on:

European Court of Auditors' Special Report No 20/2021 entitled: "Sustainable water use in agriculture: CAP funds more likely to promote greater rather than more efficient water use"

adopted by the Council at its 3890th meeting held on 18 July 2022.

Council conclusions

European Court of Auditors' Special Report No 20/2021 entitled:

"Sustainable water use in agriculture: CAP funds more likely to promote greater rather than more efficient water use"

THE COUNCIL OF THE EUROPEAN UNION

1. NOTES the Court's Special Report No 20/2021 entitled *"Sustainable water use in agriculture: CAP funds more likely to promote greater rather than more efficient water use"*, which focuses on the impact of agriculture on the quantitative status of water bodies and examines to what extent the Water Framework Directive (WFD)¹ and the Common Agricultural Policy (CAP) promote the sustainable use of water in agriculture;
2. TAKES NOTE of the Court's recommendations to the Commission on: justifications of water pricing levels and exemptions from the requirements for water abstraction authorisations in the context of the WFD; linkages between CAP payments and environmental standards on sustainable water use; and EU-funded projects in the context of achieving WFD objectives;
3. UNDERLINES that water abstraction for agriculture has decreased as a result of better water planning legislation such as the WFD and the improvement of irrigation management as promoted in the CAP but that pressure on water resources remains high due to increased demand for water due to climate change, with rising average temperatures and increased frequency of extreme weather events (including droughts);

¹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, pp. 1-73).

4. WELCOMES the Court's findings that Member States have made progress in setting up prior authorisation systems for water abstraction, systems for detecting illegal water use and pricing mechanisms with the potential to incentivise water efficiency and NOTES the Court's observations with regard to exemptions for farmers for water abstraction, including in water-stressed regions, and to the application of the principle of cost recovery for water services in agriculture, where there is room for improvement, according to the Court;
5. RECALLS that the implementation of the WFD is ensured by Member States through their national legislation, in particular as regards the conditions for water abstraction, with which relevant CAP payments need to comply, and that the greening of direct payments can promote practices, such as the protection of permanent grassland and crop diversification, which may be conducive to reduced water use;
6. EMPHASISES that Member States are affected differently by water scarcity, as shown in the report of the Court, and that appropriate solutions need to be implemented at national or regional level (including through River Basin Management Plans and supported by future CAP Strategic Plans) and are therefore the responsibility of the Member States;
7. ENCOURAGES the evaluation of the implementation of the WFD and the exchange of good practices to improve the applicability and effectiveness of these solutions;
8. RECALLS FURTHER that the CAP for the period 2023-2027 strengthens the coherence between the CAP and the WFD; the CAP will support the implementation of this Directive through various instruments, such as linking all relevant CAP payments to the observance of national rules implementing certain requirements of the WFD² through the enhanced conditionality and financing investments (rural development and other types of intervention in the fruit and vegetable sector) with beneficial effects for water use sustainability;

² See Article 11(3), point (e) on water abstractions, and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates of Directive 2000/60/EC.

9. NOTES that, in line with the provisions of the CAP for the period 2023-2027, Member States will have to take into account in their CAP Strategic Plan the legislation and planning documents listed in the annex to the CAP Strategic Plans Regulation, including the WFD and the River Basin Management Plans (RBMPs), and their Plan should, for example, set out how investments in irrigation are in line with the objectives of the WFD to reach good status of water;
10. NOTES the Commission's acceptance of the Court's recommendations with regard to:
- requesting justifications for exemptions to the implementation of the WFD in agriculture;
 - tying relevant CAP payments to compliance with environmental standards, without, however, extending conditionality to CAP payments which are not directly granted to farmers, such as payments under the Common Market Organisation, nor including additional safeguards in the CAP with regard to the payment of Voluntary Coupled Support (VCS), as the proper implementation of the WFD already ensures the sustainable use of water for crops and conditionality makes the link between CAP payments and the relevant provisions of the WFD³;
 - using EU funds to improve the quantitative status of water bodies.
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³ See footnote 2.