

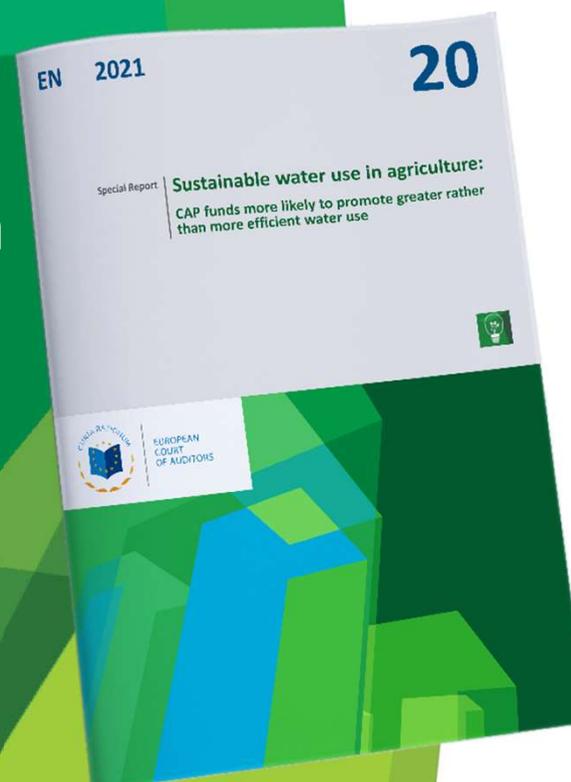
10 May 2022

Special Report N°20/2021:

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



EUROPEAN
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Why did we do this audit?



Audit scope and approach



Observations



Recommendations



Why did we do this audit?



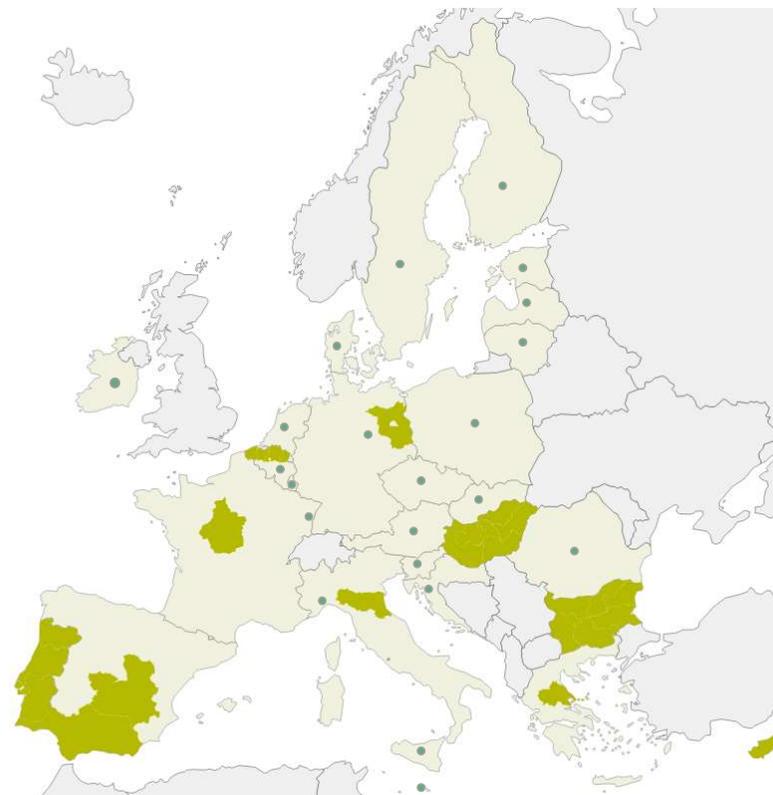
- EU water policy (WFD) aims at good qualitative and quantitative status for water bodies
- Climate change is making freshwater scarcer in the EU and forecasts indicate that water stress is likely to increase
- Agriculture needs water - agriculture is responsible for 24% of water abstraction in the EU
- Past ECA audits focused on water quality rather than water quantity



What did we look at?

Impact of EU agriculture on the quantitative status of water

- To what extent does the **WFD** promote sustainable water use in agriculture?
- To what extent do **CAP direct payment** schemes take account of the WFD principles of sustainable water use?
- To what extent have **CAP rural development and market measures** taken up the WFD principles of sustainable water use?



- ✓ 11 extended desk reviews (regions/Member States)
- ✓ 24 desk reviews of RDPs

Observations

1

WFD provides for safeguards against unsustainable water use

BUT

MS apply many derogations to water abstraction authorisation

- Certain types of water bodies, users or uses
- Legacy abstractions
- Up to a certain volume or abstraction capacity

Cost recovery is lower in agriculture than in other sectors

- Lower water abstraction fees for agriculture
- Price reductions for irrigation water
- Environmental and resource costs not reflected in water pricing

WFD implementation progresses slowly

- Little progress in improving water body status due to reducing abstraction pressures
- Cost recovery for water services is incomplete

Observations

2

CAP direct payments do not significantly encourage efficient water use

Income support

- SAPS/BPS/greening do not impose obligations on sustainable water use

VCS support

- VCS support to water-intensive crops in water-stressed regions

Cross compliance

- Does not apply to all CAP beneficiaries
- Checks are incomplete
- Post-2020 CAP: controls over water abstraction become mandatory

Observations

3

RD and market measures fund agricultural practices and investments that affect water use BUT

RD is not often used to improve water quantity

Funding for irrigation projects has weak safeguards



- Natural water retention measures
- Reusing waste water for irrigation

- RD rules allow for multiple interpretations and exemptions
- Quality of checks insufficient
- CMO funds irrigation infrastructure without safeguards

Recommendations

1

Justify exemptions to WFD implementation in agriculture

2

Tie CAP payments to compliance with environmental standards

3

Use EU funds to improve the quantitative status of water bodies



Recommendation 1: The Commission should request Member States to justify...

- a) Water pricing levels for agriculture
- b) Exemptions from the requirement for prior authorisation for water abstraction in agriculture



Recommendation 2: The Commission should...

- a) Make RD support for investments in irrigation conditional on the implementation of MS policies that incentivise sustainable water use
- b) Link all CAP payments to farmers to explicit requirements on sustainable water use
- c) Require safeguards to prevent unsustainable water use for VCS-funded crops



Recommendation 3: The Commission should ...

- a) Ensure that CAP-funded irrigation projects contribute to WFD objectives (through approval of post-2020 CAP strategic plans)
- b) Evaluate the impact of RD funding and market support on water use in the post-2020 CAP

THANK YOU

for your attention!

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