

BREXIT DEAL

A Missed Opportunity to Make European trade
Agreement Water-Smart

January 2021



BREXIT DEAL: A MISSED OPPORTUNITY TO MAKE EUROPEAN TRADE AGREEMENTS WATER-SMART

Water Europe Vision

Water Europe has set out a blueprint¹ for a society in which the true value of water is recognised and realised, and all available water sources are managed in such a way that water scarcity and pollution of water are avoided, water and resource loops are largely closed to foster a circular economy and optimal resource efficiency, while the water system is resilient against the impact of climate change events.



Multiple Waters



Digital Water



Value in Water



Grey-Green Infrastructure

European Trade Agreements

The EU-UK Trade and Cooperation Agreement (TCA) opens a new chapter of relations with the United Kingdom (the UK). Water Europe agrees with Michel Barnier, EU Chief Negotiator that “For our citizens and businesses, a comprehensive agreement with our neighbour, friend and ally is the best outcome”. Water Europe welcomes the continuation of the EU-UK

collaboration within the Research & Innovation programme Horizon Europe and the inclusion in the TCA of a strong environmental protection, which considers several water-related challenges such as biodiversity loss, contaminants of emerging concern and antimicrobial resistance².

In 2020, the mobilisation of the industry to maintain the high water-related standards of the Water Framework Directive was successful and was even taken by the Brexit negotiators further, reaffirming the importance of these key principles such as preventive procedure, impact assessment and the polluter pays principle in the TCA³.

It is important to recognise that treaties deeply impact the way Europe conducts business with a third country. The TCA sets a new standard for the future trade agreement of the EU. In particular, the level playing field⁴ is a cornerstone for “defending our interests, our industries, our fishermen and our European unity,”⁵ and goes beyond the inclusion of the Paris Agreement in the environmental standards of the TCA⁶. Within the framework of the Green Deal and the Zero-pollution Action Plan, the environmental standards in a trade & cooperation treaty must be strengthened, and dumping possibilities neutralised⁷. ‘Fair competition starts with the same conditions in the market’, as Ursula von der Leyen said.

Despite the mechanism to “adapt the conditions for access to our market according to the decision of the UK” in the TCA, Europe missed the opportunity to tackle one loophole into the provision for environmental standards and, hence, did not achieve the first water-smart treaty. As already raised by Water Europe⁸, the substantial developments of 2020 due to the COVID-19 must drive to a green recovery, keeping the value of water high. We need to safeguard our foundation, reaffirming our own principles and boundary conditions for an equitable and sustainable Europe.

1. Water Vision

2. EU-UK Trade and Cooperation Agreement, Title XI, Chapter 7.

3. EU-UK Trade and Cooperation Agreement, Title XI, Chapter 7, art. 7.4

4. EU-UK Trade and Cooperation Agreement, Title XI: Level playing field for open and fair competition and sustainable development.

5. Emmanuel Marcon, 31st December 2020: <https://www.politico.eu/article/emmanuel-macron-uk-a-friend-and-ally-despite-brexit/>

6. EU-UK Trade and Cooperation Agreement, Title XI, Chapter 7, art. 8.5

7. Ursula Von der Leyen, 11 December 2020: <https://euobserver.com/brexit/150366>

8. Position Paper on the COVID-19 National Recovery Plans

9. <https://waterfootprint.org/en/water-footprint/national-water-footprint/virtual-water-trade>

10. EU-UK Trade and Cooperation Agreement, Article ORIG 7

11. Charles Michel, 4 December 2020: <https://www.politico.eu/article/michel-brexit-deal-must-be-acceptable-to-all-27/>

A large part of Europe's virtual water is imported⁹. The upcoming revision of the Industrial Emission Directive, which must consider the Value of Water by requiring water efficiency for industrial technologies and processes, cannot fully manage this challenge. This imported water consumption is linked to the origin of the product.

The lack of such a translation, particularly in the Brexit Deal, does not consider the Value of Water¹⁰ and therefore might create unfair competition for the European stakeholders based on concrete differences in terms of water-related standards. This TCA presented a unique opportunity to pass European standards that would regulate the virtual flow of water in and out of Europe through the UK and other third countries which can comparatively imply higher and less efficient water consumption.

In this context, Water Europe warmly encourages the establishment of a smooth relationship with the UK but deplores the loss of the opportunity to demonstrate the "strong regulatory power [of the European Union]"¹¹ and set a new standard for international business and virtual water trade.

Water Europe invites the European Institutions to tackle this challenge in their ongoing and future international negotiations to concretely contribute and strengthen the fight against climate change for a greener, circular, and fair Europe. Water Europe remains at the disposal of the European Institutions to further contribute to any debates and recommendations on the benefits and options for water-smart treaties.

9. <https://waterfootprint.org/en/water-footprint/national-water-footprint/virtual-water-trade>

10. EU-UK Trade and Cooperation Agreement, Article ORIG 7

11. Charles Michel, 4 December 2020: <https://www.politico.eu/article/michel-brexit-deal-must-be-acceptable-to-all-27/>

