

TAXONOMY REPORT ON THE TECHNICAL SCREENING CRITERIA

an opportunity to foster the benefits
towards a Water-Smart Society

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Taxonomy Report on the Technical Screening Criteria: an opportunity to foster the benefits towards a Water-Smart Society

Water Europe Vision

Water Europe (WE) is the voice and promoter of water-related innovation and RTD in Europe. WE is a membership-based multi-stakeholder organisation representing over 200 members from academia, industry, technology providers, water users, water service providers, civil society, and public authorities. WE activities and positions are guided by its Water Vision “The Value of Water: Towards a Future-Proof European Water-Smart Society”.



Multiple Waters



Digital Water



Value in Water



Hybrid Grey-Green Infrastructure

EU Taxonomy – Technical Screening Criteria

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It could play an important role, helping the EU scale up sustainable investment. The EU taxonomy would provide companies, investors and policymakers with definitions for which economic activities can be considered environmentally sustainable. The EU Taxonomy Regulation establishes six environmental objectives :

- ❖ Climate change mitigation
- ❖ Climate change adaptation
- ❖ Sustainable use and protection of water and marine resources
- ❖ Transition to a circular economy
- ❖ Pollution prevention and control
- ❖ Protection and restoration of biodiversity and ecosystems

The sub-group one of the [sustainable finance platform](#) is

56%

Is the globally¹ expected deficit in water supply by 2030.

5x

Higher are the water risks for companies than the needed investments to tackle them

Consequently, Water Europe welcomes several elements of this draft report in line with the recognition of the value of water² and the importance of the value in water³. However, there is still need for clarification and coordination with other legislation and strategies.

1. EU Taxonomy regulation, Art. 3

2. The value of water expresses the importance of water for our society at large, including enabling all our economic activities, societal functions related to health and well-being, as well as the (potential) economic value of resources (nutrients, chemicals, metals, minerals) and energy embedded in our water streams.

3. The value in water indicates the economic and societal value that can be accomplished by extracting and valorising substances such as nutrients, minerals, chemicals and metals, as well as energy, embedded in used water streams.

GENERAL REMARKS

We welcome the approach to consider the activities as part of a value-chain while acknowledging the specific conditions in which the activities take place. It facilitates the uptake of comprehensive solutions and synergies around circular and local solutions that are also directly accepted by citizens. It also encourages the exploitation of the value in water, opening-up new resources.

We also welcome the explicit mention of the Industrial Emissions Directive as part of the regulatory package to protect water bodies in Europe, particularly through water efficiency and water reuse technologies. It reinforces not only the implementation of the art. 12 of the taxonomy regulation but also the best-in-class performance criteria which can lead to establish the right drivers for the uptake of innovative and sustainable solutions for industrial water discharge treatment and efficient process water management (quantity and quality).

We recommend the addition of a new economic activity chapter to be entitled *“Professional services related to the maintenance of water supply systems, the maintenance and treatment of urban and industrial wastewater and sewage and / or to the energy performance of industrial water systems or processes”*. This activity would cover the activities and turnover of service providers into municipal and industrial water systems which are neither operators nor constructors.

The interplay between the objectives 3, 4 and 5 fully embraces the value of water by the Working group, considering water as a resource that needs to be managed in such a way that water scarcity and pollution of water are avoided. The EU taxonomy confirms the role of water as a key component of the circular economy by promoting water efficiency, reusing and recycling.

Distortion about the neutrality in the choice of the implemented technology which can reach the same level of sustainability must be avoided in the regulation; as it weakens innovation, counterbalancing the objectives of the Research and Innovation programme of the European Union and reduces the suitability of the criteria with the broad requirements.

DRINKING WATER

There is a **need for clarification of the scope of chapter 11.1 Water supply: the legal terminology** used in the drinking water component clashes with the definitions used e.g. in Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (recast). The nuances between construction, extension, or operation of existing water supply systems create confusion and unbalanced duties between stakeholders: the scope should be that the whole water supply and supporting activities (construction or services or operations), including resource protection activities, raw water storage and conveyance, aquifer recharge were used to this goal, all the way up to the point of delivery, including also fire-fighting requirements.

We welcome the consideration of water efficiency in the screening criteria particularly by the obligation to set up metering on water consumption⁴. As Europe will suffer more and more from water scarcity, there is a clear need for such a tool which can be supported by digitalisation.

We welcome the substantial reduction of water leakages across the new water supply network to a threshold that is well below ILI 1.5.⁵ or calculated using another appropriate method as provided for in article 4.3 of the Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (recast). This criteria must not cause a breach in the neutrality of the technologies used for this purpose.

WASTEWATER

We welcome the reminder that wastewater management is a cornerstone for preventing deterioration of ecological and chemical status of water bodies⁶, in line with the Water Framework Directive.

We welcome the choice to support technology neutrality in the exploitation of the value in water in the recovery process of energy of wastewater streams⁷ and believe the TSC 3, for plants that have a capacity of 100,000 PE or more must be broadened to all types of energy recovery, without prescribing a particular technology. This is consistent with the absence of any threshold on the recovery yield in this TSC.

4. Draft report, Annex, page 903.

5. Draft report, page 83; Draft report, Annex, page 903.

PHOSPHORUS RECOVERY

We welcome the mention of phosphorus recovery. It is a substantial contribution to the circular economy as mentioned in this annex.

ALTERNATIVE WATER RESOURCE – REUSE WATER

We welcome the positive message on water reuse. The report recognises the role of water reuse for tackling water scarcity but also “looming shortages of critical raw materials including water”⁸

We note that with the exception of reuse for crop irrigation which is the subject matter of the Regulation 2020/741, no EU standard applies for rainwater harvesting or stormwater or greywater: such alternative water resources use and final quality should be fit for purpose and compliant with national rules and standards.

PROFESSIONAL SERVICES RELATED TO INDUSTRIAL WASTEWATER SYSTEMS (new chapter)

We reiterate the need to recognize the services aiming at ensuring the DNSH of industrial activities vis-à-vis the (5) Pollution Prevention and Control, ensuring the coherence between the different legislation as explicitly mentioned in the article 19 of the Taxonomy regulation, particularly with the Industrial Emissions Directive:

- ❖ Firstly, we remind the importance of water discharge management as a key element of the “do not significant harm principle (DNSH)” as specifically mentioned in the “2.1 Manufacture of basic pharmaceutical products” (e.g.).
- ❖ Secondly, it must ensure that water efficiency, including through reuse and recycled processes, will be effectively implemented and encouraged along the long process of revision of the BREFs within the framework of this directive, in line with the SDG6.4.⁹
The report must consider the possibility to open the use of reclaimed water for additional uses than irrigation as envisaged in the Circular Economy Action Plan for water reuse in industrial processes¹⁰.

6. Draft report, Annex, pages 920-921.

7. Draft report, Annex, pages 922-927.

8. Draft report, Annex, pages 930.

9. Mentioned in the draft report as a water related target: “substantially increase water use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater”. Draft report, Page 84.

10. Circular Economy action Plan, 3.7, paragraph 4.

