



## Cordoba declaration: Public Financing Water Management

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*About EUWMA:*

*EUWMA's nine member bodies represent local and regional public water management organisations from nine EU member states. The organisations (water boards) which belong to each member body:*

- Are public entities, involving stakeholders with an interest in water management, performing their operational tasks autonomously, under varying degrees of administrative supervision;*
  - Are authorized by national law to perform water management tasks, including water supply, waste water treatment and discharge, flood management, coastal protection, water quality management, drainage regulation and irrigation, including the protection of the environment, biodiversity and wetlands;*
  - Operate over a total area of more than 50 million hectares of cultivated land within the EU.*
  - Manage water for the public interest, including the interest of their beneficiaries and/or members;*
  - Are essential for the development and the economy of mostly rural areas; in some areas dating back hundreds of years.*
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### 1. Basic facts

There is a wide variety of water boards in most EU member states which operate in differing landscapes and climates. Water boards are all unique local or regional public institutions for water management. Many of them were created hundreds of years ago to deal with a territory affected by floods or water scarcity. These natural handicaps were overcome by the construction of important infrastructures which allowed people to live in these areas and the country to develop. Today these infrastructures seem to have always existed, but they are always a result of wise investments, good spatial planning and other operational decisions often influenced by politics and policies.

Water boards are public entities managing their infrastructure in both the interest of their members and the public interest. With the changing climate the importance of water boards will increase even more in the coming years. Water boards are indispensable institutions in many parts of the EU. They keep the citizens in their territories safe from dangerous floods and make sure that there is enough water available. The water management infrastructures created by water boards are producing many positive externalities, directly influencing the very survival of fresh water inland and coastal ecosystems, supporting biodiversity, keeping the rural landscape as we are used to know. Water



boards are also key enablers for agriculture to produce even more positive externalities, leveraging the benefits of the water resources

In order to fulfil their mission and keep providing services to productive sectors as well as to the society as a whole, water boards must face very high maintenance costs. On top of this, water boards need to re-invest in their infrastructures, or in new ones, in order to be able to face future challenges as the ongoing climate changes and the deep modification of the territories caused by further urbanization and abnormal growth of cities. Water boards receive their own income through taxes and fees collected from their members, covering their operation and maintenance costs and at least part of their investments. Acting not only in the interest of their members, but also in the public interest by managing a common good, the investments of waterboards also receive public support through regional, national and/or EU funds.

## 2. Water boards are facing challenges that impact their financial balance:

Key environmental, societal and productive challenges as climate change, energy, and changing demands and territories, are causing rising financing needs to Waterboards. Below you can find some further clarification on these challenges.

**Climate change:** rising temperatures and sea levels and increasing extreme weather events, such as cloud bursts and droughts, cause new needs of investment but also higher maintenance and restoration costs.

**Energy:** On one hand, water management requires energy and on the other hand, related to climate change mitigation, energy should be saved and energy consumption costs are increasing. Consequently water boards need to invest not only to adapt their infrastructure in order to minimize their energy costs, but could also participate efficiently in the water energy nexus and in the production of renewable energy in order to become energy neutral.

**Changing demand and territories:** Urban development in the command area of water boards is more and more organised in concertation with water boards, especially in rapidly developing areas. Their multipurpose infrastructures contribute to the protection of goods and populations, landscape management, prevention of water scarcity and water excess. While dealing with a common good it is difficult to tackle the problem of free riders, users and beneficiaries of the services of water boards that however not financially contribute to their consumption.

Moreover, due to budget restrictions in public financing during the last decade, some water boards maintained their system but had to postpone new investments or the renewal of existing infrastructures because their members have financially not been able to bear the total costs.

All of the above challenges create higher financing needs and urge water boards to rethink their financing models and look into new financial resources and possibilities.

## 3. To face these public challenges, the EU, states, regional and local institutions should strengthen the status of water boards and facilitate development:

- By maintaining and developing their grants to investments of water boards related to water management and rural/territorial development. EU financing programmes (e.g. LIFE, ERDF or EAFRD) should be sufficiently funded on water management aspects and also oriented towards water boards. National and regional grants for territorial development should also always consider the positive and multifaceted impacts of water management on the development of key sectors on diverse scales.
- By encouraging waterboards to move towards an energy-neutral impact through minimising bureaucratic and legal issues to renewable energy production projects proposed by water boards and through investment support to water boards involved in such a transition.
- By avoiding legal barriers to financing. Due to water boards legal nature and mission, public grants attributed by national or regional institutions to them as public entities to produce public goods should not be considered as 'State aid'. Moreover, water boards execute a public task by helping to attain the goals indicated by the WFD, the Floods Directive and other European legislation.
- By facilitating the access of water boards to public banks and their long-term loans to finance water infrastructures as it is the case in some countries.
- By better political understanding of the importance of performing public duties of water boards together with political commitment.