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29 August 2000

# \*\*\*III REPORT

on the joint text approved by the Conciliation Committee for a European Parliament and Council directive establishing a framework for Community action in the field of water policy (C5-0347/2000 – 1997/0067(COD))

European Parliament delegation to the Conciliation Committee

Rapporteur: Marie-Noëlle Lienemann

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## Symbols for procedures

- \* Consultation procedure *majority of the votes cast*
- \*\*I Cooperation procedure (first reading)

  majority of the votes cast
- \*\*II Cooperation procedure (second reading)
  majority of the votes cast, to approve the common position
  majority of Parliament's component Members, to reject or amend
  the common position
- \*\*\* Assent procedure
  majority of Parliament's component Members except in cases
  covered by Articles 105, 107, 161 and 300 of the EC Treaty and
  Article 7 of the EU Treaty
- \*\*\*I Codecision procedure (first reading)

  majority of the votes cast
- \*\*\*II Codecision procedure (second reading)
  majority of the votes cast, to approve the common position
  majority of Parliament's component Members, to reject or amend
  the common position
- \*\*\*III Codecision procedure (third reading)

  majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

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#### PROCEDURAL PAGE

At the sitting of 16 September 1999 Parliament confirmed its position at first reading of 11 February 1999 on the proposal for a Council directive establishing a framework for Community action in the field of water policy (COM(1997) 49 - 1997/0067 (COD)).

At the sitting of 28 October 1999 the President of Parliament announced that the common position had been received and referred to the Committee on the Environment, Public Health and Consumer Policy (9085/3/1999 - C5-0209/1999).

At the sitting of 16 February 2000 Parliament adopted amendments to the common position.

By letter of 27 March 2000 the Council stated that it was unable to approve all Parliament's amendments.

By letter of 15 April 2000 the President of the Council informed the Parliament that the extension of the deadline for convening the Conciliation Committee pursuant to Article 251(7) of the EC Treaty was necessary.

The President of the Council, in agreement with the President of Parliament, convened a meeting of the Conciliation Committee on 23 May 2000.

By letter of 30 June 2000 the President of Parliament informed the Council that the extension of the deadline for the work in committee and the deadline for adopting the act pursuant to Article 251(7) of the EC Treaty was necessary.

At its meetings of 23 May 2000 and 28 June 2000 the Conciliation Committee considered the common position on the basis of the amendments proposed by Parliament.

At the latter meeting it reached agreement on a joint text.

On 18 July 2000 the co-chairmen of the Conciliation Committee established that the joint text had been approved, pursuant to paragraph III.8 of the Joint declaration on practical arrangements for the new co-decision procedure, and forwarded it to Parliament and the Council in all the official languages.

On 21 August 2000 Parliament's delegation to the Conciliation Committee adopted the draft legislative resolution unanimously.

The following took part in the vote: James L.C. Provan, Vice-President and chairman of the delegation; Ingo Friedrich, Vice-President; Caroline F. Jackson, chairman of the Committee on Environment, Public Health and Consumer Policy; Marie-Noëlle Lienemann, rapporteur; David Robert Bowe (for Renzo Imbeni), Dorette Corbey, Chris Davies, Cristina García-Orcoyen Tormo, Françoise D. Grossetête, Bernd Lange, Alexander de Roo, Ursula Schleicher, Jonas Sjöstedt, Francesco Turchi (for Nicole Thomas-Mauro) and Phillip Whitehead (for María Sornosa Martínez).

The report was tabled on 29 August 2000.

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<sup>&</sup>lt;sup>1</sup> OJ C 148, 28.5.1999, p. 1.

#### DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the joint text approved by the Conciliation Committee for a European Parliament and Council directive establishing a framework for Community action in the field of water policy (C5-0347/2000 – 1997/0067(COD))

## (Codecision procedure: third reading)

The European Parliament,

- having regard to the joint text approved by the Conciliation Committee and the relevant Commission statement) (C5-0347/2000),
- having regard to its position at first reading<sup>1</sup> on the Commission proposal and amended proposals to Parliament and the Council (COM(1997) 49<sup>2</sup>, COM(1997) 614<sup>3</sup> and (COM(1998) 76<sup>4</sup>),
- having regard to the amended Commission proposal (COM(1999) 271<sup>5</sup>),
- having regard to its position at second reading on the Council common position<sup>6</sup>,
- having regard to the Commission's opinion on Parliament's amendments to the common position (COM(2000) 219 - C5-0295/2000)<sup>7</sup>,
- having regard to Article 251(5) of the EC Treaty,
- having regard to Rule 83 of its Rules of Procedure,
- having regard to the report of its delegation to the Conciliation Committee (A5-0214/2000),
- 1. Approves the joint text and draws attention to the Commission statement thereon;
- 2. Instructs its President to sign the act with the President of the Council pursuant to Article 254(1) of the EC Treaty;
- 3. Instructs its Secretary-General duly to sign the act and, in agreement with the Secretary-General of the Council, to have it published in the Official Journal of the European Communities:
- 4. Instructs its President to forward this legislative resolution to the Council and Commission

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<sup>&</sup>lt;sup>1</sup> OJ C 150 of 28.05.1999, p. 419 and OJ C 54 of 25.2.2000, p. 77.

<sup>&</sup>lt;sup>2</sup> OJ C 184 of 17.06.1997, p. 20.

<sup>&</sup>lt;sup>3</sup> OJ C 16 of 20.01.1998, p. 14.

<sup>&</sup>lt;sup>4</sup> OJ C 108 of 07.04.1998, p. 94.

<sup>&</sup>lt;sup>5</sup> OJ C 342 of 30.11.1999, p. 1.

<sup>&</sup>lt;sup>6</sup> OJ C not yet published.

<sup>&</sup>lt;sup>7</sup> OJ C not yet published.

#### **EXPLANATORY STATEMENT**

#### **BACKGROUND**

The Commission presented a proposal for a Water Framework Directive (WFD) in February 1997. The Directive aims at:

- 1. incorporating all requirements for management of water status into one single system: a\_river basin management that is based on geographical and hydrological areas rather than administrative and national boundaries,
- 2. **co-ordinating objectives** for different types of water protection such as drinking, bathing, surface and groundwater,
- 3. **co-ordinating measures** that have to be taken to address individual and sectoral problems in order to attain the objectives,
- 4. defining the relationship between emission limit values and quality standards through the so-called **combined approach**,
- 5. increasing **public participation** and thereby transparency and enforceability of EC water legislation,
- 6. introducing a system of **full cost recovery pricing** of water whereby Member States will be required, by 2010, to charge consumers in all water use sectors the true cost of water including e.g. abstraction and distribution costs for the water used and collection and treatment costs of waste water. However, there are a number of derogations from this general system, e.g. basic water services to households at an affordable price.

The Environment Committee of Parliament considered the proposal during spring 1997 and agreed that vital elements were missing in the Commission proposal. Subsequently, the Commission amended its proposal twice – first in November 1997 and then in February 1998.

On 16-17 June 1998 the Council adopted – before Parliament's first reading - a common text based on "a high level of common understanding" – an initiative that did not improve relations between Parliament and Council.

In January 1999 Council and Parliament representatives met in a technical working group in order to seek to bring closer together the positions taken by their respective institutions. The technical working group identified 14 issues of divergence between the two institutions and was able to produce compromise texts on the issues of wetlands, marine monitoring, public consultation and endocrine disrupters. The European Parliament thereafter adopted its first reading on 11 February 1999.

On 22 October 1999 the Council adopted its Common Position.

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#### SECOND READING OF THE EUROPEAN PARLIAMENT

On 16 February 2000 the Parliament adopted 60 amendment to the common position. The amendments focused on the following areas:

- Reinforcement of the text of the Common Position in order to lay down clear and more binding environmental objectives.
- For the elimination of hazardous substances, the reintroduction of Parliament's approach at first reading where it proposed phasing out discharges, emissions and losses of hazardous substances into the aquatic environment by the year 2020 thereby incorporating the OSPAR provisions into binding Community legislation.
- Strengthening the obligations for groundwater protection.
- Clarification and tightening of derogation conditions.
- Shortening of the timetables to oblige Member States to comply with the provisions of the directive 10 years after its entry into force. Extension beyond this date was limited to 2 further updates (of 6 years each) of the River Basin Management Plan.
- Introduction of a provision for Member States to ensure cost recovery with some flexibility for services provided for water users by the year 2010.
- Addition of an explicit reference to radioactive materials.
- Addition of a definition on the combined approach and the use of Best Available Technology (BAT).
- Tightening of the conditions for designating a body of surface water as artificial or heavily modified.
- Introduction of the precautionary principle to drinking water by requiring that Member States fully protect surface water bodies against pollution in order to minimise treatment of raw water

#### THE CONCILIATION PROCEDURE

The conciliation was relatively difficult because of the importance and sensitivity of the Directive, the high number of amendments and their technicality.

The discussions concentrated around Articles 1, 4 11, and 16 of the Directive. It took a long time for the Council to adopt a position on the EP amendments and, also for the EP delegation it was difficult to adopt counter-proposals to the Council texts when they finally arrived.

Following negotiations between the institutions in the form of « informal meetings » rather than the traditional trialogue format the first meeting of the Conciliation Committee took place on 23 May. No progress was made. The EP delegation insisted on the binding nature of the objectives and the Council side refused this insisting on detailed negotiations on the objectives themselves before committing itself to binding objectives.

Final agreement was reached on 28 June, and the main elements are the following:

### <u>Legally binding objectives</u>

For the objectives and their binding nature, the compromise reached follows almost entirely the principles laid down in Parliament's second reading amendments. The wording of different obligations is now "Member States shall". Council attempts to dilute the obligations by adding the words "where practicable" to the different points were successfully resisted by the Parliament delegation.

#### Hazardous substances

The elimination of hazardous substances (which was not included in the Council common position) will now feature in the directive. Discharges of hazardous substances must cease or be phased out at the latest within 20 years of their identification as priority hazardous substances.

Whereas Parliament at second reading had inserted a prohibition on discharging radioactive substances, it was agreed that the discussion would take place in the context of establishing the priority lists of hazardous substances and do not need to be specifically mentioned.

#### Groundwater

To guarantee the existing levels of protection for groundwater, Member States must take all necessary measures to prevent deterioration in the status of all bodies of groundwater and prevent or limit the input of pollutants into groundwater.

A daughter directive concerning the reversal of any upward trends in pollution of groundwater is to be drafted by the Commission within 24 months. It will define measures to achieve the objectives of good groundwater chemical status. These measures are to include criteria for assessing good groundwater chemical status and for the identification of significant and sustained upward trends as well as for the definition of starting points for trend reversals. In the absence of such criteria at Community level, Member States are to draft national criteria. As a "safety net" it was agreed that, in the absence of national criteria, Member States will take, as a practical reference point for establishing measures to ensure trend reversal, a maximum figure of 75% of the level of the applicable standards laid down for groundwater in existing Community legislation.

#### Derogations and timetables

The derogation conditions were tightened according to the principles of the EP amendments, but the EP delegation had to make concessions in order to succeed in its demands for legally binding objectives. The possibility to extend the timetables was cut from three updates of the River Basin Management Plans to two. Different timetables of the Directive were shortened by one year. This modest reduction was also a Parliament's concession to achieve the main objective of a legally binding Directive.

### Water pricing

The directive instructs Member States to take account of the principle of recovery of the costs of water services, including environmental and resource costs, in accordance with the polluter-pays principle. The Member States must ensure by 2010 that water-pricing policies provide adequate incentives for users to use water resources efficiently.

Water pricing is a sensitive issue for number of Member States that have particular regimes for exempting certain categories of users. However, in the conciliation the attention focused on Ireland. It is the only Member State that does not charge households according to water and sewage volume but finances these services via taxation. At the end of the conciliation it was agreed to provide for the Member States to be able to opt out from the obligation of cost recovery, if this is based on "established national practices".

#### CONCLUSION

This directive is one of the most important legislative acts at Community level concerning the protection of the environment. It combines and co-ordinates the dispersed water legislation in force at present and enables the Commission and the Member States to work with a credible legal framework in implementing the Community legislation which will apply for many years, before and after the enlargement.

In the conciliation procedure, the EP delegation was successful in securing the main objectives of a legally binding Directive, the elimination of priority hazardous substances and better protection of groundwater. Therefore the delegation recommends that the Plenary adopt the Joint Text approved by the Conciliation Committee.