

INCEPTION IMPACT ASSESSMENT			
TITLE OF THE INITIATIVE	Revision of the Drinking Water Directive		
LEAD DG – RESPONSIBLE UNIT – AP NUMBER	ENV.C.2	DATE OF ROADMAP	28/02/2017
LIKELY TYPE OF INITIATIVE	Proposal for a Directive		
INDICATIVE PLANNING	2017 4th quarter		
ADDITIONAL INFORMATION	Link Evaluation Roadmap: http://ec.europa.eu/smart-regulation/roadmaps/docs/2015_env_041_drinking_water_en.pdf Link Evaluation Staff Working Document: http://ec.europa.eu/environment/water/water-drink/pdf/SWD_2016_428_F1.pdf		
This Inception Impact Assessment aims to inform stakeholders about the Commission's work in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. Stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have, including on possible impacts of the different options. The Inception Impact Assessment is provided for information purposes only and its content may change. This Inception Impact Assessment does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content.			

A. Context, Problem definition and Subsidiarity Check

Context
<p>Safe drinking water is essential for public health and well-being. Water is not a commercial product like any other, however it is economically important for industry and consumers. Every citizen uses up to 150 litres per day. A good supply infrastructure is essential and a basis for economic growth. Defects in quality and quantity cause high social and economic costs. To avoid such costs the preservation and further improvement of a healthy drinking water supply is of vital importance for the EU. The main piece of EU legislation in this regard is the Drinking Water Directive 98/83/EC¹ (DWD), introduced in 1980 and revised in 1998. Its revision has been included in the Commission Work Programme 2017 as part of the implementation of the Circular Economy package. It arises from the REFIT evaluation of this Directive and as one of the follow up actions to the first successful European Citizens' Initiative (ECI) Right2Water. The evaluation was concluded on 1 December 2016 (SWD2016)428 final).</p>
Problem the initiative aims to tackle
<p>The evaluation has confirmed that the DWD is one of the tools relevant to ensure good quality of the water consumed in the EU. It fulfils its basic purpose to 'protect human health from the adverse effects of any contamination of water intended for human consumption'. However, the evaluation detected limits of the current approach (i.e. no reference neither to the protection of waters resources to be used for the abstraction of drinking water nor to the risk based approach supported by WHO), no clear link between DWD standards and health effects, or problems with definitions. As the DWD intervenes at the very end of the supply chain, and lacks upstream risk assessment elements, many factors that affect drinking water can only be detected late in the supply chain and have to be addressed through the "ex-post" type of mechanisms provided for by the DWD (e.g. pesticides in raw water, disinfection by-products from treatment). This intervention at the very end misses out a potential to support sustainable water management; i.e. to prevent and reduce leakages that allow contamination and lead to losses of resources. The Directive should be 'modernised' to increase transparency by providing clear information to consumers, to reduce administrative burden and to better take into account innovative techniques. More specifically, the evaluation identified several key areas where improvements could be made:</p> <ol style="list-style-type: none"> 1. The quality standards and values have not been revised since 1998; they risk to be partly not relevant anymore and not fully match emerging pressures, latest scientific knowledge and changing pollution pressure. 2. There is little preventive safety planning or assessment of potential risks in the current DWD, This represents a weakness and a potential risk for the quality of the water. 3. The provisions in the DWD regarding the definition of water supplies and regarding the availability of

¹ Directive 98/83/EC of 3 November 1998 on the quality of water intended for human consumption, OJ L 330, 05/12/1998, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31998L0083>

appropriate and up-to-date information to consumers were found too imprecise, and reporting does not tap the potential of modern information technology for a swift and multiple use of information.

4. The DWD provision on products and materials in contact with drinking water permits too much legal flexibility. It allows Member State to have different national approval systems for such products and materials, which are not mutually recognised. Therefore these products need multiple testing to receive approval in several Member States. This creates unnecessary burden (potentially costing industry over half a billion Euro per year) and can be seen as an obstacle to the internal market.

Finally, the first European Citizen Initiative "Right to Water" urges EU institutions and Member States "to ensure that all inhabitants enjoy the right to water and sanitation". The current DWD does not include a provision to ensure access to safe drinking water for every citizen. Today about 4.5% of the total EU population do not have full access to drinking water. Access to drinking water in some public areas could be improved. This issue relates to Sustainable Development Goal (SDG) 6 to ensure availability and sustainable management of water and sanitation for all.

Subsidiarity check (and legal basis)

This legislation is not a new intervention. It is based on Article 192(1) TFEU. It was designed in accordance with the principle of subsidiarity, and recognised the natural and socio-economic differences between the regions of the Union. The Directive just sets minimum standards and the legal frame, requiring most decisions on monitoring, analysis and the measures to be taken to redress failures are taken at a local, regional or national level. Concrete actions are left to the Member States.

The evaluation confirms the added value of the Drinking Water legislation at EU level, achieving a significant harmonisation of water quality over time. The DWD contributes to the same level of protection of human health from adverse effects of contamination of the drinking water. In stakeholder consultations citizens, Member States, and businesses have called upon the EU to set and maintain up to date EU-wide common drinking water standards. Moreover, many stakeholders see EU measures as best placed to address emerging health hazards by water. Most Member States, particularly the smaller countries who do not always have the resources and specific expertise, expect the EU to continue to set the essential chemical and microbiological parameters and values. Establishing EU harmonised approaches for material in contact with drinking water can contribute to improving the functioning of the internal market. This clear demand justifies action at EU level.

B. Objectives and Policy options

This initiative aims to preserve safe drinking water meeting high quality standards in the long term. Its general policy objectives remain unchanged –

- to prevent adverse effects on human health of any contamination across the EU
- to ensure that drinking water at the consumer tap is wholesome and clean
- to monitor the quality of drinking water quality and – in case of non-compliance – to restore quality.

Further objectives are an enhanced coherent and cost-effective implementation, better information and transparency to drinking water consumers, use of the full simplification potential (reducing administrative burden and monitoring costs where they are not justified), and supporting availability and sustainable management of drinking water in a resource-efficient manner.

The baseline scenario until 2030 and 2050 will consider the expected changes in the quality of raw water resources, i.e. taking into account climate change effects as well as the emission of emerging substances by the domestic sector, such as pharmaceuticals due to increased consumption of pharmaceutical products, but also expected changes in the management of drinking water services, in particular the increasing application of Risk-Based Assessments, and a stronger role of smart information and communication technologies..

Several options tackling the identified problems will be considered for each of the 4 key topics:

1. updating the list and limit values of parameters;
2. promoting Risk-Based Assessment (RBA) and the establishment of Water Safety Plans for addressing drinking water pollution risks;
3. proposing EU harmonized standards for materials and products in contact with drinking water;
4. ensuring smart information to drinking water consumers, address the need for robust and effective environmental reporting whilst minimising the administrative burden associated with it, and promoting actions to reduce leakages while reducing administrative burden.

In addition different options to improve sustainable management and availability of drinking water for EU inhabitants are defined.

As the evaluation confirmed that the DWD is a relevant legislative tool, the option to discontinue the DWD has been discarded upfront. The main options to be assessed relate to legislative options. Some maybe accompanied later by soft non-legislative options i.e. guidance on risk-based assessments. Issues like products in contact with drinking water are linked to the Construction Product Regulation (CPR), and product standardisation under the CPR will be considered. The analysis will assess 'implementability' and take the "think small first" principle into account for small water supplies.

C. Preliminary Assessment of Expected Impacts

For drinking water quality, the impact assessment will assess whether the options contribute to achieve the main objectives (1) to reduce health risks, (2) to respond to citizens' demand, (3) to being more cost-effective, and (4) to avoid any unnecessary administrative burden by simplifying current provisions where possible and warranted.

Likely health impacts

The evaluation found out that it is difficult to establish direct causal and statistical relations between drinking water quality and human health impacts. Therefore a specific indicator 'Population at Potential Drinking Water Health Risk' will be used in order to estimate the population that could potentially suffer from health problems because of drinking water quality.

Likely economic impacts

The main economic impacts of the policy options include

- impacts on drinking water providers,
- on population: Cost of drinking water, affordability, and economic impacts from shifting bottled water consumption to tap water consumption,
- other economic impacts (Impact on R&D, SMEs, employment, other).

Impacts on small water supplies and suppliers will be assessed, for key topic 3 internal market aspects, and investments needs will be examined in particular for the additional topic on the availability of drinking water for EU inhabitants.

Likely social impacts

The main social impacts of the policy options include:

- Information to consumers – consumers' trust in tap water quality
- Social impacts from shifting bottled water consumption to tap water consumption
- Behavioural changes: possibility to influence consumers and water suppliers behaviour to improve water quality
- Affordability of drinking water

Likely environmental impacts

The main environmental impacts of the policy options include:

- The quality of water resources
- Energy consumption and greenhouse gas emissions
- Environmental externalities of consumption of bottled water
- Resource efficiency and Circular Economy
- Biodiversity

Likely impacts on fundamental rights

The main impacts on fundamental rights relate to social inclusion aspects from better access to safe drinking water, as drinking water is a public good fundamental for public health and quality of life. Expanding the current scope of the DWD to include provisions supporting the human right to safe drinking water and sanitation to all citizens as well as increasing the application scope of drinking water quality standards to cover all small communities and any person living in Europe would have significant social impacts as up to 23 million of people would get access to safe drinking water. This option would thus support the human right to water and sanitation as it was recognized by the UN Resolution 64/292 and the UN SDG 6 to 'Ensure availability and sustainable management of water and sanitation for all.'

Likely impacts on simplification and/or administrative burden

The assessment will quantify as far as possible the costs and benefits (mainly expressed as reduced population potentially at risk) of the options in terms of the administrative burden, in particular the electronic reporting tool for drinking water data to the Commission will be assessed, and also the burden to industry affected by national Article 10 implementation measures on products and materials in contact with drinking water.

D. Data Collection and Better Regulation Instruments

Impact assessment

An impact assessment is being prepared to support the preparation of this initiative and to inform the Commission's legislative proposal.

Data collection

The main information and data used is:

- The three yearly reported drinking water quality data and their summary reports (Reports available since 1993, in an electronic format since 2005, and latest Commission Synthesis Reports COM(2016) 666 and

COM(2014) 363, see: http://ec.europa.eu/environment/water/water-drink/reporting_en.html)

- The DWD Evaluation, SWD(2016) 428 final
- The supporting studies for DWD Review (Evaluation and Impact Assessment): <http://www.safe2drink.eu/>.
- Two further related studies, a specific study on Products/Materials in contact with drinking water, and a cooperation project with WHO to review the drinking water parameters, interim and final studies once available on CIRCABC: <https://circabc.europa.eu/w/browse/94aa2cb9-0daf-450f-a601-e6c76fbc8c17>

Consultation strategy

In the context of the evaluation of the DWD, several stakeholder consultation activities have been carried out that will also give useful input for the impact assessment. An Impact Assessment Study including input gathered through various consultation activities was already launched in good time in parallel to the ongoing evaluation. These activities included several stakeholder meetings and conferences, specific stakeholder interviews and an open public consultation. More details on the outcome of these activities can be found on DG ENV's consultation page: http://ec.europa.eu/environment/consultations/water_drink_en.htm

The consultation strategy for this initiative will identify the additional evidence required to which stakeholders may provide useful input in relation to the (1) the problem definition, (2) the possible policy options, "who is affected", and preliminary impacts, and (3) to one of the core provisions, the parameters and parametric values. Consultation activities may include targeted stakeholder consultations such as interviews and technical stakeholder meetings in cooperation with the WHO. The consultation strategy will also assess the need on whether or not an additional public consultation would be appropriate to provide useful input to the impact assessment.

Details on the planned activities and their outcome will be published on DG ENV's consultation page.

Will an Implementation plan be established?

As the current DWD is already well implemented, and implementation structures, drinking water suppliers and relevant authorities are in place, there is probably no need to establish an implementation plan for this revision. The usefulness of an implementation plan will be further considered in the impact assessment