

# European Water Resilience Strategy



## **Context**

Water is critical for human well-being, economic activity, and ecosystem health. Europe, including Malta, faces escalating water challenges from climate change, pollution, and over-extraction. The European Commission's Water Resilience Strategy aims for sustainable EU-wide water management, recognising that fragmented national approaches are insufficient for such as transboundary issue.

For Malta, an island nation with limited freshwater, regular heatwaves, and high population density, these challenges are particularly acute, posing significant risks to long-term economic stability, public health, and environmental sustainability. This brief highlights the Strategy's key legislative and non-legislative initiatives relevant to Maltese and European businesses.

## **Restoring and Protecting the Water Cycle as Basis for Sustainable Water Supply**

Building upon the foundation of existing EU freshwater legislation, the strategy prioritises stepping up effective implementation to achieve good water status by 2027.

The Strategy calls for improved public-private initiatives to achieve feasible and affordable methods for detecting and remediating PFAS and other persistent chemicals **(2027)** in water.

Furthermore, the Commission promises to prevent unsustainable land use, over-abstraction, inefficiencies in water use, and water pollution linked to industrial production, among other activities.

## **Building a water-smart economy that leaves no one behind, supports EU competitiveness and attracts investors**

The Strategy aims for reducing demand for water across all economic sectors through water savings and efficiency principles. Efficiency efforts will particularly target the most intensive water users, which have the greatest interest in avoiding supply disruptions. Aside from agriculture, the production, processing, retailing, packaging, and transportation of food are identified as significant sources of water use.

Reflecting this ambition, the Commission calls for a water efficiency target of at least 10% by 2030.

Key initiatives include:

- A Recommendation on the application of the water efficiency first principle, inspired by the energy efficiency first principle **(2025-2026)**.

- Support for the uptake of water reuse practices beyond agriculture and a review of the Water Reuse Regulation **(2026-2028)**.
- Launch of a pilot project to promote water efficiency, including waterless and closed water cycle technologies, in selected industrial clusters **(2027)**.
- Inclusion of water usage among parameters for a common Union scheme to rate the sustainability of data centres, proposing water consumption minimum performance standards **(2027)**.
- A public-private initiative to achieve a technological breakthrough in feasible and affordable methods for dry cooling **(2027)**.

### **Securing clean and affordable water for all, empowering consumers and other users**

Decades of EU water law implementation, particularly the Drinking Water and Urban Wastewater Treatment Directives have largely secured access to safe drinking water and sanitation across the EU. To address remaining sections of society which still lack proper access to safe drinking water, the EU will leverage initiatives such as the well-established EU Ecolabel and the Ecodesign for Sustainable Product Regulation (ESPR) to help consumers choose less polluting and more water-efficient products.

Key initiatives include:

- Addressing the water footprint of products when setting or updating requirements under the ESPR and the EU Ecolabel **(2025 — 2027)**.
- Promoting best practices on public awareness and the role of water pricing to encourage water efficiency, cost recovery, and the polluter pays principle **(2026-2027)**.

### **Finance, investments and infrastructure to achieve a stable supply**

The Commission has already proposed an exceptional package of measures within the recent mid-term review of Cohesion policy to encourage Member States and regions to invest in water resilience. The upcoming Multi-annual Financial Framework (MFF) presents a further opportunity to bolster water resilience through targeted investment and reforms.

Additionally, the Commission is enhancing its cooperation with the European Investment Bank (EIB) to scale up public and private investments in water, both within the EU and globally.

Key initiatives include:

- Launch of the EIB Water Programme and Sustainable Water Advisory Facility in cooperation with the Commission to increase assistance to potential loan-takers and expand the project pipeline **(2025)**.
- Adoption of a Roadmap for Nature Credits to unlock the potential of these instruments and incentivise the scale-up of these markets **(2025)**.
- Establishment of a Water Resilience Investment Accelerator **(2026-2027)**.

## Other Initiatives

The Commission will also pursue several other key initiatives to enhance water resilience:

- Launch of a Water Smart Industrial Alliance to support consolidation by stimulating innovation, competitiveness, and securing necessary water skills.
- Exploration of how public procurement can promote water resilience considerations in relevant public tenders and simplify market access for SMEs to unlock their innovation potential, in line with the Clean Industrial Deal **(2026)**.
- Launch of a European Water Academy to address capacity needs in Europe's water sector, fostering public-private partnerships, innovation, and technology transfer to fill skill gaps **(2026)**.

## Way Forward

The European Water Resilience Strategy presents a critical roadmap for safeguarding Europe's water resources and ensuring economic stability. For Maltese businesses, this strategy offers potential benefits, including addressing the urgent threat of water scarcity, creating cost-saving opportunities, fostering skills development, and enabling the leveraging of additional funds.

However, the planned measures may also pose challenges, particularly for water-intensive sectors which might be required to implement significant investments. Learning from Europe's experience with the energy transition, it is paramount that appropriate financial and technical support systems are provided to avoid detrimental impacts on EU business competitiveness.

The European Water Resilience Strategy may be accessed [here](#).

**Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.**

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