EUROPEAN COURT OF AUDITORS

PRESS RELEASE

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Special Report:
Is EU Structural Measures spending on the supply of water for domestic consumption used to best effect?[1]

Whilst Structural Measures spending has contributed to improving the supply of water for domestic use, better results could have been achieved at a lower cost to the EU budget, according to a special report published today by the European Court of Auditors.

The main objective of the Court's audit was to assess whether EU spending on water supply is used to best effect. The audit focused on the infrastructures exclusively dedicated to domestic water supply co-financed by the Cohesion Fund and the European Regional Development Fund (ERDF) and completed during the 2000-2006 programme period in Spain, Greece, Portugal and Italy, which are the major recipients of funding in this area.

The Court found that better analyses could have made it possible to build smaller capacity infrastructure and consider alternative solutions. In almost all the cases audited, forecasts of future needs did not take into account downward trends in per capita water consumption, and in some cases, not all resources already available were considered. The analyses of possible solutions were generally limited to supply-side measures (building infrastructures to exploit new water sources), and paid little attention to other solutions, such as reducing water losses, or using more accessible resources.

Measurable improvements have been achieved in terms of increased available volume of water, extended coverage of public network, better water quality, higher network yield and service continuity in the areas concerned. However, some projects were not in operation because of missing complementary infrastructure.

Several projects have encountered delays and cost overruns which could have been avoided, at least to some extent. When measured by the two main efficiency parameters (capacity utilisation rate and non-invoiced water), several projects were found to operate with limited efficiency. The process for setting grants showed significant weaknesses and no assessment was made by the European Commission and the Member States of the potential for cost recovery from users.

The Court recommends that Member States should improve their forecast of future needs by taking into account recent and accurate data and improve their inventory of all available water resources. The Commission should encourage Member States to implement efficient water resource management and to ensure an adequate application of the cost recovery principle to increase the efficient use of EU funds.

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[1] The purpose of this press release is to give a summary of the Special Report adopted by the Court of Auditors which is available on the Court's Internet site (www.eca.europa.eu) and will be published shortly in a printed format.

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