

21 June 2013

**Statement by Commissioner Michel BARNIER
on the exclusion of water from the Concessions Directive**

For months now, there have been reports that the European Commission is trying to privatise water by the back door, through its proposal on concessions.

This has never been the intention, never been the reality.

The European Commission made the proposal for a directive on concessions to improve legal security for contracting authorities and operators across Europe in an economically important area, and to ensure transparency and equal treatment in the internal market.

At no point has the Commission proposed to force or even encourage privatisation of public services such as water. The decision on how to run a public service is in Member States' hands, and their local authorities. And it will remain that way.

Despite repeated clarifications, the fact remains there is a widespread perception the Commission has been trying to push for such privatisations, in particular in the water sector.

During negotiations on the concessions directive, I have strived at every stage to make the text even clearer on this point and to reassure citizens that water is not being privatised.

Even though there has been no such risk, the fact is that citizens have thought there was and they have made very clear their views on the issue. I fully understand why citizens are both angry and upset when they are told their water services might be privatised against their will. I would feel the same if there was such a risk.

It has led to the first European citizens' initiative and 1.5 million people signing a petition on water.

Despite all the changes to the legal text, and the contributions from all political parties in the European Parliament and the Council, it is my judgment that the text we now have relating to water is not satisfactory for anyone: it does not provide the reassurances that citizens expect and it creates fragmentation in the single market.

That is why the best solution now appears to be to remove water from the scope of the concessions directive. It is our duty to take into account the concerns expressed by so many citizens. I will propose to President Barroso and my fellow commissioners to endorse this decision. The Commission will of course continue to monitor the situation in the water sector closely.

I hope this will reassure citizens that the Commission listens and paves the way for a final consensual agreement on the concessions proposals in coming days. I have worked very closely and collaboratively with both the Council and the European Parliament, in particular Philippe Juvin the rapporteur, over the last months. I believe we can now conclude on this important file.