FACTSHEET: WATER AND THE TWIN TRANSITIONS

INDUSTRIAL APPROACHES FOR DIGITALISATION & DECARBONISATION
(CCMI/247)

As water emerges as a critical pillar of Europe's green and digital transitions, ensuring its sustainable management has become essential to safeguarding both industrial competitiveness and societal resilience. In its opinion adopted in July 2025, the European Economic and Social Committee (EESC) calls for water to be treated as a strategic resource at the heart of EU industrial planning, aligning with the Green Deal and the Clean Industrial Deal, and proposes concrete measures addressing water, decarbonisation, and digitalisation, including artificial intelligence and data centres. The Committee also urges the EU to elevate water to a strategic priority in the 2028–2034 Multiannual Financial Framework. The opinion builds on the EESC's EU Blue Deal initiative, which urges the EU to address water as a strategic priority across all its policies.

KEY FACTS: THE URGENCY TO ACT

Digital and green solutions impact water demand and require solutions to ensure water availability

Drought, pollution, over-abstraction, ageing networks, and new local hotspots of industrial and digital water demand, such as data centres and AI factories, are increasing pressure on water resources.

Policy gap: water is insufficiently integrated in EU industrial strategies and transition pathways; better coherence and governance are needed across EU, national, and regional levels.

EU water demand for data centres could reach ~6 billion m³ by 2027, equivalent to the annual water consumption of 120 million Europeans.

In a few years, AI will become one of the world's most water- intensive processes, according to certain projections.

With 40% of the European population facing water scarcity, it is imperative that water and energy consumption, as well as CO2 emissions, be considered when building data centres.

Many decarbonising industries, such as hydrogen production or carbon capture and storage, consume a lot of water, meaning the green transition can increase water stress unless managed carefully.

RECOMMENDATIONS FROM EESC OPINION

1) Make water a strategic pillar of EU industrial policy and financing

- **Revise EU industrial and twin-transition strategies** to **explicitly include water**; treat water as a **fundamental element** of industrial planning.
- **Embed water in the next Multiannual Financial Framework (MFF)** and across funds; create incentives (tax credits, grants, loans) for **water-efficient technologies** and circular water systems.

2) Accelerate water-efficient decarbonisation

- Prioritise **Important Projects of Common European Interest (IPCEIs)** and **Horizon Europe** for low-water, low-carbon technologies; streamline **permitting** for closed-loop and reuse systems.
- Address **trade-offs**: decarbonisation must **not shift pressures** to local water bodies; target support in **water-stressed zones**, promote **alternative water sources and reuse**.

3) Govern the digital water footprint of AI and data centres

- Define what "**highly sustainable**" means for data centres and digital infrastructure; include **water usage** in EU sustainability rating schemes and **minimum performance standards**.
- **Avoid building data centres** in regions suffering from **water stress; support R&I** for **water- and energy-efficient cooling**, reuse of **non-potable water**, and **waste-heat recovery**.
- Develop **water and energy-efficient algorithms;** run awareness campaigns on the **water-energy impact** of digital use.

4) Modernise infrastructure and data for resilience

- Invest in **leakage reduction**, smart networks, **interconnections**, and **cybersecurity** across the water chain; coordinate EU, national, and local policies under a **European framework for water resource management**.
- Improve **data interoperability** with common EU standards and trusted cloud platforms; enhance **monitoring, data collection and sharing**, including company-level disclosures.

5) Skills, social dialogue and transparency

- Promote **vocational education and training (VET) and higher-education courses** on water management, drought/flood risk, and digital water systems; use **Union of Skills / STEM** initiatives to close capability gaps.
- Encourage **social dialogue** along the water chain; integrate water stewardship into **corporate social responsibility** (CSR) strategies and adopt recognisable labels such as the **European Water Label** to promote efficient solutions.

ALIGNMENT WITH EU COMMISSION PRIORITIES (2025-2029)

- The opinion supports the **European Water Resilience Strategy** with concrete industrial and digital measures and calls for strategic funding for water in the next **EU budget** for 2028-2038.
- It provides recommendations to foster sustainable water management and better address the interlinked challenges of **water, decarbonisation and digitalisation** as part of the EU **Green Deal.**
- Building on the industrial dimension of the EESC's EU Blue Deal initiative, the opinion calls for better integration of water considerations into the **Clean Industrial Deal**, the **Net-Zero Industry Act**, and the **Critical Raw Materials Act** with concrete measures.
- The opinion underlines the need to address water as a **cross-cutting enabler** of **competitiveness** and **security,** thereby addressing a missing link in the **EU Competitiveness Compass.**