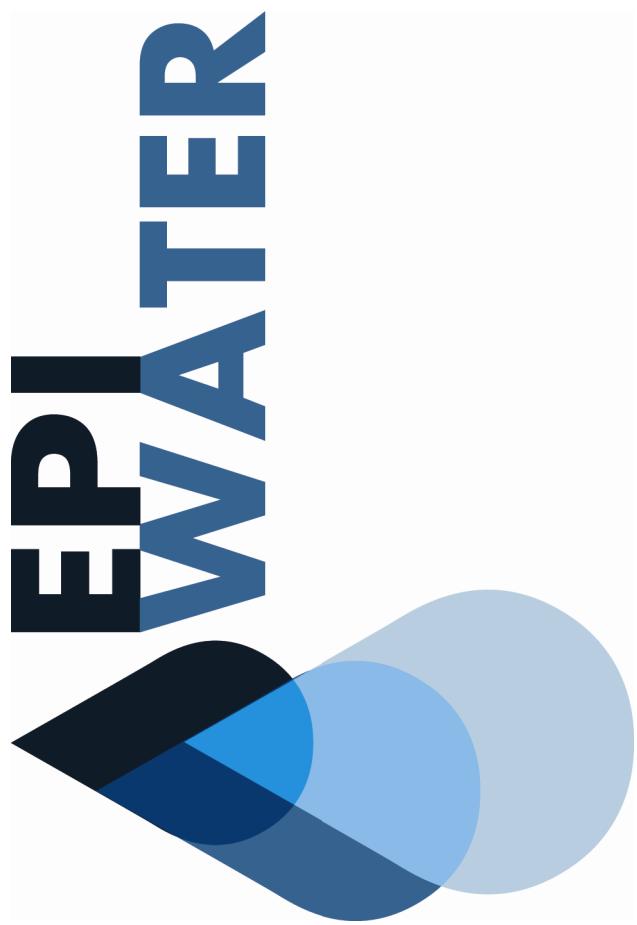


Project Presentation



Evaluating Economic Policy Instruments for
Sustainable Water Management in Europe

The research leading to these results has received funding from the European Community's Seventh Framework Programme (FP7/2007-2013) / grant agreement n° 265213 – project EPI-WATER “Evaluating Economic Policy Instrument for Sustainable Water Management in Europe”.



0. Outline

- Background
- Project in brief
- Project Structure
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- Key deliverables
- Case studies
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1. Background

In a world of ever increasing water demand and decline in water availability and/or reliability, where water-related hazards are on rise, where climate change threatens to undo decades of development efforts, the only way to sustainability is a right mix of mutually strengthening policy instruments.

In this policy mix, **Economic Policy Instruments** (EPIs) are best suited to foster an efficient allocation and use of water, reduce harmful exposure and impacts on the communities and environment, and protect natural capital.



2. Project in brief

Project type:

Collaborative project (small or medium size)

Funding scheme:

7th Framework Programme, Topic ENV.2010.2.1.2-1 (Evaluation of effectiveness of economic instruments in integrated water policy)

Start/End date:

Jan. 1st, 2011 – Dec. 31st, 2013

Coordination:

Fondazione Eni Enrico Mattei, Italy (www.feem.it);

Scientific coordinator: Jaroslaw Mysiak, PhD

Project Manager: Martina Gambero

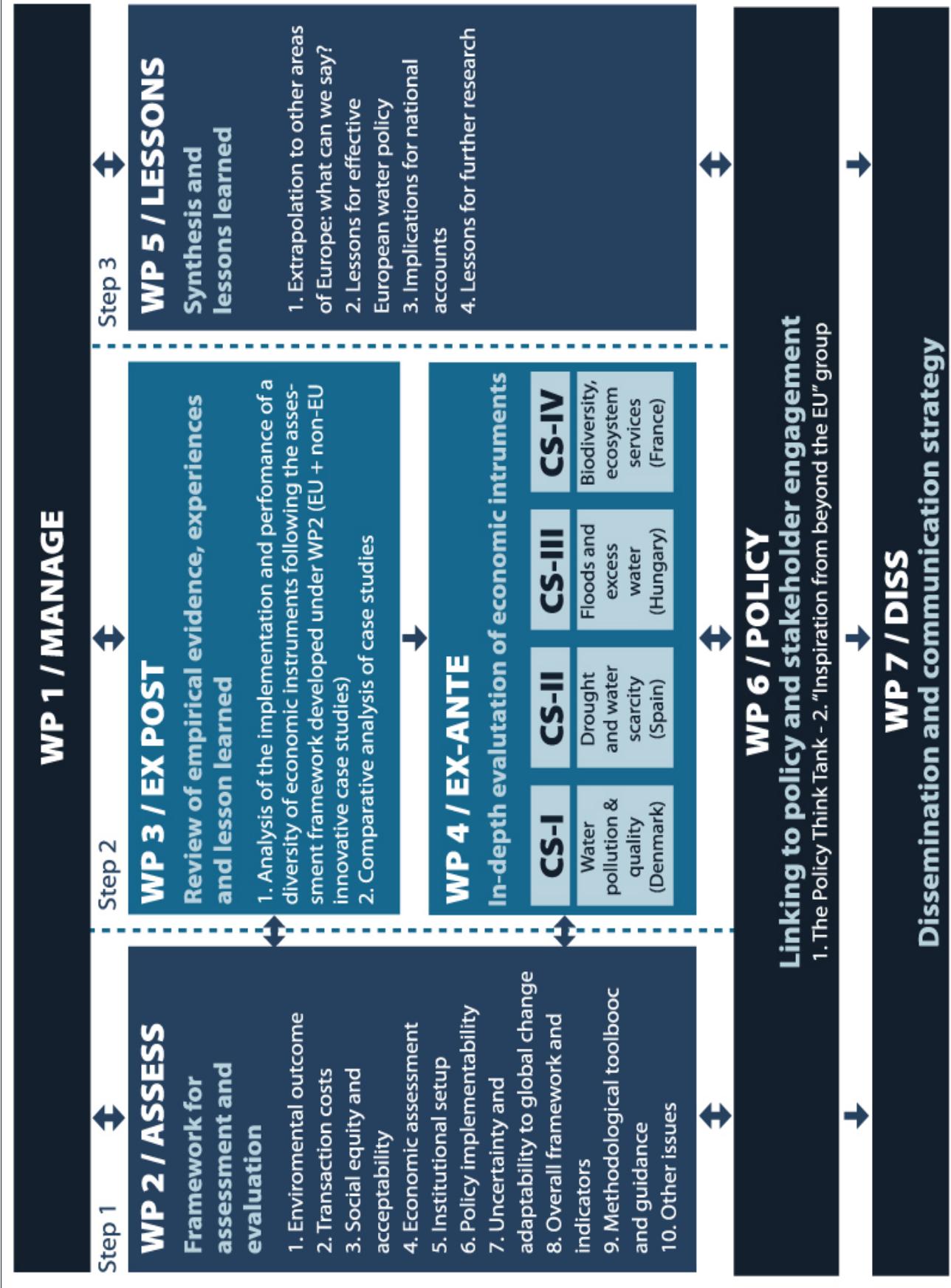
Grant Agreement N.: 265213

EU contribution: € 3,472,438.00

Website/contact: <http://www.epi-water.eu>, epiwater@feem.it



3 Project structure



4. Aims & Objectives

- **Assess the effectiveness and efficiency of Economic Policy Instruments in achieving Water Policy Goals,**
- Identify the **preconditions** under which economic policy instruments **deliver sustainable use resources and achieve efficient and equitable water supply,**
- **Compare** the performance of single economic instruments or their combinations with the performance of alternative, regulatory interventions, persuasive instruments or voluntary commitments.



5. Key Deliverables

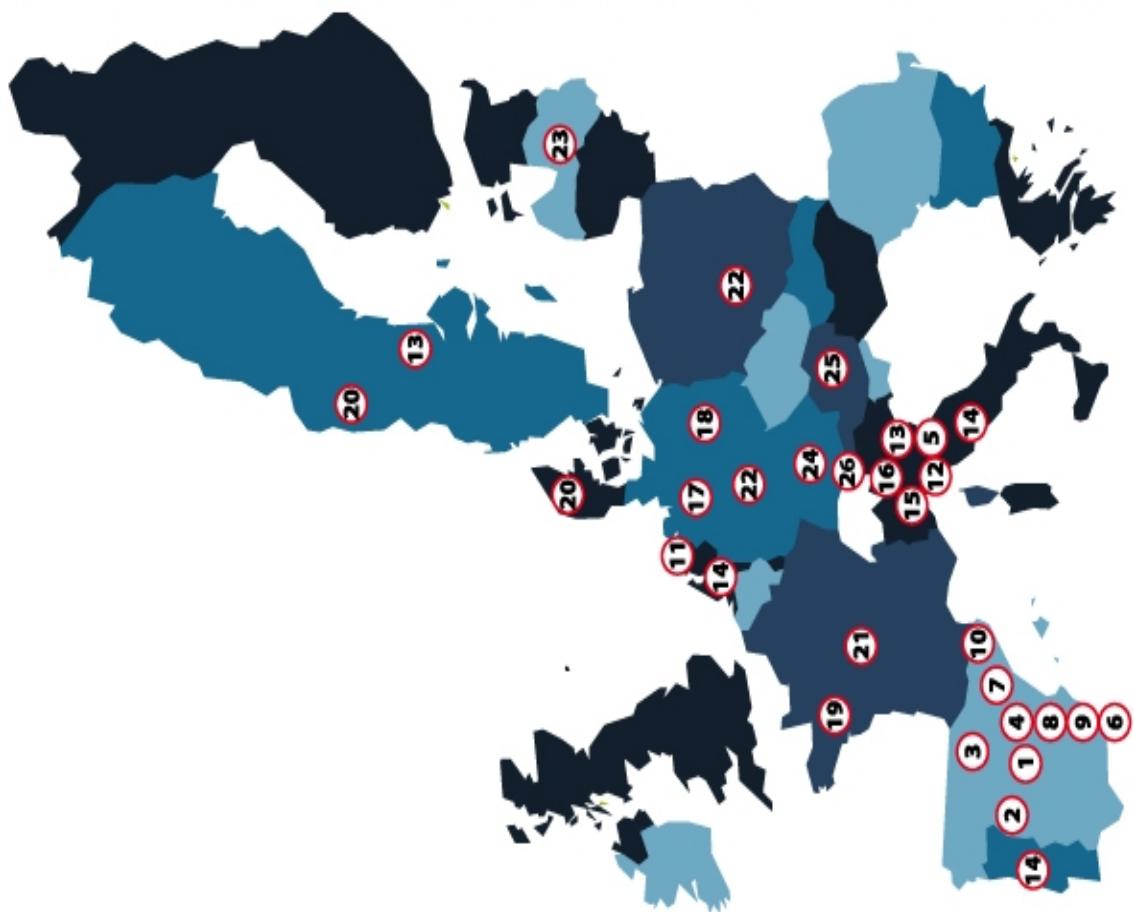
- Comprehensive **assessment framework** for a systematic and in-depth assessment of economic policy instruments
 - draft due by June 2011, Final version by January 2012
- Ex-post **review assessment** of some 30 applications of EPIS in case studies across Europe and beyond
 - due by January 2012
- **Ex-ante assessment** of novel and most promising EPIS in selected river basins: Tisza (Hungary), Segura and Tagus (Spain), Seine-Normandie (France), and Odense (Denmark) river basin
 - due by June 2013



6. Examples of Economic Policy instruments

Type of instrument	Function/main purpose
Water tariff (pricing)	To collect financial resources for the financing of a given water service. Encourages Efficiency in the use of water
Environmental tax	To influence negative environmental impacts and influence behaviour, to collect financial resources for the central budget
Environmental charges	To influence negative environmental impacts and influence behaviour, to collect financial resources that are allocated to support environmental friendly practices and projects
Taxes and charges	To increase the efficiency of "green" products and production factors that have limited negative environmental impact/capital
Subsidies	To promote the application of practices and production processes that limit negative impacts on water resources (e.g. incentives for purchase positive environmental standards)
	→ an option: "allocation of pollution amongst
Market for environmental goods	Allocation of water quantity among different natural environment)
Tradable permits	To establish mechanisms where environmental degradation leads to financial payment that is allocated to alternative actions/no compensation for the degradation
Compensation mechanisms	To establish a contractual agreement between two parties (public/private or private/individual) to promote good practices that reduce pressures on water resources. These are increasingly referred to as Payments for environmental services. Unilateral commitments and public voluntary schemes
Voluntary agreements	
Market and non-market based instruments	
Subsidies and non-subsidy measures	

7. Ex-post review assessments

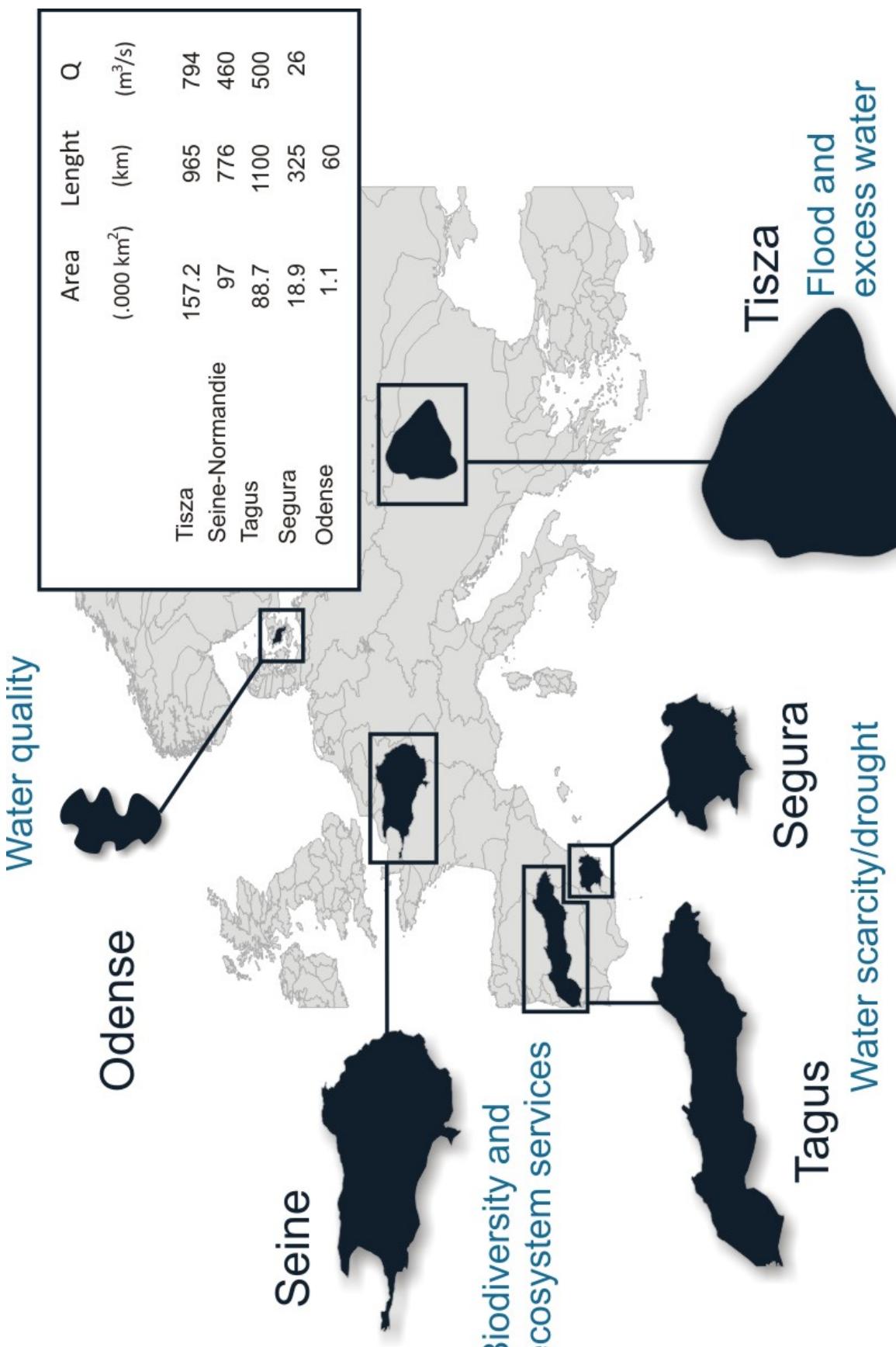


**Review of some 30
EPIs applied
throughout
Europe and
beyond.**

*Additional case studies will be chosen
from outside EU, under collaboration
with the group "Inspiration from
beyond the EU"*



8. Ex-ante in-depth assessments



9. Policy ties

Policy Think Tank

High-/level/ policy experts

Help to identify the policy instruments to be assessed (both for the ex-post and ex-ante assessments);

Help to make the assessment framework responsive to policy needs;

Review of the intermediate results.

Stakeholder advisory group

Actors in the case river basins

Help to set up the analysis, regularly advise the research in progress,

Provide constant feedback on

research results,

Help to translate the outputs into river basin water policies and management.



10. Overseas experience and insights

“Inspiration beyond the EU” group comprised by academic experts from the USA, Canada, Chile, Australia and other countries with advanced water policies will contribute to the achieving the project objectives by

- Conducting a review of existing economic policy instruments in own countries
- Providing feedback and advice on the project work in progress, by conducting the in-depth *ex-ante* case studies,
- Helping to synthesise and disseminate the project outputs



11. Dissemination

- Results and lessons learned from the analysis will be transferred to water managers and policy makers
- Using members of local advisory committees in the case study areas providing direct input to local policy issues
- Addressing water managers and policy makers at European level in relation to lessons learned
- Addressing the research community and policy makers in relation to knowledge gaps identified.



12. Project Partners (team leaders)

Jaroslav Mysiak, Fondazione Eni Enrico Mattei, Italy

Pierre Strosser, ACTeon, France

Manuel Lago, Ecologic, Germany

Hans-Peter Weikard, Wageningen University, The Netherlands

Maria Mimikou, National Technical University of Athens, Greece

Carlos M. Gómez, Instituto Madrileño de Estudios Avanzados, Spain

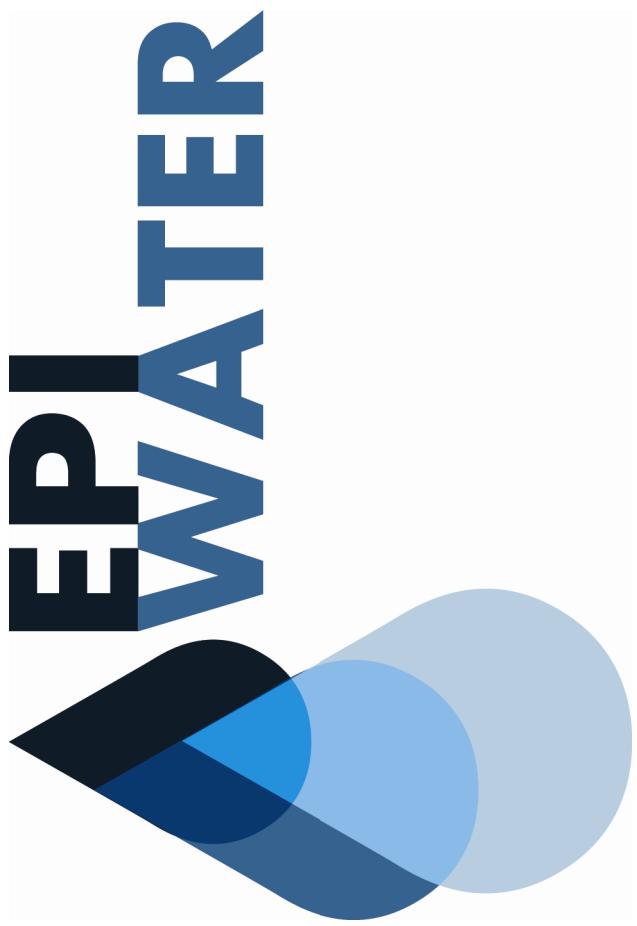
Francesc Hernandez-Sancho, University of Valencia, Spain

Colin Green, Middlesex University, Flood Hazard Research Centre, UK

Mikael Schou Andersen, Aarhus Universitet - National Environmental Research Institute, Denmark

Gabor Ungvari, Corvinus University of Budapest, Regional Centre for Energy Policy Research, Hungary





Thank you!

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