

EPI-WATER

AT A GLANCE

Title: EVALUATING ECONOMIC POLICY INSTRUMENTS FOR SUSTAINABLE WATER MANAGEMENT IN EUROPE

Instrument: FP7 COLLABORATIVE PROJECT (SMALL OR MEDIUM-SCALE FOCUSED RESEARCH PROJECT)

Total Cost: 4.462.688 €

EC Contribution: 3.472.438 €

Duration: 36 MONTHS

Start Date: 1/01/2011

Consortium: 11 partners from 9 countries

Project Coordinator: Fondazione Eni Enrico Mattei

Project Web Site: <http://www.epi-water.eu>

Key Words: Water management, Economic policy instruments, ecosystem services, water efficiency



THE CHALLENGE

In a world of ever increasing water demand and the decline of water availability and/or reliability, where water-related hazards are on the rise, where climate change threatens to undo decades of development efforts, the only way towards sustainability is the 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. EPIs have been successfully been put in to practice in some policy domains such as climate change, green energy and air quality protection, their application to tackle water management issues (drought/water scarcity, floods, water quality control) however, are beset by sizeable methodological and practical difficulties.

PROJECT OBJECTIVES

EPI-Water sets out to assess the effectiveness and the efficiency of Economic Policy Instruments in achieving water policy goals, and to identify the preconditions under which they complement or perform better than alternative (e.g. regulatory or voluntary) policy instruments.

METHODOLOGY

To the above end, the project will:

1. use multidisciplinary and integrated scientific expertise, methods and tools to combine and integrate decision making (economics, sociology, psychology, etc.) and biophysical processes (hydrology, ecology, etc.);



2. develop a comprehensive multi-dimensional assessment framework that will help to compare in a systematic manner, the advantages and disadvantages of EPIs (or a combination of EPIs). In addition to effectiveness/cost-effectiveness and efficiency, the framework will include social equity and distributional effects, applicability and implementability, transaction costs, etc.;

3. perform the ex-post assessment of a large variety of EPIs applied in Europe. This assessment will follow the lines of the above mentioned assessment framework so that comparative analyses of results can be performed adequately and bring results which can be shared and discussed;

4. mobilise knowledge exchange from non-EU countries, amongst which Australia, US and Chile;

5. analyse a number of in-depth case studies addressing water scarcity and drought, pollution and biodiversity and ecosystem services under a diversity of environmental, cultural, socio-economic and institutional conditions;

6. explore the use of National Accounts and give advice on its design in order to inform policy discussions;

7. establish a Policy Think Tank that will help to identify the most promising EPI and contribute to finalising the assessment framework so it responds to priority policy needs; and

8. draw on high level academic and applied research, and expertise in European water policy.

EXPECTED RESULTS

1. Comprehensive Assessment Framework for Policy Assessment that takes the social, economic and ecological importance and peculiarity of water as an economic and social good into account.

2. A set of well developed back-end assessments of economic water policies and their achievements, along with the description of the institutional context under which they have been found to operate effectively.

3. A set of front-end assessments of innovative economic water policies to tackle water scarcity and drought, reduce flood risk, and help to protect environment.

4. Guidance Document to assist national authorities and/or river basin authorities in the quest to apply economic policy instruments to meet the objectives of the WFD and other environmental policies.

5. Set of International research and policy events, in particular the 2012 Review Meeting of the Assessment Framework and back-end assessment studies (January 2012, Berlin); 2013 Review of Front-end assessments of innovative policy instruments design for the river basins Segura/Tagus, Seine, Tisza and Odense (January 2013, Madrid), and the 2013 Final conference (December 2013, Venice).

PROJECT PARTNERS	
Fondazione Eni Enrico Mattei (FEEM)	IT
ACTeon (ACTeon)	FR
Ecologic Institute (ECOLOGIC)	DE
Università di Bologna (UNIBO)	IT
Wageningen University (WU)	NL
National Technical University of Athens (NTUA)	GR
Instituto Madrileño de Estudios Avanzados – Agua (IMDEA)	ES
University of Valencia (UoV)	ES
Middlesex University, Flood Hazard Research Centre (MU)	UK
Aarhus Universitet - National Environmental Research Institute (AU)	DK
Corvinus University of Budapest, Regional Centre for Energy Policy Research (BCE-REKK)	HU

