

## Workshop announcement

Strasbourg, France, 17 & 18 December 2013

### Economic instruments for water management: Responding to expectations and supporting environmental policy objectives

#### Background

**Economic instruments** for water management have long been **advocated by economists** as part of the solution (sometimes THE solution...) for restoring the status of water resources.

Incentivizing behavioral changes.... simple to say, but more difficult to put in practice?

Despite the fact that economic theory prefers economic instruments over more traditional command-and-control mechanisms, and the fact that the European Union (EU) Water Framework Directive (WFD) adopted in 2000 encourages economic incentives for water management, there has been **minimal progress in further implementation of economic instruments in Europe** in recent years.

The same applies to **water management in France**. Although considered the forerunner of innovative water management in the 60s and 70s thanks to its river basin approach, stakeholder consultation, and the establishment of water abstraction and pollution charges whose revenues are earmarked for water management, effective **changes in economic instruments have been often limited** to (marginal) increases in unitary charge rates to cover the costs water agency action programs. Still, some changes are taking place that might increase the effectiveness of economic instruments. These include:

- The more **systematic assessment of the current performance of water tariffs** (for recovering costs and providing incentives for more efficient water use) and of the financing of the water sector. Required by the WFD, this assessment may progressively enhance and consolidate the state of knowledge regarding the link between pressures on water resources and water tariffs. As such, it may progressively steer policy change;
- The on-going **revision of water use rights** to comply with the ecological objectives of the WFD, combined with the selection of **basin-wide organisations** that will be in charge of the overall compliance of revised water use rights and their allocation between individual users;
- **Increasing attention given to financing**, and to the need for new financing mechanisms for: (1) supporting the **implementation of an increasingly wide range of actions by different water use sectors** (to comply with the WFD but also the Floods Directive and specific aspects of the Marine Strategy Framework Directive); (2) enhancing the **long-term financial sustainability** and performance of existing water infrastructure (that often suffers from inadequate maintenance) and organisations; while (3) responding to the **constraints of the current financial and economic crisis**;
- Increasingly stringent **water quality requirements** that demand integrative approaches to reduce non-point source pollution. This issue raises new challenges, which necessitate the development of innovative policy tools such as bioremediation, ambient tax, etc. Although there is a growing theoretical literature which examines these tools, few empirical studies address the implementation of the policies.



## What are the objectives for the workshop?

The main objective of the workshop is **to address recent developments in water management in France with new knowledge and research results concerning the pre-conditions for successful and effective economic instruments in water management.**

The workshop will provide an opportunity for economists, practitioners, policy makers and researchers to discuss the potential of economic instruments in water management in France, four years after the 2009 workshop in Paris on economic instruments for water management that was organised by ONEMA.

It will provide the opportunity, in particular, to share and discuss the research results of the 3 year EU-funded EPI-Water project on economic instruments for water management that ends in December 2013 (see <http://www.feem-project.net/epiwater/index.html> for more information on the EPI-Water project).

Finally, it will also help identifying options that might be seized for responding to the 2012 EU Water Blue Print that has called for a stronger role for economic instruments in European water management.

## Which issues will be addressed during the workshop?

The proposed agenda combines presentations and discussions (in plenary and working groups) on the (real and potential) application of economic instruments in France and in different European and non-European contexts, as basis for discussing the relevance of specific economic instruments in today's water management in France. The workshop will address in particular:

- The **economic instruments** (tariffs, taxes and charges, tradable permits, insurance schemes, payment for ecosystem services, etc.) that may be considered for **different water management issues**, in particular: **water scarcity** and drought, the management of **excess water**, water **quality** and the **ecological functioning** of aquatic ecosystems;
- The different **assessment criteria that are key to policy making**, in particular: effectiveness and environmental impact, economic & social impacts, acceptability, transaction costs, etc.

## What can we expect as the results of the workshop?

The workshop's presentations and results will be the basis for a **short synthesis paper** that will discuss the potential for economic instruments to address current and future water management challenges in France. It will also identify **priority knowledge gaps** that must be filled in order to support further consideration of economic instruments in policy making.

## Who attends and contributes?

The workshop will be attended by approximately 60 experts, water managers, researchers and stakeholders primarily from the French water management and policy community. Presentations will consider recent methodological developments and results from research projects, *ex-ante* and *ex-post* assessments of economic instruments under real life conditions, and more general presentations on the integration of economic instruments into wider water policy. The presentations will combine French experiences with other EU and non-EU experiences analyzed and presented in particular by EPI-Water research partners.

## An interest in making a presentation at the workshop and sharing your experience?

You are currently working on economic instruments for water management in France or you have an interest in the application of such instruments for addressing your water management challenges. Thus, you might be **interested to make a presentation at the workshop!**

In that case, please **send an email** (see email addresses of the organisers below) **summarising the main focus of your work** (type of economic instrument, water management issues addressed, assessment criteria, methodology applied, geographic area...). And we will see how best to accommodate a presentation in the workshop agenda and discussions.





## Who organises the workshop?

The workshop is jointly organised by:

- The **EU-funded EPI-Water** research project and its French partner **ACTeon**;
- The **GESTE** (GESTion Territoriale de l'Eau et de l'environnement) research team of **ENGEES & Irstea**

## Where, when and how? Workshop location, dates and languages

The workshop is held in **Strasbourg** at the premises of the **Ecole Nationale du Génie de l'Eau et de l'Environnement de Strasbourg (ENGEES)**, which is ideally-located in the center of the town at walking distance of its cathedral and pedestrian zone (address: Engees - 1, quai Koch – BP 61039 - 67070 Strasbourg cedex).

The workshop will take place on the **17<sup>th</sup> (afternoon) and 18<sup>th</sup> (morning) of December 2013**.

Workshop presentations and discussions will take place in **French and English**.

The attendance is **free of charge**, the two lunches and the workshop diner being offered by the conference organisers.

## For further information, contact...

### **Workshop agenda and content-related issues:**

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