



Evaluating Economic Policy Instruments for Sustainable Water Management in Europe

WP4 Ex-ante Evaluation
Ecosystem services &
conservation (France)

PES schemes in *La
Bassée-Voulzie*

AND

Premium for hydropower

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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”.

Madrid, 7Th of February 2013

The discussion

The group mainly discussed the *PES schemes in La Bassée-Voulzie* and some aspects of the *Premium for hydropower*.

The exchange developed around the clarification of:

- the environmental issues
- the specific context,
- the scope of the instrument

And

- with reference to EU and US other examples

Points to highlight 1/2

- The implications of the existing institutional barriers need to be more developed (i.e. limited “jurisdiction” of *Eau de Paris*)
- A clear presentation of the costs of the scheme and its local alternatives (i.e. dilution) will strengthen the case
- The small number of potential farmers could imply potentially very high transaction costs
- Design the intermediary organisation structure (reference to Evian CS)
- As presented, it is important to explore the diversification of services associated to the scheme (i.e. wetlands are good nitrogen sinks, biodiversity...)



Points to highlight 2/2

- In principle, farmers that will be taxed are supposed to be different to those that would be beneficiaries of the PES scheme, and this has implications in analysing their mix (issue to explore)
- Check the implication of the concept that compensation has meaning when farmers are efficient in nitrate use. But an inefficient farmer should not receive compensation because yields are not supposed to change
- Currently the municipalities of the area are looking at creating a network for water provision as they currently are independent of each other. This is an opportunity to set up the scheme
- Ensure that the environmental impacts are properly quantified (ecological AND monetary terms)

Final aspects

References to other experiences:

- **US Conservation practices and the Schemes to reduce nitrate applications**

A key issue in the assessment of existing policies and for the design of the PES in the CS: Technology-based or performance-based payments?

- **Issue of legal / public-private barriers:**

In the States there are some PES-like, more or less formal systems where municipalities pay private land owners to reduce nitrate use.

HYDRO:

Policy mix between subsidy and premium for ecological continuity





Thanks!

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