



specified in Article 9 of the WFD. Finally, while the importance of the economic elements of the WFD and their encompassing character is recognised, it is clear that demands from water managers and policy makers in terms of economic assessments are unlikely to be limited to the demands of the WFD.

As a result, economists are facing a key challenge: considering the (modest) capacity on water economics in Europe, the diversity of methodologies and cultures, where to put efforts so the economic analysis that will be undertaken effectively support “real life” policy-making.

In this context, ACTeon (a research and consultancy involved in the implementation of the economic elements of the WFD in many European countries), and Solidarité Eau-Europe (a Non-Governmental Organisation active in participatory local water management issues) propose to organise an informal workshop as forum for discussion and exchange, in partnership with the Spanish Ministry of Environment, the Ministry of Transport, Public Works and Water Management of the Netherlands and the Agence de l'Eau Rhin-Meuse of France.

## OBJECTIVES

The main objective of this informal workshop will be on the potential for economics to support policy decisions – not concentrating on specific methodological questions as such but putting methodologies and the economic assessments in the wider context of policy decisions. It will attempt to discuss the following questions:

- What are the main policy questions that need to be addressed by water managers and policy makers today and that have an economic dimension? At which spatial scale, when, for which decisions are these questions particularly relevant? How similar are these policy questions from those (explicitly or implicitly) specified under the WFD? Are there some questions that policy makers try to avoid? Why?
- Which economic assessments are required/available to address these questions? When are economic assessments proposed under the WFD most relevant, useful, necessary? Are these assessments made mainly because they are specified in the WFD text? Which other assessments would be required (in complement) for addressing the policy questions identified? How should these assessments be integrated, put in place? Which expertise would these assessments require? What type of results should these assessments deliver so they are most useful for water managers, stakeholders, decision makers?
- What would be pre-conditions and requirements (in terms of capacity, organisation structures, institutions, existing decision making processes, organisational cultures...) for the economic analysis to play a role in water administration and in supporting policy decisions? How could these be put in place?
- More particularly, how should economics be shared, discussed and communicated with water experts, policy makers, stakeholders, politicians? What should be communicated? When? In complement to which other (non-economic) information? With what level of details?
- Which issues are seen as requiring further research and innovation so economics can better support policy decision and management?

The workshop will deal with these questions by focusing on two main economic components of the WFD, namely:

- The selection of measures and the justification of derogation and exemptions – an area where countries have already initiated processes and assessments and that is directly linked to nature protection plans, economic sector strategies and financing, economic development.... overall, how to make sustainability operational in real-life water decision making;
- Water pricing as incentives and cost-recovery – as stressed above, an issue yet to be tackled and considered by most countries in the context of the Article 9 obligations, clearly linked to questions of the organisation of the water service sector, its efficiency and financing

In addition, the workshop will help refreshing exchanges and networking between economists from EU countries involved in the practical implementation of economic assessments to support water management and policy decision. The last few years have indeed seen more limited opportunities for such exchanges. Finally, the workshop will also aim at bringing lessons and messages to other initiatives and workshops, e.g. the ESEE Conference held in Leipzig (Germany) in June 2007 that will have a specific workshop on the legal and economic dimensions of derogations and exemptions in the context of the implementation of the EU WFD; or to discussions that are taking place in the context of the preparation of research projects for the 7<sup>th</sup> European Research Framework Programme (FP7).

## EXPECTED OUTPUT

There are three main outputs expected from this workshop:

- Proceedings that summarise exchanges and discussions. They will include possible follow-up activities for strengthening the relevance of economic assessments in supporting water management – in particular in the context of the practical implementation of the economic elements of the WFD.
- Interactions and networking among economics involved daily in economic assessments, something that is essential in this period where many economic assessments will be carried out to support the definition of the programme of measures.
- A short note proposing directions for further research and innovation in linking economics to policy making. These issues might be relevant to future FP7 research projects dealing economics as support to the implementation of the WFD in particular and to (environmental) policy decisions in general;

## THE WORKSHOP

The workshop will take place from May 2 to 4, 2007 at the *Ecomusée d'Alsace* located in Ungersheim in Alsace (East of France) between Strasbourg and Basle at very convenient distance from international airports. The workshop will give much room for interactive discussions and working session between participants. Presentation time will be limited. Possible case studies for working group discussions that will ensure that discussions are focused and practical include: (i) the possible extension of harbours and the need to balance economic development and the protection of water ecosystems, (ii) continuity and fish migration, (iii) groundwater quality and quantitative aspects.

A specific “open question” session is proposed: this demand-driven session will provide the opportunities for participants facing specific problems or issues with regards to the development of economic assessments for water policy to present these to small groups of 3-4 other participants – so possible solutions are jointly discussed and identified. Issues and problems of this “demand-driven” session will be identified early on before the workshop so discussions can be organised efficiently. The following table presents the tentative agenda for the event.

Day		Session title
Day 1	Afternoon	Plenary - Welcome, presenting the objectives, agenda, rules of the game, expected output
		Plenary - Economics for supporting policy making: illustrations of success & failure – Two presentations + first open discussion
		Sharing experiences (participants are asked to present to/discuss with others in very small groups) - What has been useful so far in economic assessments – for which issues and decisions? How to progress and improve to strengthen the role of economics in supporting decisions?
		Plenary - Summary of first bilateral discussions: which main questions to structure the next day's working group sessions
Day 2	Morning	Plenary – How are disproportionate cost issues and derogation dealt with in different river basins? Two presentations + discussions
		Plenary – pricing and cost-recovery? Linking policy & management questions to requirements of the WFD? Two presentations + discussions
		Plenary - Presenting the case studies selected to discuss possible approaches to derogation and cost-recovery issues
		Working groups – going through the different questions identified
	Afternoon	Working group (continued)
		Plenary – presenting the result of the working group session
		“Open question” session: selected additional questions identified by some participants discussed in small groups to identify solutions and possible way forward
Day 3	Morning	Reports back from the “open question” session
		Which innovations and research needs? Working group sessions – three working groups
		Plenary – presenting proposed issues for further research
		Plenary – follow-up, additional issues
		Close

## THE PARTICIPANTS

Around 40 to 50 participants are expected at that workshop. These will include (in priority) economists involved in the practical application and use of economic assessments for supporting water management/water policy; researchers involved in the development of innovative methods and tools in the field of environmental economics & support to decision making; experts involved in decision making processes directly or indirectly impacting on water management/water services/water resources. Specific efforts will be made by the organisers to ensure the right combination of expertise in different economic methods and tools, policy questions and regional focus.

## FOR MORE INFORMATION

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