

EURO RIOB – 7, 8 & 9 November 2007

The WFD's implementation specific focus on the possibilities for extension of deadlines for achievement of ecological objectives

Illustrations from Artois-Picardie River Basin and Sheldt International District



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The content of the presentation

1. The water Framework Directive, economic elements and derogations
2. Illustrations from Artois-Picardie River Basin and Scheldt international District on the development of the programme of measures
3. Outputs from the Rochehaut Summit about derogations
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1. The Water Framework Directive, economic elements and derogations

- The EU Water Framework Directive set environmental objective (good ecological status) for all the water bodies (surface water, groundwater, coastal water). These objectives have to be achieved by 2015
- to meet these objectives, the MS have to develop in each district a programme of measures (i.e. actions) included in a river basin management plan for which the public will be consulted
- economic analysis play an important role in this process : cost-effectiveness analysis for selecting the measures, cost-recovery analysis and implementation of an incentive pricing policy, justification for the exemptions to good status objective

1. The Water Framework Directive, economic elements and derogations

Disproportionate costs ?

- regarding the financial capacity of the economic sectors (e.g. increase of the water price paid by the households)
 - practical solution : develop a set of indicators in order to quickly identify potential cases of “disproportionate costs”.
- regarding the benefits (or avoided costs) expected with the achievement of the good status
 - it means that cost-benefit analysis should be conducted only for the water bodies (or group of water bodies) where “disproportionate costs” have been identified.

1. The Water Framework Directive, economic elements and derogations


The development of PoM and Economic analysis

1. Identify basic measures and their cost
2. for the water bodies with risk of non compliance, identify supplementary measures (cost & efficiency)



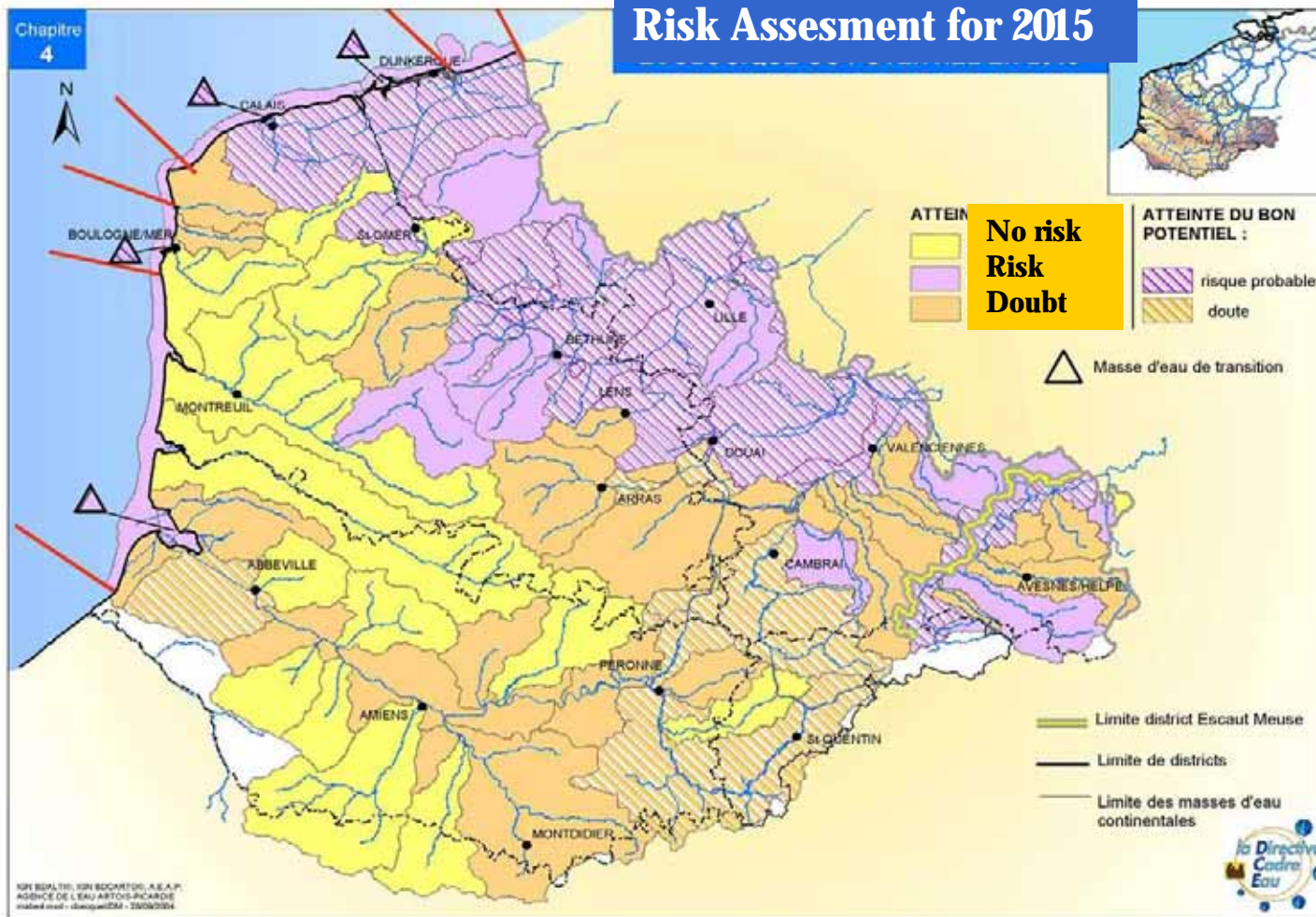
Draft of PoM

- **Select the most cost-effective set of measures**
- **assess the cost impacts of the PoM on economic sectors (e.g on water price paid by households)**

 Programme of measures development process

 Economic analysis

2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures



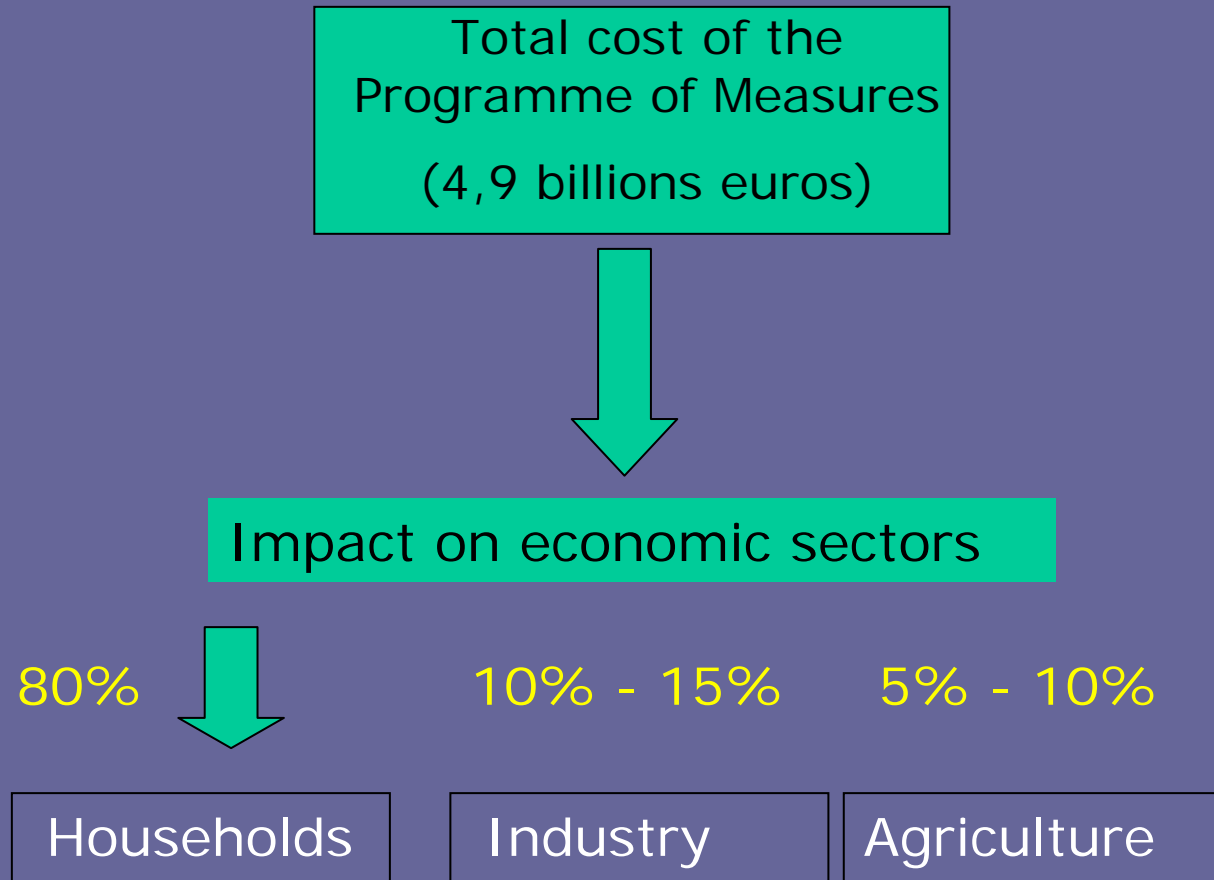
2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Draft n°1 of the Programme of measures (cost in million euros)

	Total	Per year
Basic measures	879	146
Supplementary measures	3 929	655

What do these values mean regarding the current investments on the Artois-Picardie River basin ?

2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures



2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Impact on economic sectors

80%



10% - 15%

5% - 10%

Households

Industry

Agriculture

WWTP

Sewerage
network

Water bill

- investments

- fees

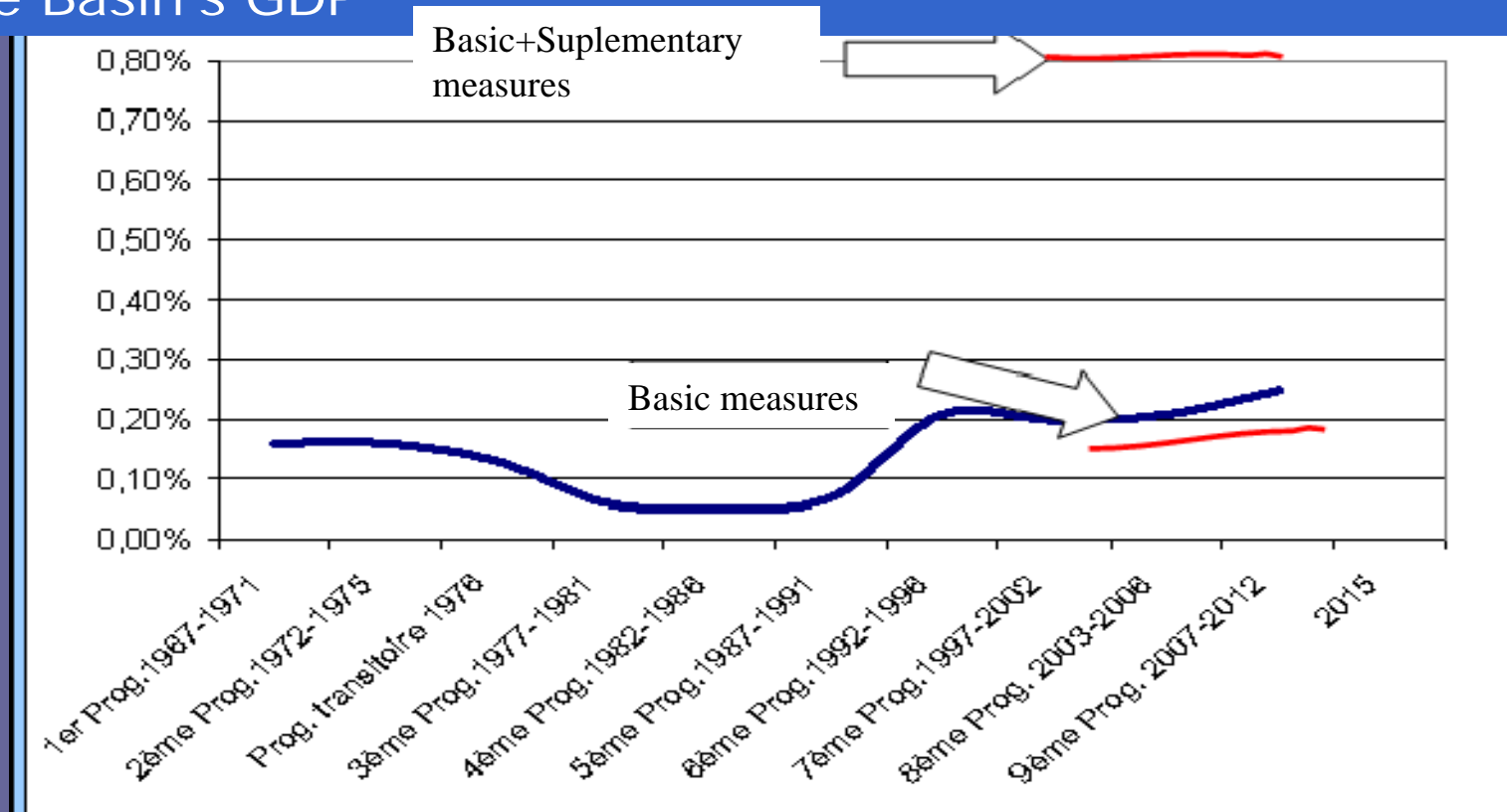
- investments

- fees



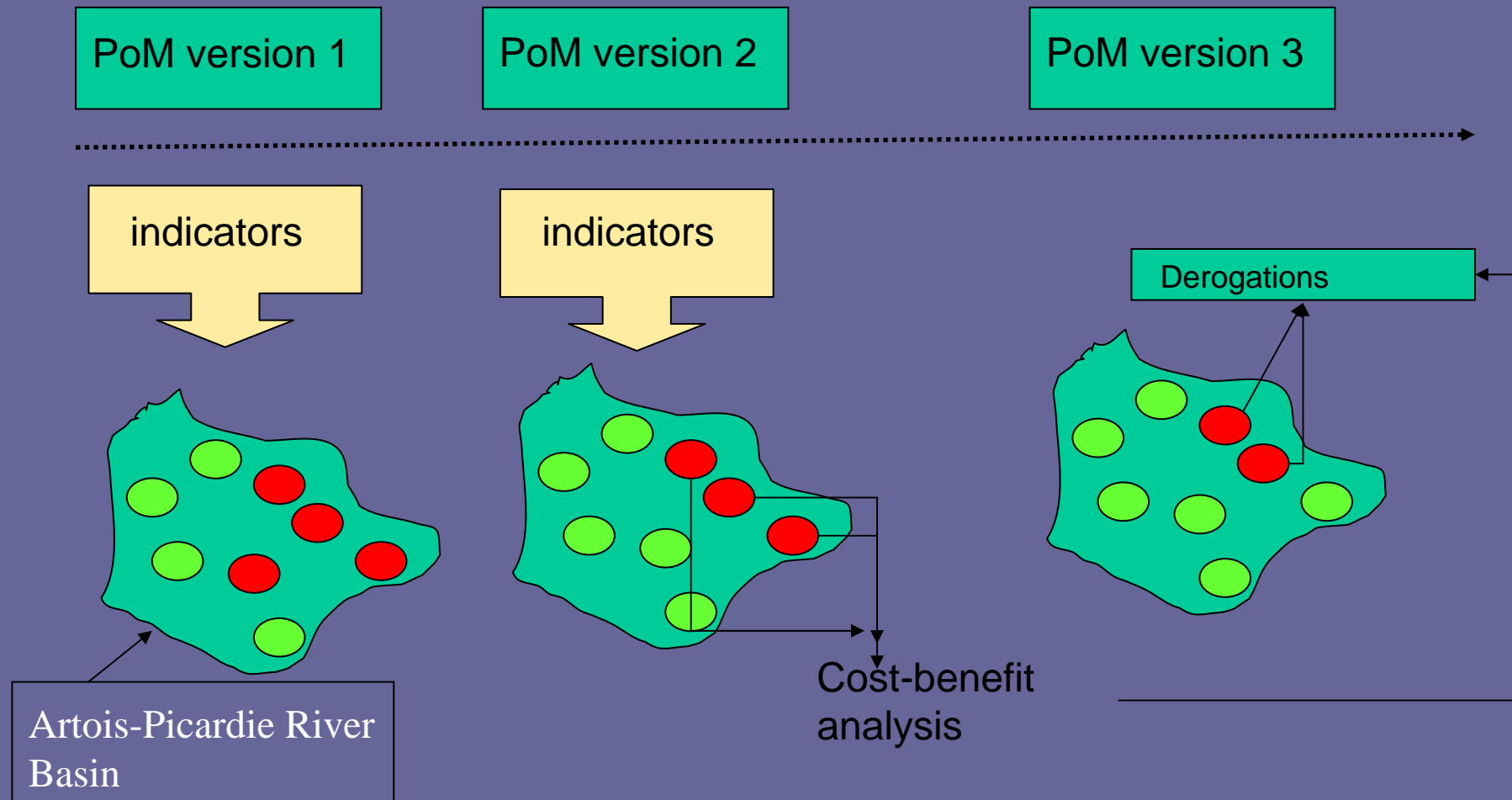
2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Evolution (1967-2012) of the economic weight of the works financed by the Water Agency Artois-Picardie compared to the Basin's GDP



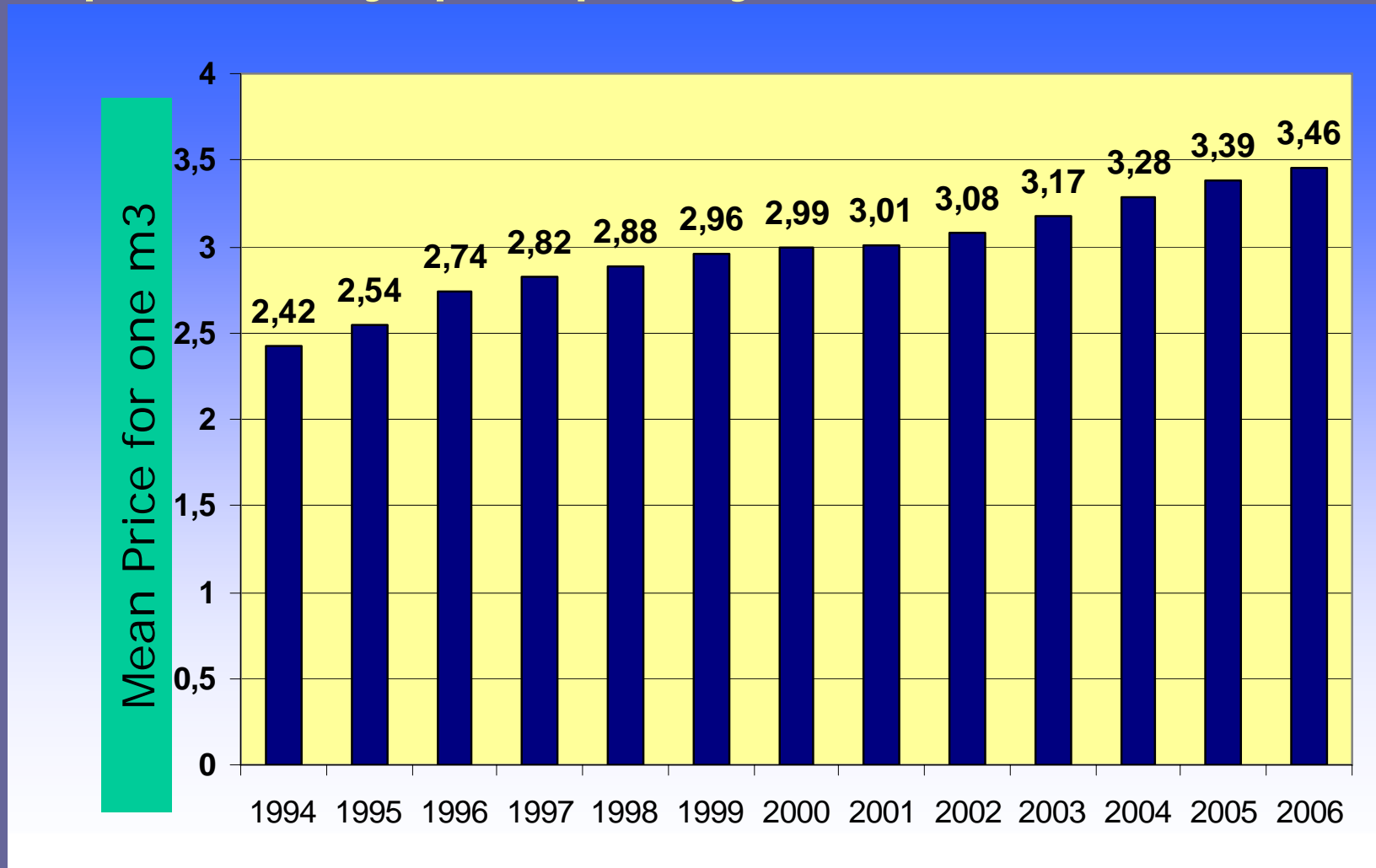
2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

A pragmatic approach



2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Water price survey (price paid by households)



2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Assessment of household's available income

	Mean available income per household
Aisne	23 499
Nord	24 314
Pas de Calais	23 194
Somme	23 796

table 1 : Mean available income per household in all the sub-region of the Artois-Picardie Basin.

Source : INSEE (National Statistics) + CEGMA TOPO

2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Comparison Water bill vis à vis available income



$$\frac{\text{Mean Water bill (all services)}}{\text{Mean available income per household}}$$

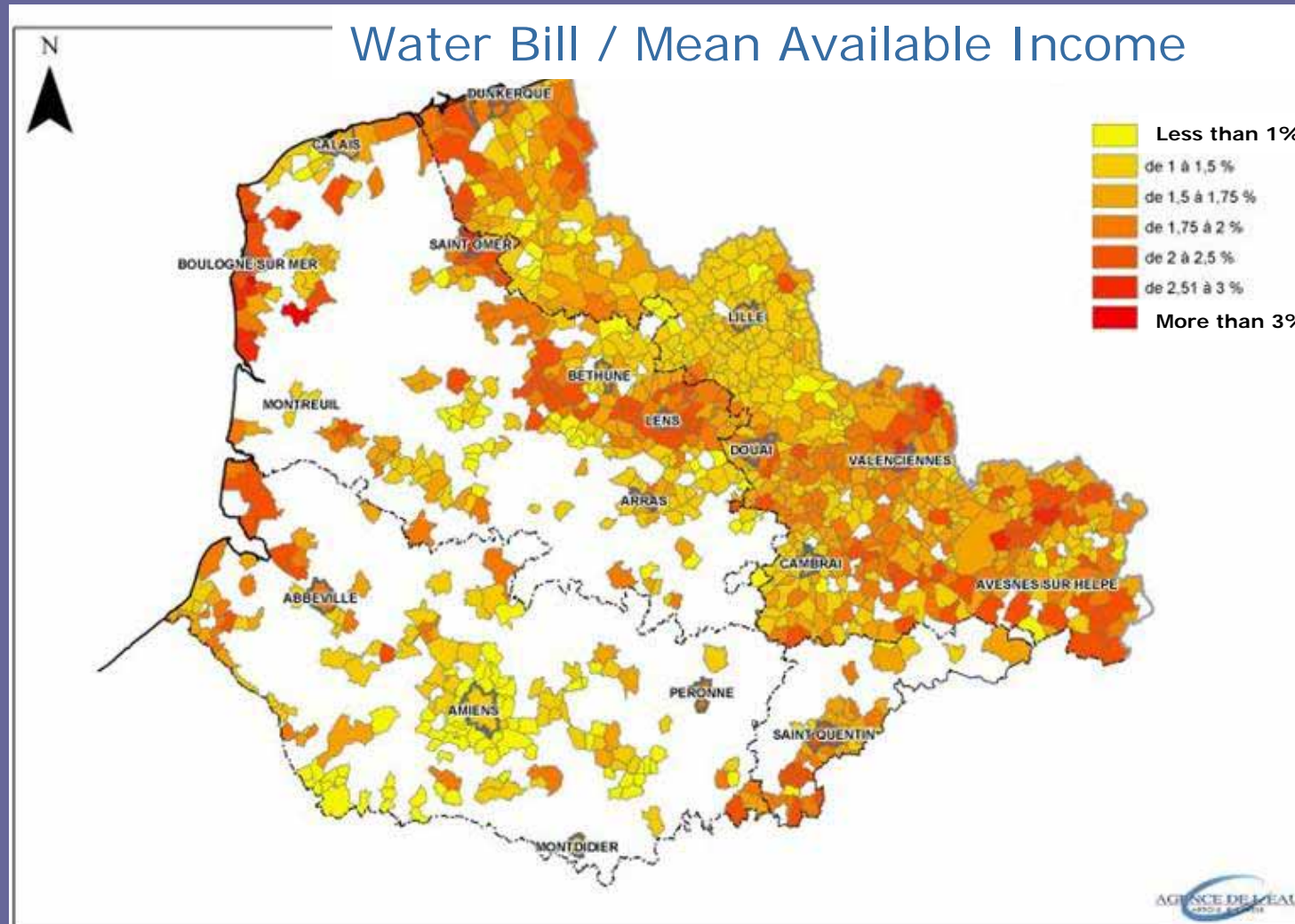
(price paid for 120m³ in a year)

	Mean available income per household (A)	Mean Water invoice per household (120m ³ /year) (B)	B/A
Aisne	23 499	455	1,94%
Nord	24 314	366	1,51%
Pas de Calais	23 194	428	1,85%
Somme	23 796	382	1,61%

Table 2 : comparison of the mean water invoice with mean available income per household

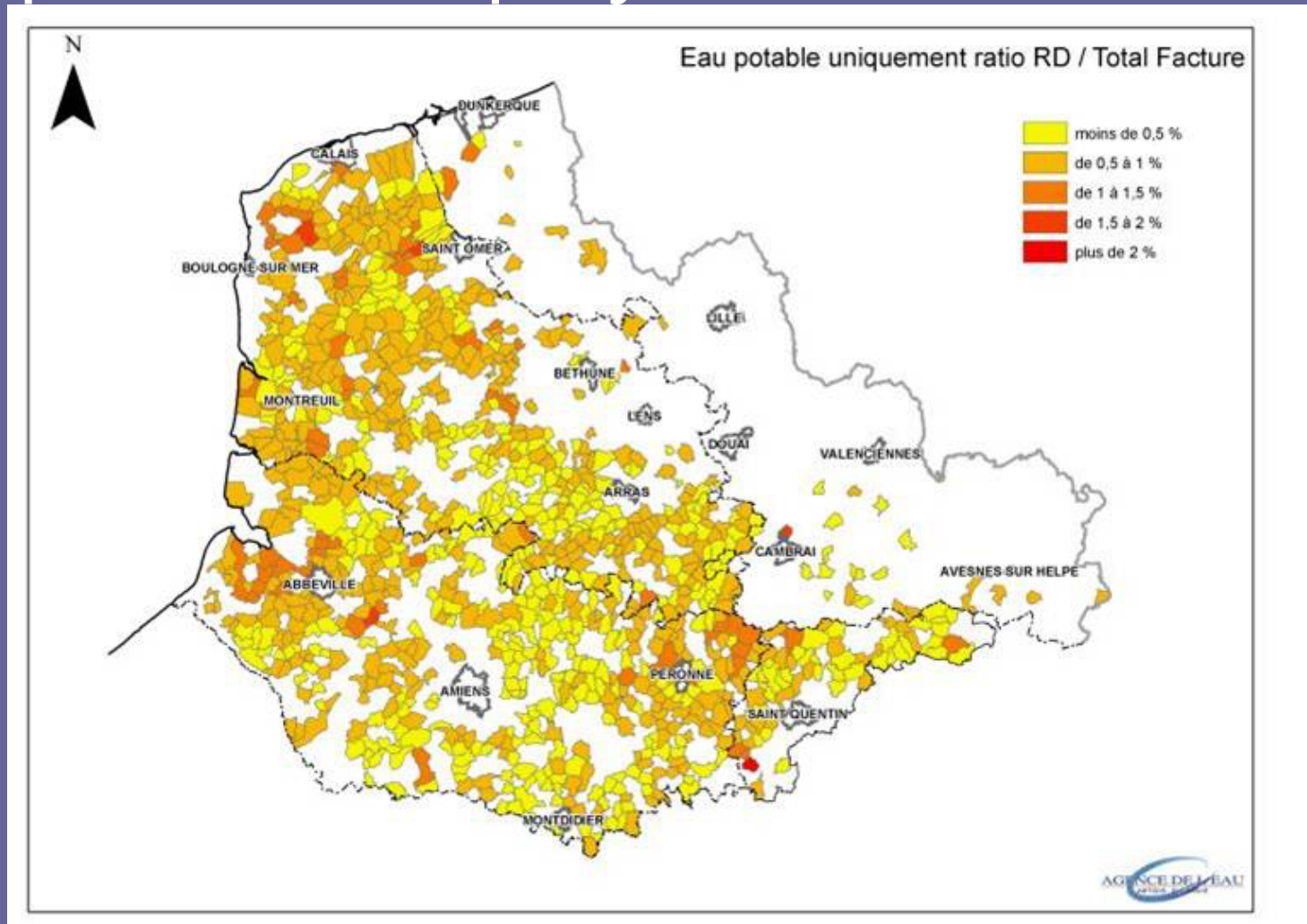
2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Comparison at municipality level

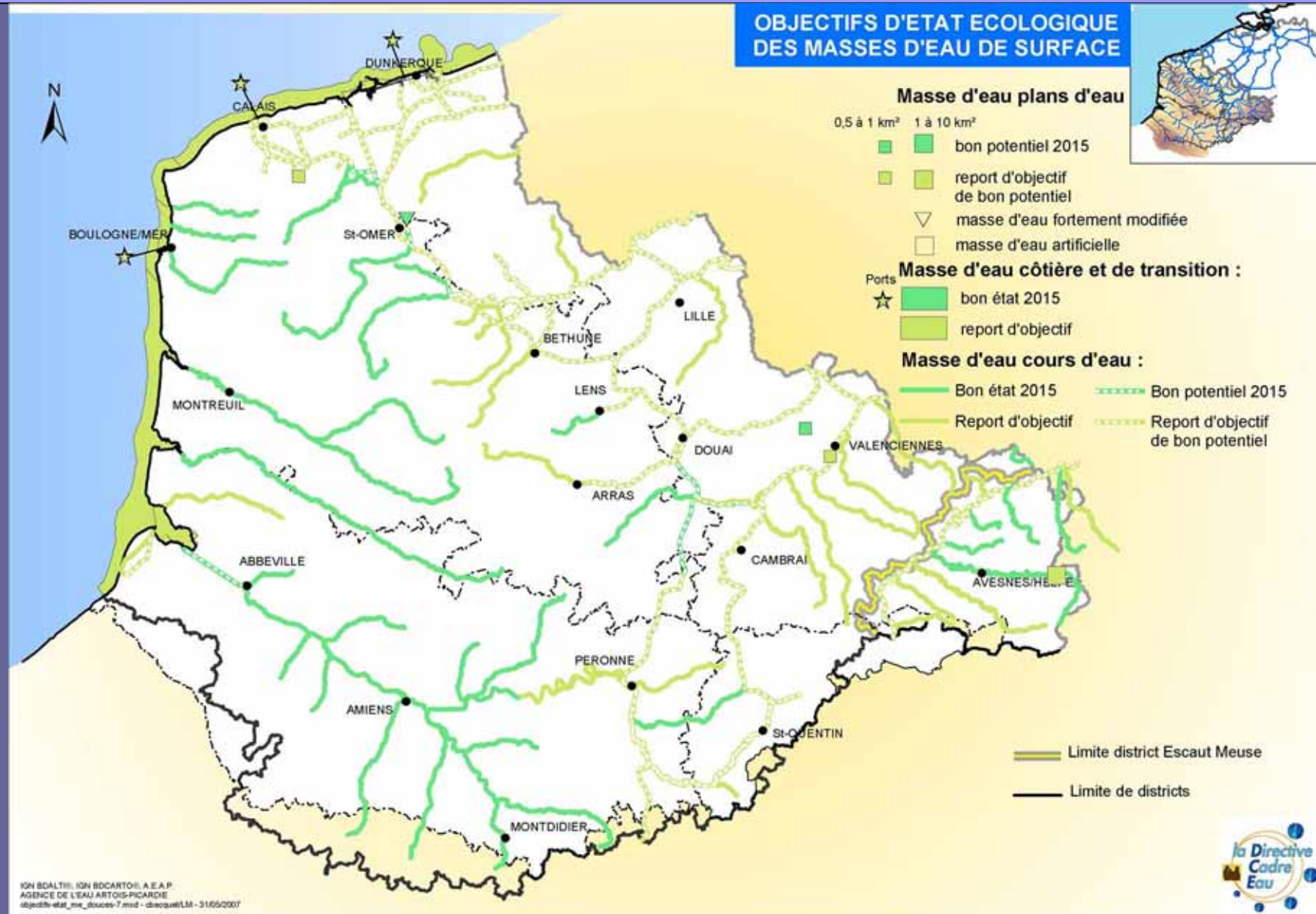


2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures

Comparison at municipality level



2. Illustrations from Artois-Picardie River Basin and the development of the programme of measures



2. Illustrations from Scheldt International District on the development of the programme of measures



- development of a common catalogue of measures (inc; cost and efficiency assessment)
- necessary coordination on the objectives
- development of common socio-economic indicators

3. Outputs of the Rochehaut Summit about derogations

- 20 experts (economists) from the river basin authorities having a cooperation agreement with Artois-Picardie river basin : Bulgaria, Romania, Latvia, Moldova and Malta were invited
- the 4 days seminar took place in Rochehaut (Belgium Ardennes) from 16 to 20 April 2007
- the objectives was :
 - to review the current development of economic activities linked with the implementation of the Water Framework Directive
 - to identify good practices, difficulties, solutions
 - to develop a short document with illustrations and recommendations (to be disseminate)

3. Outputs of the Rochehaut Summit about derogations

The focus – the central focus of derogation is on environmental improvement and on the optimum speed of implementation of measures (time derogation) and level of environmental protection/water status (objective derogation) that account for both ecology and financial aspects/economics.

- Derogation does not apply to basic measures. They are only relevant to supplementary measures and to “all practical measures” identified in the context of the heavily modified water body designation.

- It is important that the assessments/methods proposed for justifying derogation do not lead to a systematic exclusion of supplementary measures – as some of these might be highly (cost)effective and in some cases pre-condition to achieving good water status (e.g. some measures on morphology).

- Time derogation has to be considered in priority – prior to envisaging objective derogation and lower ambitions in the programme of measures and implementation of the WFD.

3. Outputs of the Rochehaut Summit about derogations

The wider policy context – It is important to put the issues of derogation into the wider context of “who will pay at the end for the costs of reaching good water status” – thus in relation to Article 9 and cost-recovery.

- What are today's financing and cost-recovery mechanisms in place? What will be the implications of implementing the programme of measures to the different sectors/water uses?
- With regards to industry, the assessment need to account for potential negative impacts on competitiveness that might lead to delocalisation – although the relative share of water costs in total production costs is marginal for most of the industrial sectors.

3. Outputs of the Rochehaut Summit about derogations

Indicators – a diversity of factors and variables can be considered for capturing the issues of cost-disproportionality.

• Possible indicators and factors that can be investigated include comparing:

- (i) Total costs of the programme of measures versus total benefits;
- (ii) Total costs of the programme of measures versus actual costs for protection of the aquatic environment (increment in environmental protection);
- (iii) Total costs of supplementary measures versus total costs of basic measures (not necessarily of the same order of magnitude as actual costs);
- (iv) Total costs of the programme of measures as compared to GDP;
- (v) total costs of the programme of measures versus financing capacity (including private and public financial resources);
- (vi) Relative share of water bill in total disposable income (households);
- (vii) Relative share of water bill/costs of measures in % of total production costs/total value added (for industry/economic sectors).

3. Outputs of the Rochehaut Summit about derogations

Uncertainty – every cost and benefit will be estimated with a certain level of bias, error, uncertainty.... The approaches that might be proposed to tackle uncertainty in the disproportionate cost assessment (e.g. the requirement to provide a range of costs and benefits instead of central/single values) needs to be identified and compared.

3. Outputs of the Rochehaut Summit about derogations

Defining the assessment steps – the different steps to be followed for assessing the relevance of derogation needs to be well specified in the context of the overall river basin management planning process.

The process - the importance to interact with stakeholders when deciding on derogation/disproportionate cost issues has been stressed by all participants in the workshop.

3. Outputs of the Rochehaut Summit about derogations

The synthesis from Rochehaut
summit on :

www.eau-artois-picardie.fr

www.twinbasin.org



4. Conclusions

The identification of potential derogation needs to be achieved through :

- a pragmatic approach using indicators
- an involvement of stakeholders
- comparison with the same indicators (e.g. burden of the water bill) shared by other Member States

Proposal

Development of socio-economic indicators (e.g. burden of water bill for household's mean income, cost of PoM compared to GDP,.....).

Thanks a lot for your attention !

www.eau-artois-picardie.fr

www.scaldit.org