

An international Exchange of Experience

**Economic Analysis according to the WFD:
Status of Implementation**

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**„Cost-effectiveness analysis
and the role of international
co-operation“**



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Cost-effectiveness analysis and the role of international co-operation

Illustration

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A cost-effectiveness analysis of nutrient abatement policies in the Rhine basin

- In the North Sea and Rhine Action Plan, reduction targets for various substances are formulated (e.g. 50% reduction of N and P)
- These reduction targets can be achieved by applying a flat rate emission reduction policy or a cost effective allocation of nutrient abatement strategies

Results

- A flat rate emission reduction policy is far more expensive (six times) than a cost-effective allocation of nutrient abatement measures
- A cost-effective allocation can save significantly compared to a flat rate emission reduction policy (up to 3,544 million Euros/year)

But...

- In a cost-effective allocation, the same activities in various regions will be confronted with different (nutrient) abatement targets
- Especially in cases of transboundary water management issues, this can result in conflicts of interests -> need for international co-operation
- If international co-operation fails, a flat rate emission reduction policy (between countries) may be the best politically obtainable result

Questions for discussion

- Will regions be willing to co-operate?
- How can co-operation be stimulated?
- Which instruments or measures can be applied?
- Can we do with the present set-up, or do we need other institutions?
- Is there a break even point for international co-operation?
- Do we need an international approach for stakeholder participation?

Questions for discussion II

- Need to clarify what is needed/expected for 2004 as a preparation for selecting measures?
- With current status: Enough time after 2004 for selecting measures (critical path)?
- More work needed on methodology for selecting measures (European exchange, common approach) and understanding (what are measures/instruments?)?
- What information is needed on measures, besides costs?
- Non-traditional measures: Special exchange needed (more case-specific, multiple impacts, more challenging)?
- Assessing disproportionate costs: First international exchange, or first national approaches?

Questions for discussion III

- On which issues of the economic analysis is coordination necessary? (water uses, baseline, etc.)
- How to make cooperation operational?
- Need for common definitions? How to achieve them?
- Coordination for reporting on economics; sufficient for integrated river basin management? What is needed in future?
- Exchange between CIS and River Basin Commissions: Sufficient?
- Are European guiding principles/common methods on selection of measures valuable/possible?



Thank you