

Workshop agenda: The economics of water scarcity

26 -27 April 2022

The agenda is designed to facilitate knowledge sharing and capacity building across Member States. It builds on the background note on the same topic.

The workshop is part of a series of four thematic workshops aimed to facilitate the implementation of the economics of the Water Framework Directive in European Member States. The workshop series is co-convened by the OECD and the European Commission's Directorate-General for Environment.

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The economics of water scarcity Workshop agenda 26 – 27 April 2022

This thematic workshop is part of a series aimed to facilitate the implementation of the economics of the Water Framework Directive in European Member States. It is co-convened by the European Commission and the OECD and aims at supporting decisions about addressing water scarcity.

The following topics will be discussed in three interrelated sessions:

- **Allocation regimes, in the context of the WFD:** definition of return and e-flows, reflecting flexibility in water entitlements, water allocation reforms, relationship with pricing
- **Incentives to increase demand for reclaimed water**
- **Scaling up nature-based solutions (NbS) to enhance water retention.**

Participants will address challenges faced by Member States, new developments in national or local policies. They will share good practices.

A background note provides additional information for each topic and serves as basis for the discussion.

Expected outputs from the workshop

- Increased attention to the definition and enforcement of key features of water allocation regimes (water entitlements, return flows and e-flows, relationship with monitoring, pricing, informational, technical assistance and investment policies). Lessons learned from the reform of such regimes
- Options to enhance the demand for reclaimed water. Issues related to the implementation of EU regulation on the topic
- Options to scale up nature-based solutions (NbS) to enhance water retention.

Workshop structure

Day 1 (26 April) 10:00-12:00 <i>Session 1</i>	Day 1 (26 April) 13:15 – 15:00 <i>Session 2</i>	Day 2 (27 April) 10:00-12:00 <i>Session 3</i>
Water allocation regimes as tools to manage water scarcity and comply with the WFD	Enhancing the demand for reclaimed water	Scaling up nature-based solutions (NbS) to enhance water retention
Main items: - Definition of return flows (or net abstraction limits) and e-flows (Germany, Hungary). Enforcement in practice - Reflecting flexibility in the definition of water entitlements. How to factor in climate change (France) - Experience with the reform of water allocation regimes and accompanying measures	Main items: - A combination of quality standards, volume and tariffs (Cyprus, Israel) - Aligning responsibilities across levels of government (the Netherlands) - How to move this agenda forward	Main items: - NbS to retain water - The role of water authorities in water retention measures - Next steps

Session 1. Water allocation regimes in the context of the WFD

Water allocation regimes are complex combinations of rules and regulations that set rights to use water. They are particularly relevant when water is scarce and competition across water uses and users intensifies. Ecological flows constraints should determine how much water should remain in water bodies, for environmental purposes. They are thus an integral part of water allocation regimes. Similarly, conditions on return flows set how much water should be returned to the environment after use. They contribute to defining *net* abstraction rights.

The Common Implementation Strategy provides a working definition of ecological flows along with methodological guidance for their consideration within WFD planning processes. The fifth implementation report on the second RBMPs in 2019 indicated that most member states were still working to define and implement ecological flows during the second cycle of RBMPs. Moreover, anecdotal evidence suggests that ecological flows can be jeopardised in cases of severe scarcity.

Practical issues remain as regards the definition and enforcement of ecological and return flows. Developments in this domain require adjustments or reforms of water allocation regimes. International experience indicates that such reforms can be politically loaded, challenging and span over long time periods. Sharing experience across countries on the management of such reforms can be a source of inspiration.

Agenda: 26 April. 10:00 – 12:00

Moderator: [Paul Arnoldus, DG Environment, European Commission](#)

Time	Agenda Item
10:00 – 10:15	Opening remarks: why water scarcity matters (Moderator)
10:15 – 10:30	Key features of a robust water allocation regime Keynote presentation <ul style="list-style-type: none"> • Xavier Leflaive, OECD Environment Directorate
10:30 – 10:45	Country examples: <ul style="list-style-type: none"> • Return flows • Environmental flows (Germany, Hungary) • Flexible water rights (France – OUGC)
10:45 – 11:40	Thematic discussion <ul style="list-style-type: none"> • How are e-flows defined and enforced? • How fit are prevailing allocation regimes for future challenges (including but not limited to climate change) • How do water allocation regimes in your country reflect flexibility and the need to adjust to shifting circumstances? • The reform of water allocation regimes (e.g. accompanying measures, compensation)
11:40 – 11:55	Next steps <ul style="list-style-type: none"> • What role for your ministry / institution • Expectations from key partners (including the European Commission)
11:55 – 12:00	Conclusion and wrap-up

Session 2. Incentives to increase demand for reclaimed water

Reclaimed water (the use of treated wastewater) can be a reliable source of water when water is scarce. The (potential) supply of reclaimed water can only increase with the increase of the connection to wastewater collection and treatment facilities. In addition, the viable technologies to treat wastewater at the grade and quality deemed appropriate, have become available. However, technical issues remain, such as the energy intensity of water treatment, the use of sewage sludge, and the water transport costs.

Stimulating demand for treated water remains a bottleneck. International experience suggests that demand can be driven by a combination of water quality standards, water allocation regimes and tariff mechanisms. Consistency across legislations and levels of governments is a must.

Agenda: 26 April. 13:15 – 15:00

Moderator: Xavier Leflaive, *OECD Environment Directorate*

Time	Agenda item
13:15 – 13:20	Opening remarks (Moderator)
13:20 – 13:50	Country presentations <ul style="list-style-type: none"> • Manuel Sapiano, <i>Chief Executive Officer, The Energy and Water Agency, Malta</i> • Michael Bentvelsen, <i>Policy Advisor, Dutch Water Authorities</i> • Agathi Hadjipanteli, <i>Senior Executive Engineer, Water Development Department, Ministry of Agriculture, Rural Dev/ment & Env/ment, Cyprus</i>
13:50 – 14:40	Thematic discussion <ul style="list-style-type: none"> • How to combine water quality standards, water allocation, and water tariffs? • Consistency across levels of government and with other policies (climate, agriculture, energy, biodiversity) • Pending issues
14:40 – 14:55	Next steps <ul style="list-style-type: none"> • What role for your ministry / institution • Expectations from key partners (including the European Commission)
14:55 – 15:00	Conclusion and wrap-up

Session 3. Scaling up nature-based solutions (NbS) to enhance water retention

Nature-based solutions (NbS) are gaining traction for their shared economic, environmental and social benefits, worldwide and also in the EU, such as in the context of WFD implementation in the recent years. The Blueprint to Safeguard Europe's Water Resources has emphasised the great potential of green infrastructure, especially those focused on natural water retention, such as the restoration of floodplains and wetlands to hold water in periods of abundant and excessive precipitation and provide supply in periods of scarcity. However, there is still room to accelerate diffusion and dissemination: for instance, the review of the 2nd RBMPs has called for a more widespread use of green infrastructure and natural water retention measures in view of the multiple overlapping benefits they provide to water provision, flood protection and nature, compared with grey infrastructures.

It is not clear whether prevailing analytical tools that support the PoMs and investment programmes do full justice to the multiple benefits and synergies of NbS. In addition, inherent biases in planning, financing or else tend to disregard NbS as possibly suitable options to address water retention in line with the WFD. Moreover, major decisions that affect NbS for water retention, relate to land use and other issues (e.g. urban development), and it has proved challenging to appropriately factor in NbS in these decision processes.

Agenda: 27 April, 10:00 – 12:00

Moderator: Pierre Strosser, *Acteon*

Time	Agenda item
10:00 – 10:05	Opening remarks (Moderator)
10:05 – 10:35	Valuing nature-based solutions for water retention <ul style="list-style-type: none"> James Dalton, Maria Lindelien, <i>Water and Land Management, IUCN</i> Q&A
10:35 – 11:00	The role of water authorities in water retention measures <ul style="list-style-type: none"> Dieter Staat, <i>European Affairs, Unie van Waterschappen (NL)</i> Q&A
11:00 – 11:40	Thematic discussion <ul style="list-style-type: none"> Analytical tools to value NBS. Interface with decision making Policy coherence across levels of governments. The role of central governments
11:40 – 11:55	Next steps <ul style="list-style-type: none"> What role for your ministry / institution Expectations from key partners (including the European Commission)
11:55 – 12:00	Conclusion and wrap-up <ul style="list-style-type: none"> Helen Laubenstein, <i>OECD Environment Directorate</i>