AWARENESS AND APPLICATION OF IWRM PRINCIPLES

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The cost-recovery principle, defined

• The WFD – Article 9
  – Member States shall take account of the principle of recovery of the costs of water services, including environmental and resource costs, having regard to the economic analysis conducted according to Annex III, and in accordance in particular with the polluter pays principle
    • water-pricing, to provide adequate incentives for users to use water resources efficiently
    • an adequate contribution of the different water uses, disaggregated into at least industry, households and agriculture
  – Member States may in so doing have regard to the social, environmental and economic effects of the recovery
  – Member States may decide not to charge a given water-use activity, where this does not compromise the purposes and the achievement of the objectives of this Directive
An operational approach

- 4 related principles
  - Polluter Pays
  - Beneficiary Pays
  - Equity
  - Consistency across adjacent policies

- 5 empirical issues
  - Earmarking revenues from water-related taxes
  - Enhancing the operational efficiency of service providers
  - Attracting private finance
  - Valuing water services
  - Governance
Selected instruments

• Water pricing
  – WSS, irrigation, hydropower
• Abstraction charges
• Pollution charges
• PES
• Reform of subsidies