

## **Resolutions of the International Water Association for the Financial, Technical and Legal Support of the European Commission to Promote Water Quality Trading in European Union Member States' River Basin Districts**

The following Resolutions were drawn in part from presentations and discussions led by international experts during a series of four workshops on Water Quality Trading conducted during the International Water Association's Diffuse Pollution Specialist Group's Annual Conferences in Seoul, Korea in 2009, Québec City, Canada in 2010 and Rotorua, New Zealand in 2011 and the first Water Climate and Energy Congress in Dublin, Ireland in 2012. The workshops were chaired by Mr. Sean Blacklocke, Independent Environmental Consultant, and Mr. Ray Earle, Coordinator of the Eastern River Basin District Project in the Republic of Ireland. The workshop series consisted of the following:

### Korea 2009 – Introduction of Concept and General Overview

Sponsored by Sean Blacklocke, Independent Environmental Consultant ([www.sean-blacklocke.com](http://www.sean-blacklocke.com))

- Concept demonstration via an interactive trading game
- International WQT programs and projects overview
- Environmental forensics and institutional foundations introduction

### Canada 2010 – Explanation of the Technical Challenges

Sponsored by the Organization for Economic Cooperation and Development ([www.oecd.org](http://www.oecd.org))

- Effluent, runoff and ambient water quality monitoring
- Water quality modeling
- Cost-effectiveness analysis

### New Zealand 2011 – Discussion of the Policy Challenges

Sponsored by Lake Ecosystem Restoration New Zealand – Waikato University ([www.lernz.co.nz](http://www.lernz.co.nz))

- Authorities for monitoring, modeling, permitting and enforcement
- Wasteload allocation processes
- Trading/brokering institutions and instruments

### Dublin 2012 – Advancing Water Quality Trading in Europe

- 1) policy rationale for introducing WQT to address agricultural diffuse pollution,
- 2) mechanics of WQT, and
- 3) experiences with and opportunities for WQT in Europe

WHEREAS, implementation of the Water Framework Directive (EC/60/2000) must be achieved in a cost-effective manner subject to mitigating disproportionate cost impacts amongst regulated sectors;

WHEREAS, in many cases River Basin Districts have found that in response to local and national political and legal considerations, initial allocations of pollution control responsibilities, assigned as mitigation measures to regulated establishments and sectors for inclusion in their respective Districts' Programmes of Measures, have not proven to be cost effective with respect to alternative combinations of measures;

WHEREAS, Water Quality Trading, if introduced subsequent to initial allocations of pollution control responsibilities amongst regulated establishments and sectors, is among the most effective water pollution control policy instruments with respect to applying the Polluter Pays Principle;

WHEREAS, investigations and applications in several non-European River Basin Districts of Water Quality Trading have demonstrated that reallocation of pollution control responsibilities via this instrument holds great potential to restore a significant degree of cost effectiveness in Programme of Measures implementation whilst retaining the legal and political practicality of initial assignments of these responsibilities;

WHEREAS, estimated cost schedules for implementing the Water Framework Directive throughout the three six-year planning cycles for many River Basin Districts indicate that the financial resources required to meet or exceed Good Ecological Status for all surface water bodies within those Districts will not be available;

WHEREAS, in introducing such a policy instrument as Water Quality Trading – one that can achieve a higher occurrence of status-compliant water bodies at a lower overall cost – it is reasonable for River Basin Districts to expect some alleviation of the financial pressures associated with their respective compliance with the Water Framework Directive; and

WHEREAS, an initial capital investment is often required to initiate Water Quality Trading demonstration projects, due to the additional technical and sometimes economic analyses that are often required to assist potential buyers and sellers in their efforts to identify one another, and to ensure targeted water quality standards will be achieved everywhere subsequent to trading;

**IT IS RESOLVED by the International Water Association, that financial support from the European Commission should be provided for the introduction of additional Water Quality Trading projects in River Basin Districts that express a desire to study and ultimately utilize this instrument to comply with the Water Framework Directive in a more time-expedient and less cost-burdensome manner.**

WHEREAS, the Water Framework Directive, IPPC, Nitrates Directive, Urban Wastewater Directive and Member States' transposed legal instruments pursuant to the Directive are ambiguous with respect to the legality of introducing a Water Quality Trading application into established protocols for the allocation of pollution control responsibilities amongst regulated establishments and sectors;

WHEREAS, it is the Competent Authority that establishes the River Basin District objectives and adopts the River Basin Management Plan and associated Programme of Measures and that ultimately bears legal responsibility for meeting these objectives;

WHEREAS, Water Quality Trading is among the most effective water pollution control policy instruments to incentivize vested interests in water resources to engage one another, and vesting stakeholders across all hydrological boundaries and jurisdictional levels in participating in the process of implementing the Water Framework Directive was a key objective of the Member States' in their adoption of the Directive;

WHEREAS, in the absence of some form of legal variance from the European Commission, such as the granting of pilot status, River Basin Districts must comply simultaneously with the Water Framework Directive and their respective Member State's legal transpositions of the Directive, as well as other sometimes conflicting or competing European Union, national, regional and/or municipal statutes and regulations; and

WHEREAS, conflicting or competing legal instruments and political incentives dynamics at national, regional and/or municipal levels of governance have the potential to dissuade or prohibit River Basin Districts and their competent authorities from initiating Water Quality Trading projects;

**IT IS RESOLVED, by the International Water Association that:**

**1) a series of European Commission sponsored workshops should be conducted to educate River Basin District Managers, associated relevant Competent Authority officials and other relevant Member State water pollution control authorities' officials and practitioners about the potential for this policy instrument to assist them in collectively and cooperatively expediting their achievement of Water Framework Directive objectives;**

**2) the study, demonstration and ultimately the utilization of Water Quality Trading should be promoted and assisted by the European Commission via the publication of a Common Implementation Strategy document outlining the instrument's basic principles; and**

**3) a series of documents should be produced by the European Commission providing guidance on harmonizing this policy instrument with other relevant European Union Directives and regulations, other relevant Member States' existing national, regional and municipal legal instruments, decisions and opinions of the European Court of Justice, and the adopted relevant international protocols and conventions.**

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