

PROJECT

Cities
EU
Policy Assessment
Water

Managing Water Demand in Europe: An Assessment of Price and Non-price Measures and an Update on Price Elasticity of Water Demand



[1]

In this joint project commissioned by the European Environment Agency, the team at Ecologic Institute evaluates both technical aspects (e.g. cost-effectiveness) and implementation dimensions (e.g. barriers and enabling factors) of water demand management practices in Europe. The assessment focuses on measures implemented in Cyprus, Germany, Denmark, Spain, France, Italy, Romania and Sweden. It also aims to update the knowledge on price elasticity of water demand via 10 case studies conducted at the local (water operator) scale. The countries covered in the case studies are the same as above plus the UK. The aim: to assess how EU Member States are already applying price and non-price measures to manage water demand, and to understand how such implementations can help take the EU further along the pathway to a sustainable future.

Achieving a resource-efficient water sector

To achieve its vision of a sustainable Europe by 2050, the EU has to transform into a resource-efficient economy. The water sector is expected to play a major role in this transition. This gives rise to the need to assess how effective water policy is in influencing water

demand and how responsive consumers are to changes in the price of water services. Previous research indicates that economic instruments could be particularly effective at managing water demand; however, actual evidence on such existing pricing and non-pricing instruments in Europe, as well as on their efficiency, are limited or outdated.

The Managing Water Demand in Europe project

The aim of the Managing Water Demand in Europe project is to evaluate various technical and implementation aspects of water management practices and water demand management in Europe. Given that past research on cost-effectiveness of measures is extensive, this project gives special attention to implementation issues. While the project focuses mainly on the domestic sector, the agricultural and industrial sectors are also considered. Overall, the project seeks to better understand the synergetic effects of price and non-price water demand management measures already in place. It also explores issues such as the impact of reduced consumption on investment in water supply and wastewater networks.

Specifically, by reviewing the literature on water management in eight selected Member States and assessing primary data on ten domestic-sector case studies, the project aims to provide an easily-understood guide to the following three issues:

- What price and non-price approaches are already applied in Europe to manage water demand, how effective are they, and what are the main barriers and enablers to their use?
- What incentives exist for efficient water use in Europe, and what impact have they had?
- What does recent research have to say about the price elasticity of water demand and what does the latest data show?

Ecologic Institute leads the review work on existing price and non-price measures in the eight selected Member States, and assists with the development of four of the case study assessments on price elasticity of water demand. The project outputs will be published in an EEA Technical Report scheduled for autumn, 2016.

Related Articles

- [Economic Instruments in Water Policy](#)

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