

**Sesion:** H5.1.1

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**Title:** A Comparative Analysis of Economic Instruments for Water Management across Europe

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**Summary (max 500 words):**

The RETOUCH NEXUS project aims to create and improve strategies of managing water, energy, food and ecosystems (WEFE nexus) together that are innovative, fair and operative. The objective of these strategies, which include smart water governance schemes, economic instruments, and refined institutional frameworks, is to ensure water availability within the European Union (EU) amid a range of future challenging scenarios, including those induced by climate change.

Although economic instruments were highlighted as powerful measures to achieve sustainable water management by the EU Water Framework Directive, their practical application is still challenging and mostly depends on national and regional setups and legislative frameworks. In this contribution, we have developed a review of economic, financial and business instruments that have been used or proposed for the water sector in Europe. This analysis extends to an assessment of the effectiveness, efficiency, and replicability of these instruments. The foundation for our study is a thorough review of existing literature, data repositories, and case studies, coupled with extensive consultations with key stakeholders in the domain. We have identified the main drivers, barriers and opportunities for the implementation of these instruments, and analysed their impacts on water valuation, risk management, investment leverage and system sustainability. The aim is to explore the potential for transferring and adapting these instruments to different contexts and scales, taking into account the nexus perspective on water, energy and food security.

The results, delivered as factsheets, provide a landscape of recommendations for policy makers, water managers and practitioners on how to design and apply these instruments in a coherent and integrated way. These factsheets serve also as a valuable resource for educators by translating complex economic instruments into accessible information, enhancing public comprehension of the strategies proposed in the RETOUCH NEXUS project and their previous application. Ultimately, by providing insights into potential avenues for transferring and adapting these instruments to diverse contexts and scales, we contribute to the creation of a versatile toolkit for sustainable resource management.

Our research within the RETOUCH NEXUS project contributes to the academic discourse by offering a detailed exploration of economic, financial, and business instruments in the water sector, while also offering a resource for educators and policy makers to enhance the broader public understating of these instruments. By bridging the gap between theory and practice, we aim to empower decision-makers with the knowledge required to navigate the complexities of resource management, ensuring resilience in the face of evolving challenges for the WEFE nexus. Through our analysis and actionable recommendations, we aspire to catalyze positive transformations in water governance and resource sustainability within the EU and beyond.

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