


**Reporting from WG4:  
Financial compensation for  
damage & ecological goods and  
services**  
By  
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ECONOMIC INSTRUMENTS TO SUPPORT  
WATER POLICY IN EUROPE

PAVING THE WAY FOR RESEARCH AND  
FUTURE DEVELOPMENT

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### Key Messages

- Need for collaboration – ecology – economy – social sciences – legal and policy concerns re Planning , Budgetting & Evaluation
- What can be learned in Europe from previous experience in Europe and elsewhere?
- Ex. Flexibility important – a) re incentives and b) re on site vs off site compensation, also in –kind and not in kind. The EU Directive asks member States to define « good » and « bad » ecosystem states w/o explicitly discussion EGS.



### Key Messages, con't.

- Who fixes prices? The Market or the State?
- Can multiple services from a single site be rewarded/marketed? In France, USA, no. In South Africa, yes. Costa Rica? Brazil? Australia?
- Need to integrate concerns for a) Biodiversity, b) climate change mitigation, and c) desertification, as per original RIO '92 agendy – 3Cs.



### Key Messages, con't.

- Equivalency among sites?
- Transparency?
- Cultural differences? EU vs USA vs China or Brazil? Within EU North vs South?
- Worldwide – North vs South?



### Key Messages, con't.

- Three levels of habitat banking
- This market ++ more complicated >> Carbon trading
- Importance of language – Ex. habitat banking (USA) vs. Biobanking (AU) and in EU???
- Biodiversity and Ecosystems?
- Compensation does not equal a right to trash!!

