

Session 6B: Water Quality Management

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1. Paper by Patrick Walsh et al. estimated the benefit of improvements in water quality on housing prices in the Chesapeake Bay;
2. Paper by Petr Sauer et al developed a cost-effective mechanism for pollution management in the Czech Republic
3. Paper by Bethany Woods and author analyzed the impact of water service provision contracts on provision of clean drinking water; and
4. Paper by Chris Kennedy and author estimated the value of increased freshwater flows into estuaries.

Papers applied a range of methodology, from sophisticated econometrics to experiments, and are mostly based in North America and do not really address issues of impacts on the poor, but deal with a number of key challenges that were identified by Junaid and are to be discussed by the panel.

1. Relevant for the challenge of cost-benefit analysis - A number of papers showed that it is possible to put values to regulating services provided by ecosystems which in turn can be used to inform policy. Also, both Sauer and Woods analyze cost effective solutions.
2. Distributional Effects: Walsh et al paper shows that it is possible to estimate how benefits are distributed, in their case how property values change with distance from the water front.
3. Efficiency of Water Allocation – Kennedy and author interestingly analyze economic implications of water allocation across inland and coastal users;
4. Rules of the Game – Almost all the papers show the importance to taking the institutional context into account.

We ended the session with a rich discussion on methodological issues highlighting the challenges of doing such work.