

(1) The content and analysis of impacts of each option need to be further clarified. Analysis of effects of taxes presented in option C should be moved to option B 'economic instruments'. Analysis of option B should be broadened to include subsidies (including removal of harmful ones). The IA report should better explain why water pricing is maintained in the final policy mix, given that Option B demonstrates that this element can have a rather limited impact on increasing efficiency of water use. Furthermore, option A seems to be constrained by existing legislation, which does not seem to be the case for two other options. The analysis of future developments, in particular of the social implications could be considered for all the options.

(2) Drivers and underlying causes of the identified problems need to be analysed more in depth. The IA report presents a good amount of evidence on growing problems at the MS level. However, the IA report fails to explain why the MS do not take actions despite threats and opportunities being so visible. Similarly, reasons for unsatisfactory use by Member States of existing EU funding opportunities should be discussed (such as Structural Funds or CAP funding). Furthermore, the population forecasts in the baseline scenario should be based on the estimates carried out at the European Commission.

(3) The need for EU intervention requires clarification. The IA report refers to the fact that only some Member States have taken action (labelled as "mis-management" aimed at improving water management, which i.a. leads to inconsistency in the level of protection of the environment. However, this is not a sufficient condition for EU action. The IA report should identify negative spill-over effects of MS actions (or lack of them) concerning water scarcity and droughts and demonstrate how EU co-ordination can address these.

(D) Procedure and presentation

It appears that all necessary procedural requirements have been complied with.

Section 7 and the corresponding paragraph in the Executive Summary contain policy statements that are not suitable for an Impact Assessment Report.

The final version of the IA should contain a reference to the way in which the opinions of the Board have been integrated in the report.

2) IAB scrutiny process

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External expertise used	No
Date of Board Meeting	NA
Date of adoption of Opinion	4 June 2007 The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 21 May 2007.