

# Assessment and management of flood risks

2006/0005(COD) - 18/01/2006 - Document attached to the procedure

## COMMISSION'S IMPACT ASSESSMENT

*For further information regarding the context of this issue, please refer to the summary of the Commission's proposal for a Directive of the European Parliament and of the Council on the assessment and management of floods – COM(2006)0015.*

### 1- POLICY OPTIONS AND IMPACTS

Having thoroughly examined, and then ruling out as not feasible, three possible options, (no action, amending existing legislation and a prescriptive legislative instrument), the Commission considered two main options:

**1.1- Option A – A strictly voluntary approach delivered through a Communication with non-binding recommendations:** The development and implementation of action programmes would be based on voluntary political commitment by Member States and international river commissions. The Communication would set out the essential features of the action programme, as described in the Commission's 2004 Communication on flood risk management (COM(2004)0472 of 12.7.2004).

**1.2- Option B – A combination of cooperation between the Commission, Member States and other involved parties, plus a flexible legislative instrument:** This option is a combination of flexible non-binding mechanisms and flexible legislative instruments on those issues where progress needs to be guaranteed.

Cooperation between Member States, facilitated by the Commission, would lead to the improved exchange of information, sharing of experiences and development and promotion of best practices between Member States and other stakeholders. It would also result in the development of stronger linkages between the research community and the authorities responsible for water management and flood risk management.

In addition, the Commission would improve the co-ordination between the relevant Community policies by developing a targeted approach to EU funding possibilities. Relevant funding instruments have been proposed as regulations within the Common Agricultural Policy and the Cohesion Policy. The legal instrument would be ambitious in its scope but not prescriptive in its tools. It would translate the approach of the Communication on flood risk management of July 2004 and the discussions during the stakeholder consultation process into operational actions.

**CONCLUSION:** It was clear from the assessment of impacts that the most cost effective and appropriate regulatory level was Option B(a 'package' approach of voluntary and cooperation measures linked to and underpinned by a flexible legislative instrument). It would establish the principles of flood risk management, allow for prioritisation and leave flexibility to Member States in defining their desired level of protection, and the necessary measures and time schedules for implementing them. Existing preparatory, planning and operational measures would be fully integrated, including the relevant transboundary cooperation, and a range of Community funding instruments and research would underpin implementation.

### IMPACTS

**Economic:** The selected option's economic impacts on cooperation through the open method of coordination would be negligible as it includes no binding measures and there are provisions governing the funding of cooperation projects in the new Cohesion policy. Moreover, the development of flood risk maps and flood protection plans would be important tools to use in deciding on the priorities for EU funds to be used in flood protection programmes.

The flexible legislative instrument would have budgetary consequences for public authorities as they have to develop preliminary flood risk assessment, flood maps and flood risk management. In general terms, the costs arising from these obligations would depend on the size of the river basin districts.

Option B would have a positive impact on the competitive position of EU industry. EU industries would be less affected or disturbed by flood events, in terms both of frequency and impact. It would help to improve the conditions for investment and for the proper functioning of markets by reducing the likelihood and impact of flood events, so there would be less chance of disruption of production.

Both elements of Option B would stimulate research and development, e.g. modelling at river basin level, and would result in more cost effective measures.

**Social:** Option B will decrease the likelihood of health risks related to flood events, e.g. psychological distress by reducing the likelihood and impact of floods. It would have a positive impact on the functioning of the labour market, as companies and industries are less affected or disturbed by flood events.

Producing flood risk maps will mean the public is better informed about flood risks, resulting in increased public awareness. There should be monetary benefits from this raised awareness since when people are aware of the risk they are likely to be more receptive to flood warnings and thus more inclined to protect themselves and their property (e.g. by simple flood-proofing measures).

**Environmental:** Firstly, the negative consequences of flooding on the environment would be decreased. By mapping the areas at risk of flooding, Member States can prevent future activities that affect the environment (like waste water treatment plants, chemical industries, etc.) in flood prone areas or adapt those activities to the flood risks.

Secondly, the close links with the WFD (Water Framework Directive) ensure not only that flood-related measures will not have a negative effect on the ecological status of water bodies, but will indeed result in measures that contribute to the ecological status. Member States will be looking more for cost efficient measures that benefit both floods and WFD.

## **2- FOLLOW-UP**

Firstly, informal cooperation between the Commission and the Member States will provide for regular and transparent exchanges of information, identifying challenges, solutions, etc.

Secondly, the Commission will prepare regular reports on the progress of implementation. These reports will, where appropriate, also include elements of ex post evaluation, review and amendment of preliminary flood risk assessments, flood risk maps and flood risk management plans. Reporting through the "Water Information System for Europe" will not only drastically ease the administrative burden but should also bring considerable synergies. It should also give easy access to all the relevant information and action required under the three key management steps under the Directive.

Thirdly, evaluation of implementation will be complemented by similar assessments of the other two components of the Flood Action Programme, namely the exchange of information and knowledge and research efforts, and promotion of best use of funding instruments.

