

This was highlighted in the first case study, in which the well-established institutional framework for water management in the Netherlands was highly conducive to the successful introduction of effluent charges. In contrast, the different management traditions in Denmark, France and Germany complicated the use of similar economic instruments in those countries (Andersen, 2001). Experience with water-trading initiatives suggests that successful trading regimes tend to be built on preexisting institutions and are integrated into traditional regulatory regimes. This may entail tradable permits being combined with other policy instruments (taxes, charges, environmental quality objectives, etc