



Extrait du Aqua Publica Europea

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APE Seminar | Water Affordability in Europe

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Aqua Publica Europea

On the 20th of October 2016, Aqua Publica Europea (APE) organised a seminar on Water Affordability, which was attended by a wide-ranging audience of institutional representatives, experts, NGOs and other stakeholders. The seminar built on the outcomes of an APE report mapping affordability approaches in different European countries.

[Click here to download our publication and the speakers' presentations](#)

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Mr Yvan Mayeur, Mayor of Brussels, opened the seminar highlighting how the issue of **water affordability is of critical importance for elected representatives**. Mr Mayeur argued that concrete solutions to ensure both the affordability of water services and their quality significantly depend on local specificities. Nevertheless, he underlined the importance of exchanging experiences between municipalities and cities, especially in what concerns measures to meet obligations under EU law. In this sense, he welcomed this seminar, in that it facilitates the exchange of experiences between municipalities and operators in the EU.

Finally, Mr Mayeur concluded by expressing that **the choice of a water services management model is a political decision**. In this context, he expressed his appreciation for the public water management model that is applied in Brussels and in Belgium and which, in his view, can ensure both high performances and solutions responding to the general interest.

Following the Mayor's welcome address, the APE President and Deputy Mayor of Paris, **Ms Celia Blauel**, introduced the seminar by highlighting the **responsibility that publicly-owned operators have in ensuring that water is affordable**. The first mission for public operators should be to continuously improve their performance so as to

deliver the best service at the lower cost for users. However, in addition to this "industrial" function, public operators also have to play a proactive role at local level, by cooperating with public authorities in order to find solutions that can address affordability problems in an efficient and systematic way, while ensuring financial sustainability of water services.

The main outcomes of the [APE Report on Affordability](#) were then presented, followed by **the first panel of the morning: exploring the concept of "affordability" - towards a common understanding?"**

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Ms Ingeborg Limbourg, Analyst at the Flemish Water Regulator and member of the "**Affordability Task Force**" at the **European Network of Water Regulators (WAREG)**, described the work WAREG is carrying out on the subject and then focused on the Flemish case. She underlined the fact that the water bill is increasing in Flanders (28% in the last 5 years), in the same way as the number of households who are entitled to benefit from a discount on their bill (7% of households in 2010 to 9% in 2015). She then examined **the challenge of measuring water affordability**: through some concrete examples, she showed that by using different sources of data and methodologies, we can get very different estimations of the extent of the problem. She concluded by stressing the need to arrive at a common understanding on what affordability is and how exactly to measure it.

Alberto Parenti, from the Clean Water Unit of the Directorate-General for Environment of the European Commission, welcomed the APE report as a useful contribution to the debate on affordability, while underlining the need to also extend this kind of analytical work to Eastern Europe. Mr Parenti presented the ongoing **revision of the Drinking Water Directive, revealing that potential policy options could address affordability-related issues**. With regard to the Water Framework Directive, Mr Parenti added that the new **River Basin Management Plans** could provide interesting insights in relation to the economic aspects of water management and on how Member States deal with them. Finally, he expressed the wish that work on this issue can again be taken up by the Water Framework Directive [Common Implementation Strategy](#).

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Prof. Henri Smets, Member of the Academie de l'Eau (France) and of the European Council for Environmental Law, started with a discussion of the **Brottes Law** in France and presented a potential approach to measure affordability. Mr Smets argued that, in France, only for a tiny proportion of users, the water bill exceeds the 3% threshold, but that geographical differences may be significant. Mr Smets stressed **the importance and difficulty of determining what exactly is a "minimum amount of water for essential needs"**. He finally argued that the transaction cost of the tools deployed to address affordability must be proportional to the extent of the problem.

Satoko Kishimoto, Public Alternatives project coordinator at the Transnational Institute, hailed the APE report as a valuable tool to advance concrete solutions to water affordability problems in Europe. Ms Satoko stressed that **water poverty is a real existing problem, not only in developing countries, but also in the EU**. She also referred to **the danger represented by trade agreements** allowing private companies to sue States, which could lead to public authorities relinquishing their decision power over water policies. As an example, she mentioned the [Tallinn vs Estonia case](#). She concluded by expressing the wish that the concrete measures being applied in Europe will be shared with the international community, and thus benefit countries such as Nigeria and Indonesia, who are facing serious water affordability issues.

The session ended with an open discussion with the public, which spanned from the responsibilities of the European Union in ensuring the right to water to the importance of reconciling the affordability principle with the cost-recovery requirement.

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The second panel Session "Reconciling cost recovery, sustainability and affordability", was moderated by the President of Aqua Publica Europea, and opened by **Prof. Walter Hecq**, from the Université Libre de Bruxelles and the Solvay Brussels School, who **outlined the theoretical framework underpinning the debate on cost recovery and affordability**. He focused on how the cost-recovery principle contained in the Water Framework Directive seeks to respond to environmental objectives, which should not however, be reached at any cost, as shown by the repetition in the WFD text of the need to avoid "disproportionate costs". In his intervention, Prof Hecq explained the methodological challenges in finding an operational definition of such a concept and the possible methodological solutions.

Federico Feltri, from the operator CAP Holding (Italy), gave a **general overview of the current debate on affordability in Italy** and informed the public of a recently-approved Italian law that establishes how to deal with unpaid bills, while introducing an obligation of access a minimum amount of water for all. Mr Feltri concluded by illustrating the **specific approach developed by CAP Holding** which, for already some years now, has set aside a budget of 2 million euros to finance a solidarity fund, managed by social security agencies, to help households in need.

Barry Greig from the Scottish Government outlined some of the distinguishing features of the Scottish system, which ensures that **water charges in Scotland are among the lowest in the UK**. He started by explaining that Scottish Water is a publicly-owned but independent water company, acting as a private entity under the supervision of the Scottish Government. Prices are approved by the economic regulator but consumer associations play a significant role in the price-setting processes. Charges are then set in a progressive way depending on the value of the property and reflect the number of people living in a household. Finally, he explained that discounts are made available to groups such as students and charities responding to certain criteria.

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Eric Pfliegersdoerfer, from Eau de Paris (France), explained that a **French law from 2006 establishes that all citizens have right to access to water at "financially acceptable conditions"**. This law does however not define how these conditions should be assessed. A subsequent law (the Loi Brottes from 2013) provides water operators the opportunity to experiment with new tools to ensure affordability, while complying with the principle of cost recovery. This "experimental phase" should conclude in 2018 when the different measures tested will be assessed by an independent authority.

To conclude, Mr Pfliegersdoerfer highlighted that **water tariffs in Paris have significantly decreased following the remunicipalisation of water services in 2011** and presented the comprehensive set of instruments developed by Eau de Paris to address water affordability in Paris, including a special fund for vulnerable households and a network of "water ambassadors" whose role is to raise awareness on water saving measures.

Matthew Griffiths, Senior Programme Manager for the OECD, shared some of the major challenges encountered with regards to water policy reforms in the Eastern Europe, Caucasus and Central Asia (EECCA) region. He **focused on Moldova**, which committed to ensure that water is affordable for all (in line with the new UN Sustainable Development Goals) and introduced significant policy reforms to align with the Water Framework Directive. However, despite this effort, the water bill still represents, on average, 5% of households' overall income. Although the extent of the issues faced by Moldova seems to be wider than in Western Europe, Mr Griffiths found that all countries face similar challenges. Mr Griffiths concluded that, **in all contexts, the success of policy reforms depends on whether there is a clear regulatory and governance framework, and in which stakeholder engagement plays a key role.**

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Lynn Boylan, MEP and rapporteur on parliamentary resolution on the right to water, provided some conclusive remarks. She took the opportunity to underline the fact that the resolution adopted by the European Parliament urged the European Commission to request Member States to report on water affordability and poverty issues but that, so far, nothing had been done in that regard. Ms Boylan concluded by stressing that, as shown by the debate that same

morning, a response from the European Commission to the European Parliament's report from September 2015 is long overdue.

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