



# The governance of water services in Europe

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# Who we are



- ~ EurEau is the **European federation of water services**
- ~ We represent **32** national associations of **drinking water** and **waste water operators** from **29** European countries
- ~ We represent both **public** and **private** sector
- ~ With **500,000 direct jobs**, we make a significant contribution to the European economy



# What we do

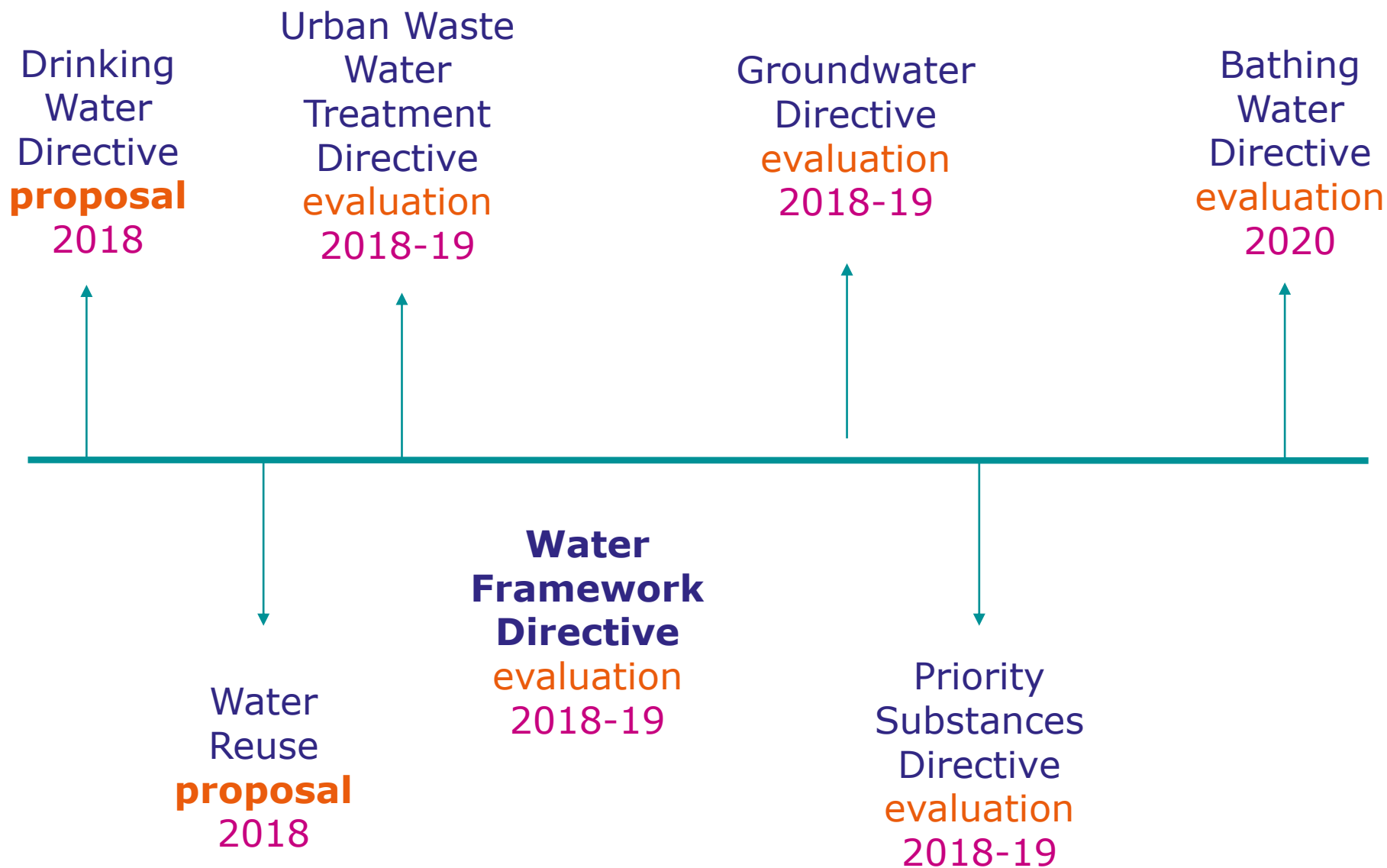
- ~ Our experts exchange **knowledge**
- ~ We establish **positions** and
- ~ We engage with **EU policy makers.**



# Why a report

- ~ Need to describe a complex sector
- ~ Water services are organised differently in MS + one MS may choose several management models
- ~ Roles of the various actors involved
- ~ Various levels of governance
- ~ Diversity: challenge for EU decision makers
- ~ Snapshot 2018 situation

# EU water legislation on the move



# Water services

- ~ Art.2(38) Water Framework Directive.
- ~ Services of general (economic) interest.
- ~ Regulated at EU **and** national levels:
  - ~ EU level -> environmental and health standards.
  - ~ national level -> Subsidiarity Protocol (n.26) TFEU on the choice of the management models
  - ~ EU institutions are neutral on the choice of management models.

# Water services in the EU



Four management models\*:

1. **Direct public management:** the responsible **public entity** is **entirely** in charge of service provision and their management. This system used to be predominant in Europe.
2. **Delegated public management:** a management entity is appointed by the responsible public entity to execute the management tasks. Management entities remain the **ownership of the public sector**. In the EU there is the possibility of a minor private shareholding.

Classification by Van Dijk and Schouten, in Techneau 2007.

# Water services in the EU



- 3. Delegated private management:** the responsible public entity **appoints a private company to operate the services**, on the basis of a time-bound **contract** in the **form of lease or concession contract**. The ownership of the **infrastructure** remains **public**.
- 4. Direct private management:** all management tasks, responsibilities and ownership of water utilities are placed in the hands of **private operators**. Public entities control and regulate.



# Overview 2018

- ~ In the majority of countries there is a mix of the models 1,2,3 -> **ownership** of infrastructure is **public**.
- ~ Model 4: England, Wales and a case in CZ.
- ~ Trend towards **public** and **private delegated management** (compared to 1997).
- ~ Public authorities are also in charge of:
  - ~ approving the tariffs
  - ~ determining the quality of service
  - ~ setting and enforcing the environmental and health standards.

# Tariffs

- ~ Cost recovery through Tariffs almost everywhere in Europe: in some cases costs are also covered by Transfers and Taxes (3Ts).
- ~ The tariff structure differs from country to country, but in the majority of cases, the tariff is made up of a **fixed component** and a **volumetric component**.
- ~ A tendency to set the '**tariff structure**' at **national level** may be observed, **while price setting** still takes place at **local level**.



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# Public authorities involved

- ~ **Tariffs** are proposed by the water operator to the competent authority (municipality/regional government or regulator, national ministry or regulator) for approval.
- ~ **Drinking water quality:** health ministry or health local authorities
- ~ **Protection of water resources:** environment ministry/river basin authorities/agencies (national/regional)

# DWD public consultation - 2014

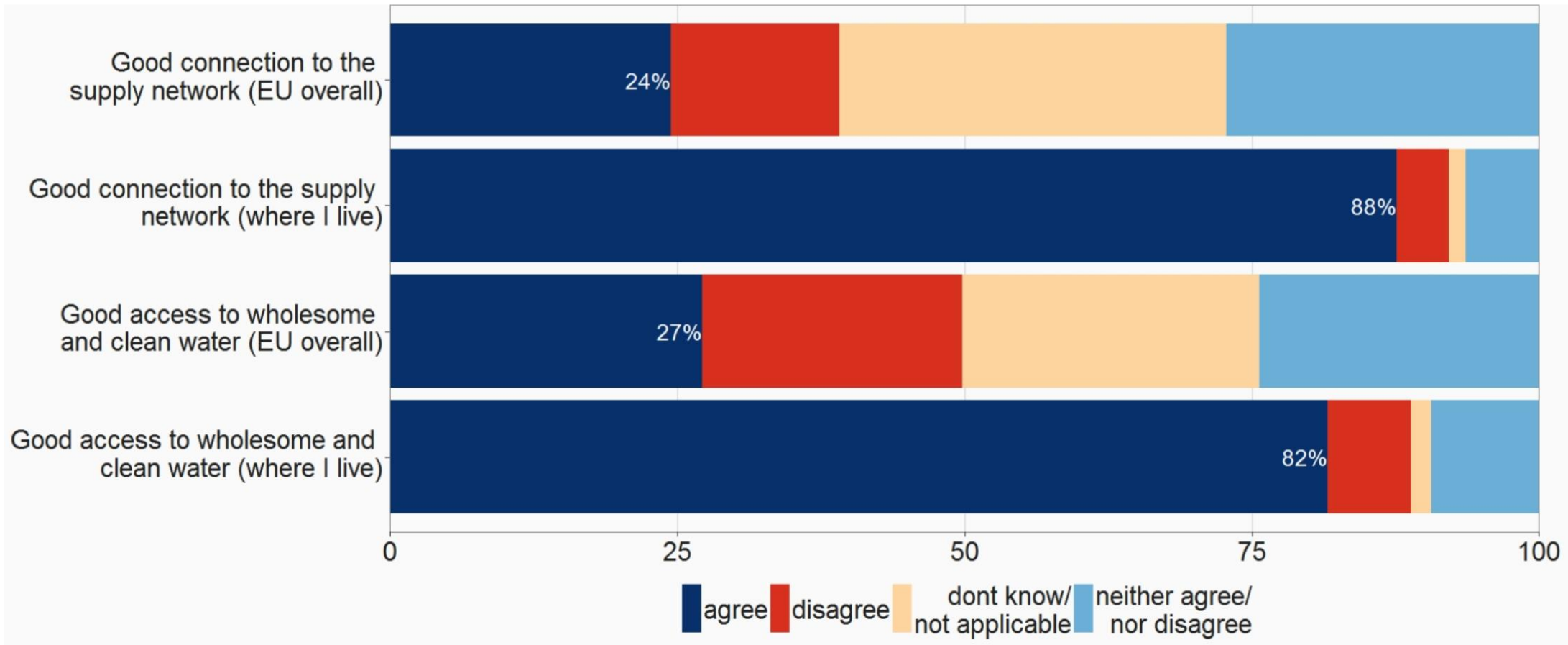


Figure 8: Distribution of responses to the questions on the accessibility of drinking water

# DWD public consultation - 2014

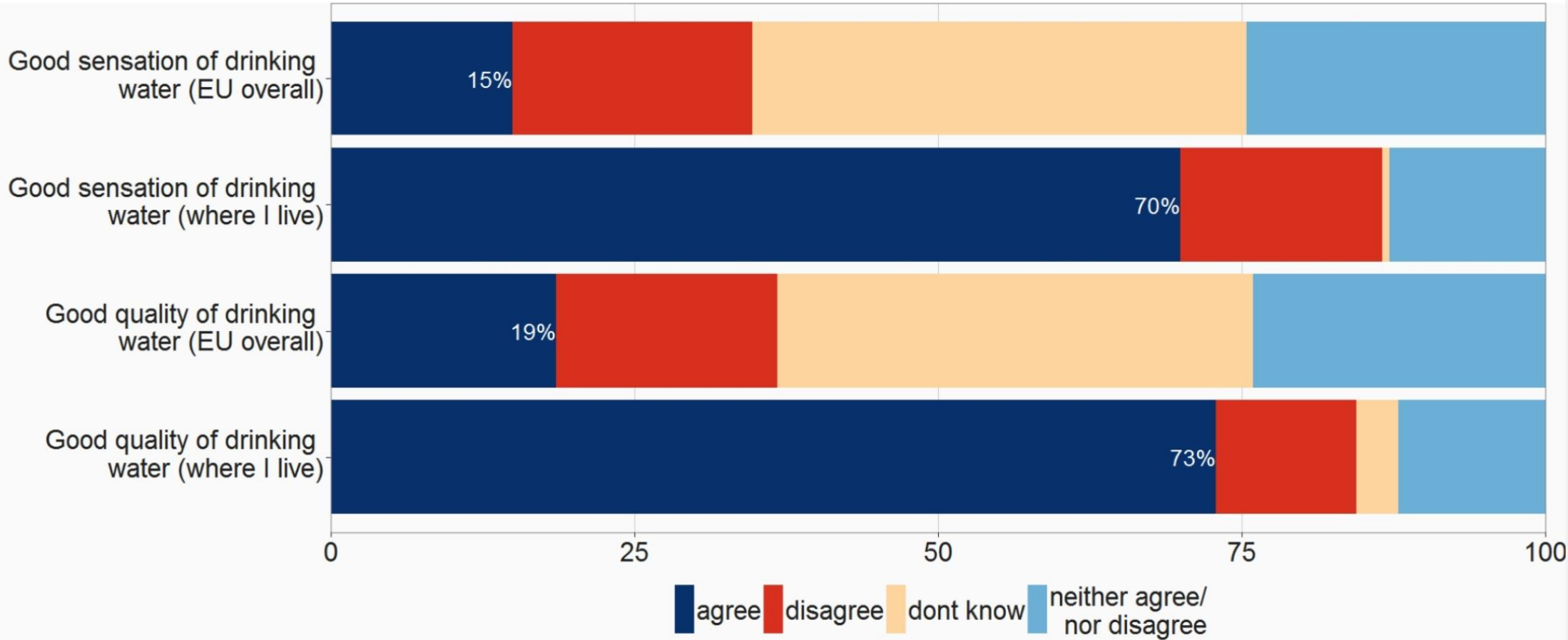


Figure 12: Distribution of responses to the questions on the acceptability of drinking water

# DWD 2018



## ~ Access to water

~ Affordability is missing

~ Promotion of tap water to limit the use of plastic bottled water

## ~ Information to the public

~ Quality of DW in the EU

~ Relevant information beyond quality

# Thank you for your attention

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