



EUROPE-INBO 2015

Roundtable 3.

The Financing of Water Policy, Economic Analysis and Regulation

Reporting on the presentations and working groups discussions

Programme

ROUNDTABLE 3: THE FINANCING OF WATER POLICY, ECONOMIC ANALYSIS AND REGULATION: Implementation and funding of Programmes of Measures: Mobilisation of funds and especially access to EU Structural Funds; Principle of cost recovery; Economic analysis for cost-effective combination of measures.

- **Co-chairs**

Mr. Stephane HAUSSOULIER –*President of International Committee of Artois-Picardie*

Mr. Jacques GANOULIS - *Water & Marine Director, Greece*

- **Co-reporters**

Mr. Ray EARLE - *Ireland*

Dr. Savvas GENITSARIS - *AUTH, Greece*

- **Panellists**

Ms. Soso DOUKA - *Ministry of Environment and Energy - Greece*

Presentation of the current situation in Greece

Mr. Marcus AGBEKODO - *Deputy DG, Artois-Picardie Water Agency, France*

Mr. Alberto BIANCARDI - *President of the European Network of Water Regulators, WaReg*

Ms. Kerry Maria AGUSTSSON - *Norwegian Environment Agency, Norway*

Status of economic analysis in Norway

Ms. Ina KRUEGER - *Ecologic Institute, Germany*

EPIwater project: Economic Instruments in Water Policy

Public Debate and Recommendations

Main outcomes and recommendations

- * Lack of Single Framework between and within Countries due to Different Users/Suppliers
- * Weakness of ability to Compare and Evaluate for Regulators
- * Huge Variation in Pricing due to DW vs. DW+Sanitation, Distribution, Infrastructure, Taxes
- * Lack of International Benchmarks on Regulatory recommendations
- * Lack of Motivation for Improvement of water Services
- * Cost of Recovery NOT comparable with Price Imposed for different Countries and different Regions and Sectors within Countries----
- * EU requires that Member States Charge the “Real Cost of Water”
- * Paradox that Water Cheaper in Southern EU than in Nth EU
- * Denmark has a component for Water Security—no Public Funding – 20 Yr Loan
- * France includes DW, Sanitation, Taxes, Agency Fees, Transfer Costs
- * Cost of Preventing Measures is ultimately lower than doing nothing

Main outcomes and recommendations

- * Compare Water Price in House vs. Electricity, Internet, Mobile Phone, Car Transport etc.----don't really value the water
- * Price Varies from €1.20 in Athens to €3.50 in Holland/Belgium and varies hugely in France as very detailed bills from €1.50 to €7.0
- * France mandatory to Balance Revenue and Expenses at mayoral level
- * Ultimately it is a Political Challenge and to bring Citizens and Industry with leadership for Sustainability—Recover CAPEX and OPEX Costs essential---Climate Change requires an amount for “Stochastic Calculus” to hedge bets on future hydrology
- * How to Balance ---a) Polluter Pays Principle, b) Equality Principle for Different Water users i.e. Domestic vs. Agriculture vs. Industry, c) Subsidiarity Principle and d) Cost Recovery Principle
- * Need Affordability Assessment to be Independent of True Cost---Gap to be funded as a Transfer and not as a Tax or a Tarriff
- * Price should be linked to Average Industrial wage and Index/Inflation Linked
- * Need 80% Income from Bills to qualify to go to Financial Markets

Main outcomes and recommendations

- * EU Structural Funds interested to Improve Investment in Networks
- * Transfer Funds to Countries that have a more difficult Growth issue for the Economy – Create Solidarity across EU by linking different Socio-Economic Groups, Regions etc.
- * The Research of funding must be guided by the Polluter pays principles of EU and be seen to be based on Cost Recovery—open and transparent
- * Enforce this Principle for ALL—including Greece etc.
- * Rely on WaREG and EPI-Water to develop Tools of Good Practice to Collect Data, how to manage transfers for overall EU Policy Joint Objectives
- * Total Cost includes Protection of water Catchments, manage Biodiversity, valuation of Ecosystems, Tourism for Fishing/Boating, Wellbeing associated with water, Value of Property with a view to Lake etc.
- * We agree with DECLARATION and the preceding points focused on water Supply fully support the core of the DDECLARATION