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
* Need Affordability Assessment to be Independent of True Cost---Gap to be funded as a Transfer and not as a Tax or a Tariff
* 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 DCECLARATION