



EUROPEAN ASSOCIATION
OF PUBLIC WATER OPERATORS

Aqua Publica Europea

THE EUROPEAN ASSOCIATION OF PUBLIC WATER OPERATORS

33e Congrès International du CIRIEC
Valencia, 13-15 juin 2022



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WHO WE ARE

ABOUT AQUA PUBLICA EUROPEA

67 MEMBERS

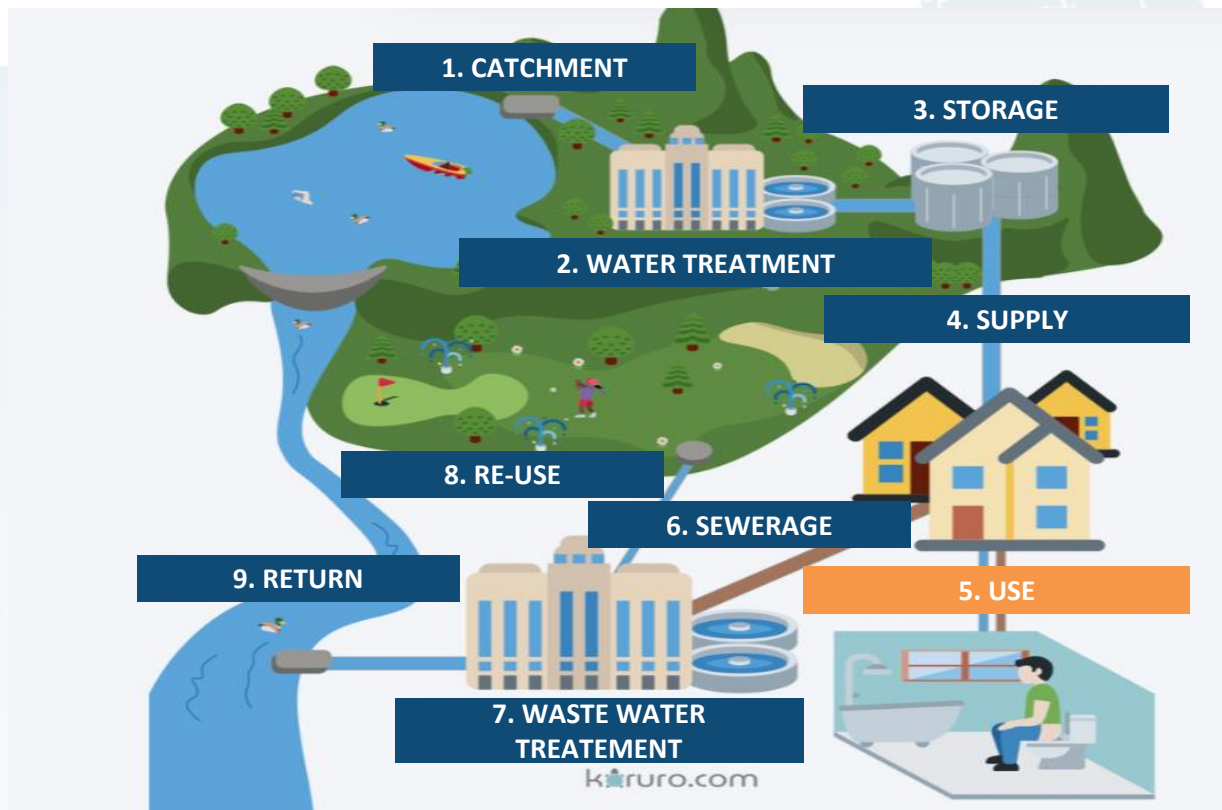
Public water and sanitation operators

80 MILLION
citizens served every day

2 MAIN OBJECTIVES

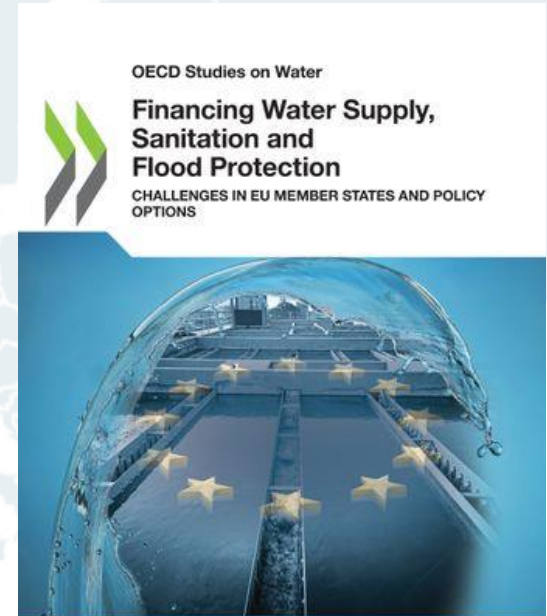
- *Promoting public management*
- *Providing a platform for mutual learning*

The (traditional) job of water utilities



| An easy job?

- Between 60 and 80 different '**professional profiles**' needed to run a water utilities
- **Significant costs**: staff, laboratories, IT infrastructure, treatment plants, Pipes, etc.



| Some key figures on water investments in the EU

- Estimated annual expenditure EU 28 **100 billion €**
- Estimated annual expenditure/GDP **≈ 0,7%**
- Estimated annual expenditure **per capita** **200 €**
- Estimated **additional** expenditure 2020-2030 **289 billion €**

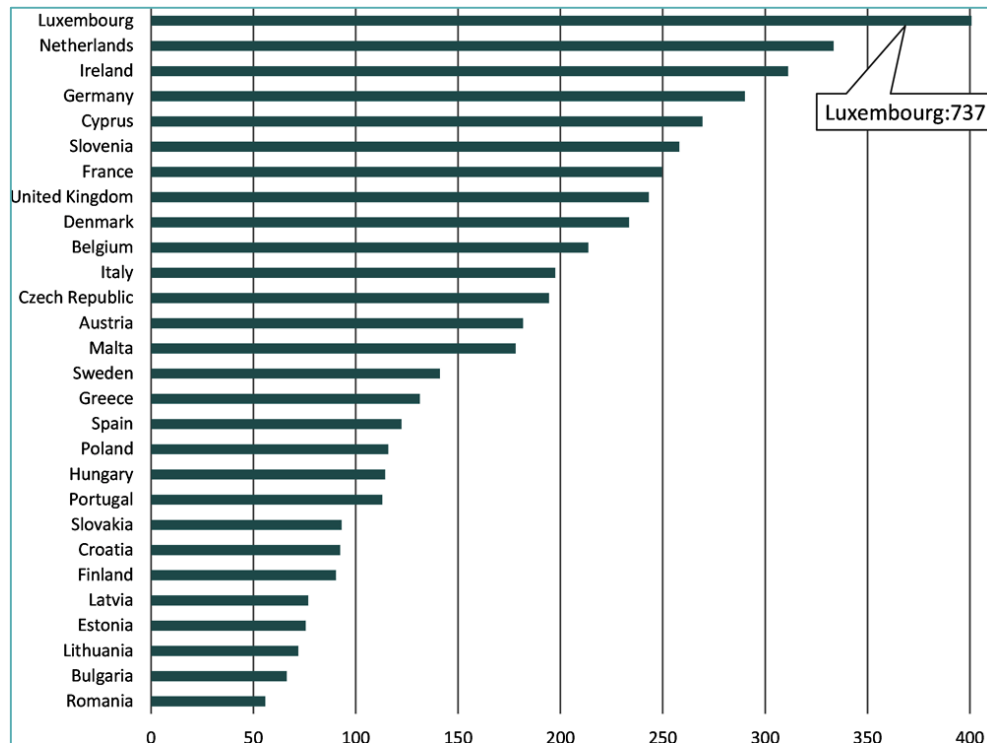
To deal with:

- *Demographic change – urban growth*
- *Compliance with existing legislation (especially ‘Urban Wastewater Treatment Directive’ - UWWTD)*



Current Expenditure Water And Sanitation Services

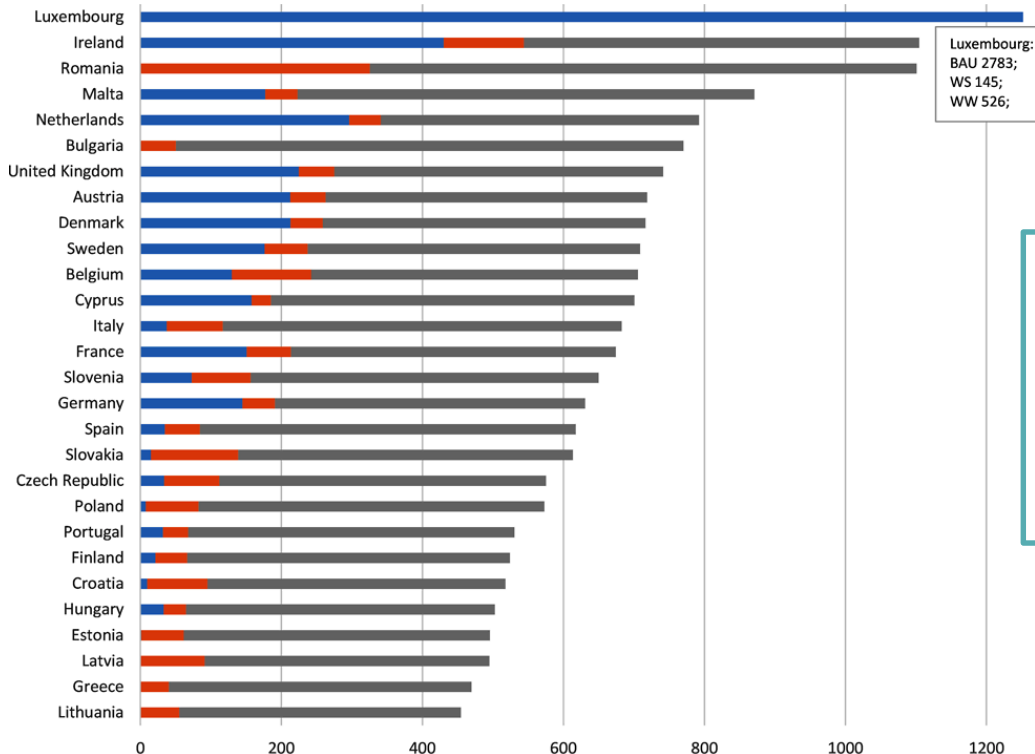
Estimated current annual expenditures per capita for WSS - EU countries



Median value:
180€ ca. per
capita

Projected Additional Investments

Per capita cumulative additional expenditures estimated by 2030



Main factors for additional expenditure:

- Urban growth-new connections (blue bar)
- Compliance with existing legislation (grey and red bars)

| How Are The Costs Of Water Services Recovered?

- Conceptual model: '**3 Ts**' – Taxes, Transfer, Tariffs
- Legal obligation, art. 9 Water Framework Directive: **Full Cost Recovery**

“Member States shall take account of the principle of recovery of the costs of water services, including environmental and resource costs, [...] in accordance in particular with the polluter pays principle.

Member States shall ensure ... an adequate contribution of the different water uses, disaggregated into at least industry, households and agriculture, to the recovery of the costs of water services”

...Reality: low resort to taxes, transfer significant but decreasing, mostly tariffs and *mostly households*

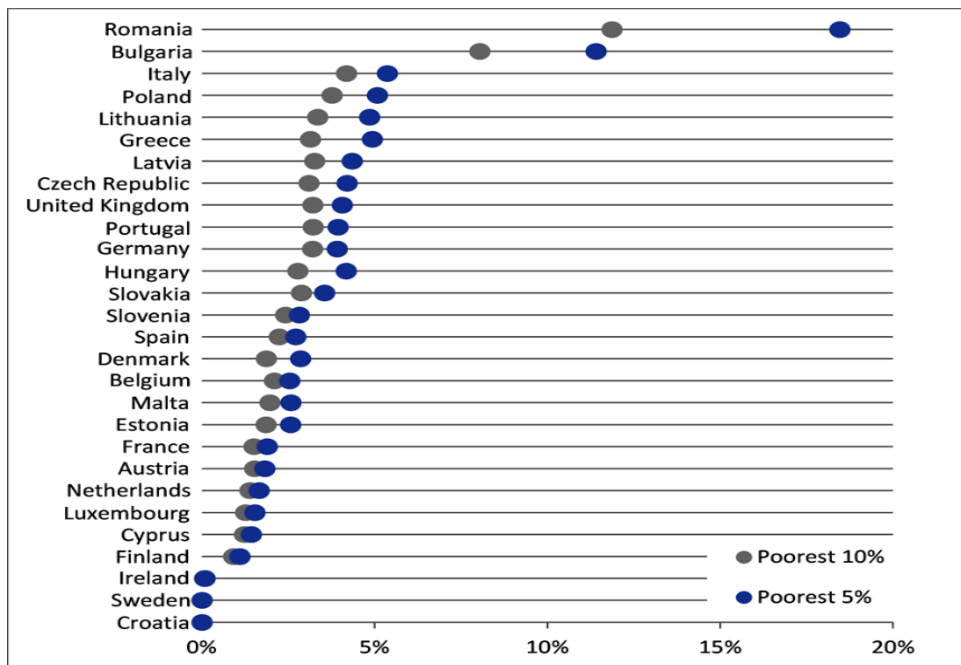
“To deliver the EU's Green Deal ambitions efficiently and fairly, polluters need to pay for the environmental damage they cause. Up to now, though, European taxpayers have far too often been forced to bear the costs that polluters should have paid”

Viorel Ștefan, European Court Auditors, author of the report
'The polluter pays principle: inconsistent application across EU environmental policies and actions'



Impact on affordability for households

Projected affordability issues: percentage of disposable income (X axis)
to pay WSS for the 10% and 5% poorest of population



Affordability: < 3%
of disposable
income

Estimation:
affordability
problems for the
5% poorest in 13
countries



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The cost is even higher...



Brussels, 11.12.2019
COM(2019) 640 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE
REGIONS

The European Green Deal

New legislation, stricter requirements
(forthcoming revision of UWWTD Directive,
Bathing Directive, Sludge Directive...)



Climate change: higher risks and pressures



Actions by public water
operators to foster
confidence in tap water



Energy Production, Sludge
Incineration Plant
Hamburg Wasser (Hamburg, DE)

New expectations and responsibilities for
water utilities



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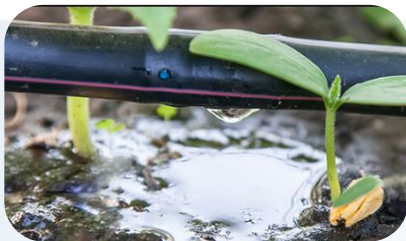
| How to climb the investment mountain?

- Investment needs > Minimising
- Investment offer > Maximising
- Financing mechanisms > Equalising



How to climb the investment mountain?

➤ Investment needs > Minimising



Efficiency (water operators – society at large)



Rainwater retention basin in
public garden area – Gruppo CAP
(Milan, Italy)

Investment design (resilience, green and long term)



Policy on pollution prevention

Public campaign against wet wipes,
Scottish Water (UK)

How to climb the investment mountain?

➤ Investment offer > Maximising



New Wastewater treatment plant – Hydria (Brussels, BE)

Public banks



Green financing (*...if well done*)



Blended finance (*nice... but complex*)

| How to climb the investment mountain?

➤ **Financing mechanisms > equalising**



'Polluter pays' ... really!



➤ **Building a Global Compendium on
Land Value Capture**

... but also new funding mechanisms



Territorial equity (urban/rural)

A final word



European Parliament Public Hearing on
“Right2Water” citizens initiative
(17-02-2014, Brussels, BE)

- Water is a common responsibility (has costs, trade-off, implies political choice...)



A new storm water basin
VIVAQUA (Brussels, BE)

- Investments are not just a burden: water operator can drive development, actor of local development, localised capacities.



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Further questions?



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