



**EUROPEAN ASSOCIATION
OF PUBLIC WATER OPERATORS**

APE Position on the Impact Assessment policy options for the revision of the EU Drinking Water Directive

2 February 2016

ABOUT AQUA PUBLICA EUROPEA

Aqua Publica Europea (APE) is the European Association of Public Water Operators. It brings together 100% publicly owned water and sanitation services, and their national and regional associations. Our mission is to promote public water-management at both European and international level.

Overall, APE members provide water and sanitation services to over 70 million Europeans, covering the rich and varied landscape of our continent - from the North Sea to the Mediterranean, and from capital cities to remote rural areas.

- APE is a platform, facilitating knowledge exchange and joint projects among members to improve performance.
- APE is a forum for public operators to meet and discuss water policy issues with the objective of contributing to international policy-making in the water sector.
- APE is a catalyst, supporting the development of the international water community by promoting a dialogue between public water operators, the business sector, the academic world, and public institutions.

SUMMARY

- We welcome the Commission's intention to **develop a more holistic approach** to drinking water quality. We are persuaded that integrated planning and management, from source to tap, is a key condition to protect water resources through comprehensive and cost-effective measures (reduction of pollution at source, protection of catchment areas, etc.).
- To achieve this objective, **the involvement of all relevant stakeholders is essential**. Public water operators are already playing their part by acting as a catalyst at the local level. However, the responsibility of developing an enabling institutional framework cannot be left only to water operators. At the EU level, stronger alignment of different policies (in particular DWD and WFD, but also agricultural policies) will be needed. At the local level, a mix of mandatory measures and incentives needs to be carefully designed to promote coordination among relevant stakeholders and authorities. Political will remains, in any case, a key variable.
- In this framework, **Water Safety Plans (WSP) appear as a promising approach**. By fostering the adoption of preventive measures based on a comprehensive understanding of local hazards, WSP should naturally encourage knowledge-sharing and cooperation among local actors. However, a generalised shift towards WPS can only be progressive, as it entails significant changes to the architecture of the water management system. Meanwhile, the current framework based on uniform monitoring procedures should continue to apply.
- Regarding communication on drinking water quality, **the focus should not only be on the "tools", but also the kind of information to be provided**. The challenge is to provide information that is relevant for consumers while, at the same time, raising their awareness about real risks. A common portal providing solid, science-based information could be useful. Instead, an EU label could be counterproductive as regards the general objective of increasing trust in tap water.
- **We are strongly committed to increasing democratic control of water operators**, through the diffusion of participatory governance practices, transparent information on economic decisions, CSR reporting, etc. Transparency is also an important condition to raise citizens' awareness and political support for integrated, long-term solutions. The challenge at the EU level is to develop a framework that promotes comparison and sharing of transparency models, while preserving the necessary bottom-up nature and autonomy of any initiative. **In this context, transparency needs to be distinguished from benchmarking of performance**. Performance benchmarking does not contain any assessment as regards the cost-effectiveness of alternative investment decisions, which is essential for democratic control.
- Regarding the right to water, **it is useful to distinguish accessibility from affordability**. These two dimensions of the right to water need to be addressed through different types of measures. However, in both cases, **the involvement of local and national authorities is needed**. A clear legislative framework is also crucial (again, the relation between the DWD and the WFD is not evident).

1) TOWARDS A MORE HOLISTIC APPROACH TO WATER RESOURCES PROTECTION AND DRINKING WATER QUALITY

Aqua Publica Europea – the European association of public water operators – appreciates the European Commission’s intention to *develop a more holistic approach* to drinking water quality.

We are persuaded that integrated planning and management, covering the whole water supply chain, is a key condition to protect water resources through comprehensive and cost-effective solutions (based especially on the protection of catchment areas and the control at source of pollution). To achieve this, the involvement of all relevant stakeholders and competent authorities is essential.

In this framework, utilities have an important responsibility. *Several public water operators are already acting as a catalyst* at the local level: being “naturally” embedded in the territorial system, they routinely connect different stakeholders, competences and civil society groups with the aim of identifying and implementing sustainable solutions.

However, *the responsibility of developing a comprehensive and coherent institutional framework cannot be left only to water operators*. At the EU level, stronger alignment of different policies will be crucial. In particular, the interplay between the DWD and the WFD, with their different operational logic, should be carefully considered. Greater convergence with other policy areas, in particular agricultural and enterprise policies, will also be essential.

A similar coordination will then also be needed at the local level. It is not clear at this stage how some general EU legal provisions can affect complex governance arrangements at the local level. Probably, a mix of mandatory and voluntary measures, incentives, and comparative tools will be necessary in order to promote the *integration of scattered competences and responsibilities*. More reflection on how to trigger this crucial transition is certainly welcome. Such a reflection should already be based on a larger participation of relevant stakeholders.

2) WATER SAFETY PLANS: OPPORTUNITIES AND CHALLENGES OF A DECENTRALISED APPROACH TO WATER QUALITY

In the light of the objective outlined above, *Water Safety Plans (WSP) look like a promising approach* that can foster the improvement of the drinking water management system, through solutions adapted to local specificities. Here again, the challenge will mainly concern the institutional set-up: the entities involved in risk assessment need to have the adequate means (technical, legal, etc.) to implement the appropriate responses.

In this sense, a full-scale and generalised move towards WSP can only be progressive, as it entails a series of significant changes to the whole architecture of the water management system. In particular, the need for a consistent approach on WSP at EU level will have to be reconciled with the autonomy of Member States in defining its concrete implementation (especially for the certification/control system). In addition, its potential economic impact – particularly on smaller/peripheral contexts – will also have to be taken into account.

Meanwhile, the current system based on uniform EU-wide monitoring procedures and on the precautionary principle should continue to apply.

3) WHAT KIND OF COMMUNICATION ON DRINKING WATER QUALITY?

Many of our members have been implementing advanced informative tools (e.g. web- or mobile-based real-time information). Others have been promoting awareness-raising campaigns for consumers. The diffusion of such good practices could be promoted, especially at national level.

However, *the focus should not be just on the “tool”*. The question is also how to ensure that the *information is meaningful*, i.e. is both easily understood and relevant for the consumers. A common portal providing solid scientific data on main contaminants and their impact on health might be useful both to raise consumers’ awareness and to avoid the risk of misunderstandings and unjustified alarmism. With regard to the information derived from Member States’ reporting obligations, the current system seems not effective in providing updated and relevant information in a user-friendly way (for instance, the simple application of the “one out, all out” principle, like in the current Structured Implementation and Information Frameworks (SIIFs), could lead to distorted representations of reality).

The *introduction of a compulsory labelling system*, which would highlight different water quality levels across Europe, does not seem appropriate. Firstly, it could induce the perception that water in territories lacking the label is below standards. *That would be counter-productive as regards one of the main objectives of the revision of the directive, namely increasing citizens’ trust in tap water* (wherever they are in Europe). Secondly, this label seems difficult to reconcile with the principle that all EU citizens have the right to drinking water which is safe and clean.

4) TRANSPARENCY, ACCOUNTABILITY AND PARTICIPATION AS CONDITIONS FOR DEMOCRATIC CONTROL

Transparency is a key condition to improve democratic control. Democratic control, in turn, is a requisite to make sure that the best solutions are adopted for the benefit of all.

As an association bringing together 100% publicly-owned operators, we are persuaded that water is a common good and our action is oriented to achieve long-term solutions responding to the general interest. Based on our specific management model, we are committed to promoting initiatives that foster participation and accountability towards decision-makers, consumers and other stakeholders, such as: participatory governance mechanisms; corporate and social responsibility reporting; online updated information on investment decisions and consumers’ satisfaction, and initiatives on water and energy efficiency.

We would be happy to share these experiences. It seems difficult, though, that a uniform approach can be established in this domain at the EU level. However, the *Commission could usefully promote a “common framework” to promote the comparison, circulation and uptake of best-practices*. This would also provide a platform to favour the dialogue with civil society.

From this standpoint, *we reiterate once again that benchmarking does not per se correspond to transparency*. Benchmarking is a methodology through which water operators’ activity is compared with the aim of improving performance. *In this sense, benchmarking does not include any assessment as regards the cost-effectiveness of alternative investment decisions (nor the costs of inaction...), which is the core of democratic control and decision-making*.

Due to its high technical complexity, the establishment of a compulsory performance benchmarking at EU level appears problematic and controversial¹. Many countries/regions have been developing their own benchmarking system for some time now. Therefore, if the EU wishes to favour benchmarking as a way to boost performance (but not transparency), it seems more effective *to promote the coordination of existing national benchmarking exercises*, for example by ensuring that compliance with DWD requirements becomes an element of these exercises. The EU could also support a wider participation of operators (especially those operating in more peripheral areas) in existing transnational voluntary benchmarking exercises.

5) REALISING THE RIGHT TO WATER

If the objective of the revision of the DWD is to achieve higher water quality standards, this must be for all. APE strongly defends the need of a legislative framework which reconciles the right to water and economic sustainability.

In this sense, it might be worth *distinguishing issues related to access to water (availability of infrastructure) from affordability issues*.

With regards to infrastructure accessibility, the problem in Europe mostly concerns some specifically disadvantaged social groups. This issue can be addressed only *through the involvement of national/local authorities*. Although water operators can do something to ease the problem (many APE members have been promoting the installation of free “water fountains”), *in most cases they do not have the competence to tackle it*.

Regarding affordability, we believe that the problem is better dealt with the general social security system. We do nevertheless recognise that not all Member States have targeted measures in place to tackle water affordability issues. Where this is the case, specific measures (mainly in the form of “water solidarity funds”) can effectively address these problems while ensuring cost-recovery. However, also in this case, the involvement of the competent authorities seems essential. *A clear legislative framework is also crucial*. Again, the relationship between the potential new provisions of the DWD and the existing WFD is not evident (it is interesting to note that the very first proposal of the European Commission for a Water Framework Directive (COM(97) 49 final) contained an explicit derogation to the cost-recovery obligation in case of affordability problems; maybe this exception could be reconsidered).

To conclude, we express our appreciation for the open and participatory approach adopted by the Commission to consult stakeholders on the revision of this important piece of EU legislation. We consider that this already represents a positive step towards the development of a holistic approach. We look forward to the development of the common process and will be happy to share our experiences and ideas.

¹ Benchmarking is based on the complex integration of long series of indicators in order to factor in highly differentiated contextual economic and geographical-geological characteristics, so as to produce comparable results. The wider the socio-geographical distance, the more difficult the comparison becomes (the Italian national regulator – AEEGI- has just published the new methodology to establish tariff adjustments based on water operators’ performances: the methodology is made up of 40 pages-long statistical calculations; see here: <http://www.autorita.energia.it/it/docs/15/664-15.htm>).

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