

DOCUMENT ON “EUROPEAN INSTITUTIONS ENGAGEMENT”

Context

The first document contextualizing the creation of WAREG clearly expressed that the harmonization of water services regulation practices in Europe was needed in order to better manage this important resource at the European level, as well as to promote stable regulation of water services in European countries.

The necessity of WAREG in the European Union

It is recognized that there are specific issues, challenges and conditions within the water sector which create the need for a dedicated instrument for cooperation between authorities of the different European countries. Water services are challenged by social concerns of equal accessibility for end-users, especially with respect to the sensitive issue of pricing policies, and these are one of the main driver for regulators' intervention, especially in the context where water and sanitation are recognized as human rights. Additionally, these services are characterized by relevant financial issues, including the gap between financial needs to cover operating and capital costs and the self-financing capacity of operators, as well as by the presence of fixed and sunk costs, which increase the water sector risk. Considering the potential clash of opposing interests in this sector, a strong commitment of national regulators is required in order to create a balance between operators and consumers in the interest of the entire sector, in accordance with EU rules. In doing so, national regulators can take advantage from networking and sharing common objectives, including the following ones, that are indicated in the Action Plan approved by WAREG Assembly:

- a. *to promote a harmonized, effective, efficient and stable regulation framework of the water sector at EU level for water and waste water services, aimed at supporting the sustainability of the services, adequate infrastructure investment, proper service quality standards and consumer protection;*
- b. *to promote capacity building, organize specialized training, technical assistance, exchange of know-how and experience;*
- c. *to promote best-practice and stable regulation of the water sector at European level for water and waste water services, aimed at supporting the sustainability of the services, adequate infrastructure investment, proper service quality standards and consumer protection;*
- d. *to prepare common positions about regulatory issues and speak with a stronger voice at European Community level;*
- e. *to conduct an open dialogue with other relevant regional and international organizations and national institutions, with particular focus on European issues in the field of water services.*

Proposal

Following the definition of the above-mentioned objectives, and taking into account that WAREG is now recognized by its members as a relevant Institution in the water sector in Europe, there is an opportunity to reach the EU institutions, by establishing a fruitful and qualified collaboration, both at institutional and technical levels, towards the definition of better water regulation in EU countries.

Therefore, considering that recently the new European Commission was appointed by the European Parliament, it is proposed that WAREG starts establishing contacts with EU institutions at all levels. These contacts should be carried out under the framework approved in WAREG Action Plan and following a discussion at the upcoming WAREG General Assembly meeting in Dublin, in order to reach a common ground of topics to be presented externally and aim, among other things, to:

- present WAREG and its members as potential partners of the EU institutions for the development of work with common interest;
- share with relevant EU institutions some of the work already being developed within WAREG;
- demonstrate the importance of regulation in the creation of an enabling environment for the improvement of water services provision and its efficiency;
- express WAREG's views on major opportunities and concerns that the water services sector is currently facing.

Considering that the above-mentioned functions should be clearly stated in WAREG internal rules, which have not yet been defined, it is proposed that institutional contacts with EU Institutions are temporarily carried out by interim representatives to be appointed by the Assembly.

Therefore, for the time being, the two Signatories of this proposal are available to be interim representatives of WAREG in this context, anyway inviting others to volunteer for this role. For organization purposes it is suggested that there is a maximum of three interim representatives.

The Signatories,

Alberto Biancardi, AEEGSI (The Italian Regulatory Authority for Electricity Gas and Water)

Jaime Melo Baptista, ERSAR (The Portuguese Water and Waste Services Regulation Authority)