



WAREG
European Water Regulators



FIVE YEAR REPORT
2014 ~ 2019



*“Knowledge
and Regulation for
Water Services”*

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FIVE YEAR REPORT

2014 ~ 2019

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President's Statement

The application of economic regulation theory and tools to the water sector is relatively new in most European Countries. It is only after the year 2000 that, with a few exceptions in the EU, regional and national authorities were created from scratch or received specific powers to supervise efficiency and quality of water and wastewater services.

In the same year, a directive was adopted by the European Parliament and the Council of the European Union to establish a single framework for Community action in the field of water policy, the so-called EU Water Framework Directive, which set the necessary standards to protect water resources and to promote their efficient employment.

However, the ecological and chemical status of surface and ground waters in the EU, as well as the quality of drinking water, depends not only on morphological and geographical factors but also on the conditions of infrastructures that are necessary to deliver water for human consumption, which require maintenance and investments, hence relevant costs that need to be recovered through tariffs or taxation.

Efficiency and transparency of operational and capital investment expenditures, to ensure access to good quality drinking water for all, are core concerns for economic regulators, who have the responsibility to set fair and sustainable tariffs. It is in a spirit of cooperation and exchange of best practices that a group of agencies decided to create WAREG, the first Network of European Regulators, in April 2014.

In the past five years WAREG has become more than a network, turning into a formal platform where regulatory agencies can find solutions to specific challenges for operators, consumers and the environment. WAREG is today an Association of 26 Members from EU Countries, EU pre-accession Countries and Eastern European Neighborhood Policy Partner Countries.

In WAREG we are fully aware that water governance in Europe is widely different, and that it encompasses different institutional arrangements at local, regional and national level, depending on economic, social and political variables. There is no “one-size-fits-all” regulatory model: national independent regulation is a possible one, however local and regional models offer brilliant examples of efficient regulation.

Since its establishment, WAREG has greatly benefited from such diversity of governance and regulatory models, which has allowed to share relevant data on water systems, to support non-EU Members in the full understanding of EU water legislation, and to disseminate knowledge on the impact of tariffs and economic regulation by means of reports, workshops and a public website (www.wareg.org).

We look forward to consolidating Members’ connections and to strengthening WAREG cooperation with EU Institutions, European stakeholders’ associations and international organizations, in order to explain the tools and advantages of economic regulation.



Andrea Guerrini
Wareg's President

1 About Wareg

Who We Are

WAREG – European Water Regulators is the association of public Authorities that hold responsibilities of economic regulation in the water and wastewater sectors in Europe. Created in April 2014, when an initial group of 12 regulatory entities convened to learn from each other's experience, WAREG currently gathers 32 Authorities (national and regional regulators, governmental agencies and Ministries), and has become the first network to promote an increasingly effective, stable and harmonized regulation of water and wastewater services across Europe. As an open association, WAREG offers to any European entity, or legal body that regulates water and/or wastewater services, the opportunity to apply for WAREG membership or observer status.

Mission

WAREG is the Association of European Water Regulators operating in the wider European Region whose primary aim is to promote closer cooperation among its Members. WAREG mission is to harmonize the European regulators' action while facilitating proactive collaboration, knowledge exchange, and capacity building activities among its Members.

WAREG has been strengthening harmonious relations with European Institutions and stakeholders, including associations of operators and customers, and the broader scientific community. WAREG seeks to highlight the advantages of promoting financial stability and efficiency of operators, increase in infrastructure investment levels, convergence of service quality standards, protection of consumer interests and safeguard of the environment.



“Knowledge and Regulation for Water Services”

Collective Action

European Water Regulators work together for:

1

Industry, consumers and environment Analysis of regulatory tools to:

- Encourage new investments, also to address climate change and ensure environmental sustainability
- Promote cost-efficiency
- Ensure affordability of water prices for consumers Foster technological innovation

2

European Institutions and stakeholders

- Promote an institutional dialogue with EU Institutions
- Promote technical dialogue among the main actors of European water systems (i.e. regulators, national governments, EU Institutions, operators and stakeholders, etc.).
- Facilitate delivery of information from EU institutions and national authorities to citizens

3

Capacity-building in EU-candidate countries and other countries at international level on:

- Tariff-setting and pricing methodologies
- Governance models
- Water efficiency KPIs






2 Members & Observers

MEMBERS

	ALBANIA WATER REGULATORY AUTHORITY	ERRU
	ARMENIA PUBLIC SERVICES REGULATORY COMMISSION	PSRC
	AZORES ISLANDS WATER AND WASTE SERVICES REGULATION AUTHORITY	ERSARA
	BULGARIA ENERGY AND WATER REGULATORY COMMISSION	EWRC
	BELGIUM THE BRUSSELS ENERGY REGULATORY COMMISSION	BRUGEL
	CROATIA COUNCIL FOR WATER SERVICES	VVU
	ESTONIA ESTONIAN COMPETITION AUTHORITY	ECA
	FLANDERS FLEMISH ENVIRONMENT AGENCY	VMM
	FRANCE MINISTRY OF ECOLOGICAL AND SOLIDARITY TRANSITION	MITES
	GEORGIA GEORGIAN NATIONAL ENERGY AND WATER SUPPLY REG. COMMISSION	GNERC
	GREECE GENERAL SECRETARIAT FOR NATURAL ENVIRONMENT & WATER	SSW
	HUNGARY HUNGARIAN ENERGY AND PUBLIC UTILITY REGULATORY AUTHORITY	HEA
	IRELAND COMMISSION FOR REGULATION OF UTILITIES	CRU
	ITALY REGULATORY AUTHORITY FOR ENERGY, NETWORKS & ENVIRONMENT	ARERA
	KOSOVO WATER SERVICES REGULATORY AUTHORITY*	ARRU
	LATVIA PUBLIC UTILITIES COMMISSION	PUC
	LITHUANIA NATIONAL ENERGY REGULATORY COUNCIL	VERT

	NORTH MACEDONIA ENERGY REGULATORY COMMISSION	ERC
	MALTA REGULATOR FOR ENERGY AND WATER SERVICE	REWS
	MOLDOVA NATIONAL AGENCY FOR ENERGY REGULATION	ANRE
	MONTENEGRO ENERGY REGULATORY AGENCY	REGAGEN
	NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION	NIAUR
	PORTUGAL WATER AND WASTE SERVICES REGULATION AUTHORITY	ERSAR
	ROMANIA NATIONAL ROMANIAN REGULATOR FOR PUBLIC SERVICES	ANRSC
	SCOTLAND WATER INDUSTRY COMMISSION FOR SCOTLAND	WICS
	SPAIN MINISTRY FOR ECOLOGICAL TRANSITION	MITECO

OBSERVERS

	DENMARK DANISH COMPETITION & CONSUMER AUTHORITY	KFST
	ENGLAND WATER SERVICES REGULATION AUTHORITY & WALES	OFWAT
	POLAND STATE WATER HOLDING POLISH WATERS	
	TURKEY MINISTRY OF WATER & FORESTRY OF THE REPUBLIC OF TURKEY	MoFWA
	PROVINCIA AUTONOMA DI TRENTO AGENZIA PROVINCIALE PER LE RISORSE IDRICHE E L'ENERGIA	APRIE

3 Organisation Chart



General Assembly

The General Assembly is WAREG's decision-making body, meeting throughout the year to define strategic guidelines on both organizational and operational activities, to approve the annual action plan and to discuss the works carried out by Secretariat and Task Forces. The General Assembly has the responsibility to define and establish the priority activities and Action Plans, external communication, and overall administration and internal organization.



3 Organisation Chart

GOVERNANCE

Andrea Guerrini

PRESIDENT
ARERA, Italy



Katherine Russell

VICE PRESIDENT *
WICS, Scotland



Szilvia Szaloki

VICE PRESIDENT
HEA, Hungary



Anthony Sammut

VICE PRESIDENT
REWS, Malta



Dimitar Kochkov

VICE PRESIDENT
EWRC, Bulgaria



Fabio Tambone

EXECUTIVE BOARD
ADVISOR
ARERA, Italy



Board

The Board is made-up by the **President**, currently the Italian Regulatory Authority for Energy, Networks and Environment, and four (4) **Vice-Presidents** nominated every two (2) years by the General Assembly from amongst the highest representatives of Members. In addition, the Board is supported by an Executive Advisor.

The Board has the following main responsibilities:

- prepares and supervises the General Assembly;
- executes any decision taken by the General Assembly;
- carries out the external representation of WAREG.

* As of 5 September 2019, WAREG General Assembly accepted that Ms. Donna Very from WICS substituted Ms. Katherine Russell



Secretariat

The Secretariat supports all WAREG bodies and decides on its internal organizational structure and the allocation of roles and responsibilities in order to carry out its activities. The Secretariat ensures the coordination of WAREG bodies and activities; moderates the meetings of the General Assembly and prepares documents and common positions to be presented to the Assembly; drafts the WAREG Annual Work Programmes and Action Plans in coordination with the Working Groups Co-Chairs; manages internal communication amongst WAREG Members; keeps updated registers of Members and Observers; retains a Register of all Decisions taken by the General Assembly that shall be available for consultation by any Member; and executes any other function that may be assigned to it by the General Assembly and/or by the Board.

The Secretariat is made up of four members: Christian Minelli (ARERA, Italy); Alexandra Lungu (ANRSC, Romania); Stephanie Capaldi (WICS, Scotland); Gabor Kisvardai (HEA, Hungary).



Christian Minelli
ARERA, Italy



Gabor Kisvardai
HEA, Hungary



Alexandra Lungu
ANRSC, Romania



Stephanie Capaldi
WICS, Scotland

Task Forces

WAREG's analytical work on specific issues is carried out by *ad hoc* **Task Forces**, where up-to-date questions and challenges are debated in order to draft public reports and position papers.

The following Task Forces have been established:

- TF Institutional Frameworks;
- TF Governance;
- TF EU Monitoring;
- TF Tariff-setting;
- TF Investments;
- TF water efficiency KPIs;
- TF Affordability.



4 Our Work

ANALYSYS

We exchange common practices, information and provide joint analysis and comparison of existing water sector regulatory models as well as the performance of water utilities



TRAINING & ASSISTANCE

We organize specialized training, technical assistance, and exchange of know-how, promoting best-practice and stable regulation in water sector at European level, for water and wastewater services.

SHARING DATA AND REGULATORY INFORMATION

We promote cooperation with the aim of analyzing the sustainability of services, proper infrastructural investments, good quality services, and consumer protection.



EU AND INTERNATIONAL DIALOGUE

We conduct an open dialogue with other relevant regional and international organizations, as well as national institutions, with particular focus on European issues in the field of water and sanitation services.



*“Knowledge
and Regulation for
Water Services”*

5 Recent Achievements

Wareg development: the process

**Bilateral contacts
WAREG START-UP**
2013 - 2014

2nd GA
Lisbon
23 Sep 2014

4th GA
Edinburgh
28 May 2015

6th GA
Bucharest
16 Dec 2015

8th GA
Azores
2 Jun 2016

10th GA
Tallinn
6 Dec 2016

1st Meeting
Milan
23 Apr 2014

3rd GA
Dublin
26 JAN 2015

5th GA
Budapest
29 Sep 2015

7th GA
Tirana
16 Mar 2016

9th GA
Malta
27 Sept 2016

Reports

WAREG REPORT ON INSTITUTIONAL REGULATORY FRAMEWORKS. A COMPARATIVE ASSESSMENT (2015)

📍 **5th WAREG GA**

Budapest (Hungary), September 2015

In 2015 an *ad hoc* **Working Group** was established to investigate the institutional setting of water sector in WAREG Members' countries and the role and mandates of regulatory bodies.

THE REPORT AIMS TO analyze and compare available information; outline key points on the institutional frameworks of water and wastewater services regulation within WAREG member jurisdictions; describe institutional arrangements in use and enquires about the fundamental role of independent regulation to protect the interests of the stakeholders involved in the water sector.

CONCLUSIONS

- a) a variety of coordination arrangements exist in Europe, among different levels of governance in the water sector, from centralized (Ministerial Agency or national economic regulator) to decentralized decision-making (Basin Authorities, Regions, local authorities);
- b) typically, economic regulation is based on well-defined objectives internalized by tariff methodologies or referred to pre-defined key performance indicators; other typical functions of economic regulators are licensing, monitoring of regulated entities, enforcement of regulatory decisions;
- c) a majority of WAREG Members see their powers as "autonomous" from government. Although there is no common definition of "independent regulation", there are some criteria against which "autonomy" of regulators' decisions can be evaluated, such as nomination process and duration of the decision-making organ; legal provisions on independence; autonomy in defining internal organization; autonomy in raising funds (mainly through tariffs) and managing the budget.



WAREG REPORT ON EXTENT AND EFFECTIVENESS OF PUBLIC CONSULTATIONS BY REGULATORY AUTHORITIES (2015)

📍 5th WAREG GA

Budapest (Hungary), September 2015

In 2015, **WAREG Institutional Working Group** cooperated with the **Católica Lisbon School of Business and Economics** and **ERSAR (Portugal)**, in order to analyze practices of consultation procedures put in place by regulators before delivering decisions applied to regulated entities.

THE REPORT AIMS TO highlight and compare consultation practices in water services regulatory authorities, and produce general principles for public consultation practices of regulators.

CONCLUSIONS: Six principles are at the basis of public consultation processes:

- a) Integrity:** it is about identifying the right reasons and hearing participants' opinions before introducing changes in regulatory decisions. Be honest with the audience and with yourself;
- b) Transparency:** the public wants to know what regulators do and how. It is about being open to questions and transparent in replies, in order to maximize participation rates;
- c) Commitment:** it is about showing that public consultation will bring benefits to society and greater care of both citizens and stakeholders;
- d) Accessibility:** it is about clarifying doubts throughout the entire consultation process, by offering relevant information, and leaving adequate time to respond;
- e) Inclusivity:** it is about giving voice to any stakeholder, including also the point of view also of minority groups;
- f) Confidentiality:** it is about making clear what information cannot be disclosed during the process, and respecting any request of confidentiality that may come from stakeholders.

5 Recent Achievements: Report

WAREG ANALYSIS ON AFFORDABILITY IN EUROPEAN WATER SYSTEMS (2016)

📍 10th WAREG GA

Tallin (Estonia), December 2015

In 2016 an *ad hoc* **Working Group** was established in order to describe existing regulatory tools that ensure the provision of good quality drinking water services at affordable prices for all customers.

THE REPORT AIMS TO outline existing practices and identify possible common patterns in regulatory mechanisms to ensure affordability of water services..

CONCLUSIONS:

- a) in most WAREG water systems the concept of affordability is connected with the ability to pay a fair price for water services, by the entire population;
- b) in most WAREG water systems, water supply to consumers can be partially or completely curtailed in case of non-payment of bills. Sometimes, this possibility is denied if consumers are eligible on the basis of affordability criteria; in most WAREG water systems belonging, affordability issues are dealt with water-specific norms, such as national, regional and local water laws. Occasionally, the same norms on affordability encompass water and other public services;
- c) in two-thirds of WAREG water system, affordability costs are recovered through tariff. In some cases, the recovery is done through fiscal policies or specific funds (i.e. from companies) several tools are used in different systems (progressive tariff, tariff blocks free of charge, reduced VAT rate, cap maximum on tariff increase, solidarity funds, bonus, lump sum, discounts etc.)

ANALYSIS OF WATER EFFICIENCY KPIS IN WAREG MEMBERS' COUNTRIES (2017)

📍 12th WAREG GA

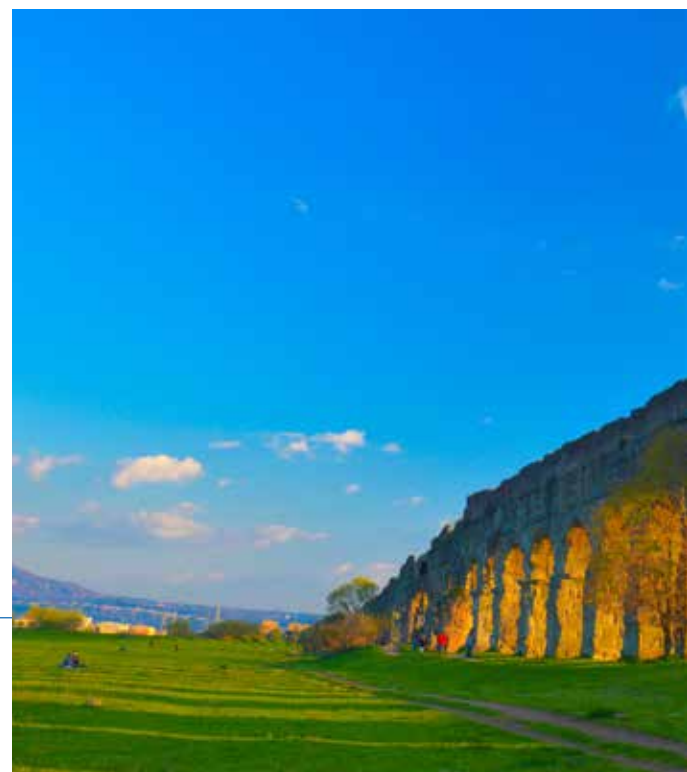
Tbilisi (Georgia), June 2017

In 2017 an *ad hoc* **Working Group** was established in order to investigate on performance indicators used in WAREG Members' countries. The purpose was to measure water efficiency.

THE REPORT AIMS TO identify existing practices and regulatory approaches towards performance measurement. In particular, efficiency of water services; research and analysis of the drivers in the water industry aimed at drawing comparisons among WAREG Members' countries; explore common concerns and issues faced by regulators in promoting water efficiency.

CONCLUSIONS:

- a) Water utilities use a high number of KPIs frameworks (e.g. IWA's lists of KPIs, IBNET etc.). However, their use remains largely voluntary, and there is no single set of regulatory KPIs to measure water efficiency nor other aspects of water util-



ities performance. This fact makes comparison of water efficiency KPIs data difficult, and extreme caution is needed in ensuring consistency of definitions and methodology calculation adopted:

- b)** Despite the lack of consistent KPI framework, KPIs are used by a number of regulatory authorities and entities to meet various objectives including the tariff setting and approval processes, benchmarking or water utilities performance comparison, as well as for the publication of information purposes; There is a relatively wide range in non-revenue water (defined as the difference between water supplied and water sold expressed as a percentage of net water supplied) in WAREG member countries, between 17% _ 67% of net water supplied; in general KPI's framework appears to be under development in several WAREG member countries, as regulators acquire greater experience and more consistent data is reported by the regulated entities; data validation, auditing and quality assessments are key issues to ensure the integrity of the reporting process. Most of the surveyed countries reported some forms of data validation and auditing to varying degrees.

WAREG ANALYSIS ON INVESTMENT NEEDS IN EUROPE (2018)

📍 **13th WAREG GA**

Riga (Latvia), October 2015

In 2017 an *ad hoc* Working Group was established in order to analyze investment priorities in the water and wastewater sector across WAREG Members' Countries.

THE REPORT AIMS TO respond to a request by the EU Commission to provide indications on critical areas, where investment is mostly needed in European countries, and identify common needs in WAREG Members' countries.

CONCLUSIONS:

- a)** reinvestment in existing infrastructures is needed in all WAREG Members' countries, in order to reduce leakage, improve drinking water quality and reduce risk of asset failure. (i.e. increase security of supply);
- b)** some of the main barriers to investment **are political and organizational. The presence of political challenges further exacerbates the difficulty of coordinating different authorities;**
- c)** EU legislation is not adequate to protect the quality of water service in the medium/long term and there is still a lack of compliance with the Urban Wastewater Treatment Directive (UWWTD);
- d)** certainty is required regarding the available funding to support necessary capital investments over an appropriate multiannual and predefined period;
- e)** EU funding opportunities (Cohesion funds etc.) **are important to address challenges and issues of the infrastructural water sector of each country member of Wareg.**



5 Recent Achievements: Report

WAREG POSITION PAPER ON THE EU COMMISSION PROPOSAL FOR A NEW DRINKING WATER DIRECTIVE (2017)

📍 16th WAREG GA

Budva (Montenegro), 25 September 2018



In 2018 an *ad hoc* **Task Force** was established in order to support WAREG Members in understanding and agreeing on a common position of Regulators to the proposal by the European Commission of a new Drinking Water Directive, COM (2017) 753 final of 1st February 2018.

WAREG COMMON POSITION AIMS TO comment the European Commission legislative proposal and to promote the role of economic regulation of drinking water services, within European States and among EU Institutions.

CONCLUSIONS:

- a) WAREG is, in principle, in favour of the process to recast the current EU Drinking Water Directive;
- b) WAREG recognizes the importance of economic regulation of water and wastewater services to comply with the main objectives of the EC proposal of revision of the current DWD, which are also contemplated in the European citizens' initiative "Right2Water" and in the plan for the transition to a circular economy (i.e. better tap water, less bottled water);
- c) WAREG recognizes the importance of the action of economic regulators and any other authority established at national level, with specific responsibility in measuring the efficiency and the results of the strategies taken in EU Member States to achieve specific objectives, such as for instance to ensure universal access to water, economic affordability of water bills for households and harmonization of information on KPIs in all EU countries;
- d) WAREG recognizes that overall the proposal of the new directive is a good step forward, since more attention is paid to quality of drinking water, transparency of its treatment processes and delivery to the customer and the provision of information to the public;
- e) WAREG fully acknowledges the importance of the human rights dimension of access to safe drinking water and recognizes that this should be addressed in this Directive;
- f) WAREG is of the opinion that the proposed amended directive seems to apply more stringent requirements on the parametric values and on monitoring obligations compared to the existing Directive. This can increase capital and operational costs for water suppliers that would need to be recovered through tariffs or other means. The effect on final bills for customers cannot be calculated at the moment, and at the same time it is not clear whether the benefits achieved will justify an increase of bills for households. Further clarification is therefore warranted;
- g) WAREG is aware of the importance of transparency and sharing of information to increase consumers' confidence in drinking water. WAREG considers that various tools can strengthen consumers' confidence in water quality and consumers' engagement and stakeholder participation in both the legislative and regulatory processes, for example through: raising awareness campaigns, customers' education and information campaigns on potable water quality.

WATER TARIFFS REGULATORY FRAMEWORKS (2019)

📍 19th WAREG GA

Budapest (Hungary), 5 September 2019

In 2019 an ad hoc **Task Force** was established in order to survey, review and report on how tariffs for water and sanitation services are regulated in WAREG Members' Countries.

THE REPORT AIMS TO collect and analyze information on tariff calculation methodologies, type of operational and capital costs recovered through tariffs, regulatory asset base, regulatory approach to investment appraisal techniques (WACC and its variations), water volumes forecasts and calculation in tariffs.

CONCLUSIONS:

- a) Various models and approaches are applied in tariff regulation of water and sanitation services in European countries. EU legislation sets very general principles for water pricing and therefore countries apply different approaches;
- b) Water pricing regulation is introduced in different ways in Europe – at local or national level. Even if a national regulator is responsible for water pricing, there are many differences among approaches applied – scope of services under regulation, length of regulatory period, business planning and formal business plan approval, tariff design and structure;

- c) Assets are treated in various ways in terms of useful life and depreciation norms. In most cases, utilities apply national accounting policies. At the same time investments in water and sanitation assets by the utilities are not always fairly included in tariff, meaning that investment stimulus is not always provided. Furthermore, ensuring return on investments through the tariff is not provided in number of cases;
- d) water pricing, although based on similar fundamental principles, is actually applied in very diverse ways among European countries. Hence, water and sanitation service are treated differently in terms of cost recovery, motivation for efficiency, investment stimulus and service improvement.



5 Recent Achievements: *Report*

1ST FORUM ON THE REGULATION OF WATER SERVICES (2019)

📍 16th WAREG GA

Rome (Italy), 3 December 2019

Following the successful experiences of energy regulators Fora in Europe, WAREG organized the 1st European Forum on the Regulation of Water Services (EFRWS). The Forum was hosted by ARERA (Italian Regulatory Authority for Energy, Networks and Environment), under its Presidency of WAREG.

The Forum assessed some of the most urging issues for water and wastewater sectors in Europe and Worldwide, such as: water governance, efficiency of water utilities, water regulation for innovation and environmental sustainability, social affordability of tariffs. The main actors of water system were involved: regulators, European institutions, international organizations, academic world, industry, financial institutions, consumer associations, communication, others. All participants provided their qualified view on national and regional regulatory experiences and on how water and wastewater services regulation can really contribute for a better water framework in the European union and in neighbouring countries.

Workshops

COST-ASSESSMENT IN A REGULATORY CONTEXT

8th WAREG GA

Faial Island (Azores), June 2016

INTRODUCTION

In many EU countries, benchmarking is considered a key tool for measuring companies' performance

and providing information to stakeholders. Benchmarking is generally used for business planning purposes. In addition, several legal and economic regulatory frameworks, as well as structures, ownership, and maturity of the industry may require different approaches to benchmarking.

The workshop focused on benchmarking to promote cost efficiency through:

- a)** the illustration of key principles and objectives of efficiency assessment;
- b)** emphasis on a wide range of tools;
- c)** the description of case studies related to water and other regulated sectors;
- d)** attention on the proper approach to be implemented.

MAIN FINDINGS

'One size fits all' does not work, as regulators pursue peculiar objectives and the regulatory framework may differ (e.g. incentive regulation vs cost-plus approaches or promoting contestability with ex post controls). As a result, the regulatory context should be always considered when it comes to promoting efficiency (including the industry structure and the level of 'industrial maturity'). However, different tools may be appropriate for several contexts and they should evolve in parallel with industry development. Nonetheless, common ground cannot be found, as demonstrated by the use of Pan-European benchmarking exercises of transmission and rail operators.

SOCIAL TARIFFS

9th WAREG GA

Valletta (Malta), September 2016

INTRODUCTION

The workshop aims to analyze the social tariffs on consumption. The research clarifies social tariffs goals and consumers' sensitivity to price change while understanding the basic economic welfare related to price changes.

MAIN FINDINGS

- a)** Consumers react to both marginal and average pricing;
- b)** Price elasticity is significantly high compared to previous results;
- c)** Concerning the impact quantification on allocative efficiency, the elasticity estimation yields high efficiency costs of social pricing and transfers could probably be more efficient than social tariffs to ensure redistribution.



5 Recent Achievements

CAPITAL INVESTMENT MONITORING REGIMES

15th WAREG GA

Sofia (Bulgaria), May 2018

INTRODUCTION:

- a) Water & Waste Water Services Capital Investment Governance Overview;
- b) Monitoring: Water & Waste Water Services Capital Investment;
- c) Monitoring & Change Management

MAIN FINDINGS

There are a number of key drivers of investment in water and wastewater infrastructure:

- a) Security, sustainability and resilience of water supply;
- b) Compliance with EU standards;
- c) Water quality and increased access to public water and wastewater treatment services;
- d) Ageing and inadequate infrastructure. Economic regulators play a crucial role in addressing the mentioned challenges through:
 - 1 Promotion of Good Governance;
 - 2 Financing and value for money;
 - 3 Addressing information gaps and engendering public trust.

CUSTOMER ENGAGEMENT

Workshop

Edinburgh (Scotland), 22 June 2018

MAIN FINDINGS

The workshop aims to describe the Scottish model of “customer engagement”, with special emphasis on.

- a) the role of Scottish Government in the Strategic Review of Charges;
- b) the process of Strategic Review of Charges, through a collaborative work;
- c) the role of customers and legitimacy in the process (remit, role and responsibilities, constitu-

- tion, governance and agreeing settlement);
- d) putting consumers at the heart of policy and regulation.

LESSONS FOR ECONOMIC REGULATORS OF WATER SERVICES UTILITIES

Workshop at the 17th WAREG GA

Dublin (Ireland), 12 February 2019

INTRODUCTION:

The workshop highlighted the main regulatory tools in place to achieve one of the main objectives of economic regulation, namely water efficiency. More light was shed on water resource management planning, impact of consumer behavior on price signals, and incentives to relevant outcomes (i.e. Key Performance Indicators).



MAIN FINDINGS

- a) Price is a significant factor in explaining demand, although demand for water services is typically inelastic;
- b) However, price elasticity can vary significantly, due to territorial and social characteristics;
- c) For equity reasons, water consumption may be subsidised or tax-financed.

THE ADVANTAGES OF ECONOMIC REGULATION: SETTING-UP, MAINTAINING AND ADVANCING INDEPENDENT REGULATION OF WATER AND WASTEWATER SERVICES IN EUROPE

Workshop at the 18th WAREG GA

Vilnius (Lithuania), 22 May 2019

INTRODUCTION

The workshop explains the main reasons and institutional conditions to create a regulator, possible solution to face challenges posed at a national level, and the development of new regulatory tools. The workshop is made up of three main sessions addressed through exemplifying and pragmatic case studies:

- a) Setting-up a regulator;
- b) Maintaining independent regulation;
- c) Advancing regulation.

MAIN FINDINGS

The aim of the workshop is to understand the institutional process and different rationales that lead to establishing a regulator. Similarly, the workshop intends to identify the existing challenges to the competencies of several water sector regulators by national Governments and Parliaments.

1ST EUROPEAN FORUM ON REGULATION OF WATER SERVICES (EFRWS) 3 December 2019, Rome

WAREG, in cooperation with the Italian Regulatory Authority for Energy, Networks and Environment (ARERA), organized the 1st European Forum on Regulation of Water Services (EFRWS). The Forum involved Regulators, European institutions, international organizations, financial institutions and stakeholders, including industry, academics and think-tanks from all over Europe, in an in-depth debate on the current and future challenges for the water sector and the role of economic regulation in promoting efficiency, investments, environmental and social sustainability. After an introductory session with institutional keynote speakers from the Italian Government, ARERA, the European Commission and the European Investment Bank, the Forum was focused on four parallel panels on the following themes:

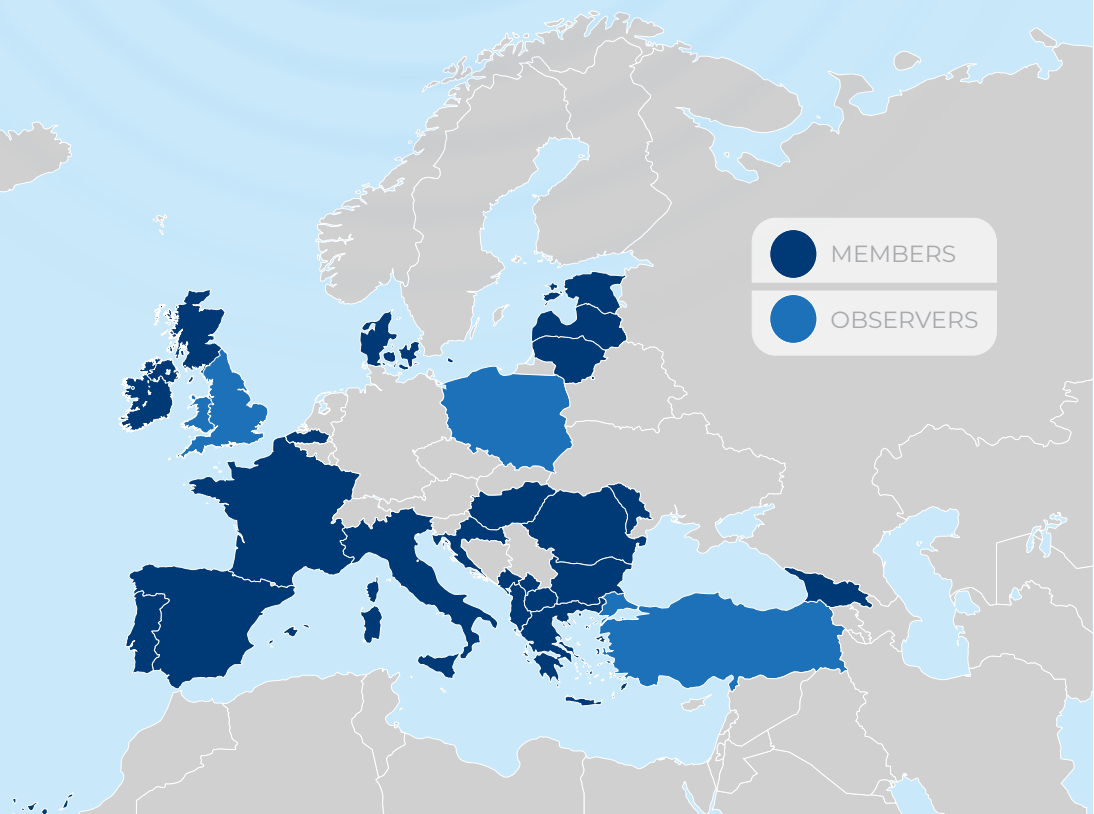
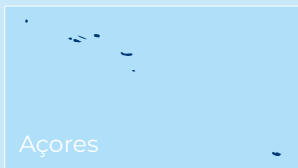
- WATER GOVERNANCE;
- COST ASSESSMENT MODELLING AND PROMOTING THE EFFICIENCY OF WATER UTILITIES;
- WATER REGULATION FOR INNOVATION AND ENVIRONMENTAL SUSTAINABILITY;
- SUSTAINABLE WATER TARIFFS.

A final roundtable allowed to wrap-up the main suggestions raised in each panel. In the Forum's conclusions, a group of Regulators from the Western Balkans recognized the importance of WAREG as a unique platform of cooperation. A platform that has concretely fostered the development of economic regulation in their national water sectors, and supported them in progressively complying with EU targets.

6 WAREG worldwide

EUROPEAN AND INTERNATIONAL RELATIONS

WAREG internal collaboration and external accountability at a European and international level have been growing very quickly. As a result, WAREG maintains harmonious relationships with the main actors of water system, such as regulators, European Institutions, international organizations, research world, financial institutions and many others.



7 Network

INSTITUTIONS AND ORGANIZATIONS



EUROPEAN COMMISSION



EUROPEAN PARLIAMENT



EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT



EUROPEAN INVESTMENT BANK



THE WORLD BANK



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT



EUROPEAN WATER ASSOCIATION



EUREAU



AQUAPUBLICAEUROPEA



DANUBE WATER PROGRAM



THE INTERNATIONAL WATER ASSOCIATION

RESEARCH COMMUNITY



CENTRE FOR EUROPEAN POLICY STUDIES - BRUSSELS



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WEBSITE: www.wareg.org/

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8 Future

Consolidate our institutional presence through an open dialogue and cooperation with the European Institutions, International organizations, regulators, financial institutions, academic and industrial world.

Strengthen our collaboration with EU institutions through proposals, technical analyses, comprehensive reports, workshops, and relevant Fora on independent and economic water regulation.

Increase our capacity-building performance to the benefit of regulators and stakeholders at a European and international level.

CREDIT

EDITORIAL PROJECT AND CONTENT
WAREC Secretariat

The background of the entire page is a high-speed, close-up photograph of water splashing. The top and bottom sections are in a deep blue color, while the middle section is white. The water droplets are captured in various stages of motion, creating a sense of dynamic energy and purity.

WAREG
European Water Regulators

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