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Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
Directorate E - Modernisation of the Single Market

Directorate-General Environment
Directorate C - Quality of Life, Water & Air

Stakeholder Dialogue on Benchmarking Water Quality and Water Services

Summary 2014 and 2015 Meetings¹

16 December 2015

In its Communication in response to the first European Citizens' Initiative "Right2Water"² the Commission committed itself, amongst many other actions, to commence a more structured dialogue between stakeholders on transparency in the water sector to explore the idea of benchmarking considering existing initiatives. This paper summarises the stakeholder dialogue held in 2014-2015.

¹ Summary of two meetings elaborated under a specific support contract No. 070201/2015/705045/SFRA/ENV.C2 implementing Framework Service Contract ENV.D2/FRA/2012/0013. The views expressed in this report do not represent the views of the European Commission.

² COM(2014)177 final

Stakeholder Dialogue on Benchmarking Water Quality and Water Services

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1. Introduction

The 2014 and 2015 Stakeholder Dialogue on Water Quality and Services Benchmarking has been a process as part of the commitments taken by the Commission in its Communication as a response to the European Citizens' Initiative "Water and Sanitation are a human right! Water is a public good, not a commodity!"³

To recall, this European Citizens' Initiative stated:

"Water and sanitation are a human right!

Water is a public good, not a commodity. We invite the European Commission to propose legislation implementing the human right to water and sanitation as recognised by the United Nations, and promoting the provision of water and sanitation as essential public services for all. The EU legislation should require governments to ensure and to provide all citizens with sufficient and clean drinking water and sanitation. We urge that:

- 1. The EU institutions and Member States be obliged to ensure that all inhabitants enjoy the right to water and sanitation.*
- 2. Water supply and management of water resources not be subject to 'internal market rules' and that water services are excluded from liberalisation.*
- 3. The EU increases its efforts to achieve universal access to water and sanitation."*⁴

In its 19 March 2014 Communication the Commission announced a range of actions in areas of direct relevance to the initiative and its goals, in particular

1. to reinforce implementation of its water quality legislation, building on the commitments presented in the 7th EAP and the Water Blueprint;
2. to launch an EU-wide public consultation on the Drinking Water Directive, notably in view of improving access to quality water in the EU;
3. to improve transparency for urban wastewater and drinking water data management and explore the idea of benchmarking water quality;
4. to bring about a more structured dialogue between stakeholders on transparency in the water sector;
5. to cooperate with existing initiatives to provide a wider set of benchmarks for water services;
6. to stimulate innovative approaches for development assistance (e.g. support to partnerships between water operators and to public-public partnerships); promote sharing of best practices between Member States (e.g. on solidarity instruments) and identify new opportunities for cooperation; and
7. to advocate universal access to safe drinking water and sanitation as a priority area for future Sustainable Development Goals.

³ Communication from the Commission on the European Citizens' Initiative "Water and Sanitation are a human right! Water is a public good, not a commodity!" of 19 March 2014, COM(2014)177 final

⁴ The European Citizens' Initiative Official Register

<http://ec.europa.eu/citizens-initiative/public/initiatives/finalised/details/2012/000003>

Further, the Commission Work Programme for 2015⁵ stipulated that the Drinking Water Directive⁶ would be a part of the Commission REFIT⁷ initiative to provide evidence whether the current Drinking Water Directive is fit for purpose and achieves its objectives, not least based on the EU-wide public consultation⁸ following the European Citizens' Initiative (ECI).

A range of stakeholders⁹ participated and contributed during the meetings and in written statements, and provided input from their perspectives to the above points 3, 4 and 5 as well as to a certain extent point 2, plus a demand for a legal obligation to provide citizens with access to drinking water supply.

⁵ Commission Work Programme 2015, COM(2014)910 final, Annex

⁶ Directive 98/83/EC

⁷ REFIT = European Commission Regulatory Fitness and Performance Programme

⁸ European Commission, Consultation on the Quality of Drinking Water in the EU, 23 June to 23 September 2014; all documents, statistical results and analysis at

http://ec.europa.eu/environment/consultations/water_drink_en.htm

⁹ Participating organisations see annex

2. Issues for discussion at the stakeholder meetings

2.1. Stakeholder meeting 9 September 2014

The first meeting saw presentations setting the scene

- ECI Right2Water Organising Committee: key elements of position to the Commission response;
- Commission: key elements of the response to the ECI.

These were followed by

- presentations by the European Environment Agency ('Performance of water utilities beyond compliance') and the European Benchmarking Co-operation ('Learning from international best practices for water and waste water benchmarking'), and
- a brainstorming session on benchmarking water quality and services (understanding in the context of the ECI; identification of existing initiatives and work done so far; scope of benchmarking of water quality and of water services; suggestions for the way forward);

Key points of presentations are summarised in chapter 3 below.

2.2. Stakeholder meeting 12 October 2015

The second meeting was dedicated to citizen expectations, complementing the outcome of the first dialogue, focused on benchmarking in a more general way.

The morning session saw presentations and discussion on expectations of citizens linked to water supply services.

The afternoon session saw presentations on different regions of the EU, and a presentation by OECD, looking at experiences both in urbanised areas such as Lombardy (Italy) and the Netherlands, and more rural regions such as Extremadura (Spain). Key issues were

- approaches to transparency solutions effective and efficient for improvement of water quality, water services, water pricing and tariffs, ownership and partnerships, investments and procurement, as well as
- public participation in decision making.

3. Findings and conclusions of the meetings

3.1. Stakeholder meeting 9 September 2014

- Participants welcomed the initiative and are keen for EU coordinated action with focus on both short and long term.
 - Short-term action should focus on promotion of benchmarking initiatives and exchange of best practices aiming to increase performance and quality of services.
 - Long-term action should focus
 - on identification of key indicators linked to public concerns raised and proposals made in the European Citizens' Initiative (ECI) "Water and sanitation are a human right! Water is a public good, not a commodity!" ('Right2Water')¹⁰ and
 - on a structured approach to promote benchmarking, based on general principles, as a supporting management tool to assess and improve performance and quality of services in relation to these indicators.
- A lot of expertise and reference material is available from a wide range of benchmarking initiatives. To make best use of these sources, further debate is required on defining the exact scope of benchmarking in the context of the ECI/as part of the Commission follow-up actions in response to the ECI¹¹.
- Clear distinction is to be made between transparency on the basis of key indicators and benchmarking as a supporting tool to increase performance and transparency.
- Involvement of all relevant stakeholders is required, including big and small water service providers, regulatory authorities and Member State governments.
- Based on the provided input from stakeholders, the Commission services will further consult with the incoming Commission on the possible way forward.

3.2. Stakeholder meeting 12 October 2015

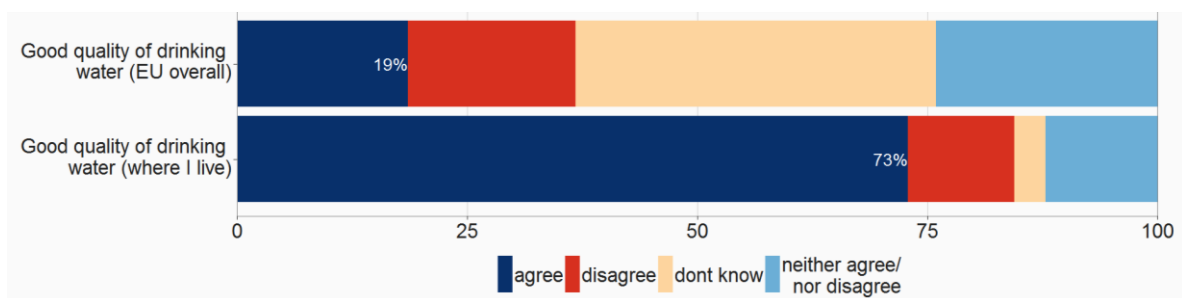
- Benchmarking should be performed on a voluntary basis, not based on any change in EU legislation.
- The geographical coverage of benchmarking should be devolved to national and regional level, thus tailored to the needs of the relevant area and its consumers, not generalised at an aggregated EU level.
- The scope of benchmarking should address not only water quality, but also financial considerations. Such considerations include
 - affordability of water services: various models exist such as supplying a minimum amount of water free of charge to the less well-off segments of the population (see annex 2),

¹⁰ <http://ec.europa.eu/citizens-initiative/public/initiatives/finalised/details/2012/000003?lg=en>

¹¹ COM(2014) 177 final. Communication from the Commission on the European Citizens' Initiative "Water and sanitation are a human right! Water is a public good, not a commodity!":

<http://ec.europa.eu/transparency/regdoc/rep/1/2014/EN/1-2014-177-EN-F1-1.Pdf>

- transparency of costs not only in terms of operation and maintenance costs, but also (re)investment costs; current practice appears not always to address all costs as set out in the Water Framework Directive.¹²
- Future approaches for broadening benchmarking should be feasible for implementation by 70 000 water utilities (big and small).
- The Commission reiterated in this context that it does not envisage an own initiative on (cross-country) benchmarking, but to promote and facilitate a dialogue on benchmarking to encourage use of this instrument at national and regional level.
- Benchmarking needs to be complemented by efforts on information and transparency (OECD study, chapter 4 below).
- On transparency and citizens' information about quality of drinking water, there is an obvious gap to be addressed: consumers participating in the 2014 public consultation emphasise trust in drinking water quality where they live (>70%), but are much less convinced of drinking water quality EU-wide (<20%).¹³



Source: European Commission

To be recalled in this context is the fact that respondents from all EU member states participated in the public consultation, however participation rates were rather uneven.¹⁴

- On ownership of water utilities, reference was made to citizens' opinion in two specific cases:
 - June 2011 Italian national referendum (majority of 95% voted to repeal legislation allowing for privatisation of water utilities);
 - February 2011 Berlin (Germany) regional referendum (on full disclosure of part-privatisation contracts; majority of 98% voted for disclosure, politically leading to re-purchase of privately owned shares of Berlin Water Utility by Land Berlin).

The Commission reiterated in this context its position based on the Treaty¹⁵ and underlined in the March 2014 Communication.

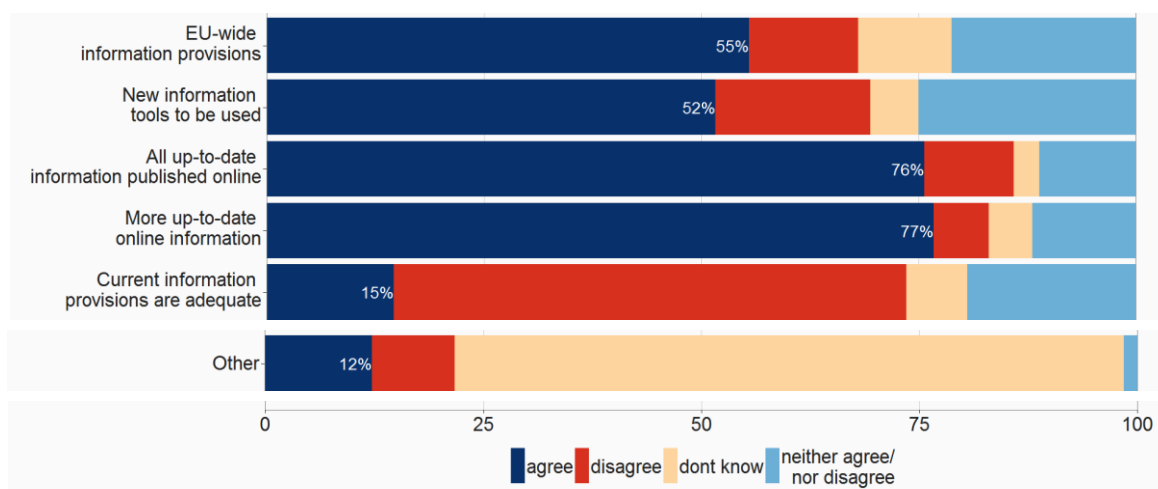
¹² Article 9: Recovery of costs for water services "1. Member States shall take account of the principle of recovery of the costs of water services, including environmental and resource costs ..."

¹³ Report "Analysis of the public consultation on the quality of drinking water" (2015), pp 80-84 http://ec.europa.eu/environment/consultations/pdf/analysis_drinking_water.pdf

¹⁴ Report p 27: Out of 5 848 responses, 2 226 alone came from Germany (38%): Also 'over-represented' were Austria, Portugal, France and Ireland as compared to their share in total EU population. At the same time Italy (236 responses), Poland (23 responses), UK (87 responses) and Spain (382 responses) were most prominently 'under-represented'.

- The social dimension of water tariffs (affordability of water services) was touched on several occasions.
- As regards possible changes in legislation, these were touched on several occasions, in particular on three issues:
 - benchmarking *not* to be promoted by change in EU legislation;
 - right of citizens on access to safe drinking water;
 - information of citizens/consumers (see also public consultation findings on question 7).

"I consider that the following action should be taken to inform consumers ..."



Source: European Commission

An outline of key presentation points of both meetings is given in chapter 4 below.

All presentations as well as written comments are available in full at the Commission CIRCABC server.¹⁶

¹⁵ Treaty on the Functioning of the European Union, article 345: "The Treaties shall in no way prejudice the rules in Member States governing the system of property ownership."

¹⁶ CIRCABC > env > Water Industries > BENCHMARKING MEETING

4. Key points of presentations

4.1. Stakeholder meeting 9 September 2014

Presentation by ECI Organising Committee

- Cautious welcome to certain elements in the Commission response such as the commitment in principle to water as a human right, the exclusion of water from the scope of the Concessions Directive, and appreciation and encouragement of public-public partnerships and benchmarking;
- Lack of ambition perceived in many other sectors, in particular the lack of a commitment to introduce legislation ensuring access to drinking water and sanitation for all EU citizens; the demand for such legislation was reiterated, with the EU setting binding targets for Member States to achieve drinking water and sanitation coverage for all citizens;¹⁷
- On benchmarking, support for a voluntary approach performed at national or regional level, addressing inter alia parameters like connection rates for drinking water and sanitation, solutions for citizens currently not connected, leakages and sustainability in social and environmental terms;
- On global solidarity measures for access to drinking water and sanitation, a 0.5 – 1% contribution from water charges is proposed to support such measures.

Presentation by European Commission

The Commission summarised its Communication of 19 March 2014;

- underlining work already done at EU level (water and sanitation),
- committing itself to launching an EU-wide public consultation on the Drinking Water Directive, advocating global access to safe drinking water and sanitation as a priority area, exploring the idea of benchmarking water quality and services and stepping up efforts towards full implementation of EU water legislation by Member States;
- confirming the provisions of the Treaty¹⁸ on neutrality as regards property ownership as set by national legislation, and reaffirming that drinking water concessions are excluded from the Concessions Directive¹⁹;
- inviting Member States to take into account citizens' concerns expressed in the ECI.

Presentation: European Water Association (EWA)

EWA underlined the benefits of benchmarking, based on experience in particular in the Netherlands, Scandinavian countries and Germany.

- Distinction has to be made between two elements of action set out in the 2014 Commission response to the ECI, namely

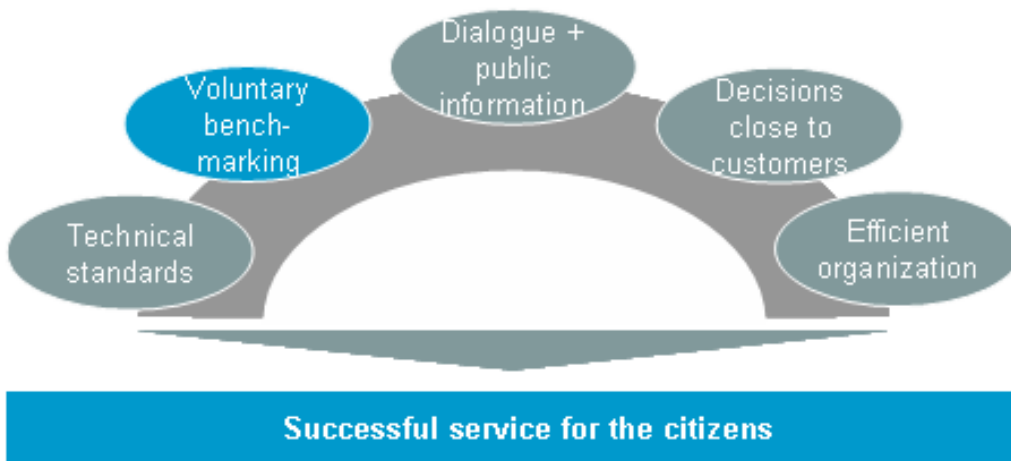
¹⁷ http://www.right2water.eu/sites/water/files/EUROPEAN_CITIZENSsummaryFinal.pdf

¹⁸ Treaty on the Functioning of the European Union, article 345 "The Treaties shall in no way prejudice the rules in Member States governing the system of property ownership."

¹⁹ Concessions Directive 2014/23/EU, article 12

- on the one hand new information systems to make key compliance information easily accessible to citizens, and
- on the other hand benchmarking water quality as a way of empowering citizens;²⁰
- Benchmarking should as an indispensable condition be performed on a voluntary basis and based on confidentiality of information provided.

Different performance areas (e.g. reliability, quality, customer service, sustainability, and economic efficiency) have to be balanced in the benchmarking process.



Source: EWA

Presentation: Mr Bo Jacobsen, European Environment Agency (EEA)

The presentation by EEA covered the following elements:

- Introduction to WISE (Water Information System for Europe) and its system of interactive maps such as those on the Urban Waste Water Treatment Directive;
- Cooperation between EEA and water utilities since 2012;
- Technical Report "Performance of water utilities beyond compliance";²¹
- Development of water resource efficiency indicators (in cooperation IWA, EWA, EUREAU, WssTP and benchmarking networks) on efficiency of urban distribution and consumption (water losses, consumption per household), pollution load and intensity (specific loads from urban waste water treatment plants), energy efficiency of urban water supply and sanitation.

Presentation: P. Dane, European Benchmarking Co-Operation (EBC)

- EBC is a non-profit benchmarking initiative for water and waste water utilities, aiming at improving performance and transparency of utilities.

²⁰ COM(2014)177 final, p 10

²¹ <http://www.eea.europa.eu/publications/performance-of-water-utilities-beyond-compliance>

- Performance is seen in a rather broad view (water quality, reliability, service quality, sustainability and finance). Out of more than 70 000 water utilities, currently only ‘frontrunners’ participate in EBC benchmarking actions, and reap benefits.
- Long-standing application of benchmarking in the Netherlands has delivered a 29% cost reduction (inflation-corrected) and further improvement of service levels.
- The challenge for a broader use of benchmarking will be to take on a larger share of the more than 70 000 water utilities.
- A further challenge will be to carefully balance transparency and benchmarking: experience has shown that a certain confidentiality of data delivers a ‘safe learning environment’.

All the presentations of the meeting, as well as all written comments submitted by stakeholders AquaFed, AöW, CEEP, APE, ECI Right2Water and EPSU, EurEau, EWA and Suez Environnement are available in full at the CIRCA server of the Commission.²²

4.2. Stakeholder meeting 12 October 2015

Introduction: Mr Malgaj (European Commission DG Environment)

Mr Malgaj referred

- to the commitments taken by the Commission in its 2014 Communication, of which the current process is one element,
- to the public consultation of 2014, and in particular the fact that citizens appear to trust their drinking water quality locally, but not beyond their local environment,
- to recent developments (discussion and adoption of a resolution in the European Parliament in September 2015; endorsement by OECD of principles of water governance in June 2015; revision of annexes II and III of the Drinking Water Directive²³).

Today’s meeting should focus on citizens’ expectations, transparency and benchmarking.

Presentation: Mr Sánchez Centellas for European Public Services Union (EPSU) and European Citizens’ Initiative Right2Water

The presentation recalled the key demands of the ECI R2W

- legislation implementing the human right to water and sanitation,
- water and sanitation not to be subject to internal market rules, following the principle of subsidiarity,
- increased global efforts by EU to achieve universal access to water and sanitation.

On the number of citizens without access to drinking water and sanitation, complete figures appear not available across the EU; however figures available already show the need for legislation on access to drinking water and sanitation. Such need is not least expressed by the more than 1.6 million signatories to the ECI.

²² <https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp>

²³ Commission Directive (EU) 2015/1787 of 6 October 2015, Official Journal L260/6 of 7.10.2015

Presentation: Mr Thierschmann for Berlin Citizens' Initiative "Berlin Water Table"

Following 49.9% private ownership in Berlin water utility in 1999, Land Berlin has in 2012/2013 re-purchased the entirety of the utility; citizens' initiatives have been the major driving force behind return to a publicly-owned utility.

However, for "Berlin Water Table" such change of property ownership is not sufficient; their demand is a "democratisation of management".

Presentation: Mr Szilvási for European Roma Rights Centre

The key expectation of the Roma community across Europe is to get access to safe drinking water: Benchmarking studies have revealed that a large proportion of Romani households are not connected to a piped public water supply: According to the 2011 Regional Survey by UNDP, World Bank and European Commission, figures for non-connection are as follows:

- Romania (72%)
- Moldova (66%)
- Slovakia (38%)
- Croatia (35%)
- Hungary (30%)
- Albania (30%)

Further research by the European Roma Rights Centre in 2014-2015 has confirmed this appalling statistics.

EU legislation is currently lacking an obligation for countries to provide their citizens with drinking water. At the European Court of Human Rights there are currently two cases ongoing, where members of the Romani community in Slovenia have taken legal action against Slovenia for alleged breach of articles 3, 8 and 14 of the Convention for the Protection of Human Rights and Fundamental Freedoms²⁴. The settlements where the applicants live do not have access to basic public utilities, such as drinking water and sanitation.

Presentation: Ms Aziza Akhmouch (OECD)

OECD defines water governance as the range of political, institutional and administrative rules, practices and processes (formal and informal) through which decisions are taken and implemented, stakeholders can articulate their interests and have their concerns considered, and decision-makers are held accountable for water management (OECD, 2015). In June 2015 OECD Governments endorsed the "OECD Principles on Water Governance"²⁵ at the OECD Ministerial Council Meeting.

²⁴ European Court of Human Rights <http://hudoc.echr.coe.int/eng?i=001-154290>

²⁵ <http://www.oecd.org/gov/regional-policy/OECD-Principles-on-Water-Governance-brochure.pdf>

Findings of the 2014 study “Water Governance in the Netherlands”²⁶ revealed inter alia an important awareness gap among Dutch citizens. “It is not clear how standards are enforced and infringements dealt with, other than by self-policing. ... Benchmarking systems are considered useful, but are generally self-regulating, and reporting occurs at an aggregate level; benchmarking does not document opportunity costs or help assess the relevance of investment choices”.

OECD recommendations on water governance in the Netherlands include

- facilitating stakeholders’ access to independent information on water costs, risks and performance.
- harmonising accounting of expenditure in order to improve transparency in tracking water management expenditures and cost recovery;
- independent review, commissioned by and reporting to Ministers.



Presentation: Mr Michele Falcone (CAP Public Holding, Milano, Italy)

Originally created in 1928 to provide water supply for the municipality of Milano, CAP is today Italy’s largest water utility. It is 100% publicly owned, and since 2011 bringing together 199 municipalities in the Milano province and adjacent provinces. This region is characterised by high population density, considerable urbanisation and presence of a multitude of industrial enterprises. Public ownership of water utilities commands considerable support in Italy: In a June 2011 referendum in Italy, a majority of 95% voted to repeal legislation introduced by the then Government allowing privatisation of water utilities.

Today CAP serves about 2.1 million inhabitants in terms of drinking water supply and waste water treatment, and about 2.2 million in terms of sewerage.

- Financial and technical planning within the area of responsibility is shaped by considerable investment needs, to be covered by tariff increases, and phasing out by the end of 2015 all non-compliance (infringement) cases.
- Investments for 2015 to 2020 range from 87 to 113 million EUR annually, totalling 560 million EUR.

Such major investments and changes to tariffs are accompanied and based on targeted participation and transparency, allowing explanation of the link between every Euro invested and quality of water and the environment. These measures have reinforced the willingness to pay increased tariffs, at the same time increasing customer satisfaction.

²⁶ Summary: <http://www.oecd.org/gov/regional-policy/publicationsdocuments/BrochureWaterNL%20.pdf>

Full publication: <http://www.oecdbookshop.org/browse.asp?pid=title-detail&lang=en&ds=&ISBN=9789264208940>

Stakeholders in the CAP area of responsibility are municipalities, local regional authorities, social organisations, environmental organisations and consumer organisations. Transparency and participation commitments have been promoted by CAP together with Environmental NGO Legambiente, the Metropolitan City of Milano, Contratto Mondiale dell’Aqua and other local associations in a “Water Deal”

- signed by about 200 mayors of the Metropolitan City of Milano,
- highlighted as “best practice” by the OECD.

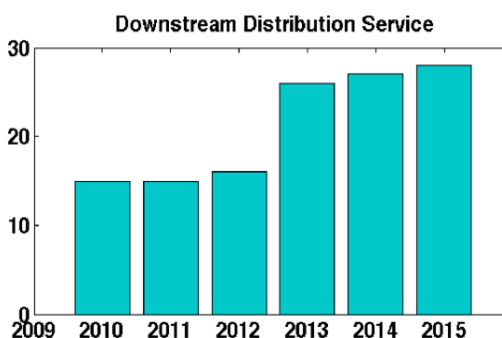
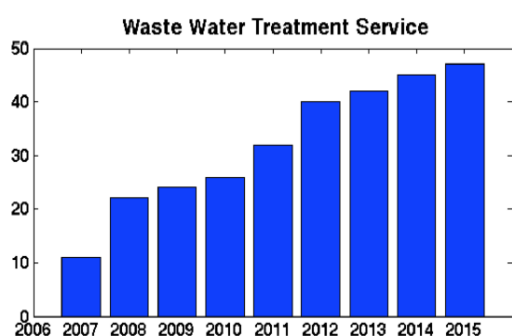
Presentation: Mr Martín de la Vega Manzano, PROMEDIO

PROMEDIO is a consortium of local authorities and associations of local authorities in Badajoz Province, Spain. Badajoz province is the largest Spanish province in terms of size, at the same time having 168 local authorities with less than 20 000 inhabitants.²⁷

Principles of PROMEDIO structure and operation are

- efficiency (benchmarking, quality standards and innovation);
- communication (awareness raising campaigns and initiatives promoting water saving);
- stakeholder involvement (identification and implementation of cost-effective solutions in a consensual way, including water pricing); University of Extremadura (for analytical control, research and development input, technical assistance to local entities etc.) and the Autonomous Revenue Agency for tax management.
- transparency and accountability (providing citizens and stakeholders meaningful information).
- one single social water tariff for consumers within all local authorities, based on cost recovery, social accountability and inter-municipality solidarity;
- forward financial planning: fixed amount of charges set aside for renovation of waste water treatment plants (12%) and improvement of water distribution systems (10%).

Against this background, the number of services managed by PROMEDIO has considerably increased during past years:



Source: PROMEDIO

²⁷ <http://promedio.dip-badajoz.es/?r=site/page&view=que-es-promedio>

Presentation: Mr Bruno Tisserand, EurEau

The presentation drew attention to the necessary distinction between transparency and benchmarking; increased benchmarking is not an exclusive solution to greater transparency.

Examples were presented from four countries/regions:

- Netherlands: mandatory performance indicators in the Dutch Drinking Water Law - on water quality, services, environment and finance & efficiency;
- Germany: voluntary approach – on security of supply, quality of supply, sustainability, economic efficiency and customer service;
- England and Wales: annual publication of a wide range of performance data by regulator OFWAT, water utilities and consumer bodies;
- Spain: comparative surveys on all aspects of water performance and tariff levels.

Conclusions of EurEau experience:

- Transparency to involve ALL actors involved in water governance at ALL levels.
- Water utilities are only one of the actors of this process; their main relation is with customers.
- Transparency measures already in place, with a wealth of information available at national/local level in national languages (customers think “local”).
- At EU level reporting obligations are in place under the Water Framework Directive, the Drinking Water Directive, the Urban Waste Water Treatment Directive and the Bathing Water Directive.
- Yet to be defined: need for more transparency and more information? At which level?
- To recall, any additional requirements have to be feasible for 70 000 utilities.

5. Further initiatives 2014/2015 linked to drinking water

5.1. REFIT Evaluation of the Drinking Water Directive

The Juncker Commission has decided to perform an evaluation of the Drinking Water Directive within the Commission 2015 Working Programme "A new Start"²⁸, as part of the wider response to the European Citizens' Initiative Right2Water.

Objective of this ex-post evaluation under REFIT, the European Commission's Regulatory Fitness and Performance programme, is to evaluate past and current performance. An external study has been launched and a stakeholder consultation organised on 26 May 2015. The evaluation study report providing further evidence is scheduled for the end of 2015.²⁹

5.2. European Parliament resolution and European Economic and Social Committee opinion responding to the European Citizens' Initiative

In parallel to the Commission initiatives, the ECI "Right2Water" was officially submitted to the Commission on 20 December 2013, having received the support of more than 1.6 million citizens.

In accordance with Article 11 of the Regulation (EU) No 211/2011 on the Citizens' Initiative³⁰ (ECI Regulation), organisers were given the opportunity to present their initiative at a public hearing in the **European Parliament** on 17 February 2014 organised by its Environment Committee, in association with Development, Internal Market and Petitions Committees.

Following this hearing, and in accordance with Article 10 of the ECI Regulation, the Commission adopted on 19 March 2014 its Communication of the ECI setting out its legal and political conclusions on the citizens' initiative and the actions it intends to take in response to the ECI³¹. In this Communication, the Commission welcomed the mobilisation of European citizens in support of access to safe drinking water and sanitation, in Europe as well as at the global level, responded positively to a number of proposals contained in the ECI, and committed to a number of follow-up actions in response to the initiative in the areas where it has competence to act.

Subsequently the Parliament decided to elaborate a resolution on the follow-up to the European Citizens' Initiative Right2Water. The resolution has been adopted by the Parliament Plenary on 8 September 2015³²:

The resolution partly appreciates the Commission response to the ECI, urges it to consider measures such as the already ongoing transparency and benchmarking process and

²⁸ Commission Work Programme 2015 COM(2014) 910 final of 16 Dec. 2014, Annex 3

²⁹ <http://www.safe2drink.eu>

³⁰ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02011R0211-20131008&from=EN>

³¹ Communication from the Commission on the European Citizens' Initiative "Water and sanitation are a human right! Water is a public good, not a commodity!":

³² European Parliament resolution of 8 September 2015 on the follow-up to the European Citizens' Initiative Right2Water <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0294+0+DOC+XML+V0//EN>

“... calls on the Commission to act as a facilitator to promote cooperation amongst water operators via sharing of best regulatory and other practices and initiatives, mutual learning and common experience, and by supporting voluntary benchmarking exercises; welcomes the call in the Commission’s communication for increased transparency in the water sector and acknowledges efforts made thus far ...”

However, the resolution also voices serious criticism:

“... lacks ambition ..., limits itself to reiterating existing commitments ...”,

“... calls on the Commission, in line with the primary objective of the Right2Water ECI, to come forward with legislative proposals ...”,

and finally demands on any future amendments of the Concessions Directive³³ that

“... production, distribution and treatment of water and sanitation services must remain excluded from the Concessions Directive also in any future revision thereof ...”.

Further, the **European Economic and Social Committee** adopted on 15 October 2014 an opinion on the Commission Communication, largely along similar lines as the European Parliament resolution of September 2015: On the one hand certain aspects of the Commission's response are appreciated, on the other hand the Committee urges the Commission to propose legislation establishing access to water and sanitation.³⁴

³³ Concessions Directive 2014/23/EU

³⁴ Opinion of the European Economic and Social Committee of 15 October 2014, http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2015.012.01.0033.01.ENG

6. Summary, conclusions, and suggestions for consideration

Acceptance and appreciation of the Commission initiative for a Stakeholder Dialogue on Benchmarking Water Quality and Water Services and Related Issues has been widespread, with all taking the floor in presentations, discussions and written submissions underlining this fact.

Summarising, future initiatives on benchmarking have been widely welcomed (provided they are voluntary and not mandatory), including suggestions for short-term and long-term action (see chapters 3.1. and 3.2.). The scope of benchmarking should be expanded from water quality to financial aspects, addressing not only water quality, but also financial aspects such as transparency of costs in terms of operation and maintenance, but also (re)investment needs.

A lot of expertise and reference material on benchmarking is already available at regional and national level. With a view to the largely differing structure of water utilities across the EU, the issue of small and medium size utilities will merit particular attention.

However, benchmarking cannot substitute adequate information and transparency, as underpinned in a recent OECD study (chapter 4 above).

Affordability of water services has been addressed in several contributions; the Water Framework Directive would allow flexibility in its text (article 9) as regards the cost recover principle. Figures of a comparative OECD study would lead to the conclusion that in general, water tariffs may be considered affordable; however this does not refer to the poorest segments of society (see presentation at the 2015 meeting by the European Roma Rights Centre, as well as OECD data for Poland, lowest decile of the OECD population; illustrated in annex 1).

On transparency and access by consumers / citizens to information, contributions made during meeting came to similar conclusions as responses to the 2014 Commission public consultation: Consumers / citizens are currently not satisfied with information available; this leads not least to the perception that trust in drinking water quality locally is considerable (>70%), whilst trust in drinking water quality elsewhere is low (<20%). At the same time, a wealth of positive experience from various regions of the EU have been presented, evidence that transparency and cooperation with citizens and the civic society can work and deliver benefits for all.

On access to safe drinking water as a right for citizens and an obligation for Member States, current EU legislation does not provide for this (however it does to a certain extent for waste water collection and treatment in settlement areas >2 000 inhabitants or population equivalents). This fact has been emphasised on several occasions, referring to one of the demands within the ECI R2W.

One of the core demands of the ECI R2W is that “EU legislation should require governments to ensure and to provide all citizens with sufficient and clean drinking water and sanitation”. Whilst such demand appear impossible to meet through benchmarking or transparency measures, it has been raised by participants to the stakeholder dialogue on several occasions during the 2014 and 2015 meetings. Contributions might be useful in the process of evaluation of the Drinking Water Directive 98/83/EC.

The following issues were raised in the dialogues for further consideration as regards benchmarking:

- development of approaches how to involve small and medium-size water utilities currently not integrated into regional or national benchmarking processes;

- elaboration of best practices of the scope of benchmarking (whilst confirming the Commission's position not to envisage an own initiative on (cross-country) benchmarking, but to encourage wider use of this instrument at national and regional level;

On provision of information and transparency the ongoing evaluation of the Drinking Water Directive is envisaged to include discussion and conclusions whether the current article 13 of the Drinking Water Directive (annex 3) might merit amendment. To recall, this article addresses both information to consumers and reporting obligations for Member States and for the Commission.

The 2014 Commission public consultation has revealed general dissatisfaction by respondents with the information provided to consumers received and the related current provisions of the Drinking Water Directive. Expectations were expressed to receive complementary information on issues such as compliance / non-compliance with legal standards, water losses in the network, cost of supply and profit margins, investments made and information on monitoring. Inextricably linked to the scope of information for consumers is the question at which level (local, national, EU-wide) such information should be provided and by which means.

The stakeholder dialogue confirmed that a wealth of information approaches is already in place in many regions, beyond the formal current provisions of the Drinking Water Directive. Considerations for a review of information obligations should build on these.

On reporting, it appears evident not least from the 2014 Commission Synthesis Report³⁵, and is confirmed by the responses to the 2014 Commission public consultation, that the current reporting system is not suited to provide practical information to citizens and consumers: With a three-year reporting period, plus 14 months for Member States to report to the Commission plus a further 9 months for the Commission to publish an EU-wide report, the current provisions result in drinking water quality data being published which are partly almost five years old. They can therefore inter alia be an instrument on trends analysis, but without doubt not a general citizens' and consumers' information tool. At the same time, the ongoing evaluation of the current Drinking Water Directive³⁶ on effectiveness, efficiency, coherence, overlaps/gaps, relevance and EU added value offers the opportunity to include contributions from the public consultation and benchmarking and information exercises into considerations. To recall, the Water Information System for Europe (WISE) as endorsed by Commission and Member States, foresees operational inclusion of drinking water reporting into WISE.³⁷

³⁵ Commission Synthesis Report on the Quality of Drinking Water in the EU, COM/2014/0363 final

"... The current set-up for reporting does not provide the Commission with adequate and timely information to perform a thorough synthesis of drinking water quality developments in the European Union. This makes it difficult to provide the Council, European Parliament and the public with updated EU-wide information on drinking water policy and quality on a regular basis. In addition, the way data are collected, processed and reported differs across the EU, which makes it difficult to compare situations in different Member States with regard to their performance and compliance with the Directive. A revised or new reporting concept could facilitate transparent data dissemination and management at both national and EU level. Also, benchmarking drinking water quality could allow easier interpretation and visualisation of water quality data across the EU and better comparison of water quality and trends between Member States. ..."

³⁶ <http://www.safe2drink.eu>

³⁷ European Environment Agency (2014) " How to use Reportnet for reporting under the Drinking Water Directive 98/83/EC" http://forum.eionet.europa.eu/x_wise-reporting/library/drinking-water-directive-library/dwd-data-request-2014/how_to_use_reportnet_for_dwd_30_09_14_v1.1/download/en/2/How_to_use_Reportnet_for_DWD_05_11_14_v1.2.pdf?action=view

Annex 1

Affordability of costs for drinking water and sanitation

There is no absolute level for affordability. International thresholds exist and can be a useful basis for preliminary assessments at national level: donors, international financial institutions and other international organisations often quote the figure of 3-5% of disposable income or household expenditure; however there is no official statement or recommendation. According to a United Nations brief³⁸, the costs for water and sanitation services should not exceed 5% of a household's income, meaning services must not affect peoples' capacity to acquire other essential goods and services, including food, housing, health services and education.

Comparing this threshold of 5% of household income with figures from European Union Member States, figures for water supply and sanitation bills range

- between 0.3% and 1.2% on the basis of average net disposable income
- between 1.4% and 7.9% on the basis of the lowest decile of the OECD population,

both figures calculated at purchasing power parity.

Additional measures could be envisaged, and have been used in several countries, such as

- A tariff structure which provides a certain minimum consumption of water per person either free of charge or at a very low price, with consumption beyond that threshold being priced at a higher rate ('increasing block tariffs').

Such a tariff structure would thus in total arrive at cost recovery whilst providing the least favoured with more affordable water; such increasing block tariffs have a tradition in several OECD countries (Belgium, Greece, Japan, Mexico, Portugal, Turkey).³⁹ Such a tariff structure would also be in conformity with the Water Framework Directive: its article 9 specifically refers to discretion for Member States to have regard to the social and economic effects of cost recovery;

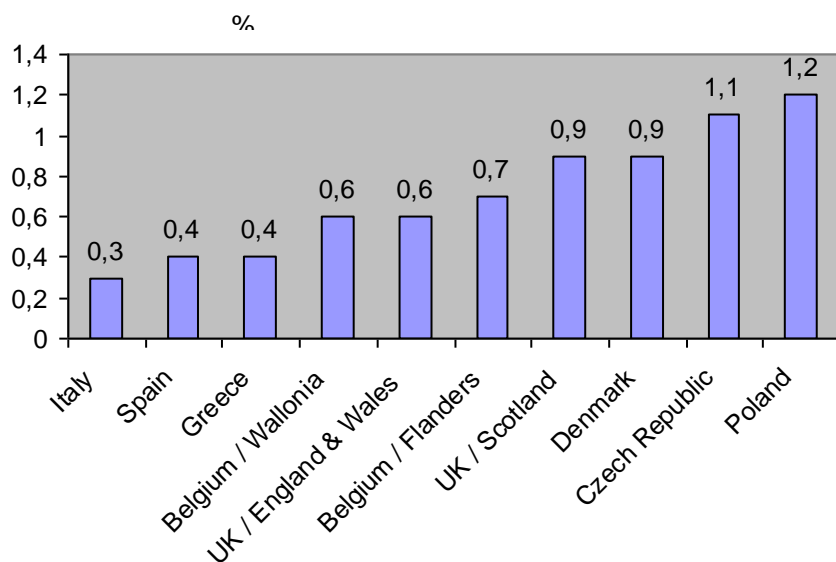
- A specific tariff structure with 'social tariffs' for those in need; such an approach would as well be in conformity with the Water Framework Directive;
- A legal ban imposed on water supply facilities, prohibiting them from interrupting drinking water supply to a household because of unpaid water bills.

³⁸ United Nations "The Human Right to Water and Sanitation", Media Brief 2011

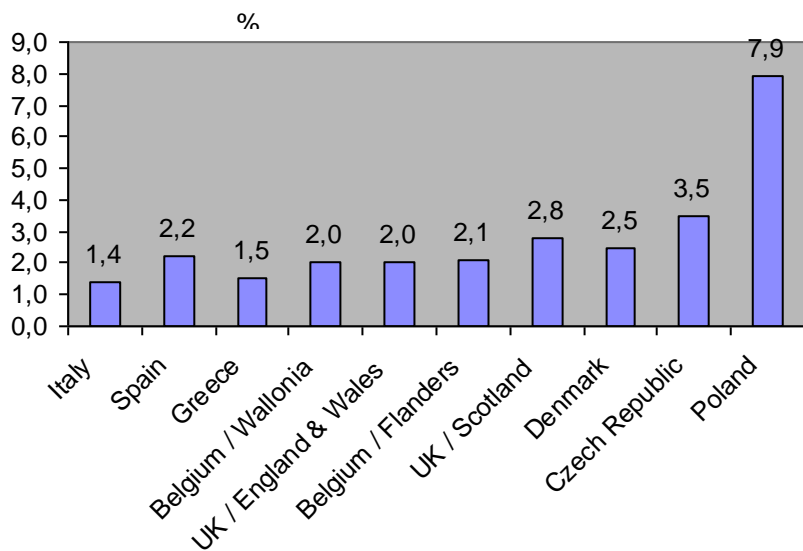
³⁹ OECD 2010

Water supply and sanitation bills as a percentage of disposable income in selected OECD countries ⁴⁰

a) on the basis of average net disposable income; purchasing power parity



b) on the basis of the lowest decile of the OECD population; purchasing power parity



⁴⁰ OECD Report "Pricing Water Resources and Water and Sanitation Services", Paris, 2010

Annex 2

List of attendees (meetings 9 September 2014 and 12 October 2015)

Stakeholder dialogue 2014-2015 on benchmarking

Meetings 9 September 2014 [1] and 12 October 2014 [2]

Organisation (in alphabetical order)	Organisation (abbr.)	Participation in meetings 9 Sep 2014 [1]; 12 Oct 2014 [2]
Berlin Water Table (<i>Berliner Wassertisch</i>)		2
Consortium of local authorities and associations of local authorities in Badajoz Province (Spain)	PROMEDIO	2
ECI Organising Committee	ECI 'Right2Water'	1+2
European Federation of Public Service Unions	EPSU	
European Anti Poverty Network	EAPN	2
European Association of Public Water Operators	AQUA PUBLICA EUROPEA	1+2
European Benchmarking Co-operation	EBC	1+2
European Centre of Employers and Enterprises providing Public Services	CEEP	1+2
European Environment Agency & European Topic Centre on Inland, Coastal and Marine Waters	EEA / ETC-ICM	1+2
European Federation of National Associations of Water Services	EUREAU	1+2
European Policy Centre	EPC	1
European Water Association	EWA	1+2
Florence School of Regulation	FSR	1
Food and Water Europe	FWE	2

Organisation (in alphabetical order)	Organisation (abbr.)	Participation in meetings 9 Sep 2014 [1]; 12 Oct 2014 [2]
International Federation of Private Water Operators	AQUAFED	1+2
International Water Association	IWA	1
Organisation for Economic Co-operation and Development	OECD	1+2
Stockholm International Water Institute	SIWI	1
Water supply and sanitation technology Platform	WssTP	1
World Health Organisation	WHO	1
World Bank	WB	1