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Transparency in water governance and water services

Ensuring stakeholders are informed about the governance model and water services

Summary

Water governance describes the legislation, policies, regulation and institutional frameworks and best practice which encompass three essential inter-related elements: transparency, accountability and stakeholder engagement.

A wide range of effective water governance rules and measures on transparency are already in place across the EU and at Member State level.

Water operators are fully committed to delivering strong governance in water services provision through transparency, accountability and stakeholder engagement.

Access to drinking water and sanitation is a basic human right and water service providers have a specific public responsibility to society. To fulfil this role and to gain customers' trust and public confidence, water providers are transparent in performing their water and waste water services, ensuring safety, accessibility, availability, acceptability and affordability, as well as in the choices made in terms of investments and financial resources allocation.

Benchmarking can help improve transparency but it is not the exclusive or ideal solution (see our paper on [benchmarking](#)).

Both public and private water service operators engage with their customers, listening to their concerns and expectations.

Water service providers and their customers share a common and ultimate aim: ensuring high quality, sustainable and affordable water services now and for future generations. To pursue this, key relevant information for consumers should be made widely available by water operators.





Background

The European Commission responded to the European Citizens' Initiative 'Right2Water' in its Communication (COM (2014) 177) in March 2014, highlighting that transparency in water governance can play a key role in improving citizens' access to water and sanitation, impacting on its main dimensions: accessibility, affordability, acceptability, availability and safety.

EurEau fully supports the inclusion of the human right to water and sanitation in the EU Charter of Fundamental Rights as well as the need for transparency in water governance.

The European Parliament, through the resolution of 8 September 2015 on the follow up to the European Citizens' Initiative Right2Water (2014/2239(INI)) adopted a number of very important positions closely related to the issue of water governance.

Our members want to give their customers and stakeholders an insight into the performance, organisation & management, challenges and on the important societal role played by water services.

This is one of EurEau's priorities and we work with decision makers and international partners, such as the OECD, to make this a reality.

Benchmarking and transparency

Indicators and benchmarks for water services may increase transparency in water governance as a whole. But indicators and benchmarks do not necessarily lead to greater transparency, due to the complexity and the diversity of definitions, together with the challenge of EU-wide data gathering, management, processing and thus interpretation of the indicators.

While benchmarks and indicators are the most important management tools to improve the performance of water services, transparency in water governance means transparency on "the set of rules, practices, and processes through which decisions for the management of water resources and services are taken and implemented, and decision-makers are held accountable"¹. Essentially, transparency in water governance is about who makes the decisions on the allocation of water resources (between agricultural use, industry and households), how citizens and stakeholders can take notice of and influence these decisions, and how water services are managed.

The OECD has worked on these topics since 2008 through its Programme on Water Governance. So far this has introduced the

¹ www.oecd.org/env/watergovernanceprogramme.htm.



Water Integrity toolkit and the *12 Principles of Water Governance*, amongst other relevant publications.

Water governance: EurEau supports the OECD principles

The OECD published the 'Toolkit for Integrity'² in March 2014 featuring sectoral approaches to governance.

The water sector is one of the sectors considered in the study, given its intrinsic characteristics:

- the water sector depends on a wide range of actors at different levels of governance, which makes transparency and the effective coordination of roles and responsibilities more challenging
- it is capital intensive and involves large amounts of public and private funds
- the sector has a high degree of monopolistic intensity, and
- there is strong asymmetry of technical and financial information between public decision makers, providers and consumers.

For these reasons, integrity in water governance encompasses three essential inter-related elements¹:

1. **Transparency**, which allows openness and clarity for those affected by water-related decision making, not only regarding facts and figures, but also mechanisms and processes. It calls upon actors in the water sector to act visibly, predictably and understandably;
2. **Accountability**, which makes actors answerable for their actions, encompassing political, administrative and financial dimensions as well as compliance with rules and standards; and
3. **Stakeholder engagement**, i.e. the participation of any person or groups who may be directly or indirectly affected by water policy, and/or have the ability to influence the outcome, and ensure the ownership and implementation of decisions, and information needs.

EurEau is one of the signatories to the OECD 12 Principles of Water Governance³, welcomed by Ministers at the OECD Ministerial Council Meeting on 4 June 2015.

² www.oecd.org/cleangovbiz/CGB-Toolkit-2014.pdf.

³ www.oecd.org/gov/regional-policy/OECD-Principles-on-Water-Governance-brochure.pdf.



Principles 6, 9 and 10 address the different dimensions of transparency in water governance and indicate the path to follow to get there, taking into account the two interlinked headings of managing water resources and providing water services.

Generally while managing water resources is the competence of water basin management authorities, drinking water and waste water services are carried out by water operators.

Integrity and transparency should be integral to all the different levels of decision making from international, national, regional and local authorities, to regulators and water operators.

EurEau welcomes the efforts carried out by the OECD to improve transparency in water governance in general and in the water industry in particular.

Water governance: neutrality to respect subsidiarity

EurEau recognises that, as stated in the WFD, water is not a commodity but a public good that is vital to human life and dignity. As the EU Treaty rules require, the EU governing instruments and financial institutions should remain neutral in relation to national policies governing the ownership regime of water undertakings, therefore they should by no means promote the privatisation of water undertakings in the context of an international economic adjustment program or any other EU procedure of economic policy coordination.

Transparency in water services

Water operators play a key role in water governance as providers of drinking water and sanitation services.

As access to drinking water and sanitation is a basic human right, water operators provide services of general interest and have a specific public responsibility to society. In order to fulfil this role and to gain customers' trust and public confidence, water operators are transparent in the performance of water and waste water services, ensuring quality, accessibility, availability, acceptability and affordability, as well as in the choices made in terms of investments and financial resources allocation.

Both public and private water operators engage with their customers to make them understand the challenges and the responsibilities water operators face. Water operators listen to customers' concerns and expectations too.



Water operators and their customers share a common and ultimate aim: ensuring high quality and affordable water services now and for future generations.

Under the Drinking Water Directive (DWD art. 13) Member States are obliged to take the necessary measures to ensure that adequate and up-to-date information on the quality of water is available to consumers. Furthermore, Member States are compelled to publish a report every three years on the quality of water intended for human consumption to inform consumers.

The European Commission is also obliged to publish a synthesis report of the Member States' reports on the quality of water.

EurEau members have already stepped up their efforts in raising customers' awareness and improving involvement of their customers in the life of the services.

We believe that only through cooperation with competent institutions and through stakeholders and customers' engagement, the mission of water services as services of general interest, can properly be fulfilled.

Water services have increased transparency about the procedures and the substance of the choices when it comes to financial resources allocation through different mechanisms such as the 'Customers Forum' in the UK, the 'Comité de Contrôle de l'Eau/Commission Consultative de l'Eau in Wallonia, the 'Commission consultative des services publics locaux' for 100% of private contracts in France, extensive public information on the websites of the Dutch water service providers, and publications like the 'Profile of the German Water Sector' in Germany.

It is important that the information delivered by water services to their stakeholders and consumers is relevant and conveyed in a clear and understandable way so that they are truly empowered.

EurEau would welcome an online portal set up by the European Commission or by the European Environmental Agency with a map redirecting to existing water companies websites containing information relevant for consumers in each Member State.

A collection of some EurEau members' experiences about transparency and customers' engagement are found in Annex 1.





Annex 1 – Transparency measures at national level

Austria

www.trinkwasserinfo.at/trinkwasserdatenbank/

Belgium

Wallonia

www.aquawal.be/fr/statistiques-de-l-eau-potable-et-de-l-assainissement-des-eaux-usees-en-wallonie.html?IDC=621.

Flanders

www.youtube.com/channel/UCk_4P5BJ-MtEEDCKCsR_KqQ.

www.youtube.com/watch?v=MxNUzL7BO2U.

<http://jaarverslag.aquafin.be/en/annual-report-2014>.

<https://en.vmm.be/publications/publicationlist>

For information on production and supply of drinking water in Flanders:

<https://en.vmm.be/publications/water-meter-2014-1>

Denmark

DANVA publishes yearly statistics on prices, cost and various technical data e.g. water loss, energy consumption etc.

www.danva.dk/waterinfigures2014.

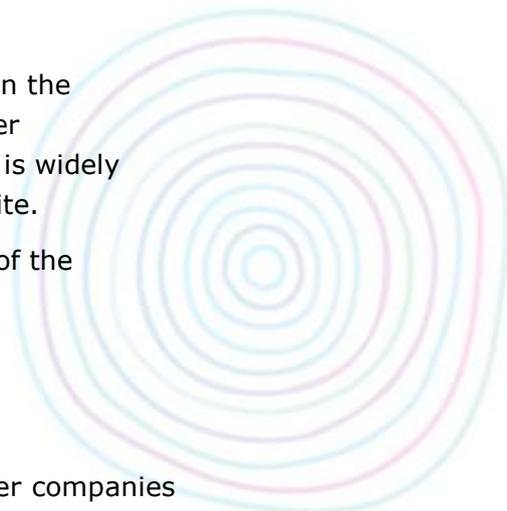
Information about drinking water quality for consumers: Based on the demands in the Drinking Water Directive 98/93, art. 13, the water sector/DANVA has made their own guidelines on this topic which is widely used. Easy access to the information is given via the utility website.

Increased transparency is also expected via the implementation of the Alternative Dispute Resolution Directive (October 2015).

Estonia

The Estonian Water Works Association published tariffs of member companies in its homepage

<http://evel.ee/teabepank/viited-organisatsioonidele/infomaterjalid/>





France

1) National Level:

Debates are organised with stakeholders including NGOs and customer associations at the Comité National de l'Eau (National Committee of Water).

Since 2008, municipalities have to upload their yearly results to enable the calculation of 29 indicators: tariffs and debt, quality of the drinking water service, quality of the waste water service and quality of the customer service

www.data.eaufrance.fr.

Results are used by national and international governments, academics, individuals and NGOs as the source of comparable measures. Individuals may also download the free App to automatically see local compliance rate, tariff etc.

2) FP2E review of the public water supply and sanitation services in France:

Every three years, FP2E publishes a report putting the performance of the water services in perspective with the broader water and social environment

www.fp2e.org/publication/etudes-et-informations/public-water-supply-and-sanitation-services-in-france-2012.

3) Centre of information on water

FP2E has a dedicated on-line resource providing thematic insights, especially on water quality issues; as section is dedicated to health professionals.

www.cieau.com.

4) At the utility level:

All private operators report annually to the municipalities on a mandatory set of criteria. The municipalities integrate this information into their own mandatory public report on the price and quality of the service. Water quality analysis results are also attached to the invoices.

At local level, the Commission Consultative des Services Publics Locaux (CCSPL) is installed for 100% of concessions, allowing direct information and debate with citizen. There is also a growing tendency in modern concessions (e.g. Dijon, Lille, etc.) to formally involve customer in decision bodies,

Germany

The 'Profile of the German water sector' is published every four years by the German Associations of the water industry. It documents the strengths of the German water industry in respect of safety, quality and sustainability of supply and effluent disposal, economic efficiency and customer satisfaction and offers an up-to-date overview of the capabilities of water suppliers and



effluent disposers.

www.dvgw.de/english-pages/drinking-water/profile-of-the-german-water-sector/?key=1-84.

www.dvgw.de/fileadmin/dvgw/wasser/organisation/branchenbild_engl_2015_kurzfassung.pdf.

www.dvgw.de/fileadmin/dvgw/wasser/organisation/branchenbild_engl_2015_langfassung.pdf.

[www.bdew.de/internet.nsf/res/AC1ACA0C30D8226EC1257E83003DADB5/\\$file/150625_WEB_brachenbild_ENGL_wasserwirtschaft_2015_a4_25062015.pdf](http://www.bdew.de/internet.nsf/res/AC1ACA0C30D8226EC1257E83003DADB5/$file/150625_WEB_brachenbild_ENGL_wasserwirtschaft_2015_a4_25062015.pdf).

Customers are asked for their satisfaction with water operators:

[www.bdew.de/internet.nsf/res/9C1A97039FE29D4BC1257E46002F4D53/\\$file/WEB_16_seiter_17cm_x_24cm_bdew_wasserkunden_2015.pdf](http://www.bdew.de/internet.nsf/res/9C1A97039FE29D4BC1257E46002F4D53/$file/WEB_16_seiter_17cm_x_24cm_bdew_wasserkunden_2015.pdf)

[www.bdew.de/internet.nsf/res/8FE8FE6DAA0985F7C1257CDA004667D3/\\$file/60030106_BDEW_Kundenbilanz_Standardpr%C3%A4sentation_20130218.pdf](http://www.bdew.de/internet.nsf/res/8FE8FE6DAA0985F7C1257CDA004667D3/$file/60030106_BDEW_Kundenbilanz_Standardpr%C3%A4sentation_20130218.pdf)

Third edition of the comparison of European water and waste water prices (VEWA):

The VEWA study compares the water and waste water prices of Germany, England/Wales, France, the Netherlands, Austria and Poland on a performance-adjusted basis.

[www.bdew.de/internet.nsf/res/A3F0BAEECB637AC9C1257E3B0047BF17/\\$file/BDEW_VEWA_Study_English_20150423.pdf](http://www.bdew.de/internet.nsf/res/A3F0BAEECB637AC9C1257E3B0047BF17/$file/BDEW_VEWA_Study_English_20150423.pdf).

Greece

In Greece, all Municipal Enterprises for Water and Sewage (that is all Greece except Athens and Thessaloniki) are required by law to issue a leaflet every year that presents the performance of the company in technical and financial terms as well as the investment planning regarding the infrastructure to the consumers. The exact content of the leaflet is not strictly specified (only generally outlined) but it should give consumers a clear picture of the performance of the company that is serving them. It is interesting to note that the 'efficiency of the company' is specifically required to be reported, however, there are no rules how to measure this efficiency.

Hungary

Talking to the consumers of the future.

www.vizkincs.hu.



Italy

The National Authority for Energy, Gas and Water (Autorità per l'Energia Elettrica, Gas e Sistema Idrico - AEEGSI) requires that all water companies give information about water quality directly to consumers with their paper bills or through their websites.

AEEGSI requires that local water Authorities (EGATO) and water companies publish relevant data on their websites.

All the planning procedures are public.

Each year AEEGSI refers to the Italian parliament and publishes an annual report.

All the procedures carried out by the AEEGS are public and published on its website.

www.autorita.energia.it.

According to Italian national legislation (d.lgs. 163/2006, l. 190/2012, d.lgs. 33/2013) each contracting authority (water companies included) must publish all the relevant data about tenders and contracts.

'La Struttura di missione contro il dissesto idrogeologico e per lo Sviluppo delle infrastrutture idriche' - a special Italian Government Task-Force on floods and water infrastructures publishes all relevant data on water services, investment EU legislation infringements on:

www.acqua.gov.it

italiasicura.gov.it.

Utilitatis (www.utilitatis.org) publishes in cooperation with Utilitalia the 'blue book', a complete analysis of the Italian water sector with a focus on macroeconomics as investments, tariffs, impact on families budgets

www.utilitatis.org/pubblicazioni-2/.

The Netherlands

At sector level, Vewin publishes every (third) year a diversity of information about the performance of the water companies, divers statistics, tariffs, customer satisfaction and domestic water use:

www.vewin.nl/SiteCollectionDocuments/Publicaties/Kerngegevens2015-ENG-WEB-los.pdf

www.vewin.nl/SiteCollectionDocuments/Publicaties/Vewin_reflections_on_performance_2012.pdf

www.vewin.nl/SiteCollectionDocuments/Publicaties/Dutch_Drink_water_statistics_2015.pdf



www.vewin.nl/SiteCollectionDocuments/Publicaties/Watergebruik_Thuis_2013.pdf

www.vewin.nl/SiteCollectionDocuments/Publicaties/Tarievenoverzicht_drinkwater_2015.pdf.

The individual water companies publish a lot of varied and custom made information from general information on tariffs and – for example - how their water meter works www.oasen.nl/drinkwater-thuis/Paginas/watermeterontleed-Artikel.aspx to sometimes very detailed information on the specific local water quality

www.vitens.nl/overvitens/water/waterkwaliteit/Paginas/kwaliteitthuis.aspx;

www.evides.nl/drinkwater/Documents/Waterkwaliteit/Tabel%20Drinkwaters.htm

Norway

http://norskvann.no/images/torilh/toril_pdf/Benchmarking_of_municipal_water_services_endelig.pdf (EN)

http://norskvann.no/images/thomaslj/BedreVA_2013_web.pdf (NOR)

<http://www.ssb.no/natur-og-miljo/artikler-og-publikasjoner/attachment/210649?ts=14a2e1f80> (NOR)

Sweden

www.stockholmvatten.se/en/

www.kappala.se

www.vasyd.se/Malmo

www.gryaab.se

<http://nsva.se/>

www.youtube.com/channel/UCKWit8Jt1ApkmQS0S8glpCg

<http://www.svenskvatten.se/Vattentjanster/Management/Hallbarhetsindex/>

<http://www.svenskvatten.se/Vattentjanster/Management/Hallbarhetsindex/Utgangspunkter-och-grundmodell/>

<http://www.svenskvatten.se/Vattentjanster/Management/Hallbarhetsindex/Syfte-och-tillampningar/>

<http://www.svenskvatten.se/Vattentjanster/Management/Hallbarhetsindex/Viktiga-aspekter-av-hallbarhetsindex/>



UK

1) Case study to the OECD Water Governance Initiative on costumers engagement about how customers in England and Wales have been involved in the price setting process, which has determined prices, services and investment in the water sector in 2015-2020.

2) Water UK Industry Datashare

www.water.org.uk/publications/reports/industry-facts-and-figures-2014.

Every year, the UK water industry voluntarily publishes sets of comparative data, including performance in environmental matters and customer services, and also financial information including tax and profits.

3) Ofwat Corporate Governance Code

www.ofwat.gov.uk/regulating/compliance/board/.

Companies in England Wales which are regulated by Ofwat have signed up to its principles on corporate governance.

4) The Customer Forum – Scotland

<http://customerforum.org.uk/about-us/the-forum/>

<http://customerforum.org.uk/our-work/>.

5) A number of UK companies take part in the European Benchmarking Co-operation 'Learning from International Best Practices'.

6) UK drinking water quality regulators publish their comparative reports each year – see <http://bit.ly/1P3k0dh>.



About EurEau

EurEau is the voice of Europe's water sector. We represent drinking and waste water service providers from 29 countries in Europe, from both the private and the public sectors.

Our members are the national associations of water services in Europe. At EurEau, we bring national water professionals together to agree European water industry positions regarding the management of water quality, resource efficiency and access to water for Europe's citizens and businesses. The EurEau secretariat is based in Brussels, from where we coordinate the work of around 150 experts from member organisations and utilities and advocate common positions with EU decision makers.

Our members are fully committed to the continuous supply of clean water and its safe return into the water cycle. We play a role in raising awareness of threats to the water environment. With a direct employment of around 500,000 people, the European water sector makes a significant contribution to the European economy.