

A European vision for water

Press note for the 2nd European Forum on the Regulation of Water Services.

On 1 December 2021, the 2nd European Forum on the Regulation of Water Service (EFRWS) hosted more than 40 speakers from all over Europe. The participants discussed the EU Green Deal targets in the water sector and how regulatory authorities and instruments can support their achievement.

Under the patronage of the European Commission, the 2nd EFRWS focused on environmental sustainability, innovation and the pressing need to ensure full compliance with EU water legislation. This is a challenge, especially for countries aspiring to join the union, such as Albania. To address some of the problems in this regard by Western Balkan countries, the Chairman of Albanian Regulatory Authority, at the same time Vice President of the European Water Regulator, Mr. Ndriçim Shani was invited to moderate the fourth panel: “Water Challenges in the Balkans”. The session discussed the role of regulators in addressing issues and the urgent needs that states must address as a condition for joining the European Union.

The European Union water legislation is very different from other sectors like, for example, for energy. That's for two reasons. Firstly, fragmentation is the natural consequence of the territoriality of water sources and the greater difficulty in creating interconnections (even within each state's geographical boundaries, there are significant internal differences). Secondly, there is a lack of defining common and shared principles to grow a system of rules and plan services and investments.

Water scarcity due to drought is already a serious problem in Europe. Therefore, sustainable water management must become a shared priority across the EU.

Can we get there?

Which countries are ahead, and which are behind?

On November 19, the European environment agency EEA published updated data regarding the degree of compliance of European countries with the requirements of the UWWTD wastewater directive for collection and treatment. The data, available at <https://www.eea.europa.eu/highlights/waste-water-treatment-improves-in>, still shows a heterogeneous cross-section between the different countries, albeit with large rates of improvement recorded between the years 2014, 2016 and 2018.

The virtuous countries with a compliance rate of 100% are Austria, Germany, Luxembourg, and the Netherlands. The average compliance rate of all EU countries is equal to 76%. For instance, Italy has a rather low compliance rate (56%). This is due to the criticalities present in some country areas, where the collection and wastewater treatment are still lacking or completely absent.

WAREG, the network of European regulators in the drinking water and wastewater sector, has processed the EEA data by aggregating them for the EU countries included in its network and the countries outside it.

The countries that in recent years have established a regulatory authority, such as Italy with ARERA, have recorded significant rates of improvement in compliance with the wastewater directive.

The ratio between the number of inhabitants with a service that does not comply with EU legislation and the inhabitants who instead benefit from adequate service standards has been greatly reduced from 2014 to 2018.

In short, regulatory authorities play a central role in defining incentives and sanctions to managers to draw up effective and efficient investment plans.

Water management has high costs, and regulators maintain the balance between system needs and impact on consumers in compliance with the "full cost recovery" and "polluter pays" principles.

These issues are very much related to the green transition, the Next Generation EU and the choices made throughout Europe in the water sector.

For this reason, the authorities of 31 European and non-European countries have decided to discuss environmental issues and the correct balance between consumer needs, social accessibility, industrial innovation, and efficient costs during the 2nd European Forum on the Regulation of Water Services (online at <https://www.wareg.org/efrws/efrws-2021/>).