

2nd European Forum on the Regulation for Water Services (EFRWS)



The 1st European Forum on the Regulation of Water Services (EFRWS) held in Rome on 3 December 2019 was the first multi-stakeholder meeting of its kind in Europe, to be focused entirely on economic regulation in the drinking water and wastewater sectors. It gathered more than 50 speakers from all over Europe, representing water regulatory authorities that are also members of WAREG, the European Association of water regulators, as well as water industry associations, research institutions, think tanks and other stakeholders. Inaugurated by high representatives of the Italian Government, the European Commission, the European Investment Bank, the OECD and the World Bank, the Forum allowed to reinforce technical and institutional dialogue and highlighted the key role of Regulators in balancing customers' needs, social affordability, industrial innovation, and efficient costs, while preserving the environment and future generations. It assessed some of the most pressing challenges for the sector in Europe, like water governance, water utility efficiency, water regulation for innovation and environmental sustainability, social affordability of tariffs, that are summarized in a final report.

Only a few days after the Forum, the European Green Deal was launched by the European Commission, addressing water as one of the pillars in the transition process towards a more sustainable and resilient European economy. Just a few weeks later the world would experience one of the deadliest pandemics ever, with devastating effects on human lives but also on national sanitary systems and economies, hence pushing EU Member States to adopt the largest economic stimulus package since the start of European integration in the 1950s. In fact, the EU Green Deal and the Recovery Plan for Europe have set new priorities that are already steering the political agendas of European Governments and that will soon boost the green and digital transitions in the European water sector.

In this scenario water regulators have emerged as fundamental institutions to ensure continuity and quality of drinking water and wastewater services under economic shocks. Their monitoring and tariff setting powers can generate relevant benefits like the recovery of efficient industrial costs, the effective realization of investments, transparency and fairness of final prices for good qualitative services, and many others. A sound economic regulation can promote stability of legal frameworks at national, regional and local level, respect of European environmental targets, technological innovation and universal access to drinking water, at the most reasonable prices for households and for all customers in general.

The 2nd EFRWS 2021 will be organized this year around the green transition and the actions taken by European Institutions and by national regulators to improve circular economy-based activities in the water sector. Cutting-edge issues will be addressed like energy saving, energy production from sewage sludge, recovery of materials from wastewater, water reuse, reduction of plastic consumption. In some EU countries regulatory authorities have already developed economic incentives for utilities to offer products and services with positive environmental externalities, like the reduction of greenhouse gases. Practical experience in tariff setting shows that innovation can be promoted in direct ways, like dedicated regulatory funds and derogations to specific rules, or indirectly, for instance through output based regulatory models that define specific targets for water utilities.

The 2nd EFRWS will be organized online, on 1 day, with plenary and parallel sessions. Participation will be for free and detailed information on agenda and registration will be available on WAREG website (www.wareg.org). As President of WAREG-European water regulators, I hope for the widest participation from the public.

Andrea Guerrini
ARERA's Board Member and WAREG President

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Online - December 1st, 2021

Draft agenda

December 1st, 2021

Morning sessions

09.00 Plenary session

The opening plenary session will shed light on the relevance of the water sector in the green transition and on the role that economic regulators could exert in this phase. Special rules and regulatory tools could bring out the high potential of water utilities in terms of environmental sustainability and circular economy. High-level institutional speakers from European Institutions will illustrate the EU goals on Green deal and the contribute required to the water sector by the already approved Drinking Water Directive and by the Urban Wastewater Collection and Treatment Directive and Sewage Sludge Directive which has been under review since 2020. Other interventions will illustrate the funding policies, the green investment in the framework of Taxonomy regulation and the main regulatory trend for supporting the green transition.

Institutional welcome (speakers tbd):

Stefano Besseghini, ARERA President

Andrea Guerrini, ARERA Board Member and WAREG President

Roberto Cingolani, Italian Minister for Ecological Transition

Enrico Giovannini, Italian Minister of sustainable infrastructures and mobility

David Sassoli, President of the European Parliament (TBC)

Frans Timmermans, European Commission Executive Vice-President for the European Green Deal (TBC)

Virginijus Sinkevičius, European Commissioner for Environment, Oceans and Fisheries (TBC)

Werner Hoyer, President of the European Investment Bank (TBC)

Paolo Gentiloni, European Commissioner for Economy (TBC)

10.00 Thematic panel 1: Economic regulation for promoting environmental sustainability

This panel will try to focus on the green transition and the actions taken by regulators to improve circular economy-based activities in the water sector like energy saving, recovery of raw materials and energy production from sewage sludge, water reuse, reduction in plastic consumption, and other issues. In several European countries, economic regulators developed well-defined rewarding tools to incentivize utilities in offering products and services with positive environmental externalities, like for instance the reduction of greenhouse gases emissions. This could lead to renewed water tariff policies, aimed at also including tax items in the periodical water expenditure for households and businesses, to recover also those costs that are not strictly related to the volumes of water sold.

Moderator and rapporteur (opening and introduction): TO BE DEFINED

WAREG member

Discussants: TO BE DEFINED

Florence School of Regulation, water regulators, European associations, operators, think tank, research institutes.

11.45 Thematic panel 2: The EU Green Deal and the water sector

The structure of the European water sector is largely influenced by the detailed European legislative framework concerning drinking water, urban wastewater collection and treatment, sludge disposal and treatment. The European Parliament recently approved the recast Drinking Water Directive (DWD). This panel aims at analyzing the potential impact of the DWD provisions from a regulatory perspective, as well as the possible approaches to its implementation in EU Member States, and more in general the role played by regulators to assure an effective adoption of European legislation in the water sector. The European Commission has started an assessment process to review the current legislation on urban wastewater and sludge use, according to the new circular economy paradigm. Particular attention will be dedicated to the impact assessment of the Urban Water and Wastewater Treatment Directive and the Sewage Sludge Directive, and to some of the best approaches to their reform.

Moderator and rapporteur (opening and introduction): TO BE DEFINED

WAREG member

Discussants: TO BE DEFINED

European Commission, water regulators, European associations, operators, think tank, research institutes.

13.30 Break

December 1st, 2021

Afternoon sessions

14.30 Thematic panel 3: Economic regulatory incentives for innovation

This panel will be focused on innovation achieved by water companies through specific regulatory tools. According to literature and practical experience, innovation of utilities can be directly promoted by means of funds collected through regulatory tariffs, or by means of derogations to existing rules in case utilities pursue a renewal of their operations and strategies. However, innovation can also be stimulated indirectly through output-based regulation, whereby water regulatory authorities set targets for utilities to achieve specific results (for instance standard levels of water leakages).

Moderator and rapporteur (opening and introduction): TO BE DEFINED

WAREG member

Discussants: TO BE DEFINED

European commission, water regulators, European associations, operators, think tank, research institutes.

16.15 Thematic panel 4: Water challenges in the Balkans

This panel will focus on some of the main challenges, achievements and urgent needs in the water and wastewater sector in EU candidate Member Countries, and the role of national regulators in implementing the EU legislative acquis on water. The regulators of some of these Countries are Members of WAREG, the European Association of water and wastewater Regulatory Authorities.

Moderator and rapporteur (opening and introduction): TO BE DEFINED

WAREG member

Discussants: TO BE DEFINED

Water regulators, European associations, operators, think tank, research institutes.

17.15 Plenary session

In this session the main points raised in each one of the 4 thematic panels will be reported. Rapporteurs will openly discuss in a roundtable and final conclusions will be drafted.

Moderator: Journalist

Final discussion and conclusion with rapporteurs from sessions 1,2,3,4

18.00 Final remarks and conclusions

Andrea Guerrini, ARERA Board Member and WAREG President

Veronica Manfredi, Director at European Commission, Directorate-General for Environment (Quality of Life)

18.15 End of the Forum

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