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RÉPUBLIQUE FRANÇAISE

MINISTÈRE  
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# The broad context of financing the water and sanitation sector and insights on attempts to finance equitable access

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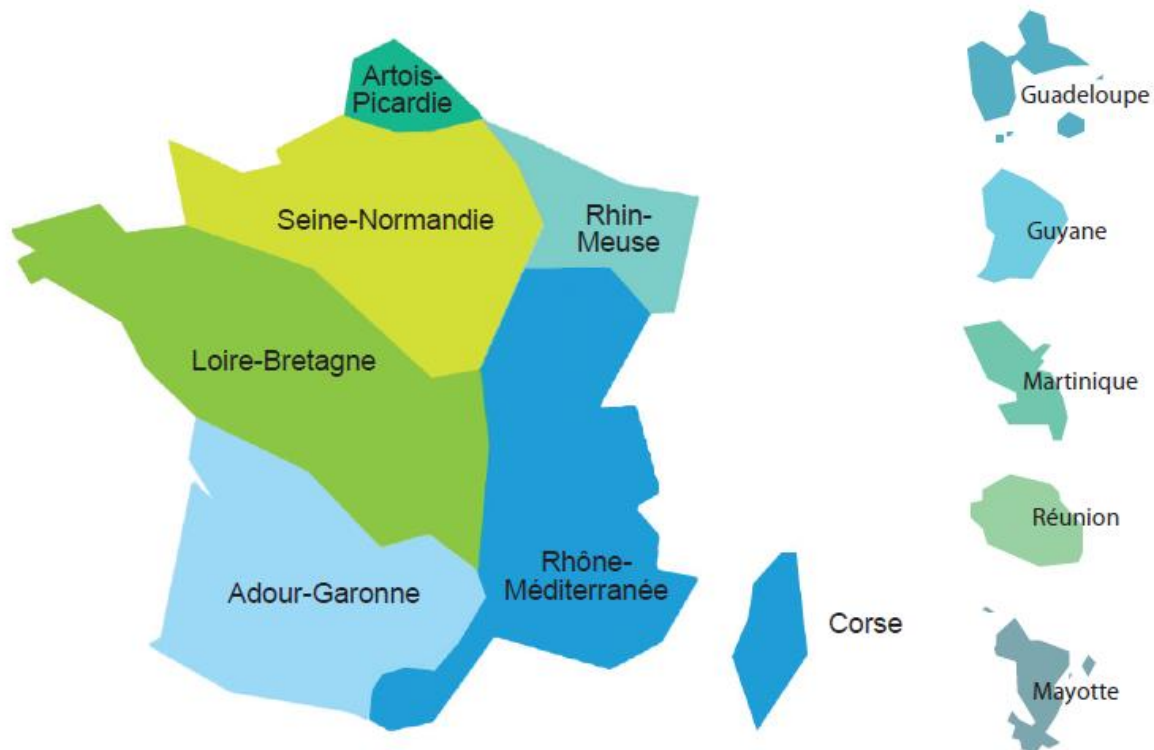
France, Ministry of solidarity and health

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Protocol on Water and Health



# Water basins and Water Agencies in France



In France, water resources are managed by basin and watersheds.

- 7 basins
- 6 Water Agencies
- 5 overseas basins

# Water Agencies in France

## Main provisions - Framing



The six Water Agencies are

State public institutions of an administrative nature, under the supervision of the Ministry of Environment.

They participate at level of each watershed in the implementation of policies which are themselves part of the objectives of the EU.

Article L213-9-1 of the Environment Code provides that :

"the implementation of the multiannual program of intervention of the Water Agency reporting on income and expenditure under this program shall be subject to a report annexed each year to the draft budget law ".

# Water Agencies in France

## Main provisions – Framing



The law of 30 December 2006 on water and aquatic environments (LEMA), which entrusts Water Agencies with the implementation of management plans, specifies that Water Agencies promote the "balanced and efficient management of the water resource".

Their interventions relate to the pollutions prevention and control, sanitation and environmental management, quantitative water management, drinking water, planning, studies and knowledge, humanitarian cooperation and public information.

They participate in the national sustainable development strategy and the national climate change adaptation plan.

# Water Agencies in France

## Main provisions – Framing



Article L.213-9-1 of the Environment Code provides that "for the performance of the tasks defined in Article L. 213-8-1,

The multi-year program of action of each Water Agency :

- determines the areas and conditions of its action ;
- provides for the amount of expenditure and revenue necessary for its implementation.

The Parliament sets out the priority orientations for the multiannual program of intervention and fix the overall ceiling for their expenditure over the period considered.

# Water Agencies in France

## Main provisions – Framing



The legislative framework of the 10th program 2013-2018 of intervention of the Water Agencies was carried out with regard to their revenue ceilings, through Article 124 of the initial budget law for 2012. Pursuant to the third paragraph of Article L213 -9-1 of the Environment Code, the amount program of expenditure for the period 2013-2018 has been fixed by joint Ministers of the Environment and Finance on 26 February 2013, after consulting the National Water Committee (CNE). This demonstrates the desire to contain the water tax burden on households while the means to intervene on priority policies. Ceiling of agency revenue over the entire program (2013-2018) to 13.8 billion €.

# Water Agencies

## Main provisions – Framing



The main contribution to the revenue of the Water Agencies comes from the water bill (households and domestic assimilated production activities).

In 2012, the water bill ensured between 80% and 90% of revenues. Overall, this share decreases (or remains stable) when that of other users increases. In order to meet the water priorities set out in the 10th programs 2013-2018, according to the "polluter pays" principle, certain taxes are raised. Thus, in the face of concerns over the quantitative management of water resources due to climate change, fees for water withdrawals have been increased.

# Water Agencies

## Main provisions – Framing



The water bill is composed of 3 parts :

one for the remuneration of the drinking water service, one for the remuneration of the sanitation service, and one for the fees of the Water Agencies. In the Paris region (Ile-de-France) Water Agency fees account for an average of 20% of the water bill.

Besides, there is a fixed part corresponding to the cost of the subscription to the water service, and a variable part corresponding to the consumption of water.

In the Paris region, the price evolution corresponds on average to 1% per year : the biggest increase is related to sanitation. This situation can be explained by the upgrading of non-collective sanitation facilities and the extension of collective sanitation.



# Social pricing of water in France : context and objectives of experimentation

French Legislative framework : Law "Brottes" introduced in 2013, for the communities that wish it, the possibility of experimentation with a view to promoting Access to water and Social water pricing, under the conditions laid down in Article 72 of the Constitution

- to provide operational responses to make water affordable for all, under economically acceptable conditions for all
- to identify solutions adapted to the different situations of water and sanitation services (public or private),
- to assess the impact on various users and management costs

# Social pricing of water in France

## Main provisions - Framing

Voluntary communities have the opportunity, in a period of 5 years

- to set up new tariffs for water and / or sanitation
- as well as Payment of the water bill to ensure better access to these services.

For example, the experimentation may concern :

- the definition of tariffs taking into account the composition or income of the household, which may include a first tranche of free consumption
- the granting of assistance for the payment of water bills.

# Social pricing of water in France

## Main provisions - Funding

- For the financing of the devices, the experimentation also allows :
- the financing from the communities general budget of all or part of the aid for the payment of water bills → in derogation of French legislation CGCT which defines the rule of prohibition for municipalities to take charge in their own budget for expenditure on public water services and sanitation services
  - to raise the maximum amount of the grant allocated to the social fund for housing FSL → in derogation of French legislation CGCT which allows public water services to contribute, by means of a grant, to the financing of these aid (percentage of taxes on W&S)

# Social pricing of water in France

## Monitoring the effectiveness of projects

A governmental instruction specified in 2014 the modalities for the follow-up of the experiment, which is carried out by the Ministry of the Interior and the Ministry of Environment (Water Directorate).

The National Water Committee (CNE) or “Water Parliament”, on its behalf the Advisory Committee on Price and Quality Water and sanitation services, is responsible for drafting national reports.

→ A mid-term national report has been published in March 2017

At the local level, communities must ensure their report on price and quality of services (RPQS) drawn up annually and submitted to the deliberations of the competent assembly.

# Conclusions

- An official text of 31 July 2015 lists the 50 communities selected to participate in the experimentation for a social pricing of water.
- These 50 communities come from 11 of the 13 metropolitan areas and 3 out of 5 Overseas regions (Guyana, Martinique, La Réunion).
- They serve a population of the order of 12 million inhabitants.
- At the end of this experiment, the solutions implemented that have proved to be the most relevant, coherent and effective, can be generalized throughout the territory.
- An official text of 16 December 2016 makes public the use of the Equitable access scorecard.