



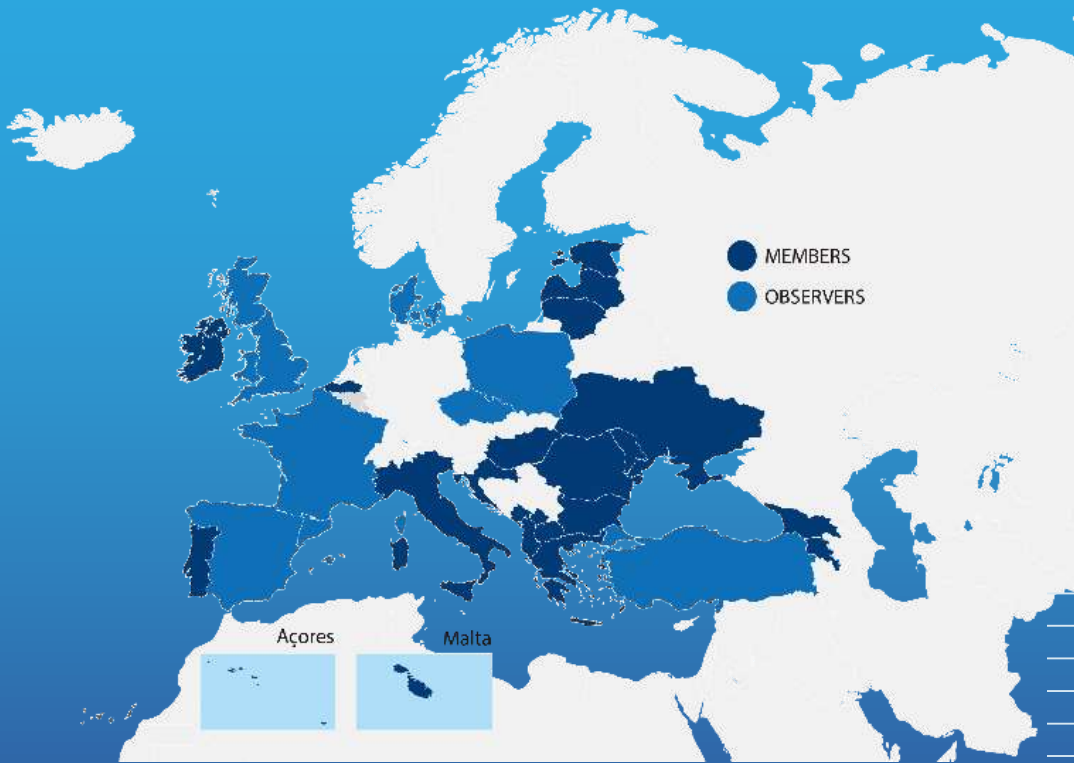
Regulated tariffs to finance resilient water infrastructures

Christian Minelli, ARERA (Italy) and Head of WAREG Secretariat

Strategic Roundtable on Increasing Resilience to Climate Change in the Water and Sanitation Sector

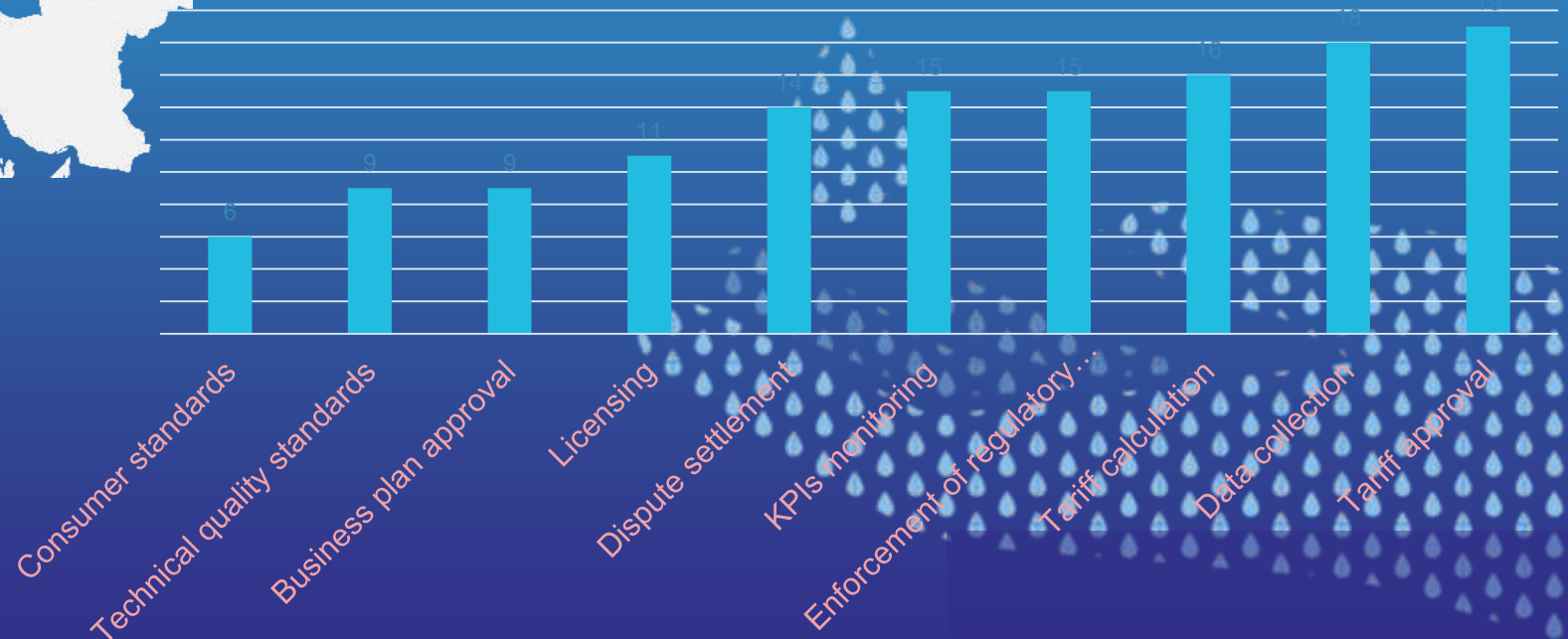
13 – 14 November 2023 | Geneva

A public economic perspective on water services



- No-profit association, since 2014 (Milan, Brussels)
- National & regional Public Authorities with public objectives:
 - a) Recover utilities' efficient costs through tariff incentives
 - b) Uniform quality standards for DW & WW services for all citizens
 - c) Effective realization of investment planned by utilities

- 34 Regulators, overseeing 400+ million consumers:
 - 18 EU Member States + UK
 - 4 EU Candidate Countries
 - 4 EU Partners

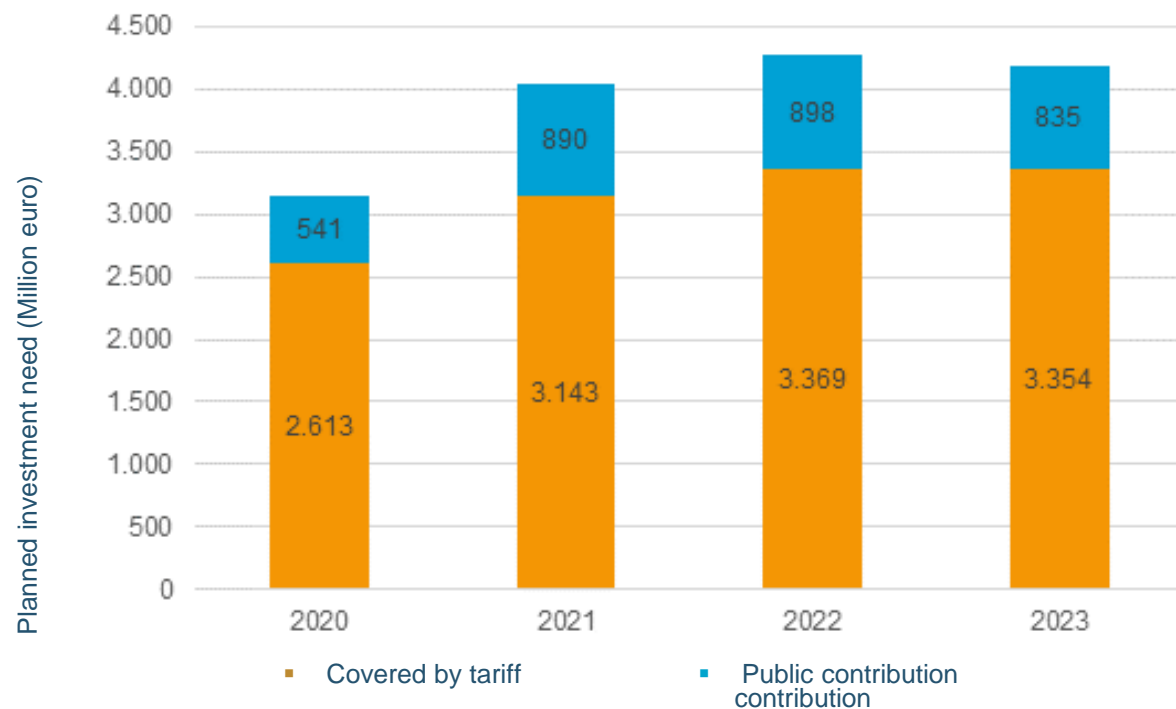


A menu of public policies for a greener Europe

Type of Interventions		Actors	Strength	Drawbacks	e.g.
Compulsory behaviour		Law makers (Parliaments and Governments)	Timeline	Risk of economic losses caused by the behaviour required	Energy neutrality goal set by the new proposal of UWWTD
Economic incentives	Regulatory tools	Independent authorities, ministerial agencies	Timeline; Reduced risk for companies thanks to cost recovery rules; high frequency of control	Risk of reducing market engagement in a circular economy and increasing the tariff burden for customers	Cost recovery; hybrid till; innovation based; kpi monitoring and incentives
	Other public interventions	Public bodies and banks	Lending policies could have a higher economic efficiency than grants	Long-term horizon; Market risk borne by companies in case of borrowing.	Green bond and ESG rating; public funds linked to environmental goals, as next generation EU
Market and governance		Law makers, regulators, utilities	High economic efficiency	Long-term horizon; Market risk borne by companies	Bioresources market (UK), cap and trade mechanisms (ITA), firms alliance (NL)

Planning vs technical quality

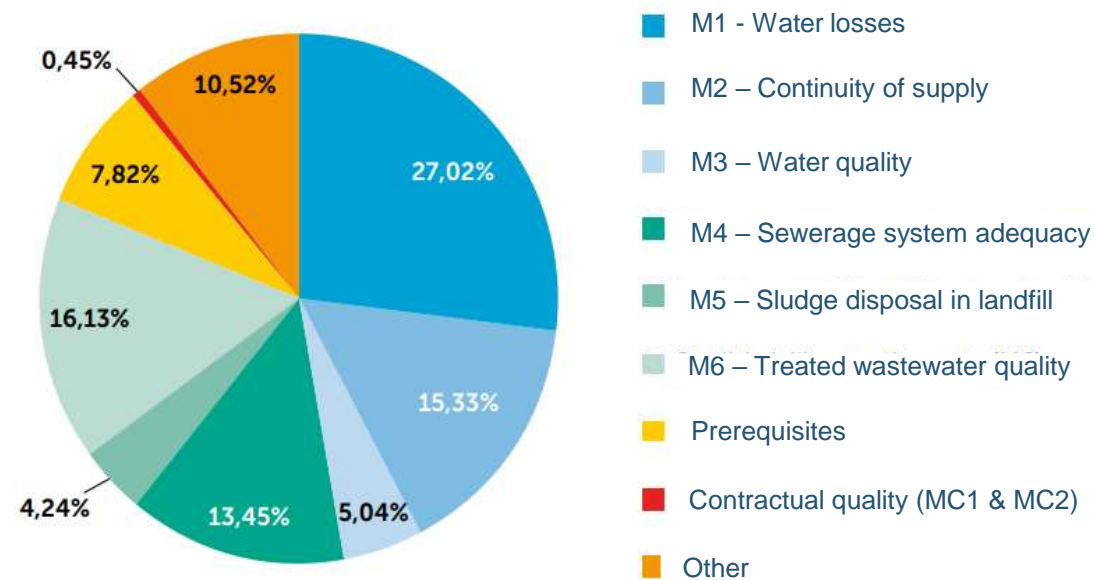
Planned investment 2020-2023 (national projection) – Million euro



In updated plans (concerning 2022-2023 period), for the same period an **increased expense for investment is observed, mainly aimed to water losses reduction**, due to the effect of PNRR and REACT-EU project of digitalization and network monitoring

Planned investments for 2020-2023 – including the expected public contribution for water infrastructures realization – amount to **13,5 billion euro**, almost totally aimed to reach quality objectives set by regulator.

Distribution of planned investments 2020-2023



**6 DECEMBER
2023**

3rd EFRWS

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Thank you!

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Free registration at:

www.wareg.org/efrws/efrws-2023/

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