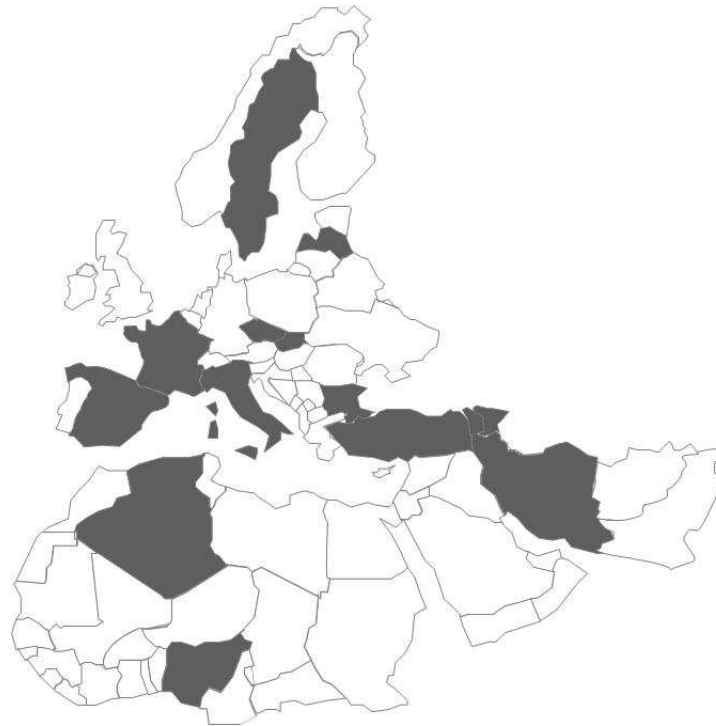


*13th Mediterranean Research Meeting
Managing Water Resources in the Mediterranean Region*

Water governance: a matrix survey on property rights and regulation in 14 Countries

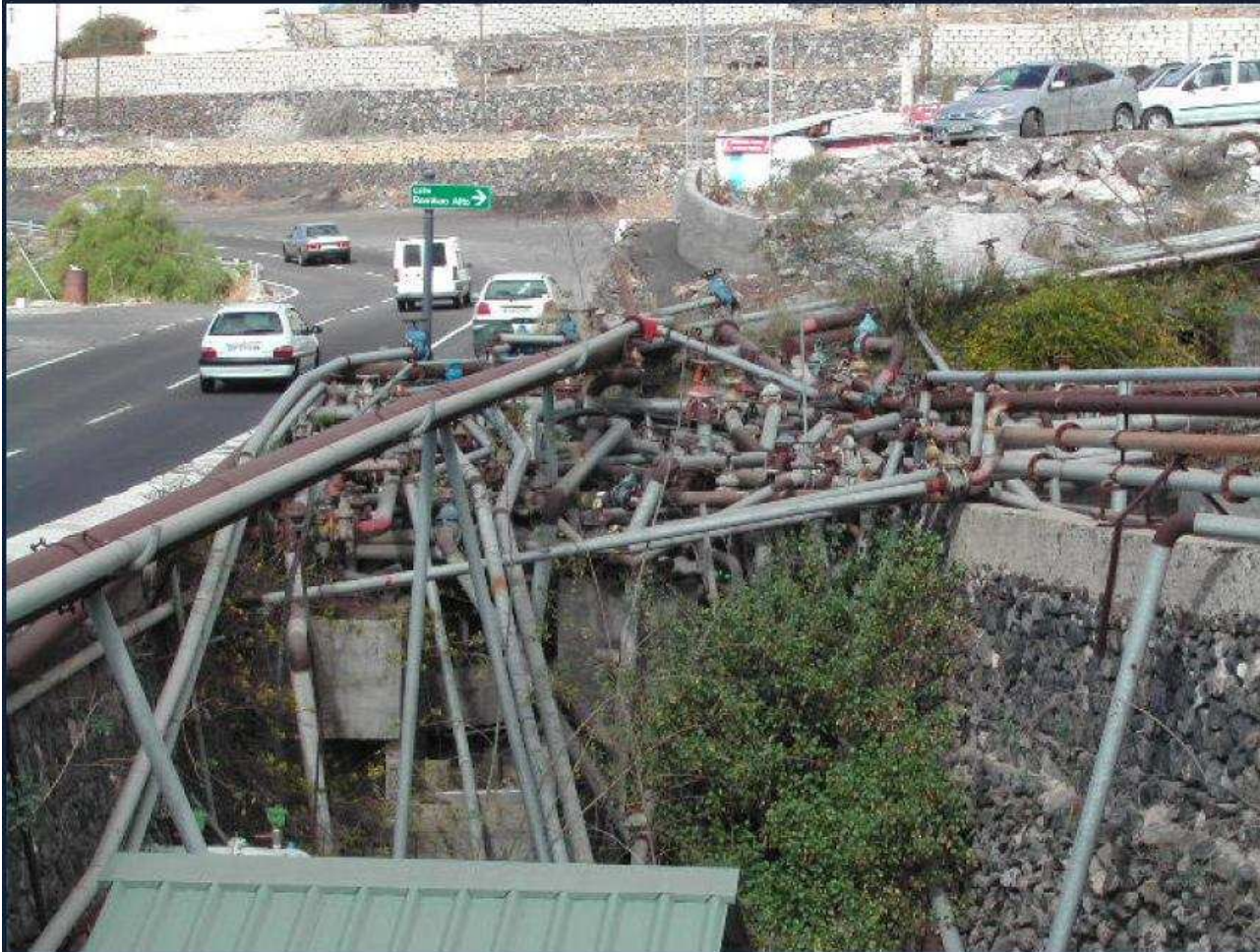


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ONLUS


TURIN
SCHOOL
OF LOCAL
REGULATION

Private water distribution in Tenerife



Hernández, M. 2004

Water policy objectives

WATER AS A
HUMAN RIGHT

ENVIRONMENTAL &
HEALTH QUALITY

*Regulation as a
condition for
private capital
attraction*

PRESSURES AND
CONFLICTS IN USES

INVESTMENTS & CONSUMER
PROTECTION

AFFORDABILITY

*from market
incumbent's
possible abuses*

Setting the right questions and aligning incentives



Who is responsible for regulatory (industrial) POLICY DESIGN at national and local level?

REGULATORY (INDUSTRIAL) POLICY DESIGN

Who has the ownership of waterworks and plants?

OWNERSHIP OF ASSETS

Who plans investments?

INVESTMENTS PLANNERS

Who regulates tariffs, profits/revenues and so on?

REGULATORY RESPONSIBILITIES

How is the service assigned?

SERVICE ASSIGNMENT MODE

Ad-hoc regulatory body?
 Yes> - Single – sector
 - Multi – sector
 No

Public tender
 Other
 Direct assignment

If a regulatory body exists, who appoints who in its governance?

Who appoints who?

Who is in charge of tendering the services (or waterworks/plant ownership)?

CONTRACTING AUTHORITY

LEVEL OF INDEPENDENCE

What is the average duration of concessions? Can they be re-negotiated?

DURATION OF CONCESSIONS

What is the level of independence of the regulatory body from the government?

POLITICAL
 MARKET (osmosis and improper cost of regulation)

SERVICE OPERATORS

Who manages the services involved in integrated urban water management?

What is the structure of revenues?

Is PPP a common practice in the Country?

First results

	Spain	Algeria	Latvia	Belgium	China	Poland	Iran	Italy	Lebanon	Malaysia	Marocco	Spain	Peru	Taiwan
Does public provision of urban water exist or is urban water provided by private providers (public)? (Does private water supply ensure intertemporal stability of the investment in plant investment?)	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, Public provision of urban water exists	Yes, public provision of urban water exists	Yes, public provision of urban water exists	Yes, public provision of urban water exists
A1: Who is responsible for regulating (national, POLICY MAKERS at national and local level)?	Legislative level: Ministry of Water Resources	Legislative level: Ministry of Public Protection	Legislative level: Council of Ministers, Ministry of Economic Development	Legislative level: State Energy and Water Regulatory Commission	Legislative level: Ministry of Agriculture, Ministry of Finance	Legislative level: Ministry of Energy and Sustainable Development, Ministry of Health, Ministry of Interior, Local authorities	Legislative level: Ministry of Energy, National Water and sewerage engineering company	Legislative level: We are regulated by a National Independent Authority (Regulatory Authority for Technical Regulation) or local municipalities grouped in "APUR" (local regulatory agencies)	Legislative level: Ministry of Environmental Protection and Highland Development (Environmental Policy Unit), Public Utilities Commission (the regulatory policy design), Local level: Local governments (for individual policy design)	Legislative level: Regulatory Office for Technical Activities	Legislative level: Regulatory Office for Technical Activities	Depending on the structure of the local government: The Regional Government, The State	Legislative level: Central Government, Parliament by legislative	Legislative level: Ministry of Water and Water Administration, General Directorate of Water Hygiene Works, Local level: Municipalities
A2: Is there any compensation provided for local communities and municipalities that bear the regulation plant in their territory?	No information available	No												No
A3: Who has the ownership of infrastructure and plants? (state, local government, independent utility, private water, other public utility)	a) State	a) State												a) State b) Local governments
A4: How is the ownership of infrastructure and plants? (state, local government, independent utility, private water, other public utility)	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader	a) Direct assignment b) Public leader c) Direct assignment (jointly)	a) Direct assignment	a) Direct assignment b) Public leader c) Direct assignment (jointly)	a) Direct assignment	a) Public leader b) Direct assignment (jointly)	a) Public leader (jointly) b) In cases where services are provided by public utilities by non-owners	a) Public leader (jointly in very few cases, in most cases services provided by local governments by non-owners)	a) Public leader b) Direct assignment
A5: How is the service assigned? (state, local government, independent utility, private water, other public utility)	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader b) Direct assignment	a) Public leader	a) Direct assignment b) Public leader c) Direct assignment (jointly)	a) Direct assignment	a) Direct assignment b) Public leader c) Direct assignment (jointly)	a) Direct assignment	a) Public leader b) Direct assignment (jointly)	a) Public leader (jointly) b) In cases where services are provided by public utilities by non-owners	a) Public leader (jointly in very few cases, in most cases services provided by local governments by non-owners)	a) Public leader b) Direct assignment
A6: If applicable, who is in charge of installing the facilities for water supply (ownership)?	Regulation in the case (GOT) by water services and ORR National Government for water services (Central Public Institution)	Public Service Regulatory Commission of the Water Resources Management Agency of the Ministry of Public Protection	The State Agency for Procurement	Municipalities and the State administration	Municipalities	Local authorities	N/A	The SAO (State maintenance)	N/A	State Water Agencies (SWAs) and Municipalities	Municipalities (water services)	The owner of the infrastructure (local governments or municipalities or regulated utilities)	N/A	Municipalities
A7: What is the average duration of construction? (Country, local government?)	Construction, 10 years	not available	Construction, 10 years	Construction, 10 years	Construction, 10-20 years, depending on the investment decision also risk, Construction, 10 years	Construction, 10-20 years, depending on the investment decision also risk, Construction, very low cases for a very short period	Construction, 1 year, Construction, 1 year	Construction, 10-15 years, Construction, 10-15 years	Construction, 10 years, Construction, 10 years	N/A	Construction, 10 years, Construction, 10 years	Construction, 10 years, Construction, 10-15 years	Construction, 10 years, Construction, 10-15 years	Construction, long term construction, more 40 years
A8: Who manages the services involved in integrated urban water management?	ICM for water services and SPA (for wastewater services) are the local leaders. Cases of integration exist in urban countries. Public companies owned by local governments. Private companies (with management) will manage in some cases (but they will be integrated by subjects)	Public utility												A local government system, locally owned by the State
A9: Is Public-Private Partnership (PPP) a common practice in the Country?	Contracting secondary contract	No												Agreement No, it exists, but the model is not common
A10: Who regulates tariffs, provides access and users?	The Regulatory authority for external water services	The Public Corporation												governments Municipalities
A11: Who provides investments?	The State (Ministry of Water Resources) through the National Water Plan	The State Corporation												governments Municipalities, Local governments and the General Directorate of the North of Morocco (Morocco)
A12: Is a regulatory body more authority / agency / independent, who appoints who in the government?	The President of Algeria appoints the President of the Authority	The President appoints members and Commission members	Chairman and members of the Joint Council are representatives of central executive bodies appointed by the President of the Republic of Algeria	The National Council appoints the members of the regulatory body	N/A	N/A	The Ministry of Energy	Legislative level: The President of the Republic appoints the members of the Authority upon the proposal of the Council of Ministers Executive level: Regional laws appoint the governance of AURCs	The Parliament appoints the Council of the Public Utilities Commission	President and State government	President of the State reports	The government of the regulatory body is elected by its integrating members	N/A	N/A
A13: What is the level of independence of the regulatory body from the government?	Formally high	High	Low	Medium	N/A	N/A	Low	Medium/High Administrative, high Administrative, medium	High	Low	Self-high	Low or medium, depending on the body	N/A	N/A
A14: What is the structure of revenues (e.g. customer bills, subsidies, revenues from energy production, ...)?	a) Customer bills () b) State subsidies ()	No information available	No information available	a) Customer bills () b) EU funds ()	a) Customer bills () b) State subsidies () c) EU funds () d) Donor/State contribution fee	a) Customer bills ()	a) Customer bills () b) State subsidies () c) State subsidies () d) State subsidies ()	a) Customer bills ()	a) Customer bills ()	a) Customer bills ()	a) Customer bills ()	a) Customer bills ()	a) Customer bills (jointly) but no subsidies allowed	a) Customer bills () b) State subsidies () c) EU / International funds
A15: How are relationships between urban providers and the State (e.g. grants, fees, compensation, ...)?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No compensation	N/A	N/A	N/A	N/A

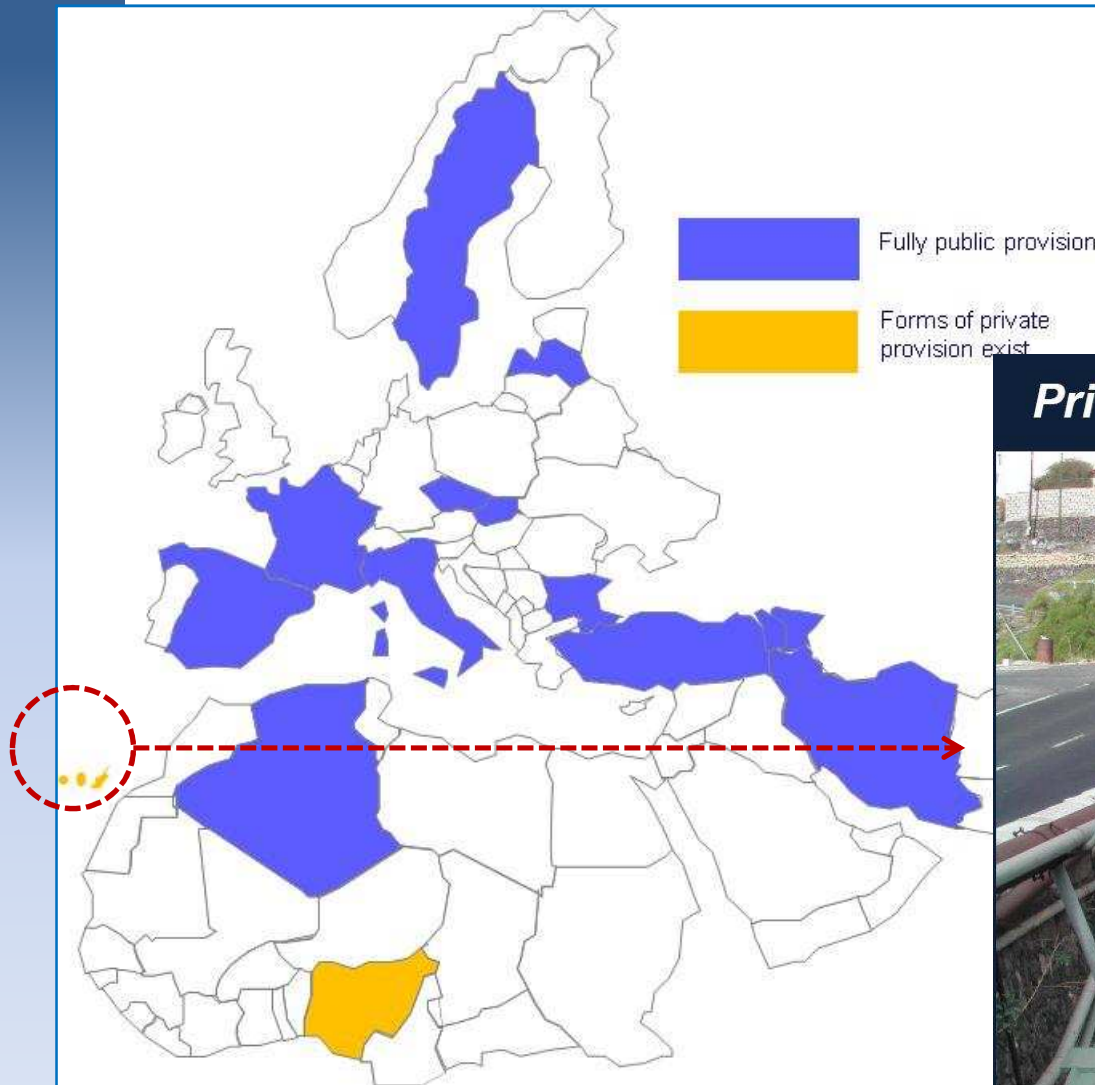
Different Countries, different systems

*a "model" of regulation does not exist
the regulatory framework is instead tailored
on the peculiar situation of every single
Country*

Countries analyzed



Public / private provision








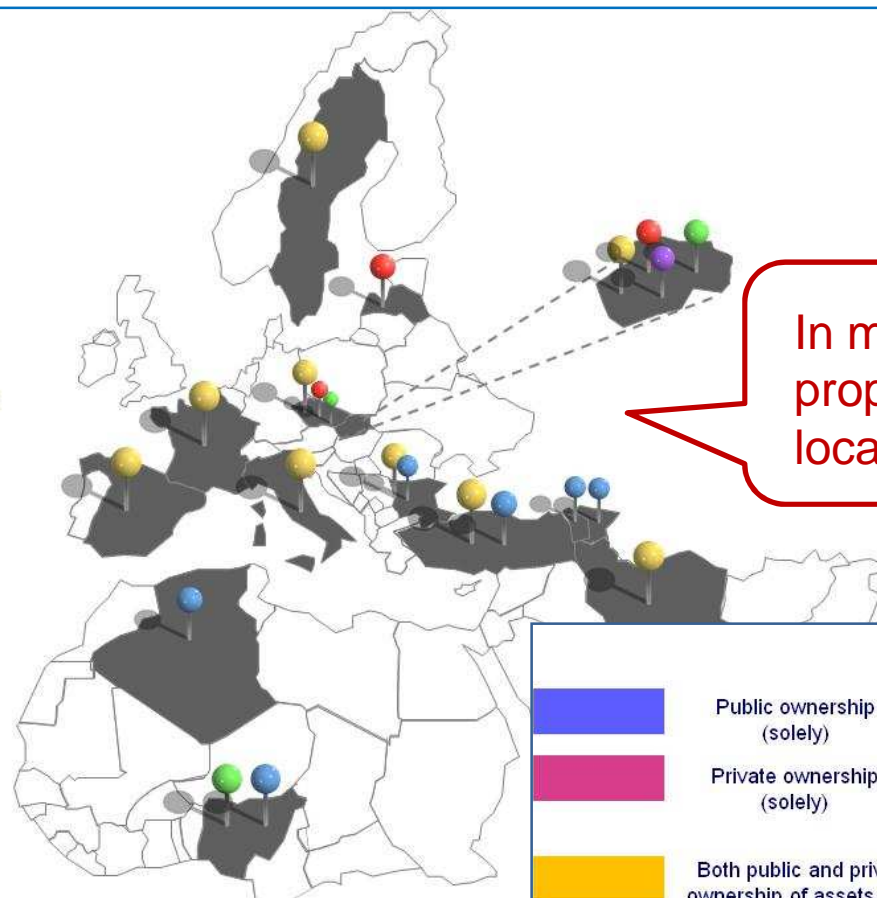
Private water distribution in Tenerife



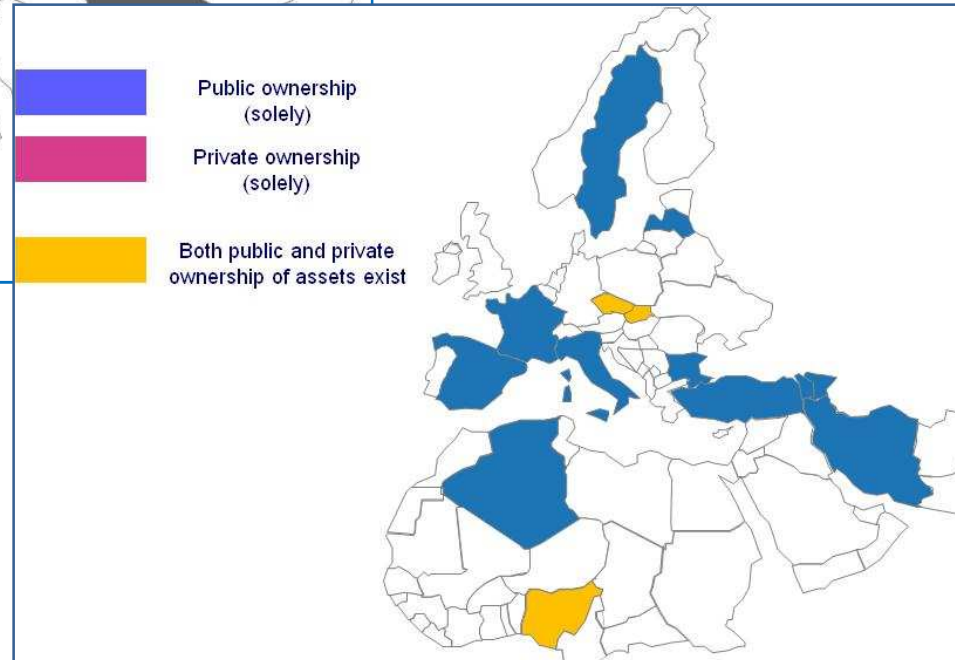
Hernández, M. 2004

Who has the ownership of waterworks and plants?

-  The State
-  Local governments
-  Companies owned by the State or local entities
-  Private entities
-  Mixed private-public



In most cases public property is allocated at local level



Map overlapping service providers and services assignment modes

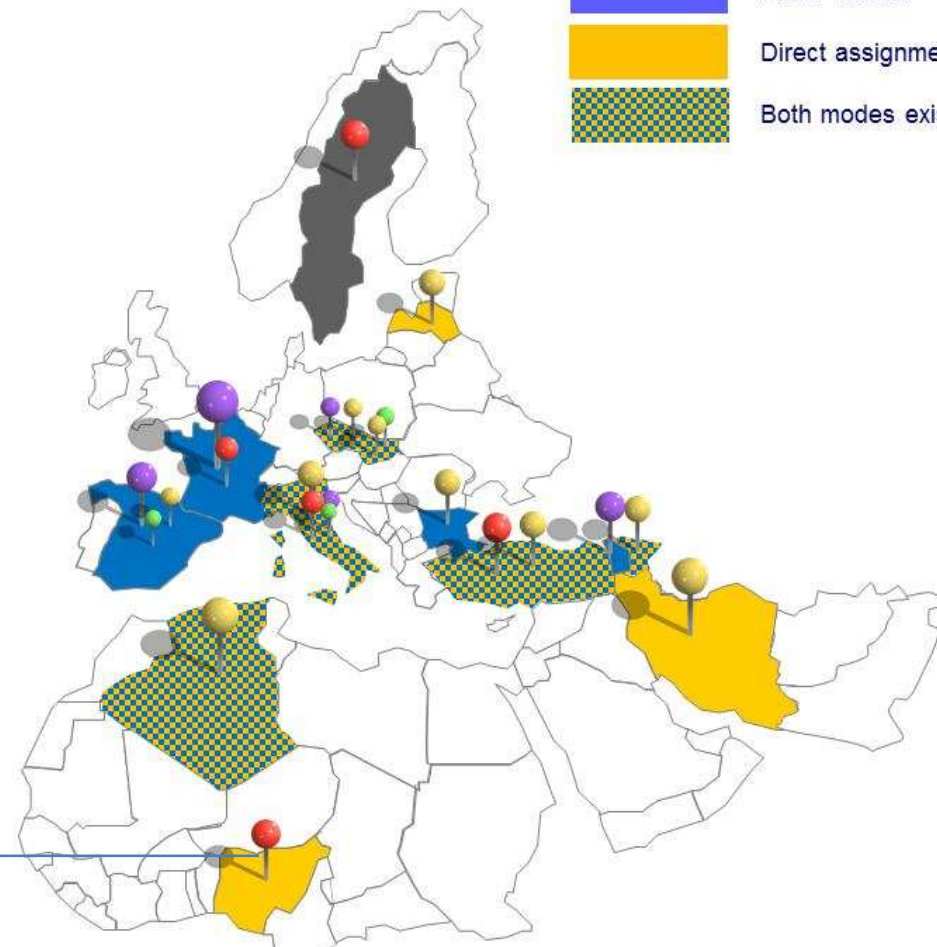
Who manages the services involved in integrated urban water management?

- Local (or regional/State) governments
- Public companies
- Private companies
- Public-Private companies

How are services assigned?

- Public tender
- Direct assignment
- Both modes exist

State Water Agencies



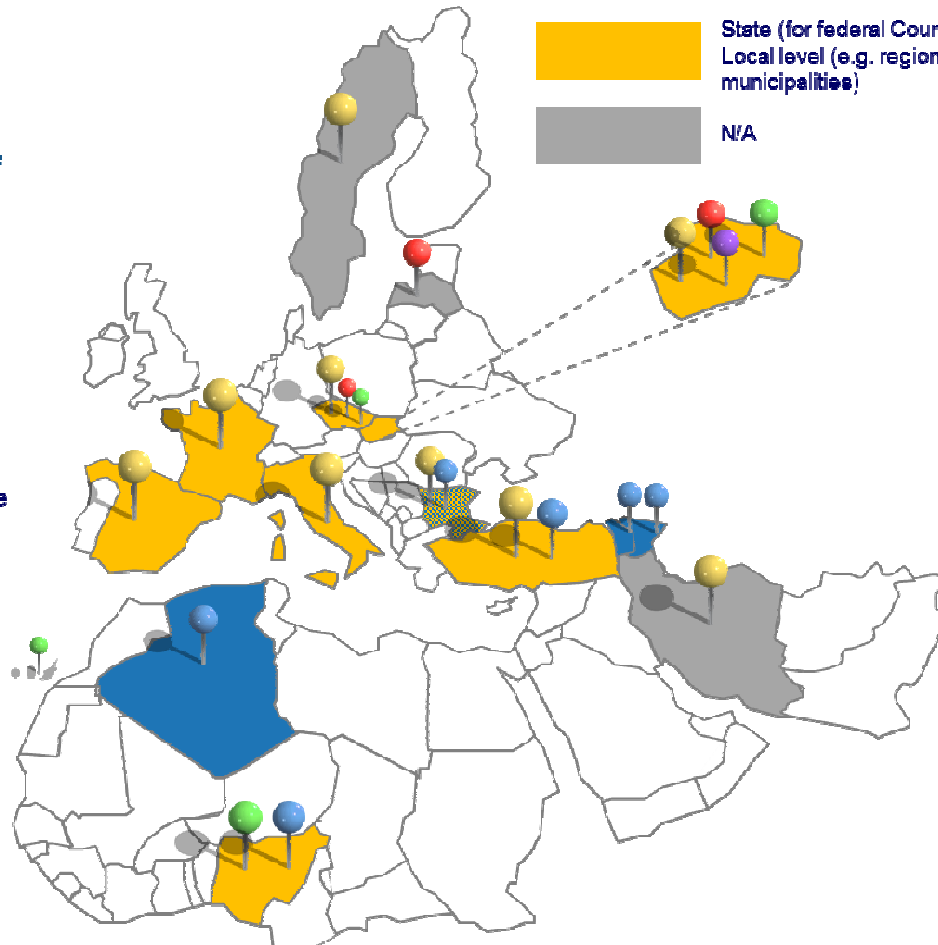
Map overlapping asset ownership and tendering responsibilities

Who has the ownership of waterworks and plants?

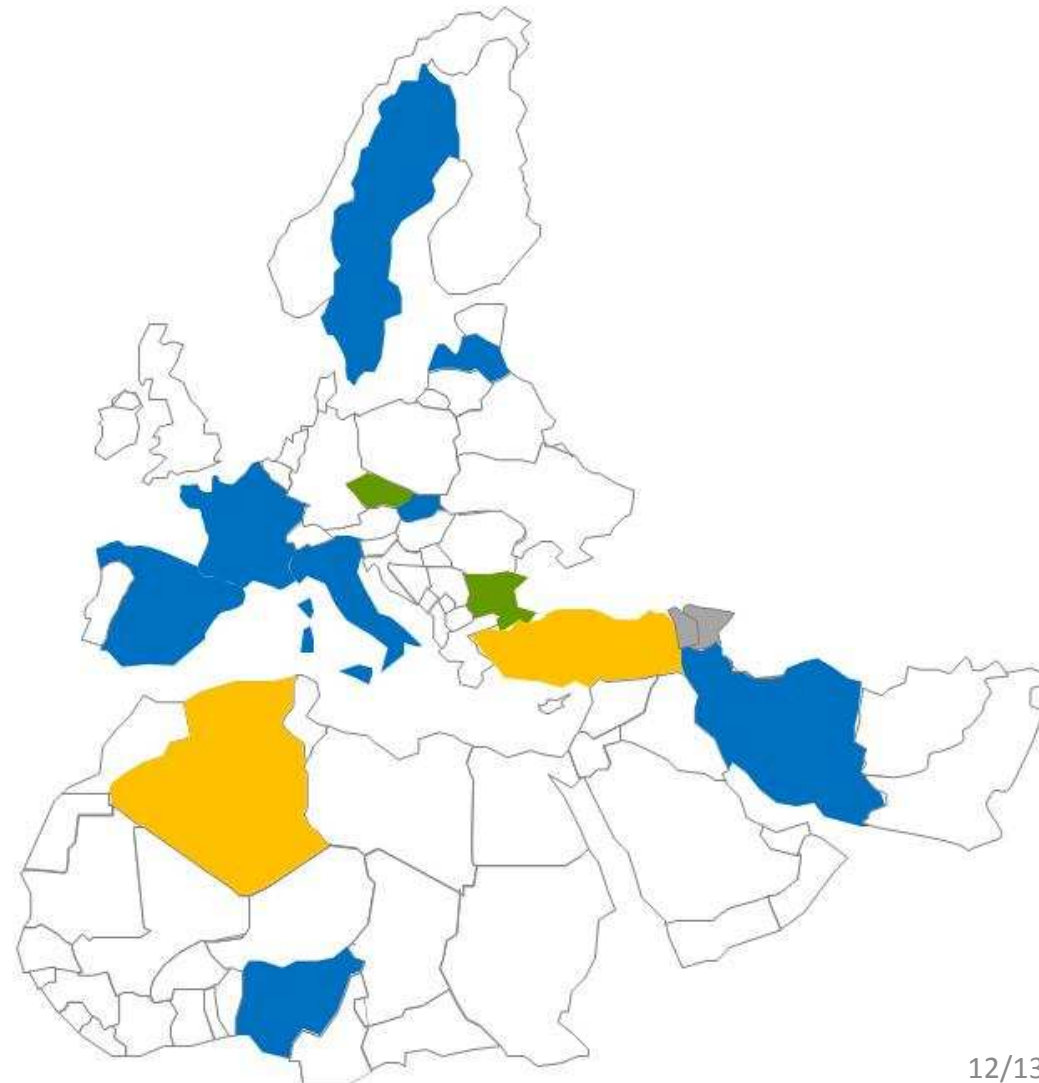
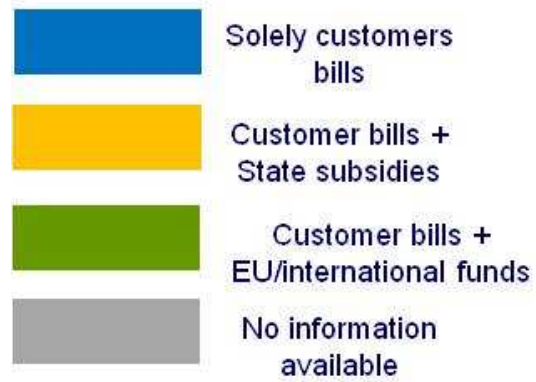
-  The State
-  Local governments
-  Companies owned by the State or local entities
-  Private entities
-  Mixed private-public

Who is in charge of tendering the services?

-  Central level (Ministries or State Agencies)
-  State (for federal Countries) regional or Local level (e.g. regional agencies or municipalities)
-  N/A



What is the structure of revenues?



REGULATORY TASKS

Is regulation enforced at national or local level?

National/State level

Local/regional level or State level for Federal States



how to enforce regulation at local level in Countries where the territorial dimension and complexity makes it very hard to manage regulation at national level? (see IT case)



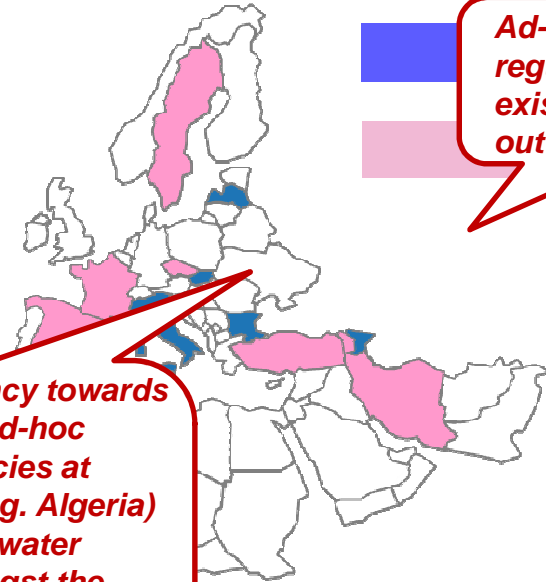
on-going tendency towards the creation of ad-hoc regulatory agencies at national level (e.g. Algeria) OR inclusion of water regulation amongst the responsibilities of existing multi-sector agencies (e.g. Latvia, Italy)

Does an ad-hoc regulatory body exist?



Ad-hoc national regulatory bodies exist in 6 Countries out of 14.

responsibilities are incorporated in the tasks of an already existing not strictly regulatory body

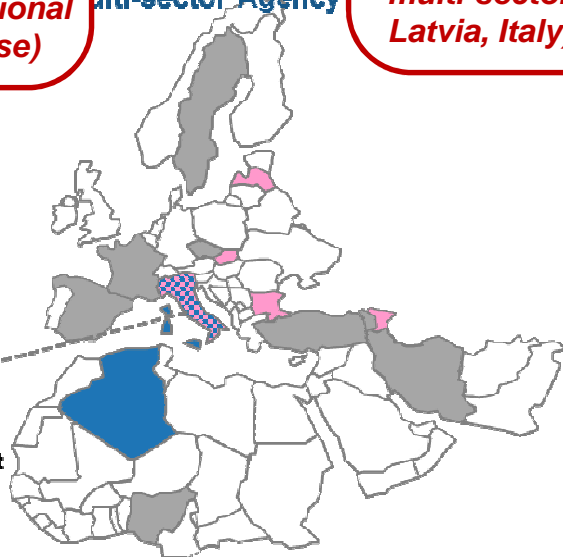


regulation

Multi-sector regulatory agency

N/A

Italy: multi-sector regulatory authority at national level. At local level ATOs regulate solely water services.



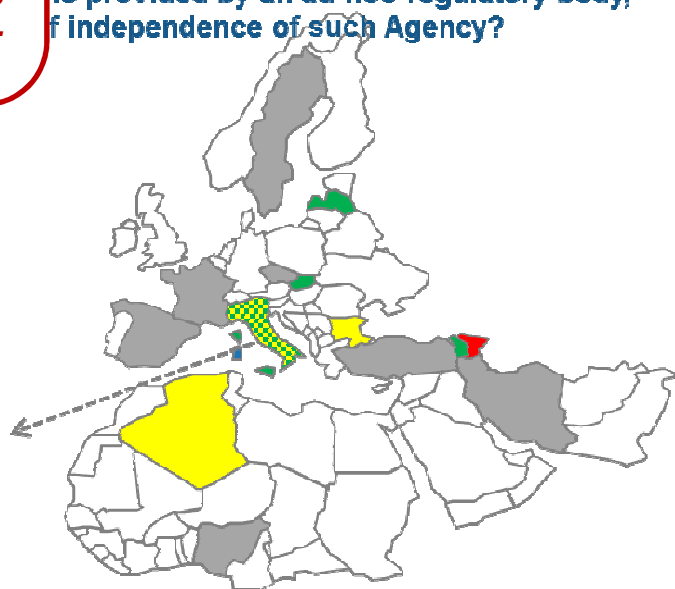
Is provided by an ad-hoc regulatory body, if independence of such Agency?

Medium

Low

N/A

Italy: High at national level. Medium at local level



Some hints for further investigation

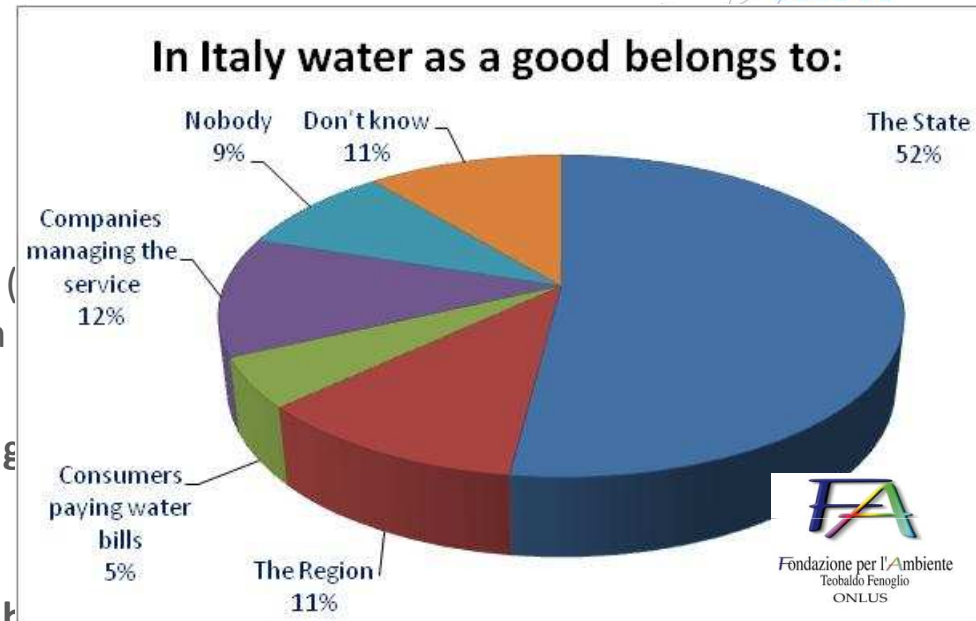


property rights on water as a good

independence of the regulatory bodies (the market) including also a question on

payment of any concession/franchising fees providers to use public pipes and plants

collection of some general data to allow better contextualization, and to elaborate **keys to interpretation** (socio-economic situation, water scarcity and governance forms, historical patterns, law system, colonial background, corruption index).
The phenomenon of **arrears** in water service could also be investigated.



+ enlarging the number of Countries

+ comparison with other sectors (see LORENET research)



An open window on local services,
infrastructures and welfare policies

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