

LORENET Project: Comparative table on regulation of urban water and sewerage services (1)



with the support of



	Armenia	Azerbaijan	Brazil (Rio Grande do Sul)	Bulgaria	Czech Republic	France	India (Karnataka)	Iran	Italy	Latvia	Macedonia	Mozambique
Last update	July 2011	July 2011	Sept. 2013	Sept. 2014	July 2011	July 2011		July 2011	July 2012	July 2011	Sept. 2013	Sept. 2013
Does public provision of urban water exist or is urban water provided by private providers (wells)? <i>(If public provision exists, please answer to following group A questions; if not, please answer to group B questions)</i>	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
A.1 Who is responsible for regulatory (industrial) POLICY DESIGN at national and local level ?	<u>At national level:</u> - Ministry of Nature Protection - Ministry of Territorial administration	<u>At national level:</u> - Cabinet of Ministers, - Ministry of Economic Development - Azersu SC	<u>At national level:</u> - Ministry of the Cities <u>Local level:</u> - The municipality shares the responsibility with the regulatory agency.	<u>At national level:</u> - Ministry of Regional Development (MRD) - Ministry of Environment and Water (MEW) - Ministry of Health (MH) - State Energy and Water Regulatory Commission (SEWRC)	<u>At national level:</u> - Ministry of Agriculture - Ministry of Finance	<u>At national level:</u> - Ministry of Ecology and Sustainable Development - Ministry of Health <u>Local level:</u> - Local communities	<u>At state level:</u> - Provinces	<u>At national level:</u> Ministry of Energy <u>At local level:</u> National Water and sewerage engineering company	<u>At national level:</u> tariffs are regulated by a National Independent Authority. <u>At local level:</u> the "industrial regulators" are local municipalities grouped in "AATOs" (local regulatory agencies).	<u>At national level:</u> - Ministry of Environmental Protection and Regional development (for industrial policy design) - Public Utilities Commission (for regulatory policy design) <u>At local level:</u> - Local governments (for industrial policy design)	<u>At national level:</u> - Ministry of Environment and Physical Planning (MoEPP) - Ministry of Transport and Communication (MoTC) <u>At local level:</u> - Municipal Council	The Ministry of Public Works and Housing
A.2 Is there any compensation provided for local communities and municipalities that host the captation plant on their territory ?	No	No	No	Yes	Indirectly yes	Indirectly yes	No	Yes	Yes	No	No	No
A.3 Who has the ownership of waterworks and plants? a) State b) Local governments c) Companies owned by the State or local public bodies d) Private entities e) Mixed private / public	a) State	a) State	b) Local governments	<u>Currently:</u> Water Service Operators (WSO)+ State and Local governments <u>Expected:</u> State and Local governments through Water Associations (WA)	b) Local governments (mainly) c) Companies owned by local public bodies d) Private entities	b) Local governments	b) Local governments	b) Local governments	b) Local governments	Mainly c) Companies owned by local public bodies	b) Local governments c) Companies owned by local public bodies	<u>Water:</u> c) Companies owned by the State (mainly) <u>Sanitation:</u> a) The State
A.4 How is the service assigned? a) Public tender b) Direct assignment c) Other (please specify)	a) Public tender	a) Public tender b) Direct assignment	a) Public tender b) Direct assignment	<u>Currently:</u> The area of the existing WSO is defined by MRD in accordance with the Water Act changes from 2009 <u>Expected:</u> Water Associations (WA) will assign services to existing WSO, or will choose concessioners	a) Public tender b) Direct assignment	a) Public tender	c) Others: in-house providing	b) Direct assignment	a) Public tender b) Direct assignment (mainly)	b) Direct assignment	b) Direct assignment	a) Public tender b) Direct assignment (mainly) c) Other: in-house providing
A.5 If applicable, who is in charge of tendering the services (or waterworks/plant ownership)?	Public Service Regulatory Commission of the Water Resources Management Agency of the Ministry of Nature Protection	The State Agency on Procurement	The municipality	<u>Currently:</u> The relevant Minister and/or Municipal Council. <u>Expected:</u> Water Associations (WA)	Municipalities	Local authorities	Only the capital works are tendered. The utility tenders the work on behalf of the local governments.	N/A	The AATO (joined municipalities).	N/A	Local government	The State
A.6 What is the average duration of concessions? Can they be re-negotiated?	Still not defined	<i>(Solely regarding foreign investors and natural resources)</i> <u>By law:</u> 25 years <u>Renegotiation:</u> yes	On average: 25 years <u>Renegotiation:</u> yes	According to Concessions Act, the duration of concession should be up to 35 years	<u>By law:</u> / <u>On average:</u> 10 - 20 years. Assignments with indeterminate duration also exist. <u>Renegotiation:</u> yes	<u>By law:</u> max 20 years <u>On average:</u> 5-12 years. <u>Renegotiation:</u> Very few cases for a very short period.	N/A	<u>On average:</u> 1 year. <u>Renegotiation:</u> Yes	<u>By law:</u> max 30 years <u>On average:</u> 20-25 years <u>Re-negotiation:</u> no	<u>By law:</u> max 30 years <u>On average:</u> no concessions existing	<u>By law:</u> max 35 years <u>Re-negotiation:</u> Yes	<u>On average:</u> 15 years <u>Renegotiation:</u> yes
A.7 Who manages the services involved in integrated urban water management?	Private companies	Generally public companies	A state owned company or an entity created with this proposal.	Water Service Operators	Private or public companies	Private companies (80% of the market share) and local governments.	Local governments	Regional water and sewerage companies	Mainly public companies (total or mixed). Cases of direct management by local governments or by private companies also exist.	Mainly companies owned by local governments.	Public Enterprise	<u>Water:</u> National state company <u>Sanitation:</u> Municipalities or autonomous municipal companies
A.8 Is Public-Private Partnership (PPP) a common practice in the Country?	No	No	Not yet	No. It exists, but this model is not common.	No. It exists, but this model is not common.	Yes	No	No	Yes	No	No	No although there is a good legal framework and a political (donor-driven) will to encourage PPPs
A.9 Who regulates tariffs, profits/revenues and so on?	The Public Service Regulatory Commission of the RA	The Tariff Council of Azerbaijan Republic	The regulatory agency or the municipality	The State Energy and Water Regulatory Commission (SEWRC)	The Ministry of Agriculture, the Ministry of Finance	In France there is no national regulatory authority. In the case of direct management, local public authorities determine water tariffs and specify the nature of the service. In the case of private operation, the contract between the local community and the private operator is the regulatory instrument.	Local governments	The National Water and sewerage engineering company	AATOs decide taxes or tariffs, but tariffs must be approved by the national authority for regulation of electricity, gas and water.	Public Utilities Commission	Local government	A (legally) independent regulator for Water and Wastewater called CRA (Conselho de Regulacao de Abastecimento de Aguas).
A.10 Who plans investments?	The State Committee of Water System of the RA Ministry of Territorial administration	Azersu SC along with Ministry of Economic Development	The municipality	<u>Currently:</u> WSO. <u>Expected:</u> WA, with the support of the WSO	Owners of the water and sewerage infrastructure	Local authorities	Local governments	The Management and Planning Organization	AATOs (associations of municipalities)	Water services operators with approval by the local governments.	Local government (Public Utility) in coordination with line ministries	Mainly the State under donor influence
A.11 If a regulatory body exists (authority / agency / department), who appoints who in its governance?	The President appoints ministries and Commission members.	Chairman and members of the Tariff Council are representatives of central executive bodies appointed by the President of the Republic of Azerbaijan	The state government, the users, the provider and the body of regulatory agency.	Council of Ministers	N/A	N/A	N/A	The Ministry of Energy	<u>At national level:</u> the President of the Republic appoints the members of the Authority, upon the proposal of the Council of Ministers <u>At local level:</u> regional laws appoint the governance of AATOs	The Parliament appoints the Council of the Public Utilities Commission.	A regulatory body does not exist	The Government
A.12 What is the level of independence of the regulatory body from the government?	High	Low	Intermediate	Medium	N/A	N/A	N/A	Low	<u>At national level:</u> high <u>At local level:</u> medium	High	N/A	Low
A.13 What is the structure of revenues (e.g. customer bills, subsidies, revenues from energy production ...)?	No information available	No information available	Customer bills	a) Customer bills (+) c) EU funds (-)	a) Customer bills b) State subsidies c) EU funds d) Groundwater abstraction fee	a) Customer bills	a) Customer bills b) State subsidies	a) Customer bills + initial fix costs for water branches	a) Customer bills	a) Customer bills	a) Customer bills b) Municipal subsidies	a) Customer bills but tax subsidies allowed b) Donor grants or soft loans
B.1 How are relationships between private providers and the State (e.g. grants, rates, compensations, ...)?	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Collaborative relation in general, sometimes rivalry; challenge to regulate informal providers

