



THE EUROPEAN ASSOCIATION OF PUBLIC WATER OPERATORS

ACTIVITY REPORT 2015





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● APE FACT SHEET 2015

INTERNAL ORGANISATION

- Two new members joined APE
- A new Management Board was elected

POSITIONING AND ADVOCACY

- Substantial contribution to the European Parliament's report on the right to water
- Release of three position papers (benchmarking, transparency, international cooperation)
- One joint (APE members) publication on "water resources protection"
- Contribution to the OECD Principles on Water Governance and endorsement of these Principles during the high level panel in Daegu (VII World Water Forum)
- Participation in several technical meetings at European and international level (European Parliament, European Commission, OECD, UN-Habitat)
- Involvement of APE members in the EU-funded "Water PiPP" project on innovation-oriented public procurements in the water sector

VISIBILITY

- Organisation of 4 international events with high level speakers in Berlin (March), Milan (July, at the Milan EXPO; and September), and in Paris (October)
- Involvement of APE members in several international events and policy processes, such as the GWOPA bi-annual conference, the European Commission's initiative on transparency and the OECD Water Governance in Cities report

● 2015 SUMMARY

2015: AN IMPORTANT YEAR FOR PUBLIC WATER MANAGEMENT

2015 was an extremely important and successful year not only for APE but, more generally, for all the actors and stakeholders that promote public water management at European level. Indeed, last year was marked by the adoption of the **European Parliament's resolution on the right to water**. This resolution represents a real success for APE. Thanks to intense cooperation with the rapporteur, the document integrates many of the APE tenets, from the recognition that water provision is a natural monopoly, to the necessity to reinvest all economic revenues in the water cycle.

However, it was not only the Parliament's resolution but the whole debate that preceded the vote that was politically relevant, since it was characterized by an **intense and widespread mobilization of actors both in favour and against enforcing the right to water** in the EU. In other words, the parliamentary debate that accompanied the vote demonstrated that water management models are an important –and contentious– political issue, thus undermining the discourse, often repeated by private operators, that claims that water management is just a “technical issue”.

A GROWING ORGANISATION

Apart from this important political event, over the course of last year, APE continued to strengthen its participation in, and contribution to, international policy-making.

Thanks also to the involvement of its members, during 2015, APE was able to:

- **Organise four international events** with high level speakers from national and international institutions, on a wide range of topics, spanning from international cooperation to resource protection and climate change;
- **Facilitate the participation of its members in key international fora**, including European Commission working groups and meetings, the OECD “Water Governance Initiative” and the UN-Habitat GWOPA;
- **Contribute to policy-making** through advocacy activities and position papers ranging from the review of the Drinking Water Directive to the OECD Principles on Water Governance;
- **Activate new strategic collaboration opportunities** with other organisations such as the European Benchmarking Cooperation;
- **Acquire new members** from new geographical areas.

THE WAY FORWARD

During 2015 APE succeeded in reinforcing its visibility and its role in several international decision-making contexts. However, such a strong role also involves **new responsibilities**. In particular, APE needs to become more effective as regards the association's capacity to identify and put forward its own priorities in the international agenda. To achieve this, the internal organisation has to be improved in order to increase members' internal mobilisation, and to better coordinate our joint efforts. It was precisely to respond to these challenges that, at the end of 2015, the newly elected Management Board decided to set in motion a strategy review process, which will take up much of the Board's activity during a significant part of 2016.



● INTERNAL ORGANISATION

In 2015, APE continued to strengthen its membership, with two new members and representation in one more country, Scotland. The General Meeting, held in October in Paris, and the election of a new Management Board on the same occasion, provided the opportunity for launching a review of the APE strategy: an exercise that will be concluded in 2016.



Padania Acque, the public operator of the province of Cremona (northern Italy), joined APE in October. Padania Acque serves almost 400 000 inhabitants distributed over 115 different municipalities. The operator is engaged in a merging and rationalization process of its operations to respond to the challenges determined by the geography of its territory. Thanks to Padania Acque, APE is further strengthening its presence in Italy.

NEW MEMBERS



The Water Industry Team of the Scottish Government, the single owner of Scottish Water, joined APE as a new member in February 2015.

Scottish Water is the public operator providing water and sanitation services to around 5,5 million Scots. Thanks to a series of reforms implemented during the last decade, Scottish Water has succeeded in significantly improving its performance while reducing its service costs and increasing its investment effort. Today, Scottish Water is involved in several cooperation projects around the world, advising operators and governments on water-related reforms. The membership of Scottish Water in Aqua Publica Europea also has a powerful symbolic value – Scottish Water being the sole publicly owned utility and one of the most efficient operators in the UK.

MANAGEMENT BOARD

The APE Management Board **met three times** in 2015 (March, July and December). The meetings were hosted by **Abbanoa** in Cagliari (Italy), by **CAP Holding** in Lainate (Italy) and by **SIG/Eau de Genève** in Geneva (Switzerland).

At the beginning of the year, the Board discussed activities and priorities for 2015 and identified the “protection of water resources” as the main working topic for the year. This set in motion the work that would result in a publication on that same topic, which was presented at the end of the year in Paris (see section “APE Events”).

The new Management Board, which was appointed during the General Meeting held in October in Paris, met for the first time in December to elect its new Executive Committee (“Bureau”). This meeting also set in motion a review process of the APE strategy.

WORKING GROUPS



The General Assembly in October was the occasion for Working Groups (WG) to meet (Tariffs, Performance, Communication, International Cooperation). The Working Groups **examined their past work and established the priorities for the year 2015-2016**: the WG on Tariffs decided to focus on the topics of water accessibility and

affordability; the WG Performance decided to work on a common APE customer service charter and on defining the newly established collaboration with the European Benchmarking Cooperation (EBC). The WG Communication considered launching some shared initiatives (APE water cup and APE fountain) and the WG International Cooperation talked about a joint project involving APE members.





● POSITIONING AND ADVOCACY

The year 2015 was an extremely important and successful year, not only for APE but, more generally, for all the actors and stakeholders that are promoting public water management at European level. The key event in the last twelve months was indeed the adoption of the European Parliament resolution on the right to water, which integrated many of the positions put forward by APE during the debate in the European Parliament. Furthermore, it contained many elements coming from requests from the public sector and social movements. However, it was the debate that preceded the vote which was especially significant, as it was characterized by an intense and widespread mobilization of actors with widely differing positions on the human right to water and water management models.

In addition, APE was involved and contributed to several other policy-processes, both at EU and International level, thus increasing its visibility and strengthening its network of alliances.

EU WATER POLICY

Right to Water



The European Citizens Initiative (ECI) Right2Water, submitted to the European Commission at the end of 2013, continued to shape the Brussels debate, to which APE contributed actively.

On the 3rd of February, **APE was invited to participate as a speaker in the hearing on the European Citizens Initiative (ECI) Right2Water** that took place in the European Parliament (EP). This hearing

was organised by Ms Lynn Bolyan, an Irish Member of the European Parliament, who later acted as the rapporteur of the EP's opinion on the ECI. In this address, APE welcomed the Commission's response but reminded the audience that the formal recognition of water in EU legislation would have helped to accelerate the adoption of appropriate measures at national and local level.

The meeting also allowed APE to establish a closer relationship with MEP Lynn Bolyan, which materialised in APE's contribution to the drafting process of the **EP report on the ECI Right2Water**. Some of the **main stances of APE were fully integrated in the final report**. In particular, the report clearly stresses that water provision is a natural monopoly and calls for the reinvestment of all revenues for the improvement of water services and the protection of the resource; it also calls on the Commission to support those public water companies in the EU which lack the necessary capital to access available EU funding.

As already mentioned, the adoption by the EP of the Boylan report represents a significant political success for all European entities promoting public water management. Its importance is related, of course, to the overall position expressed in the report, but also to the very debate that accompanied the vote. In fact, the adoption of the report showed a clear divide between left and right parties in the European Parliament, which is quite unusual, and triggered a heated discussion. In other words, this report proved that water management models are an important –and contentious– political issue, contrary to the discourse often reiterated by private operators, who claim that this is just “a technical issue”.

Revision of the Drinking Water Directive

At the beginning of the year, the European Commission launched the process to revise the Drinking Water Directive (DWD), in part as a response to the ECI Right2Water. **APE has been involved in this process since the beginning.**

In particular, APE participated in the first “stakeholders consultation meeting”, which was presented as the “official start” of the revision process of the DWD. Following that, **APE collected and transmitted to the Commission a significant number of members’ responses** to the consultation questionnaire on the impact assessment of the current DWD.

On the 8th of December, the European Commission organised the second “Stakeholder’s meeting on the review of the Drinking Water Directive”. On this occasion, the Commission presented, for the first time, some concrete policy options for the future DWD. APE contributed to the (quite lively) debate that followed the Commission’s presentation, pointing out a series of critical elements in the Commission’s proposal.

That proposal was subsequently further discussed at the APE Management Board meeting held at the end of December in Geneva. This discussion set the basis for the **elaboration of an APE position paper** on the issue that was sent to the Commission later (January 2016).

The revision process of the DWD –which is still ongoing– may have significant implications in reshaping the governance of the water industry in Europe, hence the strong involvement of APE, which will continue into 2016.

Transparency in the water sector

In October the European Commission organised the second “stakeholders meeting” on “transparency in the water sector”. Participants mainly included water utilities associations and civil society organisations. **Two APE members were invited to give a presentation on their approaches to transparency: Promedio (Spain) and CAP Holding (Italy).**

Once again, during the meeting the Commission outlined the idea of introducing some sort of compulsory benchmarking system at European level. Following significant criticism by many stakeholders, including APE, which had submitted a **position paper** earlier in the year on the subject, the



Commission suspended this proposal –at least temporarily. In its paper, **APE insisted on the difference between transparency and benchmarking**, and explained the substantial methodological and practical problems that a compulsory system at EU level would entail.



DEVELOPMENT AND PUBLIC-PUBLIC COOPERATION

In March, APE was invited to participate in a **technical meeting** organised by the European Commission and the think tank European Policy Centre **on the future of the EU strategy for development** in the water domain. The meeting was chaired by Mr Paolo Ciccarelli, head of the “Water, Energy and Infrastructure” Unit at the Directorate-General for Development of the European Commission, who outlined the Commission’s position and strategy for the new programming period. Unfortunately, the Commission confirmed that water is losing

importance in the EU development strategy, as compared to other policy areas such as energy and agriculture.

Nevertheless, **APE’s call for restoring support for capacity-development initiatives** based on north-south water operators’ cooperation (i.e. restoring the so-called “Water Facility”, a demand already voiced in a previous position paper) **seemed to gain some support from the Commission’s representative side**. The Commission agreed that capacity-development is an essential component of larger investment projects in infrastructure, and that the support of these kind of activities needs direct grant schemes.

● VISIBILITY

The year 2015 was a very busy year for APE in terms of events. Three major international events were organised in Berlin, Milan and Paris. APE also took part as a speaker in a series of seminars and conferences, at which it presented its position on EU policy and its members' experience of remunicipalisation.

APE EVENTS

Public-public partnerships for the right to water and sanitation

On the **26th of March**, a seminar on "Public-public partnerships for the right to water and sanitation" was held in Berlin at the **Berlin Wasser International Fair**. The seminar was **organized together with the German association Allianz der öffentlichen Wasserwirtschaft (AöW)** and featured a variety of high-level speakers, including

representatives of the UN and of the European Commission. The event attracted a wide-ranging audience of water operators, development agencies' representatives and NGOs.

The discussions focused on the role of water operators' not-for-profit partnerships as a capacity-development approach that is able to promote access to water and sanitation in less developed countries. Particular attention was paid to the specific contribution of European public water operators in fostering an approach to development that favours public-public not-for-profit cooperation.

Water and Earth: a Shared Future



On the **10th of July**, APE organised a seminar on the topic "Water and Earth" together with **CAP**

Holding and **Metropolitana Milanese** at the **Milan Expo 2015** "Feeding the planet, Energy for Life!". The aim of the seminar was to discuss the limits of our development model and present the actions put in place by APE members to ensure a sustainable management of water resources and to combat climate change.

The seminar was attended by around 100 people, and was opened by a keynote speech from the Italian Minister for Agriculture, Maurizio Martina. Other panellists included scientific experts and institutional representatives.





and a half months later, it featured the COP21 logo. Again, the seminar attracted a wide audience and high-level speakers from policy, academia, operators and international institutions.

The event was also the occasion to present a **publication edited by APE, which collected a series of best practices from APE members in the field of water resources protection**. This publication outlines the strengths of the public management model in ensuring the long-term protection of water resources and, on this basis, proposes a series of policy recommendations addressed to European and International institutions.

European Public Operator's Commitment to Water Resources Protection



On the **16th of October**, APE and **Eau de Paris** organised a seminar which discussed the importance of protecting water resources for climate change mitigation, held at the Paris' town hall. Held in **view of the COP21 summit**, which took place just one



APE AT EUROPEAN AND INTERNATIONAL EVENTS

In 2015, confirming the international recognition of APE as a key stakeholder on public management issues, APE was invited to a series of events to speak about the topics that are at the centre of its work.



In April, APE spoke at a **seminar on remunicipalisation in the water sector**, organised by the **Business Unit of Greenwich University (UK)** and where the recent publication of "Our public water future", a book that takes stock of a 15-year trend of remunicipalisation, was presented. The event offered APE an opportunity to illustrate its engagements and activities—especially on public-public cooperation—to an audience of academics and NGOs.

In September, on the eve of the GWOPA Congress, APE's President, **Célia Blauel**, together with Barcelona's Deputy Mayor Janet Sanz and other civil society organisations, was invited to participate in a **public debate about the potential**

remunicipalisation of the Barcelona water service. The debate was attended by a significant number of citizens, civil society movements and experts. This event paved the way for a new and fruitful cooperation between Barcelona's new administration, the city of Paris and APE, which has been developing since then.

On occasion of the **III Water Festival** (a week-long festival of debates, meetings and events on water management organised by the Italian association of water operators) held in **Milan** from the 5th to the 9th of October, **APE co-organised a seminar with Eureau and CEEP on the Drinking Water Directive.** Representatives of some APE members (in particular **VIVAQUA** and **Metropolitana Milanese**) participated as speakers on behalf of APE.



● INTERNATIONAL RELATIONS

OECD

As a party to the OECD Water Governance Initiative (WGI), APE continued to take part in the international debate on water. One of the main achievements of 2015 was the approval, at ministerial level, of the **OECD Principles on Water Governance**, developed through the WGI. These principles provide recommendations for governments to design and implement effective, efficient, and inclusive water policies, sharing responsibility with the broader range of stakeholders. APE actively participated in their drafting process.

On the 4th of June, the **President of APE, Célia Blauel**, participated in a high-level event that took place at the **7th World Water Forum in Korea**, and which marked the **signing of the “Daegu declaration”**, through which public, private and non-profit organisations endorsed the Water Governance Principles.



In November, APE took part in the 6th Meeting of the WGI, which was mainly dedicated to discuss-

ing the new objectives and the next steps of the initiative. In addition to this, delegates also examined two recent reports from the OECD: *Water Governance in Brazil* and **Water Governance in Cities**. This latter report significantly benefitted from contributions from APE members, who were involved in the drafting process.

GWOPA

On the 19-20 February, APE took part in the **steering committee meeting** of GWOPA, the UN-Habitat initiative promoting not-for-profit Water Operators Partnerships (WOPs) to foster capacity-building in less developed countries, held in Barcelona.

The main issue discussed was the need to mobilise new funding sources to support WOPs. In this framework, the steering committee members and the GWOPA secretariat agreed to increase and coordinate their efforts to raise donors' awareness on WOPs potentialities. APE committed to involving GWOPA in its dialogue with the European Commission aimed at restoring the Water Facility (please refer to the chapter on “Development and public-public cooperation” for further details).



The February Steering Group meeting also prepared the following **GWOPA congress**, which would be held in Barcelona from 16 to 18 September 2015.

The Congress, which witnessed a significant participation of APE members, was the opportunity

for APE to meet water operators from all over the world and to highlight the recent European Parliament resolution on the right to water, in which APE was strongly involved. In addition, many **APE members** (Eau de Paris, SWDE, VIVAQUA, CAP Holding, Promedio, CILE, SIAAP) **were invited to give presentations in various sessions.**



● EU PROJECTS, INNOVATION AND PARTNERSHIPS

WATERPIPP



The EU-funded project on public procurement for innovation in the water sector (Water PiPP), entered its second year of activity in 2015.

In March, an **intermediate consensus workshop** took place in Brussels. This workshop revolved around the expert contribution of water procurers and other practitioners, who were asked to assess the soundness of the strategic recommendations elaborated by project partners in the initial phase. APE was represented by the leader of the WG Innovation, **Diego Macchiella (Viveracqua)** and **Andrea Chiorboli (Acque del Chiampo)**.

In the summer, the project consortium published a **call of interest to select 3 pilot projects** for the experimentation of innovative methodologies to promote innovation-oriented public procurement, thus starting the operational phase of the project. In September, **three operators (Viveracqua, CAP Holding and Acquedotto Pugliese) were selected** by the Water PiPP board to carry out the pilots.

Following this, the three selected pilots were invited to participate in a WaterPiPP meeting held on the 19th of November in Paris. The meeting highlighted the motivation of the operators as well as a clear convergence among operators on a series of common needs, namely ICT support systems to manage the water balance and sludge reduction methods.

APE-EBC MOU



In November, the **European Benchmarking Co-operation (EBC) Foundation and APE signed a Memorandum of Understanding** to enhance their collaboration. The EBC Foundation manages one of the most important benchmarking initiatives for water utilities at the international level. More than 120 water operators from all over Europe and beyond participate in the EBC benchmarking exercise, including many APE members.

By signing the Memorandum of Understanding, the two organisations intend to develop synergies in the area of benchmarking and performance enhancement. On the one hand, APE will promote participation in EBC's benchmarking exercises among its members. On the other hand, EBC will share knowledge and experience with APE's Working Group on Performance, which will then support direct knowledge exchange and cooperation among public water utilities on specific management issues. The cooperation agreement will stand for three years and will be evaluated annually.

● HIGHLIGHTS OF 2016

The ongoing year is again a busy year for APE, and produced some major developments which will shape the activities of APE for the years to come.

So far, **4 new members** have joined APE in 2016: **Acqua Bene Comune** (Naples), **Irish Water**, the newly remunicipalised **Montpellier** water services, and the Italian utility **Società per l'Ecologia e l'Ambiente** (SECAM).



EIP Water

Boosting opportunities – Innovating water

At the beginning of the year, APE applied to join the Steering Group of the European Innovation Partnership on water (EIP Water) – the most important political initiative of the European Commission in the field of water innovation, chaired by the European Commissioner for Environment, **Karmenu Vella**. After a similar application was rejected four years ago, this time we were proud to learn that APE had been **selected to integrate the new Steering Group for 2016-2018**, thus confirming the growing recognition of APE's role in the European policy-making.

The EIP initiative forms part of the EU 2020 Innovation Union, aimed at facilitating the development of innovative solutions to address major European and global water challenges. The Steering Group will play an important role in this initiative by leading and evaluating the activities of the EIP and by also providing advice to Commissioner Vella on broader issues related to innovation in the water sector.



Concerning innovation and EU projects, 2016 has also brought good news. In April, **a consortium mainly composed of APE members** (CILE, Eau de Paris, Hydrobru, Promedio, SDEA, Viveracqua), **submitted a project proposal on smart metering** under the **Horizon2020** research programme (call for innovative public procurement in the ICT sector). The contribution of APE was coordinated by the APE Secretariat, which promoted the identification of interested participants and facilitated the exchange of information for the preparation of the proposal. As such, it was the first project proposal that was developed through a direct cooperation among APE members and it is the result of a more than one year of joint work.

In July, APE learned that this proposal had been approved for funding by the European Commission. The project will start in January 2017 and will run for 4 years with an expected budget of 4 million euros.





The year 2016 has also marked the beginning of a number of cooperation projects between APE and other stakeholders. In March, APE was invited to present its activities at the congress of the **European association of Water Regulators (WAREG)**, a relatively new network created in 2014. The European regulators showed a strong interest in the activities of the APE Working Groups and expressed the wish to organise regular exchanges with APE and to coordinate with regards to the initiatives of the EU institutions. A fruitful collaboration also started with **Energy Cities**, the European association of local authorities in local energy transition, which invited APE to its congress to present the experience of water remunicipalisation

in Europe. The issue of management models and the ownership is indeed of increasing interest to the energy sector.



Finally, in 2016 APE has again been particularly active on the “policy front” through a series of position papers and through its participation in different policy-making processes, including the revision of the Drinking Water Directive, the trade negotiations with the US and Canada and the revision process of the EU policy on international development.



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