



## ECI 'Right2water' and EPSU position and comment on Benchmarking Water quality and services<sup>1</sup>

### Introduction

First of all we would like to state that the ECI organisers are happy that the Commission has invited the ECI citizens' committee in the multi-stakeholder meeting to explain our view regarding benchmarking of water quality and services in Europe.

However as a first comment to the report of the multi-stakeholder meeting of 9 September we want to make a clear statement that, above all, the ECI organisers asked for **implementation of the human right to water and sanitation into European law**.

The human right to water deals with aspects of availability, accessibility, acceptability, affordability and quality (safe and clean) of water supply and sanitation. Benchmarking is one (of the many) instruments that we have suggested that can help to implement the human right to water and sanitation. It is nothing less but also nothing more than that. Here, benchmarking has been lifted out of all our suggestions, but to address our "right2water" demands we expect from the European Commission more and other proposals and considerations and we also expect that the Commission stays close to the three general ECI demands. Other instruments are needed to ensure access to clean drinking water. To ensure the quality of drinking water or affordability different measures and instruments are needed.

To increase the transparency, **something else** that we demanded, again different instruments are needed. Benchmarking is not the magic tool to address all problems in once.

The second general remark that we want to make is that there is a difference in the point of departure between where the Commission starts from and where we as ECI started from and it seems that we are moving, somewhat in the same direction, but also on different wave lengths. We try to explain this clearly. For the ECI organisers the point of departure is that all citizens must enjoy their human right to water and sanitation. We also consider water as a public good. It cannot be possessed by private individuals or companies and it also cannot be traded as a commodity. This is valid for the resource and should be for the infrastructure through which water services are delivered to peoples homes as well. For the European Commission the point of departure seems to be the functioning of the European Single Market. Water services are services that people have to

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<sup>1</sup> This is a document that combines the position of the ECI organisers representing a citizens view to water services and the position of EPSU as main organiser and at the same time representing the workers in the water industry in Europe.

pay for (so far yes), so there is a market of demand and offer. This is a market logic that we do NOT support. Water services are not provided like electricity or commodities, it is a government obligation and there is no market but only a monopoly for a service provider. It is a local service that all citizens need to have access to and availability 24/7. Last but not least water services are not profit oriented but public health oriented. We still think that the EU can and should ensure access, availability, quality and affordability of water and sanitation by **legislating that Member States have to fulfil their human rights obligation** to all inhabitants.

From a public good and public health point of view we think that water services can be improved by cooperation between utilities and learning from 'best practices'. That is how we see benchmarking and why we promoted it. From a market perspective benchmarking can be seen as an alternative type of competition ("not for money but for prestige"). This is definitely NOT the way that we want to go. We want to make this point very clear.

### **Our view on Benchmarking**

Definition of Benchmarking (IWA): "a tool for performance improvement through systematic search and adaptation of leading practices".

Water Benchmarking is a tool created by and for water utilities. It can be used only by themselves to look at their own performance and compare with peer-utilities.

In general five criteria are being used in benchmarking: water quality; reliability; service; sustainability; finance & efficiency. We think that the precautionary and polluter pays principles should also be addressed when looking at quality of water services. We also think that human rights criteria: accessibility, availability, acceptability, affordability should be integral part of the five criteria. Here it becomes clear that benchmarking is a tool that has proven itself in countries where everyone has access to water and sanitation and availability is not an issue like in the Netherlands and Germany. However this is not the case in all EU countries (e.g. Bulgaria, Romania). For these countries a benchmarking system would look totally different than the Dutch or German systems. We think that it is obvious that water services differ from region to region in the way water is captured (groundwater, surface water) how it is treated (purification), how it is transported, how many people get water from the source/provider and not to forget the cultural, social and legal differences that exist between regions and countries. Benchmarking therefore must take place at local – regional level, it must be built up from the utilities in a bottom up approach to meet their goals.

Benchmarking is NOT a price comparison. So far it does not measure and has no impact whatsoever on accessibility and affordability. Affordability is an issue that can be measured (think of social tariff structures) and could be addressed in finance of the utility. In looking at finance we would like to state that here also a market approach would fall short to the water utility. The benefit of good quality water services is in public health. It is NOT in the profit that a water company makes (or does not make). An issue that could be added to criteria in benchmarking is "workers involvement". We are thinking of looking at what companies are do to train and motivate their staff and how workers participate in decision making processes. We see workers involvement as something that is broader than Human Resources Management. Another issue is "public participation". Spanish cities and water utilities are providing good examples of involving the public in water services and water

management. Workers (employees) and the public (civil society organizations) are stakeholders in water management and water governance.

We have suggested benchmarking as a tool to achieve 'over all' improved quality of water services because of the good experiences in the Netherlands and in Germany. The EBC (European Benchmarking Cooperation) is leading some very good initiatives. We see the role of the EU as a supportive and stimulating. Benchmarking is a tool that functions in the hands of the utilities themselves for the objectives that they have set (and must set) to improve themselves. It is a tool for cooperation, not for competition. At this point we would like to recall another of our suggestions that the EU said it would explore: **Public-Public Partnerships**. So far the Commission has not undertaken any action on this point. As we would like the EU to stimulate cooperation between water operators and as by far most of the operators are public operators, we would welcome promotion of public-public partnerships (sometimes known as twinning) at the same time as it promotes benchmarking as a tool for cooperation. What water utilities are doing or contributing on International (solidarity) cooperation could also be an issue to be considered in benchmarking.

We definitely do NOT want the European Commission to set a blueprint for or to coordinate an EU-wide benchmarking system. Nor do we want the EU to impose how water utilities should operate in benchmarking or providing information to the public. We want the EU to promote cooperation between water utilities using instruments like benchmarking, which in the end contribute to better quality water services. Promotion means facilitating and financing measures that improve the services. Benchmarking only works as a voluntary instrument. This is shown by utilities that have experience. Again it makes clear that the instrument cannot be imposed top-down, but has to be built up by the utilities themselves that want to cooperate via benchmarking to improve their services.

## **Transparency**

Our view/ definition: Transparency is an approach through which water operators make information available (to users and other stakeholders) in order to increase accountability and public trust.

This is something totally different than benchmarking. Of course we welcome more transparency. Our demand for more transparency in the water sector is stemming directly from bad experiences of citizens with private water suppliers. The case of Berlin, where citizens needed to go to court to demand openness from the water company (a Public-Private Partnership), was a trigger in support of our ECI. Through the court case it became clear that the company was making huge profits in Berlin by charging more than the costs of service justify and that it did not invest (enough) in improvements of the service or maintenance. Similar cases have been reported from the UK where water companies are since long under pressure to provide more transparency and where it shows that profits are taken out by private operators/owners and huge investments need to be done by authorities (the public). One of the reasons why Public-Private Partnerships are problematic is precisely the lack of transparency for citizens regarding risk sharing, investment responsibilities, fee structures due to the complex contractual relationships.

Public companies are normally speaking under democratic control. Private companies are not. Our demand for transparency applies to both of them as public service providers with a huge responsibility to society. Transparency is not 'hunger for information'. Citizens want to know in

general that the water quality is good, and want to know what they are paying for. They have the right to know how water services are provided. This relates to finance and investments, quality of water and service, but also to sustainability and environmental footprint of the company and service. We think that in these aspects transparency can be improved.

More specific information about water quality should be available upon demand. Water utilities can provide this information on their websites. There is no need for more reporting in general as this might have an adverse effect in creating unnecessary and useless unrest, as people cannot judge all information.

Aspects that utilities could address while informing the public are for example: more elements of democratic influence and control, stronger local and public responsibility and greater attention to the precautionary and polluter pays principles.

## **Conclusions**

1. Benchmarking is a voluntary tool, to be set up in a bottom up way by water operators themselves taking place at local-regional level. The EU can only fulfil a supportive and facilitative role.
2. As it is bound to local circumstances and conditions an EU-wide system or EU coordination is not needed, nor helpful.
3. Greater transparency can be encouraged and promoted, but not through benchmarking.

## **Regarding the suggested way forward:**

- An EU platform is welcome, but not as a part of the EIP as firstly the EIP has a different goal (innovation in water and NOT inclusion of human rights criteria in water); and secondly because the EIP is not representative for the water and sanitation service providers. It consists for a large part of private companies from the construction, chemical and other sectors and companies that only have a relation to water (research, IT, appliances, manufacturing), but most of them are NOT water operators / water and sanitation service providers.
- We welcome a facilitating and supporting role of the Commission
- We welcome a broader set of stakeholders and certainly want to be included, both as ECI organisers (as one of civil society organisations) and as Trade Union federation EPSU, representing the workers in the water sector. After all: benchmarking of water services is looking at how water workers do their job and has everything to do with the conditions under which the workers in the sector have to do their job. We are sure that they all want to deliver a good job and a good service to the people. The workers in the sector are the ones that have the knowledge and skills for water services and also an understanding of where the services can be improved and what is needed for this. They have to be part of any benchmarking exercise.