



## *Affordability of Water and Sanitation services*

6<sup>th</sup> meeting of the Expert Group on Equitable Access to Water and Sanitation

**ERSAR**

ENTIDADE REGULADORA  
DOS SERVIÇOS DE ÁGUAS E RESÍDUOS

THE WATER AND WASTE SERVICES  
REGULATION AUTHORITY

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Virtual, 24-25 March 2021

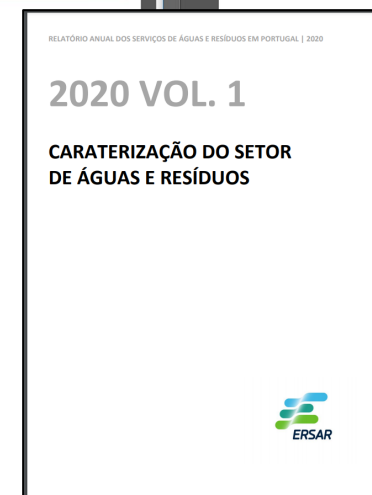
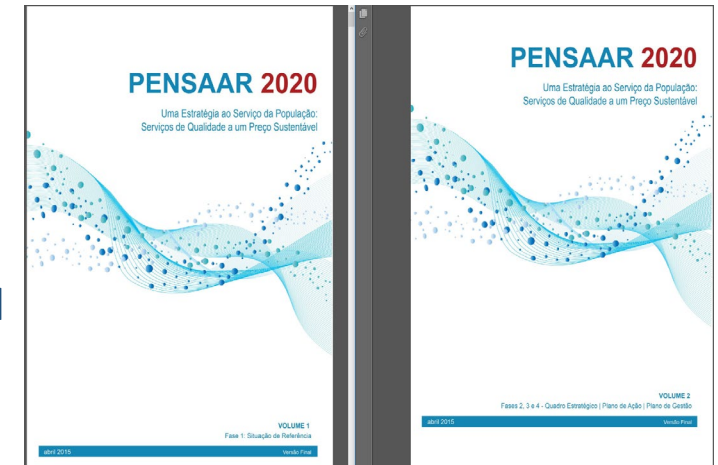
# Tackling affordability of water and sanitation services in Portugal

- **Strategic measures**

- Data on affordability of water and sanitation services is collected every year
- Affordability indicator included by ERSAR in the annual report RASARP
- Affordability indicator is included in the 2020 Strategy for the Water and Sanitation Sector (PENSAAR 2020)

- **Tariff/ Social protection measures**

- Decree-Law 147/2017, from 5th December - Establishes the conditions to apply for the social tariffs in water services
- In 2018 ERSAR issued a recommendation on social tariffs and tariffs for large families

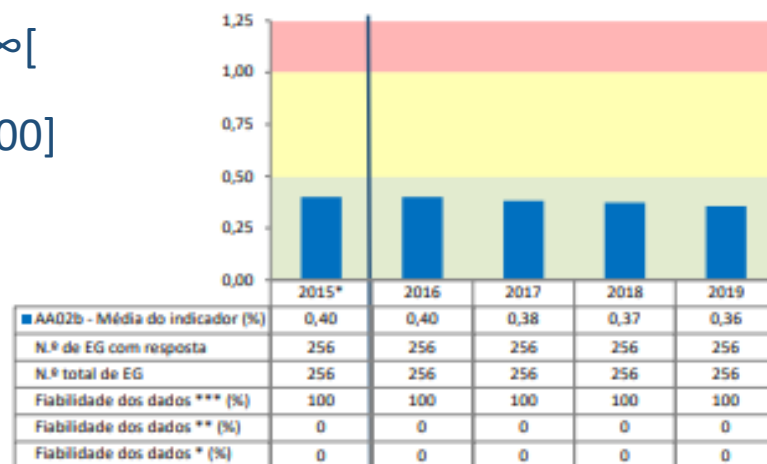


# Affordability indicator for water and sanitation services

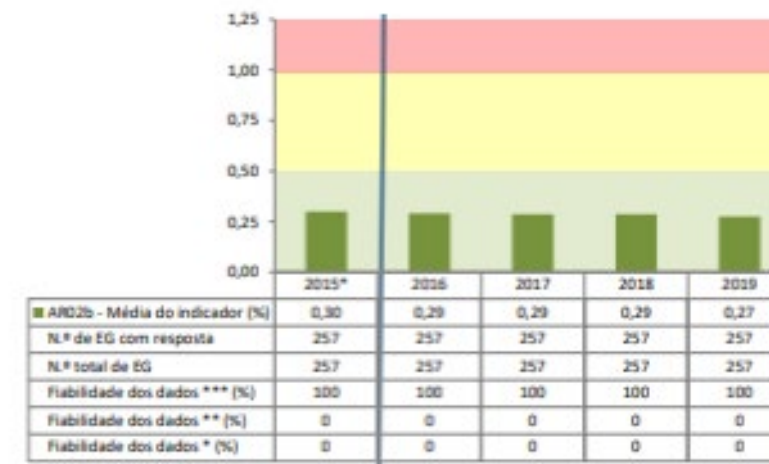
Average charge, for consumption of 120 m<sup>3</sup>/ year, with the supply service of water in the average disposable income per household in the system's intervention area.

**Average tariff charges (€/year/120 m<sup>3</sup>)**  
**Average income per family (€/year)**

- Poor affordability ]1,00; +∞[
- Average affordability ]0,50; 1,00]
- Good affordability [0; 0,50]



Water supply –Affordability indicator evolution

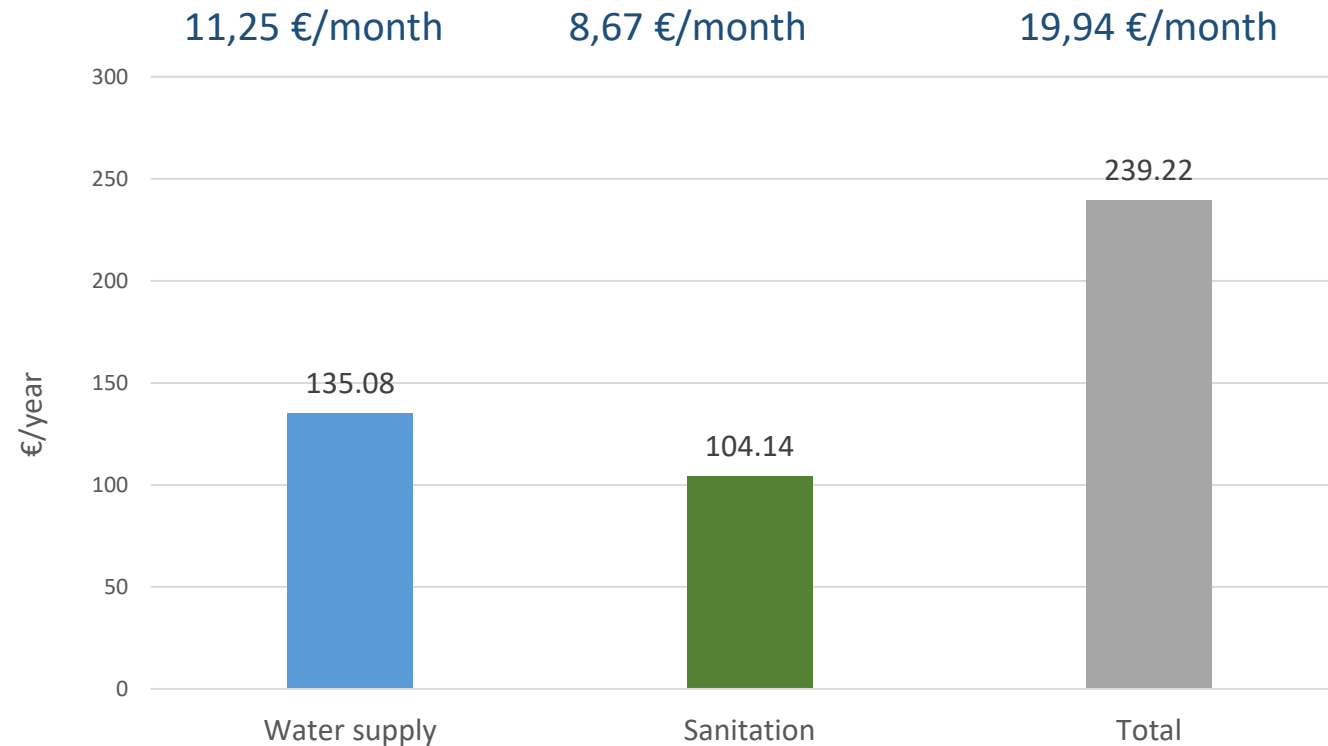


Sanitation –Affordability indicator evolution

# Affordability indicator for water and sanitation services






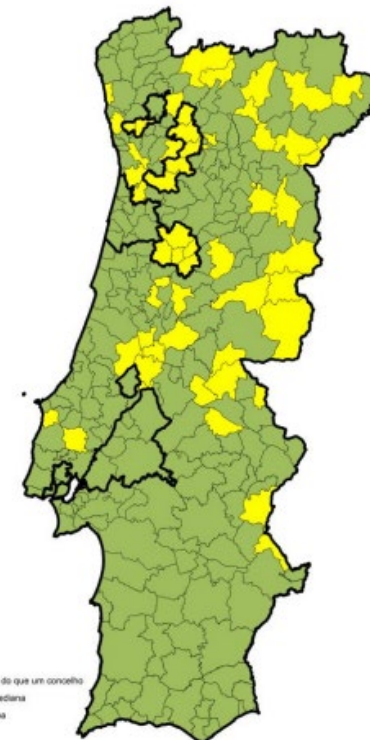
## Average tariff charges in mainland Portugal for a consumption of 120 m<sup>3</sup> (€/year) - 2019



# Affordability indicator for water and sanitation services

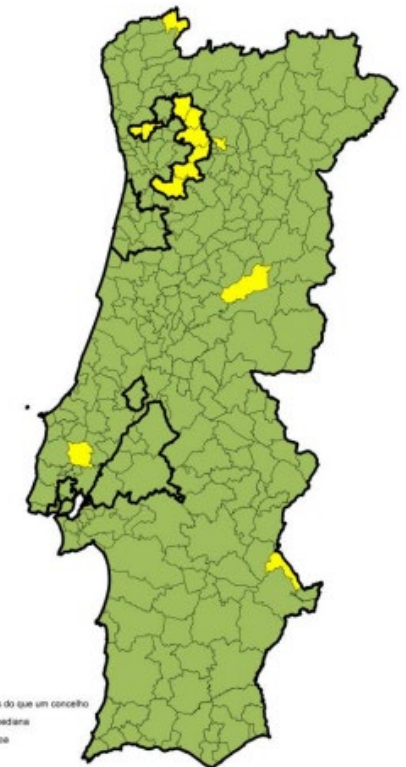
$$\frac{\text{Average tariff charges (€/year/120 m}^3\text{)}}{\text{Average income per family (€/year)}}$$

-  Good affordability
-  Average affordability
-  Poor affordability



Water Supply

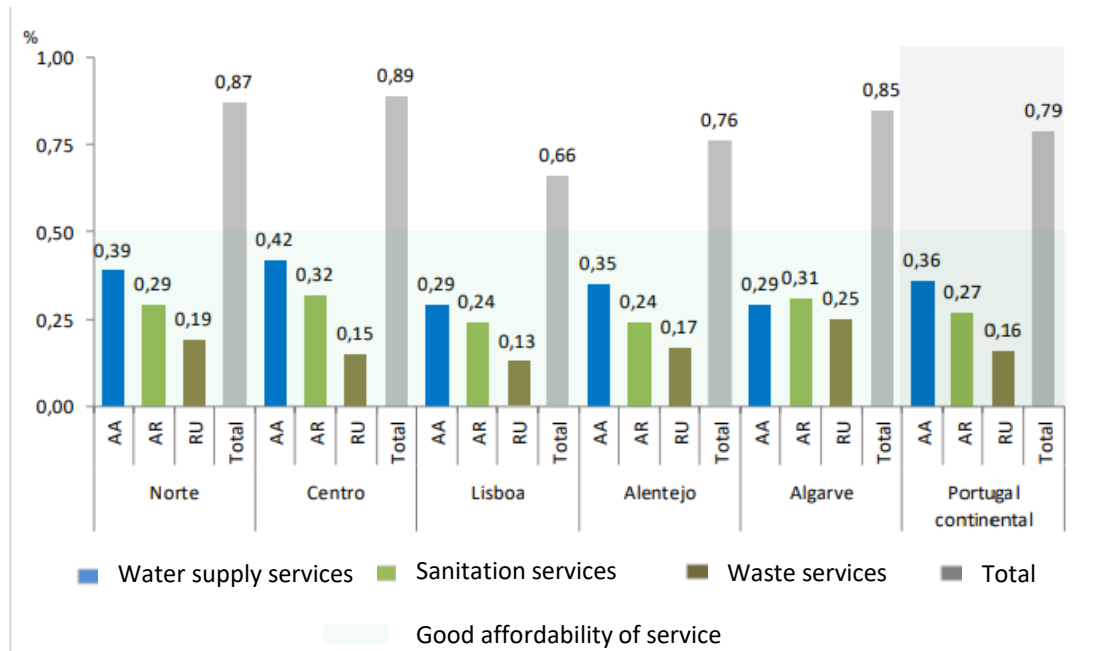
2019



Sanitation services

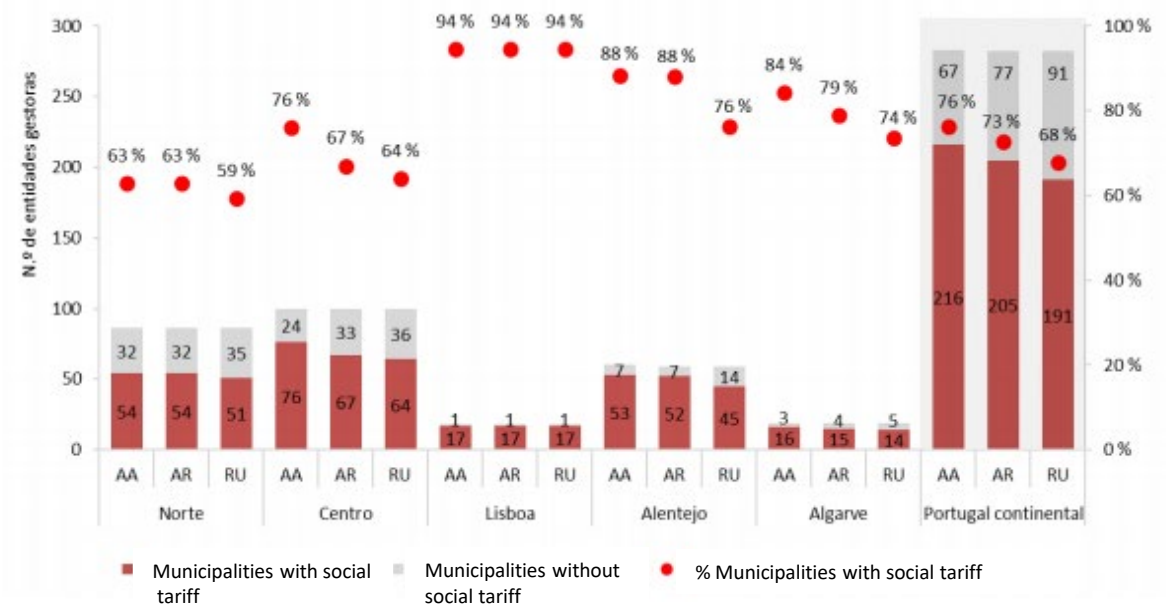
# Affordability for water and sanitation services - social tariffs

## Affordability to the service - 2019



- The prices charged allow good affordability to services (<0.5%)
- The formula for calculating the indicator should be improved, to incorporate the various income levels of households

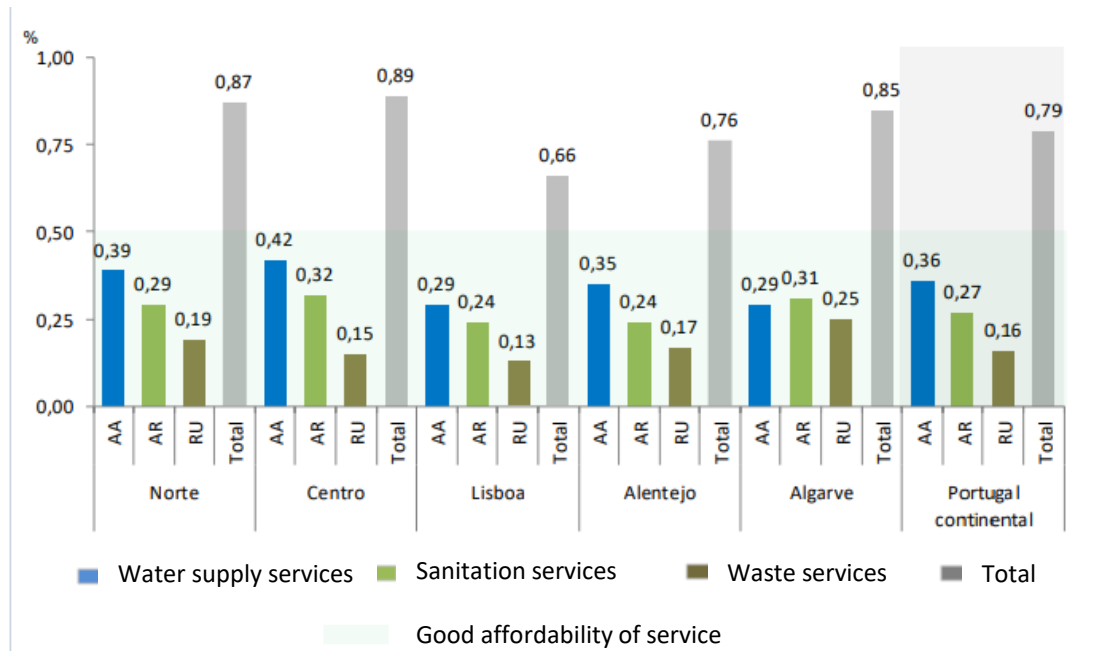
## Social tariffs per service and region - 2019



- Many municipalities still have no social tariffs, especially in the waste services
- The existing social tariffs reflect an inequality in social access to services as they present different values from north to south.

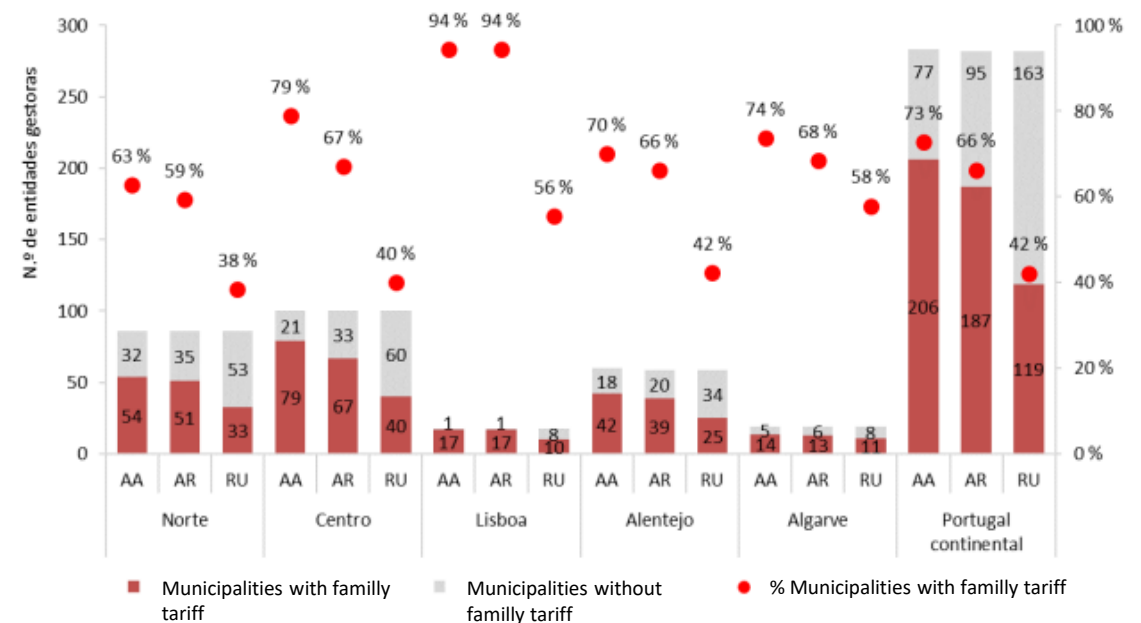
# Affordability for water and sanitation services - tariffs for large families

## Affordability to the service - 2019



- The prices charged allow good affordability to services (<math><0.5\%</math>)
- The formula for calculating the indicator should be improved, to incorporate the various income levels of households

## Family tariffs per service and region - 2019



- Many municipalities still have no family tariffs, especially in the waste services
- The existing family tariffs reflect an inequality in social access to services as they present different values from north to south.

# *Affordability for water and sanitation services - Ongoing and future work*



- The results of good affordability to services (<0.5%) should also take into account the number of management entities that do not yet invoice some of these services, or that bill below the costs inherent to the provision of services, and, therefore, do not recover the expenses through tariff
- The ongoing revision of ERSAR's indicators (4th generation) will include the revision of the affordability indicator
- The approval of the Tariff Regulation for Water Supply Services (RTA), which establishes, among other criteria, affordable tariffs, including for lower income households, is expected. The approval of this regulation is linked to the review of legislation enacted by the government.





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Thank you

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