Affordability of Water and Sanitation services

6th meeting of the Expert Group on Equitable Access to Water and Sanitation
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 m³/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 m³)

Average income per family (€/year)

- Poor affordability: ]1,00; +∞[
- Average affordability: ]0,50; 1,00]
- Good affordability: [0; 0,50]
Affordability indicator for water and sanitation services

Average tariff charges in mainland Portugal for a consumption of 120 m$^3$ (€/year) - 2019

<table>
<thead>
<tr>
<th>Service</th>
<th>€/year</th>
<th>€/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply</td>
<td>135.08</td>
<td>11.25</td>
</tr>
<tr>
<td>Sanitation</td>
<td>104.14</td>
<td>8.67</td>
</tr>
<tr>
<td>Total</td>
<td>239.22</td>
<td>19.94</td>
</tr>
</tbody>
</table>
Affordability indicator for water and sanitation services

Average tariff charges (€/year/120 m³)
Average income per family (€/year)

- Good affordability
- Average affordability
- Poor affordability

Water Supply

Sanitation services

2019
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 (<0.5%)
- 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.
Thank you

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