

# PROJECT INFORMATION SHEET

## WATER AND WASTEWATER UTILITY INVESTMENTS AND PRICING

### PRODUCTS AND ACTIVITIES

#### **THE DRP, WATER AND WASTEWATER UTILITIES, AND THEIR INVESTMENTS, OPERATING COSTS AND PRICING**

Reducing nutrient and toxic pollution from municipalities to Danube water bodies is a key objective of the UNDP-GEF Danube Regional Project (DRP). Pollution reduction goes hand in hand with a municipality's or region's capacity to both provide and pay for safe and reliable water supply and wastewater collection and treatment services. In response, the DRP has developed, or will develop, a number of products and activities of use to various stakeholders in the Danube River Basin (DRB).

#### **WHO CAN BENEFIT FROM THE DRP PRODUCTS?**

Are you responsible for calculating the consequences of making new investments for a municipal or regional water and wastewater utility (MWWU) in the DRB? Or for deciding on whether such investments should be made? Or are you responsible for developing or implementing policies related to reducing water pollution from DRB municipalities? At the national or municipal level? If yes, then we can help, especially:

- > MWWU managers
- > National government representatives responsible for developing and implementing policies and legislation related to reducing water pollution from municipalities
- > Municipal decision-makers
- > Environmental NGOs concerned about water pollution

#### **WHAT ARE THE PRODUCTS AND ACTIVITIES?**

##### **1. REPORTS**

**Report 1 Title:** Assessment and Development of Municipal Water and Wastewater Tariffs and Effluent Charges in the Danube River Basin: Volume 1: An Overview of Tariff and Effluent Charge Reform Issues and Proposals.

**Summary:** A comprehensive overview of the status of municipal drinking water supply and wastewater treatment in seven Danube countries: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania and Slovakia. It assesses the theory and practice of water

and wastewater service pricing, and effluent charge designs, as well as proposals for reforming MWWU bookkeeping, financing, management and institutions. It's a valuable handbook for policy-makers, MWWU managers, and municipal decision-makers, or anyone interested in the efficient provision of public water-related services and future MWWU challenges for reaching full-scale effluent reduction.

**Report 2 Title:** Assessment and Development of Municipal Water and Wastewater Tariffs and Effluent Charges in the Danube River Basin: Volume 2: Country-Specific Issues and Proposed Tariff and Charge Reforms.

**Summary:** This volume consists of three documents for each of the above seven countries (21 documents total) covering water and wastewater systems. The first are national profiles discussing the legal, regulatory, economic and institutional setting of the sector, data about water and wastewater services and service providers, and key policy issues and challenges facing the water and wastewater service sectors of each country. The second document presents a case study covering one particular MWWU in each country, including the results of modelling reform proposals appropriate to that MWWU with the ASTEC model (*see below*). The third document is a summary focusing on the most important issues discussed in the national profile and the case study.

Reports can be found on the DRP website at:

[http://www.undp-drp.org/drp/activities\\_1-6\\_-7\\_tariffs\\_and\\_charges.html](http://www.undp-drp.org/drp/activities_1-6_-7_tariffs_and_charges.html)

## 2. ASTEC

ASTEC is an Excel-based model capable of broadly examining the interaction of an MWWU's service prices with investment strategies, cost structures, customer behaviour and physical conditions. ASTEC has been successfully used in many cases as a decision support tool to test new tariffs designs, investment strategies and corporate changes.

DRP-related products include: (1) ASTEC Model, (2) ASTEC Project Information Sheet and (3) ASTEC User's Guide.

## 3. REFORM PROPOSALS INFORMATION SHEET

Provides an 'inventory' of a wide range of reforms that MWWUs can apply to streamline operations, cut costs, improve service quality or generate more revenue. Implementation can increase an MWWU's capacity to successfully undertake wastewater treatment investments. Each reform proposal is supplemented with short descriptions. Detailed reviews of the proposals can be found in Volume 1 of the Project Report (*see above*).

## 4. IN-COUNTRY DISSEMINATION AND TRAINING WORKSHOPS

Several country-specific workshops were held in 2004-05 to discuss and refine reform proposals and raise awareness of project products and activities, especially the ASTEC model. At least one workshop was held each in Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia and Montenegro and Slovakia. Participants included MWWU managers, policy-makers and academics. Additional training and dissemination workshops at the national and international levels are now being planned for 2006-07.

## 5. CASE STUDIES INFORMATION SHEETS

Brief case studies will present how ASTEC and the reforms were implemented in the project's two demonstration sites at Karlovac, Croatia and Pitesti, Romania.

## 6. BACKGROUND STORY

This story provides a background and context to reducing water pollution from utilities in the DRB.

## 7. MEDIA OUTREACH

Related stories have been published in international and national media including:

- > 'Danube Watch', the magazine of the International Commission for the Protection of the Danube River (ICPDR): *Paying the price for clean water*
- > '7 days', a weekly newspaper in Croatia. *Karlovac is the biggest Croatian polluter of the Danube River*
- > 'Voda za Horata' in Bulgaria. *Danube Regional Project: Water and Wastewater Tariffs and Charges*

## 8. WEBSITE

'Wastewater Tariffs and Charges' section on DRP website with full downloadable reports:  
[http://www.undp-drp.org/drp/activities\\_1-6\\_-7\\_tariffs\\_and\\_charges.html](http://www.undp-drp.org/drp/activities_1-6_-7_tariffs_and_charges.html)

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