INTRODUCTION
People agree to say that water price should be affordable but nobody can state what it really means. As the cost of water is increasing because of investment to improve water quality and sanitation, water is becoming unaffordable to a growing number of people. As Angel Gurria, secretary-general of the OECD, said “Measures need to be set in place to ensure affordable access to the poorest to adequate water supply and sanitation”. However, more than 50 states around the world have already taken some measures to increase the water affordability. Let’s study the case of some European countries.

WHAT’S WATER AFFORDABILITY
The notion of affordability in households is subjective but related to the upper limit of expenditure on water and wastewater services. In the CEE region, the percentage of income spent on water and wastewater services should not imply that water service becomes a major post on the household budget. This would indicate over-investment in these services. Furthermore, such charges may result in an expenditure level that is not affordable for lower income families and may lead to lower collection rates.

An upper limit of expenditure on water and wastewater for a household cannot be objectively established. Therefore, it is necessary to apply tools to obtain an overview of the average income and the distribution of income, and hence provide indicators as to when there is a problem of affordability that needs to be addressed. Such indicators must be derived from income, expenditure patterns and water consumption.

For example, a study in England established the “poverty line” for water by examining the expenditure on water of householders in the lowest three incomes deciles. It has been found a threshold of 3% which means that the lowest three income deciles spent 3% of their net income on water. Whereas the average of all households’ expenditure on water is only 1%.

HOW TO TACKLE IT?
Human right to water exists. Government may control that anyone has access to drinking water and sanitation. Water tariffs structure is the main aspect of this primate human needs affordability. Nowadays water is available in quantity more and more limited. Moreover, many policies are establishing full cost recovery in order to recover the operation and maintenance costs. Full cost recovery leads to significant tariff increase, and so would highly impact households, increasing water monthly bill. In some countries water bills represents more than 5% of income. Many compensatory measures or alternatives to full cost recovery exist. They fall into two categories: measures that support target group incomes, and measures that create preferential prices for those target groups.

In the first category, we found policies that might include charity or hardship funds or a water benefit made available via income support at a national level. The most common are: social help, discount voucher, spreading payments.

The second category is made to keep the water bills under a threshold of affordability. Cross subsidization might ensure affordable prices for low income users, one solution is called increasing blocks tariffs, or ‘social tariff’, it is a pricing strategy designed to provide minimal amounts of water at low prices to households. Under a lifeline tariff, the first block of water used is provided for free or for a nominal price, with higher blocks carrying increasing per-volume prices. They are expected to achieve affordability objectives but they are often poorly designed (wide subsistence block, insufficient “net subsidizers”), and low income consumers might share meters or have large families thus consume in upper blocks. Increasing blocks designed performance might be improved with either limited subsidence block (6m3/month), or three blocks: subsidence block highly subsidized, second block at cost recovery level and third block as net subsidizer.

Policies designed to change the amount households pay for water services might also include: metering, vulnerability tariffs, bill...
rebalancing, capped charges, bill smoothing or transitional protection.

**CONTEXT OF SOME EUROPEAN COUNTRIES**

**France**

“Within laws, regulations and established rights, the use of water is for all and every physical person has the right of access to drinking water for nutrition and hygiene at affordable price”. Loi sur l’eau et les milieux aquatiques n°2006-1772 du 30 décembre 2006, LEMA Article 1.

The French policy concerning the right to water is that everyone should have access to drinking water and sanitation and that water service should be paid entirely by users. Water pricing in France is based on the principle that “water has to pay for water”, which means that water service should be financed by water taxation.

In the French context, water could probably be considered as being “too expensive” if its price exceeds 3% of the net income of the household. This is the case for approximately 1.6 million households (out of 62 million inhabitants) who have a total net income below 33 € per day (and spend 1 € on water per day (330 litres of water per day at 3 €/m³).

As we see, the percentage of income spent on paying water charges depends on the household income level and the lower it is the higher is the probability of being water poor. One characteristic of the French Water Sector is that there is currently no specific pricing scheme, rebate or discount tariff, for whose being water poor. The mechanism put in place by public authorities and private firms in order to guaranty affordable access to water corresponds to an ex-post financial aid to help qualified low-income households facing difficulties with paying their water bill.

**Belgium**

Belgium has adopted new strategies and enacted legal instruments in order to guarantee equal access to drinking water and sanitation for everyone.

In Flandes everyone has the right to a minimal supply of 15 m³ of free water per person per year. This region has adopted a progressive water-pricing mechanism. This means that the final tariff depends on consumption because the price of water varies according to the amount used.

In the Walloon region the final tariff of water distribution consists of two parts: a fixed amount, regardless of consumption, and a variable part, which is calculated on the basis of real household consumption and which is divided in four levels of price. As a result, the price actually includes the cost of water production, water distribution, water preservation against pollution, and sewerage treatment. In this region, users are financing a social fund with a water consumption fee of 1,25c€/m³. This fund is split in all the municipal social help centres that redistribute this financial help to the household that have difficulties paying their water bill. 0,5% of the costumers have benefit of it.

In the Brussels region’s a progressive water pricing mechanism has been adopted as well. It consists of three blocks of consumption, followed by a fourth open block - above 60 m³ per person per year - at the highest price. The first m³ costs 3.8 times less than the highest one. For instance, it provides poorest people with a refund of the sanitation tax. This tax is not constant, but it varies from one municipality to the next. Its amount is between 0,1 and 0,3 euros/m³. A Social Fund for Water is also set up and is financed by a tax of 0,01 euro/m³ of water used.

**Spain**

There aren’t specific subsidies for people who can't pay water bills. It does exist some general aids for whose who can’t deal with all kind of service bills such as gas, water but as we all know these aids might exist but noone knows anyone who take benefit of them. However, there are cities where it has been introduced blocks tariffs. This measure might not have been set to solve the problem of affordability at first but it could turn to be a solution. The problem will come when everybody spends less water in order to pay the lowest price (only the first block) and we don’t get money to finance the infrastructures. Also it limits the amount of water that a poor family is able to consume which it isn’t fair enough.

**CONCLUSIONS**

As we have said above, there are lots of solutions which have to be thought carefully. It isn’t an easy issue with a unique solution and we can’t treat it like a mathematics problem. The solution must take into account many aspects such as society, economy and culture and we should have in mind that what works for a place might not work in another place. What we are completely sure is that this subject is going to give us a lot to talk about...

**REFERENCES**

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