

PENSAAR 2020

A new Strategy for the Water and Sanitation Sector in Portugal

Document under public discussion

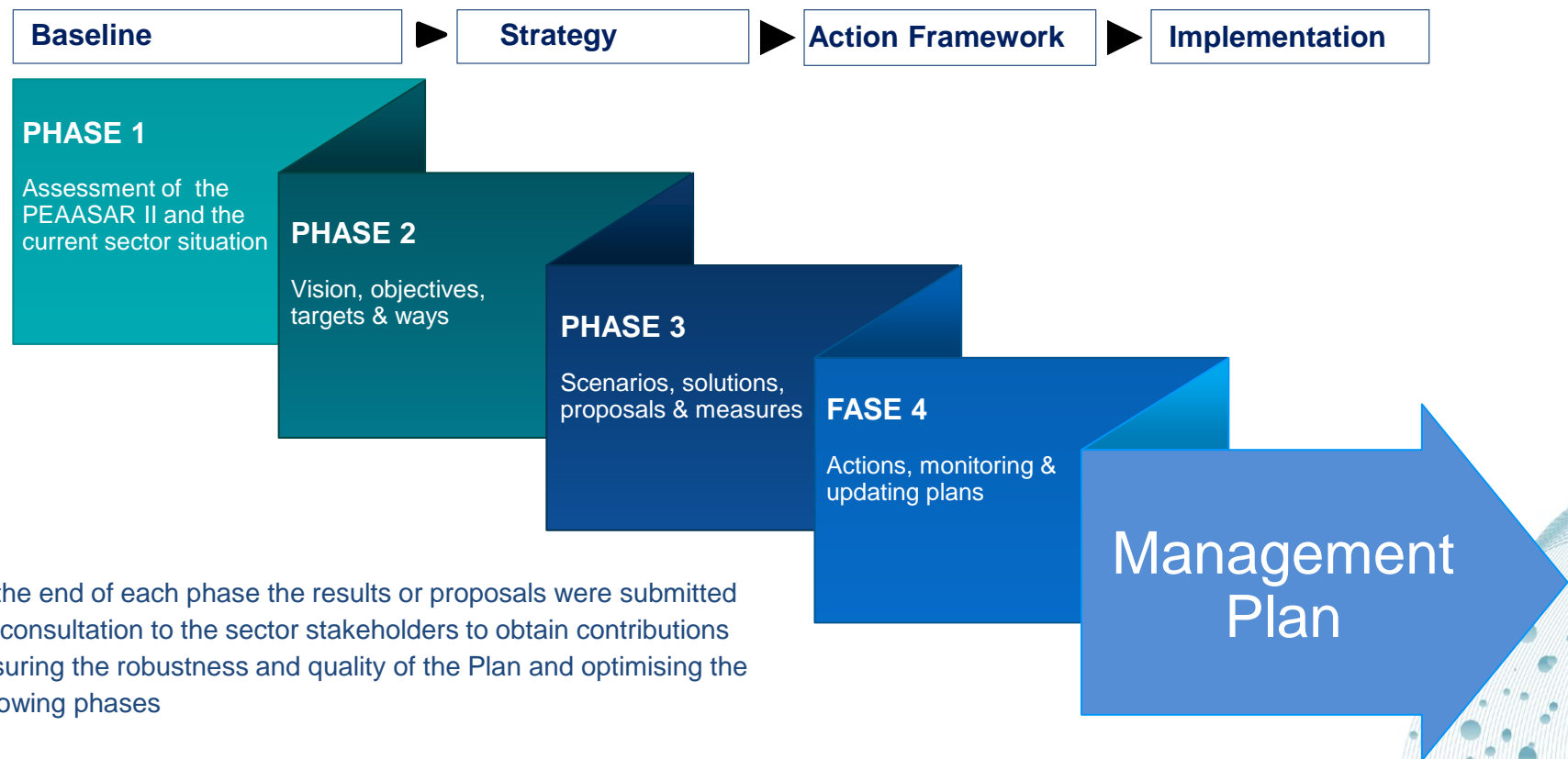


GOVERNO DE
PORTUGAL

MINISTÉRIO DO AMBIENTE,
ORDENAMENTO DO TERRITÓRIO E ENERGIA

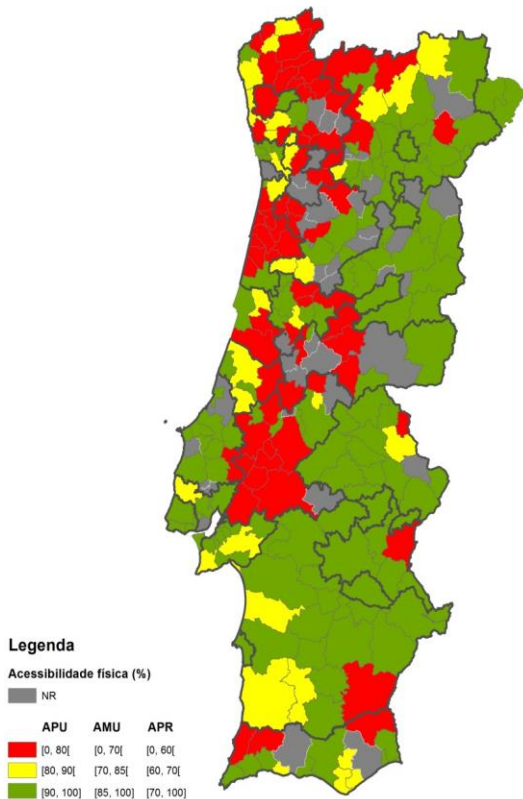
Structure of the Plan

The PENSAAR 2020 was prepared under the following phases:

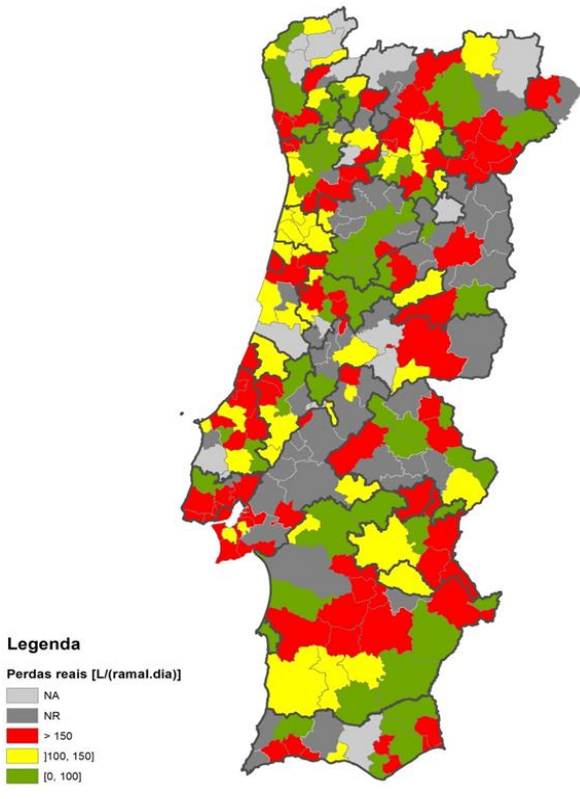


Data collection for the baseline (current situation)

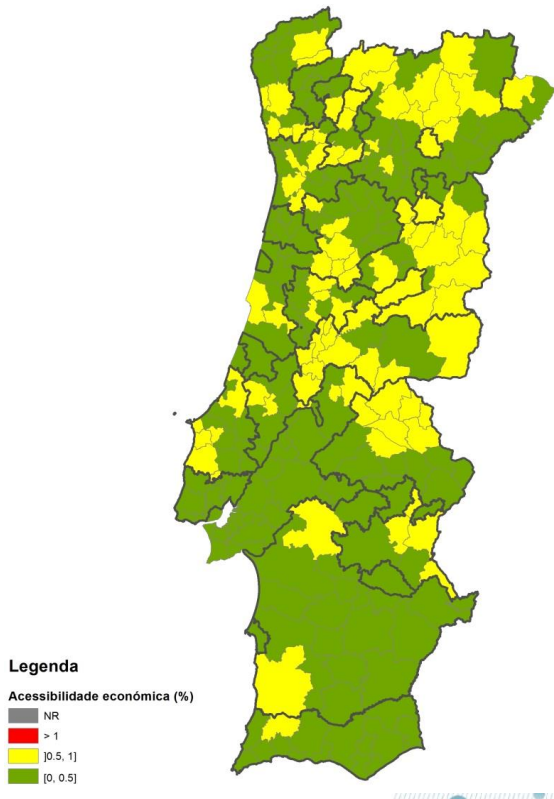
WW collection & treatment coverage rate



Physical water losses

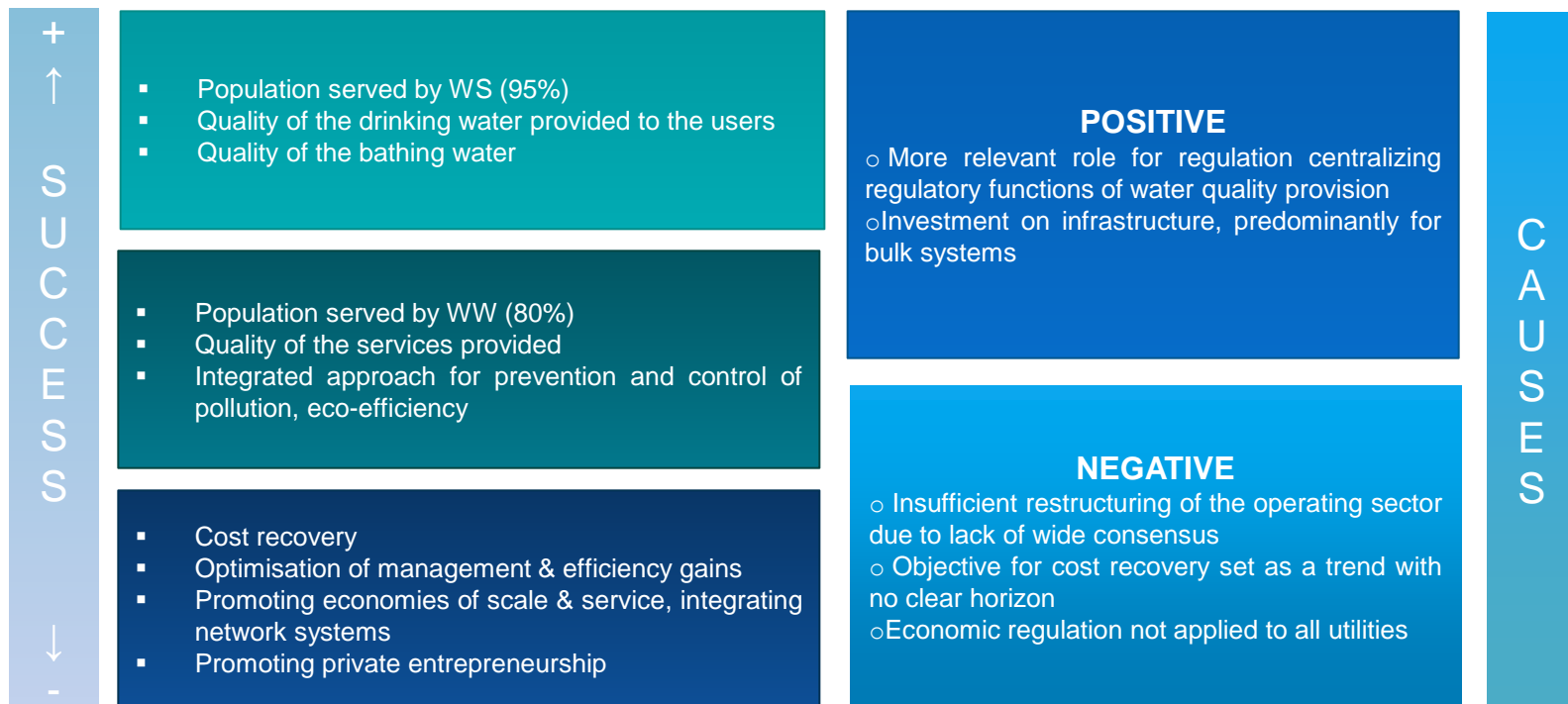


WS tariffs. Affordability



Phase 1 Summary of the assessment of the previous strategy plan

The work undertaken in the Phase 1 intended to assess the current situation of the sector and set the baseline for the future strategy by comparing the goals of the strategy defined for the period 2007- 2013 (PEAASAR II) and the results achieved, and extending it to all the aspects relevant to the sector



More relevant aspects of the diagnostic

Substantial progress in the **physical access to WS services > 95%**. Need to **invest in WW infrastructure by specific objectives**, e.g. improvement of the quality of the water bodies, legal compliance.

Good drinking water quality, but other parameters concerning **the quality of the service to the users need improvement**. Need to invest in the **efficiency of systems and its management, optimisation of assets**.

Problems of **economic and financial sustainability**. The **cost recovery** in parallel with the **minimisation of the costs** is necessary to ensure its sustainability as well as the social one.

The **quality of the services** provided to the users and customers of the downstream systems (*retail*) **could be improved**.

The **rehabilitation** of the assets **is insufficient** with rates of 0,5% (WW – wastewater systems) to 1% (WS – water supply systems).

The **non revenue water** in the network systems is still **very high** with values above 30% in the great majority of the utilities. The **physical losses are often unknown** and this issue is more frequent in utilities of lower size.

The majority of the utilities **does not know the cost of their WS and WW services**.

A large number of utilities **has no economic and financial sustainability** by not ensuring the cost recovery.

The majority of the utilities applies **tariffs** that **allow the economic access of the users to the services**. This is the result of charging **low tariffs that do not ensure the cost recovery**.

The use of the public services has been **affected** where users have other alternatives (boreholes, wells, septic tanks). This problem impacts negatively on the environmental and economic sustainability of the sector and create risks of public health.

New Paradigm

The strategy should be **less centred in new infrastructure** to increase the population served and focuses **more on the management of the sector assets, its operation and the quality of the services provided** with an overall sustainability.

Sector framework for the strategy



The several sector and cross-cutting policies and instruments will contribute to the achievement of the new sector strategy taking into account:

- The efficient use of the resources;
- The human right to water and sanitation;
- The adaptation to climate change;
- The risk management and increase of resilience to natural disasters;
- A sector serving the green economy – promoting economic growth and the capacity of the sector to make use adequately of its resources & sub products;
- The provision of services responding satisfactorily to the expectations of the users of a social and economic good of quality and safe at a fair price;
- Professional services with high performance ensuring universal access to services that are sustainable on a environmental, economic and social basis .

Strategy framework: Axis and Operational Objectives

The PENSAAR 2020 is developed on the basis of five strategic objectives designated also as Axis that support the Vision for the sector and constitute the pillars of the strategy for the water & sanitation sector to be implemented in the period 2014-2020 in the continental part of Portugal (not applicable to the autonomous regions of Madeira and Azores)

A sector at the service of the population and the economy of the country providing services of good quality and sustainable in environmental, economic, financial and social terms.

Development of the sector based on good governance in partnership and sustained by the strategy.

AXIS 1
ENVIRONMENTAL
PROTECTION,
IMPROVEMENT OF THE
QUALITY OF THE WATER
BODIES

AXIS 2
IMPROVEMENT OF THE
QUALITY OF THE SERVICES
PROVIDED

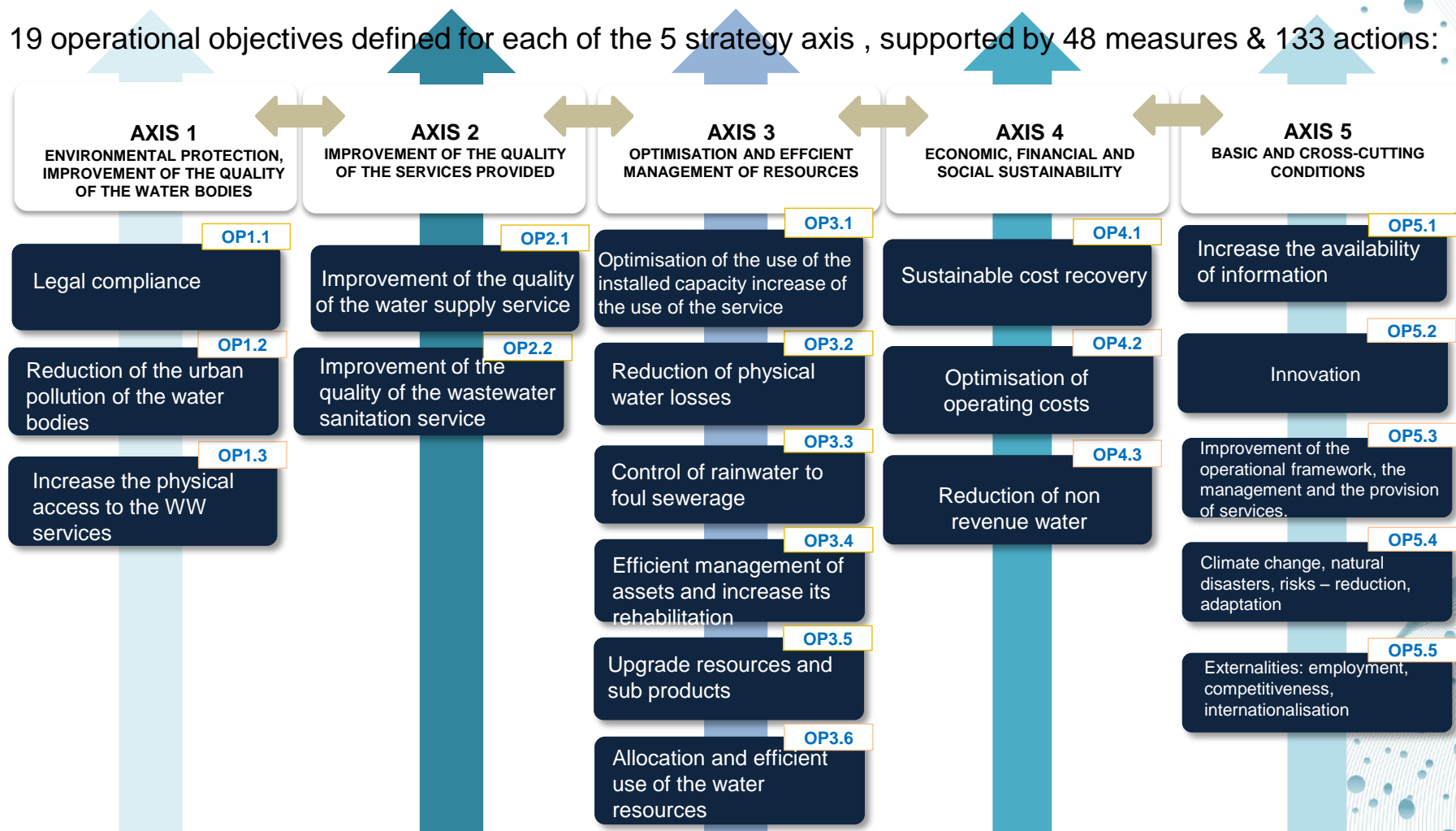
AXIS 3
OPTIMISATION AND
EFFICIENT MANAGEMENT OF
RESOURCES

AXIS 4
ECONOMIC, FINANCIAL
AND SOCIAL
SUSTAINABILITY

AXIS 5
BASIC AND
CROSS-CUTTING
CONDITIONS

Strategy framework: Strategic Axis and Operational Objectives

19 operational objectives defined for each of the 5 strategy axis , supported by 48 measures & 133 actions:



Action Plan | Example of result indicators of the PENSAAR 2020

Several indicators were defined in the Plan to evaluate the results expected for each of the operational objectives. They will be used to manage the Plan and assess its progress based on an annual monitoring programme. **Each indicator has a baseline and a target set for 2020.**

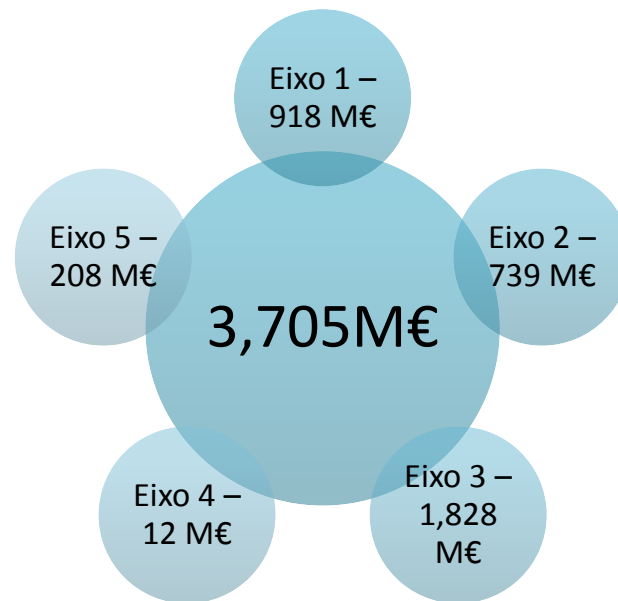
OP1.1: Legal compliance	• Improvement of the quality of the water bodies
OP 2.1 e 2.2.: Improvement of the quality of the WWS & WW services	• Level of satisfaction of the users of WWS & WW services
OP 3.2: Reduction of physical water losses	• % of households served by UT with a satisfactory level of physical water losses)
OP 4.1: Sustainable cost recovery	• % of households served by UT with a satisfactory level of total cost recovery
OP 4.2: Optimisation of operating costs	• % of UT with satisfactory operating costs within a range of efficient unit O&M costs
OP 5.1: Increase the availability of information	• Index of infrastructural knowledge and asset management(dAA44 ou dAR45)
OP 5.2: Innovation	• Number of programmes/partnerships between public and private entities with research and education centres

Action Plan | Investment cost estimate and financial analysis

The cost of the investment to be undertaken as proposed in the PENSAAR 2020 was estimated using the current best available knowledge in the sector aiming at achieving the proposed objectives.

A financial analysis was carried out with following purposes:

- i) Measure the economic, financial and social sustainability of the proposed investment;
- ii) Evaluate the contribution of each of the financial resources to be mobilised (3T);
- iii) Estimate the capacity of the sector to generate the resources.



Management Plan | Interaction between the PENSAAR 2020 and current key processes

