ITALY’S CONTRIBUTION
TO THE QUESTIONNAIRE ON PROGRESSIVE REALISATION OF THE HUMAN RIGHTS TO WATER AND SANITATION
OF THE SPECIAL RAPPORTEUR ON THE HUMAN RIGHTS TO SAFE DRINKING WATER AND SANITATION

May 2020
ITALY’S REMARKS

Introduction

Italian Authorities thank the Special Rapporteur on the human rights to safe drinking water and sanitation and want to provide the following information about progressive realisation of the human rights to water and sanitation.

Minimum core obligations

Question 1. How is the concept of the minimum core obligations of the human rights to water and sanitation translated and applied in the water and sanitation sector in the country?

Answer 1.

At national level, users living into a level of poverty certified, can have as a bonus a minimum quantity of drinking water guaranteed. This bonus is fixed in 50 lt/person/day, 10 liters more than the minimum level stated by OMS in 40 lt/person/day of water needed for meet the basic needs for the safeguard of human dignity.

In particular, the DPCM dated October, 13 2016 (requested by MATTM with the support of MISE and MEF) defines the social tariff, by implementing the art.60 of Law 221/2015 (so call “Collegato ambientale”) and the DPCM dated August, 29 2016 (requested by MATT with the support of MISE and MEF) defines guidelines for minimizing the lateness, by implementing the art. 61 of Law 221/2015.

Thanks to these provisions, Italy is one of the best practices to tangibly ensure the water access right in accordance with the European standards

The Decree Law about social tariff defines criterias to guarantee the access to minimum quantity of drinking water for the safeguard of human dignity without detriment to the water resource.

The final goal is to support poor residential users through dedicated tariff allowing them to meet the minimum threshold of 50 lt/person/day and, at the same time, such tariff should guarantee the respect of “polluter should pay” principle and cost coverage defined in the art. 9 of Directive 2000/60/CE.

This solution ensures the respect of the social, economical and environmental sustainability.

The Decree Law, through drinking water bonus, guarantees free access to the minimum quantity of water for poor residential users (level of poverty is measured through ISEE index, whose threshold is defined by ARERA) and ensures to others residential users the access to this minimum quantity through subsidized tariff.

The regulation faces the affordability problems at national level, avoiding inconsistency approaches developed during years at local level, even worthy, in order to ensure an unique and solidarity regulation avoiding its uneven implementation among different regions, allowing monitoring of its impact and represents also a concrete solution to the needs of weaker users.

Moreover, to boost the guarantee of universal access of water, the amount of 50 l/person/day is guaranteed also in case of lateness for final user that cannot be disconnected (ARERA resolution n.311/2019/R/IDR dated July,16 2019 as foreseen within DPCM dated August, 29 2016).

The final user cannot be disconnected can be grouped as follow:
• residential user living under proved poverty threshold, subject to compensation for water supply expense. In this case it is ensured the supply of water also in case of lateness;
• Public users like: hospitals, nursing homes, soldier and security emergency centers, prisons, schools; all other public users providing healthcare and safety services whose interruption can generate issues to public order and safety

Since January, 1 2020, as reported in the art. 57 – bis Decree Law October, 26 2019 n. 124 on “Urgent Fiscal matters and for necessity that cannot be postponed” and modified in the Law December, 19 2019, n. 157, the drinking water bonus includes also expenses related to drainage system and water treatment and, from 2021, the Bonus will be automatically charged in the invoice to all families having rights without the need of requesting it, as done so far.

The water bonus has been extended also to recipients of universal basic income, estimating it with reference to drainage system and water treatment (ARERA Resolution 3/2020/R/IDR).

**Question 2. What policies and programmes are in place to ensure that those obligations are always met? In case the minimum core obligations are not met, please provide information on the extenuating circumstances.**

**Answer 2.**

Drinking water supply, drainage system and water treatment represent the three main pillar, vertically integrated, of the Integrated Urban Water Management (IUWM). The IUWM is a public service subject to regulation. The Italian Regulatory Authority for Energy, Networks and Environment (ARERA) is the national regulator of this sector. Within ARERA scope of work the Resolution dated December, 21 nr 897/2017/R/IDR defines criteria for implementing what defined within DPCM of 2016 about social tariff.

ARERA carries out regulatory and supervisory activities in water services sector for the safeguard of competition and consumers. ARERA has been created under Italian Law No 481/1995 for the purposes "protecting consumer interests and promoting the competition, efficiency and distribution of services with adequate levels of quality, ensuring its homogeneous availability over the entire national territory, through regulatory and control activities based on transparency, pre-defined criteria and promoting the safeguard of consumers and users interests"

It is a competence of the Authority verify the proper implementation of regulation of tariff at national level and to ratify in case of wrong application of regulation.

**Progressive realization**

**Question 3. Please describe efforts made by the Government in the last few years that allowed the progressive realization of the human rights to water and sanitation.**

**Answer 3.**

Since 2016, Italy has promoted a national politics aimed at achieving the homogeneous access to water services to all citizens without any discrimination and with a specific focus to weaker users support.
The tariff politic guarantees the general access to water supply, rational use of the resource and economical and financial balance. Indeed, the cost of supply for poor users subject to subsidized tariff is covered by internal tariff mechanism that guarantee the respect of “polluters should pay” principle and cost coverage. In this way, the tariff meets the goals of 2000/60/CE Directive guaranteeing the environmental, social and economical sustainability.

Furthermore, Italy has implemented a financing politics for investments in the drinking water service for covering losses related to the transmission and supply system. This policy meets the requirements of Legislative Decree dated February, 2 2001, n.31 implementing the Directive 98/83/CE, related to the quality of drinking water for human consumptions and to investments for the compliance of drainage and treatment systems to requirements defined in the Directive 91/271/CEE over waste water.

The investment public support scheme ensures stay in business investment costs do not impact the tariff for final users.

ISTAT data for national service coverage are listed below.

- **Water Main Coverage:** Source: ISTAT – Census of drinking water for civil use, year 2015 (published on December, 14 2017)

  99,7% of Italian Municipalities, where lives 99,8% of overall population, have their own water supply transmission system;
  23 Municipalities have no transmission system; about 104 thousand of people live there, equal to 0,2% of overall population. In those Municipalities people use an autonomous supply system (i.e. private tanks).

- **Coverage of drainage system:** Source: ISTAT – Census of water for civil use, year 2015 (published on December, 14 2017)

  99,5% of Italian Municipalities, where live 99,4% of overall population, have their own public drainage system.
  40 Municipalities do not have drainage system. There live 385.249 inhabitants (0,6% of total population). Some of those Municipalities have the drainage system, but not yet in operation. In these cases each building has its own drainage system of waste water.

- **Coverage of water treatment:** Source: ISTAT – Water World Day, March, 22 2018

  95,7% of Italian Municipalities, where lives 97,6% of overall population, have their own water treatment system, that covers the whole or partial area of the municipality. There is no treatment system in 342 Municipalities, where lives 2,4% of overall population. Therefore waste water are not managed in water treatment system under operation.

**Question 4.** Please describe how planning in the water and sanitation sector is guided by the principle of progressive realization of the human rights to water and sanitation, and how it reconciles the two priorities - increasing levels of access to services on one hand, and reducing inequalities between different groups on the other.

**Answer 4**
The planning and the access to drinking water are guaranteed by politics of tariff regulation led by ARERA and by public funding for the investments. Who manage the Integrated Urban Water Management (IUWM) must supply the service, make the stay in business investments, reach the target levels (100% of coverage of three services) defined within specific action plan aimed at guaranteeing the quality of the services in accordance to technical standard defined by ARERA. The tariff is entitled to the company managing the IUWM and is estimated for covering the expenses related to service supply and investments on the basis of a model defined by ARERA.

Therefore, the two aspects are included in the planning of the sector, service management and tariff. The tariff, according to art.154 par. 1 of Legislative Decree n. 152/06, is the amount of IUWM and is estimated on the basis of quality of water resource, service provided, works and necessary upgrading, management expenses for safeguard areas, costs for the normal operation of Local Authority (cd “Autorità d’Ambito”) in order to guarantee the overall coverage of investment and operational costs according to “polluter should pay” and “full cost recovery” principle. All components of the tariff of IUWM are related to service supply. The tariff of IUWM is defined by ARERA. The tariff system is periodically updated by ARERA every 4 years. From January 1, 2020 the Hydro Tariff Methodology (MTI-3) is established according to ARERA Regulation 580/2019 for the period 2020-2023 with the following goals:

- To confirm principles for boosting expenses for investments aimed at improving the quality of the service, supporting also the activities of controlling the execution of planned investments;
- To foresee the definition of investment plans, with a specific focus to strategic projects, with a long term time horizon, until 2027;
- To promote higher management efficiency and to boost all sustainability and environmental mitigation actions

The tariff regulation for 2020-2023 period defines 6 regulatory schemes for the estimation of the tariff of IUWM, each of them set a different trend of the future tariff, according to:

- Investments needs, including the ones already defined through subsidized funding by who manage the service
- Possible different targets or activities of local bodies managing the service, mainly related to relevant process of merging or to the introduction of new relevant technical processes;
- The amount of the revenues by user compared with the referent value of 2018, taking into account changes in the number of population.

For specific cases where no information are available, it is also possible a dedicated regulatory scheme to be temporary applied, where the reference body can estimate the cost components of the tariff by setting specific parameters.

In case of extraordinary circumstances affecting the economical and financial balance, the body who manages the service can request for equalization measurements to ARERA.
ARERA Regulation 665/2017/R/IDR “Tariff reforms for users” defines criteria for setting different threshold for final users. From January 1, 2018, tariff for the user is set according pro-capita criteria (with the chance of applying standard temporary system no later than 2022, equal to 3 members for family), with a fixed and a variable part.

The fixed part is divided in water main, drainage systems, and system treatment services and it is independent from consumption and not divided in different thresholds. The variable part for water main service, depends on consumption level and it foresees what follows: a subsidized tariff; a basis tariff and three surplus thresholds tariff. The unitary value (€/mc) of surplus tariff grows more than increasing of referent consumption level (maximum ratio of 1 to 6 between the subsidized and highest threshold), according to the “polluter should pay” principle of Directive 2000/60/CE.

Higher level of tariff for higher level of consumptions has the goal to promote a better use of the resource, since more consumptions imply higher environmental cost. The variable component for drainage system and water treatment system is linked to the consumption, but not divided in different thresholds.

**Maximum of available resources**

**Question 5.** Please describe methods of budgeting and budgetary planning which aims to ensure that the maximum available resources are utilised for the realization of the human rights to water and sanitation for all. Please include the process of allocating budget as well as the output achieved by the utilisation of the budget.

**Answer 5**

The IUWM is a service of general economic interest (SIEG) subject to regulation, therefore is an autonomous service that can be financed through tariff. Since tariff has to cover expenses for investments, the latter can be estimated in order to have a fair tariff from social and economical point of view. The planning of the sector has the objective of ensuring the maximum effort for achieving investments and thanks to the public funding, it is possible to increase the level of investments without having any impact on the tariff from a social and economical point of view. The tariff, estimated according what stated above, guarantees the coverage of operative costs of the body who provides the service, divided according what follow:

- Internal operative costs for which a maximum threshold is defined, except the possibility to ask for higher costs after new regulation defined by ARERA for contractual quality (Regulation 655/2015/R/IDR) and technical quality (Regulation 917/2017/R/IDR)
- Operative cost that can be updated, defined for boosting improvement actions of cost reduction and for taking into account other costs like cost of energy, cost of wholesale water and other extra costs for mud treatment;
- Operating investment costs related to environmental cost (related to refurbishment activities, reduction, minimization of damages related to water system treatment activities, with a particular focus on interventions for boosting and upgrading treatment system plants) and resource (related to incremental use of one more unit for a specific use, subtrahend it to alternative services related to supply and water drink activities, in particular works for new tanks and upgrading of existing plant of purifying)
• Financial and fiscal burden defined in a standard way
• Other costs, like the ones needed for the normal operation of subject, ARERA tax, lateness costs; local burdens not included in environmental and resource cost
• oneri finanziari e fiscali determinati in maniera standard;

Furthermore cost of investments are covered and their estimation includes:
• depreciation over immobilization of water supplier
• financial burden over immobilization of water supplier
• component representing the surplus of the amount of the infrastructures of third parties compared with the sum of canon paid by owners.

**Question 6.** Please describe how non-financial resources have been utilized to progressively realize the human rights to water and sanitation including the process of utilization and the output.

**Answer 6.**

As reported above, the water bonus charged to the bill guarantees the access to water to poor users.
The cost for guaranteeing this service is covered by means of internal mechanism in the tariff. This mechanism is on a solidaristic base embedded in the different thresholds whose drinking water costs are charged to consumption above certain threshold.

Moreover, it’s important to highlight that drinking water access is guaranteed by Water Safety Plans for salubrity reasons, defined by each IUWM manager according to Ministerial Decree 14.06.2017 that introduces Water Safety Plans (WSP).
The implementation of WSP is ongoing and the analysis will take time since the huge complexity of the site analysis.

For what concerning WSP, the current regulation foresees the respect of minimal requirements for salubrity and phisical, chemical, microbiological, radiologic quality at the point in which drinking water are available for consumption. The new holistic approach is focused more on prevention and supply chain risk management, under WSP model, rather than ex-post control on drinking water. WSP model are defined by World Health Organization as the most effective measure to systematically guarantee the safety of a drinking water system, quality of drinking and users health safeguard. The WSP model has been implemented in Italy as guidelines of Istituto Superiore di Sanità (ISS) – Ministry of Health.

As general examples, the main priority of PSA are:
• effectively prevent hydro-drinking water emergency due to parameter not subject to ordinary monitoring considering any kind of dangerous event to sources, delivery point and whole hydro-drinking water chain related also to current climate change events;
• increase prevention of chemical contamination, micro biological or viral dangers, also through an upgrading of on-line monitoring system, early-warning and remote-control;
• review of protection area of sources, according what defined within Directive 2000/60/CE and “areas of hydro supply”, through the updated identification of hydro-drinking water supply chains, their connectioms, distribution water homogeneity and
geographical/users areas; this action is also necessary for optimizing the relevant sampling/monitoring for the proper implementation of Legislative Decree 28/2016 over water radioactivity monitoring

- boosting sharing of information and data, as a consequence of diligence, between institutional bodies executing, under their own scope of work, monitoring and safeguard activities, as Regional Environmental Agencies and Local Health Agency. Such Agencies know relevant information about dangers of contamination throughout the whole value chain of hydro-drinking water; a list of these dangers include also geogenic elements within aquifer, presence of dumps or contaminated areas, polluting spilling, contamination due to fires, agricultural and zootechnics waste, mining and military areas
- the availability of a flexible model for evidence-based risk analysis for customizing, if needed, resilience of hydric systems to extreme climate events and trends and for boosting physical protection level of resources and infrastructures;
- allow a more active and aware citizen involvement, improving communication in emergency and ordinary situations and boosting, based on evidences, trust of local entities, health and environmental control authorities;
- set up data base, periodically update by local bodies, in particular by hydro-drinking water manager and by Environmental Regional Agency, shared with local and central health authority, over hydro-drinking water systems and over their monitoring. The goal of these data base, on the basis of standardized procedures, is set-up of an efficient supervision at regional and center level, as well as public information by national water web site

**Question 7.** In case where trade-offs with resources usage on other national agenda and implementation of other rights were required, please provide the circumstances and the decision taken as well as reasoning behind the decision.

**Answer 7**

As reported above, SII investments are financed through the tariff revenues, in compliance with the tariff growth limits. The priorities are defined on the basis of level of infrastructural gap in the different segments of service, aqueduct, drainage system and purification, in compliance with regulations.

The national budget contributes to support the financing of the sector taking into account the financial resources and the overcoming problems that expose Italy to European infringement procedures.

At the moment, the Italian Government has adopted various national investment plans as indicated below: FSC 2014-2020 Environment Operating Plan; Extraordinary plan for the protection and management of water resources art.1, co. 112, Law 147/2013; Resolution CIPE 60/2012; Pacts for the South; National water plan referred to in art 1 paragraph 516-525 of Law 205/2017 as amended, divided into dyke section and aqueduct section. As far as MATTM is concerned, the first of these is dedicated to financing interventions for the overcoming European infringements on waste water and reducing water losses, while the Extraordinary Plan and CIPE Resolution 60/2012 are dedicated to financing only investments for overcoming Community waste water European infringements.

**Conclusions**

Italian Authorities take this opportunity to reiterate their firm willingness to continue cooperating with all relevant UN Treaty Bodies, Special Procedures and mechanisms.