EU funding in water sector
Latvia
results, lessons learned, future

B.Gulbe,
CEO,
Latvian water and wastewater works association
Facts about association (LWWWWA)

Founded in 24th of May on the year of 1990.

One of the oldest professional associations in Latvia
13 founder organizations from Aizkraukle, Cēsis, Daugavpils, Valmiera, Jelgava, Jēkabpils, Jūrmala, Kuldīga, Liepāja, Līvāni, Talsi, Ventspils, Rīga.

LWWWWA today:
- 27 members from water companies
- 4 associated members - SIA "Wavin Latvia", SIA "Wilo Baltija", SIA "EvoPipes" un SIA "Firma L4".
Historical strategy:

- The introduction and upgrading of computer systems for water companies
- Supply of materials and equipment
- Installation of equipment and repair of water meters
- Tariff policy development

Today:

- Cooperation with governmental organizations, development of water policy (Water management law)
- Cooperation and experience sharing with EWA and neighboring countries
- Organization of specific sectorial courses, seminars, conferences
**LWWWA members' main technical and economical data**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Length of water/wastewater network (km)</strong></td>
<td>~6 348</td>
</tr>
<tr>
<td>water</td>
<td>~3 367</td>
</tr>
<tr>
<td>sewage</td>
<td>~2 981</td>
</tr>
<tr>
<td><strong>Clean water intake (cubic meters per day)</strong></td>
<td>~212 860</td>
</tr>
<tr>
<td><strong>Sold water (cubic meters per day)</strong></td>
<td>~152 158</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>~1 691 054</td>
</tr>
</tbody>
</table>
More than 110 projects in water sector in agglomerations above 2000 pe
Investment sources

- Nordic co-operation partner funding (since 1991)
  - The first co-operation and the loan agreement was signed with Finland on April 10, 1991 (funded Riga, Liepaja and Cesis)
  - Contract with Denmark (September 5, 1991) - 1/3 of the loan invested in water management
  - Treaty with Sweden (1991) - 2/3 the loan invested in water management
  - The contract with SIDA (1992) and NEFCO (1995)
  - Riga Water and Environment Project - received funding from Finland, Switzerland and Sweden in 1996

- Pre-accession (ISPA) (since 2000), PHARE
- European Union funding - CF, ERDF (since 2004)
- State budget financing
- Local public funding
- The own resources (including credits)
Investments in water sector is 617 MLVL (approx. 877 MEUR) (2000-2012)
Investments in water sector

2000-2006 (EU funds)

11 water sector projects

Target: EU directives 98/83/EK (drinking water), 91/271/EEK (sewage) requirements

Total eligible costs: 395 045 206 EUR

Cohesion Fund financing: 234 326 949 EUR
Investments in water sector

2000-2006 (EU funds)

4 Technical assistance projects

Targets:

- provide high-quality projects, that focus on drinking water and sewer services to develop and are provided by the local municipal water supply companies, preparing for CF;
- help prepare Latvian river basin management plan according to the Water Framework Directive;
- carry out water and sewage systems studies;
- assist the Latvian government and local authorities to ensure compliance with laws and regulations of public water management services.

Total project cost: 36 474 252 EUR.
Cohesion Fund financing: 28 254 857 EUR.
Investments from 2007-2013

Division of EU total funding of EUR 4.5 billion (LVL 3.18 bln.)

- **Transport and ICT**: EUR 776 million (17%)
- **Environment**: EUR 27 million (0.5%)
- **Entrepreneurship and Innovations**: EUR 444 million (10%)
- **Education**: EUR 495 million (11%)
- **Employment and Social Inclusion**: EUR 291 million (6%)
- **Urban Environment**: EUR 268 million (6%)
- **Science**: EUR 275 million (6%)
- **Health**: EUR 227 million (5%)
- **Energy**: EUR 200 million (4%)
- **Environment**: EUR 111 million (2.5%)
- **Transport and ICT**: EUR 33 million (0.1%)
- **Assistance for the EU Funds Management (Technical Assistance)**: EUR 22 million (0.5%)
- **Culture**: EUR 22 million (0.5%)
- **Administrative Capacity Building**: EUR 27 million (0.5%)
- **Tourism**: EUR 1.4 billion (30%)
Funds distribution from CF for OP “INFRASTRUCTURE AND SERVICES”

- 46%: Transport
- 38%: Environment
- 9%: Sustainable transport
- 6%: Energoeficiency and renewable resources
- 1%: Technical assistance
The OP activity "Development of water services management in municipalities with pe>2000"

- available for the CF – **429 510 101 EUR**,  
- national public funding - **19 566 121 EUR** (1st and 4th round projects),  
- government funding is at least **3 638 040 EUR**,  
- private funding of at least **24 970 144 EUR**
Results-water, sewage networks construction
Results- wastewater treatment
Results – drinking water treatment
<table>
<thead>
<tr>
<th>The Results</th>
<th>In Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of a new wastewater treatment plant (the number of)</td>
<td>104</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>26</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>78</td>
</tr>
<tr>
<td>Reconstruction of wastewater treatment plants (the number of)</td>
<td>66</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>18</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>48</td>
</tr>
<tr>
<td>Construction of drinking water treatment plant (the number of)</td>
<td>138</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>38</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>100</td>
</tr>
<tr>
<td>Reconstruction of drinking water treatment plant (the number of)</td>
<td>38</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>9</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>29</td>
</tr>
<tr>
<td>Extended sewerage networks, km</td>
<td>536</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>442</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>93</td>
</tr>
<tr>
<td>Extended water supply networks, km</td>
<td>471</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>379</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>92</td>
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<tr>
<td>Reconstructed sewerage networks, km</td>
<td>268</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>222</td>
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<tr>
<td>territories with a population of up to 2000</td>
<td>46</td>
</tr>
<tr>
<td>Reconstructed water supply networks, km</td>
<td>262</td>
</tr>
<tr>
<td>agglomerations with pe &gt; 2000</td>
<td>134</td>
</tr>
<tr>
<td>territories with a population of up to 2000</td>
<td>128</td>
</tr>
</tbody>
</table>
Progress 2012

Completed 164 projects (ERDF and CF),
137 water management infrastructure projects - in towns with population below 2000, and 27 projects - in agglomerations < 2000 p e.

✓ Treated drinking water provided for 1.37 million. agglomeration population, waste water treatment - 1.27 million. population.

✓ Additional investments still need up to 52 agglomerations, (mainly in agglomerations with population of 2 000 to 10 000).

(source: MEPRD)
Unsolved issues

- Water / sewer network reconstruction
- Sewage sludge treatment/management
- Energy efficiency
- Connection individuals to centralized system
- Improving the efficiency of water companies

- An innovative and competitive business and research environment:
  - Research, technological development and innovation infrastructure and capacity, and the expansion of international cooperation
- Modern infrastructure for growth and job creation
- High levels of employment, educated and inclusive society
- Energy efficiency and renewable sustainable resource management:
  - The transition to a resource efficient and reduce carbon dioxide-oriented economy
  - Renewable energy production and distribution of promotion
  - Protection of the environment (water and waste management)
  - Environmental risks and climate change
National objectives

Objective of the environmental acquis requirements

- reduce the pollution discharged into the environment,
- improvement of surface water, including risk of water bodies and the quality of the Baltic Sea,
- ensure efficient use of water resources,
- provide centralized water services agglomerations of > 2000 according to legal requirements.

Potentially supported actions:

1. sewerage network extension
2. network reconstruction to improve service quality
3. drinking water supply extension
4. intense wastewater treatment, to ensure more stringent requirements for management of risk water bodies in national level
5. household connections to ensure usage of services
### Preliminary amount of support needed

<table>
<thead>
<tr>
<th>Indicator</th>
<th>The base rate in 2012 (inhabitants,%)</th>
<th>The planned base rate in 2015 (inhabitants,%)</th>
<th>Max objective (%)</th>
<th>Total financing required, MLVL</th>
<th>TOTAL</th>
<th>EU funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER SUPPLY, total</td>
<td>89,4</td>
<td>95,2</td>
<td></td>
<td>84,4</td>
<td>71,7</td>
<td></td>
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<tr>
<td>&gt;100 000 pe</td>
<td>92,0</td>
<td>98,0</td>
<td></td>
<td>17,1</td>
<td>14,5</td>
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<tr>
<td>10 000-100 000 pe</td>
<td>81,0</td>
<td>96,0</td>
<td></td>
<td>24,2</td>
<td>20,6</td>
<td></td>
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<tr>
<td>2 000-10 000 pe</td>
<td>48,0</td>
<td>85,9</td>
<td></td>
<td>43,1</td>
<td>36,6</td>
<td></td>
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<tr>
<td>SEWERAGE, total</td>
<td>82,6</td>
<td>95,0</td>
<td></td>
<td>98,2</td>
<td>83,5</td>
<td></td>
</tr>
<tr>
<td>&gt;100 000 pe</td>
<td>81,0</td>
<td>98,0</td>
<td></td>
<td>19,5</td>
<td>16,6</td>
<td></td>
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<td>95,0</td>
<td></td>
<td>28,2</td>
<td>23,9</td>
<td></td>
</tr>
<tr>
<td>2 000-10 000 pe</td>
<td>53,0</td>
<td>85,2</td>
<td></td>
<td>50,5</td>
<td>42,9</td>
<td></td>
</tr>
<tr>
<td>Connections (water supply and sewerage), total</td>
<td>72,9%</td>
<td></td>
<td></td>
<td>411,5</td>
<td>82,3</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>593,6</td>
<td>236,9</td>
<td></td>
</tr>
</tbody>
</table>

Total 844 MEUR required.  
(Source-MEPRD)
Lessons learned

• Good planning and cooperation is essential for good project and best results;
• EU money some times need to be payback;
• Water consumption balance with Customers willingness to pay for service and tariff is business only for water company;
• Managing authorities changing rules on the field;
• Construction never goes as straight line (additional works/time);
• Customers paying for all mistakes (tariff rising).
Future

• Reduced institutional framework – possible simplify implementation of projects;
• E-documentation;
• Water management law – clearly stated rules for customers and water companies (focus also on de-centralized sewage systems);
• Innovations in treatment technologies;
• Renovations of storm water system;
• Role of cooperation rises- advertisement, information.
Thank you for attention!

www.esfondi.lv
www.lwwwwa.lv
www.varam.gov.lv