



Romania : towards water cost recovery

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OIEau

The PHARE-financed WAFDIP (WATER Framework Directive ImPlementation) project, implemented by a consortium led by ARCADIS and completed in September 2005, provided support to the Romanian Authorities with **the implementation of the Water Framework Directive (WFD)**.

The project assistance focused on **two pilot basins**, **the ARGES**, a river in the south of the country which drains Bucharest, and **the SOMES** a transboundary tributary of the Danube, which drains Transylvania in the North-West.

The International Office for Water, as main partner of the consortium, was in charge of **an economic analysis of water management**.

54 executives of the 11 river basin areas of the Administration of Romanian Waters (NAAR - APELE ROMANE) were trained on the practical use of concepts such as price, costs and tariffs, taxes and charges, financial amortisation and technical depreciation, but also on the difference between repair, renewal and investments as well as on opportunity costs, administrative costs, environmental costs, on demand-related water management and users' capacity to pay.

Examples of the calculation of environmental costs were presented.

The IOWater specialists and the 54 NAAR executives constituted **a group of experts** to approach field problems such as :

1. the difficulty of accurately assessing the impact of economic agents on water ;
2. cost recovery through the price paid by the users ;
3. changes in the users' behaviour as they have not any more the same quality and quantity requirements
4. individual water supply equipment of the rural population ;
5. the financing of flood control ;
6. the transfer of the assets of the State-owned water utilities to the local Authorities, with the corresponding financial and technical resources.
7. …

The group members jointly wrote, in English and Rumanian, **a practical handbook**, to be used by the 11 NAAR river basin areas : on the left page, there is the initial economic analysis made by the SOMES Basin Administration ; on the right page, there are the observations, comments and additional remarks provided by the 54 participants, with the assistance of IOWater experts.

A useful and effective collaboration : the Rumanian participants presented their new acquired knowledge during meetings that followed with their colleagues of the Danube Basin countries !