



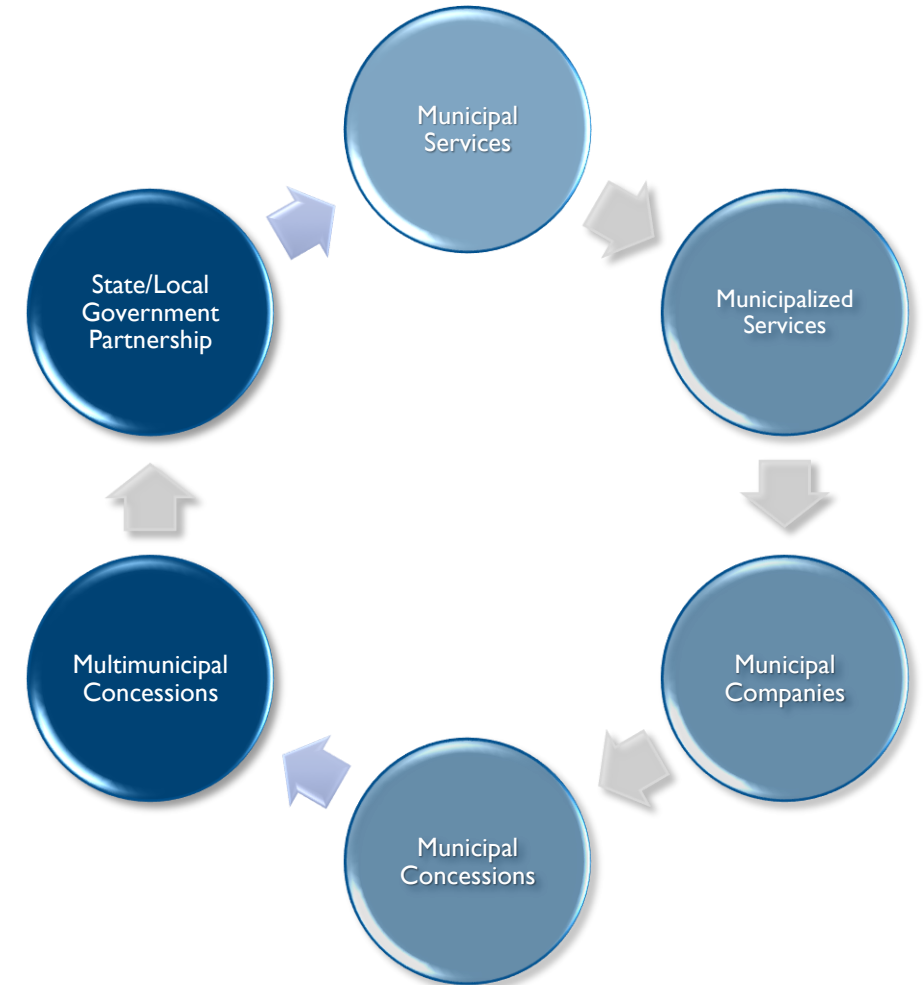
**Aggregations:
Aveiro and Alto Minho
regional partnerships**



FRAMEWORK

The national state/local government public partnership institutional model arose from the needs identified in **PEAASAR II** to gain more flexibility from the model in effect, enabling new forms of relationship between the aforementioned public entities.

Under the terms of the **public partnership contract**, the local government delegates to the state, within the framework of **sharing**, its competences in terms of the operation and management of water services.



KEY ADVANTAGES

For citizens

- Improvements to the **quality of service**.
- Improvements to the **quality of life** of populations.
- Better managed **service costs**.

For the state

- More efficient application of **community funding**.
- Added **guarantees** for **protecting the environment and public health**.
- Enables the **sustainability** of the company.
- Provides for the **consolidation and economic and financial sustainability** of this service across a set of Municipalities.
- Triggers an important **investment plan**.

For local government

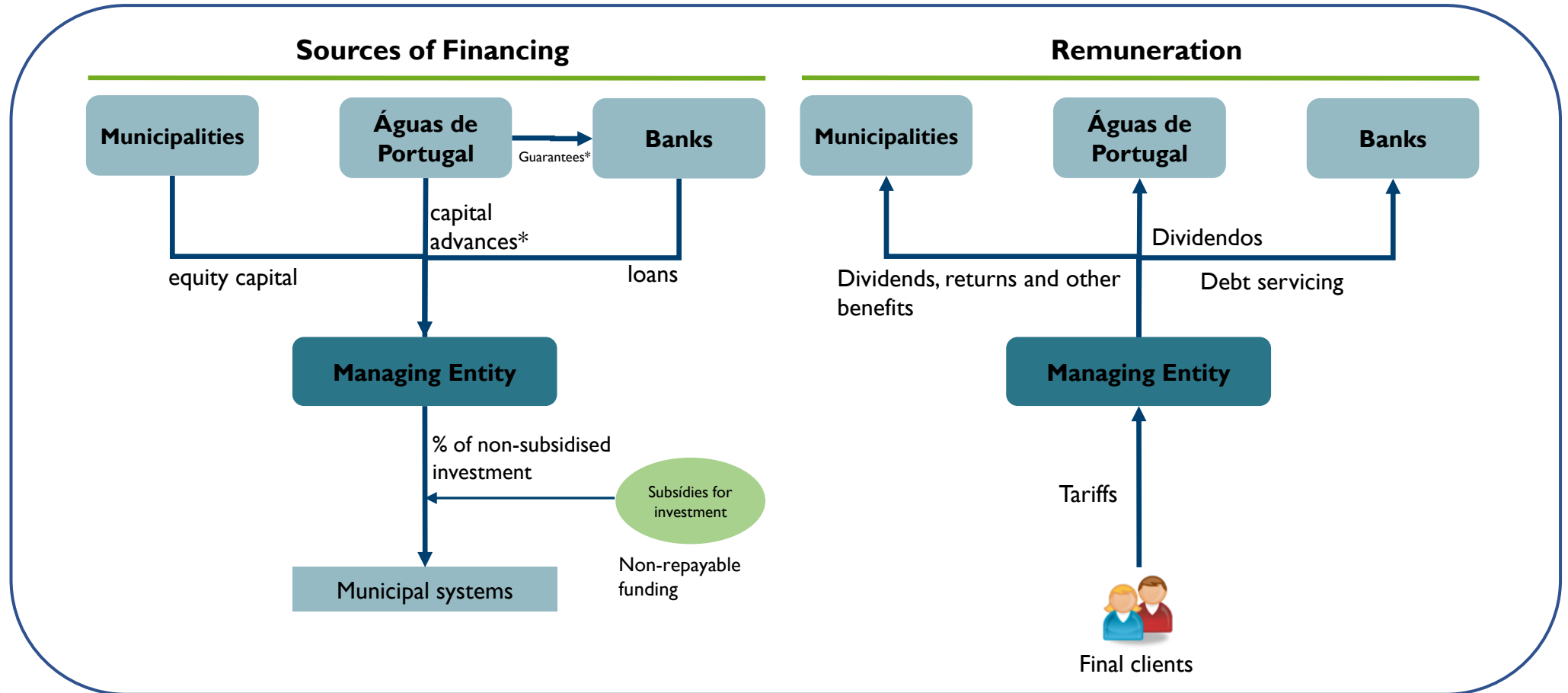
- **Frees up** municipal **budgets**.
- Associated with an important **investment plan**.
- Combination of an important **increase in the coverage rate** and **service reliability**.
- **Maintenance of public management** of this service.

THE PARTNERSHIP IN PRACTICE

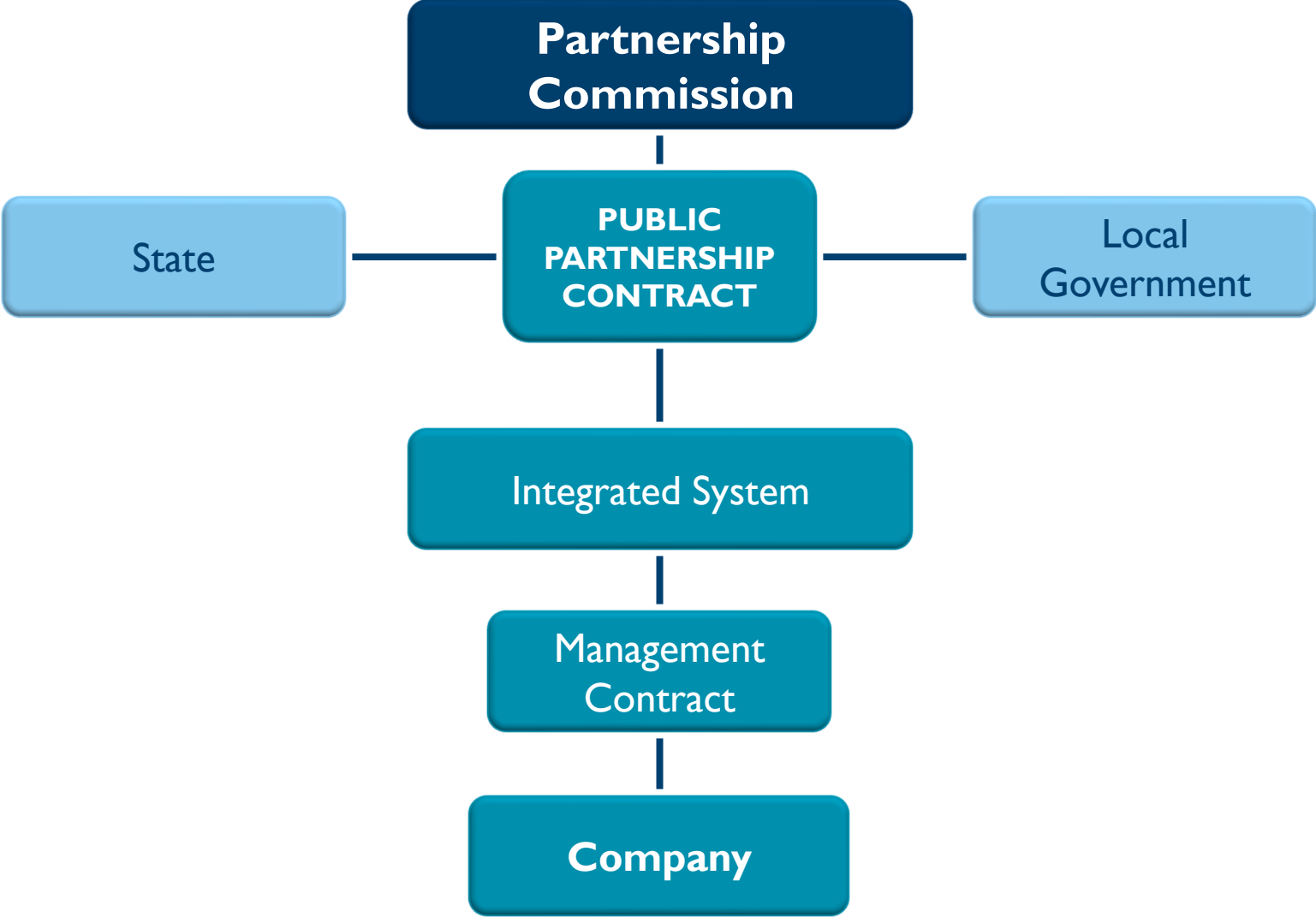
- Partnership **technical studies**;
- **Partnership contract between the State and Local Government**, by which the latter delegates the former with the municipal management competences for water services, establishing the respective terms and conditions;
- Launching of a **partnership management entity** held by AdP (51%) and the municipalities;
- **Management contract between the state and local government**, on the one hand, **and the partnership management entity**, on the other hand, which establishes the right to management;
- **Contracts transferring personnel, infrastructures and equipment**, signed between the company and the Local Government entities.

FINANCING MANAGEMENT MODEL

The **self-financing** structure through the tariffs charged implements the adoption of **the user pays principle** and the financial autonomy of water services.



SYSTEM MANAGEMENT



PARTNERSHIP CONTRACT

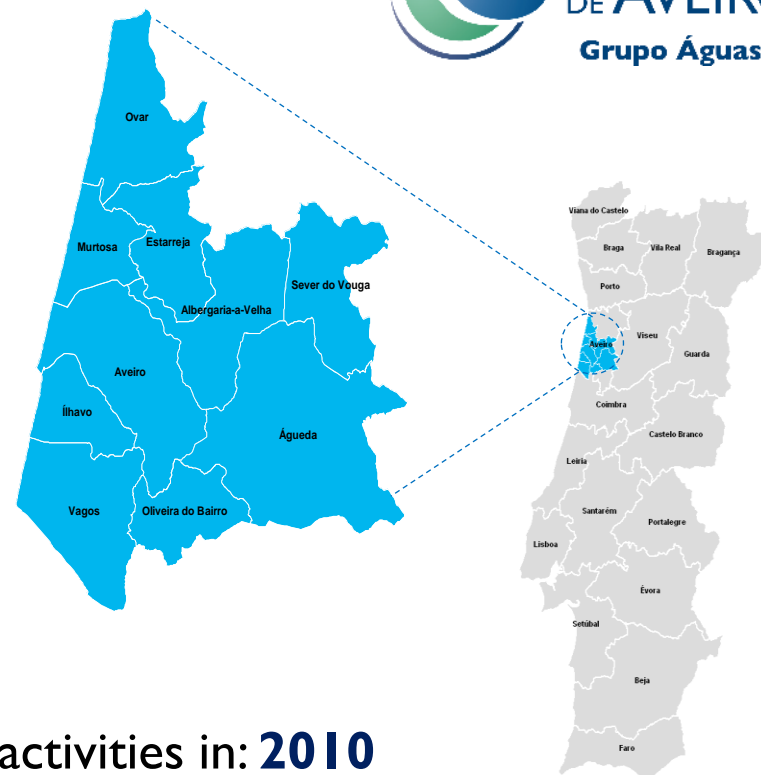
- **Foresees the delegation to the State**, under the terms agreed between the partners, **of the management and operation of services** under a partnership regime;
- This explicitly commits the managing entity to **missions in the public interest** in accordance with the public nature of the activities undertaken;
- Identifies the risks that remain the **responsibility of the State and the Municipalities**;
- Defines the **in-house powers (inspection, management authorisation, approval and suspension of activities)**, identifying the respective parties (state and municipalities) and regulates their activities;
- Defines the **supervisory powers of the regulator ERSAR**, which provides an added safeguard to the municipalities and users.
- The company takes on **operating risks** and the contract includes provisions for the recovery of **tariff deviations** whenever **approved by ERSAR**.

ÁGUAS DO ALTO MINHO AND ÁGUAS DA REGIÃO DE AVEIRO



Began activities in: **2020**
204,000 inhabitants
129,000 Clients

2% of the Portuguese population



Began activities in: **2010**
290,000 inhabitants
165,000 Clients

3% of the Portuguese population

OBJECTIVES

Águas do Alto Minho

- Access to **community funding** for undertaking investment
- The **infrastructures belong to the municipalities**
- Tariff **harmonisation**

Águas da Região de Aveiro

- Joint **investment**
- **Combatting losses**
- R&D project **development**
- Tariff **harmonisation**

RESULTS



- Access to community funds to undertake investments : **financing approved for the amount of €18 million** since beginning activities, enabling total investment of around €34 million. These projects seek to **reduce and control retail losses** and the **efficient management of the urban water cycle**.
- Tariff **harmonisation carried out successfully**.



RESULTS



- **Successfully reduced losses : >40% in 2013, 30% in 2018 and 20% in 2020**
- Project with **augmented reality developed and applied** through an app that enables an operator to visualise the buried pipes in each street, take decisions over working manoeuvres, register interventions and request work and all within the same application.
- Tariff **harmonisation carried out successfully.**

