

Montenegro experience in application of data management for policy development



Hydrology

Montenegro is a part of 4% of the world territory with biggest average flowing off.

In the territory of Montenegro several significant watercourses are formed, flowing off into two directions: towards the Black Sea and the Adriatic Sea.

Water is the largest natural resource of Montenegro!



Goal: sustainable water resources management



Water Sector Participants

National level



Local level



New participant on national level



Regulatory Agency for Energy and Regulated Communal Activities



- started its work in 2004 as a regulator of the energy sector of Montenegro

The Law on Communal Activities, from 2016, extended its competences to public water supply and communal waste waters management - **regulated communal activities**

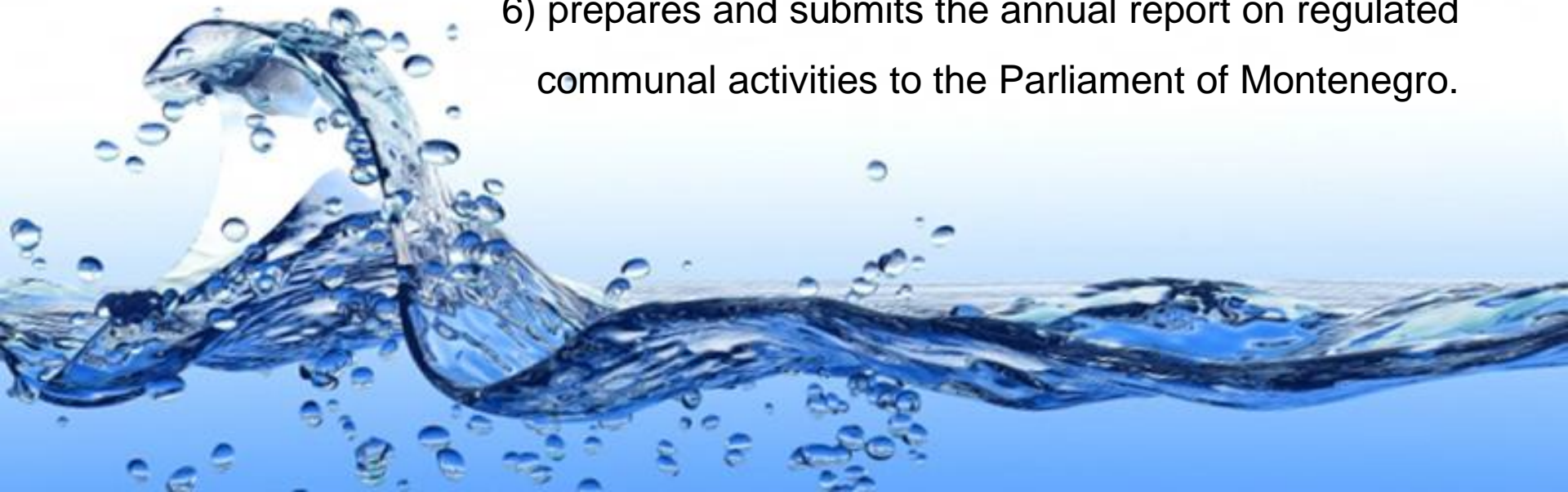
The goal of regulation of communal activities is to provide:

- 1) work of operators based on principles of objectivity, transparency and non-discrimination;
- 2) fair prices of service;
- 3) operators sustainability;
- 4) balance of interests between users and operators.



According to the Law, the Agency:

- 1) issues, changes and revokes licenses for performing communal activities;
- 2) supervises the work and performance of operators within the conditions from licenses;
- 3) implements benchmarking;
- 4) issues by-laws;
- 5) gives approval on tariffs proposed by operators;
- 6) prepares and submits the annual report on regulated communal activities to the Parliament of Montenegro.



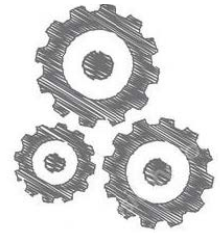
In Montenegro, water supply and waste waters management are **operated on local level** by operators founded by municipalities.

25 operators, of which:

- 3 perform just regulated activities (water and waste water management);
- 13 perform regulated activities + atmospheric water management;
- 2 perform just waste water treatment activities;
- 7 perform also other communal activities like public transport, arranging and maintaining of public areas, public lighting etc.

Up to now Agency issued and started to implement 4 by-laws:

- Rules of licencing the operators;
- Minimum of quality and scope of services;
- Rules of benchmarking;
- Methodology for determining the tariff of regulated communal service.



Up to now we issued **11 licences for water and 14 for waste water management**, published **Benchmarking report 2015 – 2018** (and we are preparing Benchmarking report for 2019), analysing operator`s **tariff requests for 2021.**

Tariff requests for 2021

Importance of quality data base before we received tariff requests.

Focused on analysing data for 3 years.

Low prices of utilities for a long time - below the actual costs!

Significant disparity between the prices of service for households and legal entities.

The price is **75-338%** higher for legal entities,

which means:

- huge subsidization of households at the expense of legal entities;
- business barrier to development of this sector.

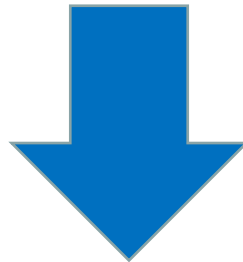
Tariff requests for 2021

High commercial and technical losses of water – 65% in 2018

Lack of investments

Some operators are really small, seven of them have **less than three thousand users** (cost per unit is high)

High labor costs – more than 60% of all costs (10 water utilities)



Assumed wariff increase/decrease even before tariff requests
- power of data -

Thank you for your attention!

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