

SUMMARY

Every citizen has the right to affordable, high quality and continuous services of provision of drinking water and waste water management.

The audit carried out by the National Audit Office of Lithuania evaluated the assurance of the efficient regulation and organization of water provision, as well as accessibility of quality public services to citizens. The audit was conducted in the Ministry of Environment and National Control Commission for Prices and Energy.

In order to improve the condition and implement the reform of aquaculture, in 2006 the Law on Drinking Water Supply and Waste Water Management was adopted.

The NAOL detected that key provisions of the Law on Drinking Water Supply and Waste Water Management had not been implemented; i. e. consolidation of water provision companies was not conducted, there was no licensing of water provision activities; none of municipalities had chosen public water supplier, not all the municipalities had drawn up Infrastructure Development Plans for Drinking Water Provision and Waste Water Management. Thus the efficient aquaculture management system is not yet developed. Representatives of the Government in Counties do not take appropriate measures to ensure the implementation of the Law on Drinking Water Supply and Waste Water Management while the Ministry of Environment limits its remit stipulated in the Law on Drinking Water Supply and Waste Water Management only to co-ordination of activities of municipalities.

Long-term operation of provision of drinking water and infrastructure of waste water management, as well as its renovation will not be ensured; quality requirements for services will not be provided; environmental pollution will not be decreased and water resources will not be rationally used, since majority of water provision companies controlled by municipalities make losses. In municipalities there are many water provision entities, whose activities are not controlled, and delivery of water services is left at the discretion of water suppliers; users pay for water under agreements and prices not co-ordinated with the National Control Commission for Prices and Energy.

The National Control Commission for Prices and Energy has not recognized the impact of the lack of long-term activity and development programmes of water provision companies on prices of water services; the Commission has not approved the methodology for application of the comparative analysis, and when fixing the sunk costs it applies different costs evaluation and identification indicators.

Some water provision companies do not recalculate prices for more than ten years; reconciliation, establishing and approval process of prices drag on for about a year in some cases, which has a negative influence on performance results of aquaculture.

In order to ensure the regulation and organization of efficient drinking water provision and waste water management services, as well as accessibility of quality public services to customers, the NAOL recommended to the Government of the Republic of Lithuania to draw up a draft amendment to the Law on Drinking Water Supply and Waste Water Management and to revise the related legislation. It was also recommended to evaluate the actual implementation possibilities of the Law and the Development Strategy of Provision of Drinking Water and Waste Water Management for 2008-2015 and to limit the provision of public services of drinking water provision and waste water management only to licensed entities, which have to co-ordinate prices of these services with National Control Commission for Prices and Energy setting the maximum validity period for prices of water provision and waste water management services, as well as terms for reconciliation, establishing and approval process and an annual recalculation of prices of water services establishing the obligation for water suppliers to construct networks up to boundaries of user's property.

The National Control Commission for Prices and Energy was recommended to draw up amendments to the Methodology of the Management of Drinking Water Provision and Waste Water Management, as well as to stipulate and/ or revise indicators for sunk costs and evaluation.