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SOCIAL TARIFFS FOR WATER AND WASTE SERVICES IN MAINLAND PORTUGAL:

AN IMPACT ANALYSIS

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A Project carried out on the ERSAR Field Lab, under the supervision of:

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This paper proposes to quantify the effect of social tariffs (ST) in the Portuguese water and waste sector (WWS). It calculates the amount of subsidy implicit in ST schemes, characterising the existing tariffs in 2011 and producing a synthetic tariff scene where the regulator’s recommendation is respected. This is the first time such an exercise is undertaken and it is very relevant in a context of deep economic crisis. Results suggest that there are fewer beneficiaries than what income eligibility criteria would imply and that putting the regulator’s recommendation in practice would considerably raise subsidy amounts, potentially leading to a severe increase in non-subsidised user tariffs to allow for break-even.

**Keywords:** Social Tariffs; Water and Waste Services; Tariff Guidelines; Tariff Structure.