

Statement of the Associations of the Water Industry on Benchmarking in the Water Sector¹⁾

June 2005

On 22 March 2002, the German Bundestag passed the resolution on a „Sustainable Water Industry in Germany“, striving for a modernisation of supply and treatment. For this purpose, the resolution, amongst other things, called for a procedure for performance comparisons among the enterprises (benchmarking). The associations of the water industry,

ATT – Association of Drinking Water from Reservoirs
BGW – Federal Association of the German Gas and Water Industries
DBVW – German Alliance of Watermanagement Association
DVGW – German Technical and Scientific Association for Gas and Water
DWA – German Association for Water, Wastewater and Waste
VKU – Association of Local Utilities

agree with the German Government and Bundestag that performance comparisons serve the purpose of modernisation, and are prepared to jointly draw up and develop further the required conceptual framework for benchmarking in the water industry in terms of a self-administration. The outline concept will ensure that performance and process comparisons of different contents are possible, thus taking account of Germany's long-standing experience. The associations of the water industry assume the following principles in the implementation of their joint benchmarking approach:

- ▶ Voluntary benchmarking is a well-proven instrument for the optimisation of the technical and economic performance and efficiency of enterprises.
- ▶ Optimisation objectives include, besides the increase of economic efficiency and customer satisfaction, the security of supply and treatment, quality and sustainability of the water industry.
- ▶ The associations of the water industry recommend their members a voluntary participation in benchmarking projects, and support their broadly effective implementation.
- ▶ The associations assist the enterprises by issuing joint and coordinated notes, reports and supplementary information on the benchmarking issue.
- ▶ The dissemination of the benchmarking is backed by a guideline jointly set up by DVGW and DWA in coordination with and with the textual support of the other associations.

- ▶ DVGW and DWA formulate principles for benchmarking requirements for drinking water supply and wastewater disposal in a joint paper in cooperation with the other associations.
- ▶ Within the framework of a uniform concept, the associations consider it helpful to maintain the present flexibility and diversity of the benchmarking systems in the water industry. In this context, on the one hand the existing, successfully practised models and concepts are to be continuously developed further, and on the other hand, developments are to be supported which provide for international, European and national comparisons and positions.

The factors for the successful application and broad acceptance of benchmarking include:

- ▶ Continuous adaptation to the optimisation objectives
- ▶ Confidentiality of company data, since these have to be disclosed in the project in order to identify innovative approaches
- ▶ Comparison and analysis of indicators in order to provide for an increase in performance.

To achieve these objectives, compatible structures are required within which benchmarking systems can be applied which are tailored to the respective question. Benchmarking on this basis will lead to a further high-level development of the water industry.

The associations generally welcome the need for information on the part of politics, the public and enterprises. Accordingly, the associations will regularly report on the state and development of the water industry in the form of an aggregated, anonymised „Water Industry Profile“.

The following information is provided as core parts of the Water Industry Profile:

- ▶ Results of nationwide data collections by the associations, data of institutions and authorities
- ▶ Results of a nationwide survey on customer satisfaction levels within the population
- ▶ Information on voluntary benchmarking projects.

The Water Industry Profile will have to be continuously developed further against the background of new findings and requirements.



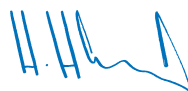
ATT Chairman
Gummersbach, 30.06.2005



BGW Vice President
Berlin, 30.06.2005



DBVW President
Hannover, 30.06.2005



DVGW President
Bonn, 30.06.2005



DWA President
Hennef, 30.06.2005



VKU President
Köln, 30.06.2005

¹⁾ Translation of the German original version