

THE PERFORMANCE MEASUREMENT OF WATER AND SEWERAGE OPERATORS IN ROMANIA THROUGH THE KEY PERFORMANCE INDEX

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Abstract

Both local communities and the government face a real challenge in measuring and improving the performance of water services. At the local, central, and European level, ensuring the population's access to drinking water and sewage services is an extremely important objective, supported by the significant investments recently made in this sector. The improved performance of businesses in this sector plays a crucial role in achieving this primary objective. Between 2005 and 2010, as a first step in streamlining the activity in this sector, regional water and wastewater operators were established, providing services for the majority of the Romanian population. Although in theory this should have provided the advantage of an economy of scale, in reality it did not produce the expected results; unfortunately, most of these water and wastewater operators remained inefficient. This inefficiency has technical, economic, financial and organizational aspects, which can be monitored and improved with the help of certain key performance indicators. To guarantee access to water in good conditions and in the long term, it is crucial to improve the efficiency of the sector. The average price of drinking water has increased from 2.75 RON/m³ in 2014 to 5.99 RON/m³ in 2023, which means it has almost doubled. In this context, it is crucial to implement a performance measurement system to improve the efficiency and performance of water services. In this article, the authors identify and analyze the economic, financial and technical indicators that can be used as a basis of comparison for regional operators and can contribute to increasing performance. These indicators are designed in such a way as to eliminate the dysfunctions caused by the differences in size between the regional operators, and by creating a performance index suitable for water utilities, they make possible the adequate comparison of their performances.

Keywords

water utility performance, benchmarking system, key performance indicator, performance indicator

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