

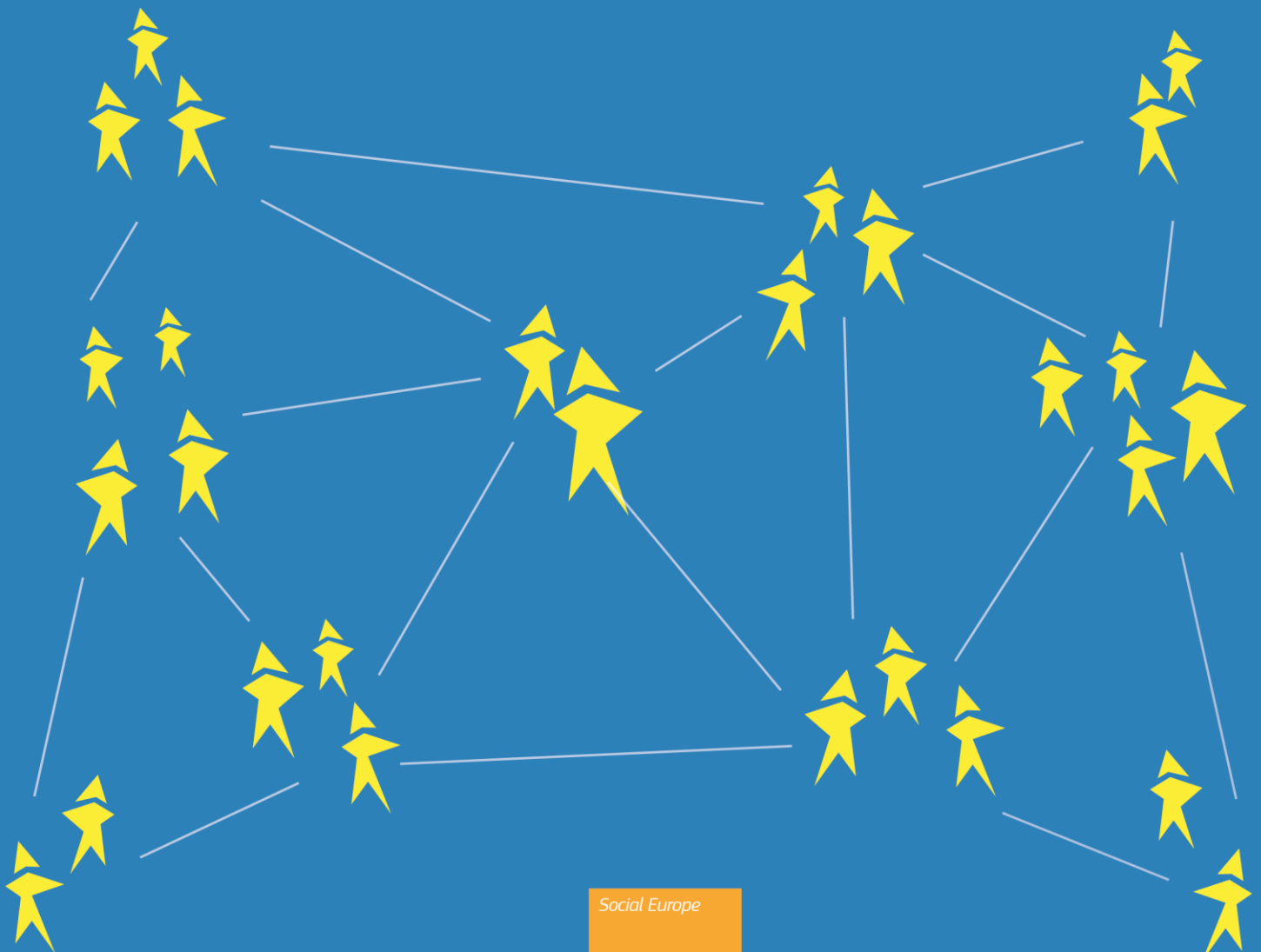


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

Access to essential services for people on low incomes in Europe

An analysis of policies in 35 countries

Isabel Baptista and Eric Marlier



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European Social Policy Network (ESPN)

**Access to essential services for
people on low incomes in Europe**

An analysis of policies in 35 countries

2020

Isabel Baptista and Eric Marlier

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER), APPLICA and the European Social Observatory (OSE).

For more information on the ESPN, see: <http://ec.europa.eusocialmain.jsp?catId=1135&langId=en>

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OFFICIAL COUNTRY ABBREVIATIONS

A. European Union (EU) countries

EU countries			
Austria	AT	Italy	IT
Belgium	BE	Latvia	LV
Bulgaria	BG	Lithuania	LT
Croatia	HR	Luxembourg	LU
Cyprus	CY	Malta	MT
Czechia	CZ	Netherlands	NL
Denmark	DK	Poland	PL
Estonia	EE	Portugal	PT
Finland	FI	Romania	RO
France	FR	Slovakia	SK
Germany	DE	Slovenia	SI
Greece	EL	Spain	ES
Hungary	HU	Sweden	SE
Ireland	IE	EU average (*)	EU-27

(*) In the EU-27 averages, the 27 EU Member States are weighted by their population sizes.

B. UK and other non-EU countries covered by the ESPN¹

UK and other non-EU countries	
United Kingdom	UK
Albania	AL
Bosnia and Herzegovina	BA
Kosovo*	XK*
Montenegro	ME
North Macedonia	MK
Serbia	RS
Turkey	TR

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

¹ The UK is no longer an EU Member State. The withdrawal agreement entered into force upon the UK's exit from the EU at 11 p.m. (GMT) on 31 January 2020. This began a transition period which is set to end on 31 December 2020, during which the UK and EU will negotiate their future relationship. The UK remains subject to EU law and is still part of the EU customs union and single market during the transition, but is no longer part of the EU's political bodies or institutions. The UK is therefore shown slightly apart from the other countries in the table presenting the non-EU countries covered by the European Social Policy Network (ESPN). This reflects its particular situation during the transition period - in the table below and in all the tables contained in this Synthesis Report.

PREFACE

European policy context

Principle 20 of the European Pillar of Social Rights (EPSR) states that “everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.”

Reaffirming the right to access essential services is a critical aspect of social inclusion and a vital component of social justice across the European Union (EU), especially for disadvantaged groups. The statement that essential services should be available to all – everyone has a right of access – confirms the importance that the EU attaches to services which are vital to citizens’ daily lives. Moreover, Principle 20 of the EPSR recognises the necessity to support access to essential services for those in need. Thus, accessibility, availability and affordability are essential to ensure equal access for all, particularly for those people in more vulnerable situations.

The essential services described in Principle 20 – although not directly addressed in the Treaties as such – have been linked (EESC 2019) to the concept of “services of general economic interest” (SGEIs). These are already covered by EU law. According to Article 36 of the Charter of Fundamental Rights of the EU, hereafter referred to as the Charter, the Union recognises and respects access to SGEIs, in order to promote the social and territorial cohesion of the Union.

Protocol 26 on services of general interest (annexed to the Treaty on the Functioning of the European Union (TFEU)) recognises the essential role and wide discretion of national, regional and local authorities in providing, commissioning and organising these services, and their diversity within the Union. Equally, it highlights that values of quality, safety and affordability, equal treatment, universal access and users’ rights are shared values of the Union in respect of services of general economic interest.

The Commission has developed a **Quality Framework on Services of General Interest** (2011), in which it recognises the importance of SGEIs as a cornerstone of the “European Social Model” (ESM)². More specifically with regard to ensuring access to essential services, the framework recommends that sectoral legislation adopted at EU level should always strike a careful balance between the need to increase competition and the use of market mechanisms, and the need to guarantee continued access for every citizen to essential services of high quality at prices that they can afford.

Moreover, the concept of “essential services” as illustrated in Principle 20 of the EPSR by a non-exhaustive list of services – water, sanitation, energy, transport, financial services and digital communications – is well established in the **United Nations’ 2030 Agenda for Sustainable Development** and its 17 Sustainable Development Goals (SDGs), proposed by the UN and endorsed by the EU. The concept of essential services used herein covers some of the essential services listed in Principle 20 (e.g. water, sanitation and energy) but also other key principles of the EPSR (e.g. access to healthcare, inclusive education and life-long learning).

The SDGs and their targets seek to guarantee the human rights of all, by promoting an integrated notion of sustainable development aimed at creating synergies between economic, environmental and social policies and objectives. The links between the SDGs and Principle 20 of the EPSR are clear, as at least seven SDGs are related to rights enshrined in this principle: end poverty (SDG1), ensure available and sustainable management of water and sanitation (SDG6), ensure access to

² For further reading on the European Social Model, please refer for example to: <https://pdfs.semanticscholar.org/61a4/fa676a561f2d7784a60b10200b491de78c4c.pdf>

affordable energy (SDG7), build resilient infrastructures (SDG9), make cities and human settlements inclusive (SDG11), and strengthen and revitalise the Global Partnership for Sustainable Development (SDG17).

The European Commission has committed itself to mainstreaming the UN's Sustainable Development Goals in its policies and initiatives (European Commission 2016a), and these have also permeated the EPSR (European Commission 2017). The Mission Letter from Commission President von der Leyen to the Commission's Executive Vice-President Valdis Dombrovskis clearly states the need – and the task – to refocus the European Semester “so that it integrates the United Nations Sustainable Development Goals”.³

The attention given to and momentum for improving access to essential services may be reinforced as the new Commission paves the way for an **Action Plan to implement the European Pillar of Social Rights**. The European Commission's Communication⁴ on building a strong social Europe for just transitions sets out the road towards an Action Plan to implement the EPSR, which will be presented during 2021 following a broad discussion with all EU countries, regions and partners on how to deliver progress at EU, national, regional and local level. The launching of such a roadmap and the opening of a consultation process involving the EU and national institutions and stakeholders had been singled out as an important key step (Vanhercke et al. 2018) in ensuring that the proclamation of the EPSR results in actual implementation of its principles and rights.

Against this background, implementation of Principle 20 of the EPSR – reaffirming the right to access essential services, ensuring good quality and underscoring the need to provide adequate support for people in more vulnerable situations – requires the development of tangible measures and policies which ensure that citizens have actual access to services which are considered to be essential and recognised as common EU values.

A Synthesis Report from the European Social Policy Network (ESPN)

With a view to strengthening the European Semester's contribution to mainstreaming the UN Sustainable Development Goals and to developing the EPSR Action Plan, the European Commission asked the national experts of the European Social Policy Network (ESPN) to describe and analyse existing measures, policy frameworks and reforms aimed at helping people on low incomes to access the six essential services listed in Principle 20 of the EPSR, with a view to improving the understanding of Member States' action in ensuring effective access to these services for **people on low incomes**.

This Synthesis Report: i) analyses the extent to which existing policies and/or measures facilitating access to essential services for people on low incomes are designed and implemented based on any common or agreed definition of “essential services” and/or “low incomes”; ii) examines current support measures enhancing access to water, sanitation, energy, public transport and digital public services⁵ (such as digital post, digital fiscal services, digital social security services and digital healthcare); iii) identifies any issues arising from the implementation of the EU Payment Accounts Directive (PAD), i.e. access to a payment account with basic features free of charge or for a reasonable fee; iv) provides an overview of ongoing and/or announced reforms of support measures to facilitate access of people on low incomes to the six essential services; and v)

³ https://ec.europa.eu/commission/commissioners/sites/comm-cwt2019/files/commissioner_mission_letters/mission-letter-valdis-dombrovskis-2019_en.pdf

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0014&qid=1580400520904>

⁵ Given that the (public) digital services themselves are usually free of charge, particular attention was paid to support measures enhancing access to the electronic communications services needed to benefit from these services.

discusses the extent and nature of existing policy frameworks⁶ underpinning the implementation of support measures across the different areas covered by the six essential services under scrutiny. Finally, the report also looks more systematically at the main barriers, impacts and groups affected by a lack of or with impeded access to a given essential service. For this also, the report draws on evidence provided by ESPN national experts, who were asked, in their national reports, to select one of the six services which people on low incomes find it particularly difficult to access, and to answer a set of questions in relation to this selected service⁷.

The report illustrates the main measures, trends and challenges in national approaches to enhancing access to these essential services named in Principle 20 of the EPSR, particularly with regard to affordability (across all essential services) and, although to a lesser extent, with regard to availability (e.g. water, public transport, financial services and digital services). Countries which have developed along similar lines are listed in brackets (e.g. AT, BE, BG) so that the reader interested in knowing more about these can examine the 35 ESPN national experts' reports⁸. In producing their reports, national ESPN experts cite many different sources in support of their analysis. References to these are not included in the present report. Readers wishing to follow up the original sources should consult the individual experts' reports.

The analysis provided by ESPN country teams is based on available evidence regarding access to the six essential services. Several ESPN country teams pointed out that one limitation of this study is the scarcity of evidence for some of the areas under scrutiny, which makes it more difficult to perform a detailed analysis of the relevant aspects of access to essential services for people on low incomes.

This Synthesis Report draws on the national contributions prepared by the 35 ESPN country teams⁹. It was written by Isabel Baptista (independent social policy expert) and Eric Marlier (Luxembourg Institute of Socio-Economic Research [LISER]) of the ESPN's Network Management Team, with helpful comments and suggestions from the ESPN country teams, from Hugh Frazer (Maynooth University, Ireland), and from Sebastiano Sabato and Boris Fronteddu (European Social Observatory, Belgium). Comments and suggestions from the European Commission are also gratefully acknowledged. All errors remain strictly the authors' responsibility. The first section of the report examines existing common understandings in relevant baseline conceptual approaches in Europe. The second section proposes a clustering of the various measures, with a view to providing a comparative analysis of efforts undertaken by ESPN countries to facilitate access for people on low incomes to the six essential services under scrutiny, as well as a description of relevant ongoing or announced reforms. Section 3 analyses ESPN countries' overall policy approaches to designing and implementing relevant support measures to enhance access to the six essential services. Finally, Section 4 examines the choice made by ESPN country teams of one particularly challenging essential service, and performs a comparative analysis of the main barriers, impacts and groups affected by a lack of or with impeded access to that specific service.¹⁰

⁶ For the purpose of this Synthesis Report, ESPN country teams were asked to assess whether policy measures helping people on low incomes to access essential services were designed and implemented as part of a consistent policy approach towards promoting social inclusion or tackling poverty and social exclusion. For further details, see Section 4.

⁷ It should be noted that the choice by an ESPN expert of a specific service does not necessarily mean that this service is the only one whose access is problematic for people on low incomes in the country. For additional clarifications, see Section 4.

⁸ Here and throughout the report, the countries in brackets are provided as examples and the lists are not necessarily exhaustive.

⁹ For a presentation of the ESPN Network Management Team and the 35 ESPN country teams, see Annex C. The 35 ESPN national experts' reports can be viewed [here](#) (ESPN page on the European Commission website).

¹⁰ We would like to thank Rachel Cowler for her editorial support and Liesbeth Haagdoorens for fine-tuning the layout of the report.

The COVID-19 crisis

The 35 ESPN national reports, upon which this Synthesis Report is based, were prepared between November 2019 and February 2020, i.e. before the scale of the COVID-19 pandemic became evident in Europe. Therefore, in the absence of (sub)national information on possible policies and/or measures implemented as a response to the crisis, this report does not explore the (potential) impact of this unprecedented event on the access to essential services for people on low incomes in the 35 ESPN countries.

Yet, it is crucial to highlight that the socio-economic consequences of the pandemic (in the short term as well in the longer term, once it is under control) compel us to strongly reaffirm the need to ensure **human rights-compliant** access to essential services in general – and to those covered in this report in particular. The evidence provided in this report on the persistence of structural barriers and the “low effectiveness” of some protection mechanisms affecting the access of people on low incomes to essential services has become even more relevant with the pandemic.

The crisis has exposed the high human costs of not delivering effectively on human rights obligations and commitments to protect people’s access to essential services such as water, energy, transport and digital communications. Special attention will need to be paid to people living on low incomes, as well as other groups in vulnerable situations, as countries develop and implement post-crisis measures aimed at protecting people’s access to essential services. Examples of such measures implemented across Europe during the crisis include discounts or subsidies for the use of essential services, temporary postponements of disconnections (including self-disconnection for pre-payment meters) in the event of non-payment, postponement of payment of bills, and initiatives to facilitate access to digital communications. In practice, these positive examples show that many providers have responded in a timely manner to help relieve the immediate financial burden on and other barriers facing customers confronted with serious access difficulties. Although these solutions, aimed at providing short-term relief, may inspire future measures, it is essential to critically assess whether they might usefully be made permanent, to complement or replace pre-existing support measures in order to best address the needs of households facing disproportionate difficulties due to the COVID-19 crisis. As this report shows, some access challenges and gaps pre-existed the crisis, but may have become more acute since its onset.

More than ever before, collaborative solutions are required that recognise the need for structural actions and specific solutions to guarantee accessible, available and affordable good quality essential services. These need to put human health and development at the core, ensure that no one is left behind and that the EU’s commitment to a fairer and more sustainable ecological transition is upheld.

EXECUTIVE SUMMARY

Principle 20 of the European Pillar of Social Rights (EPSR) reaffirms the right to access essential services, while ensuring good quality provision and underscoring the need to provide adequate support for people in more vulnerable situations. Member States are therefore expected to develop tangible policies and measures which ensure that citizens indeed have access to services which are considered to be essential, and are recognised as common EU values.

Providing an EU-level overview of countries' actions in facilitating access to essential services to people on low incomes may prove particularly crucial at a time when the European Commission is preparing an Action Plan to implement the EPSR.

Based on in-depth national contributions prepared by the 35 country teams of the European Social Policy Network (ESPN), this Synthesis Report outlines the following ten key findings.

1. Public responsibilities for the provision of adequate support to facilitate access to essential services emerge from the various conceptual approaches taken by countries in their actions

In 23 out of the 27 EU Member States, and in the UK, there is, in the view of the ESPN country teams, no official and/or legal definition of essential services covering all or some of the six essential services listed in Principle 20 of the EPSR (i.e. water, sanitation, energy, transport, financial services and digital communications). This absence is reflected in Principle 20, which also lacks an explicit definition.

However, descriptions provided by most ESPN experts reveal that existing conceptual approaches to the six services under scrutiny – diverse but responding to basic needs of daily life – tend to be built around one common element: their public nature and the corresponding specific public service obligations (PSO)¹¹ arising therefrom. The comparative analysis also highlighted that in order to fully understand how countries are responding to such basic needs and implementing corresponding public service obligations, these measures must be seen in context: the overall response provided by the welfare system in each country also needs to be described.

Likewise, there are few definitions, in the 35 ESPN countries, of “people on low incomes”, in relation to the delivery of the six services covered by the present study. In 21 out of the 35 ESPN countries (14 EU Member States, the UK and six other non-EU countries) there is no general or explicit definition of people on low incomes, for use in the context of the delivery of these services. However, this does not mean that these countries have no support measures targeted at people or households living on low incomes. Neither does it mean that eligibility conditions for such measures do not include income criteria.

Several complexities arose in trying to produce a comparative overview of responses to how to define “people on low incomes” across the 35 ESPN countries. However, based on the descriptions provided by ESPN country teams, it was possible to identify some major criteria which countries use – at national, regional or local levels – to determine eligibility for support measures facilitating access to essential services. In almost all ESPN countries, measures for facilitating access to essential services tend to be based: i) either on income criteria used to determine eligibility for means-tested benefits (e.g. minimum income [MI] schemes and minimum income provision for older people) in different forms; or ii) on eligibility criteria used for granting housing-related allowances or benefits.

¹¹ It is important to highlight that “until now universal service has only been defined at EU level in the electronic and postal communications sectors, the electricity sector and the banking services sector” (EESC 2019: 9).

Several ESPN national experts highlight a major problem with the widespread utilisation of MI-related benefits as the main eligibility criterion for support measures enhancing access to the six essential services: the income threshold for determining eligibility to these benefits often falls below the national “at-risk-of poverty” threshold¹², which prevents a non-negligible part of the population living on low incomes (and other vulnerable segments of the population) from benefiting from these support measures.

2. Geographical patterns and diverse implementation practices can be seen in the implementation of (mostly) regional and/or local level mechanisms to ensure the basic human right to water and sanitation services

Measures/programmes facilitating access of low-income households to the six essential services under scrutiny may or may not directly target these specific households; the extent to which such low-income households benefit from such support depends, inter alia, on the definitions and eligibility criteria used.

Serious constraints with regard to physical access to water and sanitation – although not widespread among ESPN countries – are still mentioned by several ESPN national experts. These experts provide evidence of persistent inequities in access to water and sanitation between urban and rural areas, or difficulties encountered by particularly disadvantaged groups or sectors of the population (e.g. poor households, Roma communities, Travellers and people sleeping rough).

Overall, most ESPN countries use regional and/or local level support measures to allow people on low incomes facilitated access to water and sanitation services. This is also connected to the fact that such services are mostly organised at subnational rather than national level.

Reduced tariffs and cash benefits are by far the most common types of support measures identified by ESPN experts, contrasting with the less frequent use of in-kind benefits. Mechanisms ensuring access to an uninterrupted basic supply of water are present in less than half of EU Member States as well as in the UK.

Reduced water tariffs (and in most cases also sanitation tariffs) for people on low incomes tend to be mostly confined to Southern and Eastern EU countries as well as to most non-EU countries, including the UK. In those countries where water provision is organised at regional and/or local level, reduced tariffs for people on low incomes are applied according to diverse eligibility criteria and even with different implementation practices within countries.

The use of cash benefits is clearly more frequent than reduced tariffs among EU Member States, and more common than among ESPN non-EU countries; however, cash benefits are less frequent in Southern and Eastern European countries. National-level mechanisms to provide cash benefits for low-income households are more common, partly because, in some countries, support for these population groups is ensured through social assistance systems which explicitly take into consideration the costs of water and sanitation services.

In-kind benefits are reported by ten EU Member State country teams and Turkey, and they vary significantly in terms of the type of support provided, e.g. building of bathrooms, free-of-charge provision of a certain supply of drinking water, free-of-charge connection to water and sewerage system, free installation of water meters.

¹² According to the EU definition of income poverty, a person at risk of poverty is a person who lives in a household whose total equivalised disposable income is below 60% of the national median household equivalised disposable income.

Evidence provided by ESPN experts on measures ensuring the provision of a basic or an uninterrupted basic supply of water reveals that the human right to water (as proclaimed by the UN and reaffirmed by the EU through its strong commitment to the implementation of the UN 2030 Agenda for Sustainable Development) is actually only fully protected – by national or regional/local coverage – in 11 out of the 27 EU Member States and in the UK.

3. Energy poverty is tackled mostly through various national level support mechanisms in an adverse overall context

A number of ESPN national experts highlight countries' efforts to fight energy poverty. These countries tend to establish measures to support access of low-income households to energy services; either in an overall context of counterproductive trends, such as rising energy prices and governance hindrances (in the case of EU Member States); or against a backdrop of severe persisting access constraints, such as supply instability or the widespread illegal use of energy (in the case of non-EU countries).

Overall, and in clear contrast to the situation reported for water and sanitation services, a majority of ESPN countries (21 EU countries, the UK and 3 other non-EU countries) tend to implement national support measures – often together with regional and/or local level measures – allowing low-income households facilitated access to energy services. In a significant number of countries, the central state and/or central agencies have the main responsibility for regulating energy provision, thus leaving lesser regulatory and operational capacity to subnational governance structures.

In more than two thirds of the 35 ESPN countries, country teams were able to identify at least one type of measure aimed at helping low-income households to access energy services. Cash benefits are by far the most common measure used across ESPN countries to facilitate access to energy supply.

The use of reduced tariffs seems to be generally preferred by Southern and Western European countries, although a few Eastern European countries also report such tariffs. However, in most of the Southern and Eastern countries the use of reduced tariffs is the only mechanism in place to help low-income households meet their energy costs, since no cash benefits are made available.

A total of 22 ESPN country teams (of which 18 are from the EU) report the existence of cash benefits which directly – or indirectly – facilitate access of people on low incomes to energy services. Again, national-level support measures are most common, although regional and/or local level measures were also reported.

The use of in-kind benefits as a tool to facilitate access of low-income households to energy services is recorded more frequently in ESPN countries than with respect to water and sanitation services. These benefits include a variety of national, regional and local level initiatives (e.g. minimum supply of electricity or gas, fixed amounts for exclusive payment of electricity consumption, provision of free energy-efficiency measures, exemptions from payment of re-connection fees).

Provisions to ensure a basic and/or uninterrupted supply of energy are in place in only 16 ESPN countries - 14 EU countries and two non-EU countries. Additionally, the systems in place seem to only provide rather “weak” or “limited” protection against disconnections from the energy supply to low-income households. In fact, in most cases, disconnections are banned solely in specific calendar periods, usually during the winter months, or disconnection procedures are delayed.

4. Enhanced availability and affordability of public transport services for people on low incomes are mainly achieved through local support measures often not directly targeting this specific sector of the population

The comparative analysis of the evidence provided by the ESPN country teams confirms that transport affordability problems disproportionately affect people on low incomes, and may determine whether they have access to employment opportunities, key activities and services. Moreover, some experts also highlight the presence of serious availability constraints arising from the underdevelopment or the uneven distribution of public transport networks within countries.

In some ESPN countries, experts identify various types of support measures facilitating access of people on low incomes to public transport services. These aim to address availability and/or affordability hindrances.

Overall, support tends to be organised at subnational (regional or local) level and measures only rarely target people on low incomes specifically. In most cases, the low-income sector is covered by existing support measures (e.g. reduced tariffs) because these people also belong to “categories of people” who are the specific focus of existing benefits (e.g. children, older people, pensioners, students).

It is important to underline that a significant number of ESPN country teams – from 12 EU Member States and three non-EU countries – report a total lack of any kind of measures facilitating access of people on low incomes to public transport. National-level and local or regional measures are implemented in only seven EU countries and in the UK.

Any support is usually implemented at the local level (and to a lesser extent also at regional level); this allows for a wide variability of criteria in deciding who is entitled to such measures.

Reduced tariffs are the most common support measure available for people on low incomes. In nine EU countries and the UK, such tariffs are widely available, either as a national measure or in most regions/local areas. In a similar number of countries where ESPN experts identify such support (four EU and four non-EU countries), however, these tariffs are available in only “some” or “a few” regions and/or municipalities.

The use of cash benefits to offset the impact of public transport costs on the disposable income of low-income households is reported by a small number of ESPN country teams: six EU Member States and two non-EU ESPN countries. In most cases, such transport-related cash benefits are provided within existing social assistance benefit schemes; more rarely, they take the form of local-level specific targeted transport allowances.

Different types of in-kind benefits are reported by only a few ESPN national experts. Such measures tend not to directly target people on low incomes but rather other vulnerable categories within the population (which usually also include people on low incomes), or wider sectors.

5. Challenges arising from the risks of a digital divide are many and varied, and require more decisive, better targeted and widespread action across Europe

Different types of challenges in the field of electronic communications, which must be addressed in order to enhance access to digital public services across the different ESPN countries, were identified by ESPN country teams. These include the need to expand and/or improve existing connectivity infrastructures (for instance by providing a connection to the internet in public libraries, web-points in municipalities and hotspots in public spaces), to

strengthen the digital skills of the population, particularly among people on low incomes and other vulnerable groups, and to address affordability problems.

One immediate finding concerning support measures enhancing access to digital public services, compared with those available for other essential services covered by this study, is that significantly fewer countries have implemented any type of measure promoting the digital inclusion of people on low incomes (beyond, for EU countries, those imposed by the existing EU level obligations), and that the measures currently in place are less diverse than the support measures for other types of essential service.

Another important insight from this overview of the availability of support measures to enhance access to digital public services is the sharp contrast between the situation in EU and non-EU countries: Albania is the only non-EU country where the ESPN expert reports the existence of support measures in this area.

According to the evidence provided by ESPN country teams, measures currently in place across ESPN countries are not satisfactory, their effectiveness is often reported as doubtful, and risks of the digital divide are already identified in some countries, where increased digitalisation of public services ignores the specific situation of people on low incomes, and has thus increased the obstacles preventing these people from accessing services.

6. The implementation of the Payment Accounts Directive has not given rise to formal obstacles to the right to a payment account with basic features, but there is room for improvement: it needs to become better known, and access to information has to be enhanced

All EU countries covered by the ESPN study have already adapted national legislation in order to ensure compliance with the provisions of the 2014/92/EU Directive – i.e. the so-called “Payment Accounts Directive” (PAD). In some countries, moreover, pre-existing national legislation – including provisions for ensuring access to payment accounts with basic features (Basic Account) – was already in place before the deadline for transposition of the Directive.

There is evidence that the PAD has had a positive impact on consumer rights with respect to financial services in a few EU countries.

The most significant obstacle identified to implementation of the PAD’s provisions is that Member States and credit institutions have not made significant efforts to publicise and actively inform potential customers of their right to a payment account with basic features free of charge or for a reasonable fee. Other implementation issues described in the national ESPN reports relate to insufficient access for particularly vulnerable groups, relative lack of interest among potential customers, and use by credit institutions of restrictions and/or access barriers.

In short, it appears that across the EU, Member States have delivered on their obligation to ensure that all or a reasonable number of credit institutions provide a payment account with basic features, and are therefore in compliance with the PAD. It is, however, questionable whether they have actually engaged in serious efforts to ensure that customers exercise their right to a payment account with basic features.

For the non-EU ESPN countries covered in this study, there may be room for useful learning opportunities from implementation developments occurring across Member States, particularly given the importance of the PAD’s rules aimed at strengthening the right of vulnerable consumers in these countries to a payment account with basic features.

7. Ongoing or announced reforms enhancing access to the six essential services are taking place across the ESPN countries, particularly facilitating access to energy services

Ongoing or announced reforms were identified across all the six essential services, with a clear predominance of reforms related to energy support measures, and an almost total absence of reforms relating to financial services.

The purpose of most ongoing and/or announced reforms of water and sanitation related measures is to improve existing reduced tariffs or in-kind benefits, largely aimed at enhancing coverage and/or take-up. A few ESPN country teams also mention policy framework-related reforms and the introduction of new cash benefit schemes.

New policy plans or strategies in the field of energy are the most common ongoing or announced reforms identified by ESPN national experts, followed by energy efficiency plans, often connected to insulation and renovation of dwellings.

Reforms aiming to reduce costs (e.g. reduced tariffs, and free public transport) are the most frequently identified ongoing or announced reforms concerning public transport. Policy framework-related reforms or increased coverage of the public network are less commonly identified across ESPN countries.

Twelve ESPN country teams (including two from non-EU countries) report ongoing or announced reforms in the area of digital public services, aimed at facilitating access for people on low incomes to digital public services. However, these foreseen improvements tend to be “diluted” within more general reforms - promoting digital inclusion and increased access to internet services, rather than being targeted at the needs of that specific sector or the population.

8. National and/or subnational policy frameworks are common among ESPN countries, particularly for energy-related measures and water and sanitation services

It is encouraging that only seven ESPN national experts (five from the EU and two from non-EU countries) report that the support measures for people on low incomes, related to the six essential services under scrutiny, have been developed as individual reforms rather than implemented within an overall integrated policy framework.

The majority of ESPN national experts identify different-level policy frameworks which provide some kind of context for these support measures. Eleven EU country teams (and no non-EU country teams) identify national policy frameworks, whereas the presence of both national and subnational policy approaches encompassing support measures in the different areas is reported by 15 teams (of which 11 EU and 4 non-EU country teams).

Overall, broader national and/or subnational policy frameworks are more likely to exist in relation to energy, water and sanitation services than for any of the other three essential services under analysis.

National (rather than subnational) policy frameworks tend to be more common in the field of energy services, and the descriptions provided in the 35 ESPN national reports reveal the presence of either service-related (e.g. energy strategies or plans) or poverty/inclusion-related policy frameworks.

A stronger presence of subnational policy programmes or plans is identified in the field of water and sanitation services; this may be linked to the fact that in many ESPN countries, responsibility for the provision of water and sanitation (mostly by public operators) lies at the regional/local level.

Support measures facilitating access of people on low incomes to public transport are mostly made available within regional or local level policy frameworks. Such subnational policy programmes or plans are identified by ESPN national experts from eight EU countries and six non-EU countries, whereas only nine experts (of which seven are EU countries) report the existence of national policy frameworks encompassing support measures in this specific field.

Measures enhancing access to digital public services are mostly included in national-level policy frameworks, and most of the descriptions provided by ESPN country teams mention national Digital Agendas – in direct reference to the 2010 European Commission Communication on a Digital Agenda for Europe. However, the extent to which people on low incomes are actually targeted by these national policy frameworks is not always clear.

Given that the approach to financial services followed in the ESPN study was focused on implementation of the PAD, those ESPN country teams which identified the existence of broader national and/or subnational policy frameworks mostly report the national laws which transposed the provisions enshrined in the PAD.

Finally, several ESPN national experts raise some concerns regarding the real capacity of existing policy frameworks to generate effective progress in relation to access of people on low incomes to the essential services under scrutiny (e.g. inadequate or non-existent public investment capacity, lack of robust governance arrangements, inadequate support mechanisms to ensure effective help to households in coping with the costs of services, the formal nature of existing frameworks rather than their actual capacity to produce the necessary change).

9. A spotlight on the difficulties faced by people on low incomes in accessing energy services mostly reveals affordability hindrances which are not matched by adequate support measures

ESPN experts from 17 EU countries and five non-EU countries consider that access to energy services is particularly difficult for people on low incomes. The most frequently mentioned barriers include: high and/or increasing costs of energy supply (causing affordability issues affecting people on low incomes), inadequate support benefits to facilitate access to energy services, and poor thermal efficiency of the housing stock.

Infrastructure and/or equipment-related barriers are reported mostly in Southern and Eastern European countries. Various obstacles are described, including: territorial inequalities in access to different forms of energy supply and energy sources, presence of marginalised communities lacking basic infrastructure, and a predominant use of non-standard heating devices.

The groups considered most vulnerable regarding access to energy services vary across ESPN countries, although there are common criteria frequently used to identify such groups: i) the structure and composition of the household; ii) the characteristics and/or location of the dwellings; and iii) eligibility for benefits.

Paucity of evidence in most ESPN countries makes it difficult to assess the impacts of this problematic access/ lack of access to energy services on the overall social inclusion of people on low incomes. Nevertheless, the accounts provided by ESPN national experts clearly confirm that poor access to energy has adverse impacts on health and well-being, resulting in increased deprivation, higher social isolation, reduced ability to participate in social activities, and even impacts on migration patterns.

10. A spotlight on access to one essential service reveals the presence of availability and affordability barriers, as well as socio-cultural inequities which affect access of people on low incomes and other vulnerable sectors of the population

Availability and affordability are the two main barriers which affect access of people on low incomes to adequate public transport services. The problems involved may be due to long distances between cities (in rural areas) which prevent the operation of regular public transport services, geographical inequities in the overall coverage of the public transport network, the lack of adequate mechanisms to support the most vulnerable sectors of the population (e.g. people living in rural areas, the in-work poor, unemployed people, people with a migration background).

In a “spotlight section” of their national reports, ESPN experts were asked to select an essential service which they think people on low incomes in their country have particular difficulties in accessing (which does not necessarily mean that it is the only essential service giving rise to access issues in the country). In this section, only three countries chose to focus on water and sanitation services. Geographical and socio-cultural barriers to water and sanitation are the barriers which ESPN experts most frequently report in these three countries; they emphasise, in particular, the vulnerable situation of poor households living in rural areas and of the Roma population. Inequities in access to water and sanitation among particular low-income groups are also a consequence of insufficient state support, inadequate financing, and organisational gaps.

Only three ESPN country teams chose to focus on the barriers impeding access to digital public services particularly for low-income households in their “spotlight section”. In their assessment, they highlight that cost, gender-based inequalities and geographical barriers are serious hindrances for access to internet services, which are crucial for enabling the use of digital public services.

Ireland is the only ESPN country where the national expert focused on access to financial services. She highlights the high correlation between poverty and financial exclusion, and provides evidence of hindered access to a bank account and to formal credit among low-income households and the consequent exposure to “alternative” costlier financial service providers.

RECOMMENDATIONS

While there is evidence that tangible national and subnational actions are being taken by ESPN countries to ensure that citizens have access to the six essential services explicitly named in Principle 20 of the European Pillar of Social Rights (EPSR) and examined in this Synthesis Report (i.e. water, sanitation, energy, transport, financial services and digital communications), the effectiveness of such measures, with regard to the needs of people on low incomes, will certainly benefit from further efforts at both national and EU levels.

This section primarily proposes recommendations to the 35 countries covered in this study but also includes others to be addressed at EU level. These recommendations build on the main outcomes of the comparative analysis of the national reports prepared by the 35 ESPN country teams.

Recommendations to countries

Strengthen data collection as well as monitoring and evaluation mechanisms

- Following the EU guidance suggested below (see EU-level recommendations), countries should establish an operational definition of affordability for each of the six essential services, to help to assess the extent and seriousness of affordability problems. They should also establish an operational definition of accessibility and availability for each of these services.
- Building on these definitions, and again making full use of EU guidance (see EU-level recommendations), countries should monitor the affordability, accessibility and availability of each essential service as well as the quality of these services, using robust EU and national indicators. These indicators should be based on good quality and reliable data. They should be regularly updated and should allow for an in-depth analysis by income groups as well as by other household and personal characteristics relevant in the national context. In doing this, it will be important to use to the full the existing EU surveys (including: the *EU Statistics on Income and Living Conditions [EU-SILC]*, the *EU Labour Force Survey [EU-LFS]*, the *Community survey on the use of information and communication technologies in households and by individuals...*) as well as national data sources (including administrative data).
- Countries should encourage the development of studies and research to inform decision-making, both in relation to the support measures and programmes to be adopted and to assess the impacts of foreseen or ongoing reforms in this context. Such studies could also address the paucity of evidence identified in most ESPN countries on the implications for overall social inclusion of insufficient access to the six essential services for people on low incomes.
- Countries should ensure that support measures/programmes (as well as the various actors responsible for implementing them) reach those people for whom they are intended, and are not availed of by those who do not need them. It is therefore crucial to identify the right target groups (based on appropriate income and other eligibility criteria) and to establish clear and effective monitoring mechanisms. Inadequate targeting as well as bureaucracy of application procedures should be identified and addressed in order to avoid non-take-up, for instance by introducing automatic granting of access.

Enhance integrated policy planning procedures to channel the development and implementation of reforms

- Countries should develop their policy frameworks for essential services, and related reforms, as part of an integrated process of policy planning, given the interactions between the different dimensions involved, when addressing the access of people on low incomes to these services.
- Environmental and sustainability dimensions of these frameworks should be considered a public service obligation and should not lead to extra costs for vulnerable groups seeking to access these services.
- The analysis of the needs of people on low incomes should be improved in order to inform decision-making in relation to the adoption of support measures and programmes.

Deliver on EU commitments by designing and implementing effective support mechanisms which guarantee the human rights to safe drinking water and sanitation for all

- Countries' actions to deliver on the right to water have to be broad in scope, i.e. not only ensuring that every person has a minimum amount of water for personal hygiene, consumption and other relevant uses, but also protecting access to water and guaranteeing the provision of safe water at affordable prices.
- The identification of inequities in access to water and sanitation services needs to be based on a three-fold approach: reducing geographical inequities, addressing specific barriers faced by people on low incomes; and reducing affordability constraints.
- In order to be effective, the design of support measures/ programmes to tackle the needs of people on low incomes must consider: i) some crucial elements which are often overlooked (e.g. the use of less efficient domestic appliances, the absence of individual meters, the tenure status of households and the necessary adjustment to the number of household members); and ii) specific solutions adjusted to particular territories (e.g. water supply options for groups of individuals, rather than individual households, and the use of decentralised wastewater treatment systems).
- Protection against disconnection of water services when there is genuine inability to pay should be a priority; the absence of this protection constitutes a violation of the human right to water.

Address the main drivers of energy poverty and its impacts

- Countries should take advantage of the new Electricity Directive¹³ and the general governance framework of the Energy Union and Climate Action (Regulation 2018/1999/EU)¹⁴ as a useful opportunity to thoroughly review and improve existing energy poverty definitions and policies within the scope of the National Energy and Climate Plans (NECPs).
- Countries should monitor energy poverty and undertake a detailed analysis of it at national and subnational level (see also EU-level recommendations below), this analysis should include a thorough assessment of the implications of support measures/programmes to address energy poverty - particularly with regard to their differentiated impacts on

¹³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L0944&from=EN>

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1999&from=EN>

different income groups. In doing this, they should also consider specific structural actions that could contribute to enhancing actual exits from energy poverty, rather than opt for mere alleviation and support solutions.

- Assistance programmes to tackle energy poverty should include support measures/programmes that address existing barriers, namely:
 - Low-cost energy efficiency and energy saving measures.
 - Replacement of inefficient heating systems and household appliances.
 - Energy-related digital services (digital metering, real time demand monitoring and others).
 - Deep renovation of buildings.
 - Energy-efficiency investment barriers preventing people in vulnerable situations from benefiting from interventions.
 - Effective monitoring of suppliers' practices.
 - Effective prevention measures against disconnection.
 - Energy literacy awareness raising actions (information campaigns, training workshops, tailored projects) targeting vulnerable groups.
- Access to energy services in some countries (e.g. in Southern and Eastern Europe) needs to address specific hindrances, such as insufficient or absent infrastructure preventing adequate and widespread provision of energy.
- Countries should ensure that support measures and programmes prioritise green energy costs, striking the right balance between environmental sustainability (e.g. programmes to support the use of clean energy) and a "just transition" dimension aimed at ensuring that people on low incomes benefit through increased access to energy services.

Assess the transport needs of people on low incomes; this is crucial to ensuring that the current support measures and programmes are adequately channelled to those most in need of support

- Adequate transport support options should be ensured for people on low incomes living in areas where wide and regular coverage of public transport services is not possible.
- The effectiveness of dominant policy approaches based on category-based criteria (e.g. older people, students or people with disabilities) should be reviewed, in order to ensure that people on low incomes are not being overlooked by the adoption of such a focus.
- The impact of a lack of affordable transport should be examined, not only to promote the well-being and living conditions of people on low incomes but also in the light of wider social and economic impacts.

Enhance accessibility to digital public services and the affordability and availability of electronic communications services for people on low incomes in order to ensure an inclusive digital transition

- In view of the increased digitalisation of public (and private) services, and in line with their existing EU legal obligations to ensure affordable and available basic electronic communications services as well as those they will have to fulfil by December 2020, countries should explicitly address the specific situation of people on low incomes, in order

to prevent an upsurge in the obstacles they face in accessing such services, and should make serious efforts to provide protection against unwarranted disconnection of service.¹⁵

- The increasing overall availability of free Internet in public spaces (e.g. libraries, “citizen spaces”, web-points in municipalities, hotspots in public spaces, parks, city centres) and/or in other non-public places (internet cafes and support organisations) does not fully resolve the access needs of people on low incomes, if other affordable electronic communications alternatives (e.g. own secure and private access) are not also made possible.
- Overall, support measures/ programmes to enhance the digital inclusion of people on low incomes need to address three main dimensions:
 - capacity to use digital devices, i.e. having the necessary digital skills;
 - access to the adequate infrastructure, e.g. generalised access to broadband internet service (complying with countries’ legal obligation in this area [see above]); and
 - availability of affordable electronic communications services according to users’ needs.

Guarantee the right to a bank account for all, which requires efforts to fully implement the rules of the EU Payment Accounts Directive (PAD), rather than mere formal compliance with its provision on ensuring access to a payment account with basic features

- Countries need to ensure that relevant credit institutions are actually delivering on their obligation to provide a payment account with basic features, in particular by reaching out to vulnerable consumers.
- Communication initiatives to raise awareness of payment accounts with basic features should be aimed at the public in general, and specifically seek to reach out to vulnerable consumers.
- Regulatory authorities should regularly assess and report on the application of the provisions of the PAD by Member States and credit institutions, identifying persisting constraints and barriers and proactively supervising the introduction of the necessary improvements.
- In the non-EU ESPN countries, authorities should actively review assessments of the implementation of the payment account with basic features, in order to identify potential obstacles and learn from the experience of EU countries.

¹⁵ Universal Service Directive (2002/22/EC) as well as Directive (EU) 2018/1972. The latter establishes the European Electronic Communications Code (EECC) and will have to be transposed into national law by 21 December 2020. Its articles 84 (*Affordable universal service*), 85 (*Provision of affordable universal service*) and 86 (*Availability of universal service*) are highly relevant for the topic discussed in this report. In particular, the EECC makes it an obligation for EU countries to ensure adequate broadband internet access and voice communications to all consumers (including those with a low income or special social needs) and to avoid unwarranted disconnection from the service for consumers covered by universal service measures. For the full text of these directives, see: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:108:0051:0077:EN:PDF> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:321:FULL&from=EN>

EU-level recommendations

- In view of the variety of policy areas covered by the essential services under scrutiny, it is crucial to mainstream the issue of access for people on low incomes to these services in all relevant EU policy initiatives and developments.
- The European Commission together with Member States (in particular the Social Protection Committee [SPC]) should step up discussions on, and exchanges of best-fit approaches to, the conceptual and methodological challenges involved in defining and measuring obstacles to accessing the six essential services under scrutiny for people on low incomes. In this context, they should promote EU-level guidance concerning the criteria which should underpin:
 - an EU-harmonised definition of essential services; and
 - an “operational” definition of affordability, accessibility and availability.

This would provide extra clarity in monitoring the future implementation of the EPSR principles in each country and, in the medium term, lay the foundations for a common EU-level monitoring framework.

- Building on the results of this suggested EU work on definitions, concepts and methodologies, the European Commission and Member States (in particular the SPC) should adopt a few broad EU outcome indicators, together, as appropriate, with country-specific indicators, where these do not yet exist, to monitor the affordability, accessibility and availability of each essential service as well as their quality. These indicators should draw on reliable EU and national datasets. They should be regularly updated and should allow for an analysis by income groups as well as by other household and personal characteristics relevant in the national context.
- The EU Energy Poverty Observatory - which has unique expertise in the measurement, monitoring and sharing of knowledge in this field - should play a major supporting and advisory role in the EU monitoring and analysis of energy poverty.
- Strong support (e.g. through mutual learning activities) should be given to Member States (in particular the SPC) for transnational policy dialogue involving multi-level and multi-sector stakeholders, with a view to pooling expertise and developing overall integrated approaches facilitating access for people on low incomes to the six essential services. Countries should foster the setting-up of inclusive institutional structures which allow for such dialogue and cooperation. This will contribute to more effective and sustainable support mechanisms.
- In line with the European Economic and Social Committee recommendation, the essential services covered by Principle 20 of the EPSR should be made “an integral part of the European Semester’s Social Scoreboard” (EESC 2019); in doing this, it will be important to make full use of EU and national data sources, including administrative data.
- The European Commission should build upon existing evidence and assessments of barriers to the implementation of the PAD in EU Member States to support non-EU countries’ efforts to encourage unbanked vulnerable consumers to access financial services.
- EU guidance and support initiatives should be developed to foster the use of EU funding (e.g. European Structural and Investment Funds) to tackle barriers which people on low incomes face in accessing essential services.
- There should be an EU-wide ban on water disconnection related to households’ inability to pay, as this would prevent a clear violation of the human right to water proclaimed by the

UN and reaffirmed by the commitment of the EU and the Member States to the human right to safe drinking water and sanitation (Sustainable Development Goal 6 of UN Agenda 2030).

- To ensure access to water for people on low incomes, access to affordable quality water for all should be defined at EU level as a service of general interest and thus be protected from full competition, liberalisation or privatisation. It should be permitted to use state aid in support of this goal.
- Given that having an adequate income is often an important factor in ensuring people's access to essential services, the European Commission should closely link the implementation of Principle 20 of the EPSR with deliberate implementation of Principle 14 on minimum income, which recognises that the right to adequate income benefit is key to effective access to enabling services.
- In implementing its proposed "European Green Deal"¹⁶, the European Commission should ensure that there is a clear link to relevant areas covered by Principle 20 of the EPSR (e.g. water, energy, public transport), by fostering the use of EU funds to ensure that environmental sustainability initiatives include a just transition dimension ensuring improved access to essential services for people on low incomes.
- In developing proposals for the implementation of Principle 20 of the EPSR, the European Commission should carefully examine the growing evidence that the COVID-19 crisis has often exacerbated issues of access to essential services, especially digital public services, for people in vulnerable situations, and that in some instances this has led to innovative/experimental initiatives to improve access during the crisis which may have potential for the future.

¹⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1588580774040&uri=CELEX:52019DC0640>

1 PROVIDING A BETTER COMMON UNDERSTANDING OF ACCESS TO ESSENTIAL SERVICES FOR PEOPLE ON LOW INCOMES

Principle 20 of the European Pillar of Social Rights (EPSR) does not give any definition of “essential services”. However, the six examples provided (water, sanitation, energy, public transport, financial services and digital communications) – which constitute the focus of this Synthesis Report – have been interpreted (EESC 2019) as a reference to services of general economic interest (SGEIs), as mentioned in the Preface.

SGEIs, on the other hand, are defined as “economic activities that public authorities identify as being of particular importance to citizens and that would not be supplied (or would be supplied under different conditions) if there were no public intervention”.¹⁷ The need to define such services is closely linked to the so-called Universal Service Obligations (USO), i.e. obligations imposed through public intervention in order to ensure that all citizens have access to products and services. This obligation to guarantee access to these services is based on the assumption that – if common competition and market rules alone operated – certain categories of people would not be able to enjoy those services.

The 2011 Commission Communication “A Quality Framework for Services of General Interest in Europe”¹⁸ acknowledges a lack of clear terminology with regard to the debate around services of general interest, as well as the dynamic and evolving nature of this concept. The same document defines SGEIs as “economic activities which deliver outcomes in the overall public good that would not be supplied (or would be supplied under different conditions in terms of quality, safety, affordability, equal treatment or universal access) by the market without public intervention”.

The six essential services enumerated in Principle 20 of the EPSR play an important role in strengthening social relations, in supporting social inclusion, and enhancing social progress and social cohesion. In spite of the dynamic and evolving nature of these services, both the EU and Member States are committed to ensuring the provision of such services in line with the Union’s shared values of quality, safety and affordability, equal treatment, universal access and users’ rights. Monitoring the appropriate implementation of the right to such services, particularly the risk of a lack of access due to affordability problems¹⁹, will be easier with a greater understanding of the definitions used across Europe in relation to the essential services included in Principle 20.

This section begins by providing an overview of national or subnational definitions of those six essential services (Sub-section 1.1). In addition to this overview, we perform a comparative analysis of countries’ approaches to (non-)existing definitions of people on low incomes, as used in the context of the delivery of the services under scrutiny (Sub-section 1.2).

¹⁷ https://ec.europa.eu/competition/state_aid/legislation/sgei.pdf

¹⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011DC0900>

¹⁹ Protocol 26 requires Member States to ensure a high level of affordability for each SGEI.

1.1 Defining essential services within the scope of Principle 20 of the EPSR

Principle 20 of the EPSR reaffirms existing rights of access to essential services, even though it does not provide an actual definition of these services.

The 35 ESPN national experts were asked to provide existing (if any) national definitions of essential services used in their countries and, in the absence of a national definition, they were asked whether there were any definitions at subnational (regional or local) level. Table 1 presents an overview of the national situation in each country.

Table 1: National or subnational definitions of essential services currently used in Europe

Countries	Definition of essential services	Description
EU countries		
Austria (AT)	No	No explicit definition of “essential services” at national or subnational level.
Belgium (BE)	No	No clear definition of essential services consistently used to describe the services that are deemed necessary to support social inclusion of people in society, neither at federal nor at regional level
Bulgaria (BG)	No	No official definition at national or subnational level of essential services. The definition of essential services is mainly found in international documents, to which Bulgaria has some degree of commitment.
Croatia (HR)	No	Although there is no national definition of essential services in Croatia, these can be derived from the regulations on the minimum income (MI) scheme, as regards electricity, gas, heating, water.
Cyprus (CY)	No	No definition of or explicit reference to the term “essential services”. However, the term “essential services” is widely used in issues related to employment relations. “Designated Essential Services” include, inter alia, the supply of electricity, the supply of drinking water and the operation and functioning of telecommunications.
Czechia (CZ)	No	The concept of essential services is not used in policies fighting social exclusion and there is no national or subnational definition of essential services.
Denmark (DK)	No	No definition of essential services at national or subnational level.
Estonia (EE)	No	There is a broad definition of vital services, connected to state security and including electricity supply; natural gas supply; liquid fuel supply; ensuring the operability of national roads; phone service; mobile phone service; data transmission service; digital identification and digital signing, emergency care, payment services and cash circulation.
Finland (FI)	No	In Finnish policy-making, there is a strong emphasis on basic security and basic services. Basic security means that the state and municipalities provide decent income transfers and all essential services, from healthcare to free education. However, despite this emphasis, there is no clear definition of basic (essential) services.

Countries	Definition of essential services	Description
France (FR)	No	No legal definition of essential services at national or subnational level.
Germany (DE)	No	No binding national or subnational legal definition covering all areas of essential services. The EU terms “essential services” or “services of general economic interest” as part of “services of general interest” are generally described by the term “ <i>Daseinsvorsorge</i> ”.
Greece (EL)	No	No national or subnational definition of “essential services” as such. The only relevant, rather broad and quasi definition, concerns the enterprises providing “services of public interest”.
Hungary (HU)	No	No comprehensive definition of essential services. For some of the services under scrutiny there are national definitions (e.g. public transport).
Ireland (IE)	No	No national or subnational definition of essential services.
Italy (IT)	Yes	Article 43 of the Italian Constitution defines “essential public services” as those services of major public and general interest which have to be guaranteed by the State and may be managed by public institutions (be it the State or subnational entities such as Regions, Metropolitan Cities, Provinces, Municipalities) and/or by private firms, under strict public regulation. Law 146/1990 makes explicit reference to the need to guarantee access to sanitation, water, energy and public transport, but no reference is made to digital or financial services.
Latvia (LV)	Yes	The definition of public services covers four out of six essential services under scrutiny: water, sanitation, energy and digital public services. These are called public services or public utilities rather than essential services.
Lithuania (LT)	No	The term “essential services” is not used in national or subnational legislation or in documents regulating service provision.
Luxembourg (LU)	No	Only water and energy are explicitly mentioned in Article 28 of the 2009 law organising social aid as “essential services” and as “elementary needs” in the context of the MI scheme.
Malta (MT)	No	The definition of “essential” services does not relate to any of the services covered under Principle 20 of the ESPR, but rather to services of public interest, such as security services and services required during national emergencies (e.g. public health, airport management).
Netherlands (NL)	No	No common definition of essential services in the strict sense of the EU framework. A frequently used term that can be interpreted more narrowly is the term “basic services”, defined as services in the social domain that should be available and reasonably accessible to everyone who has the need for them. When linked to “basic needs” or “basic (human) rights” such as food and water, this definition best reflects the substance and scope of Principle 20, and is also most closely connected to poverty.
Poland (PL)	No	No nationwide definition of essential services. Some of these services are public tasks of local government units defined by

Countries	Definition of essential services	Description
		the general concept of communal economy (<i>gospodarka komunalna</i>).
Portugal (PT)	Yes	There is a legal national definition of public essential services encompassing water, energy, sanitation, transport and digital services.
Romania (RO)	Yes	A legal definition of essential services that encompasses most of the public utilities was adopted in 2018, in the context of cyber-security. It covers, more or less directly, all the services under discussion: energy (electricity, oil and natural gas), transportation (river, railway, air and road), banking, financial market infrastructure, the health sector (including health service facilities), the provision and distribution of potable water and digital infrastructure.
Slovakia (SK)	No	No national or subnational definition of essential services.
Slovenia (SI)	No	No national or subnational definition of essential services.
Spain (ES)	No	No definition of essential services applicable to the entire territory of the state. A certain terminological ambiguity prevails in the use of concepts such as essential services, basic services and services of general interest.
Sweden (SE)	No	No national or subnational definition of essential services. However, several of the six essential services under scrutiny are related to specific welfare programmes, in particular, the social assistance programme and the housing allowances.
UK and other non-EU countries		
United Kingdom (UK)	No	No national or subnational definition of essential services.
Albania (AL)	No	No formally defined list of essential services at national or subnational level. However, the legislative framework governing sectors such as water and sanitation, energy and telecommunications contains provisions on public service obligations, including the protection of the most vulnerable consumers.
Bosnia and Herzegovina (BA)	Yes	“Economic services of public interest” include, inter alia, a supply of energy (electricity, gas and heating), water, telecommunication services, and public transport.
Kosovo (XK)	No	No official definition of essential services; however, energy, water and sanitation receive more consideration from the government. The current legal framework highlights certain services, listed in Principal 20 of the EPSR, which should be accessible and affordable for everyone regardless of their income.
Montenegro (ME)	No	No national or subnational definition of essential services. Although the law mentions “basic needs” and “basic living needs”, it does not define or explain what basic (living) needs are.
North Macedonia (MK)	Yes	Essential services include “services related to water, electricity, gas and district heating supply, public electronic

Countries	Definition of essential services	Description
		communications services, drainage services, wastewater, waste and maintenance services, chimney services, postal services, passenger transportation services, public parking lot services, services to manage apartment buildings, as well as other economic services determined by regulation as public, i.e. as services of public interest”.
Serbia (RS)	No	No national or subnational definitions of essential services.
Turkey (TR)	No	No single reference officially defining “essential services” at national or subnational levels.

Source: ESPN national reports.

Only four EU countries (IT, LV, PT, RO) and two non-EU countries (BA and MK) are described as using some kind of official and/or legal definition of essential services covering all or some of the essential services enumerated in Principle 20 of the EPSR. One common element in the description given by ESPN experts from these six countries is the public nature of such services which aim at satisfying “basic living needs”. These services are therefore deemed to be guaranteed and regulated by the state in various ways. The need to ensure that certain services are provided on the basis of a general interest criterion, creating specific public service obligations, was foreseen in the definition of SGEI (European Commission 2011) mentioned above.

In the majority of countries, ESPN experts could not identify any explicit definition of essential services. The descriptions provided, however, show a relative heterogeneity of situations as regards countries’ approach to the use of concepts used to define a set of services deemed to cover basic needs and representing an essential component to support people’s social inclusion. For instance:

- The French ESPN experts report that the term “essential services” is rarely used in their country; the main notion used is universally available public services that are guarantors of the general interest.
- The German expert, while recognising the lack of any binding legal definition of essential services covering the six areas under analysis, refers to the use of EU terms such as SGEI and services of general interest (SGI).
- In Bulgaria, the national expert refers to the use of such definitions – essential services – only in international documents which to a greater or a lesser degree represent an official commitment for Bulgaria.
- In Spain, no definition of essential services applies to the entire Spanish territory. The ESPN national experts identify a certain terminological ambiguity in the use of various concepts, e.g. essential services, basic services and services of general interest. Moreover, different regulatory levels – central state, regions and local administrations – are all involved in defining essential services.

In many countries, no definition of essential services as such exists. Nevertheless, the description given by the national experts provides evidence of services which, by their nature, directly meet the general interest criterion mentioned above and the consequent public service obligations it entails. For example:

- The Austrian national expert, while highlighting the lack of any explicit definition of essential services, recognises that services such as “water, sanitation and public transport are to a large degree regarded as *public goods*, both by the general population and by political actors”. This implies that the provision of such services is considered to be the responsibility of public authorities.
- The Greek national experts refer to a broad definition of providers of “services of public interest”.
- The Dutch national expert refers to a commonly used term – basic services – which can cover the essential services under scrutiny since it refers to those services linked to basic needs which should be available and reasonably accessible to everyone who needs them.
- In Malta, the public interest criterion – underlying many of the definitions of “essential services” – seems to be linked to security services and services required during national emergencies, rather than to any of the services included in Principle 20 of the EPSR.
- State security is also referred to by the ESPN expert from Estonia as one of the areas included in the broad definition of “vital services”, which also cover some of the Principle 20 essential services.

In Finland and Sweden, where no national definitions of essential services exist, the national experts underline an important feature of the operation of the welfare state, which may explain why such a definition is lacking: the welfare state is universal, guaranteeing basic security to all residents by providing decent income transfers, as well as all essential services which are understood as responding to dynamic and evolving needs.

EU-level guidance on the criteria which should underpin the definition of essential services to be guaranteed to everyone within the framework of the EPSR would make it easier and clearer to monitor the future implementation of the EPSR’s principles.

1.2 Defining “people on low incomes” in the context of the delivery of essential services

The 2011 Quality Framework recommends that sectoral legislation adopted at EU level should ensure the necessary balance between the need to enhance competition and the use of market mechanisms and, on the other hand, the need to guarantee that every citizen continues to have access to essential services of high quality at prices that they can afford. As the new Commission intends to implement the EPSR through an action plan, there is a need to improve the understanding of Member States’ actions ensuring effective access to essential services for people on low incomes.

In the 35 ESPN countries, there seem to be few definitions of “people on low incomes” used in the context of the delivery of the six services covered by the present study (Table 2).

Table 2: Definitions of people on low incomes currently used in Europe for the purpose of determining access to the six essential services under scrutiny

Countries	Definitions of people on low incomes	Description
EU countries		
Austria	None	No general definition of people on low incomes exists to identify measures to facilitate access to the six essential services under scrutiny. However, two low-income thresholds are often used. One is frequently used in the allocation of various means-tested benefits and is also highly relevant in the context of access to essential services: the so-called “Equalisation Supplement Reference Rate”, defined under the statutory pension insurance. The other is used in statistics on relative income poverty.
Belgium	Service-bound and subnational	There is no general definition of “low income” used in this context. Each of these essential services has its own definition of “low income”, sometimes established at subnational level. To “operationalise” the relevant categories of people on low incomes, the ESPN national report uses those applied in specific social protection schemes (e.g. beneficiaries of the MI scheme, beneficiaries of the minimum pension scheme and those receiving income support for people with disabilities).
Bulgaria	None	The nearest definition for people on low incomes is the definition used for eligibility for the MI scheme. People who are eligible for this support are described as the relevant category of people on low incomes in the ESPN national report.
Croatia	Service-bound	Different definitions of people on low incomes are used in the context of access to the various services. However, social welfare beneficiaries are low-income and vulnerable groups in terms of access to a larger number of essential services such as water, sanitation or energy. For access to other services (e.g. public transport), low-income groups are more implicitly defined.
Cyprus	Service-bound and subnational	There is no clear definition of people on low incomes used for the delivery of the six essential services under scrutiny. However, in some cases there are specific definitions of “low income”, while in others certain interpretations of “low income” exist and are reflected in the categories of “vulnerable consumers”, individuals or households, defined by the various providers at subnational level. Eligibility for social assistance (including recipients of the MI scheme) is one of the most common criteria for accessing support measures.
Czechia	Service-bound	No universal definition of people on low incomes is used in the context of access to services. Housing is a special case, since access to water, energy and sanitation are only partly addressed under housing services. Thus, people who are eligible for housing-related cash benefits (means-tested) are used in the ESPN national report as the category of people on low incomes.
Denmark	None	There is no definition of people on low incomes in relation to any of the six essential services. The central administration, Statistics Denmark and other institutions and organisations often use 50% of the median income as a threshold for low income. People on low incomes could also be defined as

Countries	Definitions of people on low incomes	Description
		claimants of social assistance and similar MI benefits. The ESPN national report focuses on the situation of MI benefits claimants.
Estonia	None	No official definition of people on low incomes is used in the context of the delivery of the six essential services. As the subsistence benefit helps to ensure the solvency of people on low incomes, helping them to access essential services, the definition of people on low incomes used in the context of the subsistence benefit is the one used in the ESPN national report.
Finland	None	There is no official national definition of people on low incomes and no poverty line used in this context. Rather, definitions vary depending on their different social policy purposes. People on low incomes covers households with children, students, immigrants, unemployed people, pensioners etc. The Finnish welfare policy relies on universal measures that also target people on low incomes.
France	None	There is no overall definition as such of the notion of “low income” to facilitate access to essential services. Low income is only one criterion among others, which include age, professional or household situation, and health status. When income is an essential factor, rather than a precise figure, the most frequent reference is to whether the applicant is a recipient of minimum social benefits. Thus, this is the category of people on low incomes used in the ESPN national report.
Germany	None	Since the laws regulating the provision of essential services at national or subnational level in Germany make no mention of people on low incomes, there is no common definition of what constitutes a person on low incomes. Since measures for facilitating access and providing financial reliefs for people on low incomes mainly take the form of cash benefits paid under the MI scheme, people on low incomes in the ESPN national report are beneficiaries of the MI scheme.
Greece	None	No national definition of people on low incomes is used in the context of the delivery of the six essential services under scrutiny. Neither is there any subnational definition of people on low incomes for any of these services, although some of them are organised at subnational level. People on low incomes used in the ESPN national report are described in most cases as those who are eligible to benefit from the “Social Solidarity Income” (a type of MI scheme).
Hungary	None	People on low incomes are not defined as such in the context of the delivery of any of the six services under scrutiny. The closest concept is that of “protected consumers” (for water, sanitation, gas, electricity and district heating), who are people identified directly as recipients of various provisions. Beneficiaries of such provisions are used in the ESPN national report as the category of people on low incomes.
Ireland	None	There is no explicit definition of people on low incomes used at national or subnational level for the purposes of any of the six essential services. Being in receipt of a long-term social welfare benefit, especially those that are based on social assistance and hence involve an explicit or implicit test of means, is taken as a proxy for low income (for those services

Countries	Definitions of people on low incomes	Description
		that recognise financial need as associated with access). Beneficiaries of such social welfare payments are the categories of people on low incomes used in the ESPN national report.
Italy	None	No single definition of people on low incomes is used for the purpose of delivery of the six essential services. Means-testing conditions differ among the various services, both among benefits delivered at national level (i.e. bonuses for water, sanitation, energy and access to digital and financial services) and among benefits delivered at subnational level (i.e. benefits related to public transport, which in Italy are managed at the subnational level).
Latvia	Subnational	There is no definition of people on low incomes for the provision of essential services. The overall status of a “low-income person” is granted by a local municipality and may differ from municipality to municipality and even among different groups within the same municipality. “Needy” or poor households defined according to specific income and other criteria are used in the ESPN national report as the relevant category of people on low incomes.
Lithuania	Service-bound	Although a general definition of a “person on low incomes” is provided in the Law on Cash Social Assistance for Low-Income Families (Single Residents), this definition is not always used in the context of the six “essential services”.
Luxembourg	None	There is no definition of people on low incomes used for the purpose of provision of essential services ²⁰ . Beneficiaries of the MI scheme (REVIS), of the high-cost-of-living allowance (AVC) and of the social aid provided by regional and local social offices are used in the ESPN national report as the categories of people on low incomes.
Malta	None	There is no formal definition of people on low incomes used in this context. Yet, policies/ measures are <i>implicitly</i> linked to the EU “at-risk-of-poverty” and “at-risk-of-poverty-or-social-exclusion” indicators ²¹ . However, access to support is granted to people who qualify for the receipt of specific social security benefits or assistance or who qualify through the official Income Means Test. These are then used in the ESPN national report as the categories of people on low incomes.
Netherlands	National	At national as well as subnational level, people on low incomes are referred to as people, or more specifically persons, families or households, “with a low income” or (living) “below the low-income threshold”. Both definitions apply when the income is lower than the “social minimum” (<i>sociaal minimum</i>): the income that is “needed to live”. This national MI standard usually corresponds to the social assistance benefit.

²⁰ Before 1 March 2020, there was one exception: public transport was free for all beneficiaries of the MI scheme (refugees were also granted the same support). Since 1 March 2020, public transport is free for everybody.

²¹ The EU “at-risk-of-poverty-or-social-exclusion” indicator is a measure that combines three EU indicators. A person is at risk of poverty or social exclusion if he/she lives in a household that is at risk of poverty (see above definition), severely materially deprived (i.e. the household is deprived of at least 4 items out of the list of 9) and/or is (quasi-)jobless (i.e. the household’s work intensity is below 0.2). For the detailed definition of these and other EU social indicators, see Social Protection Committee 2015.

Countries	Definitions of people on low incomes	Description
Poland	Service-bound	A nationwide definition of low income exists only for demand-side instruments supporting access to energy. The income criterion is linked to the minimum pension scheme.
Portugal	Service-bound	There are no national nor subnational definitions of people on low incomes used in the context of the delivery of public essential services. Definitions are provided for each service in the form of conditions for eligibility.
Romania	National and service-bound	The concept of low-income, as defined by two of the most important means-tested benefits (MI scheme and seasonal heating aids), is most frequently referred to in the legislation regulating access to drinking water services, sewage services and energy. These definitions are also used by most local authorities when granting cash or in-kind benefits. In addition to these definitions, low income is also defined in the context of energy vulnerability and financial vulnerability.
Slovakia	National and service-bound	There are several definitions of people on low incomes used for the delivery of some of the essential services; these vary according to the policy context.
Slovenia	Service-bound	No definition of people on low incomes is used in the context of access to water, sanitation and public transport. The term “vulnerable customers” is used in the Energy Act and is linked to an income-related criterion. In the areas of digital and financial services, low-income users are those eligible for the cash social assistance or the income supplement (both benefits being part of the MI scheme).
Spain	Service-bound and subnational	Different definitions of people and households on low incomes are used by subnational governments for the different essential services.
Sweden	None	There is no direct definition of people on low incomes used in this context. Beneficiaries of social assistance are used in the ESPN national report as the category of people on low incomes.
UK and other non-EU countries		
United Kingdom	None	A variety of indicators of people on low incomes are used but generally not in relation to access to essential services. The definition of lack of access to essential services due to low income, where it exists, varies with the service in question. There is, therefore, considerable variation in the low-income criteria applied to identify the customers who qualify for the support measures.
Albania	None	Whereas no formal definition of low-income exists, households on social assistance, and those earning the minimum wage or who are in the bottom income quartile, are often used to identify people on low incomes. Thus, these are used in the ESPN national report as the categories of people on low incomes.
Bosnia and Herzegovina	Subnational	There are no national definitions of people on low incomes used in the context of the delivery of the six essential services under scrutiny. Some definitions are used at subnational level. Recipients of means-tested social assistance and beneficiaries of a minimum pension are commonly included in such

Countries	Definitions of people on low incomes	Description
		definitions and are therefore used in the ESPN national report as the relevant category of people on low incomes.
Kosovo	None	Households receiving social assistance are the only income-related category targeted by government measures for access to essential services. These households are, therefore, considered as the relevant category of people on low incomes in the ESPN national report.
Montenegro	None	The term people on low incomes is used in different national documents, but is not defined in any law. Beneficiaries of the family support allowance are used in the ESPN national report as the relevant category of people on low incomes.
North Macedonia	None	There is no single definition of people on low incomes used in the context of the delivery of the essential services under scrutiny. In most cases, the definition of low-income is related to the status of the social assistance beneficiary. Thus, beneficiaries of “permanent financial assistance” and beneficiaries of the guaranteed minimum assistance are used in the ESPN national report as the relevant categories of people on low incomes.
Serbia	None	There is no national definition of people on low incomes used in the context of access to services. Recipients of the Financial Social Assistance and of child benefits are generally entitled to all available services. These are, therefore, used in the ESPN national report as the relevant categories of people on low incomes.
Turkey	None	For most social assistance programmes administered by the central government, the income threshold for poverty is per capita household income equivalent to one third of the gross minimum wage. Municipalities usually make their own informal assessment. This poverty threshold is thus used in the ESPN national report to identify people on low incomes.

Source: ESPN national reports.

ESPN country teams from 21 countries – including the UK and six other non-EU countries – report the lack of any general or explicit definition of people on low incomes used in the context of the delivery of the six essential services covered by Principle 20 of the EPSR and examined in the present Synthesis Report. However, the lack of such “service-bound definitions” does not mean that, in those countries, people or households living on low incomes are not targeted by existing support measures or that income criteria are absent from eligibility conditions to access such measures.

ESPN country teams in the Netherlands, Romania and Slovakia refer to the existence of a national level “low-income” definition used in relation to the delivery of essential services, although the descriptions they provide reveal diverse national situations:

- In the Netherlands, assistance is not usually bound by, or specific to, certain services or specific groups. Support for people on low incomes to facilitate their access to specific basic services applies to all of the six specific services as well as to other basic services. Thus, the overall definition of people on low incomes referred to by the expert – persons or households whose income is lower than the “social minimum” (*sociaal minimum*), i.e. the income amount that is “needed to live” – corresponds to the social assistance benefit and

is used as a reference for Dutch policies to determine poverty and in providing (financial) assistance.

- The Romanian national expert explicitly refers to two frequently used definitions of people on low incomes used in legal regulations determining access to services such as water, sanitation and energy. These definitions, which determine access to support measures, relate to two of the most important means-tested benefits in Romania: the MI scheme and seasonal heating aids. Some local level measures facilitating access to particular services (e.g. public transport and waste collection) also use these eligibility income thresholds.
- Similarly, the Slovakian national expert reports the existence of different low-income definitions used at national level and related to access to energy and to financial services. In the former case, the definition covers households receiving MI benefits, whereas in the latter, people on low incomes are defined as those “persons whose monthly net income does not exceed 1.1 times the minimum wage”.

In several other EU countries, ESPN country teams report definitions of people on low incomes used in the context of the delivery of some of the essential services under scrutiny, and/or local level definitions of people on low incomes (Table 2). Some examples are provided below:

- In Belgium, each of the services has its own definition of “low-income”, sometimes established at regional level.
- In Cyprus, the country team acknowledges difficulties in identifying low-income definitions used in the context of the six essential services, but considers that, for some services, it is possible to identify specific definitions of low income (e.g. digital services), whereas for others (e.g. water and energy), “certain interpretations of “low income” exist”.
- In Spain, definitions of low-income households or individuals only exist at the local level and for each essential service. Thus, people or households considered low-income vary according to the service in question and to the definition adopted by each local government.

Overall, it is clear that there is no simple answer to the question “What is the definition of *people on low incomes* used in your country in the context of the delivery of the services under scrutiny?” Several complexities have been identified in relation to definitions of “people on low incomes”: more or less explicit definitions are reported; eligibility conditions for accessing support measures are often presented as a proxy for definitions of low income; existing definitions or interpretations of low-income may vary according to local policies and local regulations; definitions of people on low incomes and households vary among the services provided; several low-income criteria related to a range of income sources (e.g. social assistance benefits, wages, income per capita) are used to determine eligibility of people on low incomes.

Within such a diverse and uneasy overall approach to definitions of “low-income” used in the context of the delivery of the six essential services included in Principle 20 of the EPSR, it may prove useful to provide an overview of the links between the support available for these services and the nature of the eligibility criteria which determine access of people on low incomes or households (regardless of the existence/non-existence of definitions) to these support measures.

Table 3 groups countries together based on the nature of the eligibility criteria which determine access of people on low incomes to existing support measures across the different essential services.

Table 3: Grouping of countries according to the nature of the eligibility criteria determining support to access essential services

Means-tested benefits*	Housing allowances/benefits
BE, BG, CY, CZ, DE, EE, EL, ES, FR, HR, HU, IE, IT, LT, LU, MT, NL, PL, PT, RO, SI, SK UK, AL, BA, ME, MK, RS, XK	CZ, DE, FI, HR, LV, PL, SE, SK
Other specific	General social support/assistance
AT, ES, IT, RO, SK AL, TR	DK, FI, SE

Note: Several answers possible. (*) excludes means-tested housing benefits.

Source: ESPN national reports.

In almost all ESPN countries, measures for facilitating access to essential services tend to be based on income criteria used, in different forms, for assessing eligibility for means-tested benefits. MI schemes are the most common type of benefit mentioned by ESPN country teams (e.g. BG, CY, DE, EL, ES, FR, HR, LU, RO, SK). Some ESPN national experts highlight difficulties linked to the use of the MI scheme as the reference criterion, particularly the low level of benefits provided by the MI scheme or the discretionary basis on which the amount of such benefits is determined. For instance:

- The Bulgarian expert claims that the MI scheme has always been determined on a discretionary basis by the government and remains far below the official poverty line; recent positive developments, however, include the introduction of rules ensuring non-discretionary automatic updating of benefits.
- In Croatia, the criteria to be met in order to be granted the status of vulnerable consumer of energy include being a recipient of the MI scheme.
- In France, where low income is usually only one criterion among others, the MI scheme (*Revenu de Solidarité Active – RSA*) is often used to determine access to support measures; according to the ESPN national experts, the RSA threshold has proved to be insufficient to meet the needs of the poor, and remains consistently lower than the at-risk-of-poverty threshold.
- In Greece, the Social Solidarity Income (SSI) scheme also targets only households living in extreme poverty; this is the income criterion most frequently used for eligibility for support measures to access some essential services, i.e. water and energy.

These concerns echo some of the conclusions of the 2016 ESPN Synthesis Report on Minimum Income Schemes in Europe regarding the adequacy of the level of payments within MI schemes across Europe, namely “the fact that in most countries the levels of MI benefits fall below the at-risk-of-poverty threshold” (Frazer and Marlier 2016: 8).

Other means-tested benefits are used as a reference for determining eligibility of people on low incomes to support measures facilitating access to essential services. These are referred to using various terms which may sometimes overlap, such as social/ public assistance benefits (e.g. CY, CZ, MT, NL, PL, AL, MK, XK), non-contributory social welfare payments (ES, IE, PT), minimum pension schemes and income-related Employment and Support Allowance (UK), family support allowance (ME) and Financial Social Assistance (RS).

Some ESPN national experts voice similar concerns regarding the use of some of this latter overall group of means-tested benefits. These worries relate to the adequacy of the (usually) low income threshold used for determining eligibility to support for accessing essential services. The Kosovar national expert, for example, highlights the fact that most measures to facilitate access to services in Kosovo are targeted at households eligible for the Social Assistance Scheme (SAS), which covers a very small share of the country's poor population: "the coverage of the poor receiving SAS in Kosovo is very low – as many as two thirds of the poorest quintile did not receive any SAS benefits in 2016".

Another type of income criterion used to determine access to support measures is related to eligibility for housing allowances. Eight EU countries (Table 3) provide housing cash benefits which include – more or less formally – a provision to cover the costs of access to some essential services, mostly water, sanitation and energy. For example:

- In Czechia, measures facilitating access to water, sanitation and energy partly involve the provision of two means-tested cash housing benefits: the housing allowance and the supplement for housing. Issues related to the (lack) of adequacy of these housing allowances in relation to actual housing-related costs are highlighted by the ESPN country team.
- The Croatian national expert refers to the status of "vulnerable resident". This is granted based on eligibility for the housing allowance and, thus, for specific support measures facilitating access to water and sanitation; beneficiaries of the MI scheme are eligible for this cash benefit.
- Likewise, in Slovakia, there is a direct link between entitlement to housing allowance and to MI benefits, i.e. households receiving MI benefits are eligible for the housing allowance which covers part of the housing costs, particularly the costs of energy.
- The Polish approach is somewhat different in the sense that the minimum pension scheme is the income criterion for entitlement to the housing allowance. This, in turn, gives access, for example, to a lump-sum energy supplement (*zryczałtowany dodatek energetyczny*).

In a smaller group of countries, ESPN country teams highlight the presence of social support indices which are used as reference income thresholds for determining access to some support measures for various essential services. These have been included in the other specific support group (Table 3). For example:

- In Austria, the monthly Equalisation Supplement Reference Rate (ESRR)²², defined under the statutory pension insurance scheme, regularly serves as a point of reference although it is modified when applied in different systems of means-tested social provision. Since it is used to determine access to and level of benefits – through which access to services for low-income households is facilitated – the ESRR is considered highly relevant in the context of access to essential services.
- In Spain, where people on low incomes are defined differently according to the type of service, the Public Income Indicator of Multiple Effects (IPREM) is the income threshold²³ frequently used as the reference for defining vulnerable consumers or households eligible for support with regard to access to essential services.

²² In 2020, the ESRR for a single person amounts to €966.65 per month.

²³ Corresponding to €537.84 per month in 2019.

- Similarly, in Italy, means-testing conditions to ensure access for people on low incomes differ among the various services. However, they are all based on the same indicator of economic conditions: the Indicator of the Equivalised Economic Condition (ISEE)²⁴.

ESPN country teams from four countries - RO, SK, AL, TR – refer to the (co)existence of other income-related eligibility criteria used for determining access of people on low incomes to essential services, i.e. income thresholds defined in reference to minimum salaries. For instance:

- In Romania, the National Energy Regulatory Agency (NERA) defines low-income vulnerable clients as those with an income lower than the minimum gross salary per month.
- The Turkish national expert refers to the commonly used threshold of one third of the gross minimum wage (additional discretion is often used) to determine eligibility for the few existing support measures for “poor people”.

The three Nordic countries covered in the ESPN study take a different approach towards supporting access to essential services for people on low incomes:

- In Finland and Sweden, the descriptions provided by ESPN country teams highlight the universal nature of their welfare systems and the State’s obligation (at all relevant governance levels) to provide decent income transfers and access to all essential services to all residents. Thus, focusing on access for low-income households was, according to the country teams, a particular challenge. In both countries, no specific direct measures exist for facilitating access for people on low incomes to essential services. Access to essential services is guaranteed through overall social assistance programmes which are meant to improve the income level of individuals and households, ensuring that they are able to cover their essential daily expenses, including the six essential services targeted by this study.
- Similarly, in Denmark, the overall approach is to provide MI benefits at a level that enables participation in society, including the ability to pay utility bills, transport tickets and other costs related to essential services.

No direct measures to facilitate access to essential services for people on low incomes have thus been identified in any of these three countries. Another important common feature is the fact that although social assistance is set within broader national policy frameworks, some forms of social assistance are implemented at the municipal level. Thus, particularly for some essential services (e.g. public transport), the support that is provided for social assistance beneficiaries may vary according to where the person lives.

Table A1 in the Annex provides a more comprehensive overview of the eligibility criteria used to determine access to the support available for people on low incomes to facilitate their access to different essential services. Although the diversity of approaches is illustrated in the above-mentioned table, a complete description of the national situation in each ESPN country is available in individual ESPN national reports.

²⁴ The ISEE value refers to “equivalised” individuals. To obtain means testing thresholds for different sized households, the value of the ISEE has to be multiplied by the specific equivalence scale used for the ISEE.

2 SUPPORTING ACCESS TO ESSENTIAL SERVICES FOR PEOPLE ON LOW INCOMES WITHIN THE SCOPE OF PRINCIPLE 20 OF THE EPSR

Member States are responsible for defining, organising, delivering and financing essential services at national, regional or local level. The services listed in Principle 20 of the EPSR are of the outmost importance in people's daily lives and a crucial element of social inclusion across the EU.

Given that Principle 20 reiterates that essential services should be available to all and that support should be provided for those in need, Member States are expected and encouraged to give effect to the principle, namely the need to ensure affordability in terms of the "price of services relative to the income of low/average income consumers (reported for consumers with different income levels)"²⁵ (European Commission 2002: 11).

For five services – water, sanitation, energy, public transport and digital services – the 35 ESPN national experts were asked to provide existing (if any) national-level evidence on measures²⁶ aimed at facilitating access for people on low incomes to these services. The set of measures proposed included:

- reduced tariffs;
- cash benefits;
- in-kind benefits;
- advice/training or information services (e.g. information/advice on eligibility for existing benefits or reductions facilitating access); and
- provision of a basic/uninterrupted basic supply.

Providing this information was not a straightforward task for many ESPN country teams. Some major aspects need to be taken into consideration in the analysis of country-specific "narratives" regarding countries' efforts to support people on low incomes with regard to access to Principle 20's essential services.

On the one hand, as discussed on Section 1, ESPN country teams had to address national approaches to facilitating access to essential services for people on low incomes in a context with generally no definitions of "essential services" and varied or no definitions of "people on low incomes".

On the other hand, several ESPN experts voice their concerns regarding how to define a measure targeted at people on low incomes, or broader measures/ programmes relating to access to essential services. In several countries, although no measures directly targeting people on low incomes are identified, there are measures which indirectly target this group of the population, either because they cover categories of people which are known to be, for example, particularly affected by poverty, or because those measures are universal, and thus cover all individuals and households, including low-income groups. Additionally, approaches not based on the provision of specific support measures targeting people on low incomes may reflect more adequate universal provision of support which ensures that everyone is fully able to participate in society through more generous levels of social transfers.

²⁵ "When reporting information on consumers and users, differences in consumer types, income levels or regional location will be given insofar as allowed for by data availability" (European Commission 2002).

²⁶ For all six essential services examined in this report, national ESPN experts were asked to report on measures specifically targeting people and/or households on low incomes, facilitating their access to these services, rather than considering general social support measures (which are not the focus of this report),

Against this complex background, Section 2 draws on the information collected by the 35 ESPN country teams in order to provide an overview of ESPN countries' efforts in ensuring effective access for people on low incomes to the following six essential services: water, sanitation, energy, transport, financial services and digital communications. The comparative tables and figures provided reflect the overall assessment of the 35 ESPN country teams regarding each of the essential services under scrutiny. However, the detailed information provided in the ESPN national reports should also be examined, in order to gain a more complete picture of the national situations.

2.1 Ensuring access to water and sanitation: a basic human right

"The United Nations has explicitly recognised the human right to water and sanitation²⁷ and recommends that expenditure on household water bills should not exceed 3% of household income²⁸. Ensuring the availability and sustainable management of water and sanitation for all features as one of the United Nations Sustainable Development Goals for 2030²⁹." (WAREG 2017: 4)

On September 2015, the European Parliament issued a non-binding resolution classifying water as a "common good" and highlighting that water for personal and domestic uses should be of "good quality, safe, physically accessible, affordable, sufficient and acceptable".³⁰

The right to water should therefore be understood in a broad sense, i.e. not only ensuring that every person has a minimum amount of water for personal hygiene, consumption and other relevant uses, but also protecting access to water and guaranteeing that nations facilitate the provision of safe water at affordable prices (Chirwa 2020).

More recently, on 1 February 2018, the European Commission adopted a proposal for a new Drinking Water Directive, which explicitly refers to Principle 20 of the EPSR, and the need to address the problem of lack of access by vulnerable and marginalised groups³¹ to water intended for human consumption. The contribution of the European citizens' initiative³² on the right to water was crucial for the identification of this hindrance.

In February 2020, a political agreement³³ on the text of the new Drinking Water Directive was published. Article 16 defines a set of measures to be implemented by Member States in order to "improve or maintain access to water intended for human consumption for all, in particular for vulnerable and marginalised groups". Among other provisions, Member States will have to: i) ensure the identification of people experiencing lack or limited access to water intended for human consumption and the reasons for this situation; ii) assess possible ways to improve this access; and iii) promote measures to facilitate access for vulnerable and marginalised groups.

²⁷ The United Nations General Assembly explicitly acknowledged that clean drinking water and sanitation are essential to the realisation of all human rights. See: www.un.org/waterforlifedecade/human_right_to_water.shtml.

²⁸ UNDP, 2006, Human Development Report: <http://hdr.undp.org/sites/default/files/reports/267/hdr06-complete.pdf>. See also UN Resolution 64/292 adopted by the UN General Assembly on 28 July 2010.

²⁹ The UN Sustainable Development Goals are part of the UN Agenda for Sustainable Development by 2030. See: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

³⁰ https://www.europarl.europa.eu/doceo/document/TA-8-2015-0294_EN.pdf

³¹ For the definition of vulnerable and marginalised groups, see Proposal and Explanatory Memorandum available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1519210589057&uri=CELEX:52017PC0753>

³² https://europa.eu/citizens-initiative/initiatives/details/2012/000003_en

³³ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_6060_2020_REV_1&from=EN

At EU policy level, the principle that water services should be affordable is critical and reiterates the importance that the Union attributes to services that are at the core of Europe's social model. As a vital resource, water is considered a public good in the EU. National authorities – at the relevant governance level – are responsible for designing and implementing concrete support measures/programmes safeguarding disadvantaged people and tackling water-poverty issues.

The main focus of this sub-section is precisely to improve the understanding of ESPN countries' action in facilitating access for low-income households to water and sanitation services. It should be noted that access here refers to actual access that embeds availability of such services (within a reasonable distance), accessibility (physical or through information and communication technologies) and affordability.

2.1.1 Facilitating access to water and sanitation services for people on low incomes: from physical accessibility to economic affordability

The 2017 report of the *European Water Regulators (WAREG)* acknowledged that the right for all households to have physical access to safe drinking water infrastructures was not considered a major problem across the study's respondent countries.³⁴ The 2019 edition of the Eurostat report on Sustainable Development in the European Union (Eurostat 2019) restates a similar conclusion in the chapter giving an overview of the EU situation and monitoring SDG 6 in an EU context. A close link between physical access (or lack of access) to water and sanitation services and the vulnerability of households to poverty and deprivation is also highlighted in the report: "Poor people, with an income below 60% of the median equivalised disposable income, and thus considered to be at risk of poverty, had much lower levels of access to a bath, shower or toilet in their households. In 2017, 6.1% of poor people in the EU reported being affected by this situation compared to only 1.2% of those living above the poverty threshold." (Eurostat 2019: 132)³⁵ In 2018, according to the most recent Eurostat data, there was an overall reduction in the share of the population who do not have access to these basic amenities, although there is still a gap between people living below and above the at-risk-of-poverty threshold (5.4% and 0.9% respectively).

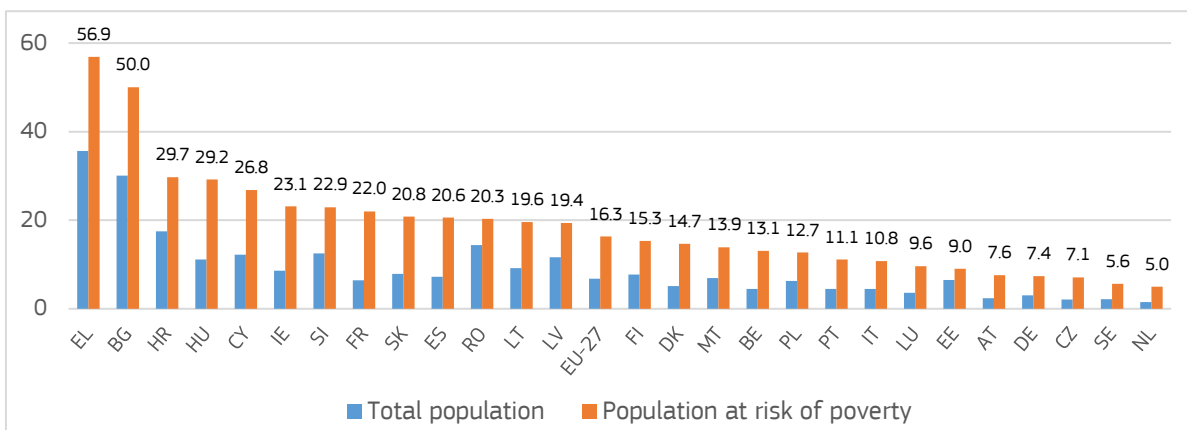
Nevertheless, differences exist between Member States with regard to levels of access to water services and sanitation, both at an aggregate level and when comparing the situation of people above and below the at-risk-of-poverty threshold. Geographical disparities among Member States are also reported.

Another relevant – although indirect – indicator of this strong link between low income and poor access to water and sanitation services is the share of the population facing arrears on utility bills, which include (also) water bills. Figure 1a provides the latest available data on the situation in the 27 EU Member States with regard to the share of the population in arrears on their utility bills. Figure 1b provides the same data for the UK and the other ESPN non-EU countries for which these data are available.

³⁴ A total of 17 WAREG territories participated in the study: Albania, Azores, Flanders, Bulgaria, Croatia, Denmark, Estonia, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Portugal, and Spain.

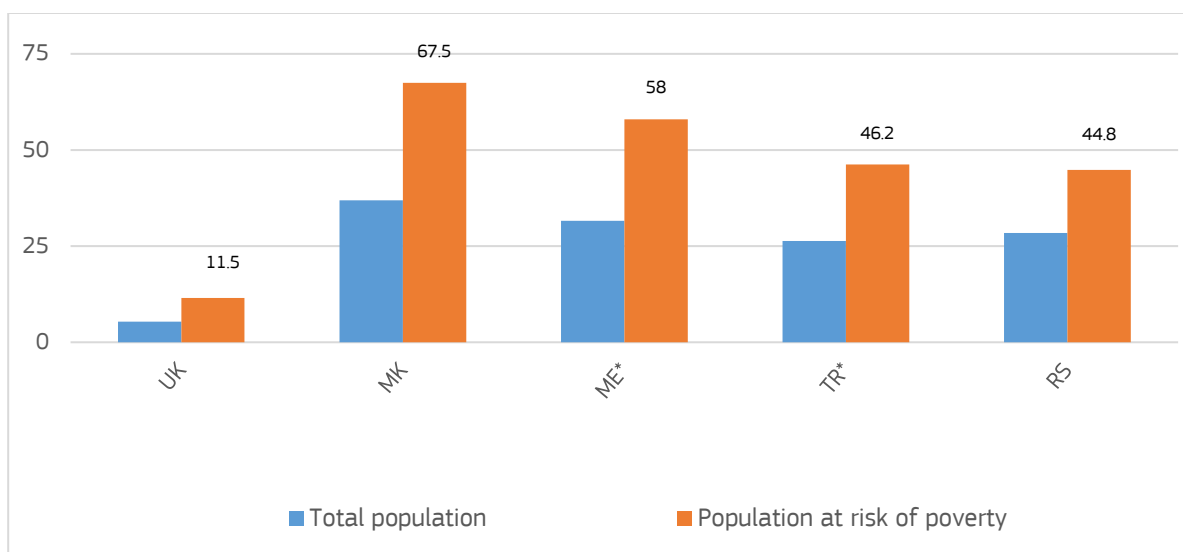
³⁵ For the definition of the EU "at-risk-of-poverty" indicator, see above.

Figure 1a: Proportion of people with arrears on utility bills, by level of income, EU countries, 2018 (%)



Source: Eurostat, own elaboration based on “EU Statistics on Income and Living Conditions” (EU-SILC), Table, ilc_mdcs07, February 2020.

Figure 1b: Proportion of people with arrears on utility bills, by level of income, UK and other ESPN non-EU countries, 2017 and 2018 (%)



Note: No data for AL, BA, and XK. (*) 2017 data.

Source: Eurostat, own elaboration based on EU-SILC, Table, ilc_mdcs07, February 2020.

In 2018, people at risk of poverty experienced a much higher level of arrears on utility bills than the overall population: 16.3% compared to 6.8%. In two EU countries (BG, EL) and two non-EU countries (MK, ME), the share of people at risk of poverty experiencing such difficulties was equal to or above 50%. In Serbia and Turkey, the proportion was close to 50% (44.8% and 46.2%, respectively).

The evidence provided for the present study by the 35 ESPN country teams seems to confirm this overall picture. In some countries, additional insights provided by ESPN national experts illustrate the persistence of serious constraints with regard to physical access to water and sanitation, affecting particular disadvantaged groups of the population. Examples highlighted by ESPN national experts include the following:

- In Bulgaria, water supply continues to be a serious problem, even in major cities where the lack of guaranteed access to water and sewerage services is one of the risks of ongoing ghettoisation processes.
- In France, about one million French residents have difficulties in accessing water, mostly people living in the street or in makeshift housing, and people in remote rural villages, along with numerous traveller communities.
- In Ireland, the situation of the Traveller communities living in specially-designated accommodation sites as well as the increasing number of families who live on unauthorised sites has raised concern about the quality of services, especially with regard to sanitation. A social portrait of Travellers published in 2017 reported that 2% had no piped water and 3% did not have a sewerage connection.
- In Slovakia, the Roma communities are in particularly disadvantaged conditions, especially with regard to access to good quality water and to sanitation (in 2019, 27% of the segregated Roma settlements had no connection to the public water supply network).
- Likewise, in Turkey, people living in Roma settlements, some refugee camps, and shantytowns are often deprived of access to water and sanitation systems.

In several other countries, the access barriers reported by ESPN national experts, in terms of physical accessibility to quality services of water and sanitation, clearly illustrate the persistence of territorial disparities as well as of access inequities affecting poor people/ households. For example:

- Inequities in access to water between urban and rural areas are reported by ESPN national experts in Lithuania, Poland, Albania, Bosnia and Herzegovina, Montenegro and Turkey. The most prevalent issues raised in all these countries are the difficult access to wastewater treatment systems, which has negative consequences on the quality of the water supplied, and access to collective sewerage systems.
- The Cypriot national experts report evidence on inequities in access, in 2018, to the sewerage network between households in the lowest income decile (51.6%) and households in the highest income decile (62.3%), in a country with a relatively low connection rate, i.e. only 55.2% of total households in Cyprus were connected to the sewerage network in 2018.
- In Romania – where in 2017 only 51.1% of the population is connected to a wastewater treatment system – according to Eurostat 2018 data, almost two thirds of the population at risk of poverty had neither a bath, shower, nor a flushing toilet in their dwellings, which may indicate a lack of connection to any sewerage system and water services.
- The UK experts highlight the situation of poor households with children. Their overall condition has been deteriorating over the years, particularly as a consequence of cuts in social benefits and the increasing water poverty gap, i.e. the increase in the amount above the water poverty threshold that households in water poverty are paying.

- In two other non-EU countries – Montenegro and Kosovo – ESPN national experts report the existence of access inequalities between poor and non-poor households: in Kosovo, in 2014, nearly half of the poorest households did not have access to either an improved drinking water source or improved sanitation; in Montenegro, in 2019, 78.2% of the poorest households have access to sufficient quantities of drinking water, compared to 85% of the overall population.

On 17 June 2019, the Council of the European Union adopted the EU Human Rights Guidelines on Safe Drinking Water and Sanitation (Council of the European Union 2019) which highlight the importance of the issue of water in EU external action. According to these guidelines, three core elements of the rights to water and sanitation are particularly relevant in the light of the situation reported above and the contents of the next sub-section: availability, accessibility and affordability.

A continuous and sufficient supply of water should be supplied to each person for personal and domestic uses; water and sanitation services should be accessible to everyone within or in the immediate vicinity of the household; and “While human rights laws do not require services to be provided free of charge, the price of sanitation and water services must be affordable for all. If a fee is charged, it must be such that it does not compromise the recipient’s ability to pay for other essential necessities guaranteed in human rights law, such as food, housing, healthcare and education.” (Council of the European Union 2019: 9)

2.1.2 Support measures facilitating access to water and sanitation services for people on low incomes

In most ESPN countries, the descriptions of the measures with regard to access to water and sanitation are often the same, since many of the mechanisms and players involved in the provision of water services and for sanitation are identical. Thus, the comparative analysis made in this sub-section jointly addresses both services, highlighting, where necessary, differences between water and sanitation when it comes to support measures for people on low incomes.

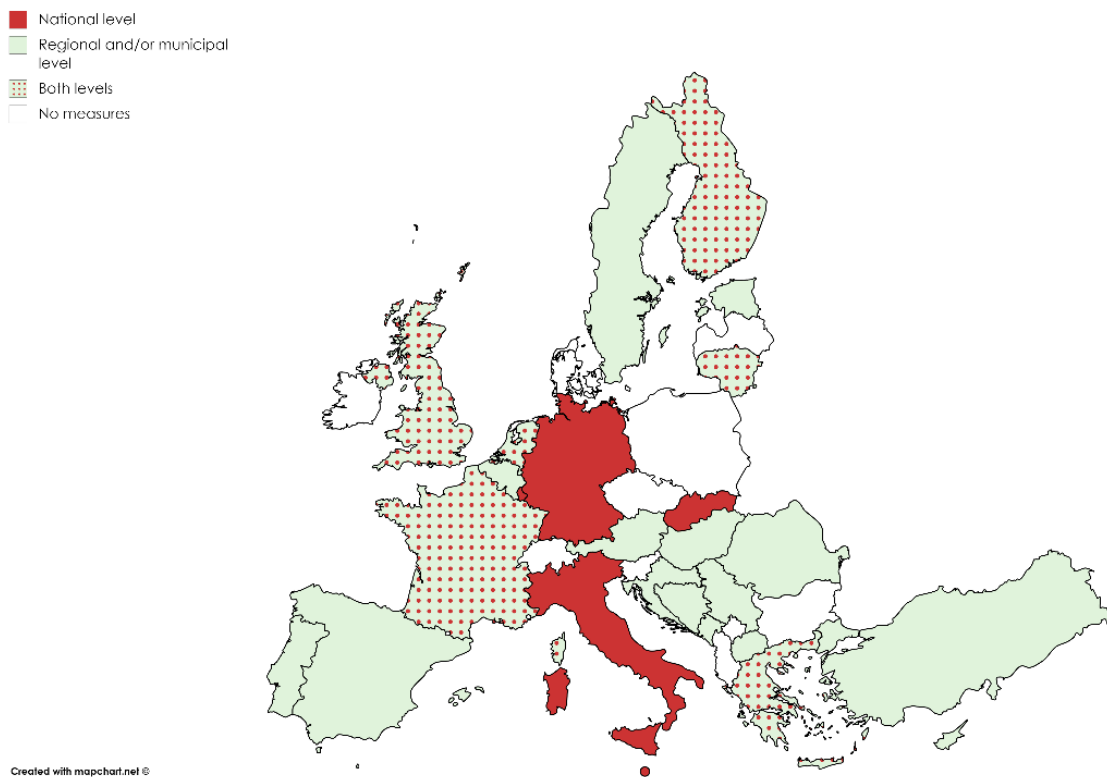
The 35 ESPN experts were asked to provide national or subnational level evidence on measures facilitating access to water and sanitation services³⁶ particularly targeting people on low incomes.

Figure 2 provides a general overview of measures³⁷ facilitating access to water and sanitation services, distinguishing between the different levels at which such measures have been implemented across Europe. Greece is the only country where, unusually, support measures are available for people on low incomes only for the provision of water services, but not for sanitation; in general, support applies to both areas.

³⁶ For the purpose of this report (and in the national reports produced by the 35 ESPN country teams), access to water and sanitation services is defined respectively as “access to water for hygiene, cooking and other home related purposes” and “access to systems for taking dirty water and other waste products away from dwellings in order to protect people’s health”.

³⁷ Advice/training or information services are the only types of measure which have not been included in this aggregate analysis of the support available to people on low incomes, given the wide variability of interpretations raised by this specific type of measure. Thus, these measures are dealt with at the end of this sub-section.

Figure 2: Measures aimed at facilitating access for people on low incomes to water and sanitation services, showing their level of implementation, ESPN countries



Source: ESPN national reports.

Overall, as regards access to water and sanitation services, a majority of ESPN countries tend to implement regional and/or local level support measures facilitating access for people on low incomes to these two essential services. This “preference” may be explained by the fact that in many countries the responsibility for the provision of water and sanitation (mostly by public operators) lies at the regional/local level, which means that regulations and practices may also differ substantially. Examples provided by ESPN experts include the following:

- In Belgium, both water and sanitation services are regulated and provided by the regions. The three regions have different policies with regard to access to these services and different support measures may apply; in Flanders, for example, protected clients – including people on low incomes who are eligible for certain social benefits – can access a number of in-kind services that can improve their access to water provision.
- In Estonia, the only (indirect) benefit facilitating access to both water and sanitation services is the subsistence benefit, which is paid by local governments and takes into consideration the costs of water and sanitation supply services; local municipalities may also provide social or subsidised housing to those households who are not able to afford it and this support also includes ensuring access to essential services, such as the supply of water and sanitation.
- In Spain, access to water and sanitation services and their supply is regulated and guaranteed by municipalities and, in general, by local governments. The latter set the general tariffs and the discounts applicable to the groups they consider to be people on

low incomes. These discounts on the water and sanitation tariffs vary between municipalities.

- In Sweden, where support to facilitate access to essential services for those on low incomes needs to be understood in the context of a universal welfare system³⁸, indirect measures to facilitate access for people on low incomes to water and sanitation are available through the social assistance programme which is organised at the local level.

In some countries, although there is evidence of national legal frameworks underlying the implementation of measures facilitating access of low-income groups to water and sanitation services, local providers often have discretion to implement such measures. For example:

- In Portugal, the so-called “social tariff” for water and for wastewater collection and treatment, targeting low-income households, is defined in national legislation. However, its implementation is not compulsory across Portuguese municipalities (or municipal companies), but rather decided on an individual (municipal) voluntary basis.
- Similarly, in Poland, access to water and sanitation are legally regulated by national Acts which set out an obligation for local authorities to provide these two essential services. Yet, the tariffs are set at the local level, as well as any benefits.
- In Montenegro, municipalities may “to the extent of their material capacity” provide subsidies to support the payment of public utilities – e.g. water and sanitation services – for people entitled to certain social benefits, such as the family material support.

In Finland, Lithuania, Netherlands and the UK, ESPN national experts identify both national and subnational support measures aiming at facilitating access of people on low incomes to both water and sanitation services. Yet, the descriptions provided reveal clear differences within this category of countries:

- The Finnish national experts argue that support for people on low incomes to access essential services cannot be disentangled from the operation of the basic social assistance; this is centralised at national level and comprises a fixed sum of money to cover the essential costs and essential services of daily living, as well as supplementary social assistance, and the preventive social assistance which is managed at municipal level. These three forms of social assistance are available to safeguard the needs of people on low incomes with regard to access to water and sanitation services.
- Similarly, in the Netherlands, people on low incomes are entitled to general social support measures aimed at improving spendable income, which enable them to afford and thus access water and sanitation services; additionally, special benefits for people on low incomes may apply at the local level.
- In Lithuania, the main measures aimed at facilitating access for people on low incomes to water are drinking water allowances and assistance to connect to the district water supply systems (for those using water from wells). The rules on provision of allowances are set at national level, while those related to assistance to connect to the district water supply systems are set by municipalities. Additionally, other local measures for people on low incomes may include the provision of shower, sauna and laundry vouchers.
- In the UK, water and sewerage services – which were privatised in 1974 – are provided on a regional basis. Different schemes targeting people on low incomes are in place, some of which are offered by all companies across the country (e.g. the *WaterSure* reduced tariff),

³⁸ Please refer to Sub-section 1.2 and to the individual national report for more detailed information on this.

or cash benefits offered in specific regions (e.g. a cash benefit provided by Central Government in the South East region).

In Germany, Italy and Slovakia the ESPN country teams only identify national level measures available to help people on low incomes access water and sanitation services:

- In Germany, where water and sanitation services are included in municipal infrastructure services, a total or partial reduction of the costs of water supply and sanitation provision is provided for low-income households in the form of benefits under the German MI scheme (total) or housing benefits (partial).
- In Italy, national reduced tariffs (the “TARI bonus”, consisting of a rebate on the waste tax paid for sanitation³⁹) and in-kind benefits (the Water bonus) have recently been introduced, directly targeting low-income households.
- In Slovakia, a specific national support measure aims at facilitating access for people on low incomes to water and sanitation services: the building of the necessary water and sanitation infrastructure, mainly funded by EU funds, in marginalised Roma settlements.

In six EU countries (BG, CZ, DK, IE, LV, SI) and two non-EU countries (AL, XK), ESPN country teams report no support measures targeting low-income persons or households to facilitate access to water and sanitation (Figure 2). This assessment needs to be carefully explored in order to fully understand the different national contexts where this “non-existence” of targeted support measures actually occurs:

- The situation in Ireland clearly illustrates the need to see this statement in context. At present, in Ireland, there are no charges for water supply or sanitation services, i.e. access to centralised water and sanitation services for all households is paid for by the state. Yet, individuals/households using the centralised supply will have to pay for excess usage as of 2021.
- The situations in Czechia and Denmark are somehow similar, with general measures that may help people on low incomes to access essential services. Indirect support is provided within a system of MI benefits and means-tested benefits set at levels that are supposed to cover the costs of water and sanitation services. No specific support measures targeting people on low incomes/households have been identified.
- In Latvia and Slovenia, there are no specific measures aimed at facilitating access of people on low incomes to water and sanitation services; the housing allowances either at national or local level (LV) or the cash social assistance and the income supplement which are part of the MI scheme (SI) do not contain any provisions for covering water and sanitation costs.
- The descriptions provided by the ESPN national experts from Bulgaria and Albania (where no specific measures targeting people on low incomes are in place) tend to highlight persisting frailties in access to water and sanitation services: problems with guaranteed access, quality and overall costs deriving from infrastructure and operational problems.

³⁹ The measure aims at addressing affordability problems among low-income groups regarding the payment of the TARI (*Tariffa Rifiuti*) tax which was introduced in 2014. It was introduced in 2020 and details about the size of the benefit and entitlement criteria are still not available.

- In Kosovo, although there is currently no scheme in place to assist low-income households to access water and sanitation services, a new scheme may be introduced in 2020, aimed at providing direct transfers for water and sanitation services for households entitled to the social assistance scheme.

Reduced tariffs and cash benefits: a preference for facilitating access to water and sanitation services for people on low incomes

In two thirds of the countries covered by the ESPN study, country teams identify at least one type of measure – reduced tariffs, cash benefits, in-kind benefits or basic/uninterrupted supply of water – aimed at helping low-income households to access water⁴⁰ or sanitation⁴¹ services.

Table 4: Grouping of countries according to the type of measures in place facilitating access to water and sanitation

Reduced tariffs	Cash benefits
BE, CY, EL, ES, FR, HR, IT, MT, NL, PL, PT UK, ME, MK, RS, TR	BE, CY, DE, EE, FI, FR, HR, HU, LT, NL, RO, SE UK, BA
In-kind benefits	Basic/uninterrupted supply of water
BE, EL, ES, FI, HU, IT, LT, MT, RO, SK TR	AT, BE, DE, ES, FI, FR, HR, IT, LU, LV, MT, NL UK

Note: Several answers possible.

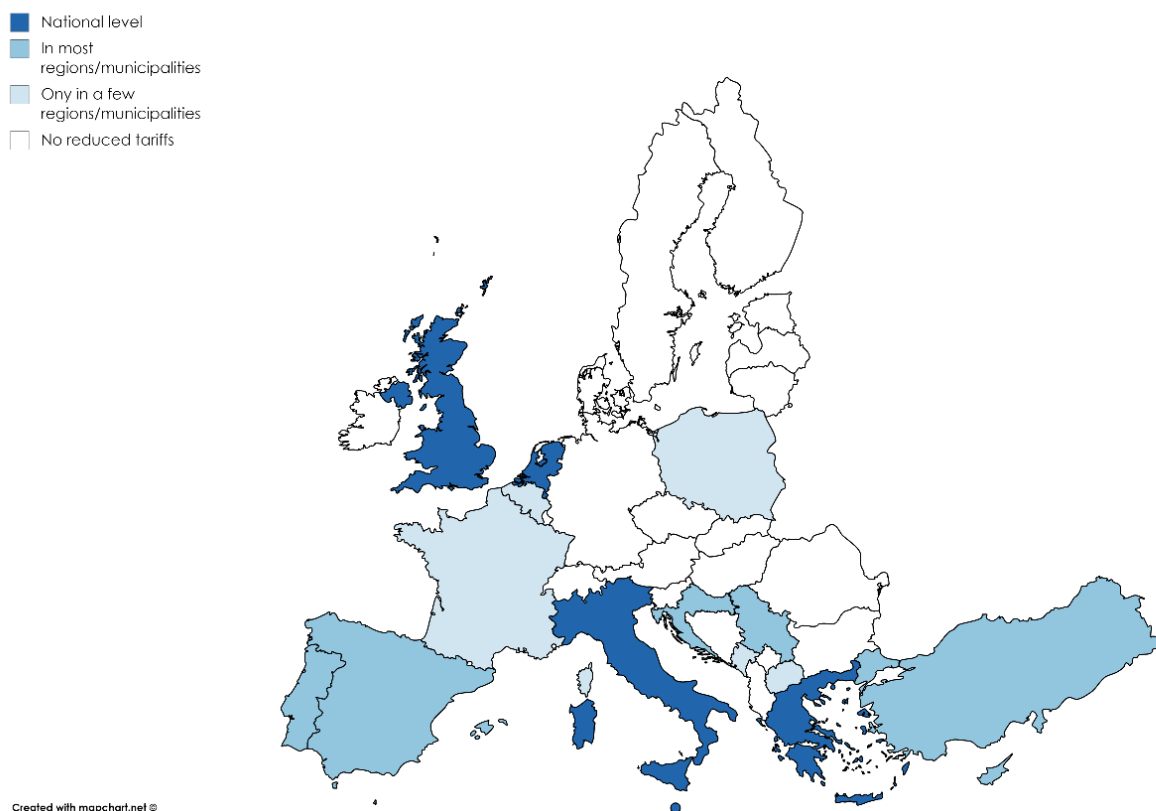
Source: ESPN national reports.

Reduced tariffs and cash benefits are by far the most common types of measures identified across the reporting countries (Table 4), whereas in-kind benefits are only present in 11 ESPN countries. Twelve out of the 27 EU ESPN country teams, as well as the UK team, describe a basic supply of water or mechanisms ensuring an uninterrupted basic supply of water.

ESPN non-EU countries mostly provide assistance in the form of reduced tariffs. Bosnia and Herzegovina and the UK also provide assistance in the form of cash benefits. The UK is the only country outside the EU where mechanisms exist to ensure a basic/uninterrupted supply of water.

⁴⁰ A full comparative table identifying the measures available in each ESPN country, with regard to water services, and the level at which they are implemented, is included in Table A2 in the Annex.

⁴¹ A full comparative table identifying the different measures available in each ESPN country, with regard to sanitation services, and the level at which they are implemented, is included in Table A3 in the Annex.

Figure 3: Availability of reduced water and sanitation tariffs targeting low-income

Source: ESPN national reports.

Figure 3 provides an overall picture of the distribution and intensity of **reduced tariffs** for water across the 35 countries, which, in most cases, also illustrates the situation in relation to sewerage services.

ESPN national experts from 16 countries (11 EU countries [BE, CY, EL, ES, FR, HR, IT, MT, NL, PL, PT] and five non-EU countries [UK, ME, MK, RS, TR]) report reduced water and/or sanitation tariffs. Of these, only in Greece, Malta and the UK are reduced tariffs usually available, at national level, from all supplying companies allowing people on low incomes to have access to these reduced tariffs (Figure 3), although there is evidence of regional disparities in the amount of support provided. For example:

- In the UK, different schemes are operated at national level by various private water and sewerage companies which offer reduced bills (*WaterSure*), and social tariff schemes. The eligibility criteria for the schemes and the level of support provided vary considerably according to the provider, although companies are obliged to consult with the Water Consumer Council (*CCWater*) in setting these tariffs. According to the UK ESPN national experts, “the schemes currently in place are likely to leave more than half of the problem unaddressed” within a context of a continuous rise in water and sewerage prices over the last 30 years⁴².

⁴² The privatisation of water services took place in 1974 in the UK.

- In Greece, water and sanitation services are provided by different publicly owned operators. Similarly to the UK, although special tariffs are available for people on low incomes (e.g. beneficiaries of the MI scheme), the amount of the discounts vary depending on the area of residence and the provider.

There is evidence of wide availability of reduced tariffs in several countries (e.g. CY, ES, HR, PT, RS and TR) where this mechanism has been put in place in most regions and/or municipalities. In these countries, water provision is organised at regional and/or local level, and reduced tariffs for specific low-income households (e.g. MI scheme recipients, low-income pensioners, recipients of other means-tested social benefits) are reported by national experts in most geographical areas. However, the eligibility criteria and the implementation of these schemes vary according to the providers. ESPN experts from these countries highlight specific practices in this context:

- In Croatia, local governments are obliged to ensure the provision of water and sanitation services to vulnerable groups in their area. They are bound by the Law on Water Services, which determines that water services and sanitation should be provided at socially affordable conditions, i.e. a 60% reduction in tariffs for recipients of the MI scheme.
- In Portugal, where the legal framework for these measures is defined at national level, municipalities may opt not to apply the social tariff for water in their territory. Moreover, the effectiveness of the measure in supporting low-income households may be hampered by the imposition of minimum/maximum limits for water consumption in order to have access to the tariff (regardless of the household size) and the different prices set by the municipalities for the provision of water and sanitation services. This may lead to a situation where someone eligible for the social tariff in one municipality pays more for the same amount of water than another person on a normal tariff elsewhere.
- In Serbia, the implementation of mechanisms providing reduced tariffs for people on low incomes (e.g. those receiving financial assistance) varies among local communities (LC). The ESPN national experts report that a recent (2019) review of policy measures applied in 56 LC, reveals that 22 local communities (representing 33% of the total population in 2018) had measures to facilitate access to water and sanitation services; out of these 22 LCs, 17 were located in the city of Belgrade. Additionally, some LCs reported that previous support schemes had been discontinued due to a lack of funds.
- In Turkey, where municipalities may apply discounts to different population groups (e.g. households below a certain income threshold), discount rates are usually around 50%.

Access to reduced tariffs is available in only a few regions or local areas in countries such as Belgium, France, Montenegro and North Macedonia. For example:

- In the Belgian region of Flanders, there is evidence of a progressive social tariff for water services which applies to some categories of protected clients (e.g. MI scheme beneficiaries and pensioners who are beneficiaries of the minimum pension scheme), granting them a reduction of 80% on their respective water bills.
- In France, a small number of municipalities, estimated at under 10%, have replaced linear pricing of water, at the same price per m³ whatever the level consumed, by a progressive pricing system in which the price per m³ varies depending on the consumption band.

- In Montenegro and North Macedonia, beneficiaries of specific means-tested allowances (i.e. beneficiaries of the family support allowance in Montenegro and beneficiaries of the permanent financial assistance in North Macedonia) are entitled to a reduction in their monthly water and sanitation bills which varies according to their area of residence. In Montenegro, reductions in water bills in the municipalities of Podgorica, Budva, and Nikšić may vary between 30 and 50%. In North Macedonia, the ESPN national expert reports that in Prilep and Skopje, access to water is subsidised up to a specific amount of water consumption (e.g. 5 to 10 m³ per household/monthly).

In two countries (Italy and Malta), the use of reduced tariffs to support those on low incomes applies differently in the case of the provision of water and of sanitation services:

- In Italy, the recent introduction of the “TARI bonus” – a rebate of the waste tax paid per dwelling by people on low incomes (see above).
- In Malta, unlike water services, access to sanitation is free for all persons living in Malta or Gozo and, as a consequence, no specific support measures need to be applied.

Overall, reduced tariffs to facilitate access by people on low incomes to water (and in most cases also sanitation) services seem mostly present in Southern and Eastern EU countries, as well as most non-EU countries, including the UK.

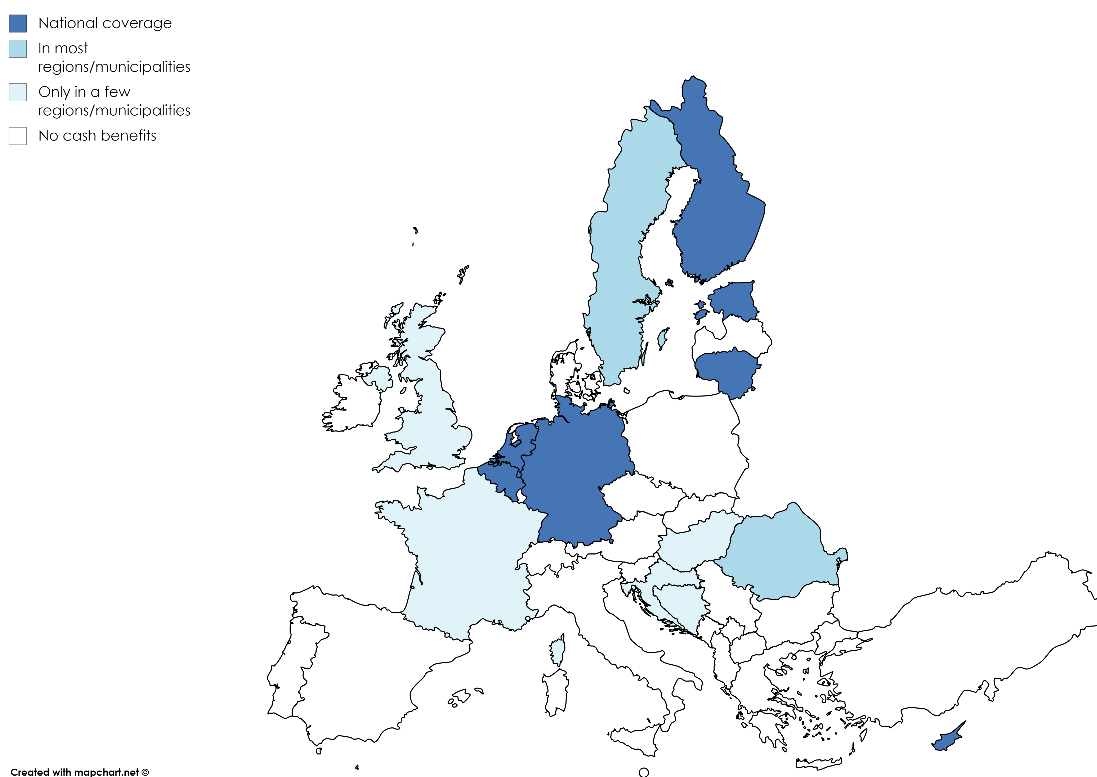
Several reports (e.g. Acqua Publica Europea 2017 and WWAP 2019b) highlight how complex it is to set tariff structures, since there is a need to balance different key objectives – cost recovery, economic efficiency, equity and affordability. It is therefore a difficult task to establish adequate mechanisms for reduced water and sanitation tariffs for an ill-defined group of “people on low incomes”.

The descriptions provided by the ESPN country teams in this sub-section, of reduced tariff mechanisms available for low-income households, seem to echo that complexity, by revealing aspects which may hinder the effectiveness of such support, such as:

- Evidence of gaps in coverage of all people on low incomes and households, as a consequence of the eligibility criteria used.
- Inequalities in support to people on low incomes arising from territorial availability/non-availability of existing schemes.
- Variability of tariffs within the national territory which are not taken into consideration in the design of the reduced tariff mechanisms.
- Use of consumption limits as eligibility criteria which do not take into account variables important for assessing affordability issues, such as household composition.

The use of **cash benefits** to compensate the impact of the costs of water and sanitation services on the disposable income of low-income households is reported by 14 ESPN country teams (Figure 4).

Figure 4: Availability of cash benefits for water and sanitation targeting low-income households, ESPN countries



Source: ESPN national reports.

The comparison between Figures 3 and 4 reveals one immediately striking difference, i.e. an apparent south-north “drift” of available support, with fewer non-EU countries offering cash benefits. Out of the 14 countries (BE, CY, DE, EE, FI, FR, HR, HU, LT, NL, RO, SE, UK, BA) which report the existence of cash benefits for water and/or sanitation, only six “countries” (BE [only in Flanders], CY, FR, HR, NL, UK) offer both reduced tariffs and cash benefits to provide support for low-income households.

In Belgium, Germany, Estonia, Finland, Lithuania, Malta and the Netherlands, national cash benefits are available to facilitate access for low-income households to water and sanitation services. However, the nature of these cash benefits varies significantly among the countries. In Finland, Germany and the Netherlands, support for people on low incomes regarding access to water and sanitation services is provided through the social assistance provided as part of the MI benefit system, which explicitly take into consideration the costs of these (and other) essential services:

- In Finland, people who have difficulties paying for their water can resort to the three available forms of social assistance (*toimeentulotuki*); similarly, access to sanitation is guaranteed either via income transfers/ reimbursements in the form of social assistance or via municipal home care services.
- Likewise, the German ESPN national expert highlights the role of MI benefits and housing benefits as the main mechanism available enabling low-income households to cover the total (in the case of MI) or partial (in the case of housing benefits) costs of water and sanitation services.

- The Dutch situation is somewhat similar: general social support measures aimed at increasing the spendable income of people on low incomes are the main support available to facilitate access to water and sanitation. In addition, water-related cash benefits are available in case of need.

In Estonia, there is a specific cash benefit for people on low incomes – the subsistence benefit – which takes into account the costs of water and wastewater services and which is paid by local governments to help ensure the solvency of low-income households.

The cash benefits described by the Lithuanian ESPN national expert, on the other hand, consist of specific compensation provided to people (e.g. people eligible for cash social assistance) whose cold water costs exceed 2% of the household's or person's income. Similarly, in Malta, low-income households are entitled to the so-called "Energy Benefit" which covers water, electricity and gas. Persons who qualify for the energy benefit (e.g. people in difficult social circumstances and beneficiaries of specific means-tested benefits) receive a subsidy of not more than €59 per year in respect of the water meter rent.

The Swedish social assistance programme and the housing allowance provide indirect support, in the sense that water costs are included in the rent and thereby included in the calculation of the cash benefit under the respective programme.

In another group of countries (FR, HR, HU, UK and BA), low-income households may be eligible for cash benefits in only some or a few regions or municipalities. Examples of existing measures include the following:

- In Belgium (Wallonia and Brussels Capital Region), municipalities can grant financial support for the payment of water and wastewater treatment bills to beneficiaries of the MI scheme.
- In Bosnia and Herzegovina, 14 local self-governments recently introduced a cash benefit to help low-income households to access water and sanitation services. In order to be entitled to the cash benefit, people – consumers of water services, who have signed the service contract with the public communal utility – must be categorised by the Centre for social work as "socially and economically disadvantaged persons with insufficient income to provide for living – persons who are entitled to social assistance from the centre for social work, in accordance with valid law on social protection". In monetary terms, the average cash benefit per person per month is approximately €1.50.
- In Hungary, there are many different local regulations in place, some of which determine that households identified as eligible to receive support by local decree, may receive cash support⁴³ to cover housing-related costs (e.g. water, sewage, gas, electricity or wood).

In-kind benefits are used as a tool to facilitate access of low-income households to water and sanitation services in 10 EU Member States and in Turkey.

⁴³ In-kind support, however, is the most common type of help provided to people on low incomes in Hungary.

ESPN national experts describe the implementation – at national, regional or local level – of different types of in-kind benefits. For instance:

- In Belgium, “protected clients” may ask for a free “water scan”⁴⁴ or request specific payment arrangements to facilitate the payment of their bills; additionally, many municipalities distribute free waste bags or grant subsidies to buy such bags, especially targeting people on low incomes.
- In Hungary, the Ministry of Innovation and Technology is running a pilot programme targeting settlements in deep poverty. The programme helps fund the building of bathrooms in the flats, thus ensuring access to the public water and sewage system.
- Since July 2018, in Italy, low-income households may be entitled to receive the so-called “water bonus” (*bonus acqua*) through which they receive 50 litres of water per day, per person, free of charge.
- In Lithuania and Romania, municipalities cover all or some of the costs of connecting low-income households to the water and sewerage system.
- In Spain, a Social Fund has been set up by water companies which have been granted the concession to provide home water services, and which is used to pay the water bills of people living in severe poverty or social emergency situations.
- The UK national experts report that low-income households may opt for free installation of a water meter, which may be an effective way of bringing down their water bills.
- The Turkish expert reports that a small number of local authorities apply measures to subsidise water costs for households on low incomes. For instance, the Greater Istanbul Metropolitan Municipality has decided to provide them with 500 litres of water free of charge per 2,500 litres consumed (up to 30,000 litres per month), as an initial step towards recognising water as a “human right”.

ESPN country teams were asked to identify existing **advice/training or information services** (e.g. information/advice on eligibility for benefits or reductions) aimed at facilitating access for people on low incomes to water and sanitation services. Overall, the national thematic reports show that advice and information services on the operation of water and sanitation services are available for the general population and, thus, for low-income households too. Information is usually promoted through suppliers’ webpages, social assistance offices (online or on-site), one-stop customer information points and awareness campaigns.

Few specific initiatives and/or services are reported directly targeting people on low incomes to facilitate their access to support measures, advice or assistance. Such targeted provision is only reported by three ESPN country teams:

- In Belgium, regular information campaigns are organised by the regional water regulation agencies to inform people about special tariffs, services and ways to save water. People on low incomes are a hard-to-reach group and, therefore, Public Social Welfare Centres (PSWCs), social NGOs and anti-poverty organisations actively invest through their own networks to inform people on low incomes about their rights.

⁴⁴ A water scan is a test carried out by the water company, to check whether the client’s water consumption is within “normal” bounds (taking account of the composition of their household), and to advise him/her if it is not.

- In the Netherlands, besides information and advice mechanisms regarding general benefits and reductions provided by municipalities and Water Authorities, a digital drinking water map (*Drinkwaterkaart*) provides an overview of all free public water taps in the country;
- The UK ESPN country team highlights several initiatives particularly relevant for low-income households, such as:
 - citizens Advice Bureaux who provide advice especially on debt management, including water debt;
 - benefit entitlement checks aimed at supporting customers by helping them identify whether they are claiming all the benefits to which they are entitled; and
 - water efficiency home audits, i.e. visits to customers' homes to help them identify how to save water and therefore reduce metered bills.

Disconnections from the water supply network: a violation of human rights?

“Caution must be taken in order to clearly differentiate between ‘water rights’ and the human rights to water and sanitation. Water rights, which are normally regulated under national laws, are conferred to an individual or organization through property rights or land rights, or through a negotiated agreement between the state and landowner(s). Such rights are often temporary and can potentially be withdrawn. The human rights to water and sanitation are neither temporary nor subject to state approval, and they cannot be withdrawn.” (WWAP 2019a:2)

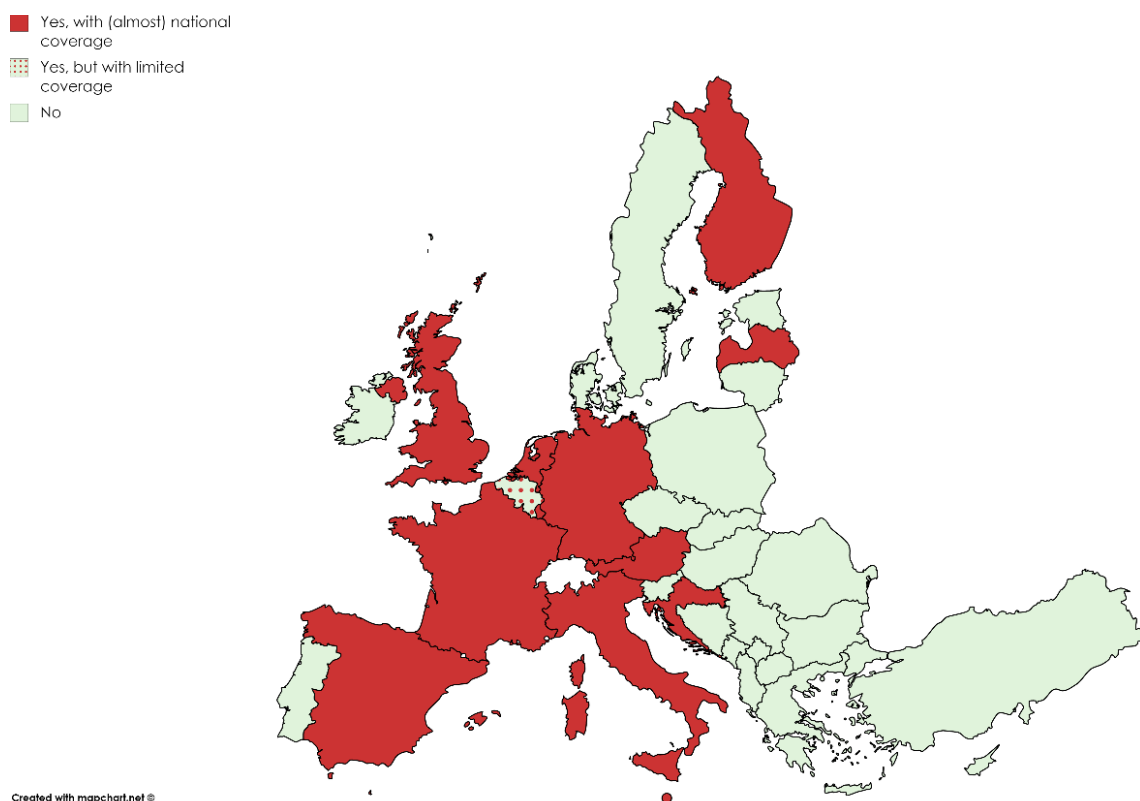
The EU and Member States are strongly committed to ensuring the progressive realisation of the human rights to safe drinking water and sanitation for all, in line with Sustainable Development Goal 6 of the UN Agenda 2030.

Disconnection of water services related to households' failure to pay due to lack of means constitutes a violation of the human right to water, i.e. human rights forbid disconnections whenever there is genuine inability to pay. This position has been clearly affirmed by the UN Special Rapporteur on the right to safe drinking water and sanitation, reacting to 2014 reports of widespread water disconnections in the US.⁴⁵

The 35 ESPN country teams were asked to provide evidence of existing measures ensuring the provision of a basic or an uninterrupted basic supply of water for people on low incomes. According to their assessment, the human right to water (as proclaimed by the UN and reaffirmed by the EU, through its strong commitment to the implementation of the UN 2030 Agenda for Sustainable Development) is actually only fully protected in 11 out of the 27 EU Member States (AT, DE, ES, FI, FR, IT, HR, LV, LU, MT, NL) and in the UK. Figure 5 illustrates the current overall situation⁴⁶.

⁴⁵ Detroit: Disconnecting water from people who cannot pay - an affront to human rights, say UN experts, available at <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=14777>

⁴⁶ In some countries (e.g. Sweden), there is no specific measure ensuring a basic/ uninterrupted supply of water for people on low incomes. Disconnections may occur but only after severe defaulting on payments, and water suppliers need to ensure that there are no health consequences arising from disconnections.

Figure 5: Provision of a basic or uninterrupted supply of water, ESPN countries

Source: ESPN national reports.

In these 11 EU Member States (AT, DE, ES, FI, FR, IT, HR, LV, LU, MT, NL) and in the UK, ESPN country teams identify national or almost national-level procedures which ensure that low-income households are protected from being deprived of access to the basic supply of water in case of unsettled bills or lack of payment. Nevertheless, there is a variety of approaches across these countries, involving different procedures. For instance:

- Ban on cutting off the water supply, even in the case of unpaid bills (FR, UK):
 - In France, for example, Act No. 2013-312 of 15 April 2013 prohibits the cutting off of the water supply of a main residence even in the case of unpaid bills. This law is based on the right “to access drinking water in conditions that are financially acceptable to all”.
- Prevention mechanisms and/or assistance to avoid disconnections from the water supply network (AT, DE, FI, LU):
 - In Austria, “Water Supply Utilities” (WVUs, *Wasserversorgungsunternehmen*) run by municipalities rarely proceed with disconnections in case of unsettled bills, providing uninterrupted supply and arranging mechanisms to find alternative solutions.
 - In Germany, where an interruption of water supply may only occur when there is an eviction, there are prevention and assistance mechanisms in place at the local level.

- In Luxembourg assistance is provided to households by social offices, within a context where, the ESPN expert argues, there is lack of clarity in relation to the implementation of existing legislation guaranteeing access to water for all those who are eligible for social aid.
- Guaranteed provision of a basic supply of water to households in case of disconnections (HR, IT, NL).
 - In Croatia, the public water service provider is obliged to provide water for human consumption of at least 50 litres per household member daily, for a period of at least eight hours, in a manner and place determined by the general conditions of water delivery services, taking into account vulnerable users.
 - Likewise, in Italy, there is an obligation to provide a basic supply equal to 50 litres per day for each household member in case of temporary arrears in the payment of the water bill.
- Technical impossibility to disconnect the water supply network to selected clients (LV). The Latvian ESPN national expert reports the specificity of the current national situation, which does not involve a specific procedure to protect the right of vulnerable households. Rather, it takes the form of a technical impediment: “access to water is considered to be provided as an uninterrupted supply because it is technically impossible to interrupt the water supply to only some users in multistore buildings”.

In Belgium, the ESPN expert underlines the diversity of disconnection procedures in case of unsettled bills. In Flanders, a disconnection requires a decision to be taken by a Local Advisory Committee (LAC), made up of social workers from the PSWCs and representatives of the water companies. The Belgian expert highlights the significant differences in the attitudes of LACs: some are more inclined to recommend disconnection, whereas others prioritise protection of vulnerable clients. However, the efforts of civil society organisations and PSWCs have resulted in a considerable decrease in the number of disconnections. In Wallonia, disconnections are subject to approval by a judge. Many judges refuse to authorise disconnections because they consider them an infringement of human dignity.

In the remaining 22 countries, except to a certain extent Ireland, there are no mechanisms in place to protect low-income households’ right to water in the event of inability to pay for the costs of the service. A few ESPN national experts, however, refer to support practices applicable when vulnerable households have financial difficulties in paying for the provision of water services. These practices aim to sustain the provision of water, even though no formal safeguards are in place. For instance:

- In Cyprus, local providers tend to be supportive in providing uninterrupted water supply, as long as consumers agree to enter into some form of agreement in order to pay overdue bills, even in very small instalments.
- In Kosovo, where no protection measures are in place, the various Regional Water Companies rarely choose to disconnect households as a consequence of unpaid water bills.

Even if Ireland is also in this large group of countries without mechanisms to protect low-income households’ right to water, the situation in this country is very specific. As referred to previously, in Ireland, water is protected as a public good: the Irish state pays for water for all households on centralised supply, thus ensuring the automatic protection of a general right to water.

2.2 Fighting energy poverty: a brief overview of current challenges across Europe

Energy poverty currently affects a significant number of European households, and is a complex multi-dimensional challenge for European governance and policy strategy at different levels. While the present Synthesis Report only addresses access to energy for people on low incomes, it is important to recall that energy poverty also affects a large proportion of middle-income households in a significant number of Member States. In 2017, a significant proportion of households unable to keep their homes warm or who were facing arrears in utility bills belonged to the middle-income group (European Commission 2019a).

The EU's Second Energy Package of 2003 introduced the first set of energy-specific consumer protection rules, particularly relevant to the topics addressed in this Synthesis Report in relation to access of people on low incomes to energy. These rules include:

- public service obligations⁴⁷ which establish the protection of vulnerable consumers as well as protection norms safeguarding consumers from disconnection practices; and
- measures ensuring consumer rights which include access to information.

The Third Energy Package of 2009⁴⁸, based on the previous set of measures, included the publication of Directives 2009/72/EC and 2009/73/EC which, for the first time, addressed the concept of Energy Poverty (EP) and instructed Member States to devise national policy frameworks (e.g. national action plans) to tackle energy poverty, including the adoption of appropriate measures/ programmes to protect vulnerable customers, to be defined by each Member State (see Box 1). Energy poverty was thus brought into mainstream EU energy policy.

Box 1: Art 3 (7) Third Energy Package

Member States shall take appropriate measures to protect final customers, and shall, in particular, ensure that there are adequate safeguards to protect vulnerable customers. In this context, each Member State shall define the concept of vulnerable customers which may refer to energy poverty and, inter alia, to the prohibition of disconnection of electricity (gas) to such customers in critical times.

Source: Electricity and Gas Directives (Directive 2009/72/EC; Directive 2009/73/EC)

More recently, in 2019, the Clean Energy for all Europeans Package⁴⁹ (hereafter the Clean Energy Package) paves the way for further tailoring of consumer rights to electricity. The latest annual report by the EU Energy Poverty Observatory (EPOV) recalls that the eight legislative acts included in the Package target a variety of EP-relevant sectors, e.g. energy efficiency, energy performance of buildings, governance rules for the Energy Union. Additionally, the directives included in the Package “oblige Member States to acknowledge the prevalence of energy poverty in their Energy and Climate Plans and, if necessary, require them to set up measures to address the phenomenon” (Bouzarovski and Thomson 2019: 8).

⁴⁷ Article 27 of the recast Electricity Directive 2019/944, requires Member States to ensure that all household customers, and, where Member States deem it appropriate, small enterprises, enjoy universal service, i.e. the right to be supplied with electricity of a specified quality within their territory at reasonable, easily and clearly comparable, transparent and non-discriminatory prices. A supplier of last resort may be appointed by Member States to ensure the provision of universal service.

⁴⁸ For detailed information on the Third Energy Package, see: <https://ec.europa.eu/energy/en/topics/markets-and-consumers/market-legislation/third-energy-package>

⁴⁹ <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/clean-energy-all-europeans>

Moreover, under the Clean Energy Package, the European Commission has an obligation to provide guidance on suitable indicators to assess the number of households in energy poverty, based on a common approach to energy poverty⁵⁰. A strong reference to energy poverty is also included in the Energy Performance of Buildings Directive (2018/844/EU⁵¹) which is expected to help reach the building and renovation goals set out in the European Green Deal. And Commission Recommendation (EU) 2019/786 on Building Renovation⁵² extensively refers to energy poverty challenges; it proposes a set of energy poverty indicators (e.g. share of people affected by energy poverty, share of buildings in lowest energy classes) and milestones (e.g. reduction in share of people affected by energy poverty) within an overall approach aimed at helping Member States to shape future energy efficiency policies, contributing to decarbonisation of the building stock and facilitating a cost-effective transformation.

Concurrently with this increased policy attention towards energy poverty across the EU, the concept of Energy Poverty has gained significant attention both at the European and national levels. In spite of ongoing work by the European Commission to develop EU guidance on a common definition and common indicators, no single definition of energy poverty (often interchangeably defined as fuel poverty) has yet been agreed upon at EU level. In some countries, discussions around conceptual issues are emerging, whereas in others energy poverty may be defined and measured differently within the country. For instance:

- The ESPN UK country team provides the following description: “Fuel poverty is the term used to describe problems of access to energy. Fuel poverty is a devolved policy area and is defined and measured differently in different parts of the UK”.
- In Estonia, where energy poverty has not been adequately researched, the ESPN country team mentions that a debate about the concept of energy poverty is emerging.

In spite of the lack of a single EU definition, descriptions of the phenomenon reveal the recognition of a common set of factors which determine the incidence of energy poverty, namely: economic and socio-demographic factors (e.g. household structure, household income, household energy consumption, energy expenditure) and energy-related factors (e.g. fuel costs, low-quality housing [affecting the energy efficiency of the household dwelling, energy consumption and expenditure]). Analysis performed by Statistik Austria referred to by the ESPN Austrian expert identifies two main causes of energy poverty: i) low household income; and ii) substantially above average costs for heating caused by above average energy consumption (from different sources).

Several different indicators have been developed to assess this phenomenon. The EPOV, for instance, recognises that energy poverty should be measured using multiple indicators, due to its multidimensional nature, and illustrates its latest analysis of the prevalence of energy poverty in the EU (Bouzarovski and Thomson 2019) by a series of related metrics of energy poverty.

Figures 6a and 6b illustrate one of those indicators - inability to keep home adequately warm – for EU countries (Figure 6a) and for those ESPN non-EU countries (Figure 6b) for which such information is available. This EU-SILC indicator, often included in national and comparative analyses of energy poverty across Europe, was used by several ESPN country teams to help assess existing measures facilitating access of people on low incomes to energy services.⁵³

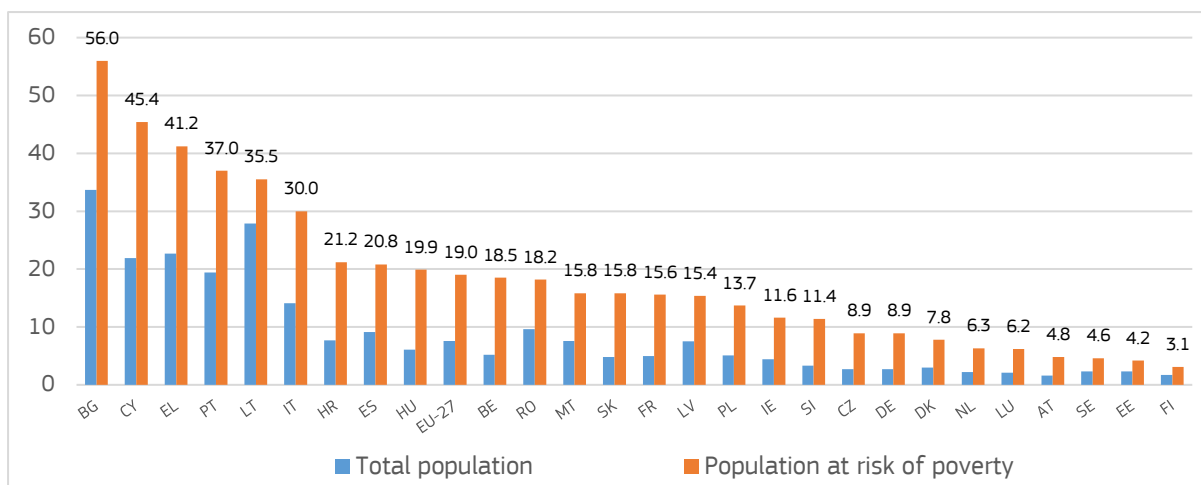
⁵⁰ Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1999&from=EN>

⁵¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2018.156.01.0075.01.ENG

⁵² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0786&from=GA>

⁵³ Another relevant EU-SILC indicator for the analysis of energy poverty was analysed under Sub-section 2.1.1 (Figures 1a and 1b).

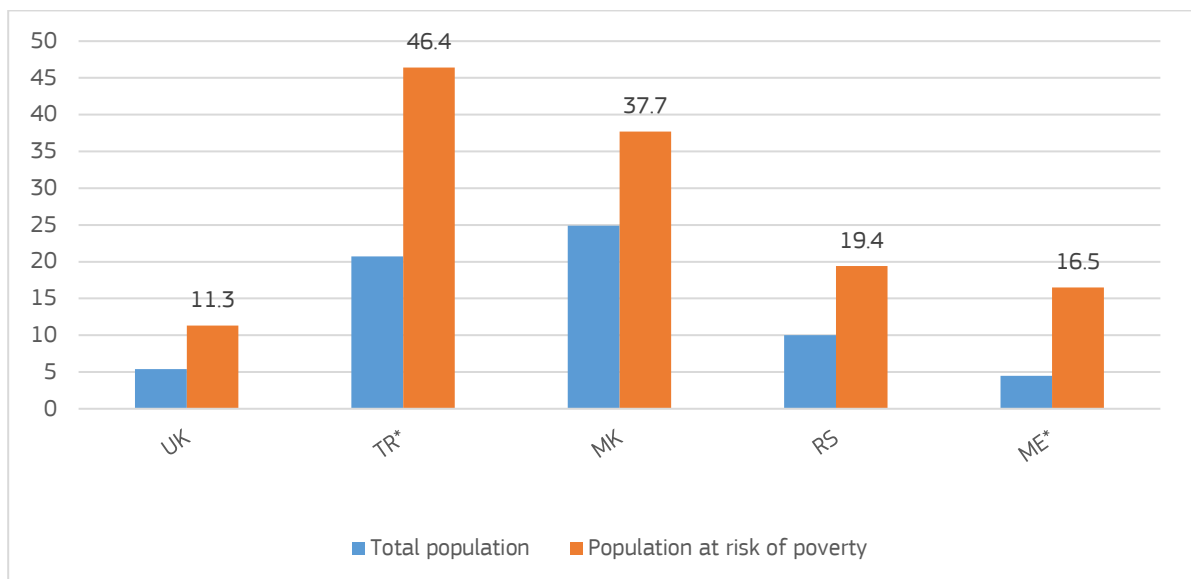
Figure 6a: Proportion of people who could not keep their home adequately warm, by level of income, EU countries, 2018 (%)



Source: Eurostat, own elaboration based on EU-SILC, Table, ilc_mdcs01, February 2020.

Overall, some 7.6% of the EU-27 population in 2018 could not afford to keep their home adequately warm; this share increases to 19% of the EU-27 population for those individuals who were at risk of poverty (Figure 6a). More than half of the population at risk of poverty living in Bulgaria (56%) and almost half in Cyprus (45.4%) were in this situation.

Figure 6b: Proportion of people who could not keep their home adequately warm, by level of income, UK and other ESPN non-EU countries, 2017 and 2018 (%)



Note: No data for AL, BA and XK. (*) 2017 data.

Source: Eurostat, own elaboration based on EU-SILC, Table, ilc_mdcs01, February 2020.

Among the five ESPN non-EU countries (Figure 6b), only in Montenegro (16.5%) and the UK (11.3%) was the share of income-poor people who could not keep the home adequately warm lower than the EU-27 average (19%). In Serbia, that share (19.4%) was the same as the EU-27 average.

2.2.1 Facilitating access to energy services for people on low incomes in a challenging overall context

Member States' commitment to establishing the necessary measures/ programmes to protect final customers, and in particular to providing adequate safeguards to protect vulnerable customers, is assessed by the European Commission through the analysis of Member States' Integrated National Energy and Climate Plans (NECPs) and the way these plans are implemented. The 2019 EPOV monitoring report provides a critical assessment of Member States' performance based on the draft NECPs submitted to the European Commission by the twenty-eight (then) Member States. Several frailties are identified, namely:

- inconsistency in addressing the issue of energy poverty;
- inconsistency in identifying whether current and needed measures to protect vulnerable consumers provide immediate relief or a lasting solution;
- absence of a definition of energy poverty in most countries;
- lack of robust and comparable data allowing a comprehensive analysis of the causes of energy poverty; and
- inconsistency within overall approaches to tackling energy poverty.

The analysis provided by the EPOV concludes that “as things stand at present, the European Union would not be able to meet the commitments made in the Paris Agreement on climate change or the objectives of the Energy Union to build a fairer and more inclusive energy transition”. (Bouzarovski and Thomson 2019: 9).

The next paragraphs present a comparative overview of the main findings provided by ESPN country teams regarding countries' efforts – at different levels – in helping low-income households to have effective access to energy services⁵⁴.

2.2.2 Support measures facilitating access to energy services for people on low incomes

The description of measures taken across the 35 ESPN countries is often provided against an assessment of contextual elements, some of which are particularly relevant for a more consistent interpretation and comparison of the situation across the 35 countries. These elements include:

- Rising energy prices – several ESPN country teams (e.g. BE, CY, DE, EL, LV, MT, NL, XK) refer to recent increases⁵⁵ in energy costs - directly impacting on low-income households' ability to meet such rises, which in some cases (e.g. DE) is reflected by the growing number of households disconnected by energy providers; in other cases, ESPN experts refer to the increase in energy prices as a result of the impact of tax increases (e.g. NL) or of specific fiscal measures – in the context of the austerity measures – at a time when households' disposable incomes were shrinking (e.g. EL).
- Energy-efficiency issues - future threats are also identified by some ESPN country teams in relation to climate policies (e.g. NL) and investments in energy-efficient renovations (e.g. LV, XK) which may increasingly restrain access of low-income households to energy services. The Belgian expert makes an important point: people on low incomes are often at a double disadvantage: i) they have a greater need for energy savings since they live in energy-inefficient houses and thus have higher energy costs; and ii) they have problems

⁵⁴ For the purpose of this report (and in the national reports produced by the ESPN country teams), access to energy services is defined as “access to light dwelling, heat or cool dwelling, use home appliances”.

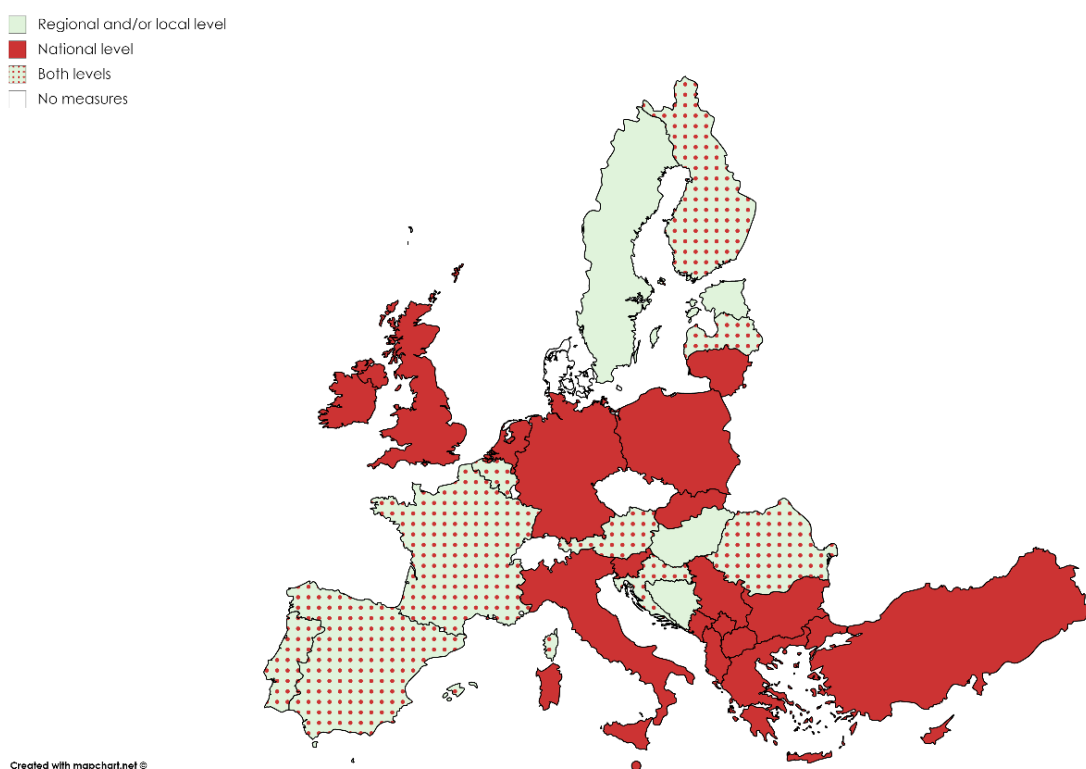
⁵⁵ Although there are indications that, in the short term, there has been a decrease in energy prices during the COVID-19 pandemic.

accessing energy-saving measures due to their lack of information or because they cannot make the up-front investment required.

- Access to energy supply – national experts from non-EU countries (e.g. AL, TR, XK) report constraints in the provision of energy: supply instability (AL, XK) and the widespread illegal use of energy (TR).
- Governance issues – competences with respect to energy infrastructure and provision – vary significantly among ESPN countries. Sharing of competences between the national/federal level and the regional level is reported for example in Belgium and Spain. In Cyprus, Malta and Romania there is evidence of a more centralised role of the state in provision of energy and a limited number of providers (often one provider); and in several other countries (e.g. DE, DK, UK), the energy is supplied by multiple companies within a competitive framework, although under supervision by regulatory bodies.

The 35 ESPN experts were asked to provide national or subnational level evidence on measures facilitating access to energy services particularly targeting people on low incomes. Figure 7 provides a general overview of current measures⁵⁶ facilitating such access, distinguishing between the different levels at which such measures have been implemented in the countries covered by the analysis.

Figure 7: Measures aimed at facilitating access for people on low incomes to energy services, showing the level at which they are implemented, ESPN countries



Source: ESPN national reports.

⁵⁶ Advice/training or information services are the only types of measure which have not been included in this aggregate analysis of the support available to low-income groups, given the wide variability of interpretations of this specific type of measure. These measures are dealt at the end of this sub-section.

Overall – and in clear contrast to the situation reported in relation to water and sanitation services – a large number of ESPN countries (14 EU countries, the UK and two other non-EU countries) tend to implement **only** national support measures facilitating access of people on low incomes to energy services. In a significant number of countries, the central state and/or central agencies are mainly responsible for regulating energy provision, thus leaving lesser regulatory and operational capacity to subnational governance structures. For example:

- In Ireland, there is one main-scheme – the National Fuel Scheme – designed to help low-income households facing energy costs.
- The Lithuanian expert reports the existence of a compensation scheme which is centralised in terms of resource allocation, eligibility criteria, conditionality rules and formula of compensated amounts. However, it is administered at the municipal level.
- In Malta, energy distribution is completely state run through a public corporation, *Enemalta*, which is also responsible for the setting of tariffs, under the authority of the Regulator for Energy and Water Services; the Energy Benefit Scheme is a national level support scheme providing reduced tariffs for low-income households.
- In Slovenia, the energy efficiency scheme for low-income households was introduced as part of the National Energy Efficiency Action Plan 2014–2020, adopted in 2015, aiming to reduce energy consumption for households facing energy poverty.

In other countries (e.g. AT, BE, ES, FI, FR, HR, LV, RO), ESPN country teams identify both national and regional and/or local level measures aimed at facilitating access to energy for low-income households. For instance:

- In Austria, households on low incomes can apply for an exemption from fees arising from the introduction of the so-called “Green Electricity Flat Rate” (*Ökostrompauschale*) and the “Green Electricity Promotional Contribution”; additionally, low-income households may apply for a specific means-tested allowance for heating costs in all federal provinces.
- In Croatia, social welfare centres play a crucial role in identifying the status of “vulnerable energy customer” (as part of an administrative procedure) and in setting out the level of benefit available to these customers, the type and scope of their entitlement and the means of part-payment of their energy expenses.
- In Finland, low-income households may resort to national and local level cost-compensation from the basic social assistance (national) and municipal supplementary and preventive social assistance, in order to pay their electricity bills or other energy-related costs.
- In Spain, the central state regulates access to energy and discounts on tariffs which are borne by the electricity companies; however, the regions and the municipalities manage the aid and even pay part of the tariff for households in a situation of social emergency or severe exclusion.

In a smaller number of cases (e.g. EE, HU, SE, BA), ESPN national experts report that energy-related support measures targeting low-income households only exist at the regional and/or local levels. However, it is possible to identify significant differences in the approaches taken by the various countries. For example:

- Canton Sarajevo (BA) provides subsidies to different categories of beneficiaries for public district heating, natural gas and other types of heating fuel, to the tune of KM 100 (€52) a month during the cold season (from November to March); additionally, in most local

communities, Centres for Social Work provide assistance for the purchase of heating fuel (mostly wood and coal) for those receiving the means-tested social assistance.

- The Swedish approach – as already mentioned in Sub-section 1.1 – is based on the principle that access to many essential services is included in the construction and design of social assistance; thus, access to energy is covered by the social assistance for costs related to housing, insofar as the costs are deemed reasonable. These costs are assessed depending on which municipality and the type of dwelling people live in.

National experts from Czechia and Denmark and Luxembourg argue that there are no specific support measures facilitating access of low-income households to energy services. In Czechia, energy is only covered as a marginal part of means-tested housing cash benefits available at national level for people on low incomes. According to the Czech and Danish experts, there are no specific support measures regarding energy supply targeting people on low incomes, who are, nevertheless, eligible for a system of MI benefits, set at levels that are supposed to cover basic living costs.

Different types of measures facilitating access of people on low incomes to energy supply

In more than two thirds of the 35 ESPN countries, country teams identify at least one type of measure aimed at facilitating the access of low-income households to energy⁵⁷ services. Cash benefits are by far the most common measures used across ESPN countries to facilitate access to energy supply (Table 5).

Table 5: Grouping of countries according to the type of measures in place facilitating access to energy

Reduced tariffs	Cash benefits
AT, BE, CY, EL, ES, FR, IT, LV, MT, PL, PT UK, BA, ME, RS	AT, BE, BG, DE, EE, EL, FI, FR, HR, HU, IE, LT, LV, NL, PL, RO, SE, SK UK, AL, BA, MK,
In-kind benefits	Basic/uninterrupted supply
BE, ES, FI, FR, HU, IE, LT, LV, RO, SI UK, BA, MK, XK	AT, BE, CY, DE, EL, ES, FI, FR, HR, IE, MT, NL, PL, SI MK, TR

Note: Several answers possible.

Source: ESPN national reports.

Reduced tariffs and in-kind benefits are used in 11 and 10 EU countries, respectively, and in four out of the 8 ESPN non-EU countries. A basic supply of energy or mechanisms ensuring an uninterrupted basic supply of energy are identified by 16 ESPN country teams. North Macedonia and Turkey are the only countries outside the EU where such mechanisms exist.

Figure 8 provides an overall picture of the distribution of reduced **energy tariffs** across the 35 countries.

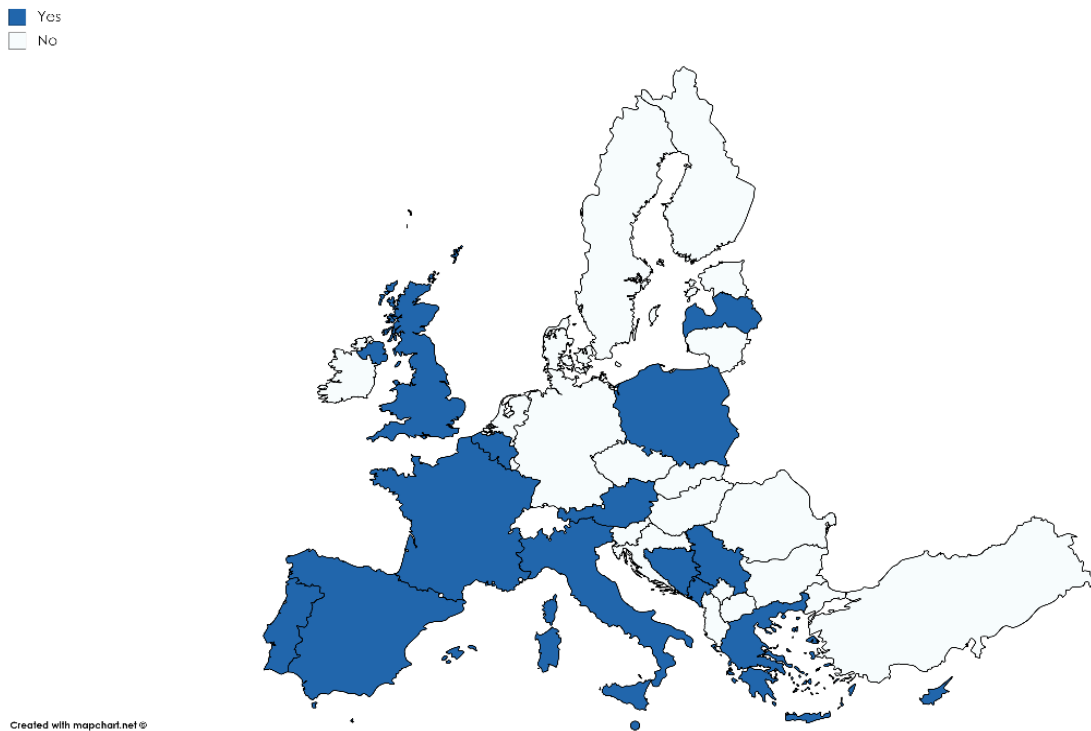
ESPN experts from 11 EU countries and 4 non-EU countries report the presence of national-level⁵⁸ mechanisms to reduce energy tariffs, thus facilitating low-income households' access to energy.

⁵⁷ A full comparative table identifying the different energy-related measures available in each ESPN country, according to their implementation level, is included in Table A4 in the Annex. It should be noted that, although it is important to address the issue of energy poverty and to facilitate the access of households on low incomes to energy services, measures improving energy efficiency are not included in the analysis presented in this study.

⁵⁸ In Bosnia and Herzegovina, reduced tariffs exist in all regions and therefore cover the entire territory.

Analysis of the geographical distribution of countries using this kind of support measure reveals a more widespread preference among Southern and Western European countries, although the use of reduced tariffs is also reported in a few Eastern European countries.

Figure 8: Availability of reduced energy tariffs, ESPN countries



Source: ESPN national reports.

In most of these Southern and Eastern countries – Cyprus, Italy, Malta, Portugal, Spain, Montenegro and Serbia – reduced tariffs are the only mechanism in place to help low-income households pay the costs of energy, since no cash benefits are available. For example:

- In Cyprus, specific tariffs are in place for people on low incomes and households in the category of “Special Household Valuation for Specific Categories of Vulnerable Consumers”. These reduced tariffs represent a discount estimated to be around 17-20%.
- The Italian ESPN country team identifies two national-level measures targeted at low-income households⁵⁹ which facilitate access to energy: the electricity bonus and the gas bonus. These offer a rebate of the amount to be paid in both bills.
- In Malta, low-income households may qualify⁶⁰ for the so-called “Energy Benefit”, managed at national level, which aims to mitigate the cost of water and electricity bills entitling the recipient to an amount to offset 30% of the consumption of electricity prior to the eco-reduction, up to a certain limit. Persons who qualify for the “Energy Benefit” are entitled to

⁵⁹ Households which meet at least one of the following three means-testing conditions: i) an annual ISEE no higher than €8,256; ii) an annual ISEE no higher than €20,000 for households with at least 4 minors; and iii) recipients of the Citizenship Income (even if the annual ISEE exceeds €8,256).

⁶⁰ A person/household qualifies for the benefit either as: i) a case of social hardship (reflected in entitlement to a specific set of social security benefits); or ii) through the standard Income Means Test.

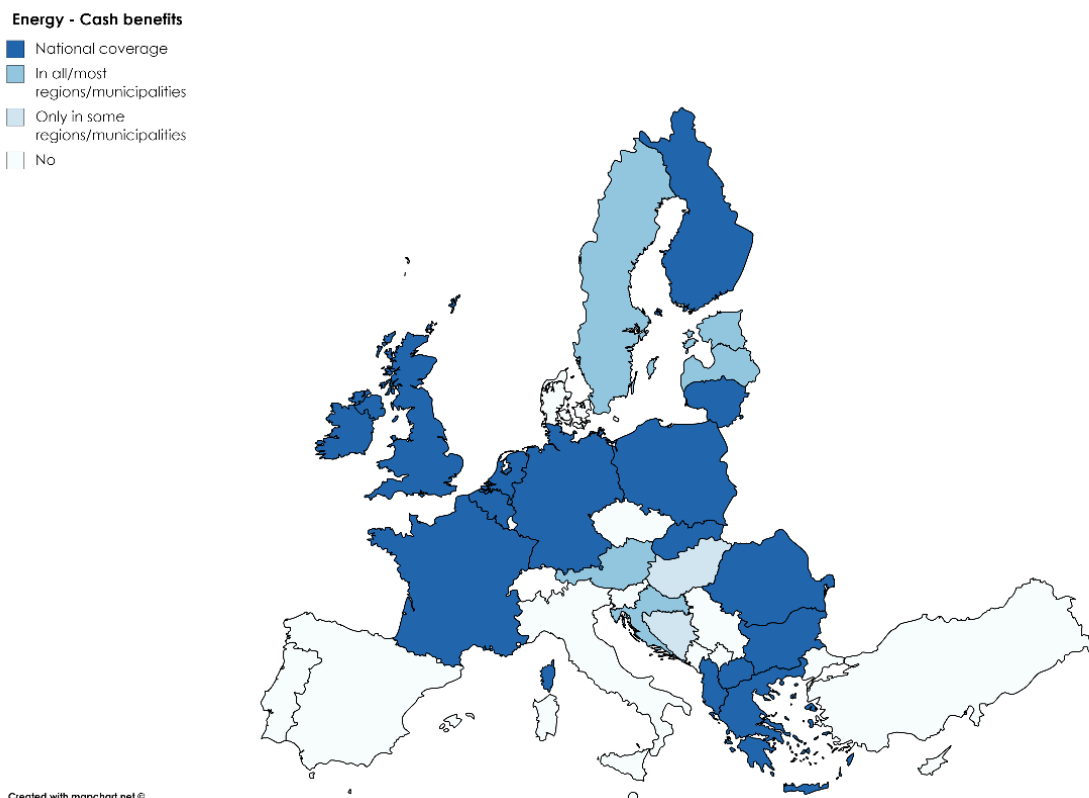
an annual Gas Rebate per household. A subsidy for the rental of water and electricity meters is also possible.

- The Portuguese ESPN national expert reports the existence of national reduced social tariffs for gas and electricity available to households whose annual income is equal to or lower than €5,808⁶¹, or where the contract-holder is receiving a means-tested benefit; a local pilot project is also being tested regarding the use of a reduced tariff for bottled gas.

In Bosnia and Herzegovina – where electricity production, distribution, system operation and supply fall within the competence of the two entities and Brcko District – only one entity (the Federation of Bosnia and Herzegovina [FBiH]⁶²) and Brcko District have programmes that support some vulnerable categories of consumers (beneficiaries of minimum pension schemes and beneficiaries of means-tested social assistance) whose monthly household electricity consumption is below the average consumption level. These beneficiaries are entitled to government financial subsidies (cash benefits).

In Austria, Belgium, France, Greece, Latvia, Poland and the UK, ESPN country teams also report the presence of national-level mechanisms applying reduced tariffs to offset the impact of energy costs on disposable income. However, in all these countries low-income households are also entitled to support in the form of **cash benefits** (Figure 9).

Figure 9: Availability of energy cash benefits, showing the level at which these are provided, ESPN countries



Source: ESPN national reports.

⁶¹ Plus 50% for each member without income up to a maximum of 10.

⁶² The FBiH is one of the two political entities making up Bosnia and Herzegovina, the other being Republika Srpska.

A total of 18 EU ESPN country teams (e.g. AT, BE, BG, DE, EL, HU, IE, LV, NL, PL, SE) and four non-EU country teams (UK, AL, BA, MK) report the existence of cash benefits which directly – or indirectly – facilitate access of people on low incomes to energy services. Again, national level support measures are the most common mechanism in place, although regional and/or local level measures have also been reported (e.g. AT, EE, HR, HU, LV, BA). For instance:

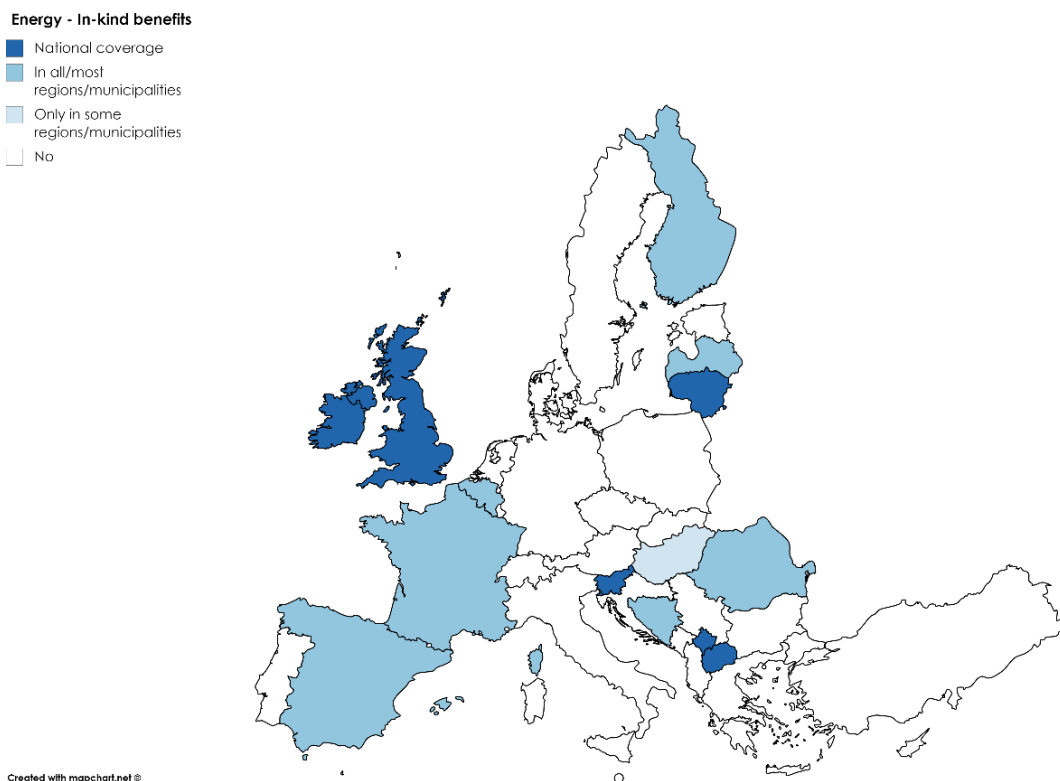
- In Austria, low-income households have to apply for the heating allowance through the municipality, which sets specific regulations with regard to means-testing and the level of the allowance.
- In Hungary, there is a so-called “settlement support” (*települési támogatás*), provided on the basis of local decrees, according to different criteria, which may or may not include housing-related provisions or related income criteria.
- In Croatia, vulnerable energy customers can receive up to HRK 200, which can only be used to pay their electricity bills.

Overall, the descriptions provided by ESPN national experts regarding cash benefits reveal a significant variety of mechanisms put in place by countries to support low-income households. These include:

- Cash benefits provided in the form of means-tested heating allowances (e.g. AT, BE), some of which only cover specific seasonal periods (e.g. BG, EL, IE, LT, RO, UK, BA, MK).
- Overall assistance with energy costs is included under the entitlement to MI benefits and/or housing benefits (e.g. DE, EE, FI, SE, UK).
- Specific cash assistance aimed at enhancing energy efficiency in the dwelling, such as interest-free eco loans (FR) or the exchange of boilers (PL).
- Cash benefits which can only be used for the payment of specific energy sources (e.g. HR, LV, BA).
- Energy tax credits provided as a yearly refund of the amount due (NL).

The use of **in-kind benefits** as a tool to facilitate access of low-income households to energy services is reported more frequently across ESPN countries than in relation to water and sanitation services. Figure 10 provides a general overview of existing in-kind benefits, showing whether they are being implemented at national and/or subnational levels.

Figure 10: Availability of energy in-kind energy benefits, showing the level at which they are implemented, ESPN countries



Source: ESPN national reports.

ESPN national experts describe the implementation – at national, regional or local level – of different types of in-kind benefits. For example:

- The ESPN national expert from Belgium reports that in all three regions, low-income households are entitled to a minimum supply of energy or gas, using power limiting devices or prepayment meters.
- In Hungary, prepaid meters are also an option for socially eligible protected consumers; municipalities also provide, at their discretion, a certain amount of wood and coal to “socially needy households”.
- Ireland also offers assistance in kind in the form of a “better energy, warmer homes” scheme, which includes the delivery of a range of energy efficiency measures free of charge to low-income households.
- In Bosnia and Herzegovina, in most local communities, Centres for Social Work provide help with the purchase of heating fuel (in most cases, wood and coal) for beneficiaries of means-tested social assistance.
- The ESPN national experts from North Macedonia describe several very specific in-kind measures in place which include: exemptions from re-connection fees or the costs for extraordinary checking of the measuring equipment, the construction of a standard plug for connection of the dwelling.

- In Kosovo, where nearly half of the households cannot afford sufficient heating⁶³, the only available support mechanism is a subsidy per “SAS household” limited to 300 kWh (including VAT) paid directly to the energy provider

Similarly to the description provided under Sub-section 2.1.2, **advice/training or information services** (e.g. information/advice on eligibility for benefits or reductions) aimed at facilitating access for people on low incomes to energy are provided through suppliers’ webpages, municipal offices, community centres, housing associations. This information is not specifically targeted at people on low incomes, but rather at consumers in general.

However, a few ESPN experts identify some interesting examples of more targeted information/assistance services:

- In France, low-income households may benefit from the so-called energy home visits (*visites à domicile énergie*) also known as “social energy mediation” which, according to the ESPN country team, constitute a key measure in the local management of energy insecurity.
- In Hungary, consumers in arrears must be informed of the options available to them (e.g. support measures and respective eligibility conditions) so as to keep their access to the services.
- Likewise, in Lithuania, municipalities are responsible for providing information and consultation for people on low incomes, to facilitate their access to home heating and hot water subsidies.

The German ESPN country team refers to two specific initiatives – one at national and another at regional level – aimed at providing targeted information, advice and support as part of a preventive approach to energy poverty (see Box 2).

Provisions to ensure a **basic and/or uninterrupted supply of energy** are in place in only 16 of the 35 ESPN countries, including two non-EU countries (MK and TR). This overall finding seems to confirm the assessment in the latest EPOV report (Bouzarovski and Thomson 2019) whereby Member States are urged to pay more serious attention to the issue of disconnections “in a context where seven million Europeans receive notices each year, putting them at risk of being cut off from basic needs such as heating, lighting or cooling or the dependence to specific life support systems”. (Bouzarovski and Thomson 2019: 12)

⁶³ According to the latest Household Budget Survey (HBS), 44% of households were unable to pay their bills on two occasions during 2017.

Box 2: Targeted proactive examples of information and advice support measures

In North Rhine-Westphalia, the Ministry of the Environment, Agriculture, Nature Conservation and Consumer Protection and the local energy supply companies are financing an information and consultation campaign carried out by the local consumer advice centres with the aim of countering the growing energy poverty and disconnections and working out viable solutions, in negotiation with the basic energy suppliers. In the period 1.10.2012 to 30.6.2019, more than 6,716 households - mainly low-wage earners and social benefit recipients - with payment problems in connection with energy bills have made use of the Energy Poverty Budget and Legal Advisory Service to obtain advice (Verbraucherzentrale Nordrhein-Westfalen 2019).

Between 2016 and 2019, the Deutsche Caritasverband has been active nationwide with its energy efficiency consultancy "Electricity Saving Check on Site". Together with the Federal Association of Energy and Climate Protection Agencies of Germany (Bundesverband der Energie- und Klimaschutzagenturen Deutschlands), Caritas sent trained electricity saving assistants in more than 150 locations to the households of recipients of MI benefit under Social Code Book II and XII, or of housing benefits. These low-income households were able to participate free of charge in this project and had their energy and water consumption checked. In this way they were able to save money and at the same time to make a meaningful contribution to climate and environmental protection.

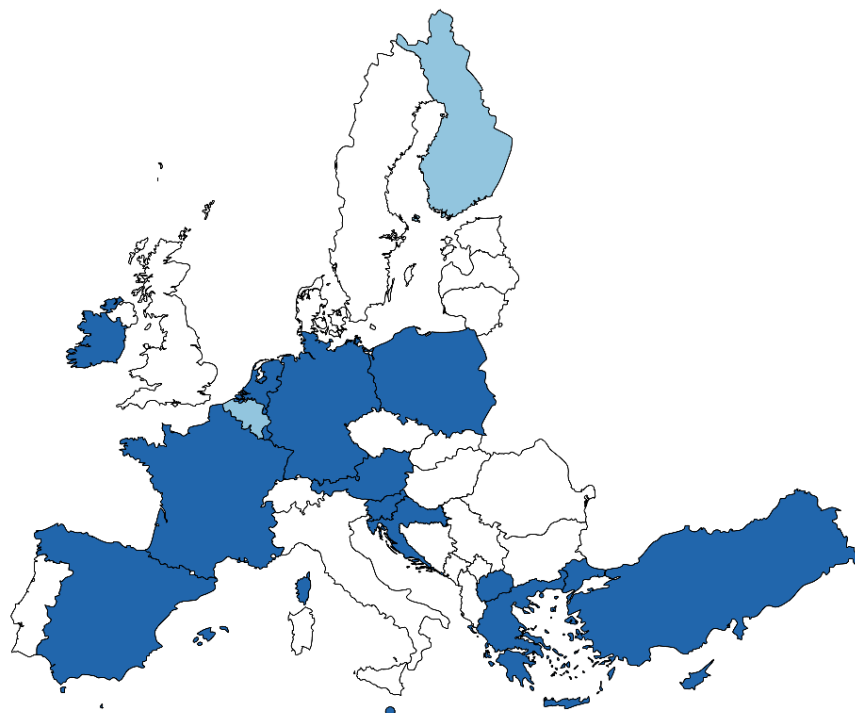
Source: ESPN national report (Germany)

Figure 11 maps the measures currently in place to provide a basic supply of energy or to prevent disconnections from energy supply across the 35 ESPN countries.

Figure 11: Provision of a basic and/or uninterrupted supply of energy, ESPN countries

Energy - Uninterrupted basic supply

- National coverage
- In all/most regions/municipalities
- No



Created with mapchart.net®

Source: ESPN national reports.

The descriptions provided by the majority of ESPN country teams reveal overall rather “weak” or “limited” measures to protect low-income households against disconnection from the energy supply. In fact, in most cases, bans on proceeding with disconnection are limited to specific calendar periods, usually during winter months, or involve delayed disconnection procedures. For instance:

- In Austria, the main service provider in a given distribution network may not – as a basic principle – reject customers due to financial difficulties of the customer. In cases of late or pending payment the electricity provider may request monthly prepayment; in the event of further default of payment, the electricity provider may cut off the power supply.
- In Finland, electricity cannot be cut for four months during October and April, even if there are unpaid bills.
- In Greece, persons on the “Vulnerable Electricity Customers Registry” are entitled to protection against disconnections due to outstanding debts during the winter period (November to March) and the summer period (July and August).
- In Ireland, suppliers may not cut off any “vulnerable customer” who is registered as a Priority Services Customer, and elderly vulnerable customers who have difficulties with payment of bills may not be cut off during the winter months (November to March).
- In Slovenia, vulnerable customers⁶⁴ have the right to an uninterrupted basic (necessary) supply of electricity, natural gas, heat, or other energy gas, subject to certain conditions; “necessary” electricity is an in-kind benefit while “necessary” natural gas or district heating supply only means that disconnection is postponed for a specified period of necessary supply.
- In North Macedonia, vulnerable customers may not be disconnected from the basic energy supply due to unpaid bills: i) during the winter months (December to February); and ii) if no more than 60 days have elapsed from the due date for payment of the bill; they also have an option to defer payment of debt or restructure the debt.
- In Turkey, the social assistance programme implemented in 2003 ensures the provision of coal to households on low incomes, as a basic heating supply; currently the number of households on this scheme is around 2 million.

⁶⁴ Vulnerable customers are those household customers who, due to their property and living conditions, income and other social circumstances, cannot provide another source of energy for their household use or heating, which would cause them the same or lesser cost for the most necessary household use or heating of residential premises.

2.3 Improving access to public transport in Europe

The UN's Sustainable Development Goals have permeated the European Commission's policies and initiatives, particularly in the EPSR. Access to safe, affordable, accessible and sustainable transport systems for all (in line with the sustainable and smart mobility key action of the European Green Deal roadmap⁶⁵) very much helps to improve people's everyday lives. Expanding public transport networks can stimulate economic growth and also promote social inclusion through improved access and mobility for all.

However, the latest monitoring report on progress towards the SDGs in an EU context (Eurostat 2019) alerts us to the fact that, at EU level, progress towards sustainable transport systems has been mixed. The analysis provided shows that, since 2000, passenger cars continue to dominate land passenger transport in the EU, accounting for almost 83% of the total. At the same time, the long-term trend since 2001 shows that public transport modes are losing ground⁶⁶.

Studies show (Lucas et al 2016) that the lack of public transport alternatives is particularly problematic for people on low incomes, who may face diverse obstacles in accessing available transport options, including difficulties affording those "dominant" transportation options. Additionally, people on low incomes often live in less accessible locations (either specific territories within urban areas or less populated territories) which limit their access to transport options and, consequently, to necessary services and facilities.

The development of affordable transport systems connecting housing to employment and education opportunities, medical services and other facilities related to quality of life is thus crucial to ensure mobility and access of particularly disadvantaged population sectors.

The European Economic and Social Committee in its 2019 Opinion "For better implementation of the Social Pillar, promoting essential services"⁶⁷ underlines the importance of ensuring that public transport of passengers by road and rail is subject to public service obligations (EESC 2019). This requirement is crucial in order to ensure public transport services in the general interest, within an overall context of growing liberalisation of passenger transport in Europe.

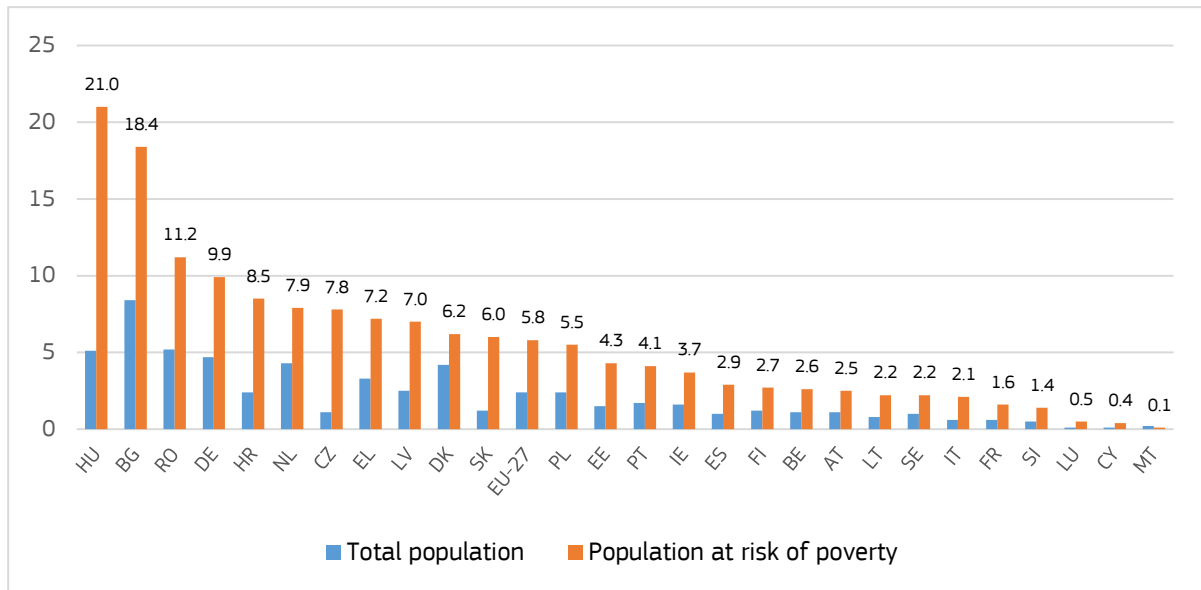
Figures 12a and 12b provide an overview of the latest available data (2014) on the share of population (by income group) who cannot afford regular use of public transport, in EU countries (Figure 12a) and in those ESPN non-EU countries for which such data are available (Figure 12b).

⁶⁵ https://ec.europa.eu/info/sites/info/files/european-green-deal-communication-annex-roadmap_en.pdf

⁶⁶ A trend that the COVID-19 crisis may further accentuate in the future, fuelling long and intense debates concerning the liberalisation of Europe's railways in the framework of the Fourth Railway Package adopted in 2016 (https://ec.europa.eu/transport/modes/rail/packages/2013_en).

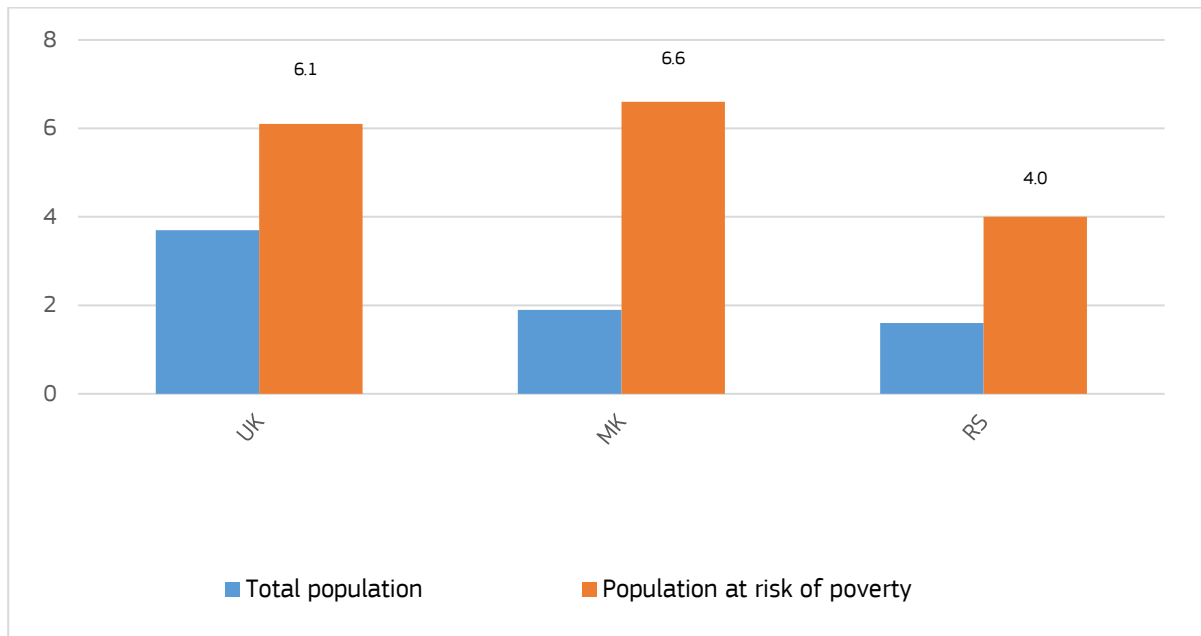
⁶⁷ <https://webapi2016.eesc.europa.eu/v1/documents/EESC-2019-00989-00-00-AC-TRA-EN.docx/content>

Figure 12a: Persons who cannot afford regular use of public transport, by income group, EU countries, 2014 (%)



Source: Eurostat, own elaboration based on Eurostat, Table, ilc_mdes13a, February 2020.

Figure 12b: Persons who cannot afford regular use of public transport, by income group, UK and other ESPN non-EU countries, 2014 (%)



Note: No data for AL, BA, ME, TR and XK.

Source: Eurostat, own elaboration based on Eurostat, Table, ilc_mdes13a, February 2020.

The total share of people reporting difficulties in affording regular use of public transport varied strongly among EU Member States: from less than 1% in the three smallest EU countries (Cyprus, Luxembourg and Malta) as well as France and Slovenia to 8.4% in Bulgaria and around 5% in Hungary and Romania.

A strong relationship between income poverty and access to public transport was also observable in Figure 12a. The proportion of people “at risk of poverty” (see definition above) reporting that they could not afford to regularly use public transport was significantly higher in most countries,

particularly in Hungary (21%), Bulgaria (18.4%) and Romania (11.2%). In the EU-27, people at risk of poverty were more than twice as likely to report inability to afford regular use of public transport than the overall population (2.4% versus 5.8%). A similar situation was observed in a large majority of ESPN countries, where the proportion reporting difficulties of access increased significantly among those at risk of poverty.

The gap between the total population and those at risk of poverty was much higher in Eastern European countries (e.g. Croatia, Czechia, Romania, Slovakia), in Latvia, and also in Germany, where the share of income-poor people reporting difficulties was more than 5 percentage points higher than the proportion of the total population who report the same type of difficulties.

People on low incomes are therefore more affected by transport affordability problems than the overall population. This lack of access may condition their mobility behaviour and hinder their access to key activities and services.

However, it is also important to mention hindrances which may affect the access of the low-income population to services, arising from the overall distribution of public transport and the consequent lack of available public transport alternatives. Rural and/or low-density areas may be particularly lacking in this regard. Unfortunately, the indicator used above (Figures 12a and 12b) does not capture such difficulties. Yet, some ESPN national experts provide insights into this type of territorial constraint. Examples from EU countries include the following:

- In Finland, there is a strong concentration of the population in the southern part of the country, and large areas are very sparsely populated; for many people, having access to essential services means that they have to travel long distances only accessible by private cars and/or private transport, particularly with increased closing-down of many unprofitable services.
- The same distance issues are raised by the Swedish ESPN country team, concerning areas where private transport is often the only possibility.
- The French ESPN country team highlights the inadequate distribution of public transport services, particularly in deprived areas and in largely rural and peri-urban areas, which implies higher monthly transportation costs.
- The Irish expert also highlights public transport coverage gaps, as a consequence either of the lack of service or of service restrictions which affect the regular operation of public transport services.
- Likewise, the Italian experts refer to inadequate service provision, which they state is the main reason, rather than affordability issues, for the lack of access to public transport affecting people on low incomes.
- The shrinking of the non-urban bus transport network has strongly contributed to transport exclusion in Poland.

Several non-EU countries also report problems with the underdevelopment of the existing public transport network which creates physical access difficulties to essential services. Such is the case in Albania and Bosnia and Herzegovina, where rural areas are particularly disadvantaged; in Montenegro and Serbia, where only a few municipalities or larger cities have public city transport; and in Kosovo, which has one of the smallest railway networks in the region and which is not accessible for a large share of the population due to long distances between train stations and the nearest localities.

The right to access public transport – understood here as both the physical availability of transport services within a reasonable distance and their affordability – is thus not being adequately implemented across ESPN countries. As a consequence, specific and tangible measures/programmes need to be put in place in order to ensure that public transport services are accessible and affordable to all citizens, to enable them to fully participate in society. Accessible and good quality public services are considered an essential element of quality of life in Europe and a key element of the “European Social Model”.

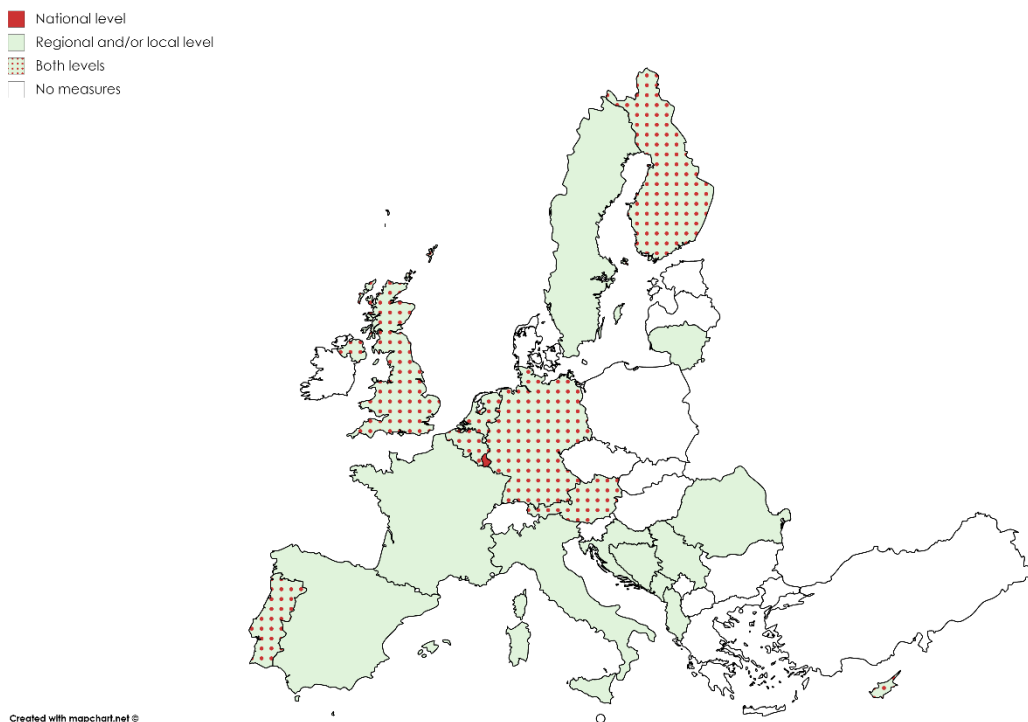
2.3.1 Addressing public transport support needs of people on low incomes in Europe

Overall, support measures to facilitate access to public transport for people on low incomes are often organised at subnational (regional or local) level and only seldom target people on low incomes specifically. In most cases, people on low incomes may be covered by existing support measures (e.g. reduced tariffs) because they are included in “categories of people” who are the specific focus of existing benefits (e.g. children, older people, pensioners, students).

The analysis of the information provided in this sub-section in relation to support measures should therefore take into consideration this overall background, particularly the interpretation of maps comparing the situations in different ESPN countries.

Figure 13 provides a general overview of measures facilitating such access, distinguishing between the different levels at which such measures have been implemented in the countries covered by the analysis.

Figure 13: Measures aimed at facilitating access for people on low incomes to public transport services, and level at which these are implemented, ESPN countries



Source: ESPN national reports.

Overall, measures to facilitate the access of people on low incomes to public transport are put in place mainly at regional and/or local level, with no countries reporting national-only support measures⁶⁸.

A significant number of country teams report a total lack of any kind of measures⁶⁹ aimed at facilitating access to public transport for people on low incomes. These teams are from 12 EU Member States (BG, CZ, DK, EE, EL, HU, IE, LV, MT, PL, SI, SK) and three non-EU countries (MK, TR, XK).

In all these countries, the ESPN country teams report no specific measures facilitating access to public transport based on low-income criteria, but rather various types of benefits specifically targeting certain categories of potential users (e.g. pensioners, people with disabilities, war veterans, unemployed persons, members of large households, children up to the age of 7, school and university students).

The ESPN national experts from Estonia report a somewhat different situation in relation to access to public transport services which, in fact, also makes it easier for those on low incomes to afford public transport services: as of 1 July 2018, free public regional bus transport is available in 11 out of 15 counties in Estonia. This was set up with the objective of improving access to services and jobs for people living in rural areas.

National and local or regional measures are implemented in only eight EU countries (AT, BE, CY, DE, FI, FR, NL, PT) and in the UK. For instance:

- In Germany, national-level legislation ensures that the authorities designated by the Länder are responsible for ensuring that the population is adequately served by local public passenger transport services; additionally, some local authorities also offer so-called social tickets, i.e. discounted tickets for those on low incomes (especially recipients of MI benefits). According to the ESPN national expert, there are considerable variations among municipalities with regard to e.g. the coverage of those entitled to the benefit, and the amount of the benefit.
- The Dutch ESPN national expert highlights the relatively high costs of public transport in the Netherlands and describes different general and special benefits for people on low incomes making transport services more affordable, e.g. free or reduced subscriptions or tickets, alternative forms of mobility (e.g. free bikes and parking tickets), waivers.
- In Portugal, there are national reduced public transport tariffs for students up to the age of 23, which are even more favourable for beneficiaries of the school social action programme. There are also special reduced monthly passes in the Metropolitan Areas of Lisbon and Porto. People on the social insertion income (MI scheme) and those receiving the means-tested social solidarity for the elderly payments pay 50% of the fee, and other people on low incomes pay 75%.

In most ESPN countries, support measures which facilitate access to public transport for people on low incomes are only available at local and/or regional level. The existence of such measures is reported by ten ESPN country teams, including in three non-EU countries (BA, ME, RS).

⁶⁸ As mentioned above, Luxembourg used to be an exception in this regard until 1 March 2020, as public transport was then free for all beneficiaries of the MI scheme. Since 1 March 2020, public transport is free for everybody.

⁶⁹ Advice/training or information services are the only types of measure which have not been included in this aggregate analysis of the support available to low-income groups, given the wide variability of interpretations of this specific type of measure. These measures are dealt at the end of this sub-section.

Overall, the descriptions provided by most ESPN national experts from these countries show the existence of the same kind of category-based measures referred to above, i.e. benefits and/or reduced tariffs targeting specific groups of the population, in which people on low incomes are often over-represented. Nevertheless, other specific regional and/or local support measures are also identified. These include the following:

- In Spain, reduced tariffs and in-kind measures are established by some local governments (mainly large cities) directly targeting people on low incomes, although, as the ESPN country team reports, there is no single common income criterion used across the different municipalities.
- In Bosnia and Herzegovina, measures facilitating access for persons on low incomes may apply in different urban and suburban areas, according to decisions taken by the cantons and local self-governments. These measures usually target pensioners, people with disabilities, war veterans, unemployed persons, school aged children and university students.

In short, unlike for the water and sanitation and energy services, in a much larger number of ESPN countries there are no public transport support measures specifically targeting low income groups. Additionally, existing support measures are generally implemented at local level, which allows for a wide variability of criteria in deciding who is entitled to such support, particularly in a context where there are few definitions of “people on low incomes”, as discussed in Sub-section 1.2.

Enhancing public transport affordability for people on low incomes through the use of reduced tariffs

Local level decisions (and to a lesser extent regional decisions) making public transport services more affordable for people on low incomes mostly involve the use of reduced tariffs (Table 6).⁷⁰

Table 6: Grouping of countries according to the type of measures in place facilitating access to public transport services

Reduced tariffs
AT, BE, CY, DE, ES, FI, FR, HR, IT, LT, LU, NL, PT, RO UK, BA, ME, RS
Cash benefits
DE, ES, FI, FR, NL, SE UK, BA
In-kind benefits
BE, ES, FI, FR, HR, NL UK, BA

Note: Several answers possible.

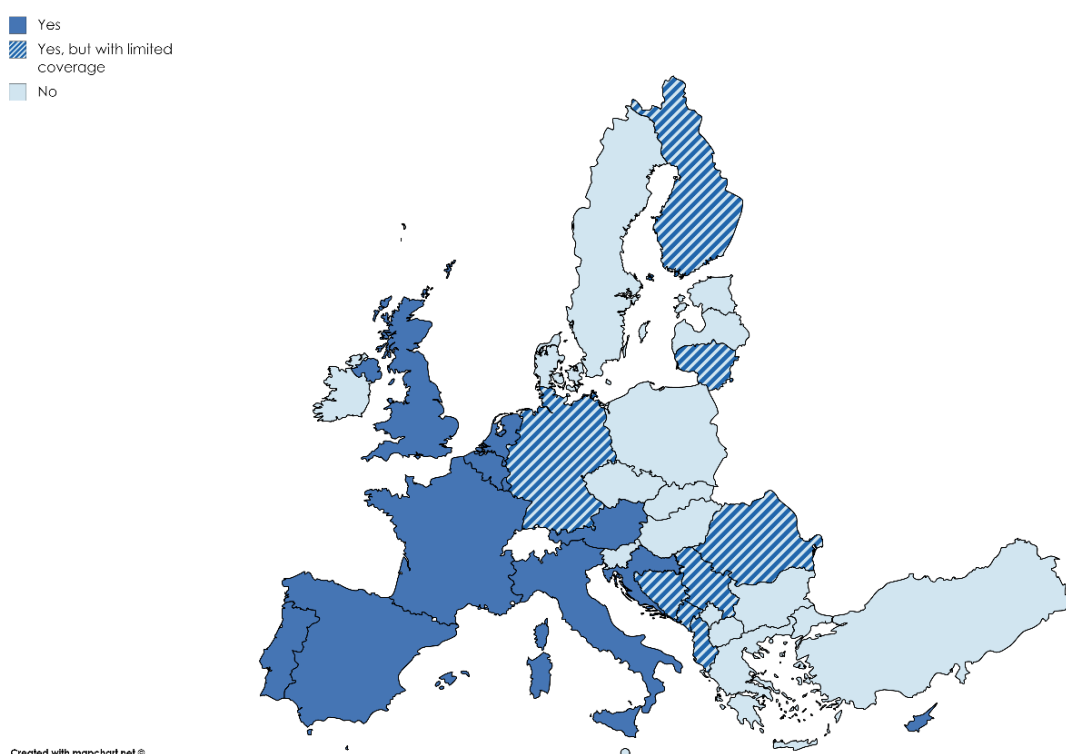
Source: ESPN national reports.

⁷⁰ A full comparative table identifying the different public transport measures available in each ESPN country, showing the level at which they are implemented, is included in Table A5 in the Annex.

According to the ESPN experts' assessment, four EU Member States (ES, FI, FR, NL) and two non-EU countries (BA, UK) implement the three types of support measures making public transport more affordable for those on low incomes – reduced tariffs, cash benefits and in-kind benefits. In most cases, countries tend to provide only one type of measure (AT, CY, IT, LT, LU, PT, RO, ME, RS). In Germany, Belgium and Croatia, two types of measures are applied. This variety of approaches to the adoption of different types of measures may be because local and regional authorities play an important role in deciding on measures to facilitate access to public transport services.

Figure 14 provides an overall picture of the distribution and level of coverage of **reduced tariffs** for public transport services currently in place across the 35 ESPN countries.

Figure 14: Availability and coverage of reduced tariffs for public transport targeting people on low incomes, ESPN countries



Source: ESPN national reports.

The implementation of reduced tariffs for people on low incomes has been classified as either widespread⁷¹ or more limited⁷², as reported by ESPN country teams.

Austria and Portugal are the only two Member States where national reduced tariffs exist for people on low incomes, but where some cities and/or regions additionally implement tariff reductions which increase affordability of public transport for people on low incomes.

⁷¹ Category “Yes” refers to all those situations where national experts identify either national-level reduced tariffs or reduced tariffs implemented in most regions and/or municipalities.

⁷² Category “Yes, but limited” covers all responses which national experts assess as being present only in “some” or “a few” regions and/or municipalities.

In the UK, transport policy, to a large extent, is a devolved matter, so national-level should be taken as respectively England, Wales, Scotland, and Northern Ireland. The ESPN country experts provide examples of reduced tariffs at national level in Britain, targeting, for example, recipients of means-tested benefits.

In Cyprus, Spain, Croatia and Italy, ESPN national experts report that reduced tariffs are available in most regions and municipalities (ES), in most districts or regions (CY, IT) or in most municipalities (HR), thus providing broad support across the country:

- In Cyprus, where the public transport system is limited to the bus service, reduced tariffs apply to meet the transportation needs of specific low-income groups in urban, sub-urban and rural areas of each district, and intercity bus services: i) free school bus tickets are available to all students who are MI scheme beneficiaries; ii) 50% discount tariffs to all Social Card holders; and iii) free tickets to those receiving the Low Pension Public Assistance.
- In Spain, reduced tariffs for urban collective transports are usually determined by the local government and, to a lesser extent, by the regions, which has led to a great deal of heterogeneity in the setting of tariffs.
- In Italy, the regions bear the responsibility for managing and organising local public transport (regional trains and buses); thus, in several regions, individuals whose annual ISEE⁷³ is lower than a certain threshold – determined at the regional level – may be entitled to reduced tariffs.
- In Croatia, there are numerous county, city and municipal measures which ensure free local public transport for specific categories of people, including some income-related sub-categories of users (e.g. low-income pensioners and people with disabilities on low incomes).

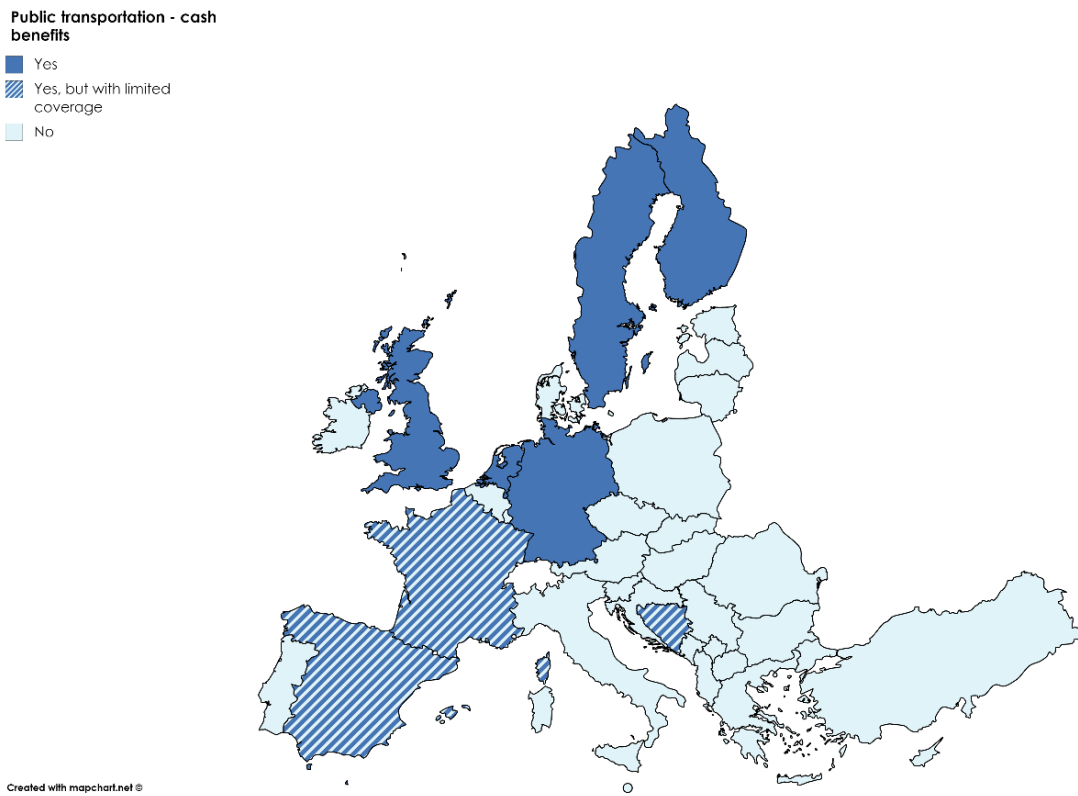
In another group of countries, although reduced tariffs may also make public transport more affordable for people on low incomes, their coverage is rather limited since they are available in only a few regions (BA) or municipalities (DE, FI, LT, ME, RO, AL, BA, RS). For instance:

- In Finland, apart from “category-based” exemptions or reduced fees for public transport, people on low incomes living in some rural areas benefit from reduced taxi costs, to make up for a lack of bus connections in such areas.
- In Lithuania, where the Law on Transport Privileges foresees reduced tariffs for specific, not income-related, categories of people (based on age, disability or health status, educational status, etc.). Some municipalities may establish additional measures and, in some cities (e.g. Kaunas, Vilnius), people on low incomes are also entitled to transport ticket reductions.
- Likewise, in Montenegro, the ESPN national expert reports examples of local public transport subsidies targeting people on low incomes and implemented over a specific period of time, rather than as a regular benefit.

The use of **cash benefits** to cushion the impact of the cost of public transport services on the disposable income of low-income households is reported by a smaller number of ESPN country teams: six from EU Member States and two from non-EU ESPN countries (Figure 15).

⁷³ Indicator of the Equivalised Economic Condition.

Figure 15: Availability and coverage of cash benefits for public transport targeting people on low incomes, ESPN countries



Source: ESPN national reports.

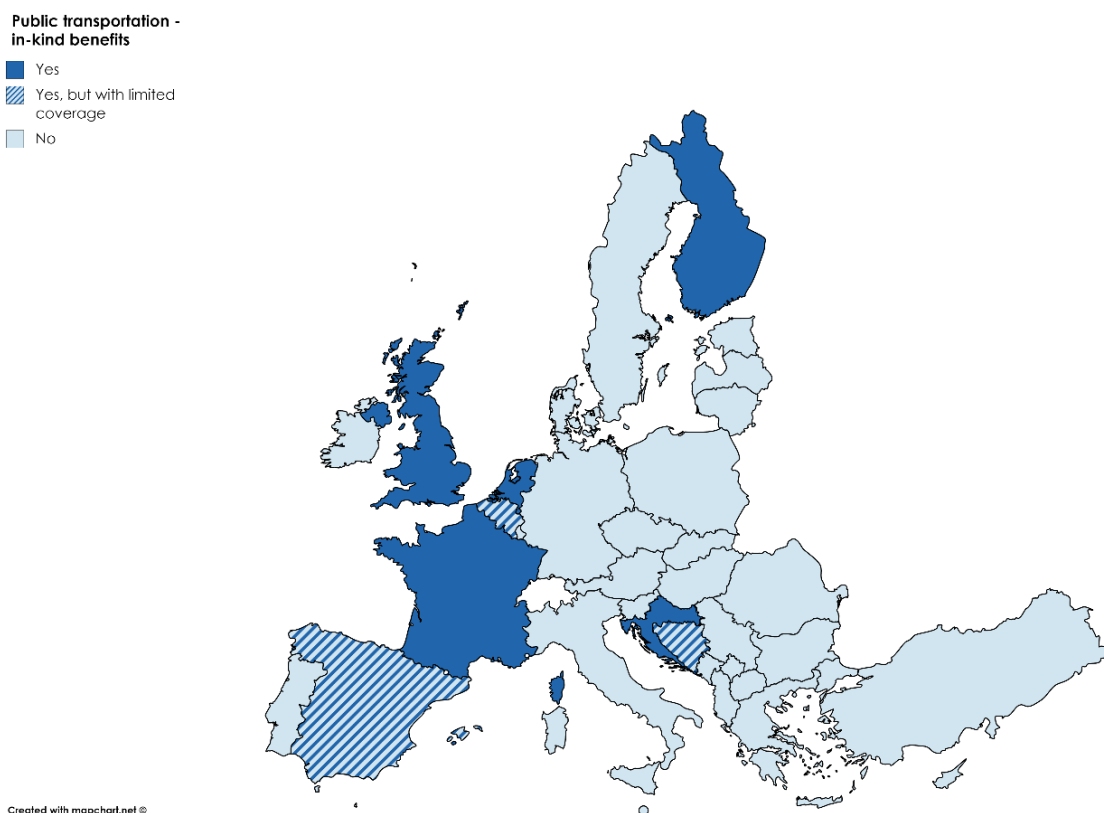
In Germany, Finland, and the Netherlands, national level measures making public transport more affordable for people on low incomes are mostly available through benefit schemes (e.g. MI scheme) which are meant to cover the costs of this type of essential service. In Germany, for example, the standard MI benefit includes a flat-rate amount to cover transport costs. In these countries – and in the UK – cash benefits are available at national level, and the countries have thus been categorised as providing wide coverage.

In Sweden, cash benefits are also widely available through regional or local, rather than national-level, schemes. Social assistance covers the work-related travel costs of recipients of cash benefits. However, the assessment of “reasonable costs of work-related transport” varies between different municipalities across the country, as does the generosity of such benefits.

In other countries (FR, BA), on the other hand, a more limited provision of cash benefits is available, at local level, for people on low incomes, enabling them to cover necessary public transport costs. In Bosnia and Herzegovina, for example, depending on the municipality, students from socially disadvantaged backgrounds may also have their cost of travel covered in part or in full by a transport allowance.

The use of **in-kind benefits** as a tool to facilitate access of low-income households to public transport services is also mentioned by a small number of ESPN countries (BE, ES, FI, FR, HR, NL, UK, BA). Figure 16 provides an overview of the availability and level of coverage of these in-kind benefits.

Figure 16: Availability and coverage of existing in-kind public transport benefits targeting people on low incomes, ESPN countries



Source: ESPN national reports.

Different types of in-kind benefits, especially available for people on low incomes in the above-mentioned countries, include, for example: specific units providing free transport (*centrales des moins mobiles*) for people who cannot afford it (BE), transport vouchers for public transport and/or for taxi services (FI), free transport cards available in some cities (ES), free yearly or monthly tickets for city public transport (HR, BA), free bikes or free parking tickets (NL), travel allowances per km (NL) and “socially necessary” bus routes (England).

As for the previous essential services analysed – water, sanitation and energy – most ESPN countries report the existence of general **information/advice** on eligibility for benefits or reductions, rather than the provision of specific information/advice targeting people on low incomes.

Nevertheless, examples of more targeted information/advice on support measures for people on low incomes are reported in Belgium and the UK. In the former case, the ESPN national expert refers to the role of Public Social Welfare Centres (PSWCs), social and anti-poverty organisations which actively promote existing benefits to their public. In the UK, non-governmental organisations are also active in providing their clients with information on existing support measures (online, by phone and face-to-face).

The overall picture with regard to measures to make public transport services more accessible and affordable for people on low incomes reveals considerable constraints in both dimensions. Most ESPN countries have adopted a policy approach which tends to target support – in particular reduced tariffs and cash benefits – not directly at people on low incomes, but rather at other groups

(e.g. older people and people with disabilities), a substantial proportion of whom are expected to have lower incomes.

However, without an assessment of these people's actual transport needs, there is no evidence that the support is being adequately channelled to those who are most in need of assistance. Concurrently, other groups for whom public transport costs may represent an unaffordable expense may not be receiving the necessary support. Lucas et al (2016) refer, for example, to "the situation of young people who are not in education and so must pay the full fare to travel on public transport even if they are in low-income households or living independently from their families on a low wage" (Lucas et al 2016: 362).

2.4 Promoting access to digital services for people on low incomes in Europe: a digital transition that works for all?

In February 2020, the European Commission launched the EU digital strategy "Shaping Europe's Digital Future"⁷⁴. The strategy includes three strands of action - technology that works for people, a fair and competitive economy and an open, democratic and sustainable society. The Commission will work on these for the next five years, and seek to ensure that the digital transformation is pursued for the benefit of people, based on European values and rules.

The Commission Communication recognises the importance of digital literacy and skills, not only as a response to the needs of the job market, but also as a precondition for participating effectively in today's society. The WiFi4EU initiative acknowledges this need to offer everyone access to the internet and to increase digital literacy. It opens up opportunities for public sector bodies to provide high-speed free public Wi-Fi connectivity for citizens' and visitors' networks across the EU, including in schools (37.5% of the installations) and hospitals (18%).

The European Commission Reflection Paper "Towards a sustainable Europe by 2030" (European Commission 2019b) recognises that the EU still needs to progress with regard to underachievement in digital skills.

According to the DESI⁷⁵ Report 2020⁷⁶, 42% of EU citizens were without basic digital skills in 2017. There are still major disparities across Member States. The share of people with at least basic digital skills ranges from 29% in Bulgaria and 31% in Romania, to 77% in Finland and 79% in the Netherlands.

Risks of a digital divide are identified in the above-mentioned EC Reflection Paper (European Commission 2019b). They are seen as an important negative driver which the EU needs to address by 2030 as part of its commitment to achieve progress with regard to SDG1 on ending poverty, and on SDG10 on reducing inequality within and among countries. It is recognised that technological advances will have to be well managed to avoid a digital divide, and that it is crucial that Member States work to seize upcoming opportunities for ensuring that digital access addresses persisting (e.g. territorial) inequalities.

The DESI report further identifies Finland, the Netherlands and the UK as the best performers in terms of internet user skills, whereas Bulgaria and Romania rank the lowest. The situation regarding the three main reasons for not having internet access at home – lack of need or interest, insufficient skills and cost-related barriers – varies significantly across Member States. For example, only 5% of Estonian households without internet access mentioned costs as a barrier, but as many as 53% did so in Portugal.

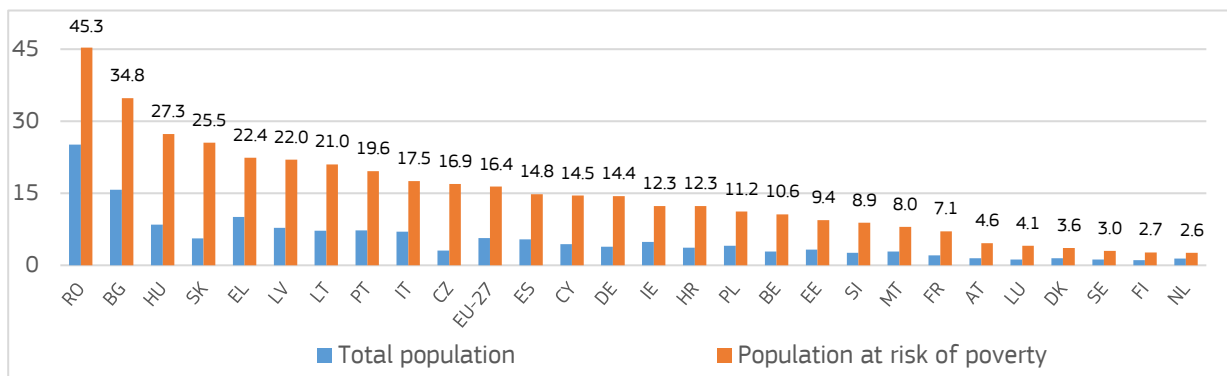
⁷⁴ <https://ec.europa.eu/digital-single-market/en/content/european-digital-strategy>

⁷⁵ Digital Economy and Society Index.

⁷⁶ https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=67077

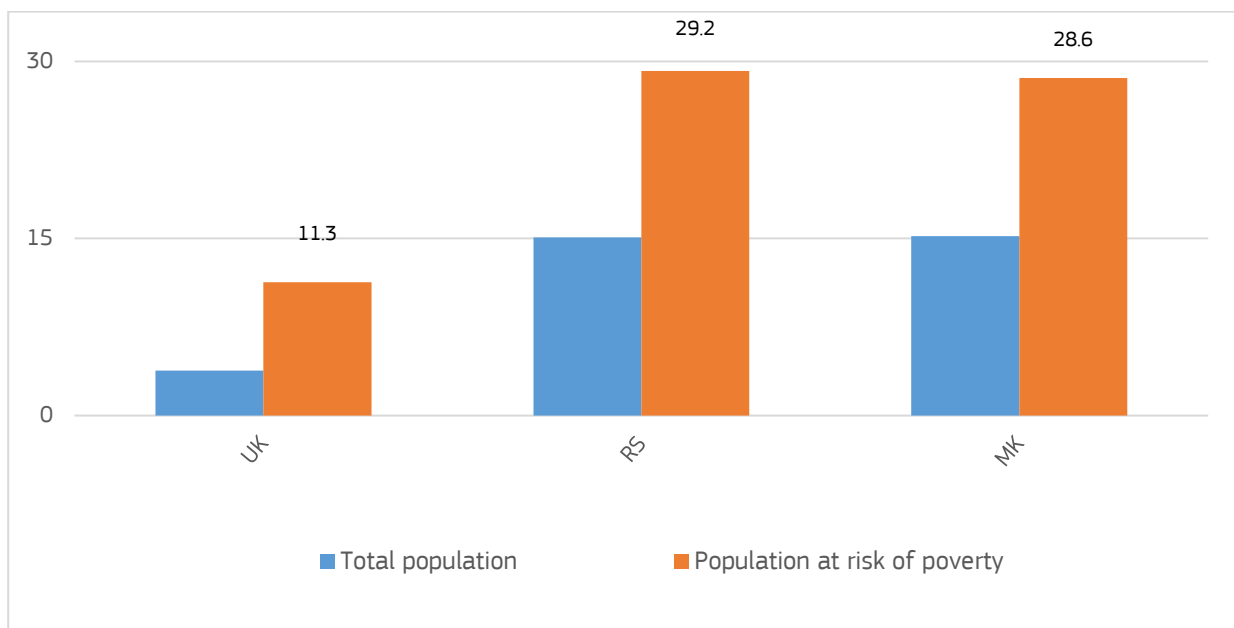
One additional relevant indicator on cost-related barriers to digital services is the share of the population who cannot afford internet connection for personal use at home. Figures 17a and 17b provide the latest available data (2015) on the situation in EU countries (Figure 17a) and in the UK and in those ESPN non-EU countries for which these data are available (Figure 17b).

Figure 17a: Persons who cannot afford internet connection for personal use at home by income group, EU countries, 2015 (%)



Source: Eurostat, own elaboration based on Eurostat, Table, ilc_mddu07a, February 2020.

Figure 17b: Persons who cannot afford internet connection for personal use at home by income group, UK and other ESPN non-EU countries, 2015 (%)



Note: No data for AL, BA, ME, TR and XK.

Source: Eurostat, own elaboration based on Eurostat, Table, ilc_mddu07a, February 2020.

Disparities can be seen among ESPN countries, with regard to the overall share of people who cannot afford internet connection, confirming more widespread cost-related constraints in Romania (25.1%), Bulgaria (15.7%), Serbia (15.1%) and North Macedonia (15.2%), well-above the EU-27 average (5.7%). Additionally, in the EU-27, the share of those whose income was below the at-risk-of-poverty threshold and who could not afford internet connection is three times higher than among the total population (16.4%). This gap is substantial in the majority of ESPN countries, although the share of income-poor people who could not afford internet connection for their personal use at home varies from 45.3% in Romania to 2.6% in the Netherlands.

The European Commission (European Commission 2019b) acknowledges the importance of the EPSR in guaranteeing – through its effective implementation – that people are helped to become equipped with the right skills for seizing the opportunities that the digital transformation offers, to ensure an inclusive digital transition.

The descriptions provided by the 35 ESPN national experts with regard to access to digital public services for people on low incomes in their respective countries offer some further insights into the countries' current situation in terms of digital inclusion. It is possible to identify different types of challenges which must be overcome – including affordability of electronic communications – in order to enhance access to digital public services in line with the Member States' EU legal obligations⁷⁷.

In spite of the existing EU legal obligations⁷⁸, several ESPN country teams highlight the need to further enhance availability of electronic communications services, including the expansion and/or improvement of existing connectivity infrastructures. For example:

- In Belgium, efforts are being made to ensure physical access to computers and connection to the internet, through public libraries, web-points in municipalities and hotspots in public spaces.
- In France and Germany, the main focus is on further expanding coverage and network performance, although there are concerns in relation to promoting the digital skills of the population.
- In Sweden, where 98% of the population has access to internet in their homes (2018), incomplete coverage of high-speed internet is therefore considered mostly as a regional/local issue, not linked to low household income.
- The ESPN national expert from Kosovo reports a high internet penetration and usage in the country, although there is evidence of limited access to reliable and fast broadband internet in municipalities with a higher concentration of low-income households.

A large number of ESPN national reports (e.g. BG, DE, ES, FI, FR, HR, LT, LV, RO, UK, AL, RS) highlight the need to strengthen digital skills among the population and, in particular, for people on low incomes and other vulnerable groups. Some examples include:

- The ESPN national expert from Finland stresses the high degree of digitalisation of Finnish society; this means that particular attention must be given to those people without the necessary skills, so that they can access a wide range of digitalised public and private services.
- In Croatia, though new e-public services have been developed, there is evidence that people on low incomes are not well equipped with the knowledge and technology needed to be able to use the benefits of increasingly digitalised public services.
- Likewise, in Latvia and Lithuania, the level of online interaction between public citizens and public services is developing quickly, but there is evidence that a large share of the population lacks basic digital skills (in 2017, 52% of the Latvia population lacked such skills) or that low-income residents (LT) have lower access to computers, internet and lesser digital skills than the overall population, thus increasing risks of digital exclusion.

⁷⁷ Universal Service Directive (2002/22/EC) and Articles 84 (*Affordable universal service*) and 85 (*Provision of affordable universal service*) of the European Electronic Communications Code (EECC - Directive (EU) 2018/1972): <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:108:0051:0077:EN:PDF>
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:321:FULL&from=EN>

⁷⁸ Universal Service Directive and updated universal service rules in the EECC Directive.

- The 2019 UK Consumer Digital Index (CDI) revealed that 11.9 m people (22% of the population) do not have the digital skills needed for everyday life in the UK.
- In Albania, access to and use of ICT in rural areas and the lack of adequate skills in vulnerable segments of the population are the main hindrances identified by the ESPN country team.

Difficulties affording electronic communications services are another barrier affecting countries' overall performance in relation to access to digital public services. For instance:

- The Bulgarian ESPN national expert voices concerns regarding access difficulties experienced by people on low incomes; these are directly related to their overall poor living conditions.
- In Czechia, where there has been a general decline in prices of telecommunications services, in 2018, more than half of those households who could not afford the internet (2.7% of all households) were at risk of poverty.
- The ESPN Italian country team reports that the costs of an internet and telephone connection for accessing digital public services are one of the factors explaining access difficulties for people on low incomes.
- In 2019, in Poland, there were 1.7 million households (13.2% of all households) with no access to the internet; around 36% (605,500 households) declared that they found it difficult to afford, for example, the high costs of the equipment or the connection.

In short, to enhance digital inclusion among people on low incomes, three main aspects of access will have to be addressed: i) the ability to use digital devices, i.e. the necessary digital skills; ii) access to the adequate infrastructure and equipment, e.g. access to broadband internet service; and iii) affordability of digital services according to users' needs. Although the EU legal obligations⁷⁹ act as a safety net, requiring affordable internet (and voice communications) provision, thus also ensuring access to digital public services, people on low incomes still face access hindrances of the three types described above.

The next sub-section summarises the main findings from the comparative analysis of the support measures currently being implemented by ESPN countries to foster the digital – and thereby also the social – inclusion of people on low incomes.

2.4.1 Enhancing digital inclusion among people on low incomes: a comparative overview of ESPN countries' efforts to prevent digital marginalisation

The current Universal Service Directive (Directive 2002/22/EC) requires Member States to ensure that the services set out in the universal service obligations are made available to all end-users, at an affordable price.

These rules were updated by the European Electronic Communications Code (Directive (EU) 2018/1972, which EU countries will have to transpose into national law by 21 December 2020): EECC Articles 84 and 85 on affordable universal service lay down obligations for Member States to ensure affordable access to all consumers to an adequate broadband internet access service⁸⁰

⁷⁹ Universal Service Directive (Directive 2002/22/EC as amended by Directive 2009/136/EC [Citizen rights' Directive]: <https://ec.europa.eu/digital-single-market/en/news/directive-universal-service-and-users-rights-relating-electronic-communications-networks-and>) and aforementioned EECC (Directive 2018/1972).

⁸⁰ The BEREC (Body of European Regulators for Electronic Communications) report on "Member States' best practices to support the defining of adequate broadband internet access service" covers eight Member States (Belgium, Croatia, Finland, Latvia, Malta, Slovenia, Spain, Sweden) and the United Kingdom. It offers an insight into the practices of these countries which have to date introduced broadband under a Universal Service Obligation and is available at:

and to voice communications services. The Directive requires the provision of specific support for consumers on low incomes where it is established that retail prices are not affordable; this may include the introduction of affordable tariff options, and protection against unwarranted disconnection of service.

The ESPN country teams were not asked to assess the extent to which their country has fulfilled their EU obligations in this field. Their remit was to provide national or subnational level evidence on various measures facilitating access to digital public services⁸¹, particularly targeting people on low incomes. These included: i) reduced tariffs; ii) cash benefits; iii) in-kind benefits; iv) advice/training or information services; and v) provision of a basic/uninterrupted basic supply.

We compared the information provided by the ESPN national experts regarding support measures⁸² facilitating access to digital public services with the situation regarding the other essential services covered by this study. One overall finding is that significantly fewer countries are implementing any type of measure, and that there is a far smaller range of measures in place (Table 7).⁸³

Table 7: Grouping of countries according to the type of measures in place facilitating access to digital public services

Reduced tariffs	Cash benefits
AT, BE, CY, FR, HU, IT, NL, PL, SI	DE, FI, NL, SE
In-kind benefits	Basic/uninterrupted supply
FI, LU, NL, PL AL	DE, FI

Note: Several answers possible.

Source: ESPN national reports.

One immediate finding of the comparative analysis of current support measures in the ESPN countries is the sharp contrast between the situation in EU and non-EU countries. Albania is the only non-EU country (Table 7) reporting support measures in this area. In 2019, the government introduced one very specific *ad-hoc* in-kind measure which consisted in providing all social protection beneficiaries with universal decoders to help with the transition from analogue to digital broadcasts.

Only two country teams (DE, FI) report some kind of mechanism ensuring basic and/or uninterrupted access to the service.

https://berec.europa.eu/eng/document_register/subject_matter/berec/reports/8920-berec-report-on-member-states8217-best-practices-to-support-the-defining-of-adequate-broadband-internet-access-service

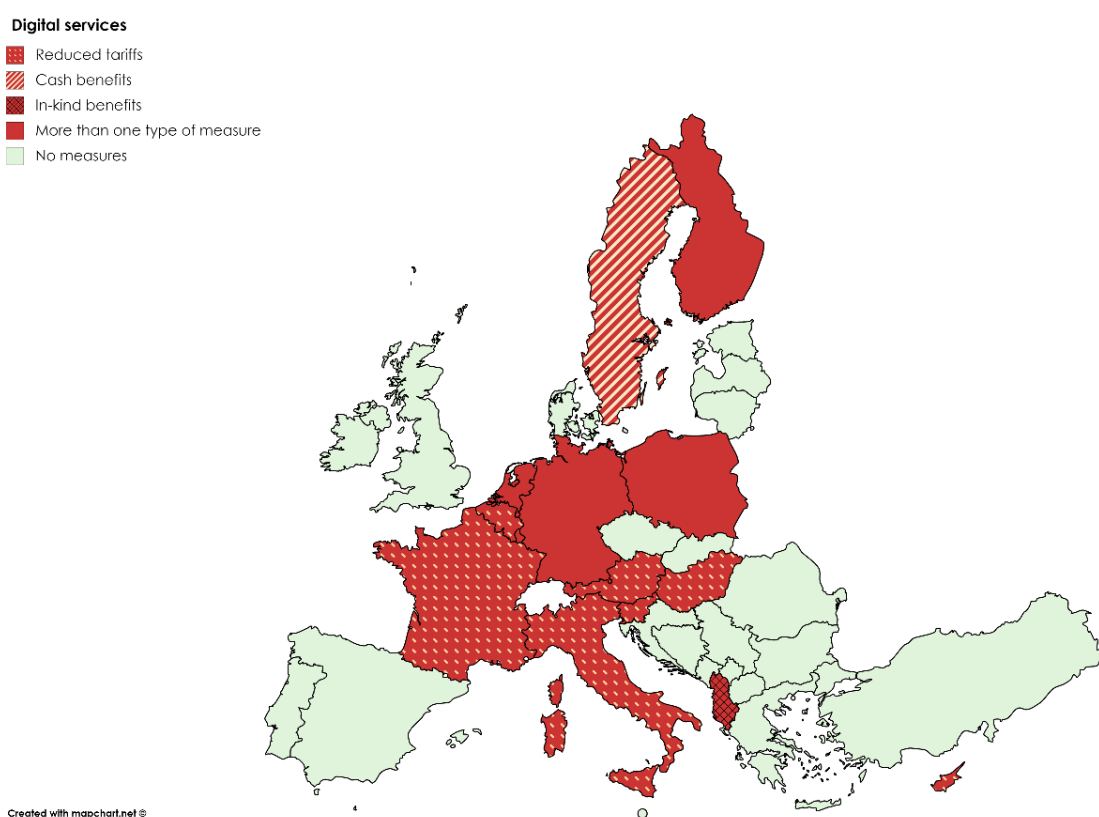
⁸¹ For the purpose of this report (and in the national reports produced by the ESPN country teams), access to digital public services is defined as “access to digital post, digital fiscal services, digital social security services, digital healthcare appointments...”.

⁸² For those interested in further reading, a report prepared by BEREC in 2017 provides an update on the implementation and application of the universal service provisions in all 27 EU Member States as well as the UK and four other non-EU Member States (of which the only ESPN country covered is Montenegro). This report is available at https://berec.europa.eu/eng/document_register/subject_matter/berec/download/0/6973-berec-update-survey-on-the-implementation_0.pdf

⁸³ A full comparative table identifying the different measures available in each ESPN country, with regard to digital public services, and showing the level at which they are implemented, is included in Table A6 in the Annex.

Figure 18 provides a general overview of the different types of measures⁸⁴ reported by the ESPN national experts facilitating access of people on low incomes to digital public services. The presence of more than one type of measure is only reported in four EU countries (DE, FI, NL, PL)⁸⁵, confirming the above-mentioned narrower range of measures than for the other essential services analysed in previous sections. It is important to note that digital (public) services are usually themselves free of charge and thus available, in theory, to all. Therefore, although the focus of the reports is on access to digital public services, several country teams highlight support measures enhancing access to electronic communications services, since the latter are needed to access these digital services.

Figure 18: Different types of measures aimed at facilitating access for people on low incomes to digital public services, ESPN countries



Source: ESPN national reports.

Another relevant common finding concerning digital public services arises from the descriptions provided by the overwhelming majority of ESPN national experts: the availability of free internet in public spaces (e.g. libraries, “citizen spaces”, web-points in municipalities, hotspots in public spaces, parks, city centres) and/or in other non-public places (internet cafes and support organisations), where people in general, including people on low incomes, may have free access to internet. This access, however, has several usage limitations (e.g. time, availability, security, privacy) compared to internet service which is provided for personal and/or household use within their own dwelling.

⁸⁴ Advice/training or information services are the only types of measure which have not been included in this aggregate analysis of the support available to people on low incomes, given the wide variability of interpretations of this specific type of measure. These measures are addressed at the end of this sub-section.

⁸⁵ Represented by the category “more than one type of measure”.

Reduced tariffs for electronic communications services are clearly the most common type of support provided across the EU. Nine ESPN national experts (AT, BE, CY, FR, HU, IT, NL, PL, SI) describe the existence of such reduced tariffs facilitating access of people on low incomes to digital public services. These are usually widely available within countries, mostly as national-level measures. Only in Poland are reduced tariffs described as a local support measure which only exists in a few municipalities. For example:

- In Austria, a major national-level measure currently in place is the Telephone Fee Grant, a special allowance covering (parts of) telephone and internet costs; people living in low-income households, who at the same time receive at least one social benefit, can apply for this grant.
- In Belgium, telecom operators have to offer a social tariff, with a moderate reduction on commercial prices, to people living on a MI, elderly people living on a low income⁸⁶ and people with disabilities on a low income⁸⁷. However, the ESPN national expert argues, the procedure to obtain the social tariff, via the Belgian Institute for Postal Services and Telecommunication, is rather complex and the take-up is therefore quite low.
- In Cyprus, the Telecommunications Authority (CYTA) has been designated as the Universal Service Provider in the area of electronic communications and, consequently, it has a mandate to introduce the necessary provisions to facilitate access of low-income persons by introducing special pricing packages; 50% reduction fees on landline connections are available for beneficiaries of the special pricing packages, who must be Public Assistance beneficiaries and/or MI scheme recipients. However, the ESPN national expert argues, the impact of such measures is debatable since, in Cyprus, landline internet connections are seldom used, even by low-income groups.
- In France, the ESPN country team reports several support measures in this area arising from the overall approach of “provision of universal service of electronic communications”; these include, for example; a social telephone reduction on landline subscriptions for people on minimum social benefits; and special mobile phone tariffs for MI scheme recipients.
- In Hungary, a coordinated set of measures were introduced, as part of the Digital Welfare Programme, – for people on low incomes, for example a cut in VAT on internet services to 5% as of 2018, and low-priced cable internet service packages to those who cannot afford the current prices; these measures result in a 30-35% price cut for users.
- In Poland, since April 2018, the Myszków municipality is offering internet services at a reduced price to a strictly defined social group – 100 households – considered to be digitally excluded; however, the national experts argue, the speed of receiving data is significantly lower than the capacity limit for municipal services, which was increased a few months after the introduction of this specific measure.
- In Slovenia, low-income users are defined as persons without the means to meet their subsistence needs, and are equated to recipients of the cash social assistance or the income supplement (*varstveni dodatek*). They pay a reduced tariff for the universal service: €10.72 (the regular price is €14). Low-income users with disabilities are entitled to a 50% discount on connection to a public communication network at a fixed location, and a 50% discount on a monthly subscription for publicly available telephone services at a fixed location.

⁸⁶ Whose yearly household income is below €19,566.25.

⁸⁷ Whose yearly household income is below €18,736.66.

The use of **cash benefits** is reported by four⁸⁸ ESPN country teams (DE, FI, NL, SE). The descriptions provided by these experts confirm that the use of cash benefits to facilitate access to electronic communications services for people on low incomes is embedded in the universalistic policy approach described in previous sections of this report. In Germany, for example, access to and use of digital services for people on low incomes is encouraged by cash benefits provided as part of MI benefit schemes; and, in Sweden, the basic scale rates of social assistance for current expenses include a computer with internet access and a limited sum to cover the cost of mobile phone use.

In-kind benefits facilitating access for people on low incomes to public digital services are identified by ESPN national experts in four EU countries (FI, LU, NL, PL) and in Albania. Examples of in-kind benefits include: free amount of GBs/MBs (NL), free access to internet provided by welfare organisations to their clients (e.g. FI, LU), access to training programmes enhancing digital skills among poor households (PL).

ESPN national experts from Finland and Germany are the only ones to mention the existence of some kind of mechanism aimed at ensuring **basic/uninterrupted supply** of electronic communications services for people on low incomes. In Germany, prepaid connections are offered. In Finland, people on low incomes are provided with preventive assistance at municipal level, which may cover extra costs arising from the utilisation of digital public services through electronic communications.

The French ESPN country team reports the introduction of a specific right – the right to maintain an internet connection for households in difficulty – which was legally introduced in October 2016 for households experiencing occasional difficulties in paying their internet bills; since January 2017, it has been tried out in three *départements*.

Advice and information support measures were identified in a wider number of EU countries (and also in the UK), although most of the reported services are actually not targeted at people on low incomes, but rather provide general information to all clients. The only relevant and more targeted example of support in this field is reported by the Belgian ESPN national expert: in several municipalities, social and educational NGOs have developed tools and training to improve the e-inclusion of vulnerable people, and centres for basic education also provide training to vulnerable digitally illiterate people, including young people.

Overall, the support measures available for people on low incomes to facilitate their access to digital public services do not seem to reflect the size and nature of digital inclusion challenges in the 21st century. According to the evidence provided by ESPN country teams, measures currently in place across ESPN countries are not satisfactory, their effectiveness is often reported as doubtful and risks of a digital divide are already identified in some countries where increased digitalisation of public services disregards the specific situation of people on low incomes, and thus has increased the obstacles hindering these people from accessing digital services.

⁸⁸ In Cyprus, there is a marginal specific support indirectly related to access to digital services: the government grants €400 to low-income students in higher education to subsidise the purchase of a laptop.

2.5 Guaranteeing the right to a payment account with basic features (Basic Account) for all: the EU Payment Accounts Directive (PAD)

Since 31 January 2020 at 11 p.m. (GMT), the UK is no longer an EU Member State. This began a transition period that is set to end on 31 December 2020, during which the UK and EU will negotiate their future relationship. Even if it is no longer part of the EU's political bodies or institutions, the UK remains subject to EU law and remains part of the EU customs union and single market during the transition. It was in the EU at the time of publication of the 2014/92/EU Directive (the so-called "Payment Accounts Directive" [PAD]⁸⁹) and had to complete its transposition by the agreed deadline. Therefore, unlike all other sections of this Synthesis Report, in this Sub-section 2.5 we include the UK in our analysis of the situation in EU Member States - i.e. our dual approach to the comparative analysis of the ESPN national reports distinguishes between i) the situation in EU Member States and the UK; and ii) the situation in non-EU Member States.

The PAD sets out common standards that EU Member States must adhere to in order to ensure access to a payment account with basic features free of charge or for a reasonable fee, among other provisions.

One of its key aims is to guarantee that bank accounts with basic features are available to all consumers in the EU, regardless of their country of residence and financial circumstances. According to the PAD, then, all consumers who are legally resident in the EU have a right to a payment account with basic features (Basic Account) with a credit institution located in the Member State in which they reside. This includes asylum seekers and other clients who have no fixed address or residence permit but who may not be expelled for legal or circumstantial reasons.

Chapter IV of the PAD contains specific provisions for Member States aimed at eliminating the barriers for access to payment accounts with basic features. Member States shall therefore ensure that:

- credit institutions do not discriminate against consumers by reason of their nationality, place of residence or any other of the protected grounds under EU law, such as sex, race, ethnic or social origin;
- payment accounts with basic features are not only offered by credit institutions that provide payment accounts with solely online facilities;
- the right to a Basic Account is not made too difficult or burdensome for the consumer; and
- access to a payment account with basic features is not made conditional on the purchase of additional services.

The PAD also clearly states that Member States should provide clear and comprehensible information on the right to open and use a Basic Account, ensuring that communication measures are well targeted and, in particular, that they reach out to unbanked, vulnerable and mobile consumers. Credit institutions should also provide accessible information and adequate assistance about the specific features of the Basic Account on offer, including their associated fees and their conditions of use, and also inform consumers about the steps they should take to exercise their right to open a Basic Account.

⁸⁹ For the full text of the PAD, see <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0092&from=EL>

Moreover, implementation of the PAD is to be evaluated in a review⁹⁰ which should, among other things, assess the effectiveness of existing measures and the need for additional measures to increase financial inclusion and to assist vulnerable members of society with over-indebtedness. It should also provide examples of best practices among Member States for reducing consumer exclusion from access to payment services.

Overall, the PAD recognises that provision of a payment account that allows access to basic services – taking into account the needs of more vulnerable consumers – is becoming increasingly essential for ensuring the “smooth functioning of the internal market and the development of a modern, socially inclusive economy”.

Taking into account this EU legislative background – including the need for Member States to ensure the transposition of the PAD by 18 September 2016 – ESPN national experts were asked to identify any relevant issues related to the implementation of the PAD in their respective countries.

Sub-section 2.5.1 summarises the main findings based on the ESPN national reports, providing a dual approach to the comparative analysis: i) the situation in EU Member States including the UK (for the reason explained above); and ii) in non-EU countries.

2.5.1 Implementing the PAD: formal compliance versus actual implementation efforts in EU Member States

All EU Member States (and the UK) have already adopted and/or adapted national legislation in order to ensure compliance with the provisions of the PAD.

One interesting finding from the descriptions provided by ESPN national experts from EU Member States regards the diverse impact of the PAD on financial service regulatory developments at national level. National reports from four EU countries (FR, EE, LT, NL) and the UK refer to **pre-existing national legislation** – in relation to the PAD’s transposition deadline – which already included provisions for ensuring access to payment accounts with basic features, although featuring diverse characteristics and approaches:

- The ESPN French country team highlights the previous existence of a broader banking inclusion approach⁹¹, which included: i) a specific option for customers in financial difficulties, with limits on the payment default charges; and ii) the bank access features offered by the post office bank (*la Banque postale*), which allows people with no bank current account to open a savings account, similar to a bank current account with some restrictions.
- In Estonia, access to a free bank account was already provided by the largest banks in the country, although restricted to Estonian residents.
- The 1999 Law on Payments in Lithuania, already guaranteed consumers the right to open and use payment accounts with basic features, including withdrawals, bank transfers and debit cards. In 2017, the Bank of Lithuania set up a reduced monthly tariff (€0.75) for people receiving the social assistance benefit, for the basic payment service package offered by commercial banks and credit unions.

⁹⁰ By the end of 2020, the Commission is expected to submit to the European Parliament and to the Council a report on the application of the PAD, accompanied, if appropriate, by a legislative proposal.

⁹¹ Reflected in article 16.10 of the PAD.

- The Dutch ESPN national expert refers to pre-existing rights to a basic payment account, which, she argues, provided more limited guarantees than the PAD, both regarding the group of consumers eligible for an account, as well as the scope of the rights ensured, i.e. it was solely focused on the right to have a bank account and bank card.
- By October 2001, all UK banks were deemed to offer a basic bank account meeting the needs of people on low incomes, in order to reduce the substantial proportion of the population who did not have a transaction bank account; in anticipation of the PAD transposition, the UK Government entered into negotiations with nine banks to improve the design of existing basic bank accounts, to publicise them to people for whom they would be appropriate, and to report annually to government on their uptake.

ESPN national experts from Austria, Ireland and Slovakia explicitly acknowledge a **positive impact** at national level of the application of the PAD on consumer rights to financial services:

- The Austrian ESPN national expert reports that previously to the PAD, banks often rejected potential clients exhibiting problems with financial liquidity or over-indebtedness, and that “black lists” were shared among credit institutions documenting such problems; transposition of the PAD into national legislation even paved the way for the development of innovative and inclusive financial solutions (see Box 3).
- In Ireland, the ESPN national expert suggests that the PAD was important in moving access to Standard Bank Accounts forward, following the pilot stage initiated in 2012. However, progress seems to be hampered by a lack of proactive engagement by the banks, trust issues regarding financial institutions, and relatively low financial literacy in low-income sectors. Irish authorities should ensure that the right to a Basic Account is properly enforced in line with the PAD.
- In Slovakia, consumers’ rights to open and use a payment account improved following transposition of the PAD: in addition to the introduction of the payment account with basic features, a so-called “basic banking product” was introduced in 2016, i.e. a payment account designed for people on low incomes, provided free of charge and granted only to persons whose net monthly income does not exceed 1.1 times the minimum wage.

Box 3: The Austrian example of the Zweite Sparkasse

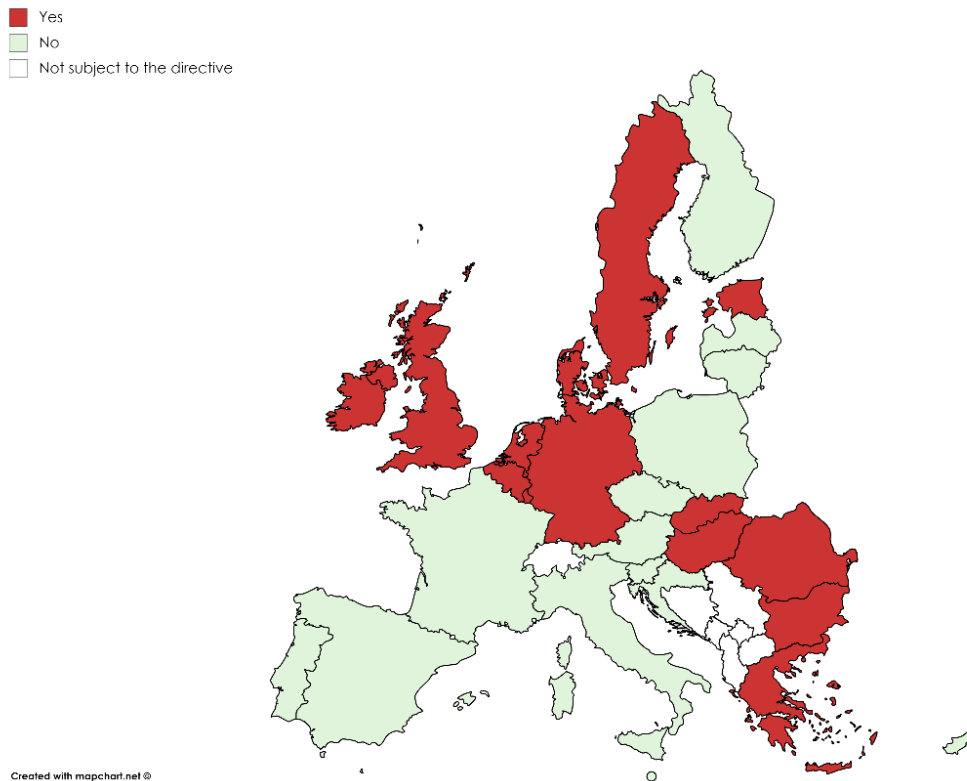
In 2006, the “Erste Group Bank”, via a special foundation, set up the so-called “Zweite Sparkasse”, which is a fully licensed independent bank, run by volunteers whose main job is with the Erste Bank. The Zweite Sparkasse works with debt counselling services and other social services and offers different types of basic payment accounts, also providing basic accident and household insurance. The service fee for their Basic Account is usually €3 per month, but if the client changes to a normal account within the first three years of having a Basic Account, this service fee is refunded.⁹²

Source: ESPN national report (Austria)

⁹² For more details, see <https://www.sparkasse.at/diezweitesparkasse/bank-der-zweiten-chance>

Problems related to the implementation of the PAD are reported by 14 ESPN EU country teams, whereas another 14 say there are no problems, and no evidence of implementation issues (Figure 19).

Figure 19: Mapping of problems related to the implementation of the PAD in EU countries and the UK⁹³



Source: ESPN national reports.

In general, national legislation in all EU Member States (and the UK) has been formally adopted in compliance with the PAD. Only two ESPN country teams highlight difficulties regarding the transposition:

- In Greece, the transposition of the PAD only occurred eight months after the 18 September 2016 deadline; additionally, the ESPN national experts underline specific serious constraints arising from financial stability requirements, namely the ban on opening any kind of new bank account; these restrictions lingered until February 2018, after which no other issues regarding the PAD's implementation were identified.
- The ESPN Romanian national expert refers to a one-year delay in the transposition of the PAD's provisions into national law; additionally, she argues, although the law requires all banks to provide free-of-charge bank accounts for low-income consumers, actual access is hindered by the lack of proactive information or counselling services.

⁹³ As mentioned above, the UK has been included in this figure given its position at the time of the publication and transposition commitments of the PAD.

The latter example from Romania clearly illustrates one of the most significant obstacles with regard to the implementation of the PAD: the lack of significant efforts from Member States and their relevant credit institutions to publicise and actively inform potential customers of their right to a generally free-of-charge payment account with basic features. This aspect is also highlighted by other ESPN national experts:

- In Bulgaria, the ESPN country team reports that the Active Consumers Association (ACA) undertook an overview of bank web-sites and carried out a “mystery client” experiment. ACA concluded that it is not easy to obtain information on the special account with basic features, because: i) the information is hidden deep in the bank webpages or contained in marginal locations within general documents or documents on other products; ii) the information about the availability of the special account was only provided after the mystery client explicitly referred to it; and iii) several banks actively discouraged the mystery client from opening such an account, in some cases even providing false arguments.
- Likewise, in Ireland, an informal mystery shopper exercise carried out in North Dublin in mid-November 2017 yielded very low awareness by bank staff of the Payment Account with Basic Features (the Standard Bank Account [SBA]). In only one instance was the customer readily identified as someone who would benefit from such a product and relevant information shared; in the other cases, the customer was given information on a range of current accounts.
- In Hungary, the ESPN national expert also identifies an overall lack of knowledge of the existence of such a right – unknown to 87.3% of the Hungarian population, according to a 2018 survey.
- In Luxembourg, where five credit institutions are mandated to offer a payment account with basic features, the ESPN national expert argues that, surprisingly, there is an almost total lack of awareness among workers at social offices and social services regarding this legal provision.
- Also in the UK, there is evidence of problems in the promotion of basic bank accounts: data from banks clearly show that some offer more basic bank accounts than would be expected from their total market share of current accounts, while others offer far fewer than would be expected.

Other implementation issues described in the national reports relate to lack of access of particularly vulnerable groups, lack of market penetration, and use restrictions and/or access barriers. For example:

- The Belgian ESPN national expert identifies a specific hurdle: certain banks only exceptionally and temporarily accept passports of asylum seekers and refugees to grant access to basic banking services. This is not in line with the recommendations from the National Bank, according to which the identity of these persons can be checked on the basis of the annexes of the residence permit, as long as the risk of abuse is low and the bank has taken measures to limit the risk of abuse of the account.
- In Denmark, homeless people find it difficult to comply with the procedures required for accessing a payment account, because of the obligation to provide the necessary documentation, and also because debit cards are only delivered by post; support to overcome such obstacles is often provided by municipal services.

- In Estonia, there is evidence of complaints related to banks' refusal to open a basic payment account or the imposition of restrictions on the services offered (e.g. ban on using debit card, internet bank transfers or ATM cash withdrawals).
- In Germany where, according to the ESPN national experts, it is usually quite easy for consumers to open a Basic Account, but they may be deterred from accessing basic accounts by the fact that they can be expensive and usually cost more than normal bank accounts.
- Inadequate provision of services for the needs of specific population groups has been identified by the Swedish ESPN country team: most bank offices do not handle cash, which does not seem to comply for instance with Article 17 of the PAD, which speaks of "services enabling cash withdrawals within the Union from a payment account at the counter or at automated teller machines during or outside the credit institution's opening hours".

In short, it appears that across the EU (and also in the UK), Member States have ensured that all or a sufficient number of credit institutions provide a payment account with basic features as laid down in the PAD. Formally, they are therefore in compliance with the PAD. However, it is debatable whether they have actually engaged in serious efforts to ensure that customers exercise the right to a payment account with basic features, ensuring that adequate measures are in place to raise awareness among the public about the availability of payment accounts with basic features, and that communication measures put in place by credit institutions are sufficient and well-targeted, in particular reaching out to vulnerable consumers.

2.5.2 Learning from implementation of the PAD: achievements and challenges as a benchmarking exercise

For the seven non-EU ESPN countries covered in this study (as mentioned above, the UK is not included in the non-EU countries for this specific essential service), useful learning opportunities may arise from implementation developments in Member States since the transposition of the PAD into national regulations.

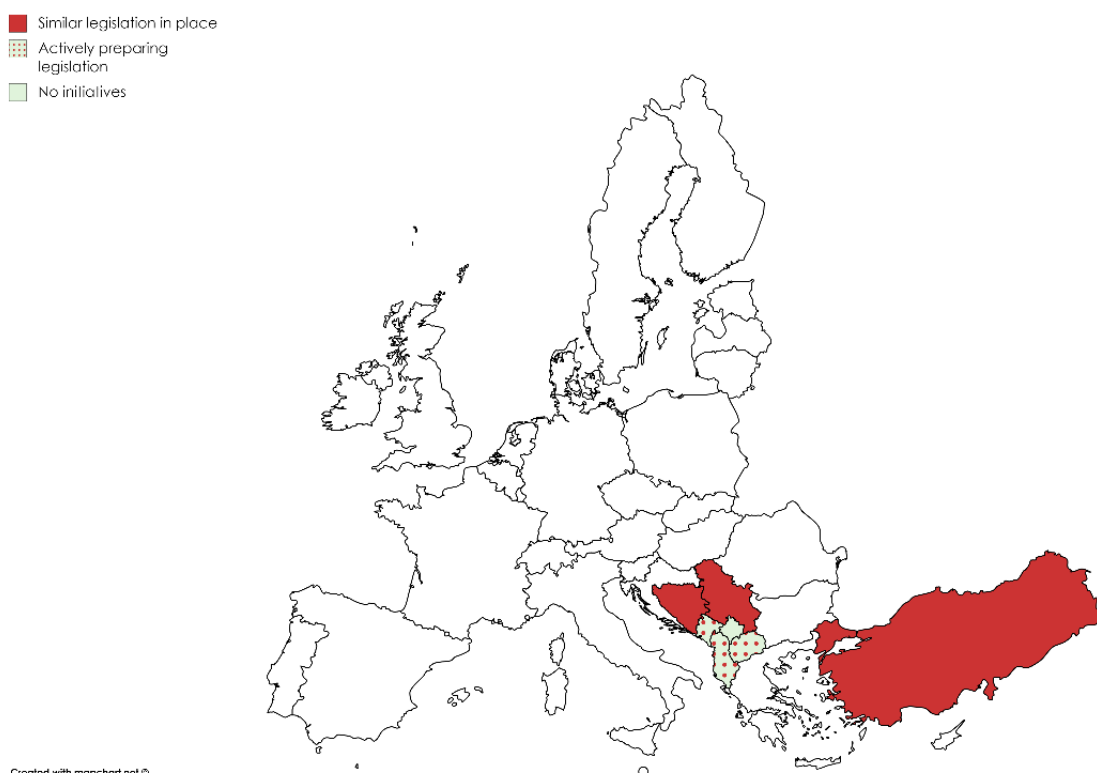
In fact, the analysis provided by non-EU country teams shows the importance of the provisions in the PAD aimed at strengthening the right of vulnerable consumers, particularly people on low incomes, to a payment account with basic features. Overall low levels of financial inclusion are reported by several non-EU ESPN national experts who highlight the particularly disadvantaged position of low-income sectors of the population—this may be partially linked to the relative importance of the informal economy in those countries. For instance:

- In Albania – where the national economy is largely cash based – 2017 World Bank data show that only 40% of the adult population⁹⁴ had a bank account, a share which dropped to 22.7% among the poorest 40% adults.
- Similarly, in Bosnia and Herzegovina, in 2017, only 58.8% of those aged 15 and above had a bank account, whereas among the poorest 40% of the same population segment, the share of bank account holders fell by more than 10 percentage points.
- The ESPN national expert from Kosovo reports similar inequalities in access to banking services among the low-income population, based on the same data source (2017 World Bank): 52% of adults in Kosovo had a bank account in 2017, while this share dropped to 44% among the poorest 40% adults.

⁹⁴ Defined here as 15 years old or above.

The descriptions provided by non-EU ESPN national experts of the current situations regarding access to a Basic Account reveal the presence of diverse systems and initiatives, against the overall background of the legal dispositions enshrined in the PAD. Figure 20 maps the current situation in the seven non-EU ESPN countries, according to a tentative categorisation of countries' efforts to implement legal dispositions in line with the PAD.

Figure 20: Mapping of ESPN non-EU⁹⁵ countries' legal initiatives aligned with the PAD



Source: ESPN national reports.

In Albania, Montenegro and North Macedonia, ESPN national experts report policy initiatives currently being undertaken in order to prepare or anticipate the integration into national legislation of the PAD provisions regarding the right of consumers to open and use a payment account with basic features:

- In Albania, a National Committee of Payment Systems was established in 2015; the Bank of Albania drafted and approved the National Retail Payments Strategy (2018-2023) which anticipates the drafting of a dedicated law on the transposition of the PAD, aimed at enhancing financial inclusion and the protection of customers.
- In November 2018, the Montenegrin Central Bank Council adopted a Draft Law on the comparability of fees for payment accounts, payment account switching and access to payment accounts with basic features; however, in February 2020, the law had still not been adopted by Parliament.

⁹⁵ As explained above, the UK is included among the EU countries for this analysis.

- In North Macedonia, the draft Law on Payment Services and Payment Systems is expected to be adopted in the second half of 2020; it will transpose the PAD with regard to the right for consumers to open and use a payment account with basic features.

In Bosnia and Herzegovina, Serbia and Turkey, the ESPN national experts provide evidence of mechanisms which facilitate access to financial services, making it possible to open and use bank accounts under “favourable” conditions:

- According to the ESPN national experts, Serbian residents have the right to open and use payment accounts with basic features (incl. withdrawals, bank transfers and a debit card), regardless of their personal financial situation.
- In Turkey, although there are no legal provisions facilitating access to bank accounts for people on low incomes, since 2018, following a State Council (*Danıştay*) decision, banks cannot charge fees for opening and using bank accounts. At least one basic credit card with no fees attached must be made available to customers who have been approved for credit-card use.
- The description provided by the ESPN country team for Bosnia and Herzegovina regarding the situation in both entities suggests adequacy problems with the current “alternative” to the payment account with basic features – the transfer (*zira*) account – which is primarily intended for persons without a regular income. A particular problem is its relatively high annual cumulated fees.

Kosovo is the only ESPN non-EU country where the situation reported by the national expert reveals a lack of any type of initiative aiming at guaranteeing the right for all consumers to open and use payment accounts with basic features as foreseen in the PAD. In Kosovo, anyone residing in the country and fulfilling other conditions⁹⁶ may apply to open a bank account, which may be granted (or not) according to the sole discretion of commercial banks.

Overall, there is evidence that increasing efforts to encourage unbanked vulnerable consumers to access financial services are being made in most non-EU ESPN countries. If performance benchmarking is expected with regard to the implementation of the PAD in the near future, identified hindrances in the implementation of the PAD in EU Member States must be adequately considered, by monitoring indicators of the effectiveness of this benchmarking exercise.

2.6 Mapping ongoing or announced reforms of support measures

This sub-section provides a summary of the main findings concerning ongoing or announced reforms of the measures and/or related frameworks aimed at (further) enhancing effective access to the six essential services under scrutiny for people on low incomes.

Ongoing or announced reforms are identified in all the six essential services, although financial services are virtually absent from the descriptions provided by ESPN country teams, with only one reference made by the Austrian ESPN national expert. The announced reform regards the improvement of consumer information on the operation of the Basic Account, which is included in the governmental programme of the new national coalition government.

⁹⁶ Being holders of a valid ID card and of a utility bill either in their name or in the name of the landlord, not older than 6 months.

Table 8: Grouping of countries according to the type of ongoing or announced reforms improving access to water and sanitation services

Policy frameworks		Increased coverage/take-up	
BE, HU		IT, PT	
Reduced tariffs		Cash benefits	
BE, IT BA		RO BA	
In-kind benefits		Disconnections	
BG, FR XK		BE	

Note: Several answers possible.

Source: ESPN national reports.

Table 8 provides an overview of the different types of ongoing or announced reforms identified by ESPN country teams with regard to **water and sanitation**. Overall, these reforms only apply to seven EU countries and two ESPN non-EU countries.⁹⁷ The following examples illustrate some of the reforms described in the ESPN national reports, categorised as per this table:

- In Hungary, the complex slum rehabilitation programme – linked to the action plan of the National Strategy of Social Inclusion – contains elements of community development, and aims to improve housing conditions for those living in slum-like settings. It includes the deployment of so-called stellar points where social and sanitary services (primarily appliances for hygiene and washing) are provided.
- The programme of the Portuguese government for the period 2019-2023 announces its intention to review the way in which the water social tariff is implemented, “so that more people may, automatically, enjoy this benefit”.
- In Italy, from 2021, those receiving the Citizenship Income will be automatically entitled to water and sanitation bonuses, thus eliminating the need to apply every year for the bonuses; this announced reform aims at increasing the take-up rate of this measure.
- In Bosnia and Herzegovina, ongoing reforms promote the principle of affordability, i.e. the cumulative tariff for water and sanitation services should be kept below 4% of the average household income.
- In Romania, in 2018, legal regulations on the provision of potable water and sewage were amended, and new cash benefits were introduced for the low-income population, aiming at subsidising water and sewage/ wastewater treatment costs.
- In Belgium (Flanders), new measures are currently being implemented to prevent disconnections in case of defaults on water bills: after a social enquiry by the PSWC, the Local Advisory Committees can decide to install a water flow restrictor, using a digital meter or a sort of tablet.

⁹⁷ Table A7 in the Annex presents all the ongoing or announced reforms identified by ESPN country teams with regard to water and sanitation services.

Energy support measures have accounted for the largest number of reforms among the six essential services, as well as the largest number of countries (13) reporting their existence (including two non-EU countries). Table 9 provides an overview of the different types of ongoing or announced reforms identified by the ESPN country teams with regard to energy.

Table 9: Grouping of countries according to the type of ongoing or announced reforms improving access to energy services

Policy frameworks	Increased coverage/take-up
BE, ES, FR, HR, IE, LV, SK UK	IT, PT
Energy efficiency	In-kind benefits
BE, FR, HR, LU, PL	SK XK
Information/advice	
HR	

Note: Several answers possible.

Source: ESPN national reports.

New energy plans or strategies are the most common ongoing or announced reforms identified by ESPN national experts, followed by energy efficiency plans, which often concern insulation and renovation of dwellings. Some examples⁹⁸ of these ongoing or announced reforms are provided below:

- In Spain, the National Strategy against Energy Poverty 2019-2024, identifies different lines of action, including: improving support mechanisms against energy poverty; reducing the number of people living in energy poverty; and actions by professionals to combat energy poverty.
- In Croatia, the draft proposal of the Energy Strategy of the Republic of Croatia looking towards 2050 emphasises the importance of implementing particular energy policy measures and of linking new technical and technological solutions with energy poverty alleviation measures; one of the proposed measures is energy counselling for energy-poor households.
- In Ireland, the 2016-2019 Strategy to combat energy poverty is still ongoing and includes a number of new actions, namely: i) a new three-year pilot energy efficiency scheme that aims to combat energy poverty by targeting those suffering from acute health conditions, living in poorly insulated homes; ii) an expansion of the eligibility criteria for existing energy efficiency schemes to capture more people suffering basic deprivation; and iii) establishment of an independent Energy Poverty Advisory Group which will, inter alia, recommend a new national methodology for measuring and tracking energy poverty.
- In Slovakia, a new proposal (2019) for a Strategy on the protection of consumers at risk of energy poverty includes some energy-related in-kind benefits, namely a specific allowance to offset energy costs.

⁹⁸ Table A8 in the Annex presents all the ongoing or announced reforms identified by ESPN country teams with regard to energy services.

- In Italy and Portugal, announced reforms in this area are similar to those described regarding water and sanitation. They aim to enhance take-up by introducing automatic entitlements (automatic entitlement and renewal of electricity and gas bonuses, in the case of IT), or increase the current coverage (extending the gas social tariff to city gas and to liquefied petroleum gas, in the case of PT).
- The programme of the new government of Luxembourg foresees a reform of energy taxes, paying special attention to energy poverty. The new CO₂ tax will be used “in a balanced way for specific climate protection measures and targeted social relief via fiscal (e.g. tax credit) and social measures as a form of *social equity* for low-income households”⁹⁹.
- In Poland, the draft amendment to the Act supporting thermal retrofitting and renovation, effective from February 2019, introduced 100% coverage of the costs of thermal retrofitting for energy-poor households living in single-household dwellings.
- In Kosovo, the Concept Document drafted in 2019 by the Ministry of Labour and Social Welfare expands the list of SAS beneficiaries and benefits for these households, to include e.g. a subsidy for a certain amount of the electricity bill and subsidies for water and district heating bills.

National experts from seven EU countries (AT, EE, EL, FR, LU, LV, RO) and from Montenegro identify several ongoing or announced reforms aimed at facilitating the access of people on low incomes to **public transport** services (Table 10).¹⁰⁰

Table 10: Grouping of countries according to the type of ongoing or announced reforms enhancing access to public transport

Policy frameworks		Increased coverage	
EL, FR		LV	
Cost reduction		Legislation	
AT, EE, LU, LV		RO	
Cash benefits			
ME			

Note: Several answers possible.

Source: ESPN national reports.

Reforms aimed at reducing costs (e.g. reduced tariffs, and free public transport) are the most frequently referred ongoing or announced reforms identified by ESPN national experts; policy framework-related reforms or increased coverage of the public network are less common. For instance:

- In Austria, the new national coalition government announced the introduction of lower-cost yearly tickets, which are not targeted at people on low incomes but from which they can benefit.
- In France, the Framework Act on Mobility - promulgated in 2019 - constitutes a more global (universal, social and ecological) approach to improving access to public transport, which is expected to benefit all users, and not only the most disadvantaged.

⁹⁹ Translation by the ESPN national expert.

¹⁰⁰ Table A9 in the Annex presents all the ongoing or announced public transport reforms identified by ESPN country teams.

- In Greece, authorities have undertaken to review the appropriateness of the current system of subsidised fares in local public transport, although progress of implementation is deemed to be slow and there is uncertainty about whether the reform of transport subsidies will facilitate or rather hinder access of people on low incomes to this essential service.
- In Latvia, free public transport on approximately 20 regional routes (100% fare relief for everyone), as well as subsidised on-demand service transport (provided at the same cost as public transport, with free or reduced-price access for some categories), are foreseen in the report of the Ministry of Transport on regional public transport services for the period 2021-2030. This announced reform aims to increase the availability of public transport in sparsely populated areas where the share of low-income households is higher.
- In Luxembourg, the government's plan to introduce free public transport came into effect on 1 March 2020.
- In Romania, the ESPN national expert refers to a 2018 legislative amendment concerning local public transport which refers to undefined disadvantaged groups. This amendment has led local public administrations to redefine the target groups – increasingly covering people on low incomes – of facilities and benefits relating to public transport.
- In the capital of Montenegro, a planned private-public partnership (announced in 2019) in the area of public transport is expected to include increased subsidies for some of the beneficiary groups, although the actual groups are still undefined.

Finally, ongoing or announced reforms in the area of **digital public services** are also identified by a significant number (11) of ESPN country teams (Table 11).

Table 11: Grouping of countries according to the type of ongoing or announced reforms enhancing access to digital public services

Policy frameworks	Increased coverage/accessibility
FR, LU, LV, RO BA	CY, EE, HU, PT, RO TR
Digital inclusion	Reduced tariffs
FI	ES, PT
Information/advice	
HU, PT	

Note: Several answers possible.

Source: ESPN national reports.

Overall, ongoing or announced policy frameworks and increased coverage or extended accessibility (e.g. free access in public spaces) to digital public services are the two main areas of reforms identified by ESPN national experts (Table 11). Some examples¹⁰¹ of these ongoing or announced reforms are provided below:

- In France, the “national plan for digital inclusion” presented by the government in 2018 – as part of its wider poverty action – aims to help people on low incomes access digital public services.
- In Luxembourg, the government programme announced the development of an action plan which will include specific measures aimed at counteracting the digital divide.
- In Estonia, as of 2019, the “last mile” project has been implemented with the aim of bringing high-speed broadband cable connection to people living in remote areas, where the risk of poverty is higher than in urban areas.
- In Romania, one of the main priorities of the Digital Agenda 2020 has been to improve access of the entire population to digital public services; however, the needs of people on low incomes are still a secondary concern.
- In Turkey, in November 2016, the Minister of Family and Social Services announced the provision of free internet access for 300,000 poor households; the ESPN national experts argue that this reform has not yet been implemented.
- In Finland, the ESPN national expert presents a specific ongoing project (the Aurora project) which aims at combatting the digital marginalisation of people on low incomes; additionally, the government has organised a “hackers against exclusion” challenge which led to the development of, for example, a chat-bot that uses data analysis algorithms to review the customers’ situation and suggest the most suitable services to prevent social exclusion.
- In Spain, a 2019 proposal on future improvement of the social communications subscription (reduced tariff) in order to include internet connection in the Charter of Rights of Users of Electronic Telecommunications Services is still pending.
- In Hungary, ongoing measures – implemented under the National Social Inclusion Strategy – include the provision of internet access in various public locations and training programmes for specific non-user groups.

Overall, ongoing or announced reforms aimed at facilitating access for people on low incomes to digital public services tend to be “diluted” within more general reforms aiming at promoting digital inclusion and increased access to internet services, rather than targeted measures addressing the needs of that specific sector of the population.

¹⁰¹ Table A10 in the Annex presents all the ongoing or announced digital public service reforms identified by ESPN country teams.

3 ENHANCING ACCESS TO ESSENTIAL SERVICES THROUGH INTEGRATED POLICY FRAMEWORKS

In line with the EPSR, essential services are meant to support the social inclusion of people in society and in the labour market. The ability to access essential services is a critical aspect of social inclusion and an important determinant of well-being, especially for disadvantaged groups. Deliberately developing policy frameworks within an integrated process of policy planning may prove substantially more efficient than approaches based on the implementation of individual reforms, either in isolation or even within an incremental process.

In the context of this Synthesis Report, ESPN country teams were asked to identify whether measures to help people on low incomes access essential services were developed within broader integrated policy frameworks for tackling poverty and social exclusion and/or promoting social inclusion. In a few cases, ESPN national experts also highlighted policy measures to help people on low incomes access essential services within overall policy frameworks for the provision of one specific essential service. These service-related policy frameworks included specific elements improving access to the service for people on low incomes.

Overall, the identification of policy frameworks underpinning the development of support measures may indicate that a consistent policy approach in this domain is being developed, implemented, reviewed and assessed. It is outside the scope of this report to examine in depth whether these policy frameworks are actually successful in designing and delivering integrated, comprehensive and consistent policies to address the issues at stake. However, some experts, in their national reports, identified a few elements of success or, on the contrary, some obstacles to implementation.

Section 3 draws on the information provided by the 35 ESPN country teams on the extent to which their countries have implemented measures to facilitate access of people on low incomes to essential services as a part of a broader policy framework (at national and/or subnational level) or, on the other hand, as a diversified set of support measures which cannot be linked to any overall integrated policy approach.

3.1 Extent and nature of existing policy frameworks

The 35 ESPN country teams were asked to explain whether all or some of the existing measures to support access to essential services for people on low incomes were part of a broader national or subnational policy framework (e.g. a national/ subnational programme to fight poverty and social exclusion or regional social inclusion strategies covering access to public transport for people on low incomes) and to provide a short description of those frameworks. Although ESPN national experts were asked to only provide existing subnational policy frameworks when no national frameworks existed for a specific essential service, many of them describe both national and subnational policy frameworks for the same essential service.

This sub-section focuses on a comparative analysis of the descriptions contained in the individual national reports, rather than exhaustively exploring the information provided by ESPN national experts on existing policy frameworks for each essential service at the different levels of governance.¹⁰²

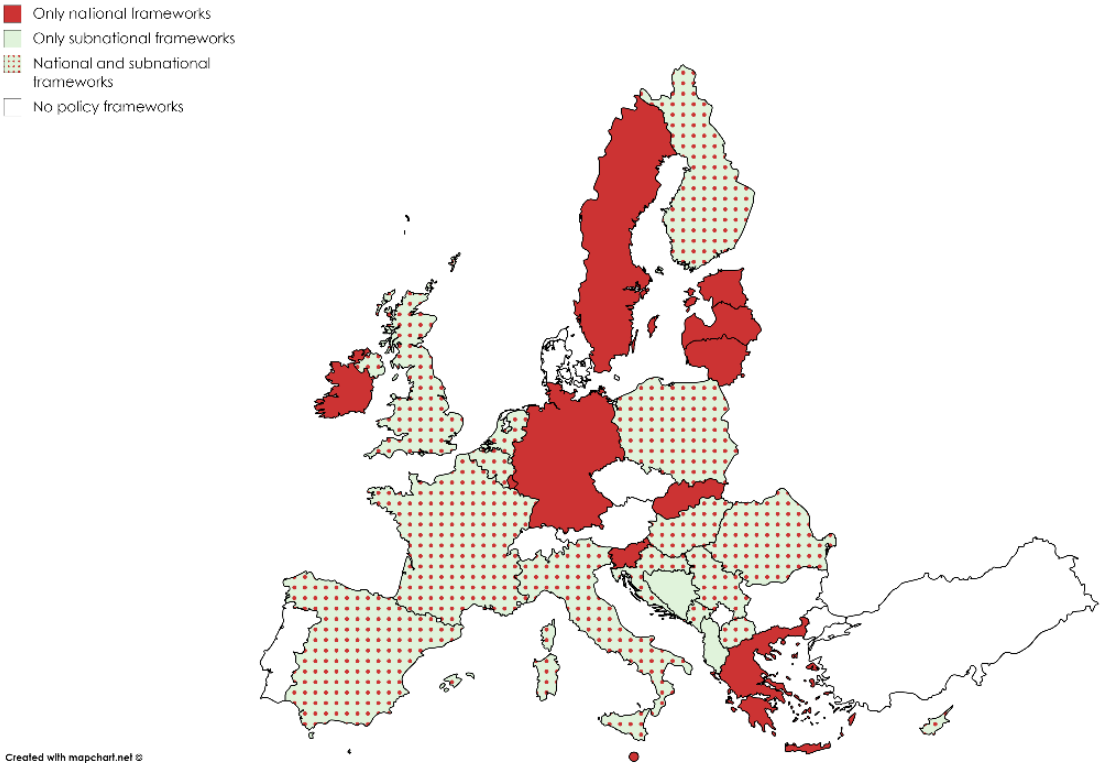
Seven ESPN country teams (five from EU Member States [AT, BG, CZ, DK, PT]) and two from non-EU countries [TR, XK]) report an overall lack of any kind of broader policy framework at national and/or subnational level for any of the six essential services under scrutiny (Figure 21). Thus, the support measures for people on low incomes reported by these teams for the six essential services under scrutiny have not been developed or implemented as part of an overall integrated policy approach, but rather as individual reforms. For example:

- The Austrian ESPN national expert points out that the support measures in place to facilitate access to essential services were developed as part of an incremental process of individual reforms, which did not derive from a deliberate and integrated process of political planning. This – he argues – also causes some substantial diversification in the way they are implemented by the federal provinces.
- In Czechia, where several official government strategies are in place (e.g. the National Reform Programme, the Social Inclusion Strategy of the Czech Republic 2014-2020, and the National Concept of Cohesion Policy Implementation), essential services are not addressed as part of an integrated policy approach.
- In Turkey, the ESPN national expert argues, social assistance is dominated by the uncoordinated and patchy coexistence of mainly category-based policy measures that grant entitlement to discretionary, irregular, means-tested cash or in-kind benefits.

However, the majority of ESPN national experts identify policy frameworks, at various levels, which provide some kind of surrounding structure for the support measures singled out as enhancing access to essential services for people on low incomes. National policy frameworks are identified in 11 EU countries (including DE, EE, EL, IE, SE) and by no non-EU country teams (Figure 21), whereas national and subnational policy approaches including support measures in the various areas are reported by 15 ESPN country teams, covering 11 EU countries (e.g. BE, IT, NL, PL, RO) and four non-EU countries (UK, ME, MK, RS).

¹⁰² Table A11 in the Annex presents a summary table identifying broader national and/or subnational policy frameworks for the six essential services identified by ESPN country teams.

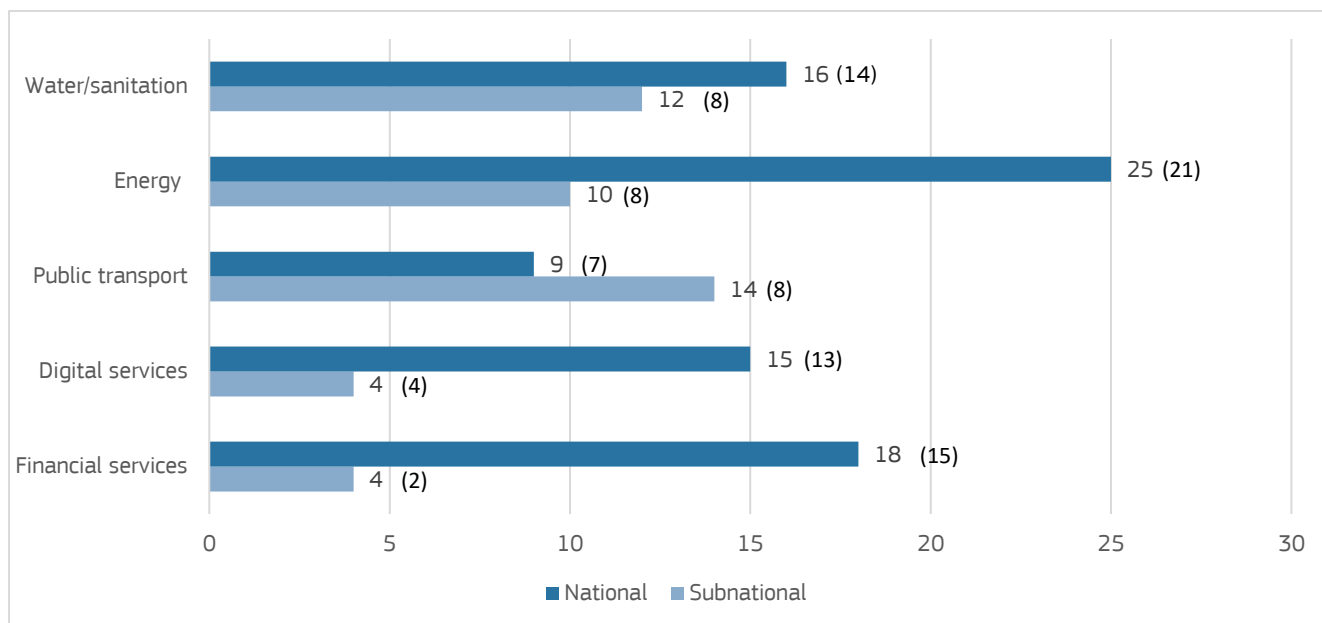
Figure 21: Broader policy frameworks, showing their level of implementation, ESPN countries



Source: ESPN national reports.

From a “service perspective”, it becomes clear that policy frameworks (either broader national and/or subnational) are more likely to exist for energy and water and sanitation services than for any of the other three essential services (Figure 22).

Figure 22: Overall policy frameworks covering support measures across the six essential services, ESPN countries (number of countries)



Note: The number between brackets is the number of EU countries in the total number of countries. For instance, ESPN national experts from 16 countries (of which 14 are EU Member States) identify relevant national policy frameworks in the field of water/ sanitation services. Several answers possible.

Source: ESPN national reports.

ESPN national experts from 25 countries (of which 21 are EU countries) identify relevant national policy frameworks in the field of **energy services**. Subnational frameworks are only identified in 10 countries (of which 8 are EU countries). In general, these overall frameworks tend to be either service-related (e.g. Energy strategies or plans) or poverty/inclusion-related. The following examples illustrate some of these energy-related broader policy frameworks:

- In Belgium, the Flemish anti-poverty plan announced the replacement of the free kWh provision to all households with measures that are more suitable for tackling energy poverty among vulnerable target groups; additionally, it includes a commitment to adopt an energy poverty plan, including social energy efficiency programmes, loans and subsidies to structurally reduce energy consumption of vulnerable households, energy-upgrading of the social housing stock, revision of public service obligations, among others.
- In December 2019, the Estonian Government adopted a “National Energy and Climate Plan up to 2030” (REKK), which addresses, inter alia, energy poverty; it includes policy measures aiming at improving the situation of persons/ households who are in an economically precarious situation and who are unable to access energy-saving measures without additional support.
- In France, the ESPN country team reports that the policy to combat energy insecurity has undergone several notable changes since 2018. A second part has been added to the “Live Better” (*Habiter Mieux*) programme (*Habiter Mieux Agilité*), which creates, for example; subsidies for low-income households that undertake “light works” rather than a set of works; an increase in the “energy cheque”; an increase in the number of beneficiaries by an extension of eligibility; facilitating applications for the interest-free “eco-loan” by removing some restrictive eligibility criteria; the transformation of the energy transition tax credit into an “energy bonus” for low-income households.

- In Latvia, one of the objectives of the “Latvian Energy Long Term Strategy 2030 - Competitive Energy for Society” is to ensure social support in the energy sector at national scale, by implementing, inter alia, social support measures for consumers of a certain status in order to prevent energy poverty and ensure access to affordable energy for any resident of Latvia.
- In Spain, in order to tackle the social impact of the financial and economic crisis and of the fiscal consolidation policies from 2010 onwards, the 2013 Law on the Electricity Sector, drawing on the European Directive on consumer protection¹⁰³, creates the figure of the “vulnerable consumer” and in 2014 introduces the so-called “*bono social eléctrico*” or social discount rate on electricity; in 2016 and 2018, new updated instruments for the access and protection of vulnerable consumers have been contained in subsequent regulations falling under the above-mentioned law.
- In 2010, Bosnia and Herzegovina developed and adopted a state-level Social Action Plan in the field of energy, aimed at, inter alia, developing measures for the assistance and protection of socially vulnerable categories of energy consumers; however, the implementation of these provisions falls under the competence of entities, and entities have prioritised these measures differently.
- In Serbia, since 2014, the Energy Law defines vulnerable energy consumers and includes consumer protection provisions: procedures and eligibility conditions for reduced tariffs.

Unlike for energy services, subnational policy frameworks in the field of **water and sanitation** are almost as common as national level policy approaches. Out of those ESPN country teams which identify national and/or subnational policy frameworks in these fields, 16 (of which 14 are EU countries) refer to national level approaches and 12 (of which 8 are EU countries) to subnational policy frameworks (Figure 22). This stronger presence of subnational overall policy programmes or plans is linked to the fact that in many ESPN countries, responsibility for the provision of water and sanitation (mostly public operators) lies at the regional/local level (see Sub-section 2.1.2). However, the descriptions provided by the ESPN experts mainly focus on national-level policy approaches – as indicated in the overall experts’ remit – rather than providing evidence of relevant regional or local policy frameworks. For example:

- In Luxembourg, there are no sectoral policy frameworks encompassing support measures in this area; the ESPN national expert rather highlights long-standing policies to combat poverty and reduce inequalities. These are the main framework for the development and implementation of support measures concerning access to essential services, namely water and sanitation services.
- A similar situation is reported by the ESPN national expert from Malta: although the National Strategy for Poverty Reduction and Social Inclusion does not specifically address the six essential services under scrutiny, “its Actions and Objectives indirectly impinge on them”.

¹⁰³ Directive 2009/72/EC of the European Parliament and of the Council, of 13 July 2009, concerning common rules for the internal market in electricity.

- In the Netherlands, the basic idea of facilitating services for all citizens, (partly) financed by public money, is historically part of welfare policy. Thus, many of the support measures are not only based on anti-poverty policies, but also on policy frameworks related to public, or basic services, including water and sanitation. These include special, service-bound benefits and waivers, and measures ensuring the provision of a basic or uninterrupted supply.
- In Montenegro, support measures facilitating access of people on low incomes to water and sanitation services (e.g. reduced tariffs) are decided on and implemented through Parliamentary decisions at the municipal level.
- Likewise, in North Macedonia, water and sanitation services are provided under the responsibility of municipalities who, through Decisions and Annual Programmes, stipulate access and support for different population groups.

Support measures facilitating access of people on low incomes to **public transport** are mostly included in regional or local level policy frameworks. Such subnational policy programmes or plans are identified by 8 EU ESPN country teams (e.g. BE, FR, HR, IT, RO) and 6 non-EU national experts (e.g. UK, AL, BA), whereas only nine teams (including two from non-EU countries [UK, MK]) report the existence of national policy frameworks encompassing support measures in this specific field (Figure 22). For example:

- In Belgium, the Walloon anti-poverty plan¹⁰⁴ includes one chapter on vulnerable people's right to mobility, aimed at e.g. increasing the visibility and awareness-raising of preferential tariffs for public transport, enhancing payment by instalments, and improving the services of the "*centrales des moins mobiles*" at the PSWCs, which provide transport for people who cannot afford a car or a taxi-ride.
- In Romania, national legislation regulating local public transportation was amended in 2018, including additional references to vulnerable groups – which may include people on low incomes – and stipulating that public transportation benefits need to be introduced for different categories of people in disadvantaged conditions, and should be supported from local budgets.
- The support measures which facilitate access of people on low incomes to public transport (and other essential services) are described by the Swedish ESPN experts as part of a broader national policy framework aimed at ensuring a reasonable economic standard below which no one should fall, i.e. the cash benefits provided by the social assistance programme for public transport in principle cover access to this essential service, although the implementation, administration and financing are the responsibility of the municipalities.
- In the UK, Wales already has a national transport strategy, setting objectives including on reduction of poverty (especially child poverty), equality and inclusion. Across the UK, local transport plans usually include high-level objectives on inclusion and equality of opportunity, and it is at this local level that measures such as discretionary fares and subsidies for "socially necessary" bus routes are implemented.

¹⁰⁴ <http://luttepauvrete.wallonie.be/page/le-plan>

Measures enhancing access to **digital public services** are mostly included in national-level policy frameworks¹⁰⁵ (identified by ESPN national experts in 13 EU countries and 2 non-EU countries) (Figure 22).

Some experts refer to national Digital Agendas, in direct reference to the 2010 Commission Communication on a Digital Agenda for Europe¹⁰⁶, one of the seven flagship initiatives of the Europe 2020 Strategy. Enhancing digital literacy, skills and inclusion is one of the key areas of the Digital Agenda for Europe, which recognises that people on low incomes are one of the groups less likely to have ever used the internet, either due to a lack of user skill, lack of interest or affordability constraints. However, the extent to which people on low incomes are actually targeted by these national policy frameworks is not always clear. For example:

- In Belgium, the Walloon anti-poverty plan includes several measures to improve the e-inclusion of vulnerable citizens, e.g. launching special actions to better reach out to specific target groups (e.g. single women, pensioners, MI beneficiaries), and providing ICT training for vulnerable persons.
- In France, the “national plan for digital inclusion” presented by the government in 2018 is a specific programme to help people on low incomes to access digital public services as part of the government’s wider poverty action.
- In Estonia, one of the main goals of the Digital Agenda 2020 for Estonia is to support people’s well-being, including the development of high-speed broadband connection to ensure that the service is available for all people; the needs of people on low incomes are targeted through social policy measures, such as subsistence benefits or other allowances.
- In Hungary, the Digital Welfare Programme launched in 2015 and extended in 2017 aims to promote access to digital communications services, and to tackle both material and cognitive obstacles, including promoting information campaigns on the importance of digital literacy, and enhancing access affordability.
- In Ireland, the Digital Agenda dates back to 2013 and is currently under review. It is foreseen that the new strategy would cover a broad range of societal and economic areas including, inter alia, education and skills, wellbeing and inclusion, digital public services, and innovation, the digital economy, and labour market changes.

The ESPN national experts were not asked to describe financial-related support measures for people on low incomes. The approach to **financial services** was focused on the implementation of the Payment Accounts Directive. Thus, those ESPN country teams which identified the existence of broader national (15 EU countries and 3 non-EU countries) and/or subnational (2 EU countries and 2 non-EU countries) policy frameworks (Figure 22) mostly report on the national laws which transposed the PAD provisions discussed under Sub-section 2.5.

¹⁰⁵ It should be noted that the EU legal framework for universal service obligations in electronic communications is applicable in all EU Member States.

¹⁰⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52010DC0245&from=en>

Aside from the diversity of national and/or subnational overall policy frameworks, the evidence provided by the 35 ESPN country teams with regard to the broader policy frameworks encompassing support measures facilitating access of people on low incomes to the six essential services also reveals some key aspects:

- In some countries (e.g. DK, FI, SE), support measures in all the areas concerned fall within broader national policy frameworks (e.g. social welfare programmes) which aim to ensure decent income transfers and access to all essential services, rather than specifically targeted service-related frameworks.
- In other countries (e.g. CY, DE, IT), MI schemes are the main overall policy framework under which people on low incomes may be provided with support for accessing essential services. This link, however, is not always explicit, and therefore the costs of essential services may not be adequately covered by this welfare protection.
- In several other countries (e.g. BE, EL, HR, HU, IE, LU, MT, RO, SK, MK), National Strategies or Plans to fight poverty or to promote social inclusion – at national and/or regional levels – are identified as the main (more or less relevant) overall policy framework for helping people on low incomes to access essential services.
- Although several ESPN national experts identify service-related policy frameworks, these frameworks seem to be more important in providing support measures facilitating access of people on low incomes to essential services in countries such as France, Lithuania, Slovenia, Spain, the UK, Bosnia and Herzegovina, and Serbia.

Finally, several ESPN national experts raise concerns regarding the real capacity of existing policy frameworks to enhance access of people on low incomes to the essential services under scrutiny. They identify the following gaps:

- In Germany, the ESPN national expert provides a critical assessment of the system in place – based on the provision of MI benefits – aimed at helping low-income households to bear the costs of accessing essential services. Basing himself on available studies, he identifies four main weaknesses:
 - High rates of non-take up of MI benefits among vulnerable groups of people, namely the so-called “hidden poor”.
 - Obstacles to the implementation of the “coverage of housing costs up to a reasonable level”, intended to cover the costs of some essential services.
 - Insufficient capacity among local authorities to prevent evictions, which lead to the disconnection of essential services.
 - Inconsistency in the calculation of the current level of the standard benefits. He deems these insufficient to provide the resources needed for socio-cultural subsistence.
- In Greece, the “National Strategic Framework for Social Inclusion” which entered into force in 2014, recognises access to adequate goods and resources and makes explicit references to water, sewerage, energy and financial services; however, the experts argue, the document does not identify any specific public investment plan with clearly defined objectives, targeted measures and robust governance arrangements.

- In Ireland, the ESPN national expert reports that the Irish National Action Plan for Social Exclusion 2007-2016 makes reference to three of the six essential services, although it tended more to “namecheck” the role and place of essential services in poverty alleviation rather than proposing a set of measures to address them. The new plan (*The Roadmap for Social Inclusion 2020-2025. Ambition, Goals and Commitments*), published in January 2020, proposes significant action only in relation to financial inclusion, on which it commits to exploring the options for a programme of financial education for people on low incomes, with a view to launching such a programme during the period of this Roadmap.

4 AN ESSENTIAL SERVICE UNDER THE SPOTLIGHT

As reflected in Principle 20 of the EPSR, the right to access essential services is a critical aspect of social inclusion, especially for disadvantaged groups. The six services covered by the present study are all named under this principle.

ESPN national experts were asked to select one of the six services whose access raises particular difficulties for people on low incomes, and to answer a set of questions in relation to this selected service:

- What barriers do people on low incomes face in accessing this essential service?
- Are there groups within this population who are particularly disadvantaged in their access to this service?
- Is there any evidence of how this hindered/ lack of access impacts the overall social inclusion of people on low incomes?

The choice by an ESPN expert of a specific service does not necessarily mean that this service is the only one whose access is problematic for people on low incomes in the country. There may be other services which also give rise to access issues for those on low incomes. The choice between various services with access issues may also be “pragmatic” – namely, guided by the fact that there is more evidence available on that service than on the others, thus allowing for a more in depth analysis. This latter consideration may partially explain why access to energy was chosen by 22 out of the 35 ESPN country teams (17 from EU countries and 5 from non-EU countries).

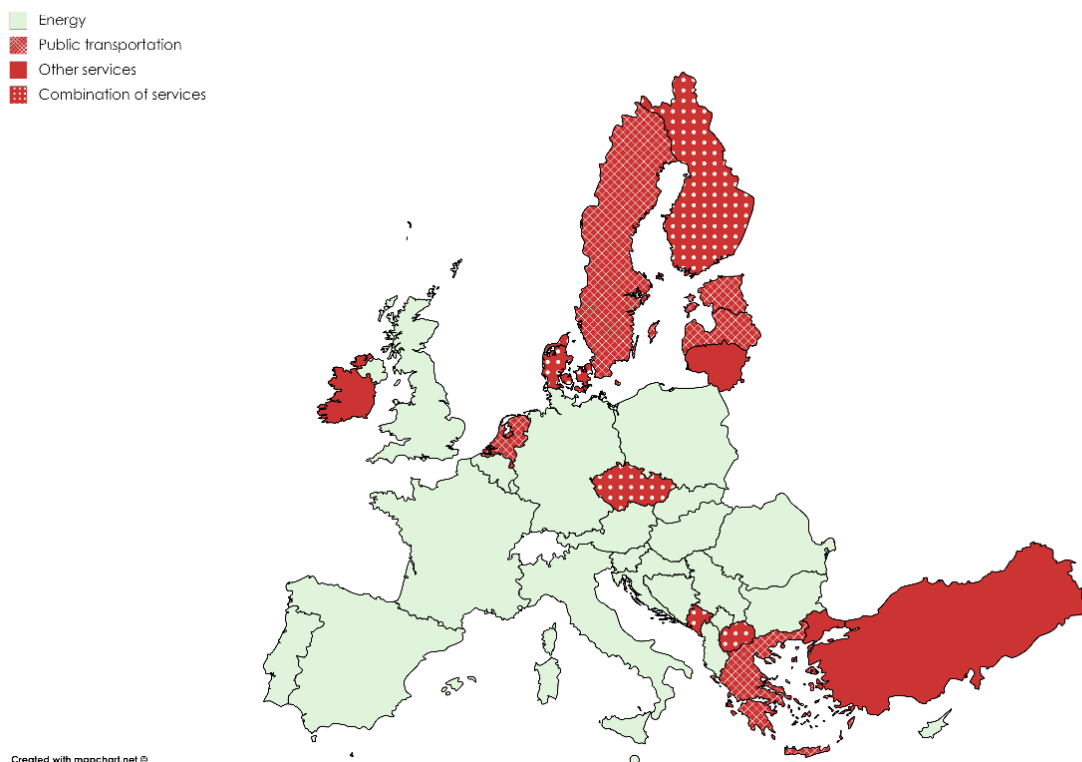
The first overall outcome from the comparative analysis of the evidence provided by the 35 ESPN country teams concerns the selection made by most ESPN national experts of the essential service which, according to the available data and evidence, people on low incomes have most difficulty sufficiently accessing: the provision of energy services (Figure 23).

ESPN experts from 17 EU countries and five non-EU countries (AL, BA, RS, UK, XK) focussed on access to energy¹⁰⁷. Experts from five EU countries focussed on access to public transport (EE, EL, LV, NL, SE) while Ireland focussed on access to financial services and Lithuania on access to sanitation. The three remaining EU countries focussed on the access to more than one service: Czechia on access to all six services; Denmark on access to water, sanitation and energy; and Finland on access to public transport and to digital and financial services. As for the remaining three non-EU countries, Montenegro and North Macedonia focussed on the access to water and sanitation, and Turkey focussed on the access to digital services.

It is important to highlight the fact that several ESPN national experts (e.g. AT, CZ, EE, BA) said there were insufficient data/studies available to provide a detailed analysis of the relevant aspects of any of the six essential services. In some cases, energy services were chosen as the focus of this particular analysis partly because there is more evidence regarding this area.

Sub-sections 4.1 to 4.4 provide a comparative overview of the national situation reported by ESPN country teams with relation to the selected service, focusing on the three aspects referred to above: barriers, vulnerable subgroups, and impacts.

¹⁰⁷ Two other countries – Czechia and Denmark – also selected energy although together with other services.

Figure 23: Selection of the essential service by ESPN country teams

Source: ESPN national reports.

4.1 Fighting energy poverty across Europe

As mentioned in Sub-section 2.2, over the last decade, increased policy attention has been paid to energy poverty across the EU. The evidence provided by ESPN country teams confirms that in many Member States, the concept of Energy Poverty is gaining in importance, and for some time (e.g. UK) or recently (e.g. EE, IT), there have been discussions around conceptual issues. No single definition of energy poverty appears in all the descriptions provided by ESPN national experts; rather, different concepts seem to coexist, e.g. fuel poverty (UK), energy insecurity (FR), energy poverty (e.g. DE, ES, IT, PL), as well as different ways of measuring these.

The high and/or increasing costs of energy supply, causing affordability issues for people on low incomes, the inadequacy of existing support measures to facilitate access to energy services, and the poor thermal efficiency of the housing stock are the **main barriers** identified by those ESPN country teams who selected this particular essential service. Table 12 provides a grouping of countries based on the different types of barriers described by ESPN country teams when describing the main obstacles which people on low incomes face with regard to access to energy services.

The high energy prices and/or recent increases¹⁰⁸ in the prices of energy supply are highlighted as a major barrier for access to energy services by a large number (13) of ESPN country teams. This specific barrier is closely linked to another major obstacle hindering access of people on low incomes to energy services, identified by 12 teams: affordability of energy costs in relation to household incomes.

¹⁰⁸ Even if there are indications that, in the short-term, there has been a decrease in energy prices during the COVID-19 pandemic.

Table 12: Grouping of countries according to the type of barriers for accessing energy services

High and/or increasing energy prices	Energy affordability
BE, CY, DE, ES, FR, HR, HU, IT, RO, SK UK, BA, XK	AT, DE, DK, ES, FR, HR, HU, PL, PT UK, BA, MK, XK
Inadequacy of support benefits	Poor thermal efficiency
AT, BE, DE, ES, DK, HR, HU, IT, MT, PT, RO, SI AL, BA, RS, XK	AT, BG, FR, HR, HU, IT, LU, PL, RO, SI UK, BA
Infrastructure and/or equipment hindrances	Informal/unauthorised access to energy
HR, HU, IT, PL, PT, RO BA, MK	BG, HU, IT, PT, RO, SK AL, MK, TR, XK
Suppliers' related constraints	Consumers' related behaviours
BE, FR, LU	AT, FR, PL

Note: Several answers possible.

Source: ESPN national reports.

Affordability of energy services (high and/or increasing energy prices or energy affordability problems) is therefore the main overall obstacle for a large number of people on low incomes, according to the evidence provided by 14 EU and four non-EU country teams (Table 12). The approach, however, used to report this evidence is somewhat different: experts either focus on the high price of energy supply or, rather, on the relationship between energy costs and the low incomes of particularly vulnerable sectors of the population. For example:

- In Cyprus, evidence provided by the ESPN country team shows that in the first half of 2019, Cyprus was ranked 7th out of the 28 EU countries in terms of electricity prices, while for the same period it recorded the second highest increase (16.4%) in electricity prices for home use in the EU.
- In Germany, between 2006 and 2016, the price of electricity for household customers increased by around 62%, and it is expected that the gradual reduction in the use of fossil fuels will bring about an energy price increase in the future; additionally, the ESPN national expert reports on research showing that, in 2014/2015, households in the first income decile spent on average 6.5% of their net income on electricity consumption, while those in the top decile spent only 1.0% (the average figure for all households was 2.4%).
- Likewise, in the UK, the prices of electricity have risen faster than general inflation; according to the ESPN national experts, households with high energy costs living in poverty or on its margins face extra costs to keep warm, above those for typical households with much higher incomes.
- In Italy, electricity and gas prices rose by 35% and 23% respectively, from 2008 to 2017, while the consumer price index rose by 11% in the same period.
- In Bosnia and Herzegovina, electricity constitutes one of the most expensive essential services, and low-income households usually have old household appliances, which require higher electricity consumption.
- In Kosovo, according to the ESPN national expert, a recent change in tariff setting affected low-income households disproportionately: households that consume 200kWh a month now pay electricity bills which are between 25% and 42% (depending on the season) higher than under the former system with block tariffs.

Another significant barrier singled out by 16 country teams (including four from non-EU countries) is the (in)adequacy of the existing support schemes (Table 12) intended to facilitate access to energy services for people on low incomes. Evidence provided points to inadequate eligibility criteria for accessing existing support benefits, take-up problems, complex procedures for accessing benefits, inadequate financing models, among other issues. Examples provided by ESPN national experts include the following:

- In Austria, the means-tested heating allowances make energy slightly more affordable; however, they only cover a rather small fraction of actual heating costs (ca. 10% to 20%), and it is unclear how high actual take-up of this means-tested benefit is.
- In Belgium, the social tariff does not cover all those living on low incomes given the restrictive eligibility criteria used for certain benefits; thus, people with comparable income from work or those who live on other benefits, for example, are not entitled to this tariff.
- In Spain, the lack of information on existing benefits, as well as stigma associated with requesting such support, have been identified as reasons for the non-take-up of the “*bono social eléctrico*”; additionally, the experts argue, the unbalanced distribution of responsibilities – financed by electricity companies together with regional and local administrations – within the current financing model of the electricity bond produces implementation barriers and territorial inequities.
- In Romania, there are reports of low take-up of existing benefits – in 2017, less than 30% of eligible beneficiaries were actually receiving the benefit – and of regional disparities in ensuring adequate support for potential beneficiaries to apply for the available support measures.
- The Slovenian ESPN national expert points to problems related to overly complex administrative procedures for applying for financial support. These are deterring low-income households from involvement in programmes to reduce energy poverty.
- Adequacy and coverage problems linked to the cash benefit scheme are also reported by the Albanian ESPN national expert, who emphasises the particularly serious impact of these barriers on the Roma community and on households living in remote rural areas.
- Similar difficulties regarding application procedures are reported by the ESPN Serbian country team; applying is a complex process which requires the submission of 14 different documents and there are questions regarding how easy it is to access (amount and clarity) information on existing benefits (e.g. eligibility criteria).

Another major hindrance which significantly affects low-income households is the poor thermal efficiency of the housing stock, which is explicitly mentioned by a large number (12) of ESPN country teams (Table 12), including the UK and Bosnia and Herzegovina. The combination of low energy performance of buildings together with low-income constraints is still a hard-to-cope-with barrier for low-income households across Europe.

The 2019 Clean Energy for all Europeans Package¹⁰⁹ specifically targets energy efficiency and the energy performance of buildings as two crucial Energy Poverty-relevant sectors which Member States are expected to adequately address. The “renovation wave” initiative for the building sector, one of the key actions within the European Green Deal, further reinforces expectations with regard to the energy performance of buildings. The descriptions provided by ESPN national experts reveal

¹⁰⁹ <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/clean-energy-all-europeans>

the need for additional efforts to be made in these areas, reflecting the nature and the scope of the challenges ahead. For example:

- In Bulgaria, the ESPN national expert reports on problems with the old housing stock, especially the poor condition of those buildings built during socialism from prefabricated concrete blocks, and of single-family houses in urban areas built informally, as in most of the urban Roma neighbourhoods.
- In France, badly insulated, badly ventilated old buildings featuring inefficient or even faulty equipment generate situations of energy insecurity for people on low incomes; apart from heating difficulties and related health problems, households are often unable to afford the high energy costs, which may lead to energy arrears and disconnections.
- In Luxembourg, the ESPN national expert emphasises the additional challenges arising from the forthcoming increase in the price of energy (due to a new CO₂ tax from 2021), which will affect more severely the most vulnerable sectors of the population, who often live in poorly insulated dwellings and who use less energy-efficient household devices.
- In Romania, the ESPN national expert refers to the poor technical conditions of many residential dwellings. This results in poor energy efficiency, which causes difficulties for low-income households due to the high costs involved in improving the technical conditions of their homes.
- In the UK, the ESPN national expert identifies poor thermal efficiency of the housing stock as one of the drivers for fuel poverty; a 2012 study¹¹⁰ found that 90% of the fuel poverty gap is accounted for by households with low incomes also living in homes that have energy ratings of E, F and G.

Unlike those barriers which have been analysed so far, and which are present in geographically diverse territories within Europe, there are two types of barriers reported by ESPN national experts which seem to be more confined to Southern and Eastern Europe: i) lacking or inadequate energy infrastructure and/or equipment; and ii) hindrances related to informal and/or unauthorised ways of accessing energy supply.

Infrastructure and/or equipment-related barriers are reported by ESPN national experts in both Southern and Eastern European countries and take various forms: coverage gaps in the electric energy networks, territorial inequalities in access to different forms of energy supply and energy sources, presence of marginalised communities lacking basic infrastructure conditions, and a predominant use of non-standard heating devices. For instance:

- In Croatia and Bosnia and Herzegovina, the ESPN national experts report hindrances related to the destruction of infrastructure during the war in the early 1990s, and the underdevelopment of the energy infrastructure.
- In Hungary, the ESPN national expert explains that, although the electricity network provides fairly comprehensive coverage, this is less true for the provision of gas, which varies considerably across counties and is often lacking in rural areas; Roma households living in segregated settlements also have no access to gas supply, and firewood is the only available (and more expensive) heating option.
- In Italy, the ESPN country team also reports on hindrances related to the supply of gas and available support benefits; methane gas is not available in some areas of Italy (e.g. Sardinia). For this reason, quite a large proportion of households – often the poorest – use

¹¹⁰ References to original sources are not included in the present report. Readers wishing to follow up the original sources should consult the individual experts' reports.

other types of equipment to heat the house (e.g. electricity, pellets, wood, carbon), meaning that they are not eligible for the “gas bonus” which is only provided to households whose dwelling is powered with methane gas.

- Similarly, in Portugal, the gas social tariff applies only to clients of piped natural gas, thus excluding clients of bottled gas (except those living in social housing).
- In Poland, the ESPN national experts highlight that there is evidence that living in dwellings without access to cheap heat sources from the municipal heating network strongly contributes to energy poverty.
- In Romania, the ESPN national expert mentions a 2017 Deloitte study which estimated that 5.7% of households (i.e. 422,615 households) used unauthorised access to the electricity grid.
- In North Macedonia, the ESPN national expert identifies barriers related to illegal settlements without basic infrastructure, and/or with overloaded, outdated supply grids.

ESPN national experts from Belgium, France and Luxembourg describe obstacles to the provision of energy services arising as a consequence of suppliers’ practices:

- The Belgian ESPN national expert refers to several practices which constitute additional barriers for people on low incomes, such as: the aggressive door-to-door sales practices of energy suppliers; the unreasonable warrants issued to those customers deemed to have payment problems; the lack of transparency of bills and tariffs; unreasonably short payment periods for people with payment problems; and the selling of debts to (mostly international) companies that use bailiffs for the recovery of the debts.
- The French ESPN country team highlights the increasing complexity of the energy supply market, since its privatisation in 2007, which often leads to unwise consumer decisions and higher vulnerability to market excesses. Additionally, the frequent underestimation of monthly payments by energy suppliers when drawing up contracts inevitably leads to unexpected mid-term adjustment invoices sent by the supplier to households to pay for their excess consumption. This may lead people on low incomes into situations of energy insecurity.
- The ESPN national expert from Luxembourg reports specific procedures followed by energy suppliers in the event of payment default, which are deemed to have had a negative impact on the social offices’ ability to support customers threatened with energy disconnections. According to the law, the supplier must inform the defaulting client, having duly reminded him/her, of the intention to proceed with the disconnection and must send a copy of that information to the social office. However, there is evidence that suppliers were systematically sending the full lists of all arrears at the time of the first reminder to the social offices, rather than informing the households individually of an imminent disconnection procedure. These practices were addressed in Parliamentary discussions, and the ESPN national expert argues that practices may have improved as a consequence.

Hindrances to affordable access to energy among low-income households related to clients’ behaviour are mentioned in three ESPN national reports (AT, FR, PL). Inefficient heating behaviour is the most often mentioned barrier; it goes together with bad insulation of dwellings, inefficient heating facilities and poor knowledge and energy saving skills and often leads to unnecessary energy consumption.

A second major aspect which ESPN country teams address in their in-depth analysis of the essential service chosen is the identification of **specific groups particularly disadvantaged** in their access to that service.

As well as no agreed and universal definition of energy poverty, there seems to be no consensus on how to explicitly define vulnerable groups, and no comprehensive guidance seems to exist as to how EU countries should approach this issue (Robić 2016).

As regards access to energy services, the vulnerability of the subgroups identified by the ESPN national experts seems to be mostly related to: i) the structure and composition of the household; ii) the characteristics and/or location of the dwellings; and iii) the eligibility status regarding access to benefits. Based on the available evidence and data, the ESPN country teams identify the following specific categories of particularly vulnerable subgroups:

- single-parent households (BE, BG, DE, HR, MT, RO);
- larger households with dependent children (BG, CY, ES, MT, RO, SK, UK);
- low-income elderly pensioners (AT, BG, CY, ES, FR, HR, HU, MT, PL, UK);
- households with lower educational attainment (AT, IT);
- people who are unemployed or households which are (quasi-)jobless (BG, IT, MT, SK);
- tenant households (DE, IT);
- households living in peri-urban areas (FR);
- households with people who have a disability or a long-term illness (UK);
- households living in older dwellings (AT, BE, BG, DE, UK);
- Roma people living in segregated communities and other marginalised communities (BG, HU, RO, SK, AL);
- households living in rural areas (FR, HR, HU, IT, PL, PT, UK, AL);
- beneficiaries of social assistance allowances (e.g. MI scheme) (CY, DK, HR, MT, PL, SI, XK); and
- households lacking access to energy support benefits (HU, IT, PT, XK).

Overall, the evidence provided in the national reports shows that old-age pensioners, single parent households, and larger households with dependent children are more likely to be affected by energy poverty than the general population. Older people, for example, may require more home heating than others for physiological reasons, and they may have additional difficulties in covering their basic needs often due to low incomes (low pensions) but also to energy efficiency problems with their (old) dwellings.

Inadequate living conditions, dwellings with poor thermal efficiency and the use of energy inefficient domestic appliances are commonly found in the descriptions given by those ESPN experts who identify Roma and other marginalised communities living in segregated areas as particularly vulnerable subgroups in relation to access to energy services.

Apart from these marginalised communities, households living in rural areas or in specific geographical areas may also face particular difficulties, usually related to the lack of access to the electricity grid. The ESPN Croatian expert gives the example of households living in Dalmatia and Lika who still have no access to natural gas, due to the slow development of the distribution system.

The vulnerable condition of those households who either depend on low-level social assistance benefits or who are not able to access specific energy-related support benefits is also highlighted by several ESPN national experts. The latter cases are often related to the design of the benefits, which tend to discriminate against households who use specific energy sources not eligible for existing benefits. In Hungary, for example, municipalities with a population of more than 5,000 have not been eligible for wood and coal support. In Italy, those who do not use methane gas are excluded from reduced gas tariffs.

Paucity of evidence across most ESPN countries makes it difficult to assess the **impact of this hindered/lack of access to energy services** on the overall social inclusion of people on low incomes.

Nevertheless, the descriptions provided by ESPN national experts clearly confirm that impeded access to energy has adverse impacts on health and well-being, ranging from overall descriptions of poor physical and/or mental health (e.g. BG, HR, HU) to more detailed evidence on health-related impacts, namely: higher prevalence of respiratory illnesses, poor diet, mental health issues (e.g. SI, UK, FR); “unhealthy choices” due to intense budgetary pressure (BE), such as poor diets (UK) or doing without care, especially optical and dental care (FR).

Overall, a poor access to affordable energy services is an important financial burden (e.g. AT, LU, MT) for many households. This leads to deprivation situations arising from the need to relocate household expenses i.e. to make difficult “choices” as to what to spend the money on (e.g. BE, BG, FR, AL).

Negative impacts on the quality of life of low-income households facing energy poverty are also reflected in evidence of increased social isolation. The German ESPN national expert reports the situation of households whose energy source has been disconnected and how this affects their ability to communicate and to maintain their social networks. In France, qualitative surveys have shown that households facing difficulties in accessing energy experience reduced sociability, withdrawal, and feelings of mistrust with regard to institutions. Studies carried out in Croatia also show that households experiencing poor access to energy services reported reduced abilities to participate in social activities because of health problems.

ESPN national experts from four EU countries (BE, DE, LU, MT) and Kosovo emphasise the negative consequences on the quality of life of low-income households of disconnections of the energy supply. Reports from Luxembourg and Malta highlight not only the negative consequences of the lack of energy supply in the daily lives of households affected, but also the heavy financial burden arising from the additional (high) costs of re-connections for households already struggling to pay their energy bills.

Less common – although severe – impacts of hindered access to energy services are illustrated by descriptions provided by the ESPN country teams from Slovakia and Bosnia and Herzegovina:

- In Slovakia, there are reports of fires caused by the use of non-standard heating devices during the winter months in dwellings built from non-standard materials, with insufficient or absent heat insulation.
- In Bosnia and Herzegovina, there are estimates suggesting that in the FBiH entity, there are 163 villages whose population was resettled during the war, and which are still without an electricity supply.

Poor access to energy services has clear detrimental consequences on the well-being and the quality of life low-income households. These spread beyond individual health consequences and the private domain of the home into wider social, economic and political problems.

However, there are successful mechanisms for addressing hindrances in access to energy services for people on low incomes. For example, the Belgian national expert highlights the positive impact of the automatic granting of the social tariff for energy services in terms of improved take-up of this benefit. The tariff is granted automatically, based on the administrative data of the federal or regional services responsible for granting the benefits that give access to protected consumer status.

4.2 Availability and affordability of public transport services

The lack of public transport alternatives has proved to be particularly problematic for people on low incomes, who may face various difficulties in accessing transport options. Six EU countries focus on access to public transport (EE, FI, EL, LV, NL, SE) in order to illustrate particular difficulties faced by people on low incomes in relation to access to this essential service. Again, limited evidence, data and/or studies are available, making it difficult to perform an in-depth analysis of barriers, groups mostly affected and impacts on social inclusion.

Availability and affordability are the two main barriers which affect access of people on low incomes to adequate public transport services.

Availability hindrances are particularly problematic for people living in specific regions of Finland and Sweden, where long distances between cities (in rural areas) prevent the operation of regular public transport services. However, in both countries there are systems in place that provide support for people who need to resort to transport services:

- In Finland, the long distances make it difficult to receive social, health and dental care and all other services that demand face-to-face encounters; reimbursed taxis or taxis that replace shut down public transportation lines exist, but their availability is often restricted. This mostly affects people on low incomes, for whom other alternatives are not affordable. Subsidised or free taxis are available for travel to access medical services.
- In Sweden, where approximately 17% of the population lives in places where there is no public transport at all within a square kilometre, a key issue is the extent to which costs of actual transportation (e.g. by private car) are taken into account when deciding which necessary costs should be included in the social assistance programme.

In Greece and Latvia, ESPN country teams also report coverage problems affecting the availability of public transport services in various areas. Additionally, in Greece, issues of affordability make it even more difficult for people on low incomes to access public transportation services, and no specific measures for people on low incomes have been put in place. In Latvia, where the public transport infrastructure is less developed in rural areas, the costs of public transport raise particular affordability issues for low-income households living in rural areas, elderly people and people with disabilities.

The ESPN national expert from the Netherlands provides detailed evidence of availability and affordability barriers affecting people on low incomes. She identifies two major categories of barriers which often interact: i) socio-economic barriers; and ii) service-bound barriers. The former includes health and literacy problems, and insufficient financial resources, whereas the latter include low coverage of the public transport network in rural areas and in urban areas where low-skilled work is often concentrated, thus hindering the access of the low-income working population. Apart from this group, the Dutch ESPN national expert also refers to the particular vulnerability of unemployed people, elderly women, people with a migration background and those living in rural areas. Negative impacts of this lack of availability and affordability of public transport services for people on low incomes include some crucial dimensions of social inclusion: hindered access to school, to employment opportunities, and to social activities.

4.3 Overcoming geographical and socio-cultural inequities in access to water and sanitation services

In Lithuania as well as Montenegro and North Macedonia, the ESPN country teams chose water and sanitation services as the essential services whose access raises particular difficulties for people on low incomes. According to the UN report on World Water Development (WWAP 2019b), there is evidence of inequitable access to water and sanitation services affecting a major part of the population in Eastern Europe. These inequities are frequently related to socio-cultural differences, socio-economic factors and the geographical context.

Although there is a paucity of data and studies on access to these services for people on low incomes, the descriptions provided by the three ESPN country teams illustrate some of those inequities. Geographical and socio-cultural barriers are by far the most commonly reported hindrances in the three countries, with a particular emphasis on the vulnerable situation of poor households living in rural areas and the Roma population:

- In Lithuania, the ESPN country team acknowledges serious socio-economic and geographical barriers in access to water and sanitation services: the cost of connecting to centralised water and sanitation systems, and monthly fees which substantially hinder affordability of services for low-income households.
- In Montenegro, the ESPN country team explains that households in the first income quintile, rural households and households in Roma settlements face greater difficulties in accessing sufficient quantities of drinking water than the overall population; the same applies to basic sanitation services, due to the lack of adequate infrastructure.
- In North Macedonia, the ESPN national expert also provides evidence showing the particularly vulnerable situation of low-income households and Roma households in relation to access to improved water sources and/or sanitation services; a 2015/2016 study conducted in Skopje revealed that in the Roma municipality of Shuto Orizari, only 26% of Roma households had access to water and only 16% had access to sanitation in their home.

Across these three countries, inequities in access to water and sanitation among particular low-income groups are also a consequence of insufficient state support, inadequate financing, and organisational gaps. The full implementation of the human right to water and sanitation services still requires further efforts if the services are to be available, physically accessible, equitably affordable, safe and culturally acceptable.

4.4 A focus on access to digital and financial services

As mentioned in Section 2.4, ESPN experts from several countries report that the relatively high cost of electronic communications services enabling access to **digital services** increases the risks of a digital divide, although digital (public) services themselves are usually free of charge. Only three ESPN country teams (CZ, FI, TR) chose to focus on access to digital services in their “spotlight section”. In their assessment, experts from Czechia and Turkey explicitly identify barriers to access digital public services particularly affecting low-income households.

In Czechia, a lack of data on the access to particular services for people on low incomes prevented the ESPN country team focusing on one essential service. Instead, they provided evidence of hindrances affecting access to several essential services including digital public services. Overall, the experts argue, financial affordability of the six essential services remains a serious barrier for a large proportion of people on low incomes, although the general trend for the population at large has improved. As regards access to the internet, for example, evidence shows that in the total

population, the share of households that cannot afford to pay for the internet decreased from 7.8 to 2.7% between 2010 and 2018, whereas, during the same period, the proportion of households that could not afford the internet and were at risk of poverty (60% median definition; see above) jumped from 33.9 to 53.1%.

The Turkish ESPN national experts provide evidence of the inability of poor households to afford internet services, and also of territorial and gender inequalities in this access. In 2019, 95% of the population had access to the Internet, whereas the rate among women was only 69%. Additionally, the use of internet services was also low among female unpaid workers (37%) and housewives (58%). Gender-based inequalities, the ESPN national experts argue, may be related to the unequal distribution of resources within households living on low incomes, where women are less likely to have access to a rare and costly item: devices used for internet connection. Such findings may suggest that this unequal gendered access to electronic communications services among Turkish households can be explained by differential rights of consumption; this may, among other factors, be because the value of contributions of men and women to the household are seen differently. Geographical barriers also hinder access to internet services, particularly in regions with low population density (e.g. South-East Anatolia, Western Black Sea and Western Marmara). Although there are no studies exploring the impacts of these difficulties in accessing digital public services, the ESPN country team identifies some probable negative consequences of such constraints: higher costs of services which could be accessed online (e.g. medical appointments); non-use of important services; lower access to employment opportunities; and lower access to social assistance support and information.

Only one ESPN country chose to focus on access to **financial services**: Ireland. Although there is little research available on the experience of financial exclusion in Ireland, the national expert provides important evidence on the high correlation between poverty and financial exclusion. 2008 EU-SILC module data on over-indebtedness and financial exclusion show that access to a bank account is clearly influenced by the socio-economic position of households (38% of those in the bottom income decile were “unbanked” and 68% of those living in “consistent poverty”¹¹¹ did not have a bank account), as is the preference for dealing with cash. Additional factors contributing to the financial exclusion of people on low incomes in Ireland also relate to the lack of access to formal credit and the resort to money lenders and consequent exposure to very high interest rates. Financial exclusion in Ireland is also illustrated by the high correlation between low income and over-indebtedness, contributing to high levels of severe material deprivation (17.9% in 2018 compared to an EU-28 average of 13.3%), with detrimental impact in the short and long term for the overall well-being of low-income households.

¹¹¹ “Consistent poverty” is an indicator widely used by the Irish Government which was developed by the Economic and Social Research Institute (ESRI). It measures the proportion of people who are both at risk of poverty (according to the EU definition; see above) and who are materially deprived because they cannot afford two of a list of eleven agreed items (this list is not the same as the one used for the EU “severe material deprivation” indicator).

ANNEX A: ADDITIONAL SUMMARY TABLES

Table A1: Income-based eligibility criteria for receiving support in order to access essential services

EU countries	Essential services	Nature of the eligibility criteria used
Austria	Water, sanitation, energy	Cash benefits from different social insurance schemes and means-tested benefits in the form of the minimum pension and of MI are intended to cover costs of essential services.
	Energy, digital services	Entitlement to specific means-tested allowance for heating costs, reduced tariffs for electricity, and telephone fee grants based on the level of the monthly Equalisation Supplement Reference Rate” (ESRR) defined under statutory pension insurance .
Belgium	Water, sanitation, energy, transport,	Entitlement varies between services and regions. Support usually available for beneficiaries of MI benefits , beneficiaries of the minimum pension scheme and income support for people with disabilities.
Bulgaria	Energy	Entitlement to heating allowances based on eligibility for the official MI scheme.
Croatia	Water, sanitation	Entitlement to housing allowance defines the status of vulnerable residents (cash benefits). Entitlement to the MI scheme grants reduction of tariffs.
	Energy	Entitlement to social assistance defines the status of vulnerable consumer linked to being a beneficiary of the MI scheme or disability allowance.
Cyprus	Water, sanitation, energy, public transport, digital services.	Entitlement usually based on eligibility for MI scheme and for Public Assistance .
Czechia	Water, sanitation, energy	Support exists indirectly and only as a marginal part of housing cash benefits . Housing Allowance and supplement for housing are means-tested benefits and formally cover the costs of water, sanitation and energy.
Denmark	Water, sanitation, energy, public transport, digital services	No specific support exists. Approach based on providing MI benefits at a level that enables participation in society, including the ability to pay utility bills, transport tickets and other costs related to essential services.
Estonia	Water, sanitation, energy	No specific support exists. The subsistence benefit, i.e. the MI protection scheme , is a means-tested benefit that takes into account costs related to water, sanitation, and energy.
Finland	Water, sanitation, energy, public transport, digital services	Approach based on providing social transfers to people on low incomes, intended to improve their income and cover the essential costs of daily living. Social assistance, for example, may cover the water, sanitation, energy, transportation and digital communication expenses.
France	Water, sanitation,	Criteria usually defined at the local level. Low income is usually only one criterion among others. When income is an essential criterion,

EU countries	Essential services	Nature of the eligibility criteria used
	energy, public transport, digital services	then the most frequent reference used is being a recipient of a minimum social benefit , i.e. active solidarity income, specific solidarity allowance, or disability allowance.
Germany	Water, sanitation, energy, public transport, digital services	Cash benefits available through general MI scheme and housing benefit system
Greece	Water, energy	Support based on income criteria used for eligibility for the Social Solidarity Income (SSI) scheme.
Hungary	Water, sanitation, energy	Entitlement to various means tested benefits and allowances (e.g. the benefit for persons in active age which is in fact a MI scheme , the regular child protection benefit) determines eligibility as a protected consumer.
Ireland	Energy	Entitlement to non-contributory social welfare payment determines eligibility. Other categories of social welfare recipients can receive support on the condition of passing a means test.
Italy	Water, sanitation, energy, public transport, digital services	Means-testing conditions differ both among benefits delivered at national level and among benefits delivered at the regional level. Nevertheless, all benefits favouring people on low incomes are based on the same indicator of individuals' and households' economic needs, i.e. the Indicator of Equivalised Economic Condition (ISEE - Indicatore della Situazione Economica Equivalente) .
	Water, energy	Access to water and energy bonuses is automatically granted to all recipients of the Citizenship Income CI as well as to households with ISEE below €8,256 (or €20,000 if they have at least four dependent children), even if these households are not entitled to receive the CI.
Latvia	Water, sanitation, gas and heating	Support defined at the local level. Eligibility for the housing allowance determines access to benefits and there are no unified criteria for eligibility for the housing allowance. In most cases, people on low incomes are eligible. This status is granted by a local municipality in accordance with binding regulations.
	Energy (electricity)	Protected users are eligible for support, a category that includes people on low incomes.
Lithuania	Water, sanitation, energy	Eligibility is based on the costs of cold and hot water or heating relative to the income earned by a family (persons living together) or a single resident. In the case of sanitation, eligibility for social assistance benefits, as defined by the Law on Cash Social Assistance to Low-Income Families (Single Residents) , is the most commonly used criterion for access to support.
Luxembourg	Water, sanitation, energy, public transport, digital services	No specific support exists. Three general schemes providing people on low incomes with additional benefits to manage their expenses and so be able to access essential services: the MI scheme (<i>Revis</i>), the high-cost-of-living allowance (<i>AVC</i>) and the social aid provided by regional and local social offices.
Malta	Water, energy	Entitlement defined on the basis of: i) being in receipt of specific social security benefits or assistance (e.g. Social Assistance,

EU countries	Essential services	Nature of the eligibility criteria used
		Single Unmarried Parent Assistance); or ii) qualifying through an Income Means Test .
Netherlands	Water, sanitation, energy, public transport, digital services	Assistance is not usually bound by, or specific to certain services or specific groups. Entitlement to all assistance measures and to the delivery of all (basic) services applies when the income is lower than the “social minimum” which usually corresponds with the social assistance benefit (<i>bijstandsuitkering</i>). Most measures are applied in a decentralised manner.
Poland	Energy	Entitlement to the housing allowance defines eligibility for support. The income criterion for the housing allowance is linked to the minimum pension scheme.
	Public transport, digital services	Entitlement defined locally, usually based on income criteria from social assistance .
Portugal	Water, sanitation, energy	Eligibility for support based on a specific annual income threshold or on entitlement to specific means-tested social benefits (e.g. MI, solidarity supplement for the elderly).
	Public transport	Eligibility for the social insertion income , the solidarity supplement for the elderly, and also for the school social action programme. People living in households below a specific annual income are also entitled to reduced tariffs.
Romania	Water, sanitation, energy, public transport	Eligibility criteria based on per-capita income used to determine access to Seasonal Heating aid, and eligibility for the MI scheme determines access to support measures.
	Energy	Status of vulnerable clients include people on low incomes, defined as those with a lower income than the minimum gross salary per month.
Slovakia	Energy	Support provided through housing allowance which is granted only to beneficiaries of the MI scheme .
	Financial services	Eligibility based on monthly net income not exceeding 1.1 times the minimum wage .
Slovenia	Energy	An application for cash social assistance must have been submitted before the day on which notification of disconnection is received. Eligibility ceases once the cash social assistance is granted.
	Digital services, financial services	Eligibility for the cash social assistance or the income supplement (also part of the MI scheme) determines access to support.
Spain	Water, sanitation	Criteria defined by each local government. Support usually targets beneficiaries of MI scheme , non-contributory pensions and non-contributory unemployment benefits.
Sweden	Water, sanitation, energy, public transport, digital services	Provision of a social assistance programme (<i>försörjningsstöd</i>), targeting persons in households that cannot support themselves by other means. It includes a section for current expenses covering costs of housing, heating and electricity, work-related travel, among others. Means-tested housing allowance also covers costs related to essential services.

UK and other non-EU countries	Essential services	Nature of the eligibility criteria used
United Kingdom	Water	Entitlement varies according to measures. Entitlement to certain welfare benefits among other conditions (<i>WaterSure</i>).
	Energy	Entitlement varies according to measures. Entitlement to Pension Credit which is an income-tested minimum pension (<i>Warm Homes Discount</i>). Entitlement to Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Universal Credit or Pension Credit (<i>Cold Weather Payments</i>)
	Public transport	Eligibility based on entitlement to income-related welfare benefits .
Albania	Water, energy	Eligibility based on being beneficiaries of social assistance , earning the minimum wage , or those in the bottom quartile income.
Bosnia and Herzegovina	Water, energy, public transport, digital services	Eligibility defined at regional or local level. Definitions of low-income vary. Entitlement to means-tested social assistance is common criterion used for defining eligibility for support.
Kosovo	Energy	Eligibility restricted to households under the social assistance scheme (SAS). SAS combines a category-based eligibility criterion with a means test. Its incidence does not correspond to the country's poverty profile.
Montenegro	Water, sanitation, energy, transport (rare)	Eligibility, defined at local level, is usually based on entitlement to the means-tested family support allowance , which is a social benefit for those who are not able to work or who have a very low income.
North Macedonia	Water, sanitation	Entitlement linked to the status of social assistance beneficiary, more specifically of permanent financial assistance.
	Energy	Entitlement linked to the status of beneficiary of the guaranteed minimum assistance .
Serbia	Water, sanitation, energy, public transport (local level)	Entitlement linked to the status of beneficiary of the means-tested Financial Social Assistance and of child benefit. Other criteria may apply.
Turkey	Water, sanitation, energy,	Eligibility mostly defined at local level. Entitlement usually granted to people defined as poor, i.e. whose income is less than one third of the gross minimum wage .

Source: ESPN national reports.

Table A2: Available support measures facilitating access of people on low incomes to water services, showing their implementation level

Water	Reduced tariffs			Cash benefits			In-kind benefits			Basic/uninterrupted basic supply		
	National	Regional	Local	National	Regional	Local	National	Regional	Local	National	Regional	Local
EU countries												
Austria											Most	Most
Belgium		Few			All						Few	
Bulgaria												
Croatia			All			Most						Few
Cyprus		Most	Few									
Czechia												
Denmark												
Estonia						All						
Finland				√		Few			Most			All
France			Few			Few				√		
Germany				√						√		
Greece	√								Few			
Hungary						Few			Few			
Ireland												
Italy							√			√		
Latvia										√		
Lithuania				√			√					
Luxembourg										√		
Malta	√									√		
Netherlands				√						√		
Poland												

Water	Reduced tariffs			Cash benefits			In-kind benefits			Basic/uninterrupted basic supply		
	National	Regional	Local	National	Regional	Local	National	Regional	Local	National	Regional	Local
Portugal			Most									
Romania						Most			Most			
Slovakia							√					
Slovenia												
Spain			Most						Most	√		
Sweden						All						
UK and other non-EU countries												
United Kingdom	√				Few					√		
Albania												
Bosnia and Herzegovina						Few						
Kosovo												
Montenegro			Few									
North Macedonia			Few									
Serbia			Most									
Turkey			Most						Few			

Reading note: A √ in the “National” column means that in this country the ESPN country expert has mentioned that the measure exists in the country at national level. It is only if the measure does not exist at national level and if the service is organised at subnational level, that the expert has been asked whether the measure exists at regional level (Yes in **all** regions; Yes in **most** regions; Yes but only in a **few** regions; No) and/or at local level (Yes in **all** local entities; Yes in **most** local entities; Yes but only in a **few** local entities; No) If the measure does not exist at a given level (national, regional, local), the corresponding cell is empty. Important: if a measure exists as a general social support measure, not specifically aimed at facilitating access for low-income people, the answer is “No” and the corresponding cell in the table is therefore empty.

Source: ESPN national reports.

Table A3: Available support measures facilitating access of people on low incomes to sanitation services, showing their implementation level

Sanitation	Reduced tariffs			Cash benefits			In-kind benefits		
	National	Regional	Local	National	Regional	Local	National	Regional	Local
EU countries									
Austria									
Belgium		Few				Few			Most
Bulgaria									
Croatia			All			Most			
Cyprus		Most	Most	√					
Czechia									
Denmark									
Estonia						All			
Finland				√		All			Most
France			Few			Few			
Germany				√					
Greece									
Hungary						Few			Few
Ireland									
Italy	√								
Latvia									
Lithuania				√		All	√		All
Luxembourg									
Malta							√		
Netherlands	√			√					
Poland			Few						

Sanitation	Reduced tariffs			Cash benefits			In-kind benefits		
	National	Regional	Local	National	Regional	Local	National	Regional	Local
Portugal			Most						
Romania						Few			Few
Slovakia							√		
Slovenia									
Spain			Most						Most
Sweden						All			
UK and other non-EU countries									
United Kingdom	√				Few				
Albania									
Bosnia and Herzegovina						Few			
Kosovo									
Montenegro			Few						
North Macedonia			Few						
Serbia			Most						
Turkey			Most						

Note: See Table A2 for the reading note.

Source: ESPN national reports.

Table A4: Available support measures facilitating access of people on low incomes to energy services, showing their implementation level

Energy	Reduced tariffs			Cash benefits			In-kind benefits			Basic/uninterrupted basic supply		
	National	Regional	Local	National	Regional	Local	National	Regional	Local	National	Regional	Local
EU countries												
Austria	√				All	All				√		
Belgium	√			√				All			All	
Bulgaria				√								
Croatia					All	All				√		
Cyprus	√									√		
Czechia												
Denmark												
Estonia						All						
Finland				√		Most			Most			Most
France	√			√				Most	Most	√		
Germany				√						√		
Greece	√			√						√		
Hungary						Few			Few			
Ireland				√			√			√		
Italy	√											
Lithuania				√			√					
Luxembourg												
Latvia	√				Most	Most		Most	Most			
Malta	√									√		
Netherlands				√						√		
Poland	√			√						√		

Energy	Reduced tariffs			Cash benefits			In-kind benefits			Basic/uninterrupted basic supply		
	National	Regional	Local	National	Regional	Local	National	Regional	Local	National	Regional	Local
Portugal	√		Few									
Romania				√					Most			
Slovakia				√								
Slovenia							√			√		
Spain	√								Most	√		
Sweden						All						
UK and other non-EU countries												
United Kingdom	√			√			√					
Albania				√								
Bosnia and Herzegovina		All			Few	Most			Few			
Kosovo							√					
Montenegro	√											
North Macedonia				√			√			√		
Serbia	√											
Turkey										√		

Note: See Table A2 for the reading note.

Source: ESPN national reports.

Table A5: Available support measures facilitating access of people on low incomes to public transport services, showing their implementation level

Public transport	Reduced tariffs			Cash benefits			In-kind benefits		
	National	Regional	Local	National	Regional	Local	National	Regional	Local
EU countries									
Austria	√	All							
Belgium	√								Few
Bulgaria									
Croatia			Most						Most
Cyprus									
Czechia									
Denmark									
Estonia									
Finland			Few	√		Most			Most
France	√					Few		Most	Most
Germany			Few	√					
Greece									
Hungary									
Ireland									
Italy		Most							
Latvia									
Lithuania			Few						
Luxembourg	√								
Malta									
Netherlands	√			√			√		

Public transport	Reduced tariffs			Cash benefits			In-kind benefits		
	National	Regional	Local	National	Regional	Local	National	Regional	Local
Poland									
Portugal	√		Few						
Romania			Few						
Slovakia									
Slovenia									
Spain		Most	Most		Few			Few	Few
Sweden						All			
UK and other non-EU countries									
United Kingdom	√			√			√		
Albania			Few						
Bosnia and Herzegovina		Few	Few		Few	Few		Few	Few
Kosovo									
Montenegro			Few						
North Macedonia									
Serbia			Few						
Turkey									

Note: See Table A2 for the reading note.

Source: ESPN national reports.

Table A6: Available support measures facilitating access of people on low incomes to digital public services, showing their implementation level

Digital public services	Reduced tariffs			Cash benefits			In-kind benefits			Basic/uninterrupted basic supply		
	National	Regional	Local	National	Regional	Local	National	Regional	Local	National	Regional	Local
EU countries												
Austria	√											
Belgium	√											
Bulgaria												
Croatia												
Cyprus	√											
Czechia												
Denmark												
Estonia												
Finland				√		Most			Few			Most
France	√											
Germany				√						√		
Greece												
Hungary	√											
Ireland												
Italy	√											
Latvia												
Lithuania												
Luxembourg									Few			
Malta												
Netherlands	√			√			√					
Poland			Few						Few			

Digital public services	Reduced tariffs			Cash benefits			In-kind benefits			Basic/uninterrupted basic supply		
	National	Regional	Local	National	Regional	Local	National	Regional	Local	National	Regional	Local
Portugal												
Romania												
Slovakia												
Slovenia	√											
Spain												
Sweden						All						
UK and other non-EU countries												
United Kingdom												
Albania							√					
Bosnia and Herzegovina												
Kosovo												
Montenegro												
North Macedonia												
Serbia												
Turkey												

Note: See Table A2 for the reading note.

Source: ESPN national reports.

Table A7: Ongoing or announced reforms of water and sanitation services

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Belgium	<p>In Flanders, in case of non-payment of water bills, after a social enquiry by the PSWC, the Local Advisory Committees can decide to install a water flow restrictor, using a digital meter or a sort of tablet, to avoid disconnections.</p> <p>In the Chamber of Representatives, a law has been voted unanimously in the relevant committee, that extends the time for repayment of debts to give the consumer more financial space, makes the first reminder letter free of charge and makes debt collection conditional on an invitation to agree on a repayment plan and the intervention of mediation services, limits the extra costs for late payments, and freezes the recovery of debts for people in debt mediation procedures at the PSWC.</p>	<p>The Walloon Government will present a new Plan to Fight Poverty, which will give special attention to “access to energy and water for all”.</p> <p>The Government Agreement of the Brussels Capital Region foresees an action plan to fight water poverty, including the creation of a status of protected consumer for water and a social tariff, and broadening access to public water points.</p>	<p>Policy frameworks</p> <p>Disconnections</p> <p>Reduced tariffs</p>
Bulgaria		<p>Plans have been announced by the government for the introduction of water benefits or a similar mechanism for supporting access to water. Most likely, the state will pay for a certain level of consumption for eligible households.</p>	<p>In-kind benefits</p>
France	<p>Article 15 of the Act of 27 December 2019 refers to “social measures aimed at implementing the right to access drinking water and sanitation in economic conditions acceptable to all”. It also stipulates that “pricing of the water supply for residential subscribers can take into account the indispensable nature of drinking water and sanitation for subscribers in particularly vulnerable situations and establish progressive pricing that could include a first band of free-of-charge consumption”.</p>		<p>In-kind benefits</p>
Hungary	<p>A complex alleviation strategy has been formulated for households living without access but in supplied neighbourhoods. The complex slum rehabilitation programme, linked to the National Strategy of Social Inclusion action plan, contains elements of community development, education, employment, health, and also aims to improve the level of housing for those living in slum-like environments. A mandatory element of the programme is the deployment of so-called stellar points where social and sanitary services are provided (primarily appliances for hygiene and washing) for eligible people.</p>		<p>Policy frameworks</p>

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Italy	Harmonisation between the provision of bonuses and the entitlement to the Citizenship Income has been strengthened: access to the water bonus is guaranteed to beneficiaries of the Citizenship Income with an annual ISEE below €8,256. The 2020 Budget Law has introduced a rebate of the waste tax, available to low-income households and beneficiaries of the Citizenship Income.	In order to increase the take-up rate of the bonuses for essential services, from 2021, beneficiaries of the Citizenship Income will automatically be entitled to water and sanitation bonuses, without the need to apply every year for the bonuses.	Reduced tariffs Increased coverage/take-up
Portugal		The programme of the government for the legislative period 2019-2023 includes a planned review of the implementation of the water social tariff, "so that more people may, automatically, enjoy this benefit"	Increased coverage/take-up
Romania	New cash benefits for the low-income population, to offset water and sewage/ wastewater treatment costs.		Cash benefits

Non-EU countries	Ongoing reforms	Announced reforms	Type of reforms
Bosnia and Herzegovina	Ongoing reforms promote affordability, i.e. the wish to keep the cumulative tariff for water and sanitation services under 4% of the average household income. Besides, the reforms aim to impose an obligation on local self-governments to introduce cash benefit measures (subsidies) for vulnerable groups – not necessarily those registered in the centres for social work but identified in social maps or other types of analysis.		Reduced tariffs Cash benefits
Kosovo		Programme to grant a 100% subsidy of basic water and sanitation services for households receiving social assistance.	In-kind benefits

Source: ESPN national reports

Table A8: Ongoing or announced reforms of energy services

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Belgium		The Walloon Government will present a new Plan to Fight Poverty, which will pay special attention to “access to energy and water for all”. Insulation and renovation measures will be targeted at the most vulnerable.	Policy frameworks Energy efficiency
Croatia		Draft proposal of the Energy Strategy of the Republic of Croatia, 2030-2050 which emphasises the importance of implementing particular energy policy measures and combining new technical and technological solutions with energy poverty alleviation measures. The Draft proposal states that it is necessary to make, adopt and implement an all-encompassing programme to prevent energy poverty which will have the following components: <ul style="list-style-type: none"> • a unique system for the payment of energy costs for energy-poor households; • energy counselling for energy-poor households; and • energy renovation and energy efficiency improvement measures for energy-poor households. 	Policy frameworks Advice Energy efficiency
France	Promulgation of the Energy Climate Act (8 November 2019), including measures that promote the right for all to affordable energy, such as prohibiting the sale and rental of energy-leaking buildings (labels F and G) starting from 2028.		Policy frameworks Energy efficiency
Ireland	A strategy to combat energy poverty was introduced by the previous government in 2016 for the 2016-2019 period and is still ongoing.		Policy frameworks
Italy		In order to increase the take-up rate of the bonuses for essential services, from 2021, beneficiaries of the Citizenship Income will automatically be entitled to electricity and gas bonuses, without the need to apply every year for the bonuses.	Increased coverage/take-up
Latvia		The draft “National Energy and Climate Plan 2021-2030” states that the assessment of energy poverty should be based on the inability of the household to heat its dwelling. Several measures to reduce energy poverty are foreseen: developing an automated protected users’	Policy frameworks

EU countries	Ongoing reforms	Announced reforms	Type of reforms
		information system, ensuring that the service for protected users can be obtained from any electricity trader, and improving energy performance of buildings and individual heat supply, etc.	
Luxembourg		The programme of the new government foresees a reform of energy taxes, focusing, inter alia, on energy poverty. It also foresees the introduction of a charge for CO ₂ production, starting in 2021. This additional revenue will be used “in a balanced way for specific climate protection measures and targeted social relief via fiscal (e.g. tax credit) and social measures as a form of “social equity” for low-income households”, in order to reduce the impact of the CO ₂ tax on people on low incomes.	Energy efficiency
Poland	Draft amendment to the Act on supporting thermal retrofitting and renovation, adopted by the Parliament on January 23, 2020, effective from February 2019, introduced up to 100% coverage of the costs of thermal retrofitting for energy-poor households living in single-household dwellings.		Energy efficiency
Portugal		The programme of the government for the legislative period 2019-2023 includes a plan to extend the gas social tariff to city gas and to liquefied petroleum gas (bottled and piped).	Increased coverage/take-up
Slovakia		Strategy on the protection of consumers at risk of energy poverty, prepared by the Regulatory Office for Network Industries (2019). According to this proposal, the housing allowance will be divided into two allowances: an allowance covering part of the rent and related costs, and an energy cost allowance. The second allowance will be paid directly to energy providers who provide households at risk of energy poverty with some kind of “credit”, allowing them to connect to the network at a lower price. In order to implement this approach, the documents propose the use of a “system of credit measurement instruments”.	Policy frameworks In-kind benefits
Spain	The National Strategy against Energy Poverty 2019-2024 was approved in April 2019. Its lines of action include: improving support mechanisms against energy poverty; reducing the number of people living in energy poverty; action by professionals to combat energy poverty.		Policy frameworks

UK and other non-EU countries	Ongoing reforms	Announced reforms	Type of reforms
United Kingdom		<p>Next stage of the fuel poverty strategy. Proposals out for consultation include:</p> <ul style="list-style-type: none"> • broadening the measure to capture all low-income households living in inefficient homes; • retaining the statutory fuel poverty target to ensure that as many fuel-poor households as is reasonably practicable are improved to a minimum energy efficiency rating of Band C by the end of 2030 (and the supporting interim milestones of as many fuel-poor homes as reasonably practicable to Band E by 2020 and Band D by 2025); and • refining the principle of vulnerability by clarifying that the impact of policies on the health and wellbeing of people on very low incomes, even when they live in a reasonably energy-efficient home, will be considered. People may be vulnerable to the effects of living in a cold home if they are of a certain age or living with certain health conditions. 	Policy frameworks
Kosovo		<p>The Concept Document drafted in 2019 by the Ministry of Labour and Social Welfare foresees an extension of the list of benefits and exemptions for “SAS households”. The list of benefits includes:</p> <ul style="list-style-type: none"> • subsidising a certain amount of the electricity bill; and • subsidising water and district heating bills. 	In-kind benefits

Source: ESPN national reports.

Table A9: Ongoing or announced reforms of public transportation services

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Austria		Introduction of lower-cost yearly tickets.	Cost reduction
Estonia		Plans to increase subsidies for public transport options	Cost reduction
France	No measures specifically targeted at people on low incomes. Measures are set out in the Mobility Framework Act, a more global – universal, social and ecological – approach to improve access to public transport expected to benefit all users, and not only to the most disadvantaged.		Policy frameworks
Greece		Greek authorities' commitment to review the system of local public transport subsidies by end-2019, particularly regarding the appropriateness of the current system of subsidised fares.	Policy frameworks
Latvia		In the informative report of the Ministry of Transport on regional public transport service development in 2021-2030, one of the four envisaged activities is the development of free public transport on approximately 20 regional routes (100% fare relief) and on-demand service transport. The purpose is to increase the availability of public transport in sparsely populated areas and encourage people to use public transport on routes with low population density and very low profitability.	Cost reduction Increased coverage
Luxembourg	Free public transport from 1 March 2020		Cost reduction
Romania	The 2018 amendment to the law on local public transportation refers to disadvantaged groups, without defining these. Since then, local public administrations have started to redefine the target groups for public transport facilities and benefits. The process is ongoing and includes, more and more, low-income groups.		Legislation

Non-EU countries	Ongoing reforms	Announced reforms	Type of reforms
Montenegro		In early 2019, the Public Relations Bureau of Podgorica stated that the Capital had started activities to create the preconditions for developing a private-public partnership in the area of public transport, including increasing subsidies for some beneficiaries. It is, however, unknown which categories of citizens these subsidies will apply to.	Cash benefits

Source: ESPN national reports.

Table A10: Ongoing or announced reforms of digital public services

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Cyprus		The Department of Electronic Communications of the MTCW is implementing the action “Wi-Fi in communities and rural areas”, creating free wireless Internet access points such as community halls, day care centres for the elderly, village squares and public libraries	Increased coverage
Estonia	As of 2019, the “last mile” project has been implemented with the aim of bringing high-speed broadband cable connection to people living in remote areas, where the risk of poverty is higher than in urban areas. This project makes the Internet more accessible physically as well as in terms of cost. Those without cable access currently (for the past couple of years) have an option to use wireless internet connection, which is more unstable and often more expensive.		Increased coverage
Finland	The Aurora project aims to help combat the digital marginalisation of people on low incomes. To this end, the government has also organised a “hackers against exclusion” challenge. This led to the development of, for example, a chat-bot that uses data analysis algorithms to review the customers’ situation and suggest the most suitable services to prevent social exclusion, and a programme to help young people starting their upper secondary education.		Digital inclusion
France	The “national plan for digital inclusion” presented by the government in the end of 2018 is a specific measure to help people on low incomes access digital public services as part of the government’s wider poverty action. This plan, estimated at €50 million, aims to detect the sectors of the public concerned by underuse of and reduced access to digital services, and to promote and regulate “digital helpers”. Experiments with a Digital Pass have also commenced following a call for projects, with positive responses from 48 local authorities. The Digital Pass gives access to workshops on using the internet, mostly to carry out administrative formalities		Policy frameworks
Hungary	A number of measures planned as part of the National Social Inclusion Strategy are now being implemented, providing internet access in various public locations and training programmes for specific non-user groups.		Accessibility Training

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Latvia		“Service Environment Plan 2020-2023. Person-centred and innovative public administration services” (21 October 2019). For further development of digital services, a number of goals were announced, including to improve the access of digital services. None of the planned activities is specifically aimed at facilitating the access to digital services for people on low incomes. All the planned activities are aimed at the general public.	Policy frameworks
Luxembourg		The government programme announced “the elaboration of an action plan that will propose specific measures to include all citizens in our increasingly digital society and to counteract the digital divide”. In addition, a number of municipalities are planning to introduce free Wi-Fi networks for their citizens, as a few municipalities already do, including the two largest.	Policy frameworks Accessibility
Portugal		The government programme for the legislative period 2019-2023 emphasises that, regarding access to digital public services, priority should be given to ensuring that the whole population has access to internet services. This should be envisioned as a universal and affordable right, thus eliminating situations of discrimination regarding access and usage of online public services. The following is envisaged: i) creating a social tariff for access to internet services; ii) supporting the creation of additional free public internet access points through the creation of additional free access wireless areas supported by the European programme WiFi4EU; iii) ensuring free access to digital services in public services and in central and local government facilities; and iv) supporting information/training actions aiming at increasing digital literacy.	Reduced tariffs Accessibility Advice

EU countries	Ongoing reforms	Announced reforms	Type of reforms
Romania	One of the main priorities of the Digital agenda has been increased access to digital public services for the entire population. Concerns regarding the access of low-income groups are still secondary to the main priorities.		Policy frameworks/ Accessibility
Spain		During the last failed inauguration session in the summer of 2019, the candidate for the Presidency of the Spanish government proposed improvement of the social communications subscription (reduced tariff) in order to include the Internet connection in the Charter of Rights of Users of Electronic Telecommunications Services.	Reduced tariff

Non-EU countries	Ongoing reforms	Announced reforms	Type of reforms
Bosnia and Herzegovina		2017-2021 Policy on the Electronic Communications Sector for BiH. According to this document, minimum conditions for the delivery of universal services at affordable prices would be defined for all users in the entire territory of BiH, and free-of-charge emergency services calls would be possible. This activity was planned for July 2017, yet has not been realised to date.	Policy frameworks
Turkey		In November 2016, the Minister of Family and Social Services (which has now become the Ministry of Family, Labour and Social Services) declared a policy whereby 300,000 poor households would be provided with free internet access. This reform has not yet materialised.	Accessibility

Source: ESPN national reports.

Table A11: Broader national and/or subnational policy frameworks across the six essential services

EU countries	Water and Sanitation		Energy		Public transport		Digital public services		Financial services	
	Nat.	Sub-nat.	Nat.	Sub-nat.	Nat.	Sub-nat.	Nat.	Sub-nat.	Nat.	Sub-nat.
Austria	X	X	X	X	X	X	X	X	X	X
Belgium	X	√	√	√	√	√	√	√	√	X
Bulgaria	X	X	X	X	X	X	X	X	X	X
Croatia	√	X	√	X	√	√	√	X	√	X
Cyprus	X	√	√	X	X	X	√	X	√	X
Czechia	X	X	X	X	X	X	X	X	X	X
Denmark	X	X	X	X	X	X	X	X	X	X
Estonia	X	X	√	X	X	X	√	X	√	X
Finland	√	√	√	√	X	√	√	√	√	√
France	√	√	√	√	X	√	√	√	√	X
Germany	√	X	√	X	√	X	√	X	√	X
Greece	√	X	√	X	X	X	X	X	X	X
Hungary	X	√	X	√	X	X	√	X	X	X
Ireland	X	X	√	X	X	X	X	X	X	X
Italy	√	X	√	X	X	√	√	X	√	X
Latvia	X	X	√	X	X	X	X	X	X	X
Lithuania	√	X	√	X	X	X	√	X	√	X
Luxembourg	√	X	√	X	√	X	√	X	√	X
Malta	√	X	√	X	X	X	X	X	√	X
Netherlands	√	√	√	√	√	√	√	√	√	√
Poland	X	X	√	√	X	X	X	X	X	X
Portugal	X	X	X	X	X	X	X	X	X	X
Romania	√	√	√	√	√	√	X	X	√	X
Slovakia	√	X	√	X	X	X	X	X	√	X
Slovenia	X	X	√	X	X	X	X	X	X	X
Spain	√	√	√	√	X	√	X	X	√	X
Sweden	√	X	√	X	√	X	√	X	X	X
UK and other non-EU countries	Nat.	Sub-nat.	Nat.	Sub-nat.	Nat.	Sub-nat.	Nat.	Sub-nat.	Nat.	Sub-nat.
United Kingdom	√	X	√	X	√	√	√	X	√	√
Albania	X	X	X	X	X	√	X	X	X	X
Bosnia and Herzegovina	X	√	X	√	X	√	X	X	X	√
Kosovo	X	X	X	X	X	X	X	X	X	X
Montenegro	X	√	√	X	X	√	X	X	X	X
North Macedonia	√	√	√	√	√	√	√	X	√	X
Serbia	X	√	√	X	X	√	X	X	√	X
Turkey	X	X	X	X	X	X	X	X	X	X

Note: √ in the "Nat." ("Sub-nat.") column means that in this country the ESPN country expert has mentioned that there is a broader policy framework at national (subnational) level under which all or some of these measures are organised in the country. X means that there is no such national (subnational) framework.

Source: ESPN national reports.

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ANNEX C: PRESENTATION OF THE ESPN NETWORK MANAGEMENT TEAM AND THE 35 ESPN COUNTRY TEAMS (May 2020)

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The European Social Policy Network (ESPN) is managed jointly by the Luxembourg Institute of Socio-Economic Research (LISER), the independent research company APPLICA and the European Social Observatory (OSE).

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