



## Session 7: FILLING IN THE FINANCING GAPS

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3rd Asian Sanitation Dialogue 27-29 May 2014- ADB - Manila

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## Urban Wastewater Framework

Finance Legislation, financing investment, strategiv planning Law nforcement, Regulation,

#### **Triggering Behavior Change**

Capacity Building, Behavior Change Communication, Sanitation triggering, Sanitation Promotion and marketing,

## Y SAN I: Household Systems

Individual Toilets , working with SME & Micro Credit

#### **SAN 2:**

#### **Communal Systems**

Communal Septic tanks, DEWATS, Public toilets

#### **SAN 4:**

#### Septage Management

Collection, desludging (regular or on-call basis), treatment, disposal and reuse

#### SAN 3: Offsite

(centralized)
Systems

Small scale, small bore, and citywide sewerage treatment, and reuse

#### (Domestic) Waste water Management Institute

Citywide domestic Waste Water operator, customer relations, billing, O&M, planning

Regulation Legislation, financing investment , strategiv planning .aw nforcement, **Finance** 



### 3 Financial principles



## Principle I

- => "Polluter Pay" Principle
- => every polluter has to pay, not only the ones connected

## Principle 2

- => Regular payment combined with other utility bills
- => Water supply, solid waste, electricity

## Principle 3

- => Capital Cost by G'ment / donor (except individual systems)
- => O & M (+ depreciation) based on FCR (subsidy at start-up)



#### **SAN 4: Septage Management**





#### SAN 4: Septage Management

# Through IUWASH, financial models in 3 cities are developed

Revenue can be generated from a well operated system.

Assumed household tariff: Rp 10,00/ month (< US\$ 1) (increase 10%/year)

		Kota Bogor	Kota Surakarta	Kota Probolinggo
Information				
Area	Km <sup>2</sup>	118,50	44,04	56,67
Population (2010)	(x 1.000)	951	500	217
Offsite system (2012)	%	25%	30%	0%
Asumption				
Service coverage (Y10)	(%)	80	80	80
Billing efficiency (Y10)	(%)	85	85	85
Customers (Y10)			-	
Number of customers	(unit)	152.829	68.123	43.342
Septage volume	(m3/day	310	141	68
Infrastructure & Institution	s (Y10)			
Collection trucks	(unit)	33	15	11
Treatment plants	(unit)	3	3	2
Institutions	-	BLU-D	PDAM	BLU-D
Staff	(individuals)	118	81	62
Income & Expenditures (Y1	LO)			
Operational income	(x Rp. million/year)	33.131	19.660	9.644
Operational expenditures	(x Rp. million/year)	13.741	9.000	6.007
Collection	(x Rp. million/year)	3.057	1.381	973
Treatment	(x Rp. million/year)	1.947	1.199	497
Institutionals	(x Rp. million/year)	6.077	4.419	3,417
Investment cost	(x Rp. million/year)	2.660	2.000	1.120
Nett Income (Y-10)				
Before tax	(x Rp. Juta /tahun)	19.330	10.661	2.728

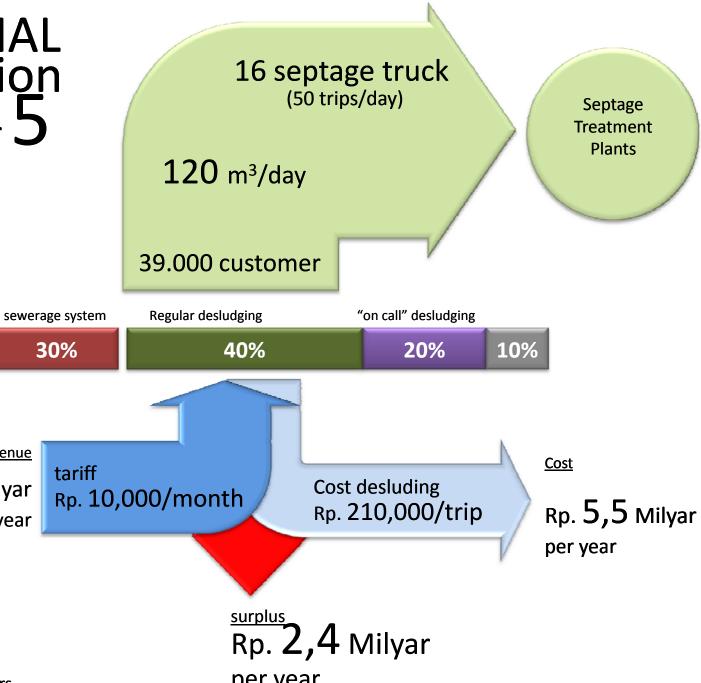
## **FINANSIAL** estimation year 5

30%

<u>revenue</u>

per year

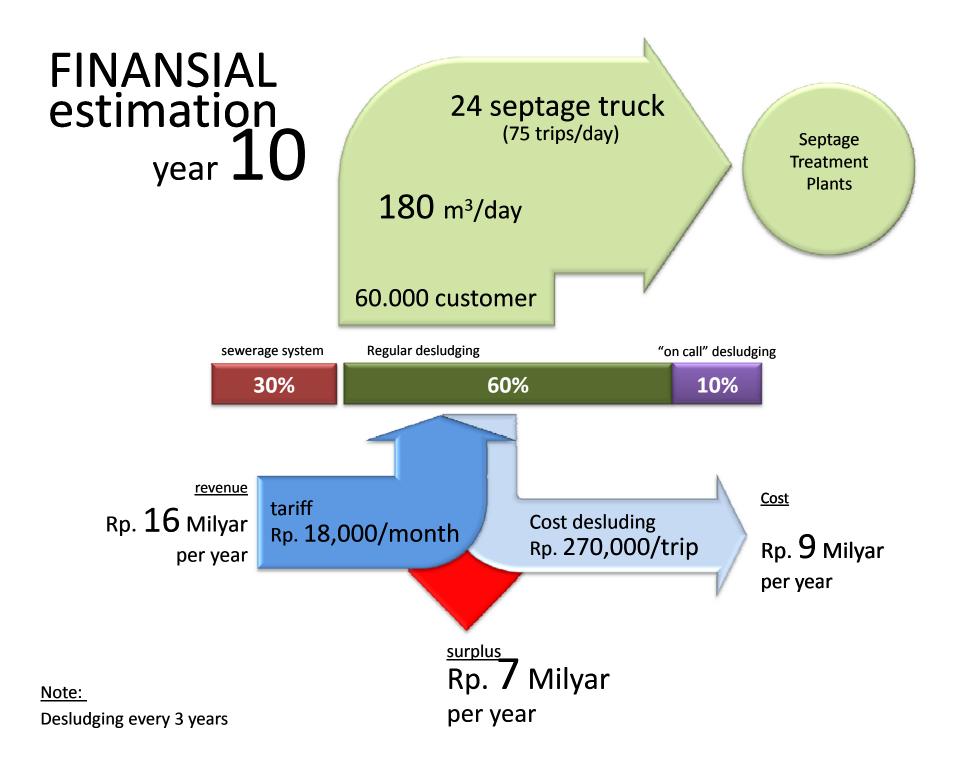
Rp. **7,9** Milyar



Note:

Desludging every 3 years

per year





## Financing of Waste water Management Institute



