

# **Session 7: FILLING IN THE FINANCING GAPS**

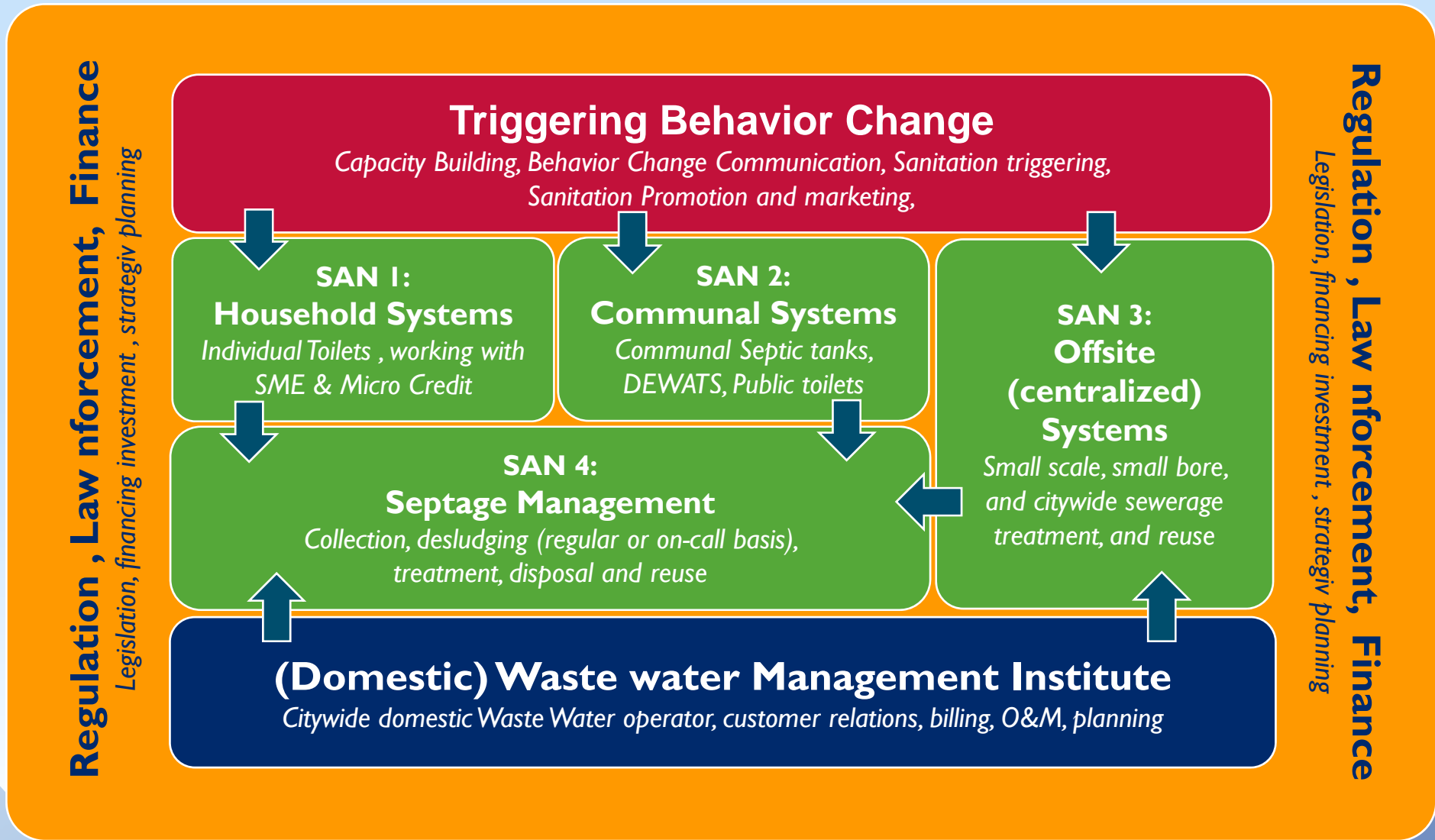
**by Foort Bustraan,  
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**3rd Asian Sanitation Dialogue  
27-29 May 2014- ADB - Manila**



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# Urban Wastewater Framework



## 3 Financial principles

### Principle 1

=> “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)



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## SAN 4: Septage Management

**iuwash**  
Indonesia Urban Water, Sanitation, and Hygiene



## SAN 4: Septage Management

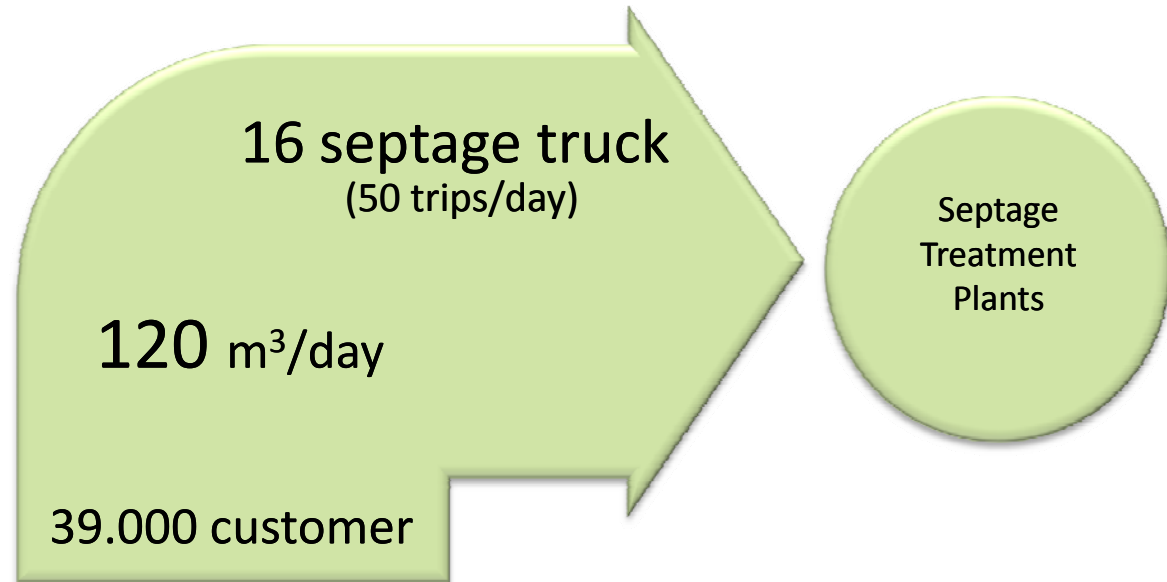
Through IUWASH, financial models in 3 cities are developed

Revenue can be generated from a well operated system.

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

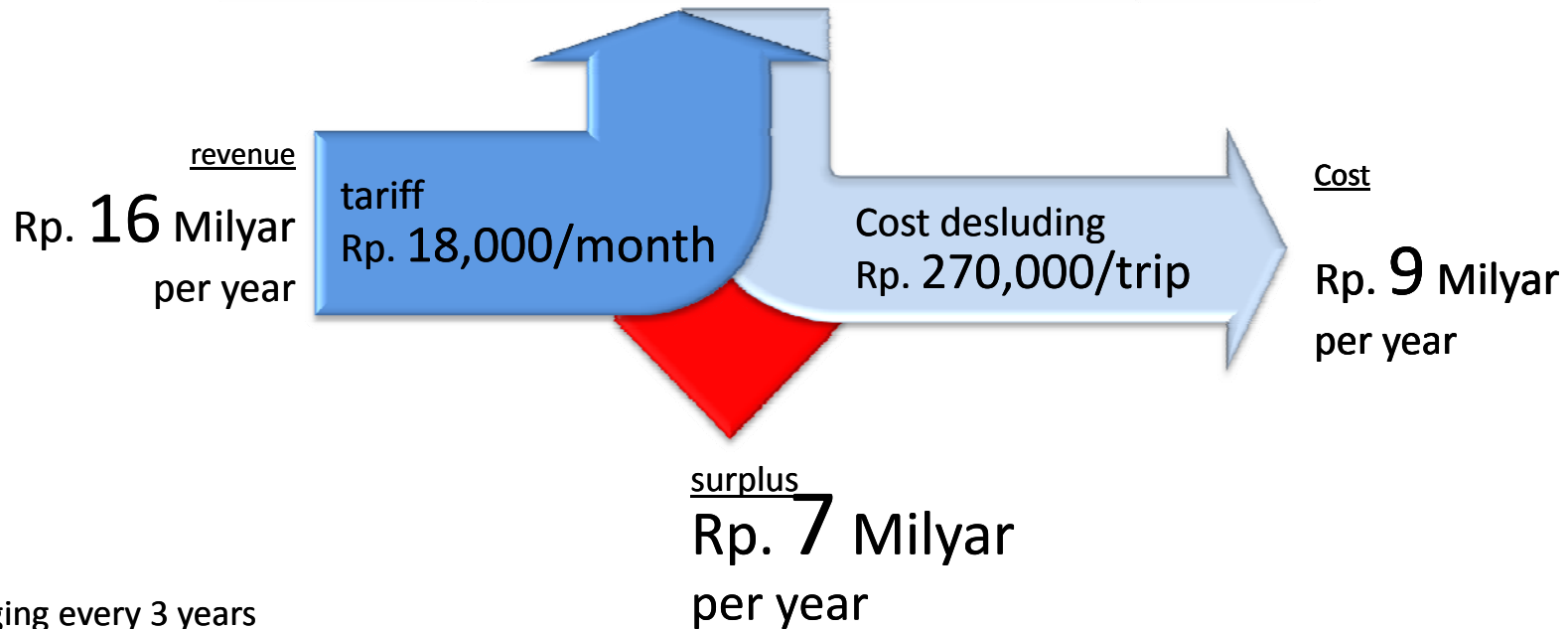
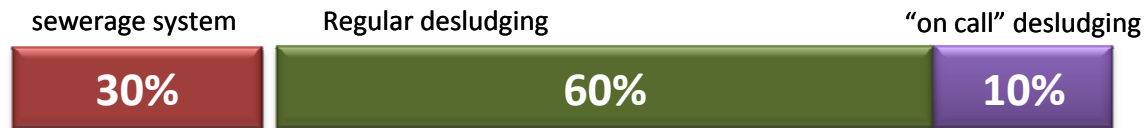
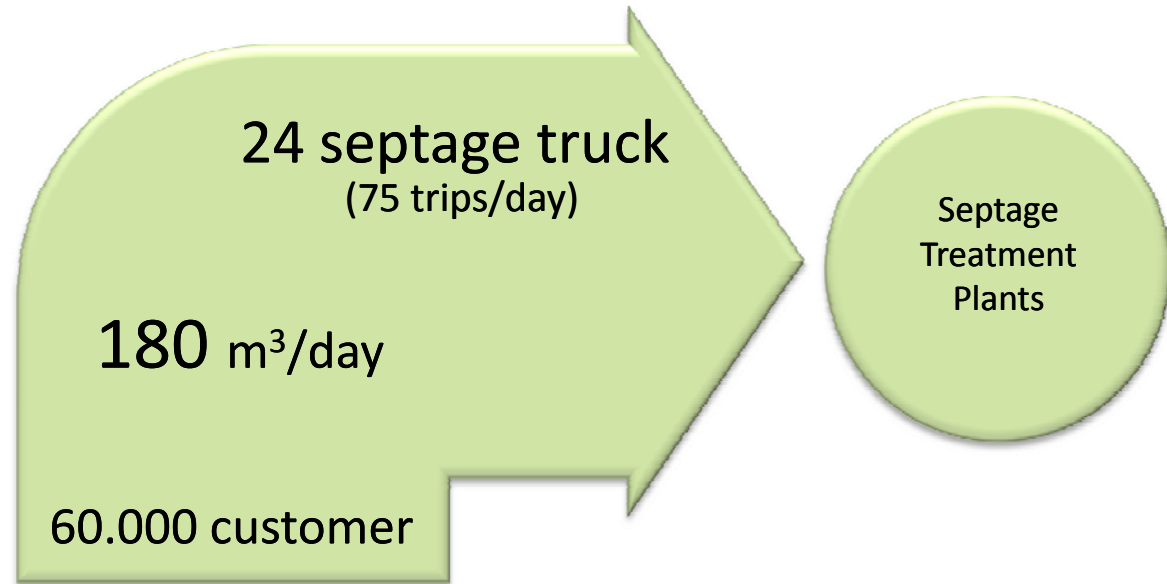
		Kota Bogor	Kota Surakarta	Kota Probolinggo
<b>Information</b>				
Area	Km <sup>2</sup>	118,50	44,04	56,67
Population (2010)	(x 1.000)	951	500	217
Offsite system (2012)	%	25%	30%	0%
<b>Assumption</b>				
Service coverage (Y10)	(%)	80	80	80
Billing efficiency (Y10)	(%)	85	85	85
<b>Customers (Y10)</b>				
Number of customers	(unit)	152.829	68.123	43.342
Septage volume	(m3/day)	310	141	68
<b>Infrastructure &amp; Institutions (Y10)</b>				
Collection trucks	(unit)	33	15	11
Treatment plants	(unit)	3	3	2
Institutions	---	BLU-D	PDAM	BLU-D
Staff	(individuals)	118	81	62
<b>Income &amp; Expenditures (Y10)</b>				
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



Note:  
Desludging every 3 years

# FINANSIAL estimation year 10



Note:  
Desludging every 3 years

