

*The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.*

# Sustainability Challenges of Urban and Water Projects

Myra Ravelo  
Public Financial Management  
Division



# Sustainability Challenges

## 1. Project in Focus

The project aims to improve the Dili City water supply system and distribution system; targeting 3 of its 10 zones. Outputs were focused on implementation of civil works.

## 2. Financial Management Issues

- Lack of institutional capacity of the operator
- Absence of good commercial practices; no billing and collection
- Lack of regular O&M program
- Lack of government commitment

*Conclusion: Project not financially sustainable; Negative FIRR*



# Addressing these Challenges

## 3. Approach / Solution / Lesson Learnt

- Roadmap and long-term strategy
- Government commitment
- Institutional reforms
- Tariff and Regulatory framework
- Change in customer behavior

