

# National Water Sector Apex Body Peer Review Training

## Improving Service Delivery

Rudolf Frauendorfer  
Sr. Urban Development Specialist, SESS

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## State of the WSS Sector

- 1 in 3 Asians lacks safe water supply
  - 90 million urban, 700 million rural
- 1 in 2 Asians lacks adequate sanitation
- Many people have to rely on self-supply and non-formal water suppliers
- Low income families suffer from irrational tariff policies and poor governance

## Achieving the MDG Target

- Investment required to achieve MDG target estimated at \$8 billion per year
- Main funding sources
  - Utility cash flow
  - Local government borrowing capacity
- Hampered by lack of governance, low tariffs, and poor financial and operational performance of utilities

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## Improving Water Services through Governance Reform

- Operational autonomy
- Regulation
- Tariffs

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## Operational Autonomy

- Accountable and autonomous service provider based on commercial principles
- Freedom from political interference
- Financial and managerial independence
- Corporatization of utilities
- Private sector participation

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## Regulation

- Independent regulatory body
- For public and private sector
- Reduces corruption and protects the disadvantaged

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## Tariffs

- Too low to provide good service
- Need for cost recovery tariffs
- Increase tariffs to help the poor
- Improve utility creditworthiness

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## Private Sector Participation

- Realistic expectations what private sector can achieve
- Transparent policies and rules
- Independent regulator
- History of financial and operational performance and autonomy of utilities
- Improve public utilities to attract private sector

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## **Role of the NWSAB to Improve Service Delivery**

Provide framework needed for improving service delivery through:

- **Prioritization of Water Investments**
  - ✦ Policies to guide implementing and oversight agencies on the requirements of the sector
- **Cost recovery-based tariff policy**
- **Accountable and autonomous Providers**
- **Policy on economic regulation**
  - ✦ Policy to establish independent and credible regulator for public and private operators

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