1. The four water supply schemes implemented under the Project will be managed by NWSDB. A national tariff structure which includes a subsidized rate for low income or samurdhi beneficiaries is applicable across all water supply schemes.

2. Samurdhi is the national programme introduced by the Government of Sri Lanka in 1994 to alleviate poverty for the poorest households. The criteria to receive these benefits range from consideration of the number of family members, home ownership and household income not exceeding SLR3,600 per month. Low income recipients also benefit from a subsidized water supply connection fee of SLR5,000 (which can be paid in installments) instead of the regular one time connection charge of SLR 17,000. The applicable water tariff for samurdhi recipients and other domestic consumers is set out in Table 1 below.

### Table 1: Applicable Rates for Low income and Other Domestic Consumers

<table>
<thead>
<tr>
<th>Consumption (m3/month)</th>
<th>Other Domestic Tariff</th>
<th>Samurdhi Recipient Tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Usage Charge (SLR/Unit)</td>
<td>Monthly Service Charge (SLR)</td>
</tr>
<tr>
<td>0-5</td>
<td>12.00</td>
<td>50</td>
</tr>
<tr>
<td>6-10</td>
<td>16.00</td>
<td>65</td>
</tr>
<tr>
<td>11-15</td>
<td>20.00</td>
<td>70</td>
</tr>
<tr>
<td>16-20</td>
<td>40.00</td>
<td>80</td>
</tr>
<tr>
<td>21-25</td>
<td>58.00</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: National Water Supply and Drainage Board.

3. Based on Table 1, samurdhi recipients who consume up to 15 m$^3$ per month are provided a subsidized tariff. However, water consumption over 15 m$^3$ is subject to normal domestic tariff rates as 500 liters a day is considered as adequate supply for the average low income household daily safe water requirement. Table 2 illustrates the comparison between the average monthly bill for normal households and samurdhi recipients. According to the Table 2, the monthly water bill for average households is 2.7% of the average monthly income and for samurdhi recipients 5.5% assuming their monthly income of Rs 3,600. Apart from this income, the samurdhi recipients received financial assistance exceeding Rs. 500 per month.

### Table 2: Water Bill Comparison for Low income and Other Domestic Consumers

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Monthly Consumption (m3/month)</th>
<th>Monthly Charge (Rs.)</th>
<th>Average Monthly Income (Rs.) (excluding government financial assistance)</th>
<th>Water Bill as a percentage of monthly income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Domestic</td>
<td>15</td>
<td>310</td>
<td>11,534</td>
<td>2.7%</td>
</tr>
<tr>
<td>Low income</td>
<td>15</td>
<td>200</td>
<td>3,600</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Source: National Water Supply and Drainage Board.

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1 The number of current samurdhi NWSDB connections. Chilaw - 2 out of 6,500 house connections, Puttalam - 99 out of 10800 house connections, Vavuniya 50 out of 1570 house connections and Mannar - 0 out of 4416 house connections.