

INDONESIA: A CASE STUDY ON COMMITMENTS-RELATED BEST PRACTICE OR LESSONS LEARNED IN WATER AND SANITATION

1. Which specific WSSD or Agenda 21 commitment does your case study address?

The case study presented address the need for poor people to have access to decent housing through self reliance, better access to credit and community organization. In the larger context, at the national and local levels, the government implements series of activities ranging from policy development for water and activities to increase access for community to clean water and better sanitation.

The case study highlights the implementation of government of Indonesia's commitments as expressed in the JPOI/ WSSD plan of actions, especially with regards to the following points:

II. Poverty Eradication, paragraph 7a, b, c, d, and m.

Paragraph 8a, f, g

IV. Protecting and managing natural resources base of economic and social development, paragraph 24, 25, a, b, c, e

2. Please briefly describe the essential characteristics of the case study you wish to share including the nature of activities undertaken.

Water Supply and Sanitation: There are two different project approaches that the government has been using to provide clean and drinking water to urban and rural communities.

Firstly, a community development approach for rural and urban poor called Energy Subsidy for Drinking Water Project (SE-AB).The community is responsible for planning, implementing, and operating the facilities. Infrastructure investment is made by the government however operation and maintenance costs are collected by the community through a water tariff.

Secondly, privatization of urban drinking water services particularly for the customers who are able to pay a water tariff. Tariff is based on full cost recovery in which all costs incurred in the project i.e.; investment costs, as well as operating expenses and depreciation are fully covered. The project is being carried out by, among others, Urban Water Supply and Sanitation, World Bank Assisted Project, and Institutional Development Project, ADB. The World Bank assistance will focus on Water Supply Enterprise's Assets Optimization and Extension of Supply Coverage to maintain financial balance sheet and improve credit worthiness. ADB's assisted project deals with the development of a trust fund to enable the water supply enterprise to borrow capital investment and establish a Regulatory Body to manage water supplies.

In sanitation, particularly at the community level, project activities are combined with low cost housing development.

3. Please explain the nature and characteristics of particular challenges and constraints faced, if any.

Most Indonesian cultures see water is a gift from nature, therefore water-users are resistant to being charged for water use. In the past, with less population and industrial activities, the belief and traditional water management prevailed without significant ecological impacts. Water was perceived as open access and therefore it is free for everybody. However, as water quality and

quantity declines due to pollution and overuse, funds are needed for purification and conservation. In addition, investment is required to deliver water to customers.

Privatization poses its own challenges as the costs of services are soaring high to cover real costs of private owned services and management companies. The government used to subsidize the production and services costs of water and other basic needs. As part of IMF restructuring plans as stipulated in the Letter of Intent, the government is facing major challenges to lift subsidies without sufficient institutional building and enough capacity among communities to recover from the crisis to have enough purchasing power. The civil society members have expressed fear that the poor with less access to monetary income will also have less access to clean drinking water and decent settlement.

Other challenge remains, among other, is the development of overarching natural resources management policy, in which the government is striving to develop a more participatory and holistic approach to arrive to current draft of natural resources management. Within this challenges include the enforcement and monitoring of the enactment of the respective regulations on resources management overall.

4. What are the lessons learned in the process, positive and/or negative?

Some positive lessons learned include the emergence of community's initiative to address barriers and challenges toward sustainable development. Community initiatives in the areas of water, sanitation and settlements can be found in some parts of environmentally prone area such as those in urban and rural areas. Examples of access to water and sanitation with community-based approach can be found in Bali both in urban and indigenous peoples village of Tenganan, with support from World Bank and government of Indonesia with coordination with NGOs.

Challenges that impede are coordination among sector, early stage of decentralization enforcement, lack of enforcement in check and balances, weak institutional capacity among stakeholders, especially local government officers and key drivers in sustainable development.

5. What has been the impact of such a case in the area(s) concerned?

Many schemes of water supply, sanitation and settlements program in the areas using demand responsive approach through participatory process and private engagement show a better sustainable infrastructure management compare to the areas which still used supply driven approach. The most important impact is coverage expansion of water supply and sanitation for low income people who have difficulties to access safe water and better sanitation facilities especially in rural, remote and urban slum areas.
