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Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

FACTSHEET

IUWASH PLUS

USAID – SECO Partnership Component



Rationale

The overall objectives of the program are to improve the technical and financial performance of seven water utilities (PDAMs) with a special focus on reducing non-revenue water (NRW) and increasing energy efficiency (EE).

Despite the provision of multiple trainings to PDAM staff over the years, NRW rates remain high at an estimated rate of 33%. NRW is essentially water lost for “commercial” reasons (such as inaccuracies in meter reading and/or non-registered customers / consumption) as well as “technical” reasons (including leakages within the network due to poor pipe quality or inappropriate installation). Thus, water quantity is severely reduced, water quality is seriously degraded, water pressure is inconsistent, utility revenue is substantially lowered, and customer confidence in the PDAM is eroded due to the overarching poor quality of service.

In addition, PDAMs – especially those heavily reliant on groundwater – spend a substantial portion of their operating budgets on electricity costs (often more than 30% of a utility’s total operating budget). This electricity is used, for example, to pump groundwater to the surface, raw water to treatment plants, treated water to customers, as well as support the functioning of other electro-mechanical systems. While some electricity consumption will always be necessary, studies have shown that many utilities could cut their operating costs by as much as 20% if they upgraded to more efficient systems or performed more routine maintenance services.

PDAMS lack the technical expertise, as well as equipment required to accurately measure levels and locations of specific NRW and EE problems. This means that PDAMs remain largely unaware of the exact breakdown of NRW and EE components, rendering decision-making and focused investments difficult at best.

Objectives and Activities

The SECO-supported initiative provides for a more concerted effort in NRW and EE programming. By combining support in “software” (e.g. trainings, studies, technical assessments and action

Country/Region
Indonesia

Executing
Agency
USAID

Government
Partner
Ministry of
Planning
(Bappenas)

Project
Duration
2019-2021

SECO
Contribution
USD
4'500'000

planning) with the stakeholder commitment to investments in “hardware” (e.g. meters, piping, pumps, etc.), the proposed portfolio of interventions will improve the technical and financial performance of seven PDAMs in West and Central Java. SECO’s co-financing will serve as a showcase for integrated, at-scale NRW/ EE programming which combines the availability of measuring equipment, dedicated (on-the-ground) technical expert staff, robust monitoring, and extensive grant support from committed PDAMs and the Government of Indonesia at large.

The SECO-funded program focuses on three areas, namely (1) NRW reduction, (2) EE increase, and (3) capacity building programs covering various technical and non-technical topics. The following PDAMs will receive SECO support:

	Location	NRW Reduction	EE Increase	Capacity Building
West Java	PDAM of Depok City	√		√
	PDAM of Bogor District	√	√	√
	PDAM of Karawang District	√	√	√
Central Java	PDAM of Surakarta City	√	√	√
	PDAM of Magelang City	√		√
	PDAM of Magelang District	√		√
	PDAM of Sukoharjo District	√	√	√

The following list summarizes the main program targets:

- 60,000 Indonesians with access to better (basic) water services;
- 600 PDAM staff trained in NRW, EE and other technical and non-technical topics of planning, operation and monitoring
- Between 5-7% reduction of current NRW in 7 PDAMs, compared to baseline determined at start of the program;
- Approximate 15% increased energy efficiency, measured through the Specific Energy Consumption (in KWH/m³ pumped) for at least 8 pumping systems in 4 PDAMs;
- Leveraging of an estimated \$2.5 million in SECO funding through additional investments by PDAM, GOI and others (estimated at approximately IDR 5 billion or \$350,000 per PDAM)

Results to Date

- Feasibility Studies on the NRW level for the 7 collaborating PDAMs have been completed. The studies show, amongst others, accurate figures of the PDAM’s respective NRW, provide solutions on reducing NRW, and the extent to which NRW reduction will benefit each PDAM.
- Preparatory works to allow collaborating PDAMs to access World Bank’s Performance Based Grant (PBG) funding mechanism are well underway.
- 199 PDAM staff have received training in NRW, EE, and other technical and non-technical topics of planning, operation, and monitoring.