

Performance Based Grant for Water Supply

Jim Coucouvinis

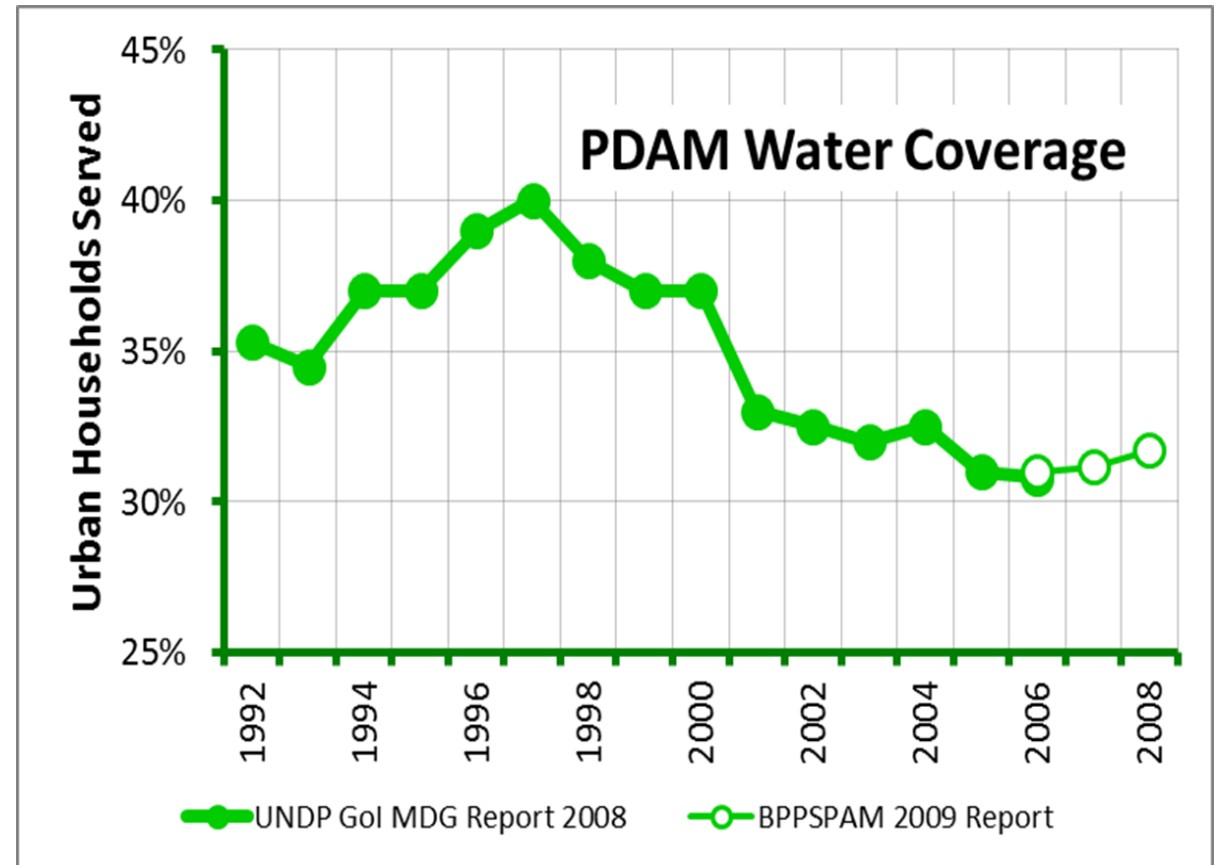
Indonesia Development Forum, Jakarta, 10-11 July 2018



Falling Service Coverage

Why are water service levels falling?

Despite autonomy local governments continue to share responsibility with Central and provincial governments. LGs spend less...



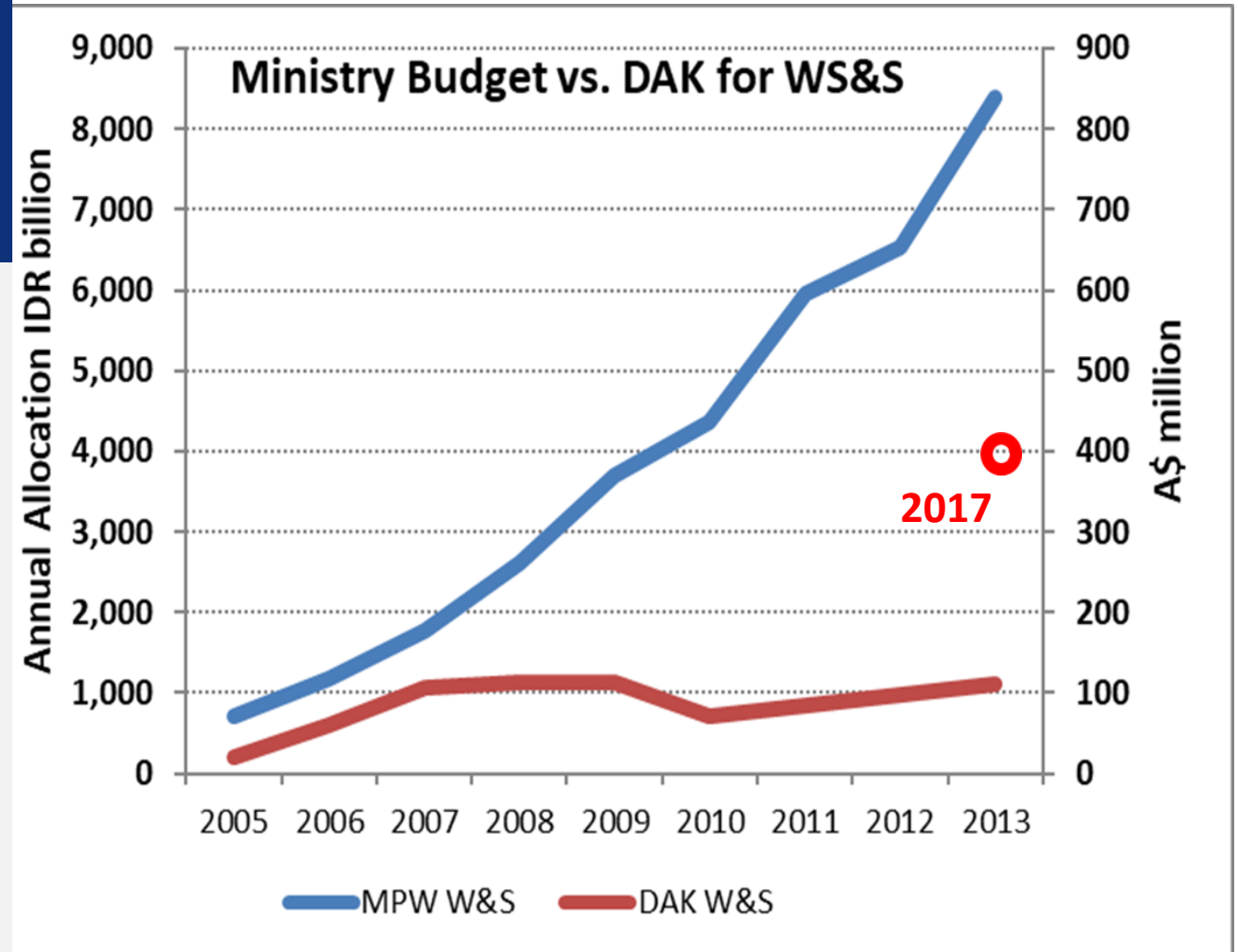


What's wrong with divided responsibility?

Water assets built by GOI are not operated by GOI but by LG.

LG treats these assets as expendable.

Tariffs remain low because no cost recovery on GOI assets





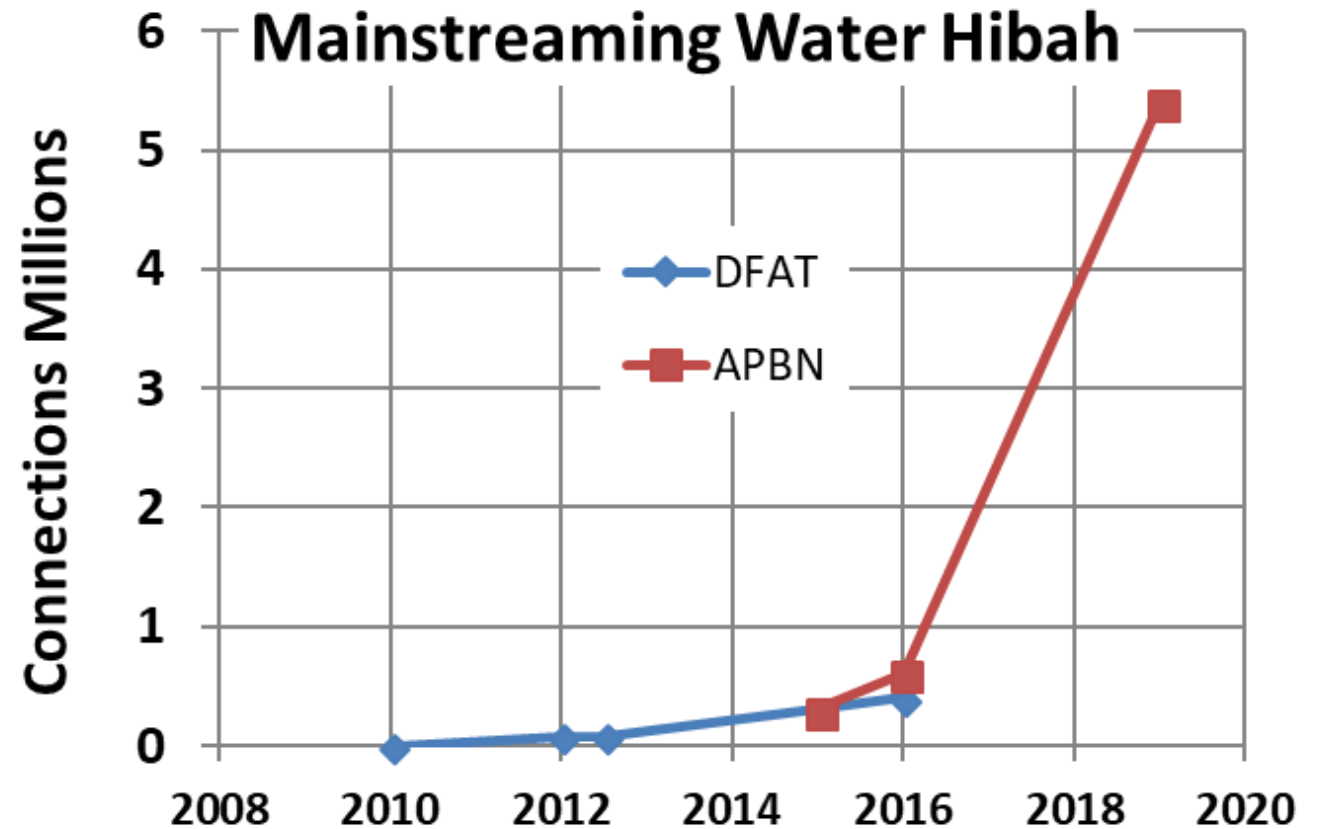
Do LGs Respond to incentives ?

YES...! Output based hibah proved it.

GOI mainstreamed output based hibah.

Output model has limited scalability,,,

Therefore simplify to performance model.





Performance indicators
can be reset as required.

Use GOI reported performance data – BPPSPAM





Other Benefits

Much easier scalability.
Policy friendly for GOI.
Guaranteed annual
disbursement of grant.
Leads to sustained
institutional
strengthening.

Overall Performance measure

