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31/03/03 Island

More than Rs. 50b for water sector from 2001—2010

The investment requirements in the water sector will be Rs. 50 billion over the 2001-2010 period. "Public investment may be sufficient to meet half of this amount underscoring the importance of attracting private sector investment into the provision of clean water. A pre-requisite to this is the establishment of a water regulator, which has been done through the establishment of a Public Utilities Commission".

So said Minister of Housing & Plantation Infrastructure, Arumugam Thondaman at the 3rd World Water Forum held at the Osaka City, Japan, recently (19th March).

Government Ministers and City Mayors from more than 120 in countries participated this International Forum.

Minister Thondaman further said: "Provision of safe drinking water and access to sanitation is a key element in the Sri Lanka government's efforts in achieving sustainable economic and social development. Sri Lanka is committed to the United Nations (UN) Millennium declaration of halving by 2015, the percentage of people with no access to safe drinking water or lacking the means to obtain it, and accepts access to safe drinking water and sanitation as an inalienable right.

The government's objective is to ensure safe water to at least 85 percent of the population by 2010. The draft National Policy on Rural Water Supply and Sanitation Sector recognizes that water is a basic human need but also has an economic value. Users should essentially contribute to investments and bear the recurrent costs of drinking water and for utilizing sewage and sanitation services.

For several years the Water Board and the Community Water Supply Programme have both formulated policies and acted as project implementers. But the provision of clean drinking water, sewage and sanitation services has unfortunately outstripped the government's institutional and financial capacity. New modes of delivery of safe water and primary sanitation facilities are being developed, that will increasingly rely on public-private partnerships.

Government would also rationalize water tariffs to ensure that these reflect the economic costs of providing clean water and will phase out the heavy cross-subsidies amongst different classes of water users. Within the acknowledged limits of affordability the government will seek the recovery of operation and maintenance costs. The present cross subsidization of the domestic consumers by the industrial consumers will have also be reduced in stages. This, we believe will make more money available for extending direct connections to the under-served urban poor.

There is an urgent need to rehabilitate and expand the water supply, sewerage and drainage services around the country, yet investment requirements are very large indeed. The private sector will have to play a major role in this effort since it is estimated that some US\$ 50 million per year for the next decade will be required to rehabilitate and expand water supply and sewage services in the main urban settlements. Demarcation of potentially profitable services areas have been made and the private sector will be invited to enter into partnerships with government to operate,

maintain and extend water systems through long-term concession contracts, leases, management contracts and BOO/BOOT service provisions. ("To facilitate private sector involvement in the water sector, government has already established an independent regulatory authority that will set tariffs and regulate water delivery quality. The government will, in addition, provide enabling legislation.

The existing sewerage in urban areas infrastructure is grossly inadequate for the urban centers. The sewerage network is limited to a small area serving just a part of Greater Colombo and a large section of that is in need of a complete overhaul. Government strategy is to focus public investment on improving sewerage networks in major townships, particularly in the Greater Colombo Metropolitan areas, while encouraging private sector participation in the operation and maintenance of sewerage disposal systems. Government will also license private sector operators to provide water supply waste water treatment and sewerage services for the major cities and towns.