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## PROGRAM PROFILE

# Public Private Partnership and the Role of Customer Forum in Water Utility of Bogor City



Ms. Tun Tedja Irawadi (center front), the Chairperson of National Water Supply Customer Forum, also a member of Supervisor Board and Customer Forum of Bogor City Water Utility shared her experience in organization the forum in front of Supervisory Board of nine water utilities in West Java and Banten. She commits to assist any water utilities interested in setting up a customer forum adopting a similar approach implemented in Bogor City Water Utility.

### Public Private Partnership (PPP) for Water Utility New Service Area in Katulampa

It is a challenge for water utilities to increase its service coverage from the present 66.13 percent to 80 percent in 2015 due to limited production capacity. PDAM is planning to engage private partner to invest in the construction of new water treatment plant in Katulampa with total capacity of 600 l/s, enough to provide water for 35,000 house connections. From the financial analysis, total capital investment reaches up to Rp 139 billion which will be shared between the national government, local government, water utility and private sector. The PPP scheme will only focus on the construction of water treatment plant, water reservoir and distribution network amounted around Rp 45 to 90 billion.

The use of alternative financing from PPP scheme is considered more feasible for water utility at the moment because they still needs settle Rp 80 billion debt to the World Bank while processing a new loan to a commercial bank will take some time even though the national government is now providing loan subsidy and guarantee under Presidential Decree No. 29/2009. Besides, PPP scheme will reduce investment risk of the water utility.

### IUWASH Supports for the PPP Scheme

IUWASH has conducted financial analysis to calculate whether the project is feasible for private investment. IUWASH also helped to estimate the bulk water price affordable for water utility, to prepare feasibility study, to calculate financial projection for this investment and the shares between national government, local government, water utility and private sector and to prepare the tender document that includes selection of evaluation method.

## The Role of Customer Forum to Help Bridging Information

Water Utility Customer Forum is an organization established and funded by water utility. Initially, the forum helps bridging information gap between water utility and its customers and vice versa. In the course, the functions of this forum evolved. Now, the forum also serves as mediator to ensure that customers get their rights for a good service and to help communicating new PDAM regulation and policy to the customer. The members of this forum consist of representatives of local government, university and customer. The forum works based on the agreed work plan that is developed semiannually.

Following are some activities conducted by PDAM Customer Forum of Kota Bogor:

- Facilitate an effective two ways communication between water utility and the customers;
- Communicate service complaints and mediate dispute between PDAM and the customers;
- Identify and survey of new potential service area and new customers;
- Introduce water utility new regulation and policy such as tariff adjustment and service improvement;
- Facilitate training and visit for water utility customers to water treatment facilities, including the intake, plant and reservoir.

## IUWASH Supports for the Water Utility Customer Forum

IUWASH sees that it is important for water utility to receive feedbacks from the customer as an input for water utility to improve their performance. For this reason, IUWASH has facilitated a sharing session from the Customer Forum of Bogor City Water Utility on how they manage to engage customers in the planning and monitoring of service quality of water utility. In some water utilities such forum is not yet established, while in some others strengthening the role of this forum is compulsory. IUWASH plans to replicate this very good example in other water utilities interested in setting up a similar approach.

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