

PD-ABU-277

**LOCAL GOVERNMENT
WATER SERVICES
PROJECT**

**QUARTERLY TASK
ORDER AND COST
REPORT**

**JULY TO SEPTEMBER
2001**

Prepared for



Local Government Water Services
U.S. Agency for International Development/Indonesia
Contract No. LAG-I-00-99-00036-00, D.O. No. 802

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LOCAL GOVERNMENT WATER SERVICES
QUARTERLY PERFORMANCE REPORT NO. 4
AND
ANNUAL REPORT – YEAR 1

Contractor(s): The Urban Institute
Chemonics International, Inc.

Contract Number: OUT-LAG-I-802-99-00036-00

Reporting Period: July 1 – September 30, 2001

Report Number: Quarterly Progress Report No. 4 (QPR-4)

I. CONTRACTOR'S NARRATIVE

1.1 Introduction

The Local Government Water Services (LGWS) Project is providing direct financial, managerial and technical assistance, and training to 20 Indonesian municipal water utilities (PDAM) over a 36-month period. The aim of the Project is to help these PDAM achieve full cost recovery and expand their services.

The Project will also provide remedial financial planning and technical assistance to 10 additional PDAM to improve water service delivery on an as needed basis, and support the institutional capacity development of the Indonesian Association of Water Enterprise Executives (Perpamsi), and its affiliate training institute Yayasan Pendidikan Tirta Dharma (YPTD).

The LGWS Project is promoting USAID's Mission Strategy, which includes a local government strategic objective entitled, "Decentralized and Participatory Local Government".

The LGWS Project is also supporting the Government of Indonesia's efforts to devolve political and fiscal responsibility to its local governments.

Technical assistance for this Project is provided by a consortium lead by the Urban Institute and Chemonics International Inc. as their subcontractor.

This Fourth Quarterly Performance Report (QPR-4) and Annual Performance Report is submitted to USAID in compliance with the Contract's expected outputs and deliverables. The Report covers LGWS' activities for the period July 1 – September 30, 2001 and the year ended September 30, 2001. This document also constitutes the Annual Report for the LGWS Project first year of operations.

II. EXPECTED RESULTS, OUTPUTS & PERFORMANCE

Major accomplishments during this fourth quarter and year to date are described below. Each activity is keyed to the two major tasks and specific sub-tasks identified in the contract and in LGWS' Project Work Plan for Year I. Task A consists of 12 sub-tasks and Task B includes 8 sub-tasks. Both Task A and Task B and their corresponding 20 sub-tasks are discussed in this Report.

2.1 Administrative

Several administrative-related items worth noting for this reporting period are:

- To commemorate the opening of its new office, LGWS hosted an Open House on July 12, 2001. Over 40 guests attended, including representatives from Bappenas, Perpamsi, USAID and other organizations supporting the water sector.
- Mess. Isbandi, Parton, and Mazuroski were invited to be guest speakers at Perpamsi's annual Mapan and the Indowater 2001 Expo and Form held on August 28-30, 2001 at the Jakarta Convention Center.

2.2 Task A

Assistance to 20 PDAM to Achieve Full Cost Recovery and Increased Water Connections

2.2.1 Sub-Tasks A1 – A12

A1 Establish Local Government, Community, and PDAM Commitment for Achieving Full Cost Recovery

Twelve Memorandum of Understanding (MOU) have been executed and received by the LGWS Offices. This sub-task was completed in the second quarter, and copies of the signed MOUs were submitted to USAID in our QPR-2.

EXPECTED OUTPUTS:

- 1. Amended Memorandum of Understanding for 12 PDAM approved by USAID.**
- 2. Signed Memorandum of Understanding with 12 PDAM.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed.**

A2. Select Eight Additional Local Governments/PDAM for Targeted Assistance.

In our QPR-2, we reported that Perpamsi had identified 13 PDAM for LGWS assistance. Table 1 identifies these PDAM. During the 2nd and 3rd quarters, we completed financial and technical assessments of PDAM Kota Banjarmasin, PDAM Kabupaten Bangli and PDAM Kabupaten Banjar. Field Trip Reports for these three PDAM were sent to Perpamsi and USAID.

On July 23, 2001, the LGWS Advisory Committee reviewed the list of PDAM to be provided assistance as noted in Table 1. Bappenas requested that the list be revised to ensure the most equitable distribution of candidate PDAM. In particular Bappenas wished to ensure that PDAM included on the list were in as many Komda as possible, and in keeping with USAID desires to develop links in strategic provinces.

After continuing discussions with Bappenas and Perpamsi, on August 28, 2001 all parties agreed on a revised and final list of PDAM as shown in Table 2. From the list of PDAM noted in Table 2, LGWS will select 6 PDAM to be provided intensive technical assistance. While the six-selected PDAM will receive assistance under this sub-task, the others will be included in sub-task A11.

Table 1. PDAM Identified by Perpamsi for LGWS Assistance.

<i>PDAM</i>	<i>Province</i>	<i>Total Population</i>	<i>Total Number Of Connections</i>
Kota Banjarmasin	S. Kalimantan	575,000	45,211
Kota Mataram	Lombok	874,031	26,314
Kab Bangli	Bali	196,400	8,018
Kab Banjar Baru	S. Kalimantan	533,500	10,132
Kab Kutai	E. Kalimantan	812,733	12,258
Kota Samarinda	E. Kalimantan	660,000	50,557
Kota Pontianak	W. Kalimantan	513,977	42,584
Kota Jambi	Jambi, Sumatra	470,800	35,733
Kota Padang	W. Sumatra	806,511	41,370
Kota Semarang	Central Java	1,415,400	108,728
Kota Bandung	West Java	2,613,000	141,435
Kab Karawang	West Java	1,643,600	26,834
Kota Palembang	Sumatra	1,523,200	78,837

Source: Perpamsi Directory 2000.

The LGWS Project's Scope of Work requires that 6 of the remaining 12 PDAM selected for intensive assistance be from specific geographical areas identified by USAID. These areas include the provinces of Aceh, East and West Java, West Papua, East Kalimantan,

and North Sulawesi. Security concerns continue to prevent LGWS teams from traveling to Aceh.

Eight of the 12 selected PDAM detailed in Table 2 are located within four of the six geographical areas identified by USAID. These include the provinces of West Java, West Papua, East Kalimantan, and North Sulawesi.

Table 2. Revised List of PDAM Identified for Preliminary Assessments.

<i>PDAM</i>	<i>Province</i>	<i>Total Number Of Connections</i>	<i>Total Population</i>
Kota Pangkal Pinang	Bangka-Belitung	5,343	131,700
Kota Bitung	North Sulawesi	10,787	120,718
Kota Banjarmasin	South Kalimantan	45,211	575,000
Kota Samarinda	East Kalimantan	50,557	660,000
Kab Kutai	East Kalimantan	12,258	812,733
Kota Pontianak	West Kalimantan	42,584	513,977
Kota Sukabumi	West Java	11,984	2,053,700
Kota Palangkaraya	Central Kalimantan	7,282	183,300
Kab Gunung Kidui	Di Yogyakarta	15,068	735,714
Kab Jayapura	Papua	21,105	373,857
Kota Bandar Lampung	Sumatra	27,257	992,500
Kab Pangkajene	South Sulawesi	5,246	268,700

Source: Perpamsi Directory 2000.

Initial assessments of these PDAM began in early September, two months later than originally scheduled. Field Trip Reports will be distributed to Perpamsi and AID when complete.

In the original LGWS work plan these assessments were expected to begin in July 2001, and were to be finished before the end of the first operating year. Unfortunately delays in selecting the list of assistance candidates as previously described were beyond the control of LGWS, causing our reviews to begin approximately two months later than originally planned. Despite the delay, LGWS does not believe it will have a material adverse effect on the execution of the Project.

While the original LGWS work plan only required LGWS to assist 4 additional PDAM in the second year of operation, a review of current resources along with the timeframe revealed it was possible to **assist up to 6 new PDAM** during each of the second and third years of the Program.

The assistance to additional PDAM was discussed with and agreed to by USAID and counterparts in the Government of Indonesia. Complete details of this proposed additional assistance will be discussed in our Year 2 Work Plan.

EXPECTED OUTPUTS:

1. Select 4 new PDAM.
2. Draft Memorandum of Understanding prepared for the final 4 PDAM.

STATUS:

1. Selection of 6 new PDAM in progress. Delays as noted.
2. Distribution of MOU when selection has been finalized.

A3. Establish Baselines for the Key Indicators.

All baseline indicators have been identified and formatted for the 12-client PDAM in Microsoft Excel software. This format will be used throughout the course of the project. Each field team has been compiling these indicators and/or reconfirming data already obtained.

Our QPR-1 included a copy of the baseline for year-end 1998-1999. We established baseline data at January 1, 2000 as the start-date for monitoring purposes. These indicators are being used as the basis for measuring PDAM results against LGWS' performance targets.

Performance indicators for the Period January 1 – June 1, 2001 are shown in Appendix I.

A summary analysis of Appendix I data indicates that our 12 PDAM started the LGWS Project with a combined total of 111,993 connections. As of June 2001, the 12 PDAM have added a total of 16,815 new connections, which equates to 100,890 new beneficiaries for the period January 2000 – June 2001. While individual PDAM data is shown in Appendix I, a simplified breakdown of new connections for each LGWS Field Team is as follows:

- The 4 PDAM assisted by Team A have added 4,599 new connections, with an average of 1,150 new connections per PDAM,
- The 4 PDAM assisted by Team B have added 6,656 new connections, with an average of 1,664 new connections per PDAM, and
- The 4 PDAM assisted by Team C have added 5,560 new connections, with an average of 1,390 new connections per PDAM.

These new connections are crucial in reducing idle capacity and increasing revenues within each PDAM. Both of these concepts have been incorporated into the corporate plans for the 12 PDAM.

During the same period, 9 of our 12 PDAM had received approval to increase tariffs ranging from 15% - 70%. Three of these PDAM – Jember, Lampung Tengah and Sawah Lunto introduced “back-to-back” annual tariff increases, demonstrating the commitment of both the PDAM and their local governments to reforms. PDAM Jember for example had a 48% tariff increase in May 2000, and authorized a 30% increase in April 2001. Three of our remaining PDAM are awaiting local government approvals for tariff increases. All 12 PDAM have identified and projected their tariff requirements in their respective Corporate Plans.

Nine of our 12 PDAM continue to be loss making during the period, however, these losses are substantially less than in previous years. LGWS believes this indicates that cost reduction measures and other improvements are taking effect.

11 of the 12 PDAM continue to have negative operating ratios¹. However that ratio is trending positively and we expect to see positive ratios in 2002. For example, PDAM Pacitan began working with LGWS with an operating ratio of 54%. Since January 2000, this has increased 14% to its current 68%. PDAM Sawah Lunto shows a similar increase of 7%, and PDAM Asahan with a 19% increase. PDAM Jember had the most dramatic change with a 15% increase and a ratio indicating full cost recovery.

While a number of common issues, excess capacity, low tariffs, and debt, still plague these PDAM, we are beginning to see positive trends which will subsequently contribute to Full Cost Recovery.

EXPECTED OUTPUT:

- 1. Baseline data established for 16 PDAM.**

STATUS:

- 1. Task Completed for 12 PDAM.**
- 2. Additional 6 PDAM being selected.**

A4. Help Conduct Customer Satisfaction Surveys and Address Identified Weaknesses.

As reported in our QPR 2, LGWS successfully assisted its 12-client PDAM conduct their Customer Satisfaction Surveys (CSS). Each CSS was used to develop specific strategies for the PDAMs’ Public Relations Campaigns (sub-task A5) and Corporate Plans (sub-tasks A6 and A8).

Programs to address specific deficiencies have been prepared and incorporated into the Corporate Plans. Examples include the following:

¹ Operating ratio is defined as total operating revenues divided by operating cost. PDAM are at full cost recovery if this ratio is 100% or better.

- Improving the quality of water provided,
- Creating and/or promoting Customer Service Departments,
- Establishing Customer Service “Hot-Lines”,
- Improving communication with consumers,
- Improving “response time” to consumer issues,
- Improving procedures for new connection applications,
- Reducing the time for installing new connections, and
- Increasing the availability of water to customers.

EXPECTED OUTPUTS:

1. Schedule and complete Customer Satisfaction Surveys in 12 PDAM.
2. Tabulate data and put into a reportable format.
3. Assist 12 PDAM to establish and/or upgrade Customer Service Departments.
4. Schedule 4 Customer Satisfaction Surveys.
5. Plan to address at least one deficiency in each of the 12 PDAM.

STATUS:

1. Task Completed.
2. Task Completed.
3. Task Completed.
4. To be scheduled with the selection of 6 new PDAM.
5. Task Completed.

A5. Help Develop and Implement a Public Relations Campaign and Develop Mechanisms for Incorporating Citizen Input into Decision-Making.

Public Relation efforts are on going at each PDAM. As we reported, many PDAM have initiated community education efforts, sponsored local athletic activities and have had media coverage of their LGWS related activities.

Examples of media exposure include:

- Radio Republic Indonesia reporting LGWS initiated changes at PDAM Kendari,
- Jawa Post reporting on PDAM Pacitan’s new LGWS provided computers and the results of its CSS,
- Bali Post coverage of PDAM Karangasem’s CSS and Corporate Plan initiatives,
- Radio Republic Indonesia reporting LGWS initiated changes at PDAM Batang,
- Radio Republic Indonesia reporting on PDAM Asahan, and the
- Radar Post coverage of service improvements at PDAM Jember.

LGWS is pleased to see the media and the community taking an active interest and role in positive new developments at many of the PDAM. We believe it will serve a vital function and model in educating the public and local government.

With the completion of each PDAM's Corporate Plan (sub-task A-8), we are continuing to assist each PDAM disseminate further information concerning their Plan to their respective communities and stakeholders. These activities have included public forums, meetings with community leaders and local government officials.

These activities are designed to educate consumers and stakeholders concerning PDAM service improvements identified in their Plans, and to promote and market those services. These efforts will also -

- Identify and address consumer concerns identified by the CSS,
- Address water conservation and pollution,
- Build consumer confidence in PDAM services, and
- Reiterate support by PDAM stakeholders.

The Public Relations Campaign is an integral component of each PDAM's Corporate Plan and remains the vital link to the community awareness/input strategy. Corporate Plans have been made available to Perpamsi, Bappenas and USAID.

EXPECTED OUTPUTS:

- 1. Public Relations Campaigns designed and completed for 12 PDAM.**
- 2. Other mechanisms designed to incorporate consumer in-put developed.**
- 3. Local dialogue initiated on financial sustainability and expanded services.**

STATUS:

- 1. Task completed.**
- 2. Task completed.**
- 3. Task Completed. Discussions with PEMDA on financial sustainability, local Consumer Forums, and expanded services are on going. See Second Year Work Plan.**

A6. Support for More Autonomous PDAM Operations.

LGWS' on going dialog with senior PDAM staff, Badan Pengawas representatives, PEMDA, and DPRD officials has been very successful.

These discussions were focused on PDAM finances and operations, the need for greater autonomy, and full cost recovery. All of these meetings included extensive discussions

concerning each PDAM's service levels, customer service needs, CSS results, and recommendations for improving the overall condition of each PDAM.

In an effort to promote the benefits of their Corporate Plans, each PDAM will have intensive discussions with their concerned stakeholders. As we will detail in our Second Year Work Plan, LGWS will continue to support these efforts.

These supporting efforts will be focused on PEMDA and DPRD officials and will be aimed at garnering support and acceptance of the goals and aspirations of each Corporate Plan. Of particular concern is ensuring that properly detailed incentive structures are introduced to make PDAM officers and staff more accountable and they are encouraged to achieve outstanding performance.

In our Second Year Work Plan we will articulate specific actions that will be taken to reinforce these efforts. The primary efforts in the second year regarding previously assisted PDAM will be on sustainability and achieving the goals of the Corporate Plan. To achieve these goals, LGWS anticipates monitoring activities, reinforcement meetings with stakeholders and possibly a further retreat.

The activities of each field team for this quarter are reported in the Activity Reports provided in Appendix II.

Our LGTS and ALGTS continue their excellent work with Perpamsi and TPTD. During the quarter they developed and scheduled training seminars for senior government officials and PDAM management. Activities under sub-task A8 are designed and intended to promote coordinated linkages between tasks vital in achieving PDAM goals of Full Cost Recovery. Please also refer to sub-tasks B4-B8 for specific training activities.

EXPECTED OUTPUTS:

- 1. Schedule regular meetings with the Badan Pengawas and appropriate PEMDA officials of 12 PDAM.**
- 2. Identify suitable management concepts and policies for 12 PDAM.**
- 3. Review concepts and policies with each of the 12 PDAM.**
- 4. Adoption or incorporation of management concepts and policies by 12 PDAM.**

STATUS:

- 1. Task Completed - Regular meetings are on-going.**
- 2. Task Completed - Policies incorporated into Corporate Plans.**
- 3. Task Completed.**
- 4. Task Completed – Policies incorporated into Corporate Plans.**

A7. Support the Adoption of Open and Transparent Accounting Measures.

As reported in our QPR-3, LGWS successfully distributed and installed 23 Dell desktop computers, and 3 printers for our 12-client PDAM. All computers were installed with accounting and billing software. All accounting software-related training activities (sub-task B2) have also been effectively completed.

The 12 PDAM are converting customer account data from their old software or manual systems into the new computerized accounting and billing programs. This conversion process is in its the final stages. Our PDAM are also running efficiency checks on their respective data base exchanges. All 12 systems are already operational or will be fully operational shortly.

LGWS also provided training in basic computer operations skills for PDAM staff. All 12 PDAM have now completed this training. Information concerning all LGWS training activities is discussed in more detail in sub-task B8.

As reported, development of an LGWS Project Web Site was begun in the 3rd quarter. We expect to complete the site in early October. The Site will provide information about LGWS activities; LGWS assisted PDAM and provide links to Perpamsi, USAEP/AID, the Urban Institute, and Chemonics International. The site will also provide individual web pages for our 12-client PDAM, and be expanded to include the 12 additional PDAM.

As reported, we expect that once the site is fully operational each PDAM will “post” its financials on its individual web page. This activity will further promote open and transparent accounting procedures, and also support our activities under sub-task A6 – More Autonomous PDAM Operations.

EXPECTED OUTPUTS:

- 1. Procurement of computer components and software for 12 PDAM.**
- 2. Installation of computer systems in 12 PDAM.**
- 3. Completion of training component for computers in 12 PDAM.**
- 4. Establish functional computerized accounting systems in 12 PDAM.**

STATUS:

- 1. Task Completed.**
- 2. Task completed.**
- 3. Task completed.**
- 4. Task Completed.**

A8. Assist with the Development and Updating of Recovery Plans and Business Plans.

Each LGWS Field Team has successfully assisted their respective PDAM in preparing and completing their Corporate Plans. This particular activity was derived in part from the results of sub-tasks A3-A5, and dominated our agenda in this last quarter. We are very pleased to announce that this sub-task was completed ahead of schedule.

On August 27, 2001 we distributed copies of 8 Corporate Plans to Perpamsi and USAID. This submission included PDAM Asahan, Banjar, Batang, Hulu Sungai, Jember, Kendari, Pacitan, and Sawah Lunto.

On September 19, 2001, we submitted the two remaining Corporate Plans for PDAM Jombang and Karangasem, to Bappenas, Perpamsi and USAID.

As we had noted in our transmittal letters –

- Acceptance of PDAM Belitung's Plan is delayed until the new President Director² has had an opportunity to assess the PDAM's situation and review the plan,
- Execution of PDAM Lampung Tengah's Plan has been indefinitely suspended pending the outcome of discussions between the 3 local governments served by that PDAM, and

As we move into Year 2 of the Project, we will be scheduling stakeholder and management discussions in support of each plan, and to monitor their implementation. Please also refer to our activities under sub-tasks A3-A7 in support of this activity.

In our QPR-3, we reported 20,423 new connections in six months or a total of 61,681 new connections since inception, which equates to 370,086 new beneficiaries for all WET assisted PDAM. LGWS specific PDAM have increased connections by 16,815 and 100,890 beneficiaries of this assistance. We will update this data at the end of December 2001. Please also refer to sub-task A3 for performance indicator data.

EXPECTED OUTPUTS:

- 1. Draft Business and Financial Action Plans completed for 12 PDAM.**
- 2. An increase of 60,000 new beneficiaries from the baseline.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed. Data to be updated in December 2001.**

² On August 28, 2001 a new PDAM Director, Drs Ir. Rusdie Sale, was chosen for Belitung. The Director is expected to report for duty in September 2001. LGWS will likely continue activities in October 2001.

A9. Identify Options for Sustainable Financing.

Throughout Year-1, we followed a number of developments with donor agencies such as the Asian Development Bank (ADB), World Bank (WB) and in the private sector.

In April for example, we met with representatives from Aquanet – a Netherlands based organization financed by Dutch Water Companies. Aquanet through its local affiliate Inowa Prima Consult provides financing to selected PDAM for new connections and new meters, and is interested in expanding its services. Their representatives are keen to work with LGWS assisted PDAM. They will return to Jakarta in early November, and we hope to explore further opportunities with them at that time.

The World Bank is assisting the Ministry of Settlements and Regional Infrastructure develop a policy framework for water supply and sanitation. At a conference entitled “Water Supply and Sanitation Sector Reform in the Context of Regional Autonomy” attended by LGWS, the main themes focused on full cost recovery and implementing planning opportunities. Key reform measures closely mirror the efforts of LGWS and will be codified in the form of a Ministerial decree that encourages greater transparency, accountability and better service.

LGWS has also had several meetings with ADB representatives to assist in developing their program to assist the Water Supply and Sanitation Sector. Meetings with the ADB were held on May 29, 2001, September 17, and 25, 2001 in furtherance of this agenda. ADB is interested in providing funding for water and sanitation that reflect a bottom-up strategy where the local community would be engaged in project development. Central Government’s role would be to facilitate and coordinate funding. We also met with a representative from JICA on September 24, 2001 to review LGWS goals and objectives and review possible areas of JICA support to GOI.

LGWS is also working closely with PDAM Jember and PDAM Pacitan to determine sources of additional funding for new water supply assets. PDAM Jember is researching development of new treatment capacity through a Build-Lease-Transfer arrangement with the private sector. LGWS has indicated its willingness to assist PDAM Jember, provided that the PDAM first obtain prior approval from PEMDA to execute this transaction.

PDAM Pacitan is planning to develop a new spring source that will provide an additional 50 l/sec to its production capacity and greatly assist the PDAM during the dry season months. LGWS has indicated its willingness to assist with the same conditions as described for PDAM Jember.

EXPECTED OUTPUTS:

- 1. Identify funding options for 12 PDAM.**

STATUS:

- 1. Task Completed.**

A10. Assist Targeted Local Governments/PDAM to Implement Quality Control Procedures.

Each PDAM has provided detailed their anticipated new programs and costs for environmental, maintenance, and water quality improvements and requirements in their Corporate Plans and Annual Budgets. Customers identified many of these issues in the completed CSS as major concerns. Examples of common issues include:

- **Testing:** PDAM water quality testing is limited to turbidity and sedimentation tests. Standard tests for bacteria and more routine parameters such as oil & grease, nitrates and selected heavy metals are typically not performed. The frequency of testing is inadequate and constrained by limited budgets. LGWS has recommended routine monthly testing at intakes and randomly at customer taps. LGWS also met with a GTZ and Perpamsi representative to discuss testing-related activities through Perpamsi. Please also refer to sub-task B4.
- **Water Quality:** PDAM dependent on spring and river water as a raw water source experience very high seasonal turbidity loads, resulting from uncontrolled run-off. Deforestation and land clearing activities are the most likely causes. Raw sewage is also a major concern, as well as sludge management and sludge disposal. LGWS has suggested creating “buffer zones” in water shed areas to minimize the impact of deforestation and erosion. In Kabupaten Pacitan for example, the PDAM has developed a “security area” up gradient to protect the integrity of its spring sources. The PDAM is also planning to purchase additional land to expand its security area. LGWS is also coordinating these activities through Perpamsi and/or directly with each PDAM. Each PDAM has identified measures to address water quality issues in their respective Corporate Plans.
- **Energy Efficiency & Maintenance:** Energy costs represent a significant portion of PDAM operating budgets, and as a result maintenance budgets have been reduced significantly. LGWS has recommended energy and operation audits, and re-budgeting maintenance costs. LGWS has also suggested that PDAM and PEMDA officials initiate discussions with PLN to resolve a number of administrative and technical issues that impact PDAM costs.
- **Maintenance and Non-Revenue-Water (NRW):** NRW averages approximately 50% for the 12 PDAM. PDAM prepared and are implementing programs designed to reduce NRW to 25% or lower levels. In particular, we are encouraging PDAM to implement household meter replacement and repair programs. These programs are incorporated in their Corporate Plans.
- **Conservation and Customer Outreach:** We have initiated discussions with PDAM and PEMDA concerning the need to incorporate water conservation measures in all aspects of PDAM operations. This issue is also included in the previously mentioned PRC for each PDAM.

The LGTS has also programmed these issues into workshops designed in conjunction with Perpamsi and YPTD training activities (please see sub-tasks B4-B5 and B8).

EXPECTED OUTPUTS:

1. Provide Quality Control Procedures assistance to 12 PDAM.
2. Where appropriate, incorporate QCPs into management policies and Business Plans for 12 PDAM.
3. Review QCP issues with 4 additional PDAM.

STATUS:

1. Task Completed.
2. Task Completed.
3. To be completed when additional 6 PDAM are chosen.

A11. Assist up to 10 PDAM Annually.

LGWS visited 10 PDAM during the year as indicated below. Report on the technical and financial assessment will be completed by November 2001.

Kab Bangli	Kota Banjarmasin	Kab Banjar Baru	Kota Bitung
Kab Gunung Kidul	Kab Jayapura	Kota Palangkaraya	Kota Pontianak
Kota Samarinda	Kota Sukabumi		

Additional assessments are scheduled for PDAM Kota Pangkal Pinang, PDAM Kabupaten Kutai, PDAM Kota Bandarlampung, and PDAM Kabupaten Pangkajene in early October 2001. Reason for delays in completing these assessments are articulated above in Sub-task A-2.

Copies of all Field Reports for PDAM Kabupaten Bangli, PDAM Kota Banjarmasin, and PDAM Kabupaten Banjar Baru have been sent to Bappenas, Perpamsi and USAID. The remaining reports will be distributed to Bappenas, Perpamsi and USAID when complete.

EXPECTED OUTPUTS:

1. Field Trip Reports for PDAM assessed.

STATUS:

1. Task Completed - 10 Assessments Performed.

A12. Coordinate with the CLEAN Urban Project and the Advisory Committee.

During the Project's first year, we have had total of 12 meetings with representatives from CLEAN Urban and ICMA. Regular information exchanges have also occurred during the monthly Chief of Party meetings organized by USAID's Office of Decentralized Local Government, and 5 informal sessions arranged directly by the various COPs.

Throughout the year, we held numerous meetings with Bappenas and Perpamsi representatives to review LGWS activities and to discuss and coordinate our training initiatives with their staff. Quarterly meetings with our Advisory Committee were held at Bappenas' offices. Further, we held three meetings with representatives from the Perform Project. Please also refer to sub-tasks A-2, and A-9 for additional related meetings.

We will continue these monthly exchanges and Advisory Committee meetings as a means of promoting specific activities and policies in support of GOI, USAID, and LGWS Project goals.

EXPECTED OUTPUTS:

- 1. Six meetings with CLEAN Urban and ICMA Project representatives.**
- 2. Two meetings with Advisory Committee and submission of semi-annual report.**
- 3. Semi-annual report to the Advisory Committee identifying strategic and global issues of concern to all PDAM.**

STATUS:

- 1. Task Completed.**
- 2. Task completed.**
- 3. Task Completed.**

2.3 Task B
Assistance to Water Service Providers to Improve Professionalism, Accountability, and Service Delivery.

2.3.1 Sub-Tasks B1 – B8

B1. Professional Skills of Managerial and Operational Staff of Water Utilities.

LGWS initiated certification efforts with Perpamsi and the Ministry of Labor are complete, as planned by our LGTS. Details include:

- A signed MOU with the Ministry of Public Works that will complement the MOU signed with the Ministry of Manpower,
- Creation of a Board of Certification, composed of representatives from Perpamsi, the Ministries of Home Affairs, Public Works and Manpower, ITB and IATPI,
- Approval of the Board members by the Ministry of Manpower, and
- Official installation of the Board, and their first meeting held at the end of June.

As part of this effort, LGWS also established a two-part functional training program for PDAM President Directors. The first session was held between August 13 - 25, 2001 with 29 PDAM President Directors participating. The second session is scheduled for October 1 – 13, 2001 in Jakarta.

In addition to these activities please refer to our activities under sub-tasks B6 and B8, which are designed to support this particular sub-task.

EXPECTED OUTPUTS:

- 1. Report summarizing professional certification efforts.**
- 2. Work plan and training program for establishing professional standards.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed – Activities on-going.**

B2. Open and Transparent Budgeting and Accounting Practices.

As noted in sub-task A7, LGWS procured, installed and distributed accounting and billing software, and computers to our client PDAM. In April, accounting and finance

personnel from all 12 PDAM also attended a training seminar to introduce them to our "User's Guide" for the billing and accounting software.

As we add the 12 remaining PDAM for intensive assistance, we will introduce the User's Guide and similar training programs to each new LGWS assisted PDAM.

EXPECTED OUTPUTS:

- 1. Develop a "User's Guide" on Accounting & Budgeting models.**
- 2. Schedule a 1-2 day Workshop to disseminate information on User's Guide.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed.**

B3. Support for Full Cost Recovery, Service Expansion and PDAM Reforms.

LGWS Project efforts continue to focus on educating PDAM management and staff, and their stakeholders, in particular PEMDA and DPRD officials, on improving the overall operating performance and the service capabilities at each of our 12-client PDAM.

As mentioned in our QPR-3, we hosted a Management Retreat for senior PDAM managers and Mayor(s). Our common retreat theme and individual team sessions were used to reinforce the concepts of full cost recovery, service expansion and performance, and other customer service initiatives, in support of the corporate plans.

All participants considered the retreat a major success. The major themes were hammered home to local government and demonstrated the strong professional skills of PDAM Managers. To build on this success, we fully expect to schedule a follow-up retreat to review performance against Corporate Plans in Year II of the Project and hold a similar retreat for our 6 new PDAM selected for assistance. Please also refer to sub-tasks A4-A9 for related activities supporting this sub-task.

EXPECTED OUTPUTS:

- 1. Introduce full cost recovery, service expansion & reform strategies for 12 PDAM.**
- 2. Average 30% improvement from baseline in P & L Statements.**

STATUS:

1. **Task Completed – Full Cost Recovery policies incorporated into Corporate Plans.**
2. **Baseline data for first full year will be available in second project year.**

B4. Technical Efficiency and Environmental Quality.

Our LGTS evaluated and reported on IATPI's proposed three-year technical workshop program in our QPR_2. He subsequently programmed a number of workshops into the YPTD training schedule for Year 2001 and 2002. A complete summary of LGWS training activities is provided in sub-task B8.

EXPECTED OUTPUTS:

1. **One – two individual or regional ½ day – 1-day workshop(s) on a specific issue.**

STATUS:

1. **Task Completed.**

B5. Development and Dissemination of Best Practices in the Water Sector.

In our QPR-2 we identified and reported 5 best practice models. These consisted of the following:

1. Invoicing and Collection – PDAM Kabupaten Jember,
2. Electronic Meter Reading - PDAM Kabupaten Bandung,
3. Third Party Meter Reading – PDAM Sawah Lunto,
4. Cisterns for households – PDAM Kabupaten Bangli, and
5. Automated Switching & Shut-Off Equipment – PDAM Kabupaten Jember.

In addition to developing these Models, we met with representatives from Thames Water and Modern Asia Environmental to discuss possible best practice seminars that may be incorporated into LGWS' workshop schedule for Year 2. Examples include non-revenue-water, customer service, and sludge management.

Having achieved the Expected Outputs of this sub-task, we plan to continue identifying and disseminating Best Practices through Perpamsi.

We have suggested that our Five Best Practices be published in Perpamsi's Quarterly Journal, "Air Minum". Perpamsi hopes to make this a regular feature by requesting all

PDAM forward a write up of their Best Practices. In so doing, LGWS and Perpamsi will have a continuing source of best practices to disseminate to PDAM throughout Indonesia. Perpamsi has also agreed to select two Best Practices for annual commendation.

When our Web Site is available we will also post the Best Practices on it. These efforts will further support the role of Perpamsi, institutionalize the concept of Best Practices, and also support sub-tasks A7 and B2.

EXPECTED OUTPUT:

- 1. Develop and disseminate five best practices to PERPAMSI.**

STATUS:

Task Completed – Activities to Continue.

B6. Institutional Support for PERPAMSI.

In our previous quarterly reports we discussed the progress our LGTS has achieved in preparing a comprehensive training and work plan for PERPAMSI, and YPTD. This program covers 6 specific training that consist of the following:

- Institutional development,
- Infrastructure development,
- Curriculum development and certification training program development,
- Schedule and implement training in workshop/seminars,
- Coordinate donor programs, and
- Fund raising activities to support the goals and objectives of YPTD.

Our LGTS and Perpamsi staff also prepared a Five-Year Business Plan for Perpamsi and YPTD. The Plan has been approved by their respective boards and is being implemented. Please also refer to activities discussed in sub-tasks A6-A12, and B1-B5, which also support this particular sub-task.

EXPECTED OUTPUTS:

- 1. Review and identification of institutional training needs at YPTD.**
- 2. Draft development plan for YPTD.**

STATUS:

- 1. Task Completed.**
- 2. Task Completed – All Activities Are Being Implemented or Are Programmed.**

B7. PDAM Rescue and Recovery Program (PRRP).

As reported in our QPR-2 and QPR-3, the PRRP is being implemented under the guidance of the Ministry of Finance. LGWS has had several preliminary discussions with consultants working on this project. While the aims of this funding appear laudable there are a number of concerns on the part of PDAM and local governments that central government involvement may cause higher than needed costs to be incurred. LGWS will continue to provide advice as and when requested to analyze costs and benefits.

Consultants from the Asian Development Bank (ADB), developing a terms of reference under the Water Supply and Sanitation Sector loan, visited Indonesia. The aims of this technical assistance mirror the efforts of the World Bank funded PRRP. LGWS provided extensive comments and documents for their use in preparing their terms of reference. LGWS also met another group of ADB officials when their mission arrived in June.

In May 2001, LGWS also met with ADB loan officers and provided input into activities that ADB is currently developing. Unfortunately, issues such as sovereign debt for local government, guarantees and funding institutions continue to plague accessibility to funding. LGWS has provided copies of its reports, summaries of on-going activities and results of specific analyses for ADB use in developing a sector support package.

On September 25, 2001 we participated in a follow-on meeting with the ADB representatives to discuss further coordination for their proposed Water Supply and Sanitation Sector loan. Please also refer to sub-task A-9 for related activities.

EXPECTED OUTPUTS:

- 1. Meet with PRRP proponents as required.**

STATUS:

- 1. Task completed. Continuing Meetings As Required.**

B8. Conduct Training Workshops/Seminars.

As previously mentioned in sub-tasks A7, B2, and B4-B6, and our previous reports, our LGTS and ALGTS, and our MIS have designed training programs and schedules for conducting a series of management and technical workshops. The intended target groups consist of junior and senior management, and operational personnel at our client PDAM.

LGWS prepared and completed training activities are shown below. Appendix III provides a detailed schedule of all LGWS, Perpamsi and YPTD training activities.

- ✓ 12 individual Customer Satisfaction Survey (CSS) workshops completed in the 2nd quarter, and 1 CSS seminar completed in June. Additional workshops programmed for 6 PDAM to be identified.
- ✓ 1 PDAM Full Cost Recovery seminar completed in June.
- ✓ 1 Five-day Workshop to introduce the new Accounting & Billing Software to 12 PDAM completed in April.
- ✓ 1 seminar to introduce our "User Guide" for Billing and Accounting Software – 1 Workshop completed in April.
- ✓ 12 individual workshops for Basic Programmer - Computer Skills completed in July.
- ✓ 1 senior Management Retreat completed in June.
- ✓ 1 two-part management seminar completed in August. The second session is planned for October.
- ✓ 1 seminar on Financial Management for Non-Financial Managers completed in July.
- ✓ 1 seminar on Team Dynamics and Leadership for senior management completed in July, and
- ✓ 1 workshop on construction and operations management completed in September.

LGWS has also scheduled a short-term technical and operations expert to prepare and introduce basic water operations training modules in two workshops scheduled for late September and October.

EXPECTED OUTPUTS:

1. Schedule one workshop dedicated to key environmental or technical issues.
2. Schedule six one-day workshops in the provinces for 25-30 participants.
3. Coordinate all training activities through Perpamsi and YPTD.

STATUS:

1. Task Completed.
2. Task Completed.
3. Task Completed – An On-Going Activity. Our LGTS and ALGTS are assigned to Perpamsi and YPTD offices.

2.4 Summary of Completed Tasks

LGWS has completed 19 of the 20 sub-tasks. Table 3 provides a summary of all of the 12 sub-tasks listed under Task A, and the 8 sub-tasks listed under Task B.

As discussed under sub-task A2 - the selection of 6 new PDAM for further assistance is currently in progress. The delay was caused by necessary Government of Indonesia administrative coordination beyond the control of the consultants. The delay, however, is not expected to have a material adverse effect on project performance. As we also noted under sub-task A2, we have increased the number of new PDAM to be assisted from four to six. LGWS fully believes that with available resources the increase will not present a burden on our team or negatively effect the project.

Table 2. Summary of LGWS Task Progress.

<i>Task</i>	<i>Status</i>
A1	Task Completed for 12 PDAM.
A2	Selection of 6 new PDAM in progress ¹ . Distribution of MOU to follow.
A3	Task Completed for 12 PDAM. Six new PDAM being selected.
A4	Task Completed for 12 PDAM - Results incorporated in Corporate Plans.
A5	Task Completed - With on-going activities to be reported
A6	Task Completed for 12 PDAM - With on-going activities to be reported.
A7	Task Completed for 12 PDAM.
A8	Task Completed for 12 PDAM - With on-going activities to be reported.
A9	Task Completed for 12 PDAM - With on-going activities to be reported.
A10	Task Completed - With on-going activities to be reported.
A11	Task Completed - 14 Assessments Performed.
A12	Task Completed - Additional meetings may be scheduled as needed.
Task B	
B1	Task Completed
B2	Task Completed for 12 PDAM.
B3	Task Completed for 12 PDAM - Efforts on-going and will be reported.
B4	Task Completed .
B5	Task Completed
B6	Task Completed - All activities are scheduled.
B7	Task Completed - With on-going activities to be reported
B8	Task Completed - With on-going activities to be reported.

¹ Detailed explanation provided on page 3 for sub-task A-2.

2.5 Field Visits

During the fourth quarter, our three field teams made a total of 24 visits to our 12 client PDAM, attend training sessions or conduct financial assessments. Our MIS also made 1 visit to PDAM Pacitan to assist with the set-up of the new computers and software. As previously mentioned, Appendix II provides the Activity Reports for each visit.

III. LEVEL OF EFFORT AND FINANCIAL REPORT

See Financial Report on following pages.

APPENDIX II
FIELD TRIP ACTIVITY REPORTS

Team A -- PDAM Activity Report

PDAM Jember

Date of Visit	Activities	Actions
July, 26 to 27 2001	To attended the workshop. This workshop was attended by four PDAM and called Keresidenan BESUKI (PDAM Jember, Banyuwangi, Situbondo and Tuban). Team LGWS explained about customer satisfaction survey, SWOT analysis and financial projection.	

PDAM Banjar Baru

Date of Visit	Activities	Actions
July, 23 to 25 2001	<p>To discussed draft of CP, a meeting was attended by All the Board Commissions, President Director, Technical Director, Finance Director and all the head of Department. Result of discussion that part of the CP have to revised as follow :</p> <ul style="list-style-type: none"> ❖ Additional program to supply and install new genset was funded by local government ❖ Location to add new customer to consider existing system and affordability of new customer 	In the middle August, the completely of CP will be sent to PDAM
Sept, 26 2001	<p>Socialization of CP, this meeting was attended by the DPRD Kota Banjar, DPRD Kab. Martapura, member of Muspida Kab. Martapura and kota Banjar, Private Sectors (Kadin and Gapensi), customer or community. The audiences were around 100 people.</p> <p>All the audiences were principally to understand and support of PDAM Kab. Martapura to implement all the plan following CP.</p>	LGWS will print 200 the CP kind of booklet and to send the end of October 2001.

Team B -- PDAM Activity Report

PDAM Pacitan

Date of Visit	Activities	Actions
8-9/08/01	Met with Pak Adam (Dirut), Pak Sudiono (Dirtek) and CP Team, also with computer team	PDAM to review draft Corporate Plan and have agreement internally prior to presenting its CP to stakeholders. LGWS to take and repair one of CPU.
	Several issues related CP were discussed, particularly technical aspects. Middle term programs in CP were generally agreed upon as appropriate to PDAM's improvement and allocated funding seemed to be realistic taking into account each party's (PDAM, Pemda, etc.) capability.	Directors of PDAM to start informing and lobbying Pemkab of the planned funding in anticipation of rejection or disapproval to PDAM's CP.
	Several minor data and information in the draft CP did not incorporate latest ones. Additional information needed to be included.	PDAM to get latest information to update CP, including drawings, maps, sketches, diagrams.
	One of the computer monitor was broken.	LGWS brought the brand new one for replacement.
	One CPU (computer) could not be operated properly.	LGWS brought the CPU to be repaired in Jakarta. Once it's fixed, it will be sent back to PDAM.

PDAM Sawahlunto

Date of Visit	Activities	Actions
<p>08/21-23/01</p>	<p>Met with Pak Noer (Dirut), Pak Zul (Dirtek), Pak Tuasi (Dirum), and Pak Yufron to review the completed draft CP. PDAM and LGWS reviewed especially technical and financial aspects of CP.</p>	<p>Several issues related to Corporate Plan were discussed, particularly programs to be implemented in initial years.</p>
	<p>Technical programs were evaluated in a more detailed manner so PDAM could prioritize which would still be put in the CP. Otherwise, implementation of programs would negatively push PDAM's financial condition, because of huge investment that are not met with sufficient revenue generation.</p>	<p>PDAM would first internally evaluate programs for improvement and expansion in a more selective way.</p>
	<p>Non technical programs (financial, HRD, organization) were generally agreed upon as appropriate to PDAM and feasible to implement.</p>	
	<p>Upon completion of CP, PDAM would like to have a kind of stakeholder presentation and/ or open house. LGWS would give support depending on available resources at the time of the event and commitment that could be provided to PDAM.</p>	<p>Although the CP is still draft, PDAM would start disseminating its programs unofficially to Badan Pengawas, Walikota, as well as DPRD, particularly because of financial consequences that each party would be committed to.</p>
	<p>The progress of installation of raw water pumps were in positive direction. ADB's consultant and PDAM have agreed on the technical system. A more administrative process is underway as to choose contractor, tendering mechanism, setting up unit prices, including funding sharing between ADB and Pemkot thru DAU (Dana Alokasi Umum-General Allocation Funding)</p>	<p>PDAM to keep in touch with the process (and related parties) to avoid any complaints/ nonconformity of the design, specification and installation, before the project handed over to PDAM.</p>

PDAM Gunung Kidul

Date of Visit	Activities	Actions
Sept 5-6,2001	Met with Dirut and staff to perform preliminary financial and technical assessment. Visited one borehole installation about 15 km from PDAM office.	Received detailed information from PDAM for assessment. Prepare report for LGWS. Review report with PDAM
Oct 4,2001	Met with Dirut and PDAM staff to review LGWS Report on PDAM. Reconfirmed preliminary findings.	Finalize report.

PDAM Samarinda

Date of Visit	Activities	Actions
Sept 19-20, 2001	Met with Dirut and senior management to perform preliminary financial and technical assessment of PDAM Kota Samarinda.	Prepare report and review with PDAM at a later date.

Team C -- PDAM Activity Report

PDAM Hulu Sungai Tengah

Date of Visit	Activities	Actions
15 August, 2001	The one-day field visit was focusing to a discussion of Corporate Plan prepared by LGWS. The other agendas were also scheduled in this trip including the introduction of new/temporary direktur utama. Basically the trip was performed successfully.	PDAM is making review and revision if needed. PDAM is going to discuss this CP draft with Bupati. The discussion with Bupati is intended to

Date of Visit	Activities	Actions
	<p>The temporary/new direktur utama is H. Amazon, the former official of Dinas PU Hulu Sungai Tengah. Previously he worked for PDAM Hulu Sungai Selatan as a Direktur Umum. He welcomes, appreciates and fully supports LGWS team and expects the assistance should be proceed as previously scheduled. Currently he is finishing his study and hopes to be graduated this year – Bachelor degree (S1). He is planned to be in probation period for three month.</p> <p>The field trip also identified that the position of direktur teknik-PDAM HST has been vacant since 2 months ago. Bapak Suprianto the former Dirtek was moved to Kantor Dinas PU Provinsi Kalimantan Selatan in Banjarmasin.</p> <p>The discussion of CP is clearly understood, its result tobe conveyed to the Bupati. PDAM is making a review and revision if needed.</p>	<p>confirm the source of financing of PDAM development. In last retreat Bupati promised to provide the financial assistant for PDAM.</p> <p>PDAM is going to inform LGWS asap once the review and revision of CP is ready.</p>

PDAM Lampung Tengah

Date of Visit	Activities	Actions
<p>22 August, 2001</p>	<p>LGWS Team consisting Chief of Party, Bennett Parton and the other Team C member did one-day field visit to Lampung Tengah on August 22, 2001. The visit was focusing on discussion of PDAM Lampung Tengah status, after the Kabupaten has been divided into 3 kabupaten.</p> <p>The latest information received from the management says that apparently both DPRD and local government agreed to split out PDAM Lampung Tengah into 3 small entities. The decision led to PDAM eventually be under each local government's control.</p> <p>Currently public accountant is reviewing the facilities as well as the outstanding loan of PDAM. The special team has been established to conduct this local government's intention.</p>	<p>LGWS see that the decision of local government to split out PDAM would make PDAM more difficult to be full cost recovery in the near future.</p> <p>LGWS has been suggesting PDAM and local government to maintain PDAM in one management system.</p> <p>Since the local government strongly intend to split PDAM into 3 small entities,</p>

Date of Visit	Activities	Actions
		<p>LGWS apparently would find difficulties to continue assistance to 3 new small PDAMs. This situation has led LGWS to postpone providing assistance to PDAM Lampung Tengah until the separation issue is clear</p>

PDAM Kabupaten Jombang

Date of Visit	Activities	Actions
<p>29 August, 2001</p>	<p>LGWS Team consisting Benny D and Jefry B was conducting 2-days visit to PDAM Jombang.</p> <p>The 2-days field visit was focusing to a discussion of Corporate Plan prepared by LGWS. The other agendas were also scheduled in this trip including accompanying PDAM to make the local field visit for member of DPRD Jombang.</p> <p>On the first day LGWS accompanying PDAM to have discussion with Komisi C of DPRD Jombang. The agenda was continued to make local field visit to some PDAM facilities. It is intended to socialize PDAM entirely to DPRD in order to familiarize PDAM's system..</p> <p>On the second day the program has been continued by having detail discussion of Corporate Plan. The attendees of discussion was including Komisi C and Komis D of DPRD Kabupaten Jombang. Some issues has raised in this discussion in regard to a corporate plan preparation.</p> <p>The discussion of CP was succeed, however some issues were still outstanding and needed clarification. For instance the base data taken</p>	<p>PDAM and member of Komisi C and D of DPRD Jombang to have a detailed discussion of base data taken into account in Corporate Plan.</p> <p>LGWS is waiting for this clarification. LGWS is then preparing a revision of Corporate plan if all condition is clear including base data as well as agreed programs.</p>

Date of Visit	Activities	Actions
	into account in corporate plan if it is acceptable or not. The meeting eventually agreed to overcome this condition by having detailed discussion between DPRD and PDAM in regard to the base data used in corporate plan.	

PDAM Kota Pontianak

Date of Visit	Activities	Actions
5, 6 September, 2001	<p>LGWS Team consisting Benny D and Jefry B as well as Team leader T. Isbandi was conducting 2-days visit to PDAM Kota Pontianak for preliminary review of the candidates for LGWS next assistance.</p> <p>The 2-days field visit was purposed to observe all information from PDAM Pontianak to be a base data for evaluating PDAM Pontianak for the next assistance. The team has met with Direktur Utama, Bapak Ir. Pedi Natawuwarna MSc, Direktur Umum Bapak Drs. H. Audi Elfi as well as Direktur Teknik, Masriyatno ST.</p> <p>The two day field visit was initially focusing having global information from all direkturs and Kepala Bagian of PDAM Pontianak. From the first discussion showed that main issue faced by PDAM Pontianak is the raw water problem which has been facing since several years ago. The raw water has been intruded by sea water during dry season, due to this condition has led PDAM moves its water source to up- stream of Kapuas river, it also has affected the production capacity has decreased into 50% of original capacity and eventually the distribution has been in very limited.</p> <p>On the second day visit the LGWS team continuing obtaining the data including technical and financial data from some Kepala Bagian. This 2nd day visit also used to have</p>	<p>LGWS to review and make decision if PDAM Pontianak is the best candidate to receive the assistance.</p> <p>LGWS to prepare official field report to be sent to PDAM and Walikota.</p>

Date of Visit	Activities	Actions
	<p>field visit to the production facilities in PDAM Pontianak.</p> <p>The visit was closed by having discussion with three direkturs. Generally the direktur expected to LGWS to be able to assist PDAM overcoming this raw water issue in the near future.</p>	

PDAM Kota Sukabumi

Date of Visit	Activities	Actions
<p>5 , 6 September, 2001</p>	<p>LGWS Team consisting Benny D and Jefry B was conducting 2-days visit to PDAM Kota Sukabumi for preliminary review of the candidates for LGWS next assistance. Since T. Isbandhi's health condition was not good, this field visit could not be accompanied by a Team Leader.</p> <p>The 2-days field visit was purposed to observe all information from PDAM Sukabumi to be a base data for evaluating PDAM Sukabumi for the next assistance. The team has met with Bapak Drs. Kostaman MM, Direktur Utama, Bapak Dedi Rusmana Ak, MM, Direktur Umum as well as Bapak Agus Rohenda, Direktur Teknik.</p> <p>The two days field visit was initially focusing having global information from all direkturs and Kepala Bagian of PDAM Sukabumi.</p> <p>From the first discussion showed that main issue faced by PDAM Sukabumi is the high water losses (NRW) which approximately 66% . Currently PDAM is doing the improvement this condition thru replacing water meter and meter reading system.</p> <p>On the 2nd day visit was used to obtain detailed information of technical and financial aspects of PDAM Sukabumi. This visit was also used to</p>	<p>LGWS to review and make decision if PDAM Sukabumi is the best candidate to receive the assistance.</p> <p>LGWS to prepare official field report to be sent to PDAM and Walikota</p>

Date of Visit	Activities	Actions
	<p>conduct field visit to some facilities of PDAM Sukabumi. The second day visit has been closed by presenting the condition of PDAM to the direkturs and having some conclusion discussion with.</p> <p>Principally The direktur expected to LGWS to be able to assist PDAM overcoming this high NRW and other issues faced by PDAM Sukabumi in order to be healthier PDAM in the near future.</p>	

PDAM Kota Palangka Raya

Date of Visit	Activities	Actions
<p>26 , 27 September, 2001</p>	<p>LGWS Team consisting Benny D and Jefry B was conducting 2-days visit to PDAM Kota Palangka Raya for preliminary review of the candidates for LGWS next assistance. This visit was not accompanied by team leader, T. Isbandhi's since his health condition did not allow him to make this field visit.</p> <p>The 2-days field visit was purposed to observe all information from PDAM Palangka Raya to be a base data for evaluating PDAM Palangka Raya for the next assistance. The team has met with Bapak Ir. Darwisem S. Taway. Direktur, Bapak Suprianto acting Kepala Bagian Umum as well as Bapak Tridoyo K ,Kepala Bagian Teknik.</p> <p>The two days field visit was initially focusing having global information from the direktur and Kepala Bagian of PDAM Palangka Raya.</p> <p>From the first discussion showed that main issue faced by PDAM Palangka Raya is the high idle capacity of production facility, approximately 50% of total capacity. Currently PDAM is continuing adding the connections</p>	<p>LGWS to review and make decision if PDAM Palangka Raya is the best candidate to receive the assistance.</p> <p>LGWS to prepare official field report to be sent to PDAM and Walikota</p>

Date of Visit	Activities	Actions
	<p>thru some local government programs, including discount program funded by provincial government. This difficult condition of adding customers is due to the quality of ground water is quite acceptable by the people of Palangka Raya.</p> <p>On the 2nd day visit was used to obtain detailed information of technical and financial aspects of PDAM Palangka Raya. This visit was also used to conduct field visit to some facilities of PDAM Palangka Raya. The second day visit has been closed by presenting the condition of PDAM to the direkturs and having some conclusion discussion with.</p> <p>Principally The direktur expected to LGWS to be able to assist PDAM overcoming this high idle capacity and other issues faced by PDAM Palangka Raya in order to become healthier PDAM in the near future.</p>	

PDAM Kota Bandar Lampung

Date of Visit	Activities	Actions
<p>03, 04 October, 2001</p>	<p>LGWS Team consisting Benny D and Jefry B was conducting 2-days visit to PDAM Kota Bandar Lampung for preliminary review of the candidates for LGWS next assistance. This visit was not accompanied by team leader, T. Isbandhi's since his health condition did not allow him to make this field visit.</p> <p>The 2-days field visit was purposed to observe all information from PDAM Bandar Lampung to be a base data for evaluating PDAM Bandar Lampung for the next assistance. The team has met with Bapak Halini Syahrie, SH Direktur Utama, Bapak Sudarwadji, Direktur Teknik and also acting as Direktur Umum.</p> <p>The two days field visit was initially focusing</p>	<p>LGWS to review and make decision if PDAM Bandar Lampung is the best candidate to receive the assistance.</p> <p>LGWS to prepare official field report to be sent to PDAM and Walikota</p>

Date of Visit	Activities	Actions
	<p>having global information from the direktur and Kepala Bagian of PDAM Bandar Lampung.</p> <p>From the first discussion showed that main issue faced by PDAM Bandar Lampung is the limited production capacity to expand their business. This situation has been caused by limited capacity of production facilities, pipeline condition as well as water meter condition. Currently PDAM is continuing rehabilitating the broken pipeline and seeking new water source to accommodate new customers in the near future. Huge demand from prospective customers in Bandar Lampung is awaiting response from PDAM Bandar Lampung.</p> <p>On the 2nd day visit was used to obtain detailed information of technical and financial aspects of PDAM Bandar Lampung. This visit was also used to conduct field visit to some facilities of PDAM Bandar Lampung . The second day visit has been closed by presenting the condition of PDAM to the direkturs and having some conclusion discussion with.</p> <p>Principally The direktur expected to LGWS to be able to assist PDAM overcoming this limited condition and other issues faced by PDAM Bandar Lampung in order to become healthier PDAM in the near future.</p>	

APPENDIX III

TRAINING ACTIVITIES

See chart on following page.

**YAYASAN PENDIDIKAN TIRTA DHARMA
ACADEMIC CALENDAR 2001**

NO.	ITEM	ORGANIZER	LOCATION	MONTH												KETERANGAN
				Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nop.	Dec.	
I.	MANAGEMENT															
1. 1	Manajemen PDAM (Utama)	USAEP	Jakarta									██				
1. 2	Manajemen PDAM (Madya)	USAEP	Jakarta									██				
1. 3	Manajemen PDAM (Muda)		Jakarta													
1. 4	Manajemen PDAM (Pertama)		Jakarta													
1. 5	Manajemen Strategik															
1. 6	Manajemen Proyek	AKAINDO	Jakarta							██						
II.	ENGINEERING															
2. 1	Team Dinamic / Leadership	LGWS										██				
2. 2	Konstruksi, Pengoperasian dan Pemeliharaan. Jar. Distr. & Sist. Prod.	LGWS											██			
2. 3	Optimalisasi Sistem Distribusi	LGWS										██				
2. 4	Konstruksi Jaringan Pipa (Mhs. Akademik)	SAWA	Magelang				██								██	
2. 5	Pengoperasian Jaringan Distribusi (Mhs. Akademik)	SAWA	Magelang					██								██
2. 6	Pemeliharaan Jaringan Distribusi (Mhs. Akademik)	SAWA	Magelang							██						██
2. 7	Konstruksi, Pengoperasian dan Pemeliharaan. Jar. Distr. (St. PDAM)	SAWA	Magelang								██		██			
2. 8	Monitoring Mutu Air	GTZ	Magelang					██						██		██
2. 9	Konstruksi, Pengoperasian dan Pemeliharaan. Jar. Distr. (St. PDAM)	PERPAMSI	Bogor													
2. 10	Reparasi Meter Air	PERPAMSI	Bogor													
2. 11	Efisiensi Koagulasi	PERPAMSI	Bogor													
2. 12	Instalasi Pengolahan Air Minum	USAEP														
2. 13	Komputerisasi Jaringan Distribusi	SENER	Yogya										██			
2. 14	Water Quality Management	LGWS	Yogya											██		
III.	FINANCIAL															
3. 1	Financial Management For Non Financial Managers	LGWS	Yogya										██			
IV.	BUSINESS															
4. 1	PDAM Full Cost Recovery	LGWS	Surabaya							██						
4. 2	Customer Satisfaction	LGWS	Surabaya							██						
4. 3	Sistem Informasi Keuangan dan Pelanggan	LGWS	Jakarta				██									
V.	OTHER															
5. 1	Computer (Basic Computer)	LGWS	12 Cities			██										