

ENVIRONMENTAL SERVICES PROGRAM Program Components

Environmental Services Program (ESP) is a USAID/Indonesia program that promotes better health through improved water resources management and expanded access to clean water supply and sanitation services.

ESP integrates environment, water and health in an unprecedented manner by isolating and exploiting the linkages between watershed management; PDAM's as the direct providers of water services; and the health and well-being of the water users.



Photo: Bill Parente.

ESP strives to work closely with other organizations and build off existing initiatives. ESP collaborates with government, the private sector, NGOs, community groups and other relevant agencies from the local to national level.

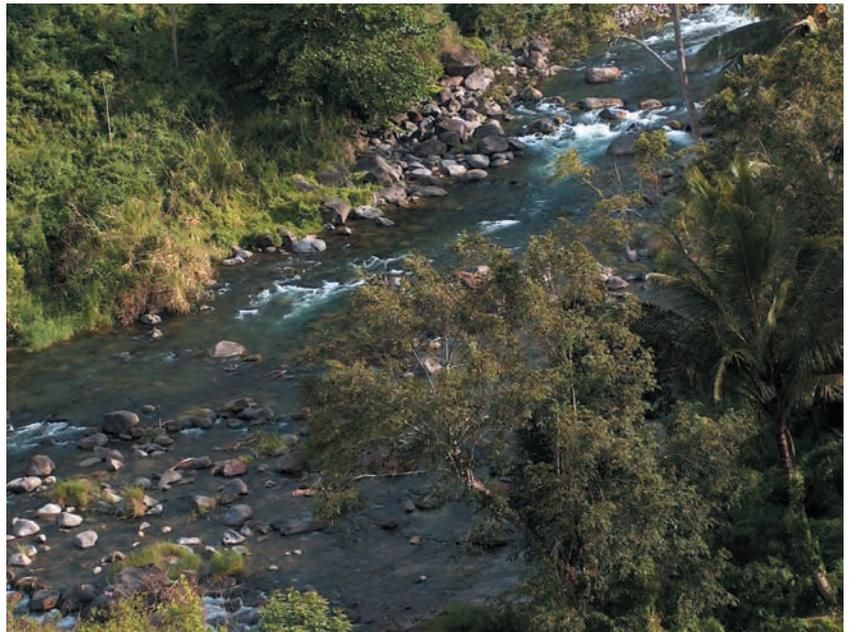


Photo: Syarifzaidi.

Batang Umbilin River, Tanah Datar, Sumatera Barat .

The Environmental Services Program seeks to achieve its critical objectives through three inter-dependent technical components:

Watershed Management & Biodiversity Conservation

The objective of this component is to stabilize and improve the supply of raw water to urban and peri-urban population centers through the promotion of sustainable land-use practices while, at the same time, conserving protected areas of high biodiversity. ESP recognizes that ensuring the availability of clean water for coming generations means protecting fragile upland sources as well as working with water distributors in the lowlands.

The key aspects of the ESP approach to improving watershed management and conserving important protected areas include the following:

- Assisting regional government, local communities and other stakeholders in the development and implementation of integrated watershed management plans that contribute to raw water resource conservation, biodiversity conservation and critical land rehabilitation.
- Supporting the development of regional and national policies that contribute to improved land stewardship and increased rehabilitation of degraded lands.
- Contributing to the improvement of watershed functions through pilot program and field trainings.
- Facilitating the protection of Indonesia's biodiversity through the support of collaborative management of protected areas and other forest areas of high conservation value.

Environmental Service Delivery The objective of the second component is to improve the provision of environmental services – including water supply, sewerage, and solid waste – in the lowland population centers. Activities under Component II involve engaging service providers such as PDAMs and local governments directly and providing tailored technical assistance programs to meet their respective needs.



Photo: Rob Parente.

Key tasks of the second component include the following:

- Improving the technical, operational and financial capacity of PDAMs.
- Decreasing PDAM's costs and increase its revenues.
- Increasing access to the clean water supply by assisting PDAMs in expanding coverage and production capacity.
- Working with local government to increasing access to improved sanitation systems.
- Promoting options for community-based sanitation systems.
- Achieve behavioral change in relation to health and sanitation through awareness campaigns.



Environmental Services Finance. The object of the third component is to increase the level of financing available to local governments to improve and expand their water supply and sanitation facilities. Current funding levels are not sufficient to sustain adequate environmental services in the face of burgeoning populations, and thus ESP seeks to leverage both traditional and innovative financing mechanisms to stimulate new investment in environmental infrastructure.

The key activities of this component include the following:

- Assessing and improving the willingness of community's to pay full cost-recovery tariffs.
- Assisting PDAMs in moving towards full cost recovery, including costs related to capital improvements and expansion.
- Working with PDAMs and credit rating agencies to increase the number of utilities with recognized credit ratings.
- Leveraging investments in environmental infrastructure through using such tools as the Development Credit Authority.
- Promoting options for community-based sanitation systems.
- Identifying ways to provide financial incentives for effective upper-watershed stewardship.



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