

# Jakarta Water Supply Distribution Pipeline Project



Distribution Pipeline Laid by the Project

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥6,446 million / ¥5,799 million
Loan Agreement	December 1990
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	December 1997

## Project Profile

The project was to improve the water distribution network in Jakarta and the organization of its water corporation strengthened, in order to meet the city's rapidly increasing demand for water. The project was aimed to increase water supply served rate, thereby improving health and sanitation conditions for the residents, and helping to develop industry in the area.

## Results and Evaluation

Between 1990 (before the start of the project) and 1997 (after its completion), 2,265km of water distribution pipes were laid, and the number of hydrants more than doubled to 462,000 locations. The water supply served rate reached 52.1%, exceeding 49.1%, which was the target of the plan. Households supplied with water increased by 234,000 over the same period. Within the overall increase, the project accounted for 17% of the extension of the water distribution network, 10% of the number of hydrants and 13% of the volume of water supplied. Technical assistance provided, using the Japan's ODA loan and World Bank finance, strengthened the organization and financial position of the Jakarta Water Corporation, which implemented the project.

Since February 1998, the operation and maintenance of water supply in Jakarta has been contracted out to two private sector operators on a concession basis. The privatization has increased managerial efficiency and yielded some benefits.

If the project objectives of improved water supply served rate and the stable supply of public services are to be maintained, the Indonesian government and the administration of DKI Jakarta should construct a suitable legal framework and ensure its function. The situation will have to be watched carefully in that regard.