"Yokohama Forum Statement" by the Participants in the Executive Forum for Enhancing Sustainability of Urban Water Service in Asian Region 2010

The executive leaders of water supply services from 9 countries in Asia, Bangladesh, Cambodia, India, Indonesia, Pakistan, Philippines, Sri Lanka, Thailand and Viet Nam, gathered in Yokohama, Japan from January 20th to 22nd, 2010 at the Executive Forum for Enhancing Sustainability of Urban Water Service in Asian Region, co-organized by Japan International Cooperation Agency (JICA) and City of Yokohama.

The participants, including Japanese resource persons from academic institutes, water-related organizations, the central government, local governments and JICA, discussed issues on the urban water service so that they could learn each other's experiences as lessons to be shared for the improvement of the service in each of participating countries.

The leaders of each country have been making good efforts for the betterment of water supply in various ways as reported in the Forum. Japanese Official Development Assistance (ODA) has been extended to the urban water sector through ODA loans and technical cooperation projects, both of which are now handled by JICA since October 2008. Japanese water utilities of local governments, together with the public and academic institutes, have been cooperating in the Japanese ODA projects. All of the Forum participants, including those from Japan, earnestly wish the water supply is to be facilitated in a sustainable manner for the people in each country by utilizing all of their efforts in addition to the outcome of Japanese ODA projects.

On the last day of the Forum, the participants agreed to let every stakeholder know that they discussed the following issues, measures and actions to be taken into account for and with the people.

1

- 1. In the era of rapid expansion of urban population, the urban water service, facing explosive demands by the people, is to be improved not only by the water utilities but together with the strong commitment of central and local governments.
- 2. Our target is to transform the service system from "vicious cycle" to a "virtuous cycle" that consists of investment, service of availability and quality, customers' satisfaction, reliability, revenue, operation and maintenance. It is reassured of the importance of human resource development from top manager to frontline workers with clear motivation and vision.
- 3. The Japanese experience on the mechanisms of national subsidy and local bond for water supply system, legislation for safe water supply, standardization of water quality and so on was introduced for the consideration by the participants, although it is also shared that the way of improvement may differ country by country.
- 4. It is reported that the outcome from the measures against non-revenue water (NRW) proved that it might be more economical than the cost of new water resource development, while the target rate of NRW is to be appropriately decided in each area so that the users would agree to the measures based on their willingness to pay.
- 5. The issue on the water for the poor should be considered not only from engineering viewpoints but also from sociological aspects for the welfare of people. The mobilization of the slum dwellers and the cooperation with NGOs might be a choice in spreading water service throughout slum communities, although the connection fee remains as an obstacle to be overcome in any ways. A participant commented that JICA could deepen a bit more involvement in poverty reduction field in order to bring much better result.
- 6. Each country has been tackling to establish the fair and appropriate water tariff system to be accepted by target groups. A participant said the taxpayers' understanding is essential for the introduction of subsidy, although it might be necessary for the better infrastructure. The way of public-private partnership (PPP) is to be carefully scrutinized whether it fits the socio-cultural background of the area because it may directly affect the service for the customers. It is recommended that a concrete set of performance indicators (PI) is applied for the concession contract.
 - 2

- 7. The water supply volume has been considerably increased in Asian Region. The focus is gradually shifting to quality. It is highly evaluated that "Water Safety Plan" of WHO has been contributing to the water quality management from source to tap. Safe water that is supplied through integral water distribution network is vital to our healthy life including disinfection.
- 8. It is explained that JICA has been so integrated to deal with Yen Loan, grant aid and technical cooperation as a single aid agency that it is able to execute the development program seamlessly from the stage of survey to that of actual implementation regardless of grant or loan.
- 9. It is recognized that JICA human resource development program should be reinforced with mutual understanding to cope with ever increasing needs of water supply sector in Asian region. It is suggested that the program will be connected more closely with the on-going projects on site. It is reconfirmed that an action for human resource development is the most indispensable to be taken for any of the issues we are facing.
- 10. It is recognized that sanitation issue is also important to be taken into consideration in terms of MDGs.
- 11. The Forum concluded that it encourages the partnership and continuous dialogues among the region interactively, from the policy level to the project level, not only government-to-government, but also government-to-utility domestically and also utility-to-utility internationally. All of the stakeholders including associations of utilities are welcomed into such a partnership.
- 12. It is proposed that the Forum would meet again in near future bringing in the results of practicing what were discussed in this Forum.

January 22, 2010 Yokohama, Japan

3