

KARNATAKA URBAN DRINKING WATER AND SANITATION POLICY, 2002

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Good quality reliable drinking water supply and sanitation are essential basic needs of every citizen. It has been the endeavour of successive Governments of Karnataka to satisfy this need for all its citizens. It is an on-going effort which aims at meeting the growing demand both in the urban and rural areas. The policy framework for rural drinking water provision is already in place. In view of the different institutional structure and different sets of issues involved in the delivery of the services of urban areas, it is necessary to have a separate policy statement for this sector. A detailed sector strategy paper to action plan will be issued later to carry forward the objectives outlined in this statement.

Increasing urbanization has resulted in greater pressure on the existing urban water supply and sanitation systems leading to increasing demand on the one hand to augment the source and improve distribution and on the other to increase the coverage of under ground drainage (UGD). At the same time, as stated in the State Water Policy brought out by the Department of the Water Resources, there is an urgent need to conserve the limited water resources of the State to ensure sufficient availability of water for various needs as well as for the future. The Government's efforts, therefore, have to focus on raising the levels of efficiency in the management of drinking water systems in urban areas so as to give satisfactory service to the citizens while at the same time discouraging over exploitation of resources and preventing wastage.

Objective

The Government of Karnataka in partnership with urban local bodies in the State, the Karnataka Urban Water Supply & Drainage Board (KUWS&DB) and the Bangalore Water Supply and Sewerage Board (BWSSB) will continue and strengthen its efforts to provide all residents of urban areas of the State, piped water supply and sanitation services at or near their dwellings. The efforts of the Government of Karnataka and its partner agencies will be to

- Ensure universal coverage of water and sanitation services that people want and are willing to pay for and
- To do so in a manner that preserves the sustainability of the precious water resources of the State, protect and enhances the commercial and economical sustainability of the operations at the same time.
- Ensure a minimum level of service to all citizens.

Institutional Arrangements

Government of Karnataka: The Government of Karnataka will continue to be responsible for:

- Policy Formulation

- Ensuring provision of the bulk of the resources required for capacity creation
- Regulation, monitoring and evaluation of the efficiency of operations, including prescribing reporting requirements, procurement procedures, etc.,
- Setting minimal service standard
- Encouraging the use of public private partnerships as well as private sector participation to achieve the sector goals
- Promotion of the economic and commercial viability of water supply systems and the exploitation of economies of scale and scope by appropriate aggregation options
- Institution of necessary incentives for urban local bodies and other service providers to implement sector reforms
- Ensuring co-ordination and collaboration among the various agencies both at the policy and operational level through the establishment of appropriate committees and agencies.

Urban Local Bodies (ULBs)

In accordance with the principle enshrined in Article 243 (W) of the Constitution of India read with the Twelfth Schedule. ULBs will be responsible for water supply and sewerage services from water catchments to waste water treatment. The Government of Karnataka, however, will have the responsibility to monitor that ULBs provide quality services in accordance with the standards prescribed at the State level. ULBs will have the choice of providing the services directly through public bodies or through such appropriate Private Sector Participation (PSP) arrangements. Given however, the paramount need for financial and commercial viability of the operations, the State will monitor strictly policies relating to minimal tariff operations autonomy of the municipal water operations, etc.

KUWS&DB and BWSSB

The Karnataka Urban Water Supply and Drainage Board will continue to be responsible for capacity creations and augmentation in all ULBs and O & M in selected ULBs for the present. Over the medium term, the KUWS&DB will be restructured and its role redefined. In the longer term the KUWS&DB could become a publicly owned independent provider of technical assistance and management support to ULBs who do not have adequate capacity. Similarly, the appropriate role of BWSSB will be defined in the action for the Bangalore City and surrounding areas.

Tariff

Given that piped water supply is expensive, it is necessary both for natural resource sustainability and commercial viability of operations to recover from the users of water, the full cost of providing service. The longer-term objective is to establish an appropriate cost recovery mechanism through adequate tariff to ensure that revenues cover operations and maintenance costs, debt service plus a reasonable return on capital. In the medium term, however, subsidies will continue to be needed and will be focused in areas such as pockets and communities of extreme poverty and investments with large-scale externalities like wastewater treatment.

Tariff will be structured in a manner such as to disincentives excessive consumption and wastage of water, whilst ensuring at least a minimum “life line” supply to the poor. In a realistic time frame of about five years, efforts will be made and ULBs encouraged to achieve 100 percent metering and volumetric pricing based on long run marginal costs.

Capital investments

Though considerable amount of capital expenditure has been undertaken for creation of water supply capacity, this has not been the result entirely of a coherent plan. The consequences have been

- Mismatched capacities
- No objection criterion based prioritization
- Incremental and hence expensive capital decisions leading to duplication and avoidable expenditures

To deal with all urban water supply investment issues appropriate state level mechanisms will be established. A revised demand driven urban water action plan based on the principles outlined in this statement will be prepared and the GoK will adopt this after discussing it with all the relevant agencies. Future capital investments in the sector will be in accordance with this plan. Investments will be guided by the principle of optimal utilization of water and water system infrastructure and financial resources and the financial as well as the social returns on investment.

Private Sector Participation (PSP)

To improve efficiency in service provision, continuously update technology and ultimately bring in private investment into sector, the GoK will actively encourage private sector participation. Given the current state of the sector, PSP will necessarily have to be gradual. Preparatory work for PSP in the sector like fostering a culture of commercialization, encouraging out sourcing, building local capacity and most importantly identifying and expediting the necessary legislative institutional and regularly changes that are necessary of PSP will be undertaken in the meanwhile. Given the very different sizes of urban areas in the State, the GoK will allow a range of different PSP methods of Service provision and service providers.

Next Steps

The sector strategy and action plan to be announced as follow up to this policy contain details of the legislative, institutional and co-ordination mechanisms that are needed to be put in place to carry forward the policy.