Pricing: Lessons Learned/Investment Driver? ("Non-revenue water and national performance")

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3GF Pre

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Water pricing and investment

- Prices need to cover OpEx, CapEx (debt) and resource costs
- Prices that do not send the wrong signals
- Tariffs and transfers can fill gaps with risks
- True for households, industry and farmers
- Help the poor with income transfers

NRW as a meta indicator of management

$$\frac{\text{Payment per unit x billed units}}{\text{Total (extracted/treated) water}}$$

Pre-requisites: Meters, identified customers, billing procedure

Performance: Network leakage, raw yield, collections

NRW down: Increase revenue per m^3

GG benefit: Decrease extractions and improve finances

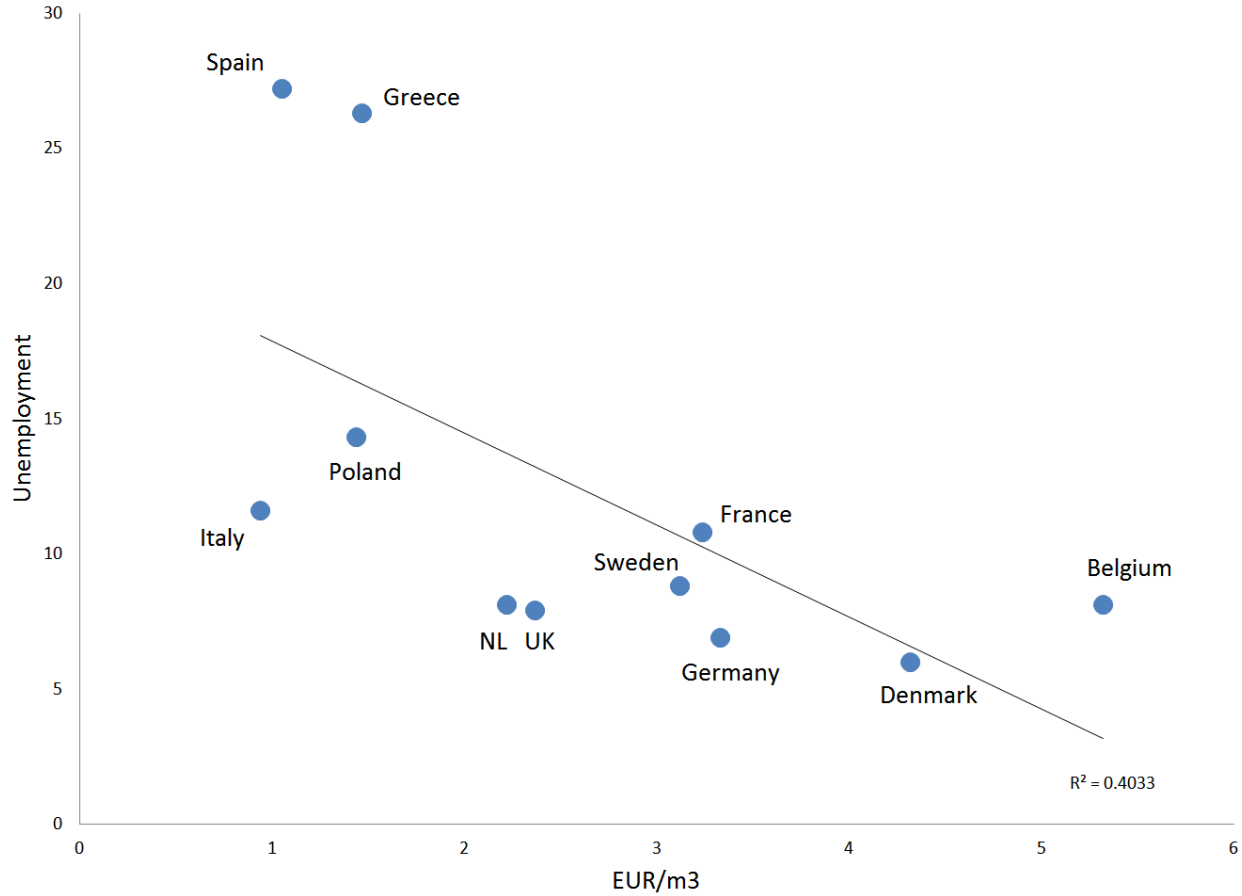
Problem: Won't reduce NRW with free water and/or subsidies

For example

	Poland	Pakistan
Water Coverage	96%	80%
Sewerage Coverage	90%	78%
Staff per 1,000 pop served	0.6	0.6
Residential Consumption (l/person/day)	113	127
Non Revenue Water	**15%**	**36%**
Non Revenue Water (m3/km/day)	8.2	182.5
Metered Sales	99%	15%
Collection Days	74	1168
Average Revenue W&WW per m3 sold	$1.92	$ 0.10
Operational Cost W&WW per m3 sold	$1.41	$ 0.11
Operating Cost Coverage Ratio	1.36	0.89

Source: `ib-net.org`

Water management reflects national priorities



BL: Engineering is easy. Economics requires political will.

Source: Global Water Intelligence 2011, Economist 2013

Questions? Advertising!

Blog: aguanomics.com

Book: endofabundance.com

Data: waterdatahub.org

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