

Pro-SSIPWP regulation

The Ho Chi Minh City Model

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HCMC Water Supply Company

Year established:

1966

Capacity:

950,000 m³/day

Total connections:

360,000

Population served:

65%



Water supply issues in HCMC

- Water supply shortage due to increase demand from domestic and industrial consumers due to growth.
- Increase rate of water loss
- Lack of funds to improve water service and meet growing demand.

Socialization Program

Objective:

Facilitate involvement of SSIPWPs in areas selected by People's Committee in accordance with demand and development plan of HCMWSC

Socialization Program

Process:

- Negotiate in areas with existing SSIPWPs
- Tender approach in areas not served:
 - selection by People's Committee
 - technical advice from HCMWSC

Guidelines to support SSIPWP

- Water quality and technical standards at par with those of HCMWSC
- Tariff at standard levels
- HCMWSC to provide SSIPWP technical and administrative assistance
 - Supply pipes, fittings, water treatment chemicals at prevailing cost
 - Provide subsidy to difficult areas
- Clear-cut rule to hand over SSIPWP when HCMWSC network reaches new area

Categories of service for SSIPWPs

1. Water sold by bulk to HCMWSC: production of safe water from borehole (+ water treatment unit)
2. Water supply to end-users in unserved areas: production of safe water (borehole + water treatment unit) + distribution network
3. Water supply management in specific areas: high level of service in rich areas

Institutional Output

- A legal framework of Government of Vietnam to allow involvement of SSIPWPs
 - approved in August 2003 by legal Dpt
 - should be promulgated by People committee before the end of this year.
- A program to implement a reform in the water sector to improve water service to the people.

Main aspects of the regulation

- **Recognition by WU of their limit to provide water service to all**
- **Recognition of the SSIPWP as partner**
- **Definition by Municipality AND WU of the priority areas to be served by SSIPWP**
- **Long term contract (10y + extension 2 x 5 y) for SSIPWP**
- **Guarantee for SSIPWP for the end-over of their investment**
- **Possibilities of subsidies on investment if selected areas are not profitable**

Room for Improvement

- More flexibility on technical standards depending areas served
- Possibility of different levels of service to fit with demand and ability to pay of the customers
- Need for performance indicators for selection of SSIPWP and monitoring