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PROVIDING AFFORDABLE DRINKING WATER AND SANITATION

CONTEXT

Many of Indonesia's poorest families lack access to piped water, resulting in inadequate access to water, sanitation, and hygiene (WASH). In the absence of easily accessible water, many urban households in the bottom 40 percent by income cannot afford to purchase WASH products and services.

Access to safe drinking water and sanitation is an important component of household health. The Government of Indonesia has made ambitious commitments to expand access to safely managed drinking water and sanitation in its 2020-2024 National Medium Term Development Plan. However, Indonesia's market system for WASH services is complex, comprising a large and diverse group of actors and agencies. In many parts of the country the system is disorganized, and there is a critical mismatch between the needs of vulnerable urban households and available market-based WASH solutions. Low-income urban families often live in unplanned and crowded neighborhoods that lack connections to piped water and sanitation utilities. Many households are not adequately served by public utilities and cannot afford to buy safely managed WASH within existing markets.

USAID INDONESIA URBAN WATER, SANITATION, AND HYGIENE MARKET (USAID IUWASH PASAR)

The five-year USAID Indonesia Urban Water, Sanitation, and Hygiene Market (USAID IUWASH Pasar) activity supports Indonesia's commitment to achieving universal access to safely managed drinking water and sanitation services. The activity will engage the private sector to grow the local market for WASH services by strengthening the capacity of WASH businesses to meet demand across consumer segments, with a focus on underserved and vulnerable households.

USAID IUWASH PASAR will work at the national level and in up to six municipalities in the provinces of East Java and South Sulawesi. The activity will support the creation of a national framework for developing WASH markets, while preparing model market interventions that can be scaled up by local governments, WASH businesses, households, and communities by:

- Strengthening the enabling environment for the private sector in providing WASH services and products;
- Building the skills of WASH enterprises and increasing the availability of WASH products and services available to underserved market segments; and
- Improving consumers' WASH behaviors—such as recognizing their needs for safely managed water and sanitation, evaluating alternatives, and making informed purchase decisions—to increase demand for WASH products and services.

ANTICIPATED RESULTS

USAID IUWASH Pasar will work with various stakeholders to expand and strengthen the market for WASH services, enabling consumers underserved by public utilities to gain access to water and sanitation.

By the end of the activity, 156,000 people will gain access to safely managed drinking water and sanitation services. In addition, 300 new or expanded WASH enterprises will be delivering safely managed drinking water and sanitation services to low-income urban customers.

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