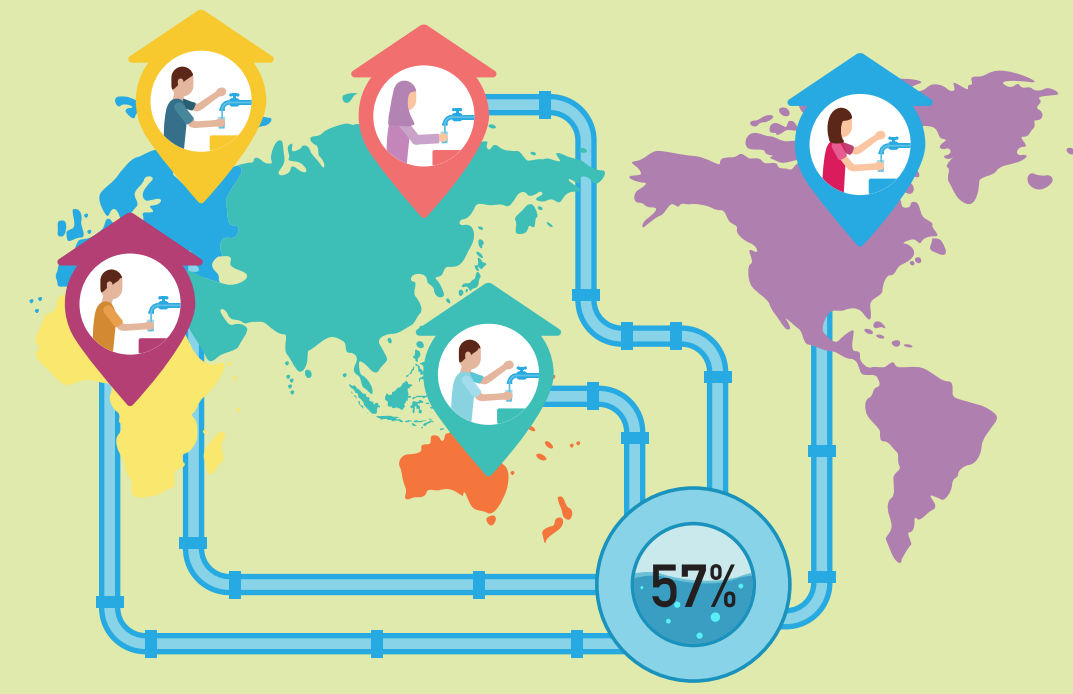


How The Water Hibah Works

Issue



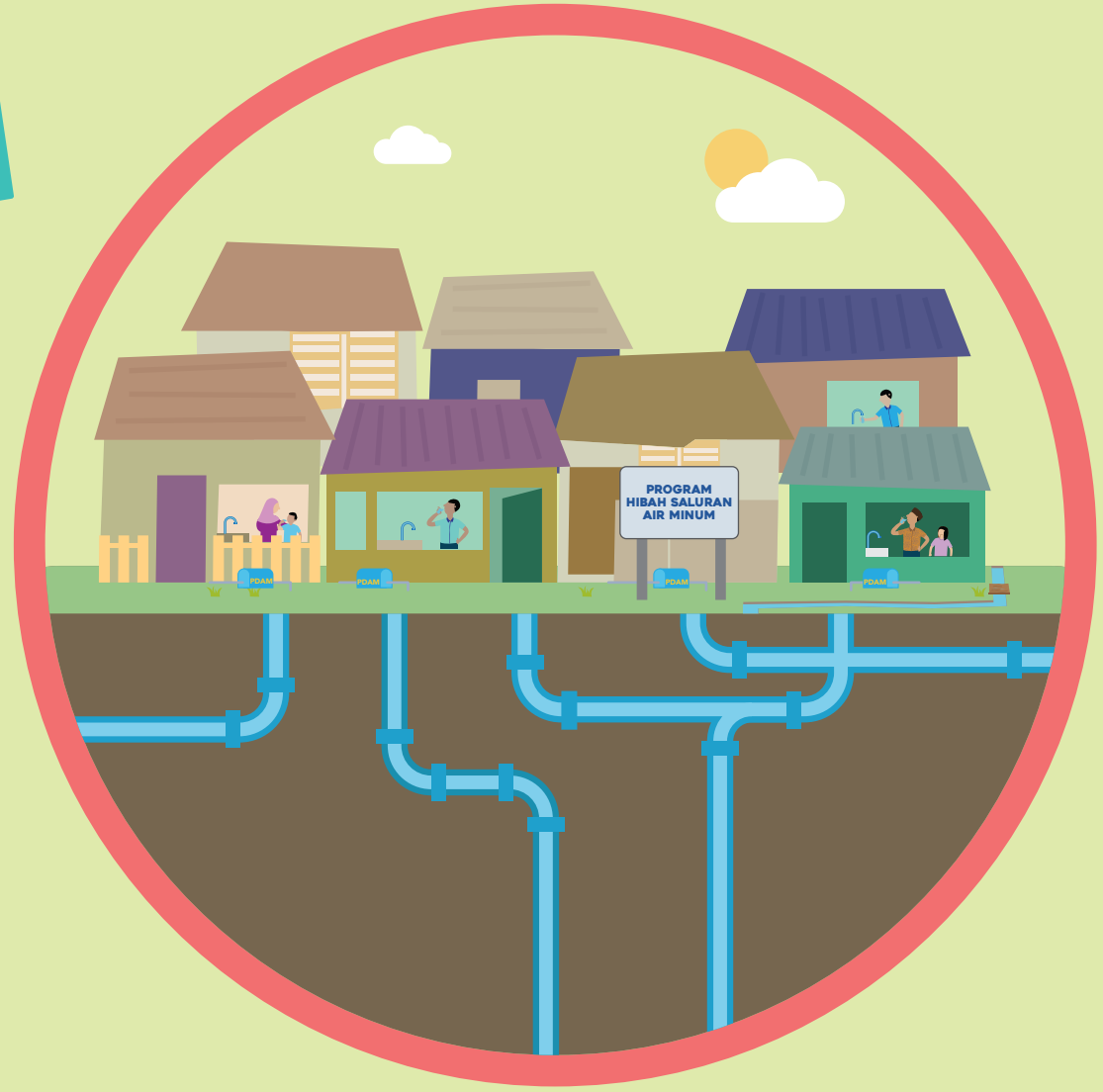
3.8 billion people or **57 percent** of the world's population have access to a piped water connection in their home.

33 percent of people living in urban areas in Indonesia have access to piped water.



Indonesia's national universal target: to provide **100%** people with water access by 2019.

How do we get there??



The local government is responsible for providing access to water for the community.

It does this by investing directly in the local water utility to add connections. This does not always lead to the desired result.

The Water Hibah Innovation



The hibah approach involves an agreement between the central and local government for local government to invest in the utility.



The local government receives a grant (hibah) only after the utility delivers the required outputs (typically household water connections).

Impact of Water Hibah Program

The Water Hibah Program under the Australia-Indonesia Partnership has implemented water connections to **400,000** low income households which is one fifth of all connections made by water utilities since 2008.

The program has been so successful that the Government of Indonesia has made the hibah approach a standard government policy.