



Social Policy & Strategy
for the
Water & Wastewater
Sector

**August
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Consultative
Document

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1. BACKGROUND

Social policy is concerned with improving the welfare of people and it provides an overarching framework that guides the manner with which societies meet basic human needs such as water, food, health and security¹. Access to clean drinking water is regarded as a fundamental requirement and is therefore one of the most basic of needs. Concomitantly, proper treatment of wastewater is immensely important to maintaining the reliability of clean water sources and ultimately promotes a safer environment. As a result, there is need for social policy to address factors that may impede consumers' access to water and wastewater services. These factors can usually be grouped into four (4) main categories; accessibility, quality of service, consumer protection and affordability.

The Regulated Industries Commission (RIC) has a key role in protecting and enhancing the welfare of customers. The RIC Act No. 26 of 1998 provides the framework for the RIC's involvement in promoting access to water (and wastewater) services to customers of acceptable quality. The RIC Act also mandates the RIC to have regard to fair and equitable treatment of customers and overall affordability of utility services. As such, the RIC's Social Policy position is one of the tools used to ensure that these functions are properly addressed.

1.1 Purpose of this document

The purpose of this document is to present the RIC's Social Policy proposals as they presently relate to accessibility, affordability and quality of services of the sector. Moreover, the RIC is committed to ensuring that lower income and vulnerable groups are protected by adequate mechanisms that ensure their basic needs for water are met.

¹ Lucinda Platt, "What is social policy?" London School of Economics and Political Science <http://www.lse.ac.uk/social-policy/about-us/What-is-social-policy>

1.2 Structure of this document

The remainder of this document will be structured as follows:

- **Section 2** – gives a brief introduction to the need for social policy and the local legislative framework that forms the basis for the RIC’s Social Policy for the water and wastewater sector. The section also gives an overview of the current state of the water and wastewater sector in Trinidad and Tobago.
- **Section 3** – explains the RIC’s position on various aspects of social policy as it relates to the physical and economic/financial accessibility of water and wastewater services, quality of service, customer protection and affordability.
- **Section 4** – closing thoughts.

1.3 Responding to this document

All persons wishing to comment on this document are invited to submit their comments.

Responses should be sent by post, fax or e-mail to:

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The deadline for submission of comments is September 7, 2018.

All responses will normally be published on the RIC’s website unless there are good reasons why they must remain confidential. Any requests for confidentiality must be indicated. A copy of this document is available from the RIC’s website at www.ric.org.tt.

2. INTRODUCTION

In the context of utility regulation for the water sector, social policy seeks to ensure that there is access to safe drinking water and sanitation services by addressing various factors which include but are not limited to affordability, standards of service and the investigation of consumer complaints. Social policy usually sets the framework for the development of programmes and initiatives, which seek to improve the level of water service provided by the utility, particularly to disadvantaged consumers, whether by age, disability, socio-economic factors, etc.

2.1 Legislative Background

The sections of the RIC Act that support the RIC's social policy role are, *inter alia*, as follows:

- prescribe and publish standards for services;
- monitor service providers and conduct checks to determine their compliance with the standards;
- impose such sanctions as it may prescribe for non-compliance with the standards;
- investigate complaints by consumers of their failure to obtain redress from service providers in respect of rates, billings and unsatisfactory service and facilitate relief where necessary;
- in the provision of its functions, the Commission (RIC) shall have regard to the public interest and in particular:
 - to maximum efficiency in the use and allocation of resources to ensure as far as is reasonably practicable, that services are provided at the lowest possible cost
 - to equal access by consumers to service
 - to fair treatment of consumers and of service providers similarly placed
 - in respect of consumers similarly placed to non-discrimination in relation to access, pricing and quality service;
- establish the principles and methodologies by which service providers determine rates for services. In setting out the principles (for rates to be charged) the Commission shall have regard to:

- the ability of consumers to pay rates; and
- the results of studies of economy and efficiency.

2.2 Overview of the State of the Water and Wastewater Sector

There are a number of serious challenges that face the water and waste water sectors in Trinidad and Tobago². Despite having a relatively high amount of rainfall annually, consumers experience significant challenges with respect to the availability and reliability of a potable water supply. In 2015, water coverage was reported to be 93.6% which equates to over 86,000 people not having physical access to a pipe-borne supply of water³. In addition, only 53.5% of the population were reported to be in receipt of a 24-hour piped supply by WASA in 2015. The regularity with which customers receive a supply has been organized into five distinct classes, ranging from Class 1 (which receives 168 hours per week or 24/7 supply) to Class 5, which receives water between 0-48 hours per week. The Table below shows the distribution of customers by class of supply. Customers belonging to Classes (IV) and (V), who receive a supply between 0 to 84 hours per week are the worst served customers, and accounted for approximately 16% of WASA's customers in 2015.

Table – Class of Supply and Distribution of Consumers

Class	No. of Hours Per Week	% of Population in receipt of supply (2015)	Estimated Population
I	168	53	749,408
II	120 – 168	23	316,672
III	84 – 120	8	106,491
IV	48 – 84	12	171,352
V	0 – 48	4	56,077

Source: WASA

The prevalence of an unreliable/intermittent water supply from WASA has been protracted, to the extent that the population generally regards this situation as normal. Consumers have

² The RIC recently published its “*Review of the State of the Water and Sewerage Authority of T&T 2010-2015*” document, which contains data and analysis on the technical, operational and financial performance of WASA²

³ Based on a population estimate of 1.36 million people, taken from the website of the Central Statistical Office, Trinidad and Tobago “Latest Indicators” <http://cso.gov.tt/>

invested in coping mechanisms such as installing tanks and pumps in an attempt to overcome this supply issue. The typical upfront cost for a residential customer to install a water tank and pump can range between \$4,200 and \$6,210 with an annual recurrent cost of approximately \$1,000 per household⁴. A significant number of customers continue to purchase water from private contractors to fill their water tanks, when their supply (on schedule or otherwise) is insufficient to meet their demands.

In general, the water sector services in Trinidad and Tobago are characterized by the following:

- limited water availability with low pressure and/or intermittent water supply. Consumers, including those connected to the piped network, often spend large sums of money on expensive (and sometimes unsanitary) alternatives to cope with the unreliability of supply;
- years of under-investment in assets leading to continuous and rapid deterioration of the network and equipment, increasing leakage and wastage of potable water resources. Under-investment in water assets is often more severe in some of the rural areas that may find themselves not connected to the formal network. Persons living in these communities do not benefit from subsidies, while their water-coping costs occupy a significant proportion of their household income; and
- high levels of non-revenue water as a result of illegal connections and high physical leakage levels, coupled with payment collection problems.

Wastewater services in Trinidad and Tobago are in a similar state. The last major investment in wastewater occurred in the 1980s, however, the demand placed on centralized wastewater services has significantly increased since that time, as a result of

⁴ Recurrent costs include electricity, pump maintenance, tank cleaning, and replacement of water filters. Rishi Maharaj - *"The impact of intermittent water supply on domestic consumers – The Trinidad and Tobago experience"*. Paper presented at the 2014 Annual Conference of Caribbean Utility Regulators.

population growth⁵. New residential developments have typically been connected to the existing infrastructure, especially those in close proximity to towns and urban centres where the centralized wastewater facilities are located. Where connection to these centralized systems is not feasible, private dwelling houses continue to use septic tanks for wastewater treatment while residential developers/housing developments construct small-scale (package) wastewater plants. Even though both government agencies (Urban Development Company of Trinidad and Tobago, etc.) and private developers own and manage in excess of one hundred and seventy-five wastewater systems⁶, many are not maintained as often as required, are abandoned or are in a state of disrepair. As a result, the Water and Sewerage Authority (WASA) has developed a programme for adopting these ‘orphaned’ wastewater plants to minimize the potential negative effects on human health and the environment.

The following are some of the factors that may have contributed to the state of affairs for the water and wastewater sectors, including:

- historically low tariffs and reluctance to increase them. This impacts WASA’s cash flow and has affected WASA’s ability to carry out expansion of the network and maintenance of its facilities;
- increasing population and rising public demand for improved services;
- difficulty in sustaining reforms necessary to make the sector commercially viable;
- management inefficiencies and challenges; and
- ineffective mechanisms to ensure accessibility to services by low income groups and rural customers.

Poor operational performance of the water sector can largely be ascribed to poor governance and an inefficient and financially weak service provider that continues to

⁵ Funding from the International Development Bank (IDB) was recently provided for the rehabilitation of centralized wastewater treatment systems in Malabar and San Fernando in Trinidad and Scarborough in Tobago. These are multiphase projects that are at various stages of completion.

⁶Wayne O. Williams. “Sustainable Wastewater Management in Trinidad and Tobago” Wastewater Planning & Development. 1.2

operate without sufficient autonomy, lack of proper incentives and lack of necessary accountability to stakeholders. These factors have contributed to a downward spiral in service levels and efficiency. Similarly, the financially weak position of the service provider constrains its ability to make the necessary levels of investment that are required for improvement in centralized wastewater services. Lack of investment in infrastructure ultimately leads to poor service and places limits on access, especially for poor and rural households. The other segment of wastewater services that is controlled by private owners is largely characterized by lack of maintenance, which often result in incomplete treatment of wastewater, and therefore, potentially adverse impact on the environment and possible health risks.

3. RIC's SOCIAL POLICY OBJECTIVES

The RIC has a social responsibility to ensure that regulation provides fair and equitable treatment for all consumers, especially those deemed to be vulnerable. Therefore, the RIC generally expects the water utility to ensure:

- Access to water services by all;
- Reliable supply of water services of a defined quality at most efficient cost; and
- Utility operations that are geared towards water conservation and preservation of the environment.

3.1 Physical Accessibility and Reliability of Supply

Physical accessibility to water and wastewater services describes the level of ease with which a safe and adequate supply of water and wastewater services is within consumers' physical reach. Reliability of water services is another important dimension of service delivery, as it addresses the regularity of service to customers.

Based on the state of accessibility to water and wastewater services and reliability of supply, the RIC will consider favourably, initiatives from WASA that are specifically targeted to improve physical access for all remaining consumers that are not connected to

the network. As part of its obligation to ensure rural and lower income groups are treated fairly, the RIC will include small mains rehabilitation/extension projects in critical areas as part of the allowed capital expenditure (Capex) for the service provider and monitor the implementation of these projects. The RIC is of the view that investment in water supply projects will not benefit the low-income groups unless such investments specifically target them, as some of the biggest gaps in water sector financing exist for rural and low-income communities. Closing these gaps requires predictable spending on rural communities. Consequently, the RIC will insist that the service provider includes pro-poor criteria when undertaking such water supply projects.

Furthermore, during its price review process, WASA is required to submit its proposed capital expenditure plans. Historically, a significant proportion of these projects were funded by government or through loans from multilateral lending agencies. Where applicable, the RIC will make allowances for projects that are geared towards improving the continuity and reliability of supply to all customers. The RIC will also specifically include water supply projects for the worst served customers (classes IV and V) when establishing its allowed Capex for the service provider, thereby making funds available for the undertaking of these projects. The RIC will also monitor the implementation of these projects on an ongoing basis to ensure the funds that are allocated are used to bring the necessary relief. Finally, the RIC will continue to take an active role in assisting consumers with the resolution of complaints related to physical accessibility and reliability of water supply issues, which is in keeping with its regulatory mandate to protect the interests of consumers.

A summary of the RIC's social policy position with respect to accessibility and reliability of supply of water and wastewater services are outlined as follows:

(1) Improving access to and reliability of water supply

- **The RIC will promote equal rights for access to water services to those disadvantaged customers. This means that the RIC's focus will be on**

making provisions for expansion in the number of connections to the network.

- **The RIC will support specific projects that will improve the reliability of supply to worst-served areas, with the ultimate objective of a continuous water supply to all customers.**

(2) Targeting investment for low income/rural consumers

- **Overall, the RIC will put water at the centre of poverty-reduction strategies with predictable funding.**
- **The RIC will seek to promote WASA's coverage of wastewater services to low-income groups who have no means of wastewater disposal, through its price review, more specifically, via approval of specific projects.**
- **The RIC will promote and support strategies designed to assist the poor to gain access to the piped water supply system through funding mechanisms (e.g. including water supply projects when establishing the allowed capital expenditure and revenue requirement for the service provider) specifically designed to help the lower-income/poor groups.**
- **The RIC will also instruct WASA to include pro-poor criteria when undertaking investment in water supply and wastewater projects.**

3.2 Quality of Service

One of the major deliverables that water utilities are expected to provide is a reliable supply of water of a defined quality. The establishment of minimum standards of service by the regulator is useful and important to provide customers with some assurances of service delivery from the water utility. The establishment of standards of service are complementary to the objectives of social policy, as one of the main principles that inform the actual standards is to ensure that the low income persons and rural communities are

provided with minimum levels of service. Other key aspects of quality of service standards are as follows:

- Standards are tailored to ensure that the utility focuses on the areas of its service delivery which require urgent improvement.
- With respect to reliability of supply, it is important to set a standard that guarantees a minimum number of total hours of water supply per week, given the problems experienced with intermittent supply.
- It is important to establish a standard that sets the maximum amount of time within which the supply of water should be returned to consumers, after an interruption.
- The provision of truck borne supply is especially crucial to the welfare of low-income and vulnerable groups, therefore, standards should also be set to guarantee the timeframes within which persons should receive a truck borne supply.
- One of the most critical standards with which there should be full compliance, requires the water utility to provide a pipe-borne supply that is of acceptable quality for human consumption. This will ensure that water which is delivered to consumers is safe and will not be deleterious to public health.

The RIC is in the process of finalizing quality of service standards for WASA⁷. The RIC will use the audit approach in its monitoring of water quality, noting that the ultimate responsibility for ensuring the supply of good quality water, efficient wastewater services and reporting to the RIC rests with the service provider. Under this arrangement, the service provider will be expected to submit regular reports on water quality in respect of its operations. The RIC will carry out, if necessary, its own audits to determine the level of compliance. In this respect, the RIC had already implemented its Event Notification and Response Management Plan (ENRMP), which will be reviewed and revised where necessary, to ensure the objectives of the ENRMP are being met.

The RIC is also aware that the current rationing arrangement and intermittent supply tend to compromise some aspects of water quality and increase the cost of operation.

⁷ More information on the RIC's proposed Quality of Service Standards (Guaranteed and Overall standards) can be obtained from the RIC's website.

Nevertheless, the current state of supply is expected to continue into the short to medium term and, therefore, the utility will be required to take all reasonable measures to ensure that the quality of water to the final consumer is not compromised by the current state of supply. Additionally, water quality can be severely compromised by the way water is handled and stored by secondary providers. Contamination can take place at different stages, from water trucking and in the homes of consumers from unclean storage tanks and containers. The service provider will be expected to take some responsibility to create awareness for water quality and hygiene education.

The connection between proper wastewater treatment and the quality of source water that is available to WASA for treatment is well established. As briefly discussed in an earlier section, roughly 30% of the population are covered by centralized wastewater and the remainder are served either by private septic tanks or package wastewater treatment plants for new housing developments. WASA has previously identified more than 150 orphaned wastewater treatment plants and have since taken steps to take control of some of these abandoned plants. The RIC supports the adoption of these abandoned plants by WASA as not doing so has the potential to adversely affect the quality of source water and the environment⁸. The RIC also seeks to encourage the expansion of the wastewater services offered by the utility and to ensure that steps are taken to provide emergency response, as may be required. The RIC will also establish certain overall standards that will address certain aspects of wastewater services.

A summary of the RIC's social policy position with respect to standards of service are outlined as follows:

- **The RIC will promote best practice in achieving water quality which is safe for drinking.**
- **Overall, the RIC will promote a number of standards at the policy level, including:**

⁸ The RIC will engage in discussion with WASA regarding their processes of granting permission to developers to construct wastewater treatment facilities, including mechanisms to comprehensively address abandonment of these plants.

- **water quality that meets World Health Organization guidelines**
 - **minimum water supply line pressure to ensure continuity of supply and avoid contamination**
 - **supply of water a minimum of 48 hours total per week for all areas, with the long term aim of achieving continuity of supply to be 24 hours/day**
 - **establish a maximum time for the repair of blocked sewers to be completed**
- **The RIC will insist that regular disinfection is carried out by WASA when truck borne supply is provided.**
 - **The RIC will promote consumer awareness of water quality and hygiene issues in collaboration with the service provider and other relevant institutions.**
 - **The RIC will support other water quality and health education initiatives undertaken by any other organization.**
 - **The RIC will support WASA's adoption of sewerage systems managed by private developers, homeowners and other government owned facilities.**
 - **The RIC will support consistent and mandatory maintenance of privately owned wastewater systems.**

3.3 Consumer Protection

The utility service provider is obligated to ensure consumer satisfaction in the delivery of its services and to recognize the mutually beneficial nature of the relationship with their customers. The utility must take deliberate action to build the relationship with its customers by honouring its duty of care, as this may help to reduce complaints and increase collection rates and consequently, improve their willingness to pay for services. The service provider must also recognize the customer's rights to essential information related to the utility service including information about expansion, rehabilitation, reconstruction

and other plans that may affect service costs and reliability. There are several ways to strengthen relations with customers:

- providing important information related to interruptions in supply (e.g. timing and duration of planned service interruptions);
- consulting customers when designing service delivery projects so as to link investment decisions to effective demand;
- responding to oral/written customer queries in a timely manner;
- using the billing process for information dissemination; and
- communicating with consumers and active groups (NGOs consumer societies, etc.) on a periodic basis.

It is important for individuals experiencing problems with their utility service, to be heard and taken seriously and at the very least, to be given an explanation for the intractability in resolving certain utility-related issues. The RIC will assist in this regard by putting in place specific requirements for the monitoring of complaints handling and other customer response measures for its annual and periodic monitoring of the service provider's performance. Public awareness and transparency are generally regarded as the keys to civil society involvement. Therefore, there is also a role for NGOs, consumer societies and the media.

At a minimum, the RIC will continue to foster the following objectives:

- **public access to the RIC and its processes through, the utilization of toll-free telephone number to receive calls from the public and via its website, through social media platforms.**
- **rules and procedures for resolution of consumer complaints disseminated on the RIC's website and explained where necessary, to ensure they are understood by the public;**
- **public education – perhaps this is the most effective means of consumer protection. The educational effort of the RIC will involve**

community/stakeholder participation through stakeholder workshops/forums, national consultations, stakeholder information days with the objective of disseminating information about:

- **public safety (e.g. advisories about water quality)**
 - **low-income assistance programmes**
 - **conservation and demand-side management**
 - **the role that the RIC plays in consumer protection, that is, its complaint process, connection and disconnection rules, etc.**
- **fairness and balancing of powers of the stakeholders through the assurance that the consumer has equal standing before the RIC; and**
 - **timely resolution of complaints.**

The RIC will ensure that WASA has in place, systems and procedures to provide appropriate and timely response to customers' concerns and also to strengthen relations with its customers. In the fulfilment of its duty of care, the RIC will obtain and publish key information on WASA's performance, to ensure that the public has access to this information.

3.3.1 Codes of Practice

Codes of Practice are essentially a set of guiding principles that the service provider consistently uses in dealing with specific customer issues. It will provide details on how WASA should interact with its customers, particularly domestic/residential customers, which is an important aspect of translating social policy to tangible and perceptible benefits to the typical customer.

Access to supply is primarily a function of the price of connecting to the network while maintaining that access is directly related to price of water. It is also affected by a range of secondary issues including the availability of payment plans and discounts to assist customers having difficulty paying their bills, financial counselling, forgiveness of arrears,

procedures for disconnection of customers for non-payment of bills, and disconnection moratoria, etc. The Codes therefore are designed to improve the delivery of the service provider's social obligations. The RIC is committed to implementing Codes of Practice for WASA. WASA will be required to prepare and submit Codes of Practice for RIC's approval, on the following:

- Provision of Priority Services for Vulnerable Groups;
- Policies and Procedures for Dealing with Domestic /Residential Customers in Default
- Disconnection Procedures and Policies
- Retroactive Billing Policy
- Interest on Unrecovered Amounts
- Application of Rates and Charges for New Owners or Occupiers and Abandoned or Vacant Property
- Range and Accessibility of Payment Methods
- Handling of Complaints
- Continuous Customer Education

The RIC will require the service provider to offer its customers:

- **the right to negotiate reasonable payment arrangements for customers experiencing genuine payment difficulties (instalment payment plans); and**
- **every opportunity for customers to make payments before disconnection action is taken. A number of steps need to be taken before supply is actually disconnected:**
 - **offering the customer alternative payment options.**
 - **using best endeavours to contact the customer in person.**
 - **giving a specified period of written notice of the intention to disconnect.**
 - **distinguishing between customers who refuse to pay and who cannot pay.**

3.4 Social Tariffs and Affordability

Affordability or economic accessibility describes the level of ease the consumer has in affording water services. When water is economically accessible, it is said to be affordable to all consumers inclusive of the poor, without encroaching on their ability to afford other basic commodities. Affordability of utility services is inversely related to utility rates and tariffs however; it is important that rates allow the utility to recover the overall costs of providing the service. More specifically, rates should reflect the costs of providing service to particular customer classes in order to meet several important objectives:

- for collecting sufficient revenues to attract necessary capital for network maintenance and expansion, as well as for operations;
- for sending efficient price signals to customers; and
- for allocating costs of the network fairly among customers.

Pricing of water utility services therefore must increasingly focus both on economic efficiency and financial viability of the utility, as this is central to the improvement of water and wastewater services. The “full cost recovery” principle not only leads to cost recovery objectives, but is also likely to lead to a higher quality and sustainability of service over the long term. However, public policy also has a role to play in setting utility rates and services, for at least two reasons: to overcome market failures in the provision of water and wastewater services and to promote important public goals. Notwithstanding, a water utility cannot be viewed as a social agency and therefore, cannot be expected to provide social support to the detriment of its efficiency or technical capacity.

One of the main challenges of an economic regulator is to simultaneously incorporate economic, environmental and social objectives in water pricing and to deliver low-cost services to particular classes of customers, especially low-income and vulnerable groups. Higher tariffs have an obvious social impact on these low income groups, reducing their already limited disposable income. However, higher tariffs that are cost reflective are consistent with ensuring the utility has sufficient revenue to operate now and into the future. One of the options available to the regulator is to establish a “lifeline” tariff block,

which is establishing a consumption threshold for water that a typical low income/poor household requires for its basic needs and setting a tariff that is affordable. Apart from regulatory action, affordability concerns can also be addressed by the government using socio-economic mechanisms (e.g. subsidies and welfare programmes), which are beyond the scope of control of the water utility.

There are two aspects of affordability of household water services. Aggregate (or macro) affordability involves relating average water charges to either average household income or to average household expenditure⁹. On the other hand, the micro aspect concentrates on affordability for lower-income groups and addresses the issue either by tariffs (tariff solutions) or by targeting individual/groups of households (subsidies), where assistance may be provided via tariff discounts or via income support. The tariff-based approach is generally financed through some form of cross-subsidization, while subsidies are financed by Government and include a variety of “safety nets” (Payments Assistance scheme, Pension Rebate scheme, etc.) to assist consumers experiencing financial difficulties.

3.4.1 Subsidies

It is useful to base tariffs on financial viability criterion (“full cost recovery”) as an operating principle in the management of water supply system and then manage affordability issues through discrete instruments. Policies aimed at improving the affordability of water services must better target the groups most in need through innovative tariff structures and targeted subsidies. As tariffs increase and/or poverty level rises, a targeted subsidy may become unavoidable. In fact, the poor will be better served by gaining access to piped water under current circumstances rather than receiving global/general subsidies. With respect to subsidies, the RIC’s position is that:

- subsidies need to target the poorer consumers in a transparent manner, rather than through across-the-board subsidies as with the case of the Government’s Utility Assistance Programme;

⁹ Internationally, a figure of 5% of household income has been accepted as a realistic ceiling on affordability for water and wastewater services.

- a subsidy should be established at a minimum level and must not support excessive consumption;
- the subsidy scheme should not distort incentives; and
- a subsidy source needs to be predetermined and disclosed and paid to the service provider preferably out of general tax revenues.

In its pricing decisions for the water and wastewater utility, the RIC will use a variety of measures to achieve a wide range of economic, environmental and social objectives. The use of tariffs, in general, and different elements of water price structures (connection charges, fixed charges, etc.) will be utilized to best achieve social policy and affordability objectives.

A summary of the RIC's approach to social tariffs and affordability issues are as follows:

- **The RIC will ensure that no residential customer pays more than 5% of monthly family income for water service.**
- **The RIC will establish a lifeline block (“social block”) in the tariff structure for consumption – related tariff. This block will reflect basic needs to ensure an acceptable quality of life with respect to hygiene and basic household needs.**
- **The RIC will include an explicit subsidy to the lower income groups/poor for meeting the connection charge (e.g. a fixed dollar discount on connection charge) and would require the service provider to develop and use an appropriate credit system to spread the payment for connection charge over time.**
- **The RIC will establish a special low-income assistance programme whereby a separate fund will be established by the service provider to cater for the special needs of the poorest and most vulnerable consumers in the society.**
- **The RIC will also support the use of the Utilities Assistance Programme by the Government whereby poor groups receive a discount on their total bills however, the targeting of such programmes must be improved to ensure that the criterion for qualifying (low-income) is properly applied.**

4. THE WAY FORWARD

Water and wastewater services are socially important. It is in the interest of public health to ensure provision of necessary amounts of safe water and access to proper sanitation. The main objective of social policy in the sector is to make services accessible to all consumers at least cost. To benefit the poor, the regulator has to foster access to water and wastewater services and improve the availability, affordability, and sustainability of these services. In this regard, the RIC's Social Policy for water and wastewater will address the factors that cause the decline of service quality and efficiency. Overall, the way forward for the water and wastewater sector will include the following:

- ensuring poverty-reduction strategies are appropriate within context of the water and wastewater sector;
- expanding investment in water and wastewater sectors for rural areas;
- setting clear goals and targets and holding the service provider accountable, with non-performance being penalized;
- expanding the current regulatory framework to include strong regulatory capacity to protect public interest through the rules for pricing and investment; and
- reforming water tariffs and subsidies for delivering affordable water to all through targeted subsidies and “lifeline” tariffs.