

## **1. Background for the workshop**

The Municipality of Al-Bireh is going to extend the existing sewage collection system - presently serving approximately 70% of the catchment areas of Central, North and South - to "Lower South" and "Upper North", two city districts with high rates of population growth. The final goal is to get approximately 80% of Al-Bireh's total population (44,000 inhabitants at present) connected to the sewerage system. Furthermore, the construction of a modern waste water treatment plant (WWTP) will start early next year and shall go into operation by the end of 1998. At that time, 80% of Al-Bireh's sewage shall be treated in order to reduce groundwater pollution and health risks.

The expansion of the main sewage network "Lower South" and the construction of the WWTP will be financed by the German Government, represented by KfW, Frankfurt. The Municipality of Al-Bireh will contribute NIS 2 million within the next two years to the lateral pipelaying in "Lower South". A total investment of about NIS 50 million is planned for this ambitious infrastructure improvement plan.

To prepare the extended sewerage system - including the WWTP - the GTZ, Germany's Agency for Technical Assistance has commissioned Dr. Peter Braun to develop proposals for a new sewerage tariff. The main principles for setting this tariff are to recover all capital and running costs, on the one hand, and to introduce an economically fair and socially affordable tariff, on the other hand. The main aspects of the sewerage tariff - which should be based on water consumption instead of property and built-up areas - will be discussed in the forthcoming workshop.

## **2. Topics for the Workshop Discussion**

Because the inauguration of the extended sewage collection network as well as the WWTP is still two years away, the Municipality of Al-Bireh and other concerned partners have enough time to find answers to the following questions:

- (1) How do we treat capital costs (depreciation and interest) to find a socio-economic balanced sewerage tariff?
- (2) Which activities are needed to link the sewerage tariff to the water tariff?
- (3) Which activities are needed to collect the sewerage fee properly?
- (4) How can we update data collection regularly to improve the actual basis for tariff setting?
- (5) Why do we need a commercial oriented accounting system with cost centers and cost types and how can we establish such a system?
- (6) Which kind of public awareness campaigns are necessary to create a positive willingness-to-pay-atmosphere among the population as soon as we are going to introduce the new tariff?
- (7) What is PWA's future role in setting water and sewerage tariffs?
- (8) What are the main components of sewerage tariff setting apart from the general sewerage fee?
- (9) Do we need extra surcharges for industrial and commercial enterprises and how do we treat heavy waste water polluters?
- (10) What are the main items of a sewerage by-law as drafted by our expert?

From the above mentioned questions you may see the multitude of problems which need to be tackled and which we should discuss in the workshop.