

The KPMG logo is positioned in the upper left area of the image. It features the letters 'KPMG' in a bold, white, sans-serif font, with a stylized graphic of three vertical bars of varying heights to the left of the text. The background of the entire image is a blue-tinted photograph of a water treatment facility, showing a series of concrete weirs with water cascading over them, and metal walkways with railings in the background.

KPMG

#KPMGjosh

International Best Practices in Water Regulation

ALL INDIA WATER REGULATORS MEET

26.04.2019

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KPMG at a glance

Global Network



We operate in **154** countries

Americas: **55,856**

EMA: **100,762**

ASPAC: **40,645**



2,00,000

people globally



Created more than **8000** new jobs



More than **37,000** graduates and entry-level professionals joined KPMG



2,689 people on Global Mobility assignments to **99** countries and territories

India Presence



Completed 25 years in India



~10%

Global workforce based in India



25 Offices

13 Cities

2700 clients

Leading advisor to the Government of India on all National Mission Mandates



#startupindia



Industry Recognition

Ranked in **LinkedIn Top 10 Companies in India (2018)** 3rd year in a row.



KPMG's thought leadership quality moves up four places in industry rankings



Gartner Magic Quadrant names KPMG a Leader in Business Analytics for second year running



Forrester Research names KPMG a Leader in Microsoft Dynamics 365 services



KPMG recognized as a Vanguard Leader in Corporate Services Consulting by ALM Intelligence - report and toolkit now available to share



Our Values

The KPMG Values lie at the heart of the way we do things and define our culture and our commitment to the highest principles of personal and professional conduct

We lead by example

We work together

We respect the individual

We seek the facts and provide insights

We are open & honest in our communication

We are committed to our communities

Above all, we act with integrity

This is the KPMG Story

Our Purpose, Values, Vision, Strategy and Promise combine powerfully, helping us articulate what we stand for, where we are today and where we are going in the future.

Our advisory services across typical stages of the life cycle - water sector



Integrated advice across the asset lifecycle



We have strong credentials within the practice and globally to drive established solutions in Water sector



Urban and Rural Development, NMCG	Water Supply and Sanitation Department, GoM, GoAP, GoTL	Maharashtra Pollution Control Board	Industries Department, GoM, AP	MIDC CIDCO Haldia Dev. Auth. Bangalore Sewerage Boards	MWRRA	ULBs- KMC, MCGM, Panvel, TMC, KDMC, Indore, Gwalior	Directorate of Town Planning	Water Resources Department, GOM, AP
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- **2 Key Central Ministries** i.e. MDWS and MOUD-Govt. of India in achieving their vision on Water and WASH Sector
- **More than 10 states** in Water and related sector domains
- **MWRRA** - Policies, Regulatory framework, Dispute resolution and conflict management strategies
- **India's First Integrated State Water Plan- Godavari**
- Global Water Sector Authorities viz. USA, Australia, Dubai, Poland, Russia, South Africa, Oman, Jakarta, Singapore, Canada

across Core areas in Water sector





What is Regulatory Governance?

What does it mean in the Indian Context for the water sector ?

The state owns all the water utilities

The state manages all the water utilities

The state governs all the water utilities

Why regulate what you own?

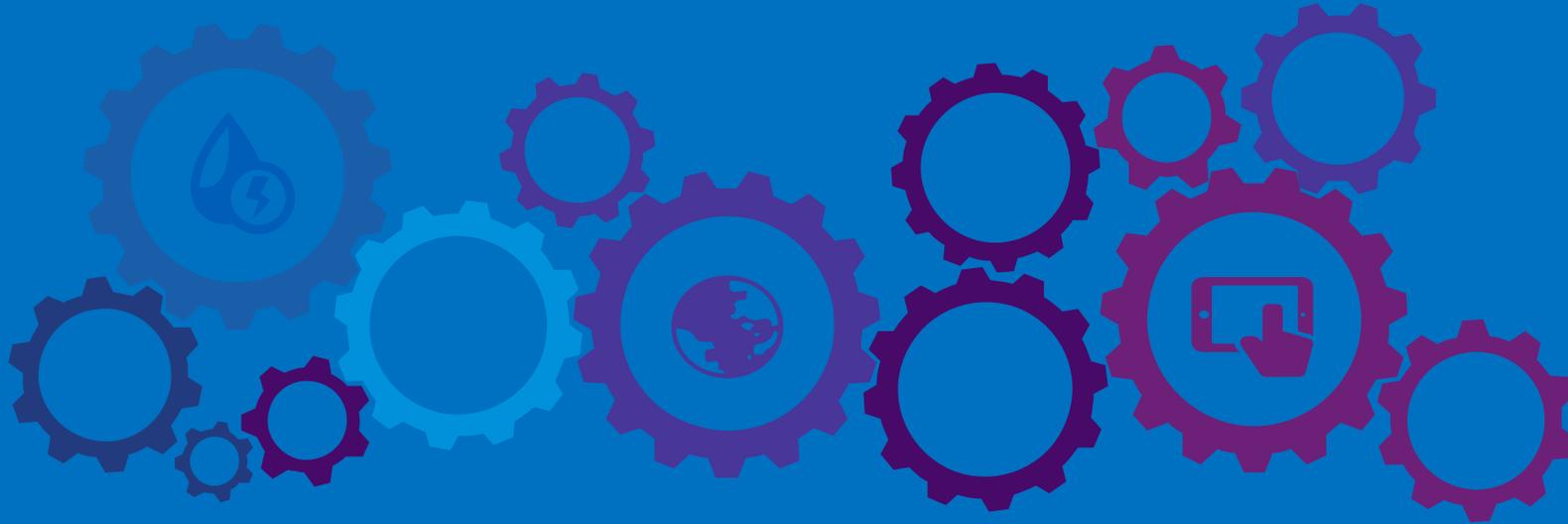
Economic efficiency

Political space for tariff

Information & transparency



Some of the Best Practices in Water Regulation from around the world



1. Australian Urban Water Regulation Reform
2. Building Block Approach to Water Tariff
3. Jordan Water Authority
4. Africa's Web based monitoring and Reporting Framework

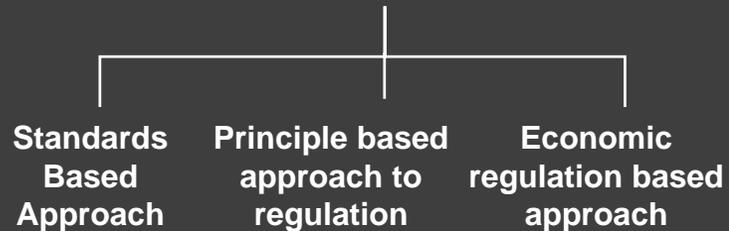
Australian Urban Water Regulation Reform

Overview and interaction between economic regulation, environmental regulation, and health regulation



Function	Health Regulation	Environmental Regulation	Economic Regulation	Service Provision
Aim	Mitigate the risk of the provision of unsafe drinking water (and associated human health implications)	Mitigate the impact of water and wastewater collection, conveyance and treatment on the environment	Promote effective competition (where possible) and/or encourage efficiency	Provide services consistent with standards and customer and shareholder expectations
Involves	<ul style="list-style-type: none"> - Monitoring & enforcing water and recycled water quality standards - Promote public awareness Incident management & emergency response 	<ul style="list-style-type: none"> -Monitoring & enforcing discharge standards -Regulating aspects of sewerage treatment & recycled water schemes -Overseeing management of odors and bio solids 	<ul style="list-style-type: none"> -Setting prices that reflect the efficient costs of water service provision -Aligning water providers incentives with those of customers -Licensing and monitoring supplier's compliance -Overseeing competition 	<ul style="list-style-type: none"> -understanding customer expectations -Seeking out efficiency and innovations that benefit customers and stakeholders. -Monitoring against the standards and incident management and emergency response
Interaction between health, environment and economic regulation				
Step/process				
Health and environmental regulators set standards (Potentially in line with community expectations))				1
Water business propose prices reflecting the efficient and prudent costs of delivering services in line with standards (and sometime beyond standards where can show this is reflection of customer expectations)				2
Economic regulators determine prices required to recover efficient and prudent costs of meeting the standards				3

A Hybrid regulatory Approach



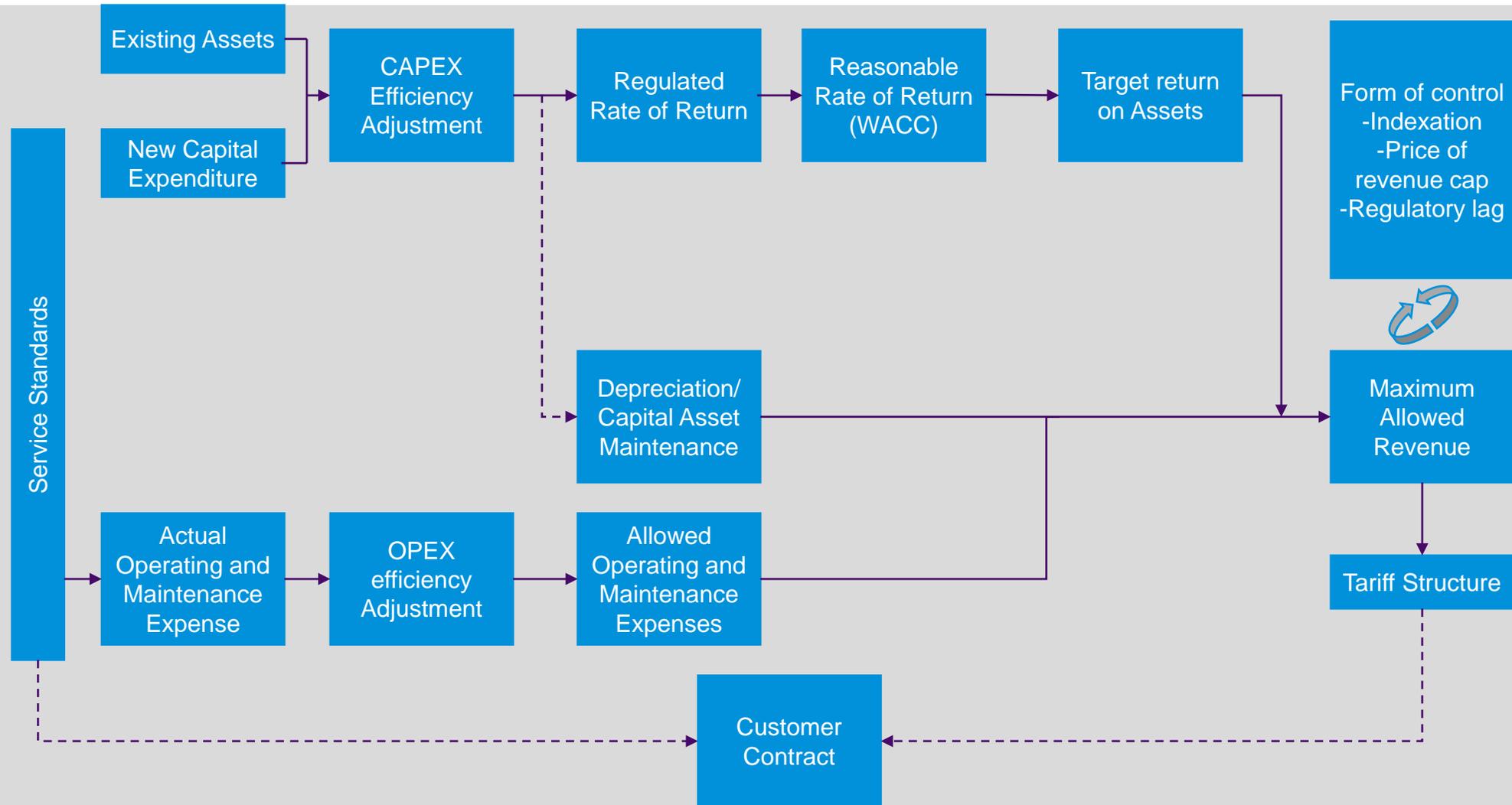
Building-block" approach to Tariff setting



Most successful regulatory systems across the world adopts this approach to determining tariff

Countries like UK, US & Australia commonly use this approach

Regulators in Australia focus on forecasts of costs while regulators in US may pay more attention to historic costs.





- Jordan is one of the driest countries on earth. Second most water scarce country.
- The Authority adopts an incentive based approach to mitigate drought.
- Households provided with interest free loans to set-up rainwater harvesting systems and solar units

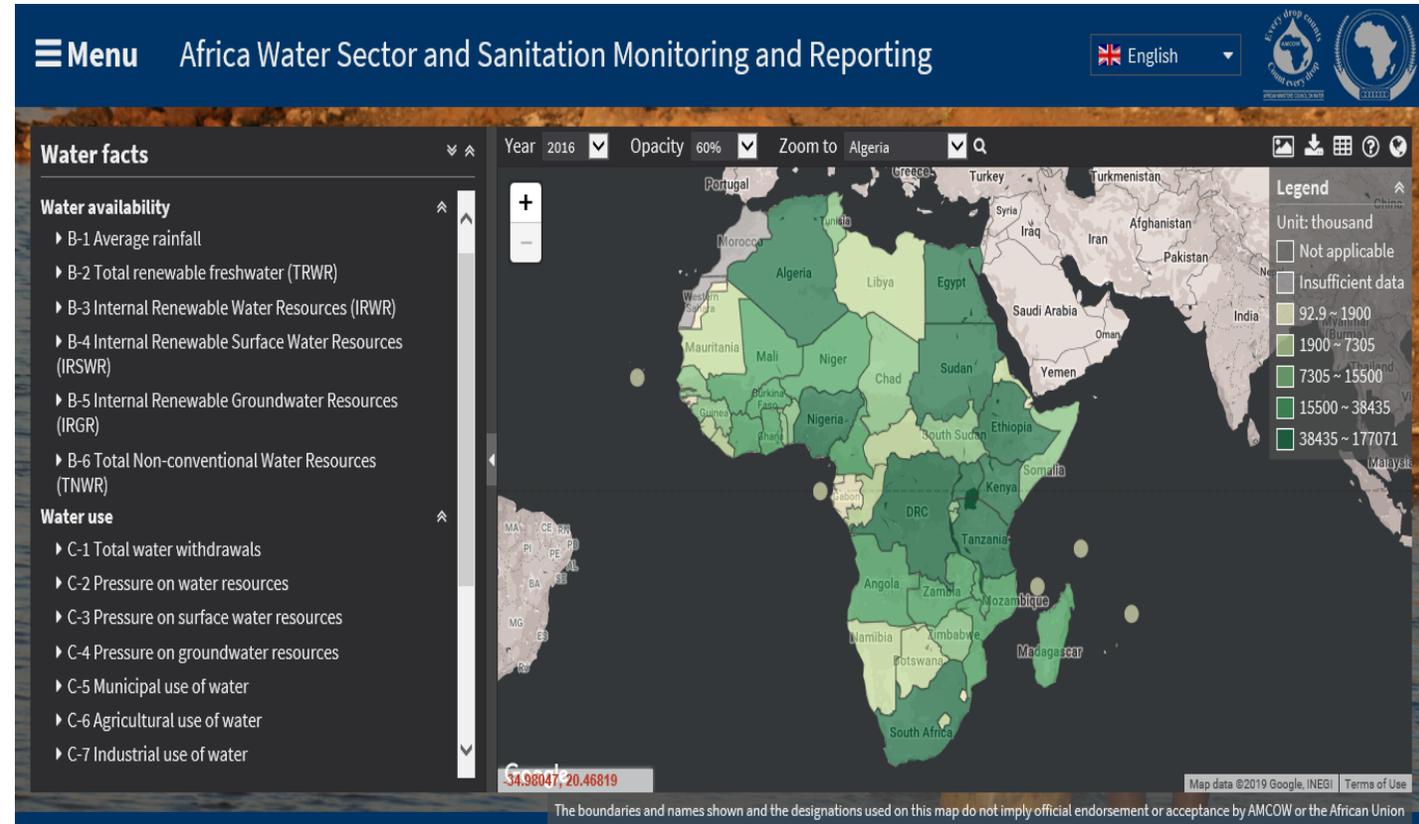
- The devolution of loans serves as a revolving fund to give further loans to other families.
- The RWH provides water for the equivalent of 25 weeks of consumption.
- Supplementary source provision and reduced dependence on the utility during a drought season.
- More than 300 families benefitted in the region.
- One of the most successful initiatives in the sector as it also provides support for hydroponic agriculture (75% less water use) with no fertilizers.



Africa's Web based monitoring and Reporting Framework



- Africa faces multiple challenges that adversely affect public health. One major challenge is the ability for both rural and urban Africans to access a clean water supply.
- The WHO (2006) stated that, in 2004, only 16% of people in sub-Saharan Africa had access to drinking water through a household connection.
- Weak policies, mismanagement of resources, poor long-term investment, and a lack of environmental research, etc exacerbated the problem.
- The Government realized the need for centralized management and developed a **web-based monitoring**.
- This system has reduced the efforts and duplication of monitoring efforts at various levels.
- Provides real time data which promotes effective decision making, crisis management, capacity building and so on.



Gold Award by International Water Association in the category of Governance, Institutions and Social Enterprise



Thank you

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