

KIDRON PROJECTS

Boaz Barak, Ph.D.

Systematization of Residential Water and Sewage

Many East Jerusalem structures (houses, buildings, etc.) are not connected to sewage systems due to reliance on old septic tanks or due to the fact that the structure was built illegally and was therefore not allowed to be connected. In addition, most owners of these structures cannot afford the lump sum cost to connect to the sewage system. To address this problem, a special purpose vehicle (SPV) will be created to leverage investment funds with the purpose of systematizing the residential water and sewage system, thereby facilitating normal life for residents with poor economic and legal status. This project aims to resolve the sewage issues of the region without regard for the structures' legal status.

The SPV will operate a revolving fund to finance projects that either connect residents with the water and sewage infrastructure or that offer alternative solutions to sewage output. Local owners of houses and buildings (regardless of legal status) will collaborate with the SPV, and all activities will be conducted under the name of the SPV. By working through the SPV, this project endeavors to preclude obligation by the authorities to the residents, as well as ease mistrust between residents and the authorities. The SPV will raise funds by issuing bonds based on municipal and donated funds. The bond proceeds will fund employment of authorized contractors from the local water and sewage company (Gichon) for the purpose of connecting structures to the water and sewage system or other available solutions.

The SPV will collect monthly fees from home and building owners. A portion of the collected funds will be transferred to Gichon to cover costs, and the remaining funds will serve as loan repayment. The SPV will be given special rights for development of tourist activities in the restored areas. The revenue from these activities will also serve to repay the loan. The marketing system for this project is based on utilizing the social structure of chamulas as a mechanism to promote recruitment of residents to the project and ensure fees collection.

In addition to the obvious positive environmental impacts of this project (i.e. removal of pollution and health hazards), the region will also enjoy positive economic effects. Real estate value will increase, jobs will be created, and doors will be opened for development of tourism and other income-generating activities. Most importantly, human dignity will be restored and quality of life for the residents will be improved.