

EBRD Water projects in the Kyrgyz Republic

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EBRD Water Projects, Kyrgyz Republic

- Bishkek Water signed in 2009, Phase II prepared and pending negotiations and signing
- Water projects signed in 2011, 2012 and 2013 in Osh, Jalalabad, Karabalta and Kant
- Talas, Tokmok, Naryn, Batken and Osh II under preparation
- Additional project requests from the Government, under consideration



Better see for yourself once.....



Water Company Laboratory



Head works chlorination unit using a bath tub

...than hear about it a hundred times



Talas, KR: Sewage from main sewer permanently inundates the basement of a multi-storey building housing 100 people



Manhole covers are missing and/or broken

Priority Investment Programs (PIPs)

- Feasibility studies develop long term investment programs (EUR 20-200 million)
- PIPs for immediate implementation (EUR 5-8 million)
- PIPs financed by small loans and large grants to address affordability constraints
- Manageable at city and utility level – small scale facilitates institutional strengthening
- Small projects gradually increases the absorption capacity in the local economy



Phased Approach

- Phase I - Small PIP within affordability constraints + implementation TA support
- Corporate Development TA support
- Stakeholder Participation Program TA
- Results:
 - Basic service restored (24 h water supply)
 - Operational and financial sustainability achieved
 - Capacity to formulate further development needs



Phased Approach, cont.

- Phase II – additional water supply improvements and further institutional strengthening with additional Corporate Development support result in a well functioning utility
- Phase III – wastewater improvements to reach EU standards
- The full cycle can take up to 10 years to implement



Reform Agenda at Utility Level

- Tariff reform to reach financial sustainability while respecting affordability constraints
- Support to establish preventive maintenance to reach sustainable operations
- Public Service Agreement utility/city for transparent planned service provision
- Stakeholder Participation Programs to:
 - Raise awareness about water related issues (health issues and conservative water use)
 - Increase the willingness to pay (collection rates)



Private sector involvement – Kant city example

- Kant city has a private operator in place for 20 year. The operator signed a lease agreement with the City for provision of services.
- The City owns the assets.
- EBRD provides a sovereign loan, on-lent to the City.
- The private operator services part of the loan (80%) through amended lease payments to the City.
- The City services part of the loan (20% and interest rate).
- Support to the City and operator to amend the lease agreement to clarify the responsibilities of the parties under the project, including enhancement of the City's monitoring capacity.



Conclusion – lessons learned

- Phased approach builds capacity for larger interventions – better start with a small PIP than wait for a large project
- Building capacity at utility level – 5 year perspective with TA support
- Implementation heavy – substantial TA support and Program Monitors
- Private sector involvement is possible, but there are few qualified operators in the Kyrgyz Republic.
- EBRD would propose to rehabilitate water supply and wastewater services (including corporate development support) before efforts are made to attract the private sector. Such an approach would secure quality of services upfront.



Additional information

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