



Sustainable Business models for operating and financing WSS systems in small towns and villages in Kazakhstan

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NPD on water in Kazakhstan
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Content

- OECD and EAP TF Water programme
Facilitating EUWI NPDs on water policy in
EECCA
- Presentation of the proposed project
- Similar projects in other EECCA countries
- Next steps



OECD and EAP TF Water programme Facilitating EUWI NPDs in EECCA

- Economic and financial dimension of WSS and WRM, including tariffs
- Strategic Financial Planning (SFP)
- Sustainable business models for WSS, including PPP
- Adapting the water sector to climate change
- Facilitating EUWI NPDs on water policy in EECCA (Armenia, Georgia, Moldova, Russia, Ukraine and a trans-boundary dialogue in the Caucasus)



Presentation of the project

- Consultation process on this topical issue
- Scope of Work and project phases Состав работ и этапы проекта

Phase 1: *Review prevailing business models for rural WSS in Kazakhstan*

Phase 2: *Identify and assess possible business models*



Presentation of the project - 2

Phase 3: ***“Reality check”*** :

Applicability/feasibility and sustainability of selected business models in Kazakhstan; needs for adjusting them to local context

Phase 4: ***Finalisation, endorsement and dissemination of the Recommendations***

- Contractor (Consultant) selection criteria
- Tentative deadlines
- Role of the NPD, Government bodies and the Consultant



Experience of other countries: rural WSS challenges & alternative models

- Similar projects in Moldova and Ukraine
- Factors impacting the sustainability of WSS :
 - Often too many too small operators, high unit costs, low user charge revenues and salaries
 - Lack of qualified staff for proper O&M and management
 - Low rural household income and its high seasonal variability
 - High labour migration
 - Low capacity of local budgets & administrations



Experience of other countries: rural WSS challenges & alternative models - 2

- **Alternative Models (the case of Moldova):**
 - Municipal water utility (*vodokanal*)
 - WSS department in local public administration
 - Drinking water users associations (ApaSan project, SDC-funded)
 - Small private operator (1-2 villages)
 - Inter-communal co-operation in rural areas
 - (under preparation) regionalisation of vodokanals and a large PPP project for inter-rayonal water main
- Other countries: syndicates of municipalities; multi-purpose utilities etc.



Methodology for alternative models assessing and selecting

- Scale of operations (size of service area)
- Scope of operations (WS, wastewater collection and treatment, combination with other utility services)
- How to ensure sufficient financing, taking into account affordability constraints?
- What role can the private sector play? (e.g. PPP)
- Other countries experience (EECCA, EU and OECD)
- Consultation process (“*reality check*”)



Next steps

**Feedback from government bodies by
15 July will be highly appreciated**

Thank you for your attention, коп рахмет!

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