
Water and Waste Water Project in the City of Rostov-on-Don, 2005-2021

Geneva, 2021



Formation of Water and Waste Water project in the City of Rostov-on Don

- Corporatization of municipal water utility
- Separation of municipal infrastructure assets of the corporatized entity with leasing them for development and operation
- Near term development plan for water and waste water infrastructure
- Sale of 75% of the utility through capital increase to a private partner using proceeds to invest in accordance with short term development plan
- Long term development plan separated in four distinctive blocks: water, waste water, water for new districts, water and waste water in agglomeration
- Municipal approval of long term tariff escalation schedule to cover future operating costs including of new infrastructure and to cover future financial costs of project financing to be brought for implementing first three blocks of long term plan



Financing Water and Waste Water project in the City of Rostov-on Don

- Project finance elements:
 - ✓ Long term 13 year loan of ~USD 160M in RUR from development bank secured by collateral of utility company shares and its assets and to be used for financing the first two blocks. Repaid from tariff revenue
 - ✓ Co-financing the first two and the fourth blocks in the amount of ~USD 240M by utility company from dedicated part of tariff revenues and own sources during period of long-term lease
 - ✓ Capital grant of ~USD300M in RUR from the federal Government to finance the third block
- Mixed ownership for new infrastructure depending on the source of financing with private assets to be transferred to municipality upon expiration of lease in the absence of ongoing financial liabilities



People first elements

PEOPLE

- Improved quality of access to water supply to 24 hours from 20 hours
- Increased water quality to 98% of tests meeting sanitary norms from 97%
- 39% reduction of time to respond to customer demands and emergencies

PLANET

- Increased environmental quality to 75% of discharged water tests meeting norms from 68%
- Increased energy efficiency by reducing electricity consumption by 25%+ per cubic meter of water/waste water
- Increased resilience by replacing disinfection of water to solid hypochlorite technology from using liquid chlorine

PROSPERITY

- Increased efficiency of the service by reducing unaccounted for water by 33%
- Building system capacity for new housing construction of 6M m²





Rostov-on-Don Region



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