



# PROJECT IDENTIFICATION FORM (PIF)<sup>1</sup>

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND:SCCF

## PART I: PROJECT IDENTIFICATION

Project Title:	Promoting Climate Resiliency of Water Supplies in Kyrgyzstan		
Country(ies):	Kyrgyz Republic	GEF Project ID: <sup>2</sup>	
GEF Agency(ies):	EBRD (select) (select)	GEF Agency Project ID:	
Other Executing Partner(s):		Submission Date:	2012-08-24
GEF Focal Area (s):	Climate Change	Project Duration (Months)	36
Name of parent program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/>		Agency Fee (\$):	500,000

### A. FOCAL AREA STRATEGY FRAMEWORK<sup>3</sup>:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
CCA-1 (select)	Mainstreamed adaptation in broader development frameworks at country level and in targeted vulnerable areas	Adaptation measures and necessary budget allocations included in relevant frameworks	SCCF	500,000	995,000
CCA-1 (select)	Reduce vulnerability in development sectors	Vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability	SCCF	500,000	990,000
CCA-2 (select)	Increased knowledge and understanding of climate variability and change-induced risks at country level and in targeted vulnerable areas	Risk and vulnerability assessments conducted and updated	SCCF	150,000	1,225,000
CCM-2 (select)	Increased knowledge and understanding of climate variability and change-induced risks at country level and in targeted vulnerable areas	Systems in place to disseminate timely risk information	SCCF	500,000	990,000
CCM-2 (select)	Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	Targeted population groups participating in adaptation and risk reduction awareness activities	SCCF	262,500	435,000
CCA-3 (select)	Successful demonstration, deployment and transfer of relevant adaptation technology in targeted areas	Relevant adaptation technology transferred to targeted groups	SCCF	3,000,000	23,260,000
CCM-3 (select)	Enhanced enabling environment to support adaptation-related technology transfer	Relevant policies and frameworks developed and adopted to facilitate adaptation technology transfer	SCCF	87,500	145,000
(select) (select)			(select)		
(select) (select)			(select)		

<sup>1</sup> It is very important to consult the PIF preparation guidelines when completing this template.

<sup>2</sup> Project ID number will be assigned by GEFSEC.

<sup>3</sup> Refer to the reference attached on the [Focal Area Results Framework](#) when filling up the table in item A.

(select)	(select)	Others		(select)		
Sub-Total					5,000,000	28,040,000
Project Management Cost <sup>4</sup>				(select)	0	520,000
<b>Total Project Cost</b>					5,000,000	28,560,000

## B. PROJECT FRAMEWORK

<b>Project Objective: To improve the climate resiliency of water supply in cities in the Kyrgyz Republic by fully mainstreaming climate change considerations into water infrastructure rehabilitation.</b>						
<b>Project Component</b>	<b>Grant Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>Indicative Grant Amount (\$)</b>	<b>Indicative Cofinancing (\$)</b>
1. Integrating climate change assessments into the design and appraisal of water infrastructure	TA	Strengthened awareness and ownership of adaptation and climate risk reduction processes at the local and national level	Risk and vulnerability assessments conducted for 3 cities; Detailed water resources system studies carried out at the national level; Design and appraisal methodology developed and disseminated	SCCF	150,000	1,225,000
2. Building in additional climate-resiliency features in water infrastructure rehabilitation projects	Inv	Decreased water demand and improved climate resilient supply of drinking water, reducing pressure on climate-vulnerable water resources	Approaches to increase efficiency of water use and reduce climate vulnerability (water metering, wastewater recycling) developed and implemented in 3 cities; Drinking water supply infrastructure rehabilitated in 3 cities; New, alternative climate-resilient sources of drinking water accessed	SCCF	3,000,000	23,260,000
3. Increasing capacity for water governance	TA	Institutional capacity developed and governance of water companies and city authorities strengthened for integrating climate change impacts into water resources management	Institutional strengthening of water utility and municipalities to support adaptive planning; climate change education and training programme designed and implemented in at least 3 cities; Climate monitoring and early warning systems developed and launched ; Information network operational for participating cities	SCCF	1,500,000	2,975,000
4. Increasing community involvement in water governance and raising knowledge	TA	Increased community involvement in water governance and awareness of climate issues in water	Lessons learned collection and dissemination to cities in Kyrgyzstan and other EBRD countries; Water User Committees	SCCF	350,000	580,000

<sup>4</sup> GEF will finance management cost that is solely linked to GEF financing of the project. PMC should be charged proportionately to focal areas based on focal area project grant amount.

and awareness of climate change implications among water users		governance	established in 3 cities				
	(select)			(select)			
	(select)			(select)			
	(select)			(select)			
	(select)			(select)			
	(select)			(select)			
	(select)			(select)			
Sub-Total						5,000,000	28,040,000
				Project Management Cost <sup>5</sup>	(select)	0	520,000
<b>Total Project Costs</b>						<b>5,000,000</b>	<b>28,560,000</b>

**C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)**

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
National Government	Government of Kyrgyzstan	In-kind	0
GEF Agency	EBRD	Hard Loan	10,688,000
GEF Agency	EBRD	Grant	12,573,000
GEF Agency	EBRD	In-kind	5,299,000
(select)		(select)	
<b>Total Cofinancing</b>			<b>28,560,000</b>

**D. GEF/LDCF/SCCF/NPIF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>**

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
<b>Total Grant Resources</b>				<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

<sup>2</sup> Please indicate fees related to this project.

<sup>5</sup> Same as footnote #3.

## **PART II: PROJECT JUSTIFICATION**

### **A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

#### A.1.1 the [GEF focal area/LDCF/SCCF](#) strategies /[NPIF](#) Initiative:

The proposed project is consistent with the SCCF's **strategy** to fund country-driven, cost-effective activities that are integrated into national sustainable development and poverty-reduction strategies; and adaptation activities that address the adverse impacts of climate change.

The project is also consistent with the key **objectives** of the SCCF by:

- Reducing the vulnerability of communities in the Kyrgyz Republic (SCCF Objective 1) to the adverse impacts of climate change and climate variability through investments and awareness raising in drinking water conservation and use, and the rehabilitation of drinking water supply using reliable and climate resilient sources;
- Increasing adaptive capacity (SCCF Objective 2) to respond to the impacts of climate change and variability in the project area through targeted awareness raising, corporate development in water companies and city authorities including addressing tariffs and sustainable water management; and,
- Promoting the transfer and adoption of adaptation technologies (SCCF Objective 3) related to water conservation and use by seeking to successfully demonstrate, deploy, and transfer relevant adaptation technology in targeted areas.

#### A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:

Kyrgyzstan completed its Second National Communication (SNC) to the UNFCCC in 2009, which emphasized the need to implement modern, more effective systems of water distribution to reduce losses and to introduce incentives for more efficient use of available water resources. In particular, the SNC notes the need for:

- More effective and careful management of irrigational systems in order to preserve and reduce water loss;
- Regulation of surface water-flow and creation of water reserves in artificial reservoirs;
- Implementation of modern, more efficient systems and modes of water distribution in order to reduce losses;
- Incentives for water-users to use available water resources efficiently by implementation of paid water use system.

As the SNC also states, the poor and inefficient state of water infrastructure increases vulnerability to these climate change risks. The SNC emphasizes the need for the implementation of modern, more efficient water distribution systems and for the introduction of appropriate incentives for efficient water usage. In 2005, only 29 out of 1,906 communities had municipal wastewater treatment facilities, and less than a quarter of the population had access to sewer systems (with a wide range from 80.7 percent in Bishkek to 4.4 percent in the Talas region)<sup>6</sup>. This lack of wastewater treatment is considered a high risk to the water supply.

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<sup>6</sup> The Kyrgyz Republic's Second National Communication to the United Nations Framework Convention on Climate Change, 2009. pg 53.

The proposed project is country driven and will support the implementation of adaptation activities in the eligible programming priority area of water resources management, which was identified in the Kyrgyz Republic's SNC as one of the sectors most vulnerable to climate change impacts.

The proposed project is also consistent with the EBRD's *Country Strategy for the Kyrgyz Republic* (BDS/KY/07-01), the EBRD's *Municipal and Environmental Infrastructure Operations Policy* (BDS/04-68) and the *Early Transition Countries Initiative* as noted in section C.2.

A.1.3 For projects funded from NPIF, relevant eligibility criteria and priorities of the Fund:

A.2. national strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

## **B. PROJECT OVERVIEW:**

B.1. Describe the baseline project and the problem that it seeks to address:

### ***Context***

The Kyrgyz Republic is one of the most vulnerable countries to climate change in the EBRD region. Kyrgyzstan's SNC identified impacts on water resources as one of the most severe climate change risks facing the country. A decrease in the water level of Issyk-kul, the largest lake in Kyrgyzstan, which is important to the country's economy and ecosystems<sup>7</sup>, is already being observed.

As noted in the SNC, vulnerability assessments have been conducted on glaciers and volume of surface water-flow in the Kyrgyzstan territory using models developed by the Institute of Water Problems and Hydro-power Engineering of the Kyrgyz Republic National Academy of Sciences. Kyrgyzstan has over 8,000 glaciers that supply 30% of Central Asia's total water resources. However, the area of these glaciers could be reduced by 64% to 95% by the end of the 21st century. In the short- to medium-term, glacial melting would lead to increased river flows and an increased risk of river flooding, mudflows, avalanches and glacial lake outbursts. In the longer term, as glaciers decrease, glacial water would contribute less to river flows.

Assessments and modeling of climate change impacts on surface water-flow have also been undertaken under the SNC. After an increase in surface water-flow expected during the period of 2020-2025 due to an increase from the glacial component, a reduction of flow of between 43.6 to 88.4 percent from volume of flow in 2000 is anticipated. Indeed, all probable climate scenarios project net decreases in surface water flows. Consequences of the significant reduction of surface water flow that is predicted will have an effect on the economic activities and living conditions in the Kyrgyz Republic, and in neighbouring countries. As such, the SNC notes the

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<sup>7</sup> Issyk-Kul Lake is salt water and is not used for water supply.

importance of taking adaptive measures to safeguard the basic consumers of water resources in the Kyrgyz Republic and neighbouring states.

The Kyrgyz Republic faces immense challenges in rebuilding and maintaining the basic infrastructure of its urban areas. Since Kyrgyzstan achieved independence in 1991, the availability and quality of public infrastructure and basic services has deteriorated rapidly. Currently, water supply operations have the following characteristics:

- Severely deteriorated infrastructure for water supply and wastewater collection;
- Very limited wastewater treatment;
- High operations and maintenance costs due to the deteriorated state of this infrastructure;
- Unreliable water supply;
- Manual water storage in households (e.g., in bathtubs and buckets) when water is available;
- Outbreaks of waterborne diseases, especially during the summer; and
- Low institutional capacity to manage operationally and financially sustainable water supply services.

Services that were once readily available are now often intermittent, including the provision of drinking water, wastewater treatment and solid waste collection. Furthermore, the decline in the quality of these services has now created serious risks to public health. The civil unrest that erupted in 2010 highlighted the need to strengthen the delivery of basic communal services in local communities as a way of alleviating social tensions.

Local governments are responsible for delivering these services and ensuring the necessary infrastructure, and the institutional model differs by city. In the City of Talas, the Talas Communal Services Company is a public utility wholly owned by the City of Talas and services the City of Talas with water and wastewater, solid waste and street cleaning services. In Bishkek, the Bishkek Water Company (“Bishkekvodokanal” or “BVK”) is the municipal enterprise serving the City of Bishkek and surrounding rural areas. The BVK provides potable water supply for domestic, commercial and public sector customers and collects and treats wastewater. For the City of Kant, water supply is unique in the sense that a private operator - OsOO MarketingService - has been in place since 1991. In April 2011 the lease contract was extended to 2026 based on a good track record in the delivery of reliable water services, and the assets belong to the City of Kant and OsOO pays an annual lease. However, all cities have severely limited capacity due to lack of available fiscal resources and the managerial weaknesses of their utilities. At the same time, water users face severe affordability constraints.

### ***Problems Addressed by the Project***

Strategic water resources in the Kyrgyz Republic are vulnerable to climate change, and the baseline investments, technical assistance and capacity building activities do not explicitly address the vulnerabilities due to climate change. Already there is evidence of a trend towards rising average surface temperatures, with slightly increased precipitation in the north and decreased precipitation in the centre of the country. By the 2050s, summer temperatures are expected to rise by approximately

3 C to 3.5 C, and average winter temperatures by 3 C. Summer precipitation is generally projected to decrease over the whole country, with the greatest decreases (up to 15%) anticipated in the southwest of Kyrgyzstan. As noted above, glacial melt will contribute to increased river flows, flooding and glacial lake outbursts, whereas the water level of the largest lake in the country is declining.

The state of the current water infrastructure increases Kyrgyzstan's vulnerability to these climate change risks. As identified in the SNC, there is a lack of modern, effective water distribution systems that reduce waster losses, and few incentives for water-users to use available water resources efficiently. This is especially critical during summer months when water availability is projected to drop precipitously while demand peaks due to climate change.

The root causes of the problems noted above lie in the neglected and under-invested infrastructure of the water supply systems in Kyrgyzstan, the poor condition of which makes the population extremely vulnerable to the projected impacts of climate change. Not only has under-investment in infrastructure led to a situation where water is wasted, but at the same time drinking water is obtained from sources highly vulnerable to climate change. Thus, the drinking water supply in general is highly vulnerable to climate change.

Baseline activities will address some of the issues related to these inefficiencies, yet further, business-as-usual investments in water supply rehabilitation would not factor-in climate change considerations and adaptation options. Standard investments would likely provide an inadequate response to the forecasted climate-driven pressure on water supplies in the coming decades, as they would not explicitly take into account climate change risks and projected changes in water demand/supply due to climate change.

The main identified barriers to addressing the root causes and associated risks are the following:

- *Information and awareness barriers* – Low awareness and lack of specific and timely information on risks and vulnerability related to climate change, and on climate risk reduction processes at the national and local levels.
- *Technical barriers* – Current plans and investments do not consider the long-term implications of climate change, therefore, the design of infrastructure overlooks climate change-related limitations and impacts. Limited technical knowledge of available adaptation approaches and technologies, in particular water regulation and possible alternative climate-resilient sources of drinking water, result in infrastructure that is highly vulnerable and communities that lack the resiliency to respond to climatic stressors.
- *Institutional barriers* – There is low institutional capacity to integrate adaptation and climate change risk reduction into water management by water companies and city authorities. The current system of water governance and management is too inflexible to accommodate competing demands of water users and is insensitive to the risks posed by climate change. Authorities lack adaptive planning capacity, timely inputs on climate change and early warning; and feedback on experiences from cities facing similar situations. Community involvement in water governance

is low, including a low awareness of climate issues related to urban water supply and infrastructure.

### ***Baseline Projects***

The EBRD began working on water projects in Kyrgyz Republic in 2009, signing the first EBRD Municipal and Environment Infrastructure (MEI) project in the country – *the Bishkek Water Project* – which is now under implementation. Under the project, the Swiss Government and the EBRD have provided EUR 11.8 million to improve the water supply in Bishkek. Specifically, the project is financed by a grant of EUR 5.7 million from the Swiss Government and a EUR 5.5 million sovereign loan from the EBRD. The project has enabled the Bank to make progress with water tariff reforms, meeting IFRS accounting standards, and promoting efficiency in the Bishkek water company.

Despite the difficult domestic situation following the events in April and June 2010, the Bank continued the implementation of the municipal water project and the preparation of projects in urban transport and solid waste in Bishkek. The EBRD then participated in a post-conflict Joint Economic Assessment (JEA) in the Kyrgyz Republic in cooperation with the World Bank, Asian Development Bank and the United Nations. A review of the infrastructure upgrade needs throughout the country was made, and the IFIs established coordination to ensure that needs were addressed and gaps or overlaps were avoided.

The EBRD developed a *Water and Wastewater Framework* that comprises water and wastewater projects throughout the country. The Framework streamlines the EBRD approval process for sub-projects in water and wastewater. In May 2011, the Bank signed new water/wastewater projects for Osh and Jalalabad. In addition, the EBRD is considering providing a sovereign facility of up to €20 million to co-finance priority water and wastewater rehabilitation projects across the Kyrgyz Republic with international donors. The Framework envisages sovereign loans that would be on-lent to the water companies involved as appropriate and would address urgently needed water and wastewater infrastructure rehabilitation needs.

The overall objective of EBRD's investment program in the water sector in Kyrgyzstan is to rehabilitate the water supply infrastructure in additional cities under the Framework. This investment program is, therefore, considered the baseline project, which is defined as all project activities funded with sources other than the GEF. The baseline project is to be financed by the EBRD (and possibly other donors yet to be determined) and targets water infrastructure rehabilitation in three Kyrgyz cities with the aim of implementing projects over the next two years. The problems in the water and wastewater sector will be addressed through relatively small but well-designed projects. The approach aims to achieve maximum impact under existing affordability and public debt constraints in the country.

The EBRD will work with the Kyrgyz authorities, water companies and communities as follows:

- Promoting efficient water use and rehabilitating water supply infrastructure; and,
- Improving management of utilities and awareness and involvement of water users.

As affordability constraints among the population are severe, the EBRD is working with bilateral and international donors to arrange grant co-financing to facilitate the implementation of urgent upgrades without imposing additional hardship on the population.

The indicative participating cities include Talas, Kant and Bishkek (where activities will be in addition to the EBRD water and wastewater project in Bishkek begun in 2009). Eligibility criteria for participation includes:

- The water utility's ability to honour existing and new financial obligations;
- Willingness of the key local authorities to enter into a Project Support Agreement to support the sub-project;
- Willingness of the company and local authorities to implement transition objectives; and
- Confirmation of the Ministry of Finance's willingness to use sovereign debt capacity for the project.

B. 2. [incremental /Additional cost reasoning](#): describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated [global environmental benefits](#) (GEF Trust Fund/NPIF) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

#### ***Objective of the SCCF Project***

The objective of the proposed project is to improve the climate resiliency of water supply in cities in the Kyrgyz Republic by fully mainstreaming climate change considerations into water infrastructure rehabilitation. Through this proposed SCCF-funded project, the EBRD, the Kyrgyz authorities and selected water companies will work together to build adaptive capacity to help ensure that climate change considerations are fully mainstreamed into water infrastructure rehabilitation in urban areas. The project takes an innovative, holistic approach to promoting climate resiliency of Kyrgyzstan's water supplies including: developing and integrating climate change considerations into the infrastructure design stage; building climate resilient features into water infrastructure rehabilitation projects, targeting a combination of water supply and demand measures; strengthening capacity of water governance to support the integration of climate change impacts into water resources management; and increasing community participation in water governance at the urban level. Overall, the project is designed to result in more reliable and sustainable sources of drinking water, greatly reduce water losses, and encourage more rational and efficient use of water resources.

#### ***Project Outcomes and Components***

To meet the proposed project objective, the following outcomes are sought:

- (i) Strengthened awareness and ownership of adaptation and climate risk reduction processes at both the local level and national level;
- (ii) Decreased water demand and improved climate resilient supply of drinking water, reducing pressure on climate-vulnerable water resources;
- (iii) Institutional capacity developed and governance of water companies and city authorities strengthened for integrating climate change impacts into water resources management; and

- (iv) Increased community involvement in water governance and awareness of climate issues in water governance.

The project activities will be implemented through four closely related Components:

**Component 1:** Integrating climate change assessments into the design and appraisal of water infrastructure;

**Component 2:** Building in additional climate-resiliency features in water infrastructure rehabilitation projects;

**Component 3:** Increasing capacity for water governance; and

**Component 4:** Increasing community involvement in water governance and raising knowledge and awareness of climate change implications among water users

For each project Component, a description is provided below detailing both the baseline and the adaptation alternative.

**Component 1: Integrating climate change assessments into the design and appraisal of water infrastructure**

*(\$1.225 million from EBRD co-financing, with \$0.15 million requested from the SCCF)*

***Baseline***

Currently, as noted above, EBRD's investment program in the water sector in Kyrgyzstan involves the rehabilitation of the water supply infrastructure in cities under the *Water and Wastewater Framework*. As part of this work, EBRD is conducting feasibility studies and other assessments for water and wastewater projects throughout the country. The objective of this feasibility work is to develop affordable least cost and cost-effective bankable priority investment programmes for water infrastructure to rehabilitate and increase the efficiency of the existing system with strong social and environmental benefits. A secondary objective is to identify costs and recommend financing and implementations timing, taking into account existing affordability and public debt constraints in the country. Baseline tasks typically include: baseline studies to assess current conditions of water and wastewater management and prepare technical, environmental and social audits of current water supply and wastewater facilities; preparation of financial projections; development of long-term investment programmes; preparation of priority investment programme; and environmental and social due diligence.

The potential impacts of climate change, however, are not currently incorporated into future resource planning. There is a lack of understanding of the impacts of climate change on water resources. As such, there is no systematic consideration of climate change impacts in future water infrastructure project design and appraisal.

***Adaptation alternative***

The proposed project under this Component focuses on understanding climate change impacts on water resource supply and demand, and on the related economic and institutional implications. This information provides a foundation for adaptation planning, as the consideration of the impacts of climate change will be systematically

incorporated into water infrastructure project design and appraisal. Further, this information provides a foundation for informed decision-making by key stakeholders and thereby helps to ensure that future water infrastructure projects are climate resilient. The project will focus on increasing adaptive capacity in key urban areas to improve responses to the impacts of climate change, including variability, by increasing knowledge and understanding of climate variability and change-induced risks at the country level and their implications for water infrastructure. Current climatic conditions as well as projected climate change will be taken into account, in so far as they have the potential to affect water supply and wastewater discharges.

While the envisioned project activities will be further refined during project development, it is anticipated that the project will focus on three areas that allow for the integration of climate change assessments into the design and appraisal of water infrastructure: (i) risk and vulnerability assessment; (ii) water resources studies; and (iii) design and appraisal methodologies.

The project will prepare up-to-date risk and vulnerability assessments for participating cities. It is anticipated that this will include updating existing risk and vulnerability assessment data for the participating cities and also conducting additional risk and vulnerability assessment for participating cities, as necessary, covering specific points where infrastructure and users are vulnerable to climate change.

Water resources studies will be undertaken to detail the impact of climate change on water resource supply and demand, and economic and institutional implications. Activities will tentatively include conducting a systematic study on water resources in Kyrgyzstan, including potential changes in supply and demand due to the effects of climate change. An overview of economic and institutional implications of anticipated climate change will be developed, and studies produced will be disseminated to policy-makers, investors and other stakeholders as appropriate.

Methodology for designing and appraising water infrastructure projects that are climate resilient will be developed. The project will develop a country-appropriate methodology for designing and appraising water infrastructure projects in a way that will ensure that investments are climate resilient. These design and appraisal methodologies will also be disseminated to policy-makers, investors, and other stakeholders.

## **Component 2: Building in additional climate-resiliency features in water infrastructure rehabilitation projects**

*(\$23.26 million from EBRD co-financing, with \$3.0 million requested from the SCCF)*

### ***Baseline***

EBRD has been requested to finance upgrades to the water supply and wastewater systems in cities in Kyrgyzstan. Currently, the water supply services are sub-standard due to lack of maintenance and repair, which has contributed to *ad hoc* water supply and too low pressure in the pipelines to deliver water in many parts of the cities. Wastewater may be collected in septic tanks of buildings, contributing to health issues. The unreliable water supply and sub-standard wastewater collection affects the

willingness-to-pay for water and collection rates are low, which also limits possibilities to carry out tariff reform.

In response, EBRD is outlining strategic long-term investment programmes, which include priority environmental and social considerations. Phased approaches will be used to deal with the possibility of further budget constraints due to decreased affordability.

### *Adaptation alternative*

This project component focuses on building in additional climate-resiliency features in water infrastructure rehabilitation projects. The intent is to improve the efficiency of water use and supply, thereby reducing the vulnerability of drinking water supplies to climate change. A number of Kyrgyz cities are candidates to be involved, including: Bishkek, Talas and Kant. It is envisioned that the following approach will be taken: (i) increase efficiency of water use to reduce climate vulnerability; (ii) rehabilitate drinking water supply infrastructure; and (iii) identify new, alternative climate-resilient sources of drinking water.

To increase water use efficiency, new water meters, water saving technologies and meter-based billing are anticipated to be installed in all participating cities. This may include installation of water meters at points of delivery, in both domestic and commercial properties. The intent is to increase transparency of the usage and charging system, and therefore promote reduced demand and resource requirements.

The rehabilitation of drinking water supply infrastructure is anticipated to involve the renovation of pumping stations, and improvements to water storage to increase capacity and reduce water losses thereby improving the overall reliability of the water supply. It is anticipated that wastewater-recycling measures are designed and implemented - including wastewater collection and treatment - as effective treatment of wastewater will also reduce water pollution and drinking water contamination. Implementation of water loss reduction measures for distribution systems is a potential activity. Finally, equipment to improve operations and maintenance (e.g., equipment necessary to maintain the renovated water supply systems, including maintenance equipment, compressors and basic tools) is anticipated to be provided.

It is anticipated that new, alternative climate-resilient sources of drinking water will be identified and accessed. Potential steps include:

- Identify drinking water options. The identification of new drinking water sources requires significant lead times yet early identification of such possible sources will provide Kyrgyzstan communities with options that could lead to reduced pressure on existing sources. Availability of water quality and quantity data will be determined;
- Investigate and assess drinking water options;
- Recommend preferred options. This will include consideration of environmental and social impacts, financial viability and sustainability; and
- Access new drinking water sources.

The majority of this Component will be funded by the EBRD (loans and grants) and other donors, as infrastructure rehabilitation is considered business-as-usual

development. The additional activities include introduction of innovative measures to reduce demand and identification of new, alternative climate-resilient sources of drinking water. As a result of these project investments, the vulnerability of communities to climate change impacts on drinking water resources will be reduced. Additional anticipated benefits include reduced resource wastage and quantitative values of water use leading to increased public awareness of water use issues; reduced operating costs for utilities; increased transparency of billing system and associated increases in willingness-to-pay and predictability of revenue stream; increased efficiency and reliability of water supply reduces climate vulnerability; reduced operating costs for utilities and increased quality of service and reduced potential for source contamination and potential for safe use of treated water.

### **Component 3: Increasing capacity for water governance**

*(\$2.975 million from EBRD co-financing, with \$1.5 million requested from the SCCF)*

#### ***Baseline***

Water companies and city authorities generally lack the capacity to integrate climate change impacts into water resources management. Water and wastewater services are separated from the central administration and remain under municipal control yet are operated inefficiently with poor service quality and limited coverage. Financial and operational performances are also generally poor, particularly in the smaller cities.

#### ***Adaptation alternative***

Given the uncertainty and evolving nature of climate impacts, there is a need to promote adaptive management and planning approaches. This Component addresses the remaining institutional and investment challenges to facilitate the mainstreaming of climate change in water resources management. To this end, the project will tentatively: work with water utilities and municipalities strengthen their management responses to climate change impacts; support the development of climate monitoring and early warning systems; and develop an information network focused on the water sector for participating cities

The project may support the following:

- Design and implement a climate change education and training program focuses on adaptation to climate change, including training to management staff, focused on professional water resources management;
- Establishing laboratory facilities and developing associated training that will be made available and accessible to all participating cities;
- Strengthen the city authorities and water companies' capacities to manage climate impacts on water resources on an ongoing basis, including technical assistance to improve transparency and governance;
- Develop systems to strengthen monitoring of climatic changes, including dissemination of risk information and other important parameters, and early warning systems;
- Design and implement an information mechanism linking water authorities with climate specialists in order to utilize monitoring data. Use the system and refine

- according to user needs; and
- Assess the information needs of water authorities, and design and launch an information network focused on the water sector for participating cities. Train the water authorities, local governments and other stakeholders on the network; and monitor network usage and refine network and training as necessary.

These interventions will improve the capacity of water utilities and municipalities to adapt to climate change, while improving corporate planning and fulfilment of national and international environmental and social standards. It is anticipated that there will be improved monitoring of climatic changes and risk information to enhance timely decision-making about adaptive planning and associated investments. Further, the project will provide a demonstration of systems and associated benefits that could be replicated in the region. As project stakeholders will be actively networking and have increased capacity, future climate change adaptation projects will also be better supported.

**Component 4: Increasing community involvement in water governance and raising knowledge and awareness of climate change implications among water users**

*(\$0.58 million from EBRD co-financing, with \$0.35 million request from the SCCF)*

***Baseline***

Currently there is low community involvement in water governance in the candidate cities. Water companies and city authorities lack mechanisms to directly access households to implement adaptation measures, and to gather information on what works and what are the problems. In addition, there is low awareness among the community of climate issues related to water, including implications on water usage at the household and community levels.

***Adaptation alternative***

This Component seeks to ensure that the community involvement is sufficient to support and sustain the project initiatives tentatively through two mechanisms: establishing water use committees in selected urban areas; and collecting and disseminating lessons learned from participating cities.

Envisioned project activities will be further refined during project development and may include the following:

- Establish Water User Committees in each participating neighbourhood as a mechanism to increase climate resiliency at the household level. These Committees represent their area's private household clients and, as such, will be a direct link to reduce water losses and increase water quality at the community level;
- Support the Water User Committees on approaches to gathering issues, liaising with water company and/or the City (e.g. quality of service, affordability of tariffs), and assist with awareness raising of climate change implications for water users;
- Collect and document lessons learned from the initiatives of each participating city; and

- Disseminate lessons learned to cities in Kyrgyzstan and other EBRD countries to highlight the achievements of the projects and the co-benefits for utilities, consumers and communities. The intent is to ensure that lessons from projects in each city are identified and promoted thereby maximizing demonstration and replication effects.

Overall, this Component of the SCCF project is anticipated to increase awareness of climate change and its implications on water usage at the household and community levels. Direct access to households will be established to help implement adaptation measures, and to gather information that will improve utilities' relationships with communities and help identify needs. The population will be engaged in the decision-making process for the water utilities, allowing for better community ownership, communication, and management. The active dissemination of results will help ensure the demonstration value of the SCCF funding, leading to better project design in future climate change adaptation projects. This may also lead to additional projects being implemented by municipalities both in Kyrgyzstan and in other countries.

### ***Project Management***

*(\$0.52 million from EBRD)*

Project management supports measures to strengthen the key local stakeholders, covering supervision and financial management costs associated with the project. All of these project management activities will be funded by EBRD.

### ***Implementation Arrangements***

This project will be directly executed by the EBRD. The project team consists of bankers and specialists from the specialist Municipal Environmental Infrastructure (MEI) team and the EBRD's Bishkek Office. Specialist input on procurement and implementation issues will also be available from the EBRD's staff team. All project activities funded by donors will be used either directly for investment, or to hire engineering and other specialist company consortia. These consultants, to be made up of competent local and international experts, will work closely with the project management and the General Directors of the Companies in the participating cities to deliver the project outcomes. The consultants will liaise with the Bank's Operation Leader, while providing all technical support, training and system development to the cities / companies necessary or advisable in order to achieve the objectives of their assignments.

EBRD is highly experienced in running similar technical assistant programmes using this management structure and is confident that it is a cost-effective approach to delivering the desired project outcomes.

In this particular project, project management costs for both the non-GEF 'baseline' project and the SCCF-funded activities will be entirely covered by EBRD and other co-financing sources.

Additional details on the project management arrangements will be given in the Request for CEO Endorsement.

### ***Catalytic and Replication Effects***

The proposed project will use approaches that have not been applied in Kyrgyzstan previously, and in this context the project will be highly innovative and with powerful demonstration impact. Component 4 will explicitly ensure that lessons are captured, evaluated and disseminated actively both within the country and region.

***Cost Effectiveness of Approach***

In the absence of the proposed EBRD-GEF project, opportunities for infrastructure improvements would be extremely limited, both because of awareness and capacity barriers, but primarily because of a lack of financing for the sector. Investments made by municipalities would be small, piecemeal projects, and they would fail to capture efficiencies from coordination between urban systems and from considering demand-side investments for generating energy resources.

Investment from commercial sources or private parties would continue to be the exception rather than the rule, and many cities might be limited to funding emergency repairs rather than upgrades that could bring significant resource savings.

The proposed project approach is deemed to be the most cost-effective and most likely to lead to sustainable results, because the funds from the GEF will leverage substantial investment from both EBRD and the municipalities and utilities that will undertake improvements. Grants alone could never achieve the leverage that this combined approach will achieve.

- B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF). As a background information, read [Mainstreaming Gender at the GEF.](#):

The efficiency of water use is a local social issue and a regional political issue, both of which are becoming increasingly important over time and under climate change stressors. The socio-economic benefits delivered by the project include resource savings through reduced drinking water consumption, reduced leakage and water losses, enhanced water supply, and improved access to cleaner and more climate-resilient water sources.

The associated economic benefits of reduced resource use will make participating cities more competitive, and can thus support better the well-being of their populations. This is particularly important for women who are particularly vulnerable to economic and climate risks, and who are often directly impacted by the ease of access to household water for domestic purposes. To further support equity and gender mainstreaming, the water usage committees formed under the project will ensure equitable representation of all population groups, in particular women.

Benefits expected from the project are summarized below by project Component:

Component	SCCF and Adaptation Relevance, and Associated Benefits	Other Benefits
<b>Component 1:</b> Integrating climate change assessments into the design and appraisal of water infrastructure		
Risk and vulnerability assessment	<ul style="list-style-type: none"> <li>▪ Allows for potential impacts of climate change to be incorporated</li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows for reduced impacts on vulnerable populations</li> </ul>

	into future resource planning.	through adoption of improved planning processes.
Water resource study	<ul style="list-style-type: none"> <li>Allows for understanding of impact of climate change on water resource supply and demand, and on both economic and institutional implications. This information will provide a foundation for adaptation planning.</li> </ul>	<ul style="list-style-type: none"> <li>Provides a foundation for informed decision-making.</li> </ul>
Design and Appraisal Methodologies	<ul style="list-style-type: none"> <li>Allows for systematic consideration of climate change impacts to be incorporated into future water infrastructure project design and appraisal.</li> </ul>	<ul style="list-style-type: none"> <li>Provides a foundation for future water infrastructure projects to be climate resilient.</li> </ul>
<b>Component 2: Building in additional climate-resiliency features in water infrastructure rehabilitation projects</b>		
Approaches to increase efficiency of water use to reduce climate vulnerability	<ul style="list-style-type: none"> <li>Allows potential impacts of climate change to be incorporated into future resource planning</li> </ul>	<ul style="list-style-type: none"> <li>Reduces resource wastage and quantitative values of water use leading to increased public awareness of water use issues.</li> <li>Reduces operating costs for utilities.</li> <li>Increases transparency of billing system and associated increases in willingness to pay and predictability of revenue stream.</li> </ul>
Rehabilitation of drinking water supply infrastructure	<ul style="list-style-type: none"> <li>Increases efficiency and reliability of water supply reduces climate vulnerability.</li> </ul>	<ul style="list-style-type: none"> <li>Increases efficiency and reduced reliance on electrical energy supply.</li> <li>Reduces operating costs for utilities and increases quality of service.</li> <li>Reduces potential for source contamination and potential for safe use of treated water.</li> </ul>
Access of new, alternative climate-resilient sources of drinking water	<ul style="list-style-type: none"> <li>New water sources reduce pressure on existing sources while decreasing the vulnerability of the community to climate change impacts to drinking water resources.</li> </ul>	
<b>Component 3: Increasing capacity for water governance</b>		
Institutional strengthening of water utilities and municipalities regarding management responses to climate change impacts	<ul style="list-style-type: none"> <li>Improves capacity of water utilities and municipalities to adapt to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Improves corporate planning and fulfilment of national and international standards in environmental and social standards</li> </ul>

Climate monitoring and early warning systems	<ul style="list-style-type: none"> <li>▪ Improves monitoring of climatic changes and risk information to enhance timely decision-making about adaptive planning and associated investments.</li> <li>▪ Improves capacity of water authorities to use monitoring data for adaptive planning and other decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provides a demonstration of systems and associated benefits that could be replicated in the region.</li> </ul>
Information network for participating cities	<ul style="list-style-type: none"> <li>▪ Project stakeholders in the SCCF have sufficient capacity to support the project activities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supports future climate change adaptation projects.</li> </ul>
<b>Component 4:</b> Increasing community involvement in water governance and raising knowledge and awareness of climate change implications among water users		
Water User Committees	<ul style="list-style-type: none"> <li>▪ Increases awareness of climate change and its implications on water usage at the household and community levels.</li> <li>▪ Direct access of Committees to households to implement adaptation measures and to gather information on what works and what are the problems.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engages population in the decision-making process for the water utilities, allowing for better community ownership, communication, and management.</li> <li>▪ Improves utilities' relationships with communities and helps identify needs.</li> </ul>
Lessons learned from the project	<ul style="list-style-type: none"> <li>▪ Active dissemination of results ensures the demonstration value of the SCCF funding, leading to better project design in future climate change adaptation projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ May lead to additional projects being implemented by municipalities both in Kyrgyzstan and in other countries.</li> </ul>

B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

<b>Risk</b>	<b>Level</b>	<b>Risk mitigation approach</b>
Political	Med	Economic growth was adversely affected by the civil unrest in 2010 and the GDP declined by 1.5%. The economy is now stabilising and GDP growth of 5% is expected in 2011. The civil unrest had an adverse effect on the fiscal stance, and the government is now prioritising social and reconstruction needs, such as rehabilitation of water supply. The government remains fragile and political conditions have not been fully stabilised. Dealing with independent water suppliers will guard against this risk.
Environmental and Social	Low	Localized and/or temporary risks during construction phases are site-specific and will be addressed through EBRD's established policies and procedures, in particular the Environmental and Social Action Plan that includes mitigation measures and corrective actions identified during project due diligence covering construction and operation stages.
Institutional	Low/Med	The credit risk posed by the creditworthiness of the participating Water Companies will be addressed in several ways. The loan/grant ratio will be assessed against creditworthiness and affordability constraints. Loan agreements will include targeted/required water payment collection rates.
Technology	Low	Technology employed will be standard (base water pumps, ground works and standard network rehabilitation).

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

Key project stakeholders include the Ministry of Finance, which will confirm its willingness to use sovereign debt capacity for the project, and water utilities and key local authorities, which will enter into a Project Support Agreement to support each separate sub-project. These local authorities will also confirm their willingness to implement transition objectives associated with the project.

As the water projects are included in the Joint Economic Assessment conducted in 2010, there will also be coordination with other donors including the Asian Development Bank and World Bank as appropriate.

A thorough review of ongoing activities in the sector and a full stakeholder consultation will be held as part of project development. A stakeholder coordination plan will be included in the Request for CEO Endorsement.

B.6. Outline the coordination with other related initiatives:

The EBRD is coordinating closely with other actors in the field of water infrastructure rehabilitation in the Kyrgyz Republic. Coordination between agencies in the water sector in the Kyrgyz Republic is conducted through the meetings and sessions of the Development Partners' Coordination Council's (DPCC) Water Supply and Sanitation Subgroup. The post-conflict JEA outlined cooperation with the World Bank, Asian Development Bank and the United Nations, and the proposed project will continue to ensure that needs are addressed while gaps and overlaps are avoided.

The proposed project will coordinate closely with other ongoing EBRD projects. In particular, this project will build upon lessons learned through the recently approved SCCF/EBRD project *Increasing Climate Resilience through Drinking Water Rehabilitation in North Tajikistan*. The project will also liaise with the EBRD water supply project in Bishkek begun in 2009 to modernize the water sector. Through that project, the EBRD and the Swiss Government provided EUR 11.8 million (non-reimbursable grant, sovereign loan and technical assistance funds) to improve the supply of water to some 1 million people living in Bishkek. The proposed project will also coordinate with the other sub-projects under the EBRD's *Kyrgyz Republic Water and Wastewater Framework*, in particular with planned interventions in Osh and Jalalabad.

This proposed project will also ensure coordination with other relevant initiatives in the country and region, including those detailed in Annex A. Key ongoing initiatives include:

- ADB “*Issyk-Kul Sustainable Development Project*” (2009-2015) - The ADB project is of similar magnitude (investment costs of USD 37,5 million) with some elements in common with the proposed SCCF project, however, there is limited potential for duplication due to the projects' different geographical<sup>8</sup> and thematic focus, specific aims and project outcomes. In fact, several potential synergies exist between the

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<sup>8</sup> The geographic coverage of the proposed SCCF project includes the cities of Kant, Talas and Bishkek; whereas the ADB project is focused on the cities of Balykchy, Cholpon-Ata, and Karakol.

projects that derive from their compatible visions concerning the importance of the Kyrgyz water sector as vital for the economic, ecological and human health. While the ADB project emphasises infrastructure (rehabilitation, upgrading and expansion) and commercial skills development, the proposed SCCF-EBRD project has a significant dissemination component (alongside infrastructure and capacity building) focusing on the replicability of specific urban interventions. As such, there is significant scope for cooperation between the significant dissemination activities of the proposed project (Component 4) and those of the ADB's Issyk-Kul project which are concerned mainly with dissemination among local and regional beneficiaries.

- World Bank's "*Second Rural Water Supply and Sanitation Project (RWSSP)*" (2009-2013) – This project focuses on improving access to potable water for the participating communities<sup>9</sup>; and improving hygiene, sanitation and water-related practices at individual, family and institutional levels in the rural areas. This project provides financing for the following activities, among others: to rehabilitate or expand existing village water supply systems; to promote healthy hygiene and sanitation practices at the village-level; and to assist the Government to ensure sustainability of the rural water supply programs.

Given the innovative nature of this project, the demonstration impact will be significant. The project will actively disseminate its lessons to other water rehabilitation efforts in the country and region.

#### **C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:**

The EBRD provides project financing for banks, industries, and businesses, both new ventures and investments in existing companies. It works with publicly owned companies to support privatization, restructuring state-owned firms and improvement of municipal services. The EBRD uses its close relationship with governments in the region to promote policies that will bolster the business environment. The EBRD has a strong environmental mandate and is committed to financing projects that are environmentally sound and sustainable.

The comparative advantage of the EBRD for the GEF lies in the Bank's experience and track record in market creation and transformation, and ensuring sustainability through private sector and municipal environmental infrastructure projects at the country and regional level in the countries of eastern and central Europe and central Asia. The EBRD recognized from the start the strategic importance of municipalities in the transition and in the financing of projects with significant environmental benefits in the district heating, water, and waste sectors. Over recent years EBRD has developed considerable expertise in the area of climate change mitigation and energy efficiency, for example through its Sustainable Energy Initiative. EBRD is becoming active in the field of climate change adaptation and is developing expertise in this area as well as forming new partnerships with other agencies to address the challenges of climate change adaptation in the EBRD region.

The Bank has a strong, well-established presence in the region and is therefore uniquely well-placed to contribute to the challenge of climate change adaptation in the region. It

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<sup>9</sup> The geographic coverage of the World Bank project includes: Talas Oblasty, Naryn Oblasty, Issyk-Kul'skaya Oblast', Ak-Kochkor, Chuy Oblasty, Jele Tob.

has a network of around 200 professional staff located across the region to support project development, implementation and monitoring, together with sustained policy dialogue and business relationships with governments, local institutions, industry, banks, utilities and investors. The EBRD currently operates in 28 countries within the region and has at least one resident office within each of these including in the Kyrgyz Republic. Some larger countries, such as Russia and Kazakhstan, also have sub-regional offices to bring EBRD staff closer to the business needs. Regional offices are typically staffed by a mixture of international and national staff and provide an in-depth knowledge of the social, economic, and political conditions within the country and help to generate and implement new projects as well as monitor existing operations, and facilitate dialogue and business relationships with governments, local institutions, industry, banks, utilities, and investors.

C.1 Indicate the co-financing amount the GEF agency is bringing to the project:

The EBRD will mobilise co-financing of approximately USD 28,560,000 from a mixture of EBRD loans and donor grants.

C.2 How does the project fit into the GEF agency's program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

The proposed project's objectives are consistent with the EBRD's *Country Strategy for the Kyrgyz Republic* (BDS/KY/07-01), the EBRD's *Municipal and Environmental Infrastructure Operations Policy* (BDS/04-68) and the *Early Transition Countries Initiative*.

The EBRD *Country Strategy for the Kyrgyz Republic* identifies the main priorities of fostering the private sector, strengthening the financial sector and supporting critical infrastructure projects. In developing private businesses, the EBRD targets direct financing to agribusiness, textile, property and tourism, consumer services, as well as natural resources. In the financial sector, activities focus on strengthening the Bank's partner financial institutions (in terms of capital, corporate governance and general competitiveness) and developing new products that reduce financial institutions' foreign exchange risks. Support for critical infrastructure includes financing for privatisations (telecoms) or concessions (power, roads, gas pipelines). Where possible, projects are regional in nature. This project addresses the strategic priority of critical infrastructure.

The EBRD focuses its activities on supporting micro, small and medium-sized enterprises and developing key infrastructure projects. To date, the EBRD has committed about EUR 250 million in various sectors of the Kyrgyz economy, mobilizing additional investments of about EUR 500 million in over 70 projects.<sup>10</sup> The EBRD Early Transition Countries Fund for Technical Cooperation funds projects in Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, Moldova, Mongolia, Tajikistan and Uzbekistan and is the EBRD's main vehicle for channelling donor funding to these countries.

Following close consultation and collaboration with the Government of the Kyrgyz Republic and municipal officials, this project relates to the EBRD's framework operation for water and wastewater utilities in the Kyrgyz Republic (April 2011). This

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<sup>10</sup> <http://www.ebrd.com/pages/news/press/2011/110124c.shtml>

framework operation ("Framework") consists of sovereign debt facilities to be provided for water utilities in cities throughout the Kyrgyz Republic, co-financed with capital grants from donors. The first two sub-projects are for the Osh Water and Wastewater Rehabilitation and Jalalabad Water and Wastewater Rehabilitation, and will be two sovereign loans of up to EUR 3 million each on-lent to the Companies to finance investments in water supply and wastewater management improvements.

This Framework builds on the EBRD's track record in supporting water sector reforms across early transition countries and will be a vehicle to support critical investments in smaller towns, which would be difficult to financing on a stand-alone basis. Projects will improve the quality and reliability of water supply and wastewater management and the operational performance of the Companies involved.

The EBRD office is based in Bishkek with a professional staff of seven (senior bankers, associate bankers, analyst, programme monitor) and administrative staff of three.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)

**B. GEF AGENCY(IES) CERTIFICATION**

**This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.**

Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Ms. Marta Simonetti-Whitford		08/24/2012	Craig Davies	+44 20 7338 6661	daviesc@ebrd.com

**ANNEX A. KEY ONGOING PROJECTS RELEVANT TO THE KYRGYZSTAN WATER SECTOR**

Project Name	Budget and Executive Agency	Duration	Priority Sector	Objectives	Geographical Focus
<b>EBRD and the Swiss State Secretariat for Economic Affairs (SECO)</b>					
Improvement of Water Supply in Bishkek city:	EBRD Loan – 5 500 000 EUR SECO Grant – 5 000 000 EUR <i>Bishkek Vodokanal</i>	2011 - 2014	Water and wastewater	Improve water and wastewater services in Bishkek: (1) Replacement of water pipes, (2) Replacement of submerged pumps, (3) Re-drilling and installation of new boreholes, (4) Supply and installation of water meters, (5) Replacement of machinery, (6) Replacement of chlorination units	City of Bishkek
Water and Waste Water Rehabilitation in the City of Osh	EBRD Loan – 3 000 000 EUR SECO Grant – 4 300 000 EUR	2011 - 2014	Water and wastewater	Improve water and wastewater services in Osh: (1) supply and installation of water meters (bulk flow/consumer), (2) replacement of water pipes, (3) rehabilitation of	City of Osh

<i>Project Name</i>	<i>Budget and Executive Agency</i>	<i>Duration</i>	<i>Priority Sector</i>	<i>Objectives</i>	<i>Geographical Focus</i>
	<i>Osh Vodakanal</i>			pumping stations, (4) extension of sewerage system, (5) WWTP rehabilitation	
Water and Waste Water Rehabilitation in the City of Jalalabad	EBRD Loan – 3 000 000 EUR SECO Grant – 4 100 000 EUR  <i>Jalalabad Vodakanal</i>	2011 - 2014	Water and wastewater	Improve water and wastewater services in Jalalabad: (1) supply and installation of water meters (bulk flow/consumer), (2) modernization of water supply and distribution system, (3) sewerage maintenance vehicles, (4) extension of sewerage system including waste water pumping station and force main, (5) WWTP rehabilitation	City of Jalalabad
<b>Asian Development Bank</b>					
Community-Based Infrastructure Services Sector Project - Supplementary	30 000 000 USD  <i>ARIS</i>	2008-2013	Rural water supply and sanitation	Improvement of rural water supply and sanitation: 1) rehabilitation of water supply and sanitation systems, (2) capacity development of communities and local administrations, (3) sanitation and hygiene community awareness and education program, and (4) provision of O&M equipment to the communities.	Chui, Osh, Jalalabad and Batken oblasts
Issyk-Kul Sustainable Development Project	20 000 000 USD  <i>Ministry of Finance</i>	2009-2015	Economic growth; tourism; rural livelihoods; social development; private sector development	Environmental preservation of Issyk-Kul region; improvements in the water supply, sanitation and solid waste management systems; new sewage treatment plants; rehabilitation and extensions of the water distribution network; sanitary landfills and medical waste incinerators for three urban centres. Other proposed works include community services for improving water supply and sanitation in schools.	Sub-national (Issyk-Kul region)
Emergency Assistance for Recovery and Reconstruction	28 000 000 USD  <i>SDRD</i>	2010-2013	Public infrastructure	Improvement of essential public infrastructure: (1) rehabilitation of water supply and sewerage	Osh and Jalalabad

<i>Project Name</i>	<i>Budget and Executive Agency</i>	<i>Duration</i>	<i>Priority Sector</i>	<i>Objectives</i>	<i>Geographical Focus</i>
				systems, (2) rehabilitation of public sanitation facilities, (3) provision of O&M equipment and vehicles.	
<b>Swiss State Secretariat for Economic Affairs (SECO)</b>					
Karakol Water Supply Rehabilitation	9 500 000 CHF <i>Karakol Vodokanal</i>	2005-2012	Drinking water supply	The main goal of the Project is to provide cost effective investments and tariff reform in drinking water supply of Karakol: (1) Construction of one new surface water treatment plant; Rehabilitation of existing and construction of new production wells; construction of new distribution mains and rehabilitation of the distribution network; Rehabilitation and new construction of service connections; Installation of connection meters; Gradual installation of connection meters according to choice of population; (2) Institutional and Capacity Building Component	Karakol
<b>World Bank</b>					
Second Rural Water Supply and Sanitation Project (RWSS 2)	10 000 000 USD <i>ARIS</i>	2009-2013	Water management; health;	To improve access to potable water for the participating communities; and improve hygiene, sanitation and water-related practices at individual, family, and institutional levels in the rural areas	National
Bishkek and Osh Urban Infrastructure Project (BOUIP)	12 000 000 USD <i>ARIS</i>	April 2008-June 2015	Urban services	To increase the availability of basic urban services in semi-formal new housing developments (known as novostroiki) in Bishkek and Osh, as well as in selected small towns of the Kyrgyz Republic, and to increase the availability of social infrastructure: (1) Road and water supply infrastructure works (2) Small community investments (3) Institutional development	Bishkek and Osh, and other selected small towns of the Kyrgyz Republic

<i>Project Name</i>	<i>Budget and Executive Agency</i>	<i>Duration</i>	<i>Priority Sector</i>	<i>Objectives</i>	<i>Geographical Focus</i>
				activities (4) Project management.	
Bishkek and Osh Urban Infrastructure <i>Additional Financing Project (BOUIP AF)</i>	15 800 000 USD  <i>ARIS</i>	2012-June 2015	Urban services	(1) Bishkek, Osh and Selected Small Towns Infrastructure Development, (2) Community Investment Program, (3) Institutional Development, (4) Project Management, Coordination, Monitoring and Evaluation	Bishkek and Osh, and other selected small towns of the Kyrgyz Republic
Water Management Improvement Project (WMIP)	28 100 000 USD  <i>Kyrgyz Min of Agriculture, Water Resources and Processing Industry</i>	2006-2012	Agriculture; water resource; rural development	To improve irrigation service delivery and water management for the benefit of a sustainable increase in irrigated agricultural productivity; and improving national water resource governance for the benefit of water users and the nation as a whole.	National
Second On-farm Irrigation Project	20 550 000 USD  <i>Kyrgyz Ministry of Agriculture, Water Resources &amp; Processing Industry</i>	2007-2015	Agriculture	Improve irrigation service delivery on a sustainable basis that will contribute to increased agricultural productivity among irrigation farmers; temporarily cover incremental operating costs of Water Users Association Support Units (WUA-SUs) for vehicle operation, trainings, workshops, office operating costs and simple equipments	National
Second On-farm Irrigation Project: <i>Additional Financing</i>	15 050 000 USD  <i>Kyrgyz State Committee For Water Resources And Land Improvement</i>	2011 (approved)	Water management; rural development	Additional Financing to help finance the costs associated with scaling up of project activities	National