



# Azerbaijan: Urban Water Supply and Sanitation

Project Name	Urban Water Supply and Sanitation		
Project Number	35087-013		
Country / Economy	Azerbaijan		
Project Status	Closed		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	Loan 2119-AZE: Urban Water Supply and Sanitation		
	Asian Development Fund		US\$ 20.00 million
	Loan 2120-AZE: Urban Water Supply and Sanitation		
	Ordinary capital resources		US\$ 10.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development		
Sector / Subsector	Water and other urban infrastructure and services / Urban policy, institutional and capacity development - Urban sewerage - Urban water supply		
Gender	Some gender elements		
Description	The project objective is to improve the quality, reliability, and sustainability of WSS services in the towns of Agdash, Goychay, and Nakhchivan. This objective will be achieved through (i) construction of new optimally sized water supply and sanitation infrastructure and strategic rehabilitation of selected facilities; and (ii) establishment of new water utilities as open joint stock companies (JSCs), and creating in them operational and managerial capacity by engaging the services of an experienced international operator on the basis of a performance-based management contract.		
Project Rationale and Linkage to Country/Regional Strategy	To be determined. In the adoption of the State Program for Poverty Reduction and Economic Development, the Government stated its intentions to improve the performance of municipal WSS systems. The Government's recent focus on the development of regional infrastructure, including the WSS, is in line with its general policy to support non-oil development, particularly the utilities sector. Also, a State Program on Socio-Economic Development of the Regions was recently adopted, which includes the proposed Project in the three towns.		
Impact	Improved living and health conditions of the population in the project area		
Project Outcome			
Description of Outcome	Provision of safe, reliable, and sustainable water supply services in Agdash, Goychay, and Nakhchivan		
Progress Toward Outcome	Water intake facilities constructed in three towns. Water is being supplied to Nakhchivan. On completion of new networks under the Water Supply and Sanitation Investment Program, water will be supplied in Agdash and Goychay.		
Implementation Progress			
Description of Project Outputs	Constructed and rehabilitated water supply intake infrastructure Three new WSS utilities in the form of JSCs are established, and a foundation for their sustainable operations and management is instituted		
Status of Implementation Progress (Outputs, Activities, and Issues)	Water intake works were commissioned in Agdash (November 2009) and Goychay (January 2010). Water intake works in Nakhchivan are complete and the executing agency proposes to construct a water treatment plant, under the recently approved Azerbaijan Water and Sanitation Investment Program. JSCs in three towns were established in 2008.		
Geographical Location			
Safeguard Categories			
Environment			B
Involuntary Resettlement			C
Indigenous Peoples			
Summary of Environmental and Social Aspects			
Environmental Aspects	Initial environmental examination (IEE) was carried out for all subprojects and shows no significant adverse environmental impact. The IEE was approved by the Ministry of Ecology and Natural Resources of Azerbaijan.		
Involuntary Resettlement	The Government will ensure and cause AzerSu to ensure that the construction of WSS services will be on the existing right-of-way or on state-owned land. The Project will not entail land acquisition from private ownership, and no persons will be adversely affected in terms of ADB's Involuntary Resettlement Policy (1995). In the event of unforeseen land acquisition from private ownership and/or resettlement, the Government and/or AzerSu will prepare and have necessary planning documents approved by ADB before award of civil works contracts, and implement any such resettlement measures in accordance with ADB's Involuntary Resettlement Policy (1995).		
Indigenous Peoples	Most of the population in the project areas are Azeris; the Project will not affect any ethnic minority.		
Stakeholder Communication, Participation, and Consultation			

During Project Design	Extensive public consultations took place during project preparation. As part of the Project's preparation a Social Assessment (SA) was undertaken between April 20th to June 15th 2003 to provide a picture of the existing user behaviour and needs, and to develop a participatory framework to ensure a sustainable water supply and sanitation project. The SA process included project household surveys; focus groups meeting; stakeholder consultation, and informal interviews with vulnerable groups and other members of the community to assess the realities of water. Public consultation to-date has played an important role in the preparation process to screen design options to minimize social and environmental impacts. Further public consultations will take place once the project begins, and within this process, the necessary documentation as needed for the consultative process will be made available in the Azeri language.
During Project Implementation	Consultations were held with Town Water Users' Association.

Business Opportunities	
Consulting Services	The Government will select and engage an international consulting firm in association with domestic consultants in accordance with ADB's Guidelines on the Use of Consultants, and other arrangements satisfactory to ADB for the engagement of domestic consultants. The consulting firm will assist the EAs and the PMUs in project implementation and management, preparation of detailed design, procurement and contracting, construction supervision, finance and accounting, and social and poverty assessments. The international consulting firm will be recruited using ADB's Quality and Cost-Based Selection (QCBS) method. A transaction adviser engaged under the associated TA will assist with recruitment of the MC for the operation and management of the new WSS utilities. The proposed MC will be recruited in accordance with ADB's Guidelines on the Use of Consultants, using the QCBS method with appropriate adjustments. The Project will provide about 68 person-months of international and 570 person-months of domestic consulting services to support project implementation, including detailed design and supervision. Consulting services will cover (i) project management, (ii) WSS engineering, (iii) detailed engineering design and construction supervision, (iv) financial management and accounting, (v) a WSP specialist, (vi) a procurement specialist-contract engineer, and (vii) a social specialist. Outline terms of reference (TORs) and overall details of the project are reflected on ADB web site (www.adb.org) Eligible firms having international association and sufficient experience, desirous of undertaking the assignment are invited to express their interest immediately to the undersigned stating background of their organization and details of professional experience to be assigned to deliver the required service.
Procurement	Civil works estimated to cost more than \$1 million and equipment and materials above \$500,000 will be contracted using the international competitive bidding (ICB) procedures. Civil works valued at \$1 million equivalent or less will be contracted out using the local competitive bidding (LCB) procedures in accordance with the tendering and bidding law and related regulations acceptable to ADB. Equipment and materials packages valued at or under \$500,000 will be procured through international shopping (IS) procedures.

Responsible ADB Officer	Padmanabhan, Vijay
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	AzerSu JSC Farid Mammadov 67, Tbilisi av. Baku AZ1012, Azerbaijan State Comm Urbn Plnng & Arhtcture of Nakhichevan Asgar Asgarov H. Aliyev pr 42 Nakhichevan City Nakhichevan Autonomous Republic

Timetable	
Concept Clearance	08 Mar 2002
Fact Finding	24 May 2004 to 11 Jun 2004
MRM	01 Jul 2004
Approval	07 Dec 2004
Last Review Mission	-
PDS Creation Date	31 Jan 2007
Last PDS Update	08 Jan 2013

## Loan 2119-AZE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Dec 2004	29 Nov 2005	27 Oct 2006	30 Jun 2011	-	30 Nov 2011

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	29.90	Cumulative Contract Awards			
ADB	20.00	17 Jun 2022	20.93	0.00	100%
Counterpart	9.90	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	20.93	0.00	100%

## Loan 2120-AZE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Dec 2004	29 Nov 2005	27 Oct 2006	30 Jun 2011	-	06 Feb 2012

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	10.00	Cumulative Contract Awards			
ADB	10.00	17 Jun 2022	9.67	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	17 Jun 2022	9.67	0.00	100%

Project Page	<a href="https://www.adb.org/projects/35087-013/main">https://www.adb.org/projects/35087-013/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=35087-013">http://www.adb.org/forms/request-information-form?subject=35087-013</a>
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