Azerbaijan: MFF - Water Supply and Sanitation Investment Program (Facility Concept)

**Project Name**: MFF - Water Supply and Sanitation Investment Program (Facility Concept)

**Project Number**: 42408-013

**Country**: Azerbaijan

**Project Status**: Active

**Project Type / Modality of Assistance**: Loan

**Source of Funding / Amount**: MFF Facility Concept 0032-AZE: MFF - Water Supply and Sanitation Investment Program (Facility Concept)

| Ordinary capital resources | US$ 600.00 million |

**Strategic Agendas**: Environmentally sustainable growth

**Drivers of Change**: Governance and capacity development

**Sector / Subsector**: Water and other urban infrastructure and services - Water supply and sanitation

**Gender Equity and Mainstreaming**: Effective gender mainstreaming

**Description**: The Water Supply and Sanitation Investment Program (the Investment Program) will improve the quality and coverage of urban services in secondary towns and peri-urban areas surrounding Baku. It will benefit approximately 500,000 residents. The Investment Program has three components: (i) constructing water supply and sanitation (WSS) infrastructure to boost service coverage, quality, and reliability (Component A); (ii) developing institutional effectiveness, including management and governance (Component B); and (iii) instituting program management facilities to oversee program implementation and treatment of technical requirements such as those for environment and social safeguards and gender mainstreaming (Component C).

Physical investments from component A will provide (i) increased water supply coverage; more connections to piped networks; and reduced system leaks to ensure 24-hour supply of pressurized, safe drinking water; and (ii) increased wastewater disposal and treatment. Components B and C will finance nonphysical investments targeting (i) institutional improvements for WSS service delivery; (ii) capacity development for better system planning, operation, and maintenance; (iii) enhanced cost recovery through metering, billing, and collection tariffs; (iv) increased efficiency for timely processing of effective WSS projects; and (v) a twinning arrangement with an external WSS utility to support capacity development. Component C will include project management support; assistance to carry out due diligence for new tranches; help with gender, environment and social safeguards, governance, legal, financial, and administrative matters; design works for subsequent tranches; and general training and development.

**Project Rationale and Linkage to Country/Regional Strategy**

**Impact**: Improved public health and environment in participating towns.

**Project Outcome Description**: Improved coverage, and the continuity and quality of water supplies and wastewater disposal in participating towns.

**Progress Toward Outcome**: Nakhchivan water supply and sewerage network construction ongoing.

**Implementation Progress**

**Description of Project Outputs**

- **A**: Water Supply and Sanitation Infrastructure Rehabilitated and Improved
  - A.1 Rehabilitated, replaced, and expanded piped-water supply systems, water works, and treatment facilities in participating towns
  - A.2 Water quality monitoring system developed and implemented
  - A.3 Rehabilitated, replaced and expanded sewerage networks
  - A.4 New wastewater treatment plants constructed in participating towns
- **B**: Improved WSS management and planning
  - B.1 Institutions improved for WSS service delivery
  - B.2 Capacity developed for better system planning, operations and maintenance
  - B.3 Cost recovery enhanced through metering, billing and collection tariffs
  - B.4 Efficiency increased for timely processing of effective WSS projects
- **C**: Program Management Facility established
  - C.1 Program Management Facility established

**Status of Implementation Progress (Outputs, Activities, and Issues)**

- **Output A**: Civil works contract for Nakhchivan water supply and sewerage (WSS) network awarded in May 2010. Civil works for Goychay WSS network and Nakhchivan water treatment plant (WTP) planned to commence in October 2011.
- **Output B**: Tariffs increased in Feb 2011 to recover part O&M. Institutional effectiveness support being planned by Investment Program consultants.
- **Output C**: Investment Program consultants appointed under AZERSU and SAWMA Program Management Facilities.

**Geographical Location**

**Summary of Environmental and Social Aspects**
### Environmental Aspects

- Involuntary Resettlement
- Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

**During Project Design**

Town Water Users Association (TWUA) and nongovernmental organizations (NGOs) were consulted during project design.

**During Project Implementation**

TWUA and NGOs will be consulted during project implementation. Local communities will also be consulted.

### Business Opportunities

**Consulting Services**

Consultants will be recruited using ADB's quality-and cost-based selection procedures, and individual consultant selection procedures in accordance with ADB's Guidelines on the Use of Consultants (2007, as amended from time to time).

**Procurement**

All procurement under the MFF will be carried out in accordance with ADB's Procurement Guidelines (2007, as amended from time to time). A procurement plan will be prepared for each tranche under the MFF.

### Responsible ADB Officer

Lu Shen

### Responsible ADB Department

Central and West Asia Department

### Responsible ADB Division

Urban Development and Water Division, CWRD

### Executing Agencies

- AzerSu JSC
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  - Baku
- State Amelioration & Water Management Committee of Nakhchivan Autonomous Republic
  - Asger Asgerov
  - nakhuwss@mail.az
  - Nakhchivan

### Timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Concept Clearance</td>
<td>07 May 2009</td>
</tr>
<tr>
<td>Fact Finding</td>
<td>03 May 2009 to 20 May 2009</td>
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<tr>
<td>MRM</td>
<td>07 Jul 2009</td>
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<tr>
<td>Approval</td>
<td>23 Sep 2009</td>
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<td>Last Review Mission</td>
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<td>PDS Creation Date</td>
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<td>Last PDS Update</td>
<td>02 Sep 2011</td>
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### MFF Facility Concept 0032-AZE

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<th>Financing Plan</th>
<th>Loan Utilization</th>
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<tbody>
<tr>
<td>Total (Amount in US$ million)</td>
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<tr>
<td>Project Cost</td>
<td>800.00 Cumulative Contract Awards</td>
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<td>ADB</td>
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<tr>
<td>Counterpart</td>
<td>200.00 Cumulative Disbursements</td>
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<tr>
<td>Cofinancing</td>
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### Project Page

https://www.adb.org/projects/42408-013/main

### Request for Information

http://www.adb.org/forms/request-information-form?subject=42408-013

### Date Generated

03 September 2019

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