

Armenia: Safe and Constant Water Supply in Yerevan



Enhanced Public-Private Partnership in Delivery of Water Services in Armenia

Overview

The quality, reliability, and efficiency of water supply services have improved dramatically for Yerevan, the capital and largest city of Armenia. The International Development Association (IDA) has supported the government of Armenia in providing safe and stable water supply and reducing environmental pollution through two water and wastewater management projects. Over 332,000 households in Yerevan have benefitted from improvements in the duration of water supply and water quality.

Challenge

For many years the Yerevan water supply system suffered from problems associated with the poor condition of water and wastewater networks, limited institutional capacity, and weak financial performance of the water utility. Over the past decade, the government of Armenia has strived to improve access, reliability and quality of the drinking water and its infrastructure.

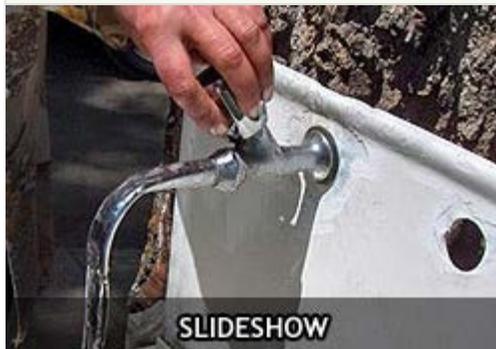
Approach

The government of Armenia recognized that the main reason for the poor water services was the weak management of the available water resources. In 2000, with the support of the International Development Association (IDA) under a Municipal Development Project, the government introduced an example of a performance-based management contract for Yerevan. Since then, private sector participation is increasingly seen by the Armenian government as a key component of sector reform strategies aimed not only at improving service provision, but also at facilitating institutional change. The Yerevan Water and Wastewater Project (YWWP) builds upon earlier reforms and continues to strengthen Yerevan's water supply while reducing environmental pollution. The government opted for increased private sector participation – a lease contract for ten years.

Results

The public-private approach piloted and then expanded on

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332,000

households in Yerevan have benefitted from improvements in the duration of water supply and water quality between 2006 and 2011

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- » Municipal Development Project
- » Yerevan Water and Wastewater Project

water and sanitation has been innovative and has delivered substantial results. YWWP is one of the pioneer projects in the Europe and Central Asia Region in terms of public-private partnership in the water sector under lease contract between the City of Yerevan and a private operator, Veolia.

In Yerevan, over 332,000 households (about 1.1 million inhabitants) have benefitted from the following improvements between June 2006 and January 2011:

- » Yerevan Municipality
- » Veolia Jur

- The duration of water supply with a base value of 19.6 hours, after a significant decline to 17.4 hours, has increased to 21.5 hours (end of project target (December 2011): 24 hours/day).
- The number of sites for wastewater discharges has been reduced from 17 at baseline to 8 (end of project target: 8).
- Water quality remains high, bacteriological safety increased from 93 percent at baseline to 98 percent (end of project target: 98 percent).
- Electricity consumption decreased from 119 gigawatt hour (GWh) at baseline to 92 GWh (exceeding end of project target: 94 GWh).
- New piped household water connections resulting from the project intervention – 21,373.
- Piped household water connections that are benefitting from rehabilitation works – 26,120.
- People provided with access to improved water services – 273,000.

Bank Contribution

To improve the access, reliability and quality of drinking water, IDA provided the first credit of US\$ 30 million to Yerevan's water sector with the Municipal Development Project (MDP) in 1998, which closed in January 2006. Recognizing the need for continued support, the government requested another IDA credit to support the on-going Yerevan Water and Wastewater Project (YWWP) (US\$ 20 million), which was approved by IDA in February 2005. The closing date is December 2011.

Partners

There is a strong partnership among key development partners in Armenia's water sector. The French government provided funding for Yerevan's water and wastewater services, including some investments in the Aeratsia wastewater treatment plant. Since activities to be covered under the French loan are interrelated with investments currently taking place under the IDA Credit and with envisaged subsequent investments, the activities are closely coordinated. The coordination efforts bode well for future improvements of the sector.

Moving Forward

Significant investment is still needed, however, to reduce excessive amounts of unaccounted for water, rehabilitate poor water and wastewater infrastructure, and continue institutional and financial capacity building. The shortcomings in the system can only be remedied through a rehabilitation of water supply systems with well established prioritizations and the adoption of regulatory and institutional changes that introduce adequate incentives and instruments to improve efficiency and improve the management of the supply systems and infrastructure.

Beneficiaries

In Yerevan, over 332,000 households (about 1.1 million inhabitants) have benefitted from the water improvement measures carried out under the Project.

Aghavni is a nurse who has worked at the maternity hospital for more than 15 years: *“A few years ago water supply at the hospital was very problematic, and the hospital would get water for a few hours only in the morning. Nurses had to collect water in tanks to be used during the whole day to bathe the newborns and attend to other needs. Nowadays, our hospital has a new water supply system which functions round the clock. Now it is a pleasure to help mothers deliver healthy babies; there are no fears that the water maybe cut off.”*