

Project Summary for Public Disclosure

Project Overview	
Project Name	The Development of Water Supply and Sanitation Systems Project
Country	The Russian Federation
Sector	Water Supply and Sanitation; Sustainable Development
Approval Date (by the Board)	28 May 2018
Total Project Cost	USD 400 million
Loan Amount	USD 320 million
Borrower	The Russian Federation
Implementation Agency	The Saint Petersburg Foundation for Investment Projects (FISP)

I. Introduction

The Volga River is widely viewed as the mother river of Russia. 11 out of the 20 largest cities of Russia are situated in the Volga River Basin. Contamination of water in the Volga River has become one of the most pressing environmental issues in the country. Wastewater from households, farms and industries are flushed through rain and floods into the Volga River, accounting for more than one-third of total discharges in Russia. Deteriorating conditions of existing infrastructure along the Volga River have significantly impacted the quality of water supply and sanitation services. Concerns on water quality affect the life of the residents and the development of the local economy. Currently, over 65% of water supply systems and 63% of wastewater collection and treatment systems are in need of an upgrade or replacement. The Russian government's Policy for Economic Development until 2030 aims to ensure ecologically oriented economic growth. In this context, the Project is designed with financing from NDB to help modernize water supply and sanitation systems in five competitively selected cities in the Volga River Basin. The Project is in close alignment with NDB's mandate of supporting sustainable infrastructure development.

II. Project Description

The objective of the Project is, through modernizing and constructing integrated water supply and sanitation systems, to reduce ecological damage and increase health security of the residents in the five participating cities in Russia. The NDB will support the Project through a Sovereign Project Loan up to USD 320 million.

The content of the Project includes: i) constructing advanced facilities of water treatment, water supply network, water drainage network, sewage treatment, and storm water collection and treatment system; ii) improving process efficiency of existing infrastructure with advanced technology and equipment.

III. Environmental and Social Aspects

The Project will bring benefits of: (i) increased operating efficiency of water supply and sanitation systems, (ii) reduced growth of utilities tariffs for the population, (iii) reduced investments in capital repairs for rehabilitation of water supply and sanitation systems, (iv) significant reduction of environmental damage of Volga River with wastewater treatment, (v) increased health security for citizens with improved quality of water supply, (vi) easy maintenance of infrastructure built with application of advanced technology.

The Project is categorized as “B” in accordance with the NDB Environment and Social Framework with limited adverse social and environmental impacts. Potential cases of land use during construction of pipelines will be regulated by the country system requirements. Appropriate compensation will be provided for land temporary use to the owners of the land. No conversion of natural habitats or negative impacts on biodiversity or indigenous peoples was found.

IV. Financials

The total cost of the Project is estimated to be USD 400 million. NDB will support the Project through a Sovereign Project Loan of USD 320 million. Counterpart financing is USD 80 million, out of which USD 49 million is from federal budget of the Russian Federation and USD 31 million is from the city governments and water service providers.

Financier	Amount (\$ million)
New Development Bank	320
Federal Budget	49

City Governments and Water Service Providers	31
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V. Implementation

The Project is estimated to be implemented between 2019 and 2024. Suppliers for the Project will be selected through a competitive and transparent bidding process.

VI. Contact

New Development Bank: projects@ndb.int