

# »» Project Information

Implemented by:



## Infrastructure – Azerbaijan

Modern water supply and waste water disposal in Ganja and Sheki

At the end of the Soviet era, Azerbaijan's water supply system was in a desolate state of repair due to a lack of investment. Following independence there was a partial collapse of infrastructure and the water supply became even more precarious. As a result, the inhabitants of Ganja and Sheki only had a maximum of six hours of poor quality running water per day. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), KfW Development Bank is supporting the Azeri Government in modernising the water supply and waste water disposal systems in both cities.

### Background

The cities of Ganja and Sheki are located in northwestern Azerbaijan. Ganja, with its population of 320,000 inhabitants, is the country's second largest city after the capital Baku, and in addition to being an industrial base, is also a key trading hub and has several universities. Sheki has 64,000 inhabitants and potential for attracting tourists; it is located on the former silk route and is well known for its beautiful landscape, silk production and historical-cultural buildings. However, the lack of a functioning continuous water supply is hampering economic development in both cities.

Ganja and Sheki's water supply systems – built in the first half of the twentieth century – are in a poor state of repair. For this reason, many inhabitants buy their water in bottles or from privately-operated water trucks, both of which are expensive. Some have access to unregulated private wells which are contaminated by untreated waste water. The waste water seeps into the ground

through leaky pipes or is drained above ground. Sewage pipes and waste water treatment plants have been destroyed and are no longer in working order – the waste water treatment plant in Ganja was not even completed, and the waste water is frequently used to irrigate surrounding fields. This not only negatively impacts the environment, it also endangers the population's health.

### Project approach

In cooperation with the Swiss and Azerbaijan Governments, KfW Development Bank is financing the necessary infrastructure measures in Ganja and Sheki on

<b>Project name</b>	Water supply and waste water disposal in Ganja and Sheki
<b>Commissioned by</b>	Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Country/Region</b>	Azerbaijan
<b>Lead executing agency</b>	National Water Authority AzerSu





Replacing water pipes in Ganja and Sheki. Source: Development Bank/Ursula Heister

behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The water supply and waste water disposal systems are to be modernized and operations are to be regulated on a permanent basis. The main focus is on providing clean drinking water around the clock, and reducing damage to the environment through safely managed waste water treatment. In doing so, the emphasis is on both the sustainable use of natural water resources and economic efficiency.

The total investment requirement is estimated at over EUR 400 million. The first phase of implementation, with an investment volume of EUR 55.4 million, involves renewing the systems for obtaining water from safe sources and replacing pipes. A total of EUR 140 million is available for the second and third phase, which is to finance part of the new water networks, waste water disposal drainage systems and the construction of new waste water treatment plants. During a fourth phase, a further expansion of the water and waste water network is planned, financed by a German contribution of EUR 120 million.

The project-executing agency is the national water authority AzerSu, with its subsidiaries Ganjasu and Shekisu, which are to be established as legally independent bodies during the project start-up phase. Con-

sultants are to support the local authorities in performing their management tasks, and are also to supervise the implementation of the investments and accompany the process of creating a new institutional set-up.

The local water authorities are to be restructured and their expertise is to be widened through training measures. This capacity building will put them in a position to finance and implement operating and maintenance measures of the facilities on their own in future.

Introducing consumption-based tariffs and installing water meters throughout the project areas should aid the population to handle water resources responsibly. Additionally, this should help to cover the operating costs of the previously subsidized national water authorities in future.

### Impact

The inhabitants of Ganja and Sheki have access to a continuous supply of high-quality drinking water, 24 hours a day. The cities' sewage will also be treated in line with EU standards and released back into the ecosystem.

The outcome is a contribution to improving the environmental situation and managing regional water resources in a sustainable, environmentally-friendly manner and reducing negative impacts on the population's health.



#### Contact

KfW Group  
KfW Development Bank  
Urban and Regional Development Caucasus  
Palmengartenstrasse 5-9  
60325 Frankfurt  
Germany

KfW Office Baku  
Nizamistr. 10  
1001 Baku  
Azerbaijan  
kfw.baku@kfw.de