



Kyrgyz Republic: Naryn Rural Water Supply and Sanitation Development Program

Project Name	Naryn Rural Water Supply and Sanitation Development Program									
Project Number	52256-001									
Country	Kyrgyz Republic									
Project Status	Proposed									
Project Type / Modality of Assistance	Grant Loan									
Source of Funding / Amount	<table><tr><td colspan="2">Grant: Naryn Rural Water Supply and Sanitation Development Program</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 10.70 million</td></tr><tr><td colspan="2">Loan: Naryn Rural Water Supply and Sanitation Development Program</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 10.70 million</td></tr></table>		Grant: Naryn Rural Water Supply and Sanitation Development Program		concessional ordinary capital resources lending / Asian Development Fund	US\$ 10.70 million	Loan: Naryn Rural Water Supply and Sanitation Development Program		concessional ordinary capital resources lending / Asian Development Fund	US\$ 10.70 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth									
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development									
Sector / Subsector	Agriculture, natural resources and rural development - Rural sanitation - Rural water supply services									
Gender Equity and Mainstreaming	Gender equity									
Description	The ADB program will focus on RWSS provision for 42 villages in Naryn Oblast. The indicative program scope will include: (i) development and rehabilitation of water supply networks and related infrastructure; (ii) piloting of non-networked sanitation solutions; and (iii) establishment of sustainable operational models, including development of local capacity and community-based operational management.									

Project Rationale and Linkage to Country/Regional Strategy

With a gross domestic product per capita of \$1,190 in 2018, the Kyrgyz Republic is one of the poorest countries in the Central and West Asia region. At the national level, 25.4% of the 6.2 million population lives in poverty. The poverty rate, when analyzed at the regional level, often exceeds 60%, due to the fact that two-thirds of the population live in an estimated 1,805 rural villages in isolated and mountainous areas.

According to the national household survey conducted in 2012, only 5% of the poor rural population has piped household connections. The majority of the population collected water from surface sources. Where rural water supply systems do exist, they date back 50 years without proper maintenance and do not provide safe and reliable water to the communities. The survey also shows that rural sanitation conditions have remained very poor, where 96% of the rural population rely exclusively on basic sanitation. These difficult conditions are aggravated by the often harsh climatic conditions and result in significant hardship for the rural population, especially for women and children. Lack of access to safe drinking water and sewerage systems is identified as a significant contributor to poverty and incurs economic costs to the country of over \$100 million annually which includes direct financial and productivity losses and negative impacts on public health.

Inadequate access to RWSS stems from weak planning and governance, inadequate government budget allocation, limited capacity, and external factors such as climate change. RWSS services are poorly delivered because of (i) financing gaps resulting from low revenue collections, (ii) asset deterioration caused by insufficient maintenance and reinvestment, (iii) ineffective organizational structure, (iv) lack of skilled personnel, (v) reliance on outdated technical standards, and (vi) poor sector regulation and management. Ineffective planning and governance derive from structural reasons, including partial decentralization reforms and lack of information systems. Inadequate financing derives from limited public resources to meet targets, inadequate revenues, and households' lack of access to finance. Skills need strengthening, particularly at the local level. Thus, investments in infrastructure, coupled with reforms to bring services closer to the people, are needed.

The Asian Development Bank (ADB) has financed two RWSS projects totaling \$66 million in loans and grants. In 2000, ADB approved the Community-Based Infrastructure Sector Services Project, which suffered from major cost overruns and poor execution of works. To rectify deficiencies in the execution of the works, ADB approved supplementary financing for the project. The supplementary project did not satisfy the legal covenants and violated ADB procedures, including ADB's Anticorruption Policy. ADB suspended the project in May 2012 and the project was cancelled in May 2013. The World Bank, as ADB's partner agency under the *Taza Suu* program, suffered through similar issues as ADB during project implementation. However, the World Bank continued with the project with the Community Development and Investment Agency (ARIS).

Impact	Decent living standards for each Kyrgyz citizen achieved. Health and quality of life of residents improved and adverse environmental impact reduced by 2026
Outcome	Inclusive and reliable access to safe water supply and sanitation services in Naryn Oblast improved.
Outputs	Rural water supply system improved Non-networked sanitation services piloted. Sustainable operational models established.
Geographical Location	Naryn

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
During Project Implementation

Responsible ADB Officer	Kohlhase, Jude Ernest
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Urban Development and Water Division, CWRD
Executing Agencies	<i>Department of Drinking Water Supply and Sewerage Development under the State Agency for Architecture, Construction, Housing & Public Utilities under the Government of the Kyrgyz Republic 28, Manas Avenue, Bishkek, Kyrgyz Republic</i>

Timetable

Concept Clearance	06 Nov 2018
Fact Finding	08 Apr 2019 to 19 Apr 2019
MRM	28 Jun 2019
Approval	-
Last Review Mission	-
Last PDS Update	07 Nov 2018

Project Page	https://www.adb.org/projects/52256-001/main
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