



**Ministry of Investment and Development of the
Republic of Kazakhstan**

**Implementation of investment projects
in the municipal infrastructure sector with
the participation of IFIs**



KazCenter of Housing and Communal Services is a subsidiary of the Ministry of Investment and Development of the Republic of Kazakhstan

The main activities of the KazCenter of Housing and Communal Services are:

- ✓ Development of the communal sector, incl. sphere of water supply;
- ✓ Modernization of urban infrastructure, incl. increase energy efficiency of multi-family residential buildings.

! In order to ensure the commercialization of the water supply sector and increase its investment attractiveness:

- ✓ state program of justification of investments in the water supply sector (for 53 cities of the Republic of Kazakhstan - 2 trillion tenge (about 5 billion euros)).
- ✓ realization of the state program on attraction of loans, incl. IFIs.

The center of the housing and communal services is a platform for providing access to IFOs to financing of regional projects in the field of water supply



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As part of the implementation of the State Program by the Government of the Republic of Kazakhstan, the Operator has identified the Housing and Utilities Center. State programs to support water channel attracting loans from IFOs:

- 1. For municipal water utilities: through replenishment of the authorized capital of enterprises for the implementation of projects (up to 50% of the project cost).*
- 2. For private water utilities: through direct subsidization of investment projects (up to 50% of the project cost).*



Framework agreement between the Government of the Republic of Kazakhstan and the EBRD on technical assistance and cooperation.

(Ratified by the Republic of Kazakhstan Law of October 22, 2005, No. 83).

In order to commercialize the water sector from January 31 to February 2, on behalf of the Deputy Prime Minister of the RK, the KazCenter Housing and Public Utilities Center together with the EBRD organized a training seminar for the regions on the commercialization of the sector and increasing its investment attractiveness.

In order to meet the investment needs of the water sector, it is necessary to expand the range of IFOs in the sector financing programs.

ADB together with the World Bank, has taken the initiative to participate in financing the sector, and to create a platform for attracting private sector funding to projects: for example, initially \$ 1 (from the state budget) attracts \$ 4 (commercial means).

In order to ensure transparency of the water supply sector, the KazCenter for Housing and Public Utilities, in the framework of the digitalization of economic sectors, which is the country's priority strategic task, implements measures for the digitalization of the municipal sector, incl. water sector:

- ✓ as a result of which an extensive database on water resources of the RK and their status will be created, including environmental aspects.*



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Investment projects involving IFOs are aimed at:

- ✓ **Modernization of water supply systems;**
- ✓ **Reduction of accidents on water supply networks;**
- ✓ **Reducing losses of water resources.**

The Bank (EBRD) is implementing 3 technical support projects:

1. TA project - feasibility studies.

An obligatory component of the study is the environmental aspects and measures for energy efficiency.

2. TA project - assistance in project implementation.

3. TA project - corporate governance program.

Within the framework of this project, the issues of improving management at the enterprise, incl. environmental management.

- The Bank directly finances the water channel based on the Loan Agreement with the water channel and the Support Agreement between the Akimat, the Bank and the water channel.
- In order to reduce risks, the state provides support to enterprises in the form of targeted transfers to replenish the share capital.



The project of Shymkent water channel: Construction of a complex for processing sludge, with the production of biogas and electricity

Indicators	Before construction	After commissioning
Construction of a complex for processing sludge, with the production of biogas, electricity	-	Generation of "green" electricity (50% of the volume required for operation of treatment facilities) - 500 kW / h or 4.4 million kW / h year Preventing (indirect) emissions into the atmosphere of CO ₂ - 3,7 thousand tons / year
Sand, trapped in sand trap	For the placement of sand in a municipal landfill, costs	Washed, dried sand (padding roads, construction)
Crude sediment and excess activated sludge	For the disposal of waste in the environment costs	Utilization of raw sludge and production of organic fertilizer 34 thousand tons / year for agricultural crops



Projects in the field of water supply and sanitation in the Republic of Kazakhstan

- ✓ Construction and operation of a desalination plant with a capacity of 50,000 m³ / day in the village of Kuryk village, Mangystau region;
- ✓ Construction of sewerage treatment facilities No. 2 in Astana;
- ✓ Construction of a biogas station at Sewage Treatment Plant (STP) in Almaty.



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