

NDEP News

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Concerted donor support tackles Komi and Archangelsk's environmental woes

Two NDEP projects will greatly benefit from additional donor contributions amounting to almost €2 million. These funds will help cash-strapped municipal utilities in the Republic of Komi and the Archangelsk region improve the quality of drinking water, water supply and wastewater services for their local populations.

Contributions from the EU-sponsored Investment Preparation Facility (IPF) and Municipal Investment Support Programme (MISP), the UK government's Department for International Development (DFID), and bilateral donations from Canada, Finland and Luxembourg will finance crucial technical cooperation programmes designed to assist these small municipal utilities achieve high standards of corporate governance and environmental management. The programmes include the formulation of corporate development plans, creditworthiness enhancement, project implementation units' training and environmental action plans. Portions of the NDEP grants awarded to these projects will be used to finance engineering support and construction supervision.

"These are truly innovative rouble-financed transactions," says Thomas Maier, director of the EBRD's Municipal Environmental Infrastructure team, which has taken the lead in these NDEP projects. "Without donors' support, it would be very difficult for these municipal utilities to have access to these loans."

Municipal services in Komi and Archangelsk have endured years of neglect, lack of funding and dire financial prospects. Their populations, a large part of which earns low incomes, will benefit from significant

environmental improvements in the municipal services they receive.

The Komi municipal services improvement programme will upgrade outdated water and waste-water utilities in two of the Republic's major cities, Syktyvkar and Vorkuta. Corroded pipelines, obsolete water treatment units, poor water distribution networks and a lack of water metering systems stand in the way of achieving environmental progress. For Vorkuta, a major coal supplier to Russia's metallurgical industry, wastewater treatment is a primary concern. The low technical capacity and the network's poor condition result in enormous water losses and the discharge of untreated wastewater into the Barents Sea basin.

The Archangelsk municipal water services project will upgrade municipal water treatment facilities serving approximately 370,000 people. It will also bring significant environmental benefits to the Northern Dimension by decreasing the levels of polluting discharges into the Barents Sea basin. The project will assist the municipal utilities rehabilitate water distribution networks, improve service standards, strengthen their financial and operational performance, and modernise their waste-water networks and collectors to eliminate direct discharges of untreated wastewater.

NDEP Steering Group holds fourth meeting under EIB Chairmanship

The NDEP Steering Group – made up of representatives from the EBRD, EIB, European Commission, NIB and the Russian Federation – gathered last 15 March 2004 in Luxembourg to discuss key NDEP issues and progress to date.

The Steering Group noted the rapid progress in implementing the NDEP pipeline of environmental projects. The Group also discussed the need for mobilising additional resources to the Support Fund destined to non-nuclear activities. Provided further funds are obtained, the Steering Group agreed to consider new environmental projects beyond the original set of 13.

The NDEP Steering Group unanimously supported the NIB's offer to assume the Group's chairmanship, which rotates yearly, in July 2004. The NIB held the Steering Group's first chair in 2001-2002.

The Steering Group's next meeting is scheduled for late June 2004.

Report on progress of EU Action Plan for Northern Dimension highlights NDEP

The European Commission released a progress report on the implementation of the EU's Northern Dimension Action Plan during 2003 last December.

The report describes the achievements made in the Action Plan's priority sectors, which include economy, business and infrastructure; scientific research and public health; environment and nuclear safety; cross-border cooperation; and, justice and home affairs.

According to the report, "NDEP is a crucial element for concrete environmental actions within the Northern

Dimension." The report notes that four key loan agreements were signed in 2003, three of which will bring substantive environmental benefits to the city of St Petersburg and one the Leningrad Oblast.

The report also mentions that NDEP "will make a very relevant contribution towards solving nuclear-related problems in north-west Russia." It remarks that the NDEP "nuclear window" will help address the challenges concerning spent nuclear fuel, the decommissioning of nuclear submarines and the upgrading of Russian nuclear power plants in the region. It also commends the signing of the landmark Multilateral Nuclear Environment Programme in the Russian Federation (MNEPR) in May 2003.

NDEP Projects in brief

Project	Leading IFI	Total cost	NDEP grant	Progress
• St Petersburg South West Wastewater Treatment Plant	NIB	€190 million	€5.8 million	Loan signed
• St Petersburg Flood Protection Barrier	EBRD	€470 million	€1 million	Loan signed
• St Petersburg Northern Wastewater Treatment Plant Incinerator	EBRD	€52.6 million	€6.35 million	Loan signed
• Municipal Environment Investment Programme in the Leningrad Oblast	NIB	€23.2 million	€4 million	Approved
• Komi Municipal Services Improvement Project	EBRD	€31.8 million	€5.9 million	Approved
• Kaliningrad District Heating Rehabilitation	EBRD	€20.8 million	€7.3 million	Approved
• Novgorod Cross Municipal Rehabilitation	NIB	€66 million	€5 million	In process
• Kaliningrad Solid Waste Management Project	NIB	€47 million	€9 million	In process
• Archangelsk Municipal Services Improvement Project	EBRD	€25.3 million	€8.2 million	Loan signed
• Murmansk District Heating Project	NIB	€20 million	€7.5 million	In process
• St Petersburg Neva Wastewater Collector Project	NIB	To be determined	€1.5 million	Steering Group Approved
• St Petersburg District Heating Programme	EBRD	To be determined	To be determined	In process
• Ladoga Environmental Programme	NIB	tbd	tbd	In process

Also note...

- Visit **NDEP's website in Russian** at www.ndep.org/RUS/. The site includes all information available on the English site, including newsletters and general information about NDEP. NDEP kindly request that you forward this link to any Russian-speaking partners and colleagues who may find information about NDEP of interest.
- For a hardcopy of the **NDEP brochure** write to info@ndep.org with your name, organisation and postal address.

The **Northern Dimension Environmental Partnership** was developed in response to calls from the Russian Federation and the international community for a concerted effort to address environmental problems in Northwest Russia. The most pressing relate to water, waste-water, solid waste, energy efficiency and nuclear waste.

The NDEP evolved from this initial idea into a fully established partnership whose Support Fund, managed by the EBRD, provides grant co-financing to key investments in environmental and nuclear safety projects in this area. NDEP projects are implemented by the EBRD, the NIB, the EIB and the World Bank.

The European Union, the Russian Federation, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden and the United Kingdom are the sponsors of the NDEP Support Fund, which currently stands at close to €200 million.

For more information, visit www.ndep.org, or contact Timo Hokkanen at hokkanet@ebrd.com