NRW in ECA countries

The Example of Armenia
(Summary Results from the Country Sector Note and Assessment of Private Sector Participation Impact Report prepared by Zaruhi Tokhmakhyan, Operations Officer)
Armenia in a Nut-Shell

- 29,743 square kilometres
- Population of 3,238,000
- GDP (PPP) $5,384/capita

- Significant infrastructure, overdimensioned, aging and deteriorated. High WS coverage (over 90%)
- Abundant water sources, move to gravity fed
- Apartment buildings without system for management of common assets -> Important leaks in basements, metering issues
- Culture of water abundance, waste
Evolution of Service in Recent years

- Performance-based Management Contract (MC) for Yerevan in 2000. Yerevan Djur (YD) more than 1.3 million inhabitants, accounting for the half of the total water supply in the country
- Ten year lease contract in 2004
- MC for Armenia Water and Sewerage Company (AWSC) - covering around 45% of the country’s population, 37 urban and 264 rural communities, – in 2004 (on-going)
- MC with KfW support for three Regional Water Utilities (Nor Akunq, Lori and Shirak) expires in 2013
Consumer’s Perception of Service

AWM

Significantly improved: 32%
Improved: 42%
Remained the same: 21%
Worsened: 4%
Significantly worsened: 1%

YD

Significantly improved: 21%
Improved: 44%
Remained the same: 29%
Worsened: 4%
Significantly worsened: 2%
Evolution of Service

YEREVAN DJUR
Population with Continuous Water Service

ARMENIA WATER & SEWERAGE COMPANY
Weighted Average of Daily Hours of Water Service
Energy Consumption and Costs

YEREVAN DJUR
Energy Costs

ARmenia water & sewerage company
Electricity Consumption and Costs
Yerevan Djur has achieved full cost recovery of O&M costs

AWSC still has to build financial sustainability, the utility is being subsidized by the national government
Metering
Main Challenges

- Restore service quality and consumer’s and Government confidence is operator’s first priority
- Percentages, hours, easily understood, cubic meters not
- NRW has an image impact. Is the situation really that bad? Is reduction of NRW the priority?
- Improve cost-recovery is operators second priority