



PROJECT CONCEPT FICHE *#WSS -004*

DEVELOPMENT OF THE WATER SUPPLY SYSTEM IN CHIRIET-LUNGA VILLAGE

MLPS project co-financed by



Implemented by



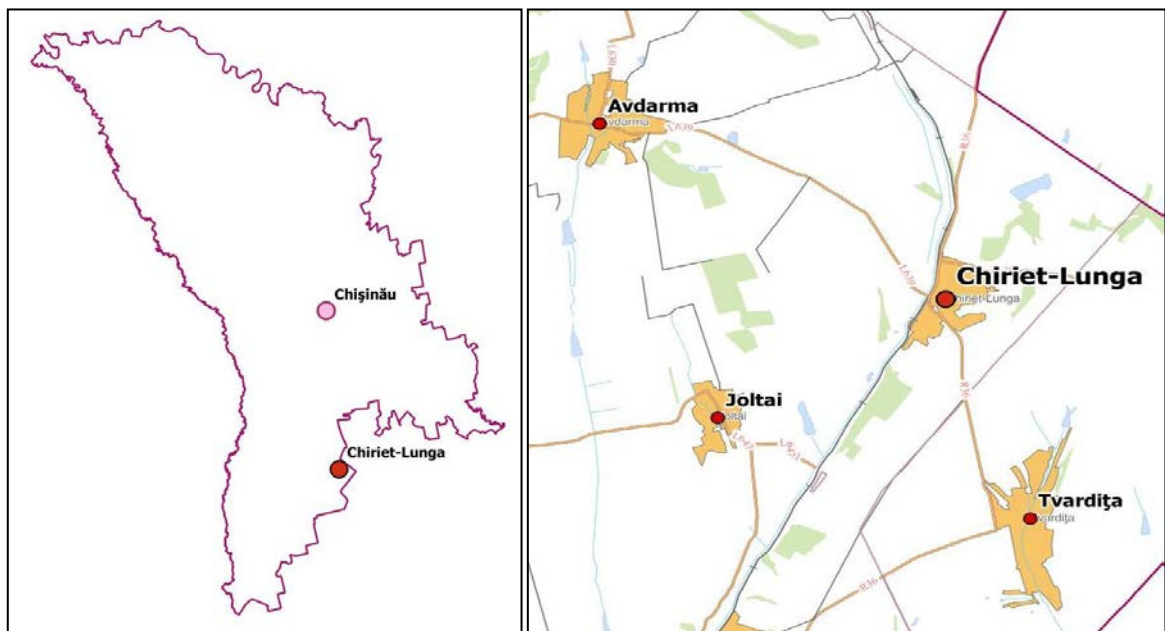
1: CONTEXT:

This project concept is one of the major priorities of the Regional Sector Program (RSP) for Water Supply and Sanitation (WSS) in the Administrative Territorial Unit (ATU) Găgăuzia for the period of 2018-2025.

The Regional Sector Program for Water Supply and Sanitation in the ATU Găgăuzia, approved by the Regional Council for Regional Development on the 5th of March 2018, has been elaborated by the Regional Development Agency (RDA) of ATU Găgăuzia with the financial and methodological assistance of the GIZ Project "Modernization of Local Public Services" and it is based on a detailed analysis of current situation in the sector, in compliance with the main documents for strategic national, regional and local, as follows:

- ✓ National Strategy for Water Supply and Sanitation [2014-2028]
- ✓ National Environmental Strategy [2014-2023]
- ✓ National Strategy for Regional Development [2016-2020]
- ✓ Strategy for Regional Development of the ATU Găgăuzia [2017-2020]
- ✓ Socio-Economic Development Strategy for the ATU Găgăuzia [2017 – 2022]
- ✓ Socio-Economic Development Strategy for Comrat Municipality [2017-2022]

2: LOCATION:



Chiriet-Lunga is a rural locality in Ceadâr-Lunga raion, ATU Găgăuzia. The settlement is located on the banks of the Lunga River, 29 km away from Comrat and 110 km from Chişinău. The locality has an area of 58.6 km², with a perimeter of 8.4 km.

The population of the village is about 2,500 inhabitants (840 households). The locality is crossed by a railway line.

3: IMPLEMENTING PARTNERS:

The implementation of this project involves a partnership composed of the following entities:

- ✓ Chiriet Lunga Village City Hall (+ local water-wastewater services provider ÎM "KIRIETPRIM"), and
- ✓ The Regional Development Agency of ATU Găgăuzia.

4: THE SCOPE AND PROJECT OBJECTIVES:

The purpose of this project is to cover 100% of the population of Chiriet Lunga village with centralized water supply.

To achieve this goal, the project involves the following objectives:

- ✓ Upgrading and extension of the water supply networks (about 23.5 km) to cover 100% of the population (currently 16%);
- ✓ Reduction of the specific operating costs of the service;
- ✓ Operational reorganization and streamlining of the local water-wastewater service operator.

5: PROBLEM DESCRIPTION:

Currently, the level of centralized water supply in the village of Chiriet-Lunga is the lowest in the entire ATU Găgăuzia, being only 16%. At the same time, the situation is complicated by the fact that on the territory of the locality there are no groundwater of low depth. Respectively, the provision of water to the inhabitants is done by transporting and selling it with the help of self-cisterns (2 tractors sponsored by private investors).

6: EXPECTED RESULTS:

Full implementation of the proposed activities will lead to the following results:

- ✓ Achieving the level of aqueduct coverage to 100% of Chiriet-Lunga population - 2,500 inhabitants (572 households), budgetary institutions and economic agents;
- ✓ Assuring the locality with drinking water supply sources;
- ✓ Increasing the level of protection of public health and reduction of illness cases;
- ✓ Development opportunities for businesses in areas covered with services from the aqueduct;
- ✓ Increasing the level of comfort of dwellings;
- ✓ Increase the volume of services provided by the service provider. Increase operator turnover;
- ✓ Reduction of specific operating costs while increasing the volumes of services rendered;
- ✓ Increase the efficiency of the local water-wastewater operator.

7: DETAILS REGARDING THE SECTOR DEVELOPMENT (EXISTING SITUATION):

7.1: Water Supply System in Chiriet-Lunga Village:

The central water supply system of the Chiriet-Lunga village is made from a groundwater source consisting of three artesian fountains located in the perimeter of the locality. The last artesian fountain was built in 2017, under the project no. 2016-10: "The drilling of the artesian fountain together with water tower and the existing artesian well probe no. 986 from Chiriet-Lunga village, ATU Găgăuzia", elaborated by SC "ACVAPRODAR" SRL. Water supply

networks have a length of 2.5 km. Coverage of water supply services in Chiriet-Lunga is only 16% (92 households).

Water supply services are provided 24 hours a day.

The need to extend the aqueduct networks is of 23.5 km.

The main challenges in the centralized water supply system in Chiriet-Lunga are:

- ✓ The quality of groundwater does not meet the requirements for drinking water due to excess concentrations of fluorine, boron, hydrogen sulphide and ammoniacal nitrogen in water.
- ✓ Over 80% of the locality is not covered by the aqueduct.

In order to solve the problem of water supply of the locality in 2013, the project no. 017/12, "Water Supply and Sewerage Networks and Installations" (stage I - aqueduct) was elaborated by OPART LLC.

7.2: Sewerage System in Chiriet-Lunga Village:

Chiriet-Lunga has no centralized sewer system. Due to its size, the locality can further develop decentralized sewerage system or centralized sewerage system in common with other localities.

Currently, local government is working to develop a technical project for the sewer system.

7.3 Institutional Aspects:

The public water supply service in the village of Chiriet-Lunga is set up, organized and managed under the direction, coordination, control and responsibility of the local public authorities represented by the local council as deliberative authorities and the mayoralty as executive authorities. The public water supply system, consisting of integrated technological and functional assemblies that cover a technological circuit, from the abstraction of raw water to the supply of water to consumers, is the property of the administrative-territorial units.

In the Chiriet-Lunga village the water supply and sewerage services are provided by Î.M. "KIRIETPRIM". The service rendered is 100%. For residents who do not have centralized water networks, the water is transported in return for payment by motor vehicles.

7.4 Financial Aspects

Î.M. "KIRIETPRIM" started its activity at the end of 2015. The business activities of the company are: drinking water supply through the centralized system, transporting the water to the people with cars, solid waste management.

The Sales volume of Î.M. "KIRIETPRIM" registered a positive dynamics and represents the value of MDL 273.7 thousand in 2017, which is 16.7% more than in 2016. The sales structure is represented by the supply of the water supply service through the centralized system with a weight of 25.7%, water transport by motor vehicles - 61.7% and waste management service - 12.6%.

The operator recorded a loss of operating activity of 31.0 thousand lei in 2016 and profit of 2.6 thousand lei in 2017.

The Total costs of IM "KIRIETPRIM" increased in dynamics and registered the value of 271.2 thousand lei in 2017, which is 2.1% more than in 2016. It should be noted that part of the operational expenses of the enterprise 115.0 thousand lei annually are covered by sponsorship allocations by LLC, "Knowledge, Vocabulary, Education" („Знание, Воспитание, Образование”) in the village of Avdarma.

In the structure of the operational costs of services rendered the highest share of about 46.5% is for personnel costs, followed by the electricity expenses - 35.1%, the material expenses - 12.4% and other expenses - 6.0%.

The coverage by current tariffs of operational costs for the water supply service is 39.6% for the population and 59.5% for budgetary institutions and economic agents. Because the tariffs are set below the operational costs, the operator is making losses from the provision of this service.

Within Î.M. "KIRIETPRIM" there are 7 employees, of which 2 are administrative staff and 5 persons are engaged in the basic activity regarding the provision of public services. The average salary per employee is 1,137.1 lei per month.

Fixed assets managed by IM "KIRIETPRIM" is not on the record of the enterprise, but on the record of Chiriet-Lunga village hall.

Also, the operator does not have special mechanisms and techniques for the operation of water supply systems.

The operator did not submit financial reports during 2015 - 2017, so it was not possible to analyze the financial indicators.

7.5 Tariffs

The current tariffs for the water supply services were approved by the decision of the local council no. 17/4 of 20.07.2012, worth 10 MDL per cubic meter of water.

The low level of population incomes creates major challenges in terms of increasing tariffs for water supply and sewerage services. In 2016, the average salary in the region amounted to 3,870 MDL (women - 3,700 and men - 4,000), the lowest among the development regions (MDL 5,000 in MDL). The average pension in the region is 1,220 MDL (men 1,381 and for women – 1,154). According to international practice, the cost per capita for both WSS services should not exceed 3.5 - 4% of the average income of a household (households). This would mean about 300 lei / household per month. Also, according to the provisions of the Water Supply and Sanitation Strategy (2014 - 2028) for the setting of the tariffs for water supply and sanitation services, the consumer payment capacity will be taken into account, with a 3 - 5% the average household income. 5% of the household budget is at the upper limit of a family's payment capacity in developing countries. It appeared that in the Republic of Moldova the provision of services to a minimum quality standard might not be financially supported by a large part of the population.

8: STAGES AND PROPOSED ACTIVITIES:

In order to achieve the objectives of the project, it is necessary to carry out the following activities:

Stage 1 (short and medium term): Extension and development of the local water supply system:

- ✓ Construction of 23.5 km of aqueduct networks according to the project documentation elaborated in 2013;
- ✓ Design and construction in the locality of a water bucket equipped with filters to provide the population with drinking water;
- ✓ Water supply of the kindergarten and the high school in the locality;
- ✓ Cooperation with neighboring localities for institutional connection to a regional water service provider.

Stage 2 (long-term): Solving the problem of distributed water quality:

The connection of the locality to the regional water supply from the Prut River, to be built and operated in accordance with the Feasibility Study recommendations for assuring ATU Găgăuzia with drinking water services by transporting it from the Prut River, as provided in the Action Plan for the Regional Sectoral Program for Water Supply and Sewerage Network in ATU Găgăuzia.

9: RISKS:

As part of the project, the following risks need to be analyzed and evaluated:

- ✓ Population aging and migration, with impact on population, payment capacity and consumption of services;
- ✓ Possible political inconsistencies at national and regional level, which may affect the volume and destination of external financing;
- ✓ Institutional resistance to the regionalization process.

10: ESTIMATED COSTS:

The Total estimated cost of the project is of 736,5 mii Euro, including:

Type of Works	Estimated Cost, €
Revision of the project documentation	€ 23.000
Construction of the aqueduct network – 23.5 km	€ 658.520
Elaboration of the project documentation regarding a water distributor (buvet)	€ 5.000
Construction works for the water distributor (buvet)	€ 50.000
Total	€ 736.520

11: IMPLEMENTATION PERIOD:

Full implementation of the project will be of approx. 2 years, including:

1.	Preparatory stage	6 months
1.1	Revision of the project to supply with water services the Chiriet-Lunga locality	Months 1- 6
2.	Construction Works	18 months
2.1	Construction of 24.5 km of aqueduct network	Months 7 - 25

2.2	Elaboration of project documentation and installment of a buvet, as well as installing water filters in schools	Months 7 -12
3	Reorganization of I.M "CHIRIETPRIM" and the co-participation in the regionalization process of the water-wastewater services	Months 1 - 24

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