CES
Consulting Engineers
Salzgitter GmbH

KAZAKHSTAN

FEASIBILITY STUDY SATPAEV CANAL

Client / Financing	EBRD
Duration of Services	02/2011 - 11/2011
Value of Services	279 989 EUR

Brief Project Description

The project will focus on the rehabilitation and upgrade of water supply channel infrastructure, including replacement of electrical, pumping, telecommunication and other auxiliary equipment. The channel, previously known as “Canal Irtysh-Karaganda” was built over 12 years and completed in 1974 to meet the industrial and agricultural water needs of the landlocked Central Kazakhstan region. Currently, Satpaev canal supplies raw water to the key cities in the region including Karaganda and Ekibastuz and key agricultural entities in the Pavlodar region, serving an indirect population in excess of 2 million. Recent economic data for the region indicates a relatively well developed industrial sector and a robust mining sector (foreseen to put additional pressure on water sources).

The Company (Satpaev Chanel) operates a water supply channel from Irtysh to Karaganda.

The design capacity of the Channel is 1960 mln m3 per year. The total length of the Channel is 458 km, of which 272 km located in Pavlodar region and 186 km in Karaganda region. The main water intake facility with the design capacity of 76 m3 per second is located at Belaya River, the branch of Irtysh River. The total water lift pressure is 453 m.

The Bank EBRD engaged the consultant to prepare a Feasibility Study which shall include identification and a detailed assessment of the long-term and priority investment programme (PIP), detailed financial analysis of the company, full environmental and social (E&S) due diligence of the company and project for compliance with EBRD’s Performance Requirements, as well as preparation of an overall procurement and project implementation plan. The Feasibility Study will form the basis for project appraisal and approval by the EBRD and the local regulator Agency for Regulation of Natural Monopolies (AREM).

Scope of Services

- Baseline Study
- Socio-economic data of interest for water operations, Organisational and institutional review, Tariff setting and subsidy payment policy, Affordability
- Technical Assessment
- Describe and assess the key attributes of current services and service development over the last 3 years
- Assess the company infrastructure and equipment components in terms of capacity, energy efficiency, performance, state of repair, maintenance practices, age, quality of materials and equipment, adequacy and environmental impact
- Long-term investment strategy
- Service objectives, standards and policies, Long-term economic viability, Long-term investment strategy
- Priority Investment Programme
- Present and justify the Priority Investment Programme, Detailed Programme description and cost estimates, Procurement and implementation strategy
- Financial analysis
- Financial analysis of the company, Financial model and projections for the company (2010-2024)
- Environmental and social due diligence
- Environmental and social audit, E&S Analysis, EBRD’s PRs compliance table, Environmental and social action plan (ESAP), Non-technical (executive summary), Stakeholder Engagement Plan
- Approval from the State Expertise