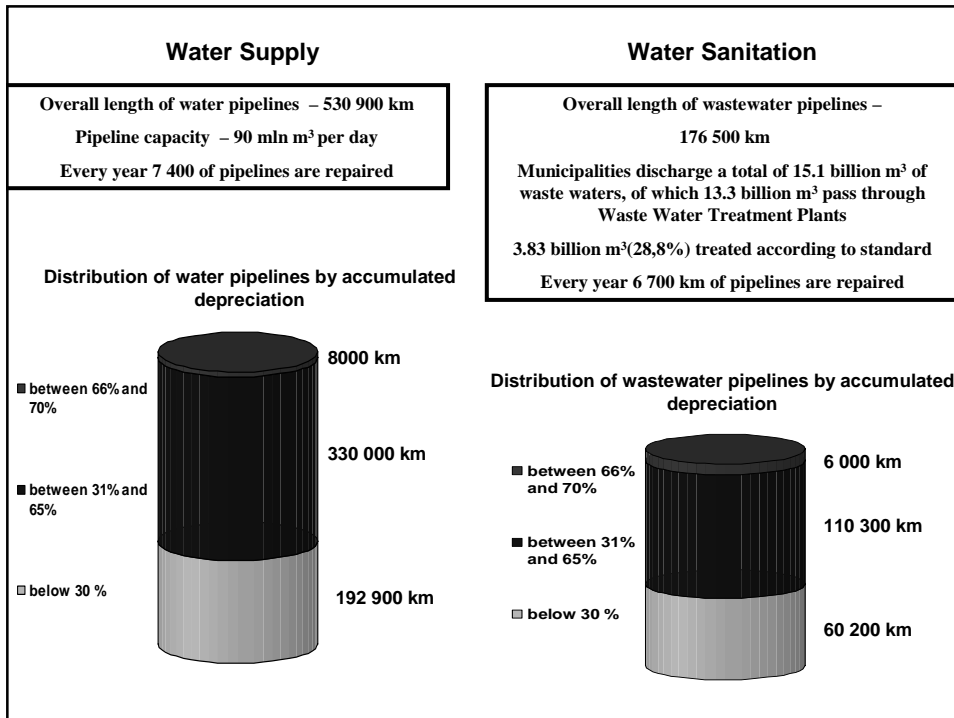


Federal Agency for Construction, Housing and Communal Services

«Development of Water Supply and Sanitation in the Russian Federation»

CONFERENCE OF EECCA MINISTERS OF FINANCE/ECONOMY, WATER AND ENVIRONMENT AND THEIR PARTNERS ON FINANCING WATER SUPPLY AND SANITATION IN EECCA.

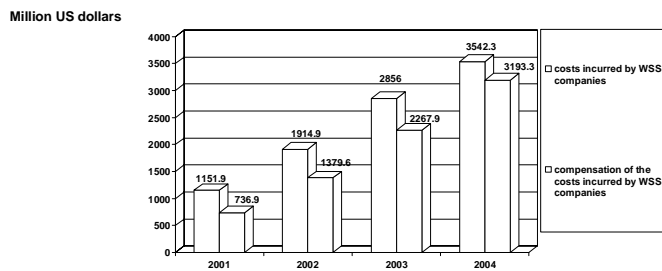
Presentation by Deputy Chairman of the Federal Agency for Construction, Housing and Communal Services Yu P Tyrtyshev
Yerevan, November 18, 2005



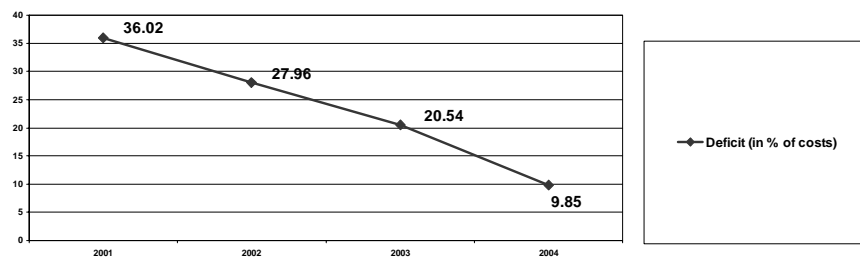
Measures undertaken by the Russian Government to stabilize the situation of WSS companies

1. Implementation of "Reform and Modernization of the Communal Services in the Russian Federation", a sub-program of the "Housing" Federal Target Program (since 2002)
2. Financing projects that involve building and modernizing WSS companies in the framework of federal target programs on municipal development.
3. Implementing "Municipal Water Supply and Sanitation", a joint project with IBRD worth 90 million USD.
4. Attracting domestic and foreign private companies to WSS.
5. Institutional changes.
6. Settlement of budget liabilities to WSS companies.

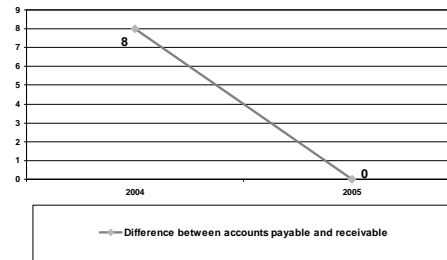
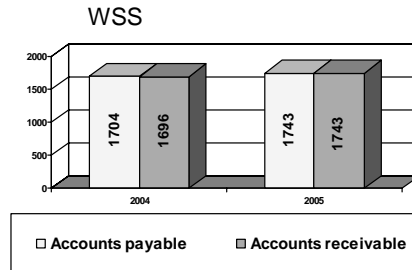
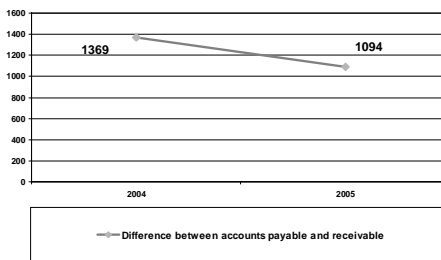
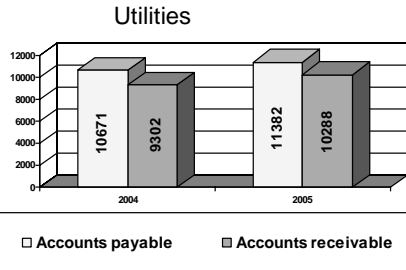
Compensation to Water Utilities for discounted WSS tariffs provided to vulnerable groups of population in 2001-2005



Overall financing gap in 2001 – 1st half of 2005 – 2.2 billion dollars



Accounts receivable and payable in the first half of 2005 (million US dollars)



Distribution of responsibility for setting WSS tariffs

Service Management level	Heating	Electric energy	Pipeline gas	Water supply and sanitation	Hot water supply	Housing maintenance	Sanitary cleansing
Federal level	Sets maximum tariffs	Sets maximum tariffs					
Regional level							
Local self-government level	↓	↓		WSS			

→ Connection fee

A law is being drafted under which all maximum tariffs for all WSS services will be set at the federal level.

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