

Οικολογική Παρέμβαση
φίλοι του Ακάμα



Οργάνωση Περιβάλλοντος
και Πολιτισμού

Cyprus

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11/05/2015

The Director, European Investment Bank,

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Petition of Cyprus for Financing Infrastructure Works for Nicosia Water Supply

We refer to the subject under head and would like to inform you the following.

Recently, Nicosia suffered water shortages when a valve of the main pumping conveyor supplying the city broke down during maintenance and it took several days to fix. Another conveyor of capacity 30000m³ per day, half of the main conveyor, had been in disrepair for 9 months. In statements to the press the minister of Agriculture, who is responsible, stated that the Water Development Department is planning to install another conveyor from Vasilicos Desalination Plant to Nicosia and beyond at a total cost of 50m Euro and for this he has requested the help of the EIB and is awaiting its reply. In a publication in the main daily Phileletheros of 30.4.2015 it is stated that the first part of the conveyor to reach Nicosia costing 26m Euro will be constructed with government funds if the answer is negative. With this letter we would like to draw your attention to several facts that are not disclosed with the overall intention of better water management.

The crisis revealed that the Nicosia Water Council does not have the required water reservoirs for storing water in such cases, which would imply 36 to 48 hours of peak demand which is 60000c.m.per day. It also transpired that the infrastructure is badly maintained and there is not enough spare parts stored for the valves, pumps and other equipment, and this is not only due to the economic crisis but has been going on for a long time. It is always easier, and more profitable for some to start new works than to maintain the existing ones.

What has not been publicized is far more important. The Vasilicos desalination plant of capacity 60000c.m.per day was decided 6 years ago without a feasibility study (as was the case with all the other desalination plants of the island, one of which, at Paphos was decommissioned last year as it was found that it was not needed without having been operated), and that the water it produces cannot be absorbed as potable. The contract signed, only, allows for standing idle or producing the full amount.

Consequently when the plant was operated last year a substantial amount was inserted in the Southern Conveyor for irrigation. This implies that the government buys the water at 1 euro and sells it at 17 cent per c.m. This violates the Water Framework Directive and is an unauthorized subsidy of the agricultural sector. Consequently the government is in search of users so that it can operate the plant without breaking the law in such obvious way. Why the previous government made such a contract could be a subject for the Auditor General of the Republic to investigate.

In this regard the government has another trick up its sleeve which we have let the Commission know. The Southern Conveyor Project supplies both potable water for 75% of the population under government control and irrigation water. According to the feasibility studies and to practice in the period 1988-2008 the water of the dams of the project was equally divided between the two uses. The previous president Christofias declared that the dams belong to the farmers while the Water Management Plan approved by the previous government would modify this to 85% of the water belonging to the farmers. The way the desalination plants were to operate implied a unified demand in potable and irrigation needs but the price was paid by the government (i.e the tax payers). In short, there was a massive transfer of surface water from potable use to irrigation. This is of course illegal as the Water Framework Directive separates pricing into potable, industry and agriculture. So this new connection and expansion of the demand of the Vasilicos desalination plant will hide the fact that Nicosia is entitled to water from the dams and will also help switch water consumption for 28 communities west of Nicosia from groundwater to desalinated water. It should be pointed out that the water resources of these communities are ample, but need better management, e.g. recharging of their aquifers by the seasonal rivers or connection to local irrigation dams.

We would like to bring to your attention another aspect of the operation of the desalination plants. The contracts provide for the sale of water to the Water Development Department, but if the plants stand idle they get paid for the capital and maintenance cost. The profit is in the operation. The president of the republic has recently stated, when accused of his party receiving large amounts of money that all large companies donated to the main parties, a practice that is still going on. The GRECO committee has a few days ago revealed that Cyprus is not complying with regulations for the finances of political parties, and the legislation is insufficient. We have no doubt this also applies to the oversupply of desalination plants and their operation.

Regarding the excuses for alternative supplies to Nicosia in case of accidents one would expect to see a risk assessment study. It should be kept in mind that desalination plants can also break down, or be shut down because of breakdown of electricity supply plants, or due to sea storms turning water murky, all of which have happened before. On the other hand water treatment plants can operate with generators, but their capacity is not enough for the demands of the Southern Conveyor Project and so even if all the dams spill at least one desalination plant has to be kept operating, something that makes no economic sense.

Our suggestions to the Bank are that if a loan is approved for the conveyor it should be conditional. These conditions can be:

1. That enough capacity of reservoirs storing water is installed near Nicosia and that this should be regulated by law.
2. That a management plan is set up to oversee the proper maintenance and operation of the whole water system supplying water to Nicosia (i.e. treatment plants, conveyors, pumping stations, storage reservoirs).

3. Most importantly that water pricing is enforced as implied by the Water Framework Directive and that implies no cross- subsidization of water for agriculture. This will help the policy to promote the use of treated waste water into existing irrigation schemes, a policy that has been abandoned by the government, and which if proper proposals are made would be ideal for financing as part of water management.

We are at your disposal for clarifications and would like to inform you that most of our members are residents of Nicosia and have suffered from the malfunction of the water system, but we think it is an opportunity to address the real problems. Should the loan request be denied it would also be beneficial if these suggestions we made are brought forward.

Yours sincerely

On behalf of

The Friends of Akamas

cc Directorate Environment