



## CASE STUDY 04: REGENERATING AN URBAN ENVIRONMENT IN SIBERIA

When massive deposits of oil were found in western Siberia in the 1960s, thousands of people moved there, lured by the promise of higher wages to compensate for the region's long, freezing winters and remoteness.

The village of Surgut, in the Khanti-Mansii region, mushroomed from just 8,000 inhabitants in 1965 to 70,000 in 1975 and to around 300,000 today. Housing and amenities were erected quickly – at one point, the local authority was building 300,000 square metres of residential housing every year. Most of it was the standard Soviet-era apartment blocks, built with pre-fabricated slabs of concrete. Thirty years on from the height of the building boom, a large proportion of the town's housing stock is in a dilapidated state – a legacy of the speed of construction and Siberia's climatic extremes. Cement is crumbling, causing cracks and icy draughts and balconies and roofs often show signs of subsidence and imminent collapse. "If we don't do anything now, in seven or eight years we will have very dangerous housing on our hands" says Surgut's mayor, Alexander Sidorov.

In a pioneering programme that the Russian authorities hope will become a blueprint for other cities, the EBRD is providing the municipality of Surgut with a €20 million loan to finance the construction of four new housing blocks and the demolition of two old concrete-panel apartment blocks. The new buildings will be safer, warmer, and 30 per cent more energy efficient. Of the 800 new apartments, most will be sold on the private market, while up to 25 per cent will be reserved for low-income families.

The project is about more than building apartments – it is about transforming the way the municipal government is structured to handle housing issues. The scheme's key component is the city's review of its housing policy, which involves defining roles for the public and private sectors in the housing market and establishing a special municipal housing authority to manage the project. This authority will eventually take the EBRD loan onto its own balance sheet and will be run by residents' associations.