

Public

Environmental and Social Data Sheet

Overview

Project Name:	UKT WATER DISTRIBUTION
Project Number:	2019 0125
Country:	Albania
Project Description:	Structural improvements of the water distribution system in the Municipality of Tirana, through the construction of Guri I Bardhe transmission line and the Tirana high pressure water supply ring to achieve continuous and high quality potable water supply
EIA required:	no (subject to screening by the Competent Authority)
Project included in Carbon Footprint Exercise¹:	no

Environmental and Social Assessment

Environmental Assessment

The project is located in and around Tirana, the capital of Albania. Tirana has experienced a prolonged period of rapid population growth that has placed significant pressure upon its public infrastructure and services. Much of this growth has been accommodated by unplanned and informal urban development with little or no connection to the city's services. In 2018, the population of Tirana reached 800,000 inhabitants, up from 250,000 in 1990, an increase of more than 300%. The municipality expects the population to reach one million by 2035. Currently, there are 20 water supply zones in the project area, serving some 863,000 persons. Pressure levels in the system depend on land surface characteristics and consumption. Non-revenue water represents about 60% of total water volumes produced, of which physical losses are around 40%. The vast majority of the population in the project area does not have a continuous water supply service (in 2019, piped water was, on average, available during 13.9 hours per day).

The project aims to improve water supply infrastructure in Tirana through:

- (i) construction of a high pressure water supply ring including high pressure zones, which will secure 24h water supply to over 90% of the population in the Tirana Water Supply and Sewerage Utility (Ujesjelles Kanalizime Tirane Sha, or UKT) service area, reduce energy consumption, and will improve the quality of drinking water.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

Luxembourg, 3 November 2020

The works consist of the construction of approximately 42 km of new pipelines, reconstruction of approximately 10 km of pipelines, sectorisation works on distribution areas, including related equipment, and restructuring of the distribution network;

- (ii) development of a new natural spring source, Guri i Bardhë, located in northeast from Tirana. The works consist of some 25 km water supply gravity pipeline to a water reservoir in Mount Dajti.

The project will be implemented by UKT, which is the Promoter of the project. UKT is a public company, owned by the Municipality of Tirana, which is mandated to provide water supply and sewerage services in the Municipality. A Project Implementation Unit (PIU) will be established by UKT, supported by the Municipality of Tirana. The TA consultant will support the PIU in further project preparation with technical, environmental and social issues, and subsequent procurement and potentially implementation support.

UKT's mandate is to ensure sustainable, safe and adequate water supply, at affordable prices and in a manner that is environmentally friendly and in accordance with market principles and legal norms. The project is included in the Albanian National Strategy of Water Supply and Sewerage (2019-2030), currently under finalisation, and in line with national water sector priorities on sustainable water management. As a pre-accession country, investments in the water supply sector are aimed at achieving compliance with the "acquis communautaire", notably the Drinking Water Directive (98/83/EC) and its latest amendments including Commission Directive (EU) 2015/1787.

Subject to confirmation in the next project preparation phases, the Project components are at this stage categorised as Annex II projects of the EIA directive (2014/52/EU amending Directive 2011/92/EC). In 2011, Albania transposed a series of EU directives specifically concerning EIA. The National EIA process in Albania is set out primarily in the Environmental Protection Law No. 10 431 date 9 June 2011. The Ministry of Tourism and Environment (MoTE) is the Competent Authority in Albania responsible for designing and implementing policies that aim at protecting the environment, using natural resources sustainably, protecting nature and biodiversity, monitoring water quality, etc. The Project is subject to a Preliminary Environmental Impact Assessment, as classified by Albanian legislation regarding environmental assessment - Law 10440 on Assessment of Environmental Impact, Law 10431 on Environmental Protection and Law 10448 for Environmental Permits. Based on the Preliminary EIA the project will be subject to screening by the Competent Authority.

The overall environmental impact of the project is positive, as it will contribute to implement the Water Framework Directive (2000/60/EC) by strengthening the physical and biological integrity of aquatic ecosystems through water supply system reconstruction and reducing water losses in the network. There may be some negative impacts arising from the construction process (demolition, excavation, erection and rehabilitation works), but most of these will be temporary.

In line with National Law for Protected Areas (Law 8906) and Law for the Protection of Biodiversity (Law 9587) and, given the urban location of investments, none of the works will be implemented inside or in the vicinity of any protected nature areas.

Social Assessment

Overall, the socio-economic impact is expected to be positive due to increased access to and availability of clean drinking water for all UKT customers.

Luxembourg, 3 November 2020

The Project nevertheless is expected to trigger permanent and temporary involuntary physical and/ or economic displacement, along the pipeline routes during construction. The majority of the proposed pipeline routes follow existing urban roads infrastructure within the City of Tirana. The number and types of businesses whose access might potentially be temporarily disrupted, and the number of potentially affected people needs to be confirmed in the further stages of project preparation. The new water transmission line from the Guri I Bardhë source during construction also has the potential to permanently adversely impact land users and land-based livelihoods in the vicinity of the pipe route, in particular agricultural land users.

The Promoter will estimate and assess the extent and nature of these impacts and a Resettlement Policy Framework (RPF) will need to be prepared to guide the preparation of resettlement action plans (RAPs) before disbursement of the EIB funds. The physical works in the affected areas will start only after compensation of Project Affected People (PAP) has been completed. The RAP will be subject to public consultations and will include a grievances and redress mechanism.

Social impacts during construction, demolition or rehabilitation works also include the disruption to services, noise, and temporary occupation of private space, traffic disruptions, and safety hazards. All these impacts will require project management measures to minimise the negative disturbance, inconvenience and impacts.

The positive impacts of the project are the improvements in public health as well as the job opportunities created during the implementation.

Public Consultation and Stakeholder Engagement

Preliminary EIA will be completed before the necessary construction permits are granted. It will include further requirements for public consultation, stakeholder engagement, and management of potential complaints. A stakeholder's engagement plan will be drafted to capture and coordinate these activities.

Other Environmental and Social Aspects

During the Project's due diligence, the Promoter has demonstrated sound practice with respect to the national environmental, health and safety management requirements. However, given that the UKT has limited human resources, a PIU will be set up and supported by an external team of consultants. It is deemed that the capacity of the Promoter, supplemented by dedicated TA throughout project implementation will be sufficient to manage the environmental and social aspects in line with EIB standards.

Labour Standards

Albania has ratified all *Core Labour Standards*, as defined in the 1998 ILO Declaration on Fundamental Principles and Rights at work. The Promoter, through the Project Implementation Unit, is committed to make a grievance mechanism available to all Project personnel including contractors and sub- contractors. Furthermore tender documents and subsequent agreements with selected contractors will include requirements relating to the management of environmental and social aspects of the works, in line with the applicable national requirements, ILO standards and EU requirements (including: working conditions, occupational and community health and safety and against gender based violence). The promoter will periodically monitor the contractors' compliance with labour standards.

Luxembourg, 3 November 2020

Occupational and Public Health, Safety and Security

In line with EIB standard 9, the Promoter and contractors alike, will be responsible for the preparation and implementation of health, hygiene and safety (and related) plans as well as workers' training, throughout the duration of the Project.

Conclusions and Recommendations

Overall, the project will generate long-term positive impacts on the environment and it will also provide long-term socio-economic benefits due to increased access to and availability of clean drinking water to the local population, as well as additional employment opportunities and improved quality of life.

The following conditions and undertakings shall be included in the finance contract:

- The Project must comply with the EIB Environmental and Social Principles and Standards, as well as the EIB Environmental and Social Handbook².
- In the event that the project will be screened for a full ESIA, it shall be submitted to the EIB together with the Environmental and Social Management Plan (ESMP), and the non-technical summary (NTS) completed and approved by the relevant competent authority, for publication on its website;
- As soon as available and in any case prior to first disbursement for works, a Resettlement Policy Framework (RPF), for the displacement triggered by the Project and a stakeholder engagement plan inclusive of a grievance mechanism;
- The Promoter through implementation of the Project shall not commence any involuntary displacement before agreement of the Bank to the corresponding RAP. In addition, the physical works in the affected areas will start only after completion of the land acquisition and compensation to the project affected people (PAP);
- The Promoter will ensure that any environmental and social mitigation and compensation measures are implemented in accordance with the Environmental and Social Management Plan, Resettlement Action Plans and the Stakeholders Engagement Plan (inclusive of a grievance mechanism) and will immediately notify the Bank of any adverse environmental or social impact arising during implementation of the Project;
- The Promoter will ensure that a) the requirements of the Environmental and Social Standards are fulfilled in respect of labour risks and working conditions (including security arrangements, and accommodation) of workers involved or participating in the construction and implementation of the Project; and (b) that the contractors of the Project, by virtue of appropriate contractual provisions, shall comply with principles of equal treatment and non-discrimination in employment and at the workplace; equal access to men and women to employment opportunities; and the prevention of gender based violence, including sexual harassment and abuse at work.

² <http://www.eib.org/infocentre/publications/all/environmental-and-social-practices-handbook.htm>



Luxembourg, 3 November 2020

In view of the above findings the project is acceptable for EIB financing from the perspective of environmental and social compliance.