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Environmental and Social Data Sheet

Overview

Project Name:	VORE - HANI I HOTIT RAILWAY LINE
Project Number:	2021-0795
Country:	ALBANIA
Project Description:	The Project concerns the rehabilitation of a 120 km railway line from Vore to Hani i Hotit, on the border with Montenegro and will link Albania to the European railway network.
EIA required:	Yes
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The Project concerns modernization of 120 km of standard gauge, single track rail line. The Project objectives are to bring the line back into operation, ensure conformity with European standards and make the line resilient to climate change. The Project comprises three components:

- Infrastructure works – including minor realignment, strengthening and widening of the formation; replacement of superstructure; rehabilitation or replacement of structures; reconstruction of stations; and installation of signalling.
- Electrification works – including connection to High Voltage lines; construction of sub-stations; and installation of overhead catenary line.
- Project management – services to support the above two works components.

The Project runs almost entirely in flat terrain from Vore train station (at km point 20+000) to Hani i Hotit border crossing point to Montenegro (km point 140+000). Between km 20 and 133, the line traverses flat agricultural areas and some urban centres. Between km 133 and 139, it runs in flat terrain mostly through shrubs and degraded forest, while from km 139 to 140, it runs in a mountain foot near Shkoder Lake. The railway line crosses seven rivers (Ishmi, Droja, Mati, Drini of Lezhe, Gjader, Drini, and Kiri) and several streams. Some agricultural plots on both sides of the existing railway line are prone to inundation during heavy rainfall.

The Project is to be financed by loans from the European Bank for Reconstruction & Development (EBRD) and EIB, as well as EC grant finance through the Western Balkan Investment Framework (WBIF).

If situated inside the EU, the Project would fall under Annex II of the Directive 2011/92/EU as amended by Directive 2014/52/EU and would be subject to screening by the Competent Authority for a possible regulatory EIA procedure. Under Albanian environmental law, which is being brought into line with EU law, the Project is deemed as falling under Annex I and is therefore automatically subject to a full regulatory procedure.

In 2021, the Promoter, using international consultants financed by WBIF, prepared an Environmental and Social Impact Assessment (ESIA) in line with domestic law, EBRD and EIB standards. The ESIA does not include the electrification component of the Project, which was introduced into the Project scope only in 2022. A preliminary design and related environmental

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, 03.05.2023

impact assessment for the electrification component has been commissioned and expected to be ready by mid-2023, allowing for an addendum to the ESIA to be prepared. Furthermore, the final alignment of structures in the area of Spathara, where the current alignment runs atop a dam but is planned to be moved to a new bridge, has not been determined; the alignment, design and impact assessment will also need to be defined in the ESIA addendum. During H2 2023, the so-amended ESIA will be then subject to a regulatory procedure under Albanian law, including disclosure and public consultation, prior to an Environmental (Developmental) Consent being issued by the Competent Authority (Ministry of Tourism and Environment).

As with any major infrastructure project, the Project will entail some localised and temporary negative environmental impacts during construction such as noise, dust, disruption and generation of waste, and risk to ground/water pollution. These are to be minimised through standard good construction practices.

The Project results in the following residual negative environmental impacts:

- (i) permanent conversion of about 7ha of mostly agricultural land and as a result some limited involuntary resettlement (economic displacement only);
- (ii) potential community severance, habitat fragmentation and adverse change to hydrological situation;
- (iii) use of scarce resources, such as cement and steel; and
- (iv) increased noise and vibration for some receptors situated close to the line.

The Project includes the following measures to avoid, reduce and mitigate negative impacts:

- (i) appropriate fill material for the formation;
- (ii) increased number and size of cross drainage, improved longitudinal drainage;
- (iii) installation of noise barriers and fencing;
- (iv) reuse of existing materials wherever feasible; and
- (v) implementation of compensation measures for project affected persons.

Due to the expected modal shift of passenger and freight traffic demand from road to rail, the Project achieves the following environmental benefits: (i) GHG emissions reduction, more especially as Albania currently sources 100% of its electrical supply from hydropower; (ii) reduction of local emissions, dust, noise and vibration for communities living adjacent to the main roads running in the same corridor to the railway; (iii) reduction of road accidents; (iv) improved resilience to seismic and climate change risk; and (v) adaptation of stations to provide for access for people with reduced mobility.

Biodiversity

At the northern end of the Project, the line crosses for about 1 km the eastern edge of the sustainable development zone of a Protected Area (Nature Managed Reserve of Shkoder Lake), a RAMSAR site. However, both the national regulations and the Management Plan of this Protected Area allow the Project's development. The Project will reduce possible negative impacts by good construction practices. The selected contractor will be required to prepare and implement a Biodiversity Offset Strategy (BOS) and Biodiversity Action Plan (BAP) related to the section km 132-137. The ESIA concludes that the Project is unlikely to have a significant negative impact on the site. This assessment is to be confirmed by the Competent Authority for Nature Conservation prior to any disbursement of EIB fund to works.

Vulnerability to climate change

The Project's residual climate change sensitivity is deemed low, although Albania does face climate change risk. The possible impacts from climate change include: (i) slope stability from flooding and erosion, due to more extreme precipitation events; (ii) damage to superstructure due to an increase in the temperature range (especially extreme heat in summer); and (iii) increased risk of wildfires.



Luxembourg, 03.05.2023

The designs for bridge sub-structure and tunnel works take into account slope stability and hydraulic risks, the trackworks will accommodate wider temperature ranges and the workshops will be better adapted to extreme weather events and see some energy efficiency gains through insulation.

Paris Alignment

The Project has been assessed by the Bank's services for Paris alignment in accordance with the policy set out in the Climate Bank Roadmap 2020. The Project consists of reconstruction of infrastructure for zero direct emission transport; therefore, it is considered to be aligned with the low carbon goal. The climate risk of the project is assessed as low and, therefore, it is considered to be aligned with the resilience goal.

Social Assessment

The Project is very largely to be implemented within the existing right of way. However, in some localised places, there will be limited acquisition of land (currently estimated at about 7 ha of private land) to allow for easing rail line curves, improving stations, modernising level crossings and for building access or maintenance roads. In addition, it is possible that certain people or households currently illegally use the right of way for economic benefit. No physical displacement is foreseen at this stage.

On this basis, a Land Acquisition and Resettlement Framework (LARF) has been prepared setting out the arrangements under which any involuntary resettlement that is required will be performed by the Promoter and the relevant local authorities. A Land Acquisition and Resettlement Plan (LARP), setting out in detail the affected persons and their entitlements, will be prepared and implemented during 2023 and prior to commencement of works.

The presence of vulnerable groups amongst project affected persons cannot be excluded at this stage; this will be verified at the time of the census during 2023 and, as necessary, managed in line with the specific arrangements set out in the LARF and LARP.

There are no identified sensitive cultural heritage sites in the vicinity of the Project. However, there is a medium risk of chance finds during excavations for which suitable arrangements are to be put in place as part of the works contract conditions, including supervision of earthworks by an expert archaeologist and imposition of a Chance Find Procedure.

There may be small temporary disturbances to the environment and nuisances to local inhabitants adjacent to the works; for example related to dust/noise emissions and construction traffic. The usual mitigation measures during the construction phase, such as the appropriate timing of works, waste collection/disposal and avoiding the use of heavy machinery during certain times, are designed to minimise impacts on local communities.

Construction works will have to be carried out in accordance with national laws, including the Labour Law and Health & Safety Law, as well as the International Labour Organisations (ILO) conventions, ratified by Albania. Specific requirements in relation to labour and working conditions, including occupational health and safety, are contained within the Environmental and Social Management Plan (ESMP) to be included in the works contract conditions.

During the construction phase, the main health and safety occupational issues will include movement of vehicles and traffic management; working at heights; working in confined spaces; management of electrical hazards; prevention of unintended ground movements and collapse; and biological hazards (CV19 or other pandemic). A Construction Site Organization Plan will be developed by selected contractors, and implemented according to national law containing provisions for health and safety during construction.

During operation, the Promoter is expected to have sufficient precautionary measures, including procedures for railway and railway crossing safety, regular inspection and maintenance works and a safety management programme in compliance with national and EU railway safety propositions.

The social negative impacts of the project during the construction and operation phase are thus likely to be minor and substantially offset by the expected improvement of reliability, efficiency and



Luxembourg, 03.05.2023

safety of railway services as well as improved accessibility of regions connecting with the line with Durrës and Tirana with a particular benefit for women in the rural regions, as women have less access to individual motorised transport. Furthermore, the Project is expected to contribute to the balancing or preventing of modal shift towards road, thereby reducing environmental externalities as well as road accidents. Safety benefits will also be enabled due to the removal of illegal level crossings and installation of a modern signalling system.

Public Consultation and Stakeholder Engagement

The Promoter has prepared and published a Stakeholder Engagement Plan (SEP) describing how it and its contractors are to communicate with people who may be affected by or interested in the project, as well as to describe the grievance mechanism for people to raise any concerns about the Project. The SEP seeks to implement the relevant national, EU and financiers' standards as well refers to Espoo Convention, which in this case also applies as a major project that may have an adverse environmental impact across boundaries.

The SEP records all the consultations already performed during Project preparation over the period 2019-21, which included nine public hearings in the affected municipalities/communities over the summer of 2021. Further consultation will be implemented, in particular as part of the regulatory procedure to obtain an Environmental Consent expected during 2023, and to finalise the Land Acquisition and Resettlement Plan.

All the principal environmental and social documentation has been published on the Promoter's and EIB websites.

Other Environmental and Social Aspects

The works will be implemented through one or more internationally selected contractors who will be required to perform the works in line with an Environmental and Social Management Plan (ESMP) consistent with domestic law and EBRD and EIB standards. The overall ESMP is published, whilst contract specific ESMP's will be developed for the works contracts. The contractors will be subject to third party supervision by internationally selected consultants, acting as Engineer, who will enforce the proper implementation of the ESMP. The delivery of the ESMP will be further monitored by the Promoter's own staff, and technical assistance staff working for the Promoter.

Conclusions and Recommendations

Prior to disbursement of EIB funds for a works component, the Promoter will be required to submit evidence of the completion of: the corresponding environmental consent procedures, including due cross border consultation under the Espoo Convention and formulation of biodiversity protection measures; and, where necessary, involuntary resettlement.

Overall, the project will result in environmental benefits, including a reduction in GHG emissions, with negative impacts being largely temporary and localised. Negative social impacts are expected to be minimal, duly mitigated and acceptable, notably when compared to the social benefits of the project.

The project is therefore acceptable for EIB financing in both environmental and social terms.