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Environmental and Social Data Sheet

Overview

Project Name:	MUNICIPAL INFRASTRUCTURE WORKS ON ALBANIAN ALPS
Project Number:	2018-0022
Country:	Albania
Project Description:	Municipal infrastructure works on the gate of the Alps
EIA required:	Multi-scheme operation. Requirements for EIA vary by scheme type/size/complexity.
Project included in Carbon Footprint Exercise ¹ :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project is a multi-sector framework loan to support the sustainable development of the Coastline Gate of Alps area situated in northern Albania. The study area includes the municipalities of Shkodër, Lezhë and Malësi e Madhe. The project is expected to support sustainable tourism and regional development by investing in public infrastructure including transport (upgrades to improve urban mobility, regional roads, road safety, public transport, pedestrian and cycling paths, and inland waterways), basic infrastructure (wastewater treatment and water supply) and natural and cultural heritage sites (protection of natural areas and historic buildings). The project shall comply with the relevant national environmental, climate and social legal framework, EIB standards and EU requirements, where applicable.

Albania, as an EU candidate country, is following the EU accession process and harmonising its legislation in the areas of environmental assessment. In particular, regarding the EU Directives on Environmental Impact Assessment (EIA) 2011/92/EU as amended by Directive 2014/52/EU, Strategic Environmental Assessment (SEA) Directive 2001/42/EC, Birds Directive 2009/147/EC and Habitats Directive 92/43/EEC.

The study area is rich in natural and cultural resources. Lake Shkodra Managed Nature Reserve², the River Buna-Velipoje Protected Landscape³ and a small area from Shengjin-Ishëm Managed Nature Reserve are national protected areas and EMERALD sites. The Albanian part of the lake area is a nominated Ramsar sites – wetland of international importance – and therefore form, with the coastal lagoons and beaches, an important and biodiverse ecosystem in Europe. The numerous archaeological, historical and cultural sites testify to the rich cultural heritage of the region around Lake Shkoder since prehistoric times.

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.

² Lake Shkodra Managed Nature Reserve (IUCN category IV of protection)

³ River Buna-Velipoje Protected Landscape (ICUN category V of protection)



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All schemes under the Coastline Gate of Alps project will be consistent with the Regional Integrated Tourism and Urban Upgrading Strategy (RITUUS), the sustainable urban mobility plan (SUMP) of Shkodër and other relevant national and local plans. These strategies and plans considered sustainable development criteria in their preparation. The Local Development Plans for Shkoder, Lezhe and Malesi e Madhe municipalities and the Waste Management Strategy included SEAs.

An Environmental and Social Management System (ESMS)⁴ has been prepared for the project and to be applied by the promoter. The ESMS summarises the processes and procedures to ensure compliance with relevant environmental, climate and social legal framework and the EIB Environmental and Social (E&S) Standards⁵. This includes requirements for EIA and further Environmental and Social Plans (ESMP).

Schemes financed under this operation will be mainly of small size (project cost less than EUR 5 million) and are not expected to have significant negative environmental or social impacts. However, at this stage, a number of road construction and rehabilitation schemes may be larger in size/cost though are all still expected to be each less than EUR 25 million⁶. Regardless of size, all schemes shall be implemented in compliance with the ESMS, national environmental legislation and the EIB E&S standards.

Whilst several investments are likely to have a positive environmental impact, particularly on air quality, biodiversity and carbon emissions, some of the investments may fall under the scope of requirement for an EIA through steps including initial assessment, screening and scoping and Environmental Assessment - as required. Due to the nature of some of the proposed investments, such as new regional road construction, there may be limited residual impacts.

In addition, any scheme likely to have a significant effect on an EMERALD site, or protected and/or Key Biodiversity Area shall be subject to the requirements national legislation and the EU Habitats (92/43/EEC) and Birds Directives (2009/147/EC).

Transport (roads and public transport), basic infrastructure schemes (water supply, waste water and solid waste) and natural and cultural heritage schemes could have limited temporary environmental impacts during the construction phase and, potentially, during their operation stemming from permanent land-use change. Environmental impacts during construction may come from increased local traffic through traffic-related air pollution, exhaust gas and noise emissions, and generation of construction and demolition noise, dust, waste and vibration.

Thus, the construction of certain schemes may have impacts on air, water, soil, flora, fauna, landscape, cultural and historic monuments, archaeological, geological sites, carbon and climate. These direct impacts will have to be mitigated by following the project ESMS, national legislation, requirements of the relevant competent authority as included in planning/development permits, and adhering to good industry practice.

Investments in the natural, cultural heritage and other social infrastructure may generate a number of positive effects. Investments may include new buildings, major restorations, restoration of protected buildings, green building certification, green urban infrastructure and pedestrian cultural routes. Albania has aligned the near zero energy efficient building (NZEB) directive into national legislation.

⁴ ESMS Manual for Gate of the Alps, December 2023. The manual will be periodically updated as necessary during project implementation.

⁵ Available at: [European Investment Bank Environmental and Social Standards \(eib.org\)](https://www.eib.org/en/standards). Version dated February 2022.

⁶ The EIB Climate Bank Roadmap (2021) considers the terms 'large' and 'small' referring to projects with an investment cost of more than, or less than, EUR 25 million.



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Climate Change Mitigation and Adaptation

A number of schemes are expected to support climate change mitigation. Urban public transport schemes are expected to contribute to modal shift from road to public transport and active travel modes (e.g. walking and cycling), as well as pedestrian and cycling infrastructure. Basic infrastructure improvements and nature-based investments will also mitigate against climate change. For energy efficiency of building construction and renovation, these may possibly contribute to climate change mitigation subject to further assessment at scheme allocation stage.

Investments will also be adapted to climate change. For certain urban infrastructure and transport schemes, they may be more susceptible to climate change risks particularly flooding, soil erosion and effects due to change in average and extreme temperatures and precipitation. The promoter shall ensure a climate risk and vulnerability assessment (CRVA) is undertaken where appropriate, particularly for road schemes, and that climate change and carbon considerations are considered as part of the project design and implementation stages.

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the EIB Climate Bank Roadmap (2021).

Social Assessment

The project is expected to bring a number of positive social impacts, including the increase in the quality of public services available to the inhabitants as a result of the refurbishment and modernisation of transport infrastructure, water and waste infrastructure, and natural and cultural facilities. Sustainable mobility schemes are expected to contribute to modal shift from road to public transport and active travel modes. Furthermore, road infrastructure schemes may be targeted to improve road safety and reduce road accidents in the concerned areas.

The individual schemes shall comply with relevant national legislation on health safety at workplaces including: Albanian Law No. 10237/2010 dated 18/02/2010 "On Safety and Health at Work", and no. 8921, dated 11.7.2002 On ratification of "Convention no.174 "Prevention of serious accidents in industry, 1993" of the International Labor Organization".

The development of the sustainable urban mobility plan includes consideration of factors to address inequalities contributing to vulnerability, marginalisation and/or discrimination. The design of the plan, and further it's schemes, shall also consider gender equality as a basic human right crucial for sustainable development.

Moderate social negative impacts might arise from land acquisition activities of some schemes. To mitigate land-acquisition related impacts, a Resettlement Framework is included in the promoter's ESMS. Depending on the magnitude of impacts of each scheme, the promoter may be required to develop a Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP) to address resettlement and/or economic displacement of Project Affected Persons (PAPs).

For all other social impacts that might arise from the implementation of sub-projects, the promoter will follow the ESMS. This includes considerations about risk and impact identification and management related to vulnerable communities and individuals, workers' rights, community and occupation health and safety.



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Public Consultation and Stakeholder Engagement

The development of the RITUUS and SUMP for Shkoder, included relevant stakeholder consultations prior to approval. For individual schemes, these may be subject to public consultation including through any EIA process or otherwise.

The ESMS includes a Stakeholder Engagement Framework establishing requirements for the identification, analysis and management of project stakeholders. The promoter shall disclose project-related environmental and social information (EIA, ESMP, RAP/LRP), and carry out any stakeholder engagement and consultation required (stakeholder engagement plan), and/or verify that project-related stakeholder engagement and consultation activities carried out by third parties.

A project grievance mechanism is included in the promoter's ESMS and will be operationalised in compliance with applicable Albanian legislation and EIB E&S Standards. The proposed mechanism includes a two-tier grievance mechanism including an internal (ADF) review and external review for cases where agreement cannot be reached in initial case.

Other Environmental and Social Aspects

The promoter is the Albanian Development Fund (ADF), a public sector development agency with the status of a non-profit organisation. ADF is responsible for developing and implementing investment schemes under the Coastline Gate of Alps project, including assessing their direct and indirect environmental and social impacts. The ADF will establish a project implementation unit (PIU) for this purpose. The Ministry of Tourism and Environment (MoTE) is the competent authority for the environment and is responsible for issuing environmental approvals. The National Environmental Agency (NEA) is the institution under the supervision of MoTE that decides, inter-alia, whether a project will be subject to EIA.

The works will be implemented by contractors procured by the promoter. The contractors will be required to perform the works in line with project requirements, consistent with domestic law and EIB standards. Specific ESMP's will be developed for the schemes/works' contracts. The contractors will be subject to independent third-party supervision and monitored by the Promoter.

Conclusions and Recommendations

The project area of the Coastline Gate of Alps project is rich in natural and cultural resources. In order to support sustainable development of the area, individual investment schemes will be proposed for EIB financing under the operation in-line with relevant strategies and plans, EIB eligibility criteria and scheme requirements.

The project is considered acceptable for EIB financing in environmental and social terms, with the following undertakings:

- The project ESMS manual, referencing EIB E&S Standards, shall be followed by the promoter of the project, and applicable for all sub-project or schemes.
- Commitment by the promoter, ADF, to establish and maintain a project implementation unit (PIU) for the project with resources for managing environmental, social and climate change issues.
- The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to national law without, prior to commitment,



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receiving the consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.

- For all schemes, the Promoter shall provide, together with an allocation request,
 - A statement signed by the Promoter that confirms environmental and social compliance with the EIB standards.
 - For schemes requiring an EIA, either the Non-Technical Summary (or equivalent) of the EIA or a link to a public version of the Non-Technical Summary of the EIA, together with a copy of the relevant consent showing that public consultation has been performed and its results taken into consideration,
 - Environmental and Social Action Plan addressing identified gaps for the scheme, Environmental and Social Management Plan,
 - Resettlement action plan, where applicable
- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments, Environmental and Social Management Plans) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.