European Investment Bank

Luxembourg, 19 November 2025

Environmental and Social Data Sheet

Overview

Project Name:	DISTRICT HEATING PRISTINA EXPANSION
Project Number:	2018-0808
Country:	Kosovo
Project Description:	*The project concerns the expansion of the district heating network in the municipality of Pristina, and the corresponding increase of heat extraction capacity without expected changes in fuel consumption in an existing lignite-fired CHP plant.*

EIA required:	no
Project included in Carbon Footprint Exercise[1]:	yes

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

Environmental and Social Assessment

Environmental Assessment

The overall objective of the project is to increase the number of Pristina district heating (DH) customers and consequently substitute the current less efficient, more carbon-intensive, and more polluting heating solutions. To be able to connect new customers the production of thermal energy in the cogeneration plant will be doubled together with the corresponding increase of the capacity of the transmission pipeline as well as the expansion of the DH network. Doubling the capacity of the thermal energy extraction from the existing lignite-based cogeneration system will be carried out without changing the installed capacity of the boilers or the expected fuel consumption of the existing plant. By doubling/increasing the capacity to 280 MW the technical limit of thermal energy production (utilizing steam extraction) in Kosovo B will be reached.

Such a project in the EU would have fallen under Annex II of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU, requiring the competent authorities to determine whether an Environmental Impact Assessment (EIA) is required. The national legislation in Kosovo also requires an initial examination of the project and screening decision by the competent authorities. The decisions issued by the involved competent authorities confirmed that the environmental and social risks associated with the project are not significant and the project does not require an EIA, and it is not subject to municipal environmental permit procedures. To ensure that the project in addition to fulfilling the requirement of the national regulation is also aligned with the requirements linked to the EU financing (EIB loan and EU grant by the European Commission), in the framework of technical assistance provided to the Promoter, an Environmental Impact Assessment (EIA) study was conducted, In addition a site-specific Environmental and Social Management Plan (ESMP) for the transmission pipeline and Environmental and Social Management Framework (ESMF) for the DH grid expansion were prepared to address the specified potential adverse environmental and social impacts and risks.

[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.

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Projects of such nature typically have limited environmental impacts mainly related to noise, vibration, dust and traffic disruption during construction, which are expected to be minor when successfully mitigated by common industrial practices. These typically include appropriate site organisation and construction management to minimize damages and disturbance, soil and flora restoration, traffic management measures and appropriate waste collection procedures. The works will be carried out mainly in urban areas with no significant impacts expected on natural environment and biodiversity.

The main positive impact of the of project will be the reduction of greenhouse gases and air pollutants. Extension of DH network is advantageous both in economic and environmental sense even in case of fossil fuel-based heat generation due to higher efficiency and better air pollution control. It becomes even more favourable with cogeneration due to higher efficiency of coupled electricity and heat production.

The Project will support climate change mitigation by improving energy efficiency and reducing GHG emissions of the heating sector in line with obligations taken by Kosovo as a Contracting Party to the Treaty establishing the Energy Community.

The project was evaluated in relation to climate change hazards including extreme heat and cold, floods and heavy precipitation, storms and thunderstorms, landslides, land/bush fires, droughts, and water scarcity. The project related physical climate risks have been assessed as low. Considering the potential climate related risks for the project it was concluded that the current project design of the project is robust and provides sufficient resilience to climate change. Moreover, the development is appropriate, viable and sustainable regarding climate change and does not inadvertently increase vulnerability.

The Project has been assessed for Paris alignment and it is considered to be aligned both against low carbon and resilience goals based on the policies set out in the Climate Bank Roadmap and in the EIB Energy Lending Policy (development of energy efficient district heating and cooling networks).

EIB Carbon Footprint Exercise

The estimated annual absolute emissions of the project in a standard year of operation are 12,500 tonnes of CO2 equivalent and the estimated emissions savings are 71,000 tonnes of CO2 equivalent per year. The absolute emissions relate to the increased electricity consumption needed for transmission and distribution of the hot water in the extended DH network and to the additional losses. The CO2 savings are attributed to higher efficiency of centralized heat generation in the DH system compared to the substituted less efficient, more carbon-intensive, and more polluting individual heating solutions. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Social Assessment, where applicable

Mainly the existing expropriation (easement right) corridor of the transmission pipeline will be widened in order to create space for the new pipe. However, some additional land plots will be expropriated since the new pipe route is not 100% the same as for the existing pipeline. On the pipeline route no resettlement, physical or economical displacement, or access restriction are anticipated. The construction of the new DH distribution network will be on public (Pristina municipality) and private land and substations will be in in the connected buildings. The new Heat Receiving Station the connecting point between the new transmission pipeline and the new distribution network is planned on a land plot owned by the Promoter but currently used by an NGO. This will require the resettlement of this NGO (Termokiss) as agreed with the municipal authorities to a preselected municipal facility.

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In accordance with the national legislation the Contractor will be required to develop an Occupational and Community Health and Safety plan before starting construction works on site, and this document should be approved by the Promoter.

Public Consultation and Stakeholder Engagement

In the context of the EIA study a Stakeholder Engagement Plan (SEP) was prepared. The SEP defines the stakeholder engagement and public information disclosure activities for the Project and thus present the specific stakeholder engagement activities that the Promoter in cooperation with the technical assistance consultant will undertake during the project preparation and implementation phases. The SEP highlights how the Project will communicate with key stakeholders, non-key stakeholders (including the general public) who may benefit from, be affected by, or be interested in project activities. It also explains the grievance mechanism, through which stakeholders can raise any concerns. The SEP takes into account best international practices concerning information disclosure and outlines the general engagement principles that the Project will adhere to. The SEP has been made available in English, Albanian and Serbian on Termokos website together with the approved EIA report.

Other Environmental and Social Aspects

The promoter has the experience and capacity to implement the necessary mitigating measures at design, construction and operational stages. The promoter has an environmental management system in place supported by international consultant in the framework of technical assistance provided by the EIB during project preparation and implementation.

Conclusions and Recommendations

Based on the information available at this stage, the Project is expected to have minor negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective, subject to conditions to be included in the Finance Contract.

The Promoter has to complete to the satisfaction of the Bank the relocation of NGO Termokiss from the planned location of the new Heat Receiving Station.

The Promoter should not allocate the Bank's funds to programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised, satisfactorily to the Bank, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank. The Promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.

The Promoter has to ensure the implementation of the mitigation measures defined in the EIA study, in the site-specific Environmental and Social Management Plan (ESMP) for the transmission pipeline and in the Environmental and Social Management Framework (ESMF) for the DH grid expansion, prepared to address the specified potential adverse environmental and social impacts and risks

The Promoter has to ensure the implementation of the measures identified in the Decarbonization Plan (Part 2 - Targets and Measures until 2035 and Options from 2035 until 2045) and report on progress to the Bank during the project monitoring period in the project progress and completion reports.

The Borrower must immediately inform the Bank should any materially adverse event occur during implementation or operation, which would prevent the Project to perform as planned, in particular with regards to environmental and social matters.