

Luxembourg, 16.10.2024

Environmental and Social Data Sheet

Overview

Project Name:	CORRIDOR VIII RAIL, PHASE 1
Project Number:	2017-0608
Country:	ALBANIA
Project Description:	Modernization of 34 km of railway line from the port of Durrës to Rogozhinë.

EIA required:	Yes
Project included in Carbon Footprint Exercise ¹ :	Yes

Environmental and Social Assessment

Environmental Assessment

The Project concerns modernization of 34 km of standard gauge, single track rail line currently under operation. The Project objectives are to bring the line into conformity with European standards and allow for a competitive level of service during operation. 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 and construction 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 railway line runs across urban, semi-urban and rural areas. The terrain is mostly flat, except close to Rogozhinë, where hilly terrain is crossed by a 380 metre long tunnel. From its start point at Shkozë to Plepa, the railway line runs through a very densely populated area where houses and businesses are constructed close to the railway line. From Plepa until Kavaje, the alignment runs in low terrain across urban, semi-urban and rural areas. The alignment runs immediately adjacent to the highway between Durrës and Rogozhinë for several km. From km 15+000 up to km 28+000, the alignment runs in almost flat terrain. From km 28+000 up to the end, the alignment runs mostly in rolling rural and semi-urban terrain. There are no natural habitats located in the vicinity of the Project.

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 2020-2021, the Promoter, using third party consultants, prepared an Environmental and Social Impact Assessment (ESIA) in line with domestic law and EIB standards. During H2 2024, the ESIA will be 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).

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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The ESIA does not include the electrification component of the Project, which was introduced into the Project scope only in 2023. A design and related Environmental Impact Assessment report for the electrification component will be commissioned and are expected to be ready by mid-2025, allowing for an addendum to the ESIA to be prepared. The Promoter will then seek a screening decision from the Competent Authority as to whether the changes to the Project, as a result of the electrification component, require a further regulatory EIA procedure or not.

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

- (i) increased number and size of cross drainage, improved longitudinal drainage;
- (ii) consolidation of level crossing along with reorganisation of the local road network, together with pedestrian crossings, all designed to reduce severance;
- (iii) installation of noise barriers and fencing for safety and security;
- (iv) reuse of existing materials wherever feasible; and
- (v) implementation of compensation measures for project affected persons.

The Project results in the following residual negative environmental impacts:

- (i) permanent conversion of less than 1 ha of agricultural land to address two minor realignments and improvements at Golem Station;
- (ii) limited involuntary resettlement (economic displacement only) resulting from the land acquisition, the reconstruction of the disused arm of the Shkozet triangle, necessary road upgrades as well as reconstruction and improvement of stations;
- (iii) community severance from fencing and higher usage of the line;
- (iv) use of scarce resources, such as cement and steel; and
- (v) increased noise and vibration for some receptors situated close to the line due to increase in line usage.

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.

EIB Carbon Footprint Exercise

Based on the fact that the electricity generation in Albania is by hydropower and consequently does not entail any CO₂ emissions, the Bank Services estimated that the Project will not produce any CO₂ emissions. Based on the forecast of passenger and freight volumes on the line between Durrës and Pogradec, project emission reductions are estimated to be about 21 ktonnes CO₂e/year. The estimated values refer to an average year of the 35-year appraisal period.

The absolute emissions calculation assumes the effects generated by the project. The baseline (without project scenario) considers emissions from existing rail and the road network of both passenger and freight traffic. Relative emissions are calculated considering modal shift from the road network to the upgraded railway and the overall savings. These forecasts may differ from those of the Promoter due to different assumptions, boundaries and baselines.

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.



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EIB Paris Alignment for Counterparties (PATH) Framework

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 transformation of existing infrastructure into 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.

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; and (ii) damage to superstructure due to an increase in the temperature range (especially extreme heat in summer). The designs for bridge sub-structure, drainage and tunnel works take into account slope stability and hydraulic risks, the trackworks will accommodate wider temperature ranges and the stations will be better adapted to extreme weather events and meet modern energy efficiency standards.

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 1 ha of private agricultural 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 use the right of way for economic benefit without a formal title, for example at the currently disused arm of the Shkozë triangle as well as two families currently living in Lekaj and Rogozhinë stations.

On this basis, a Land Acquisition and Resettlement Framework (LARF), consistent with EIB standards, 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), identifying in detail the affected persons and their entitlements, will be prepared and implemented during 2025 whilst finalizing the engineering designs and prior to commencement of the permanent works.

The presence of vulnerable groups amongst project affected persons cannot be fully excluded at this stage; this will be verified at the time of the census during H1 2025 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.

Construction works will be carried out in accordance with national laws, including the Labour Law and Health & Safety Law, as well as applicable International Labour Organisations (ILO) conventions. 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 (e.g. 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 system in compliance with national and EU railway safety propositions.

The negative social 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 safety of railway services as well as improved accessibility of regions. Furthermore, the Project is expected to contribute to the balancing or preventing of modal shift towards road, thereby reducing



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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.

Gender equality / Gender Tag

The line will benefit in particular women in the rural regions, as women have less access to individual motorised transport and rely on public transport more than men. The rehabilitation of the line, linked with introducing regular and reliable services with modern rolling stock will bring a step change in accessibility for persons without access to individual motorised transportation, which are more often women than men.

Accessibility for women will also be improved as the railway stations will be designed taking into consideration the needs of women travellers as well as needs of people traveling with children. The Employer's Requirements for the company responsible for the final design and build of the project will include a specific point related to taking women's needs, in particular related to accessibility and security, into consideration when finalising the design. This will be monitored during implementation.

Gender tag: Significant contribution to gender equality

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.

The SEP records all the consultations already performed during Project preparation over the period 2019-21, which included public hearings in the affected municipalities/communities. Further consultation will be implemented, including as part of the regulatory procedure to obtain an Environmental Consent expected during 2024, and to finalise the Land Acquisition and Resettlement Plan once the detailed design is finalised.

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 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 actual implementation of the all the measures in 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 for the line electrification, and, where necessary, involuntary resettlement in accordance with a resettlement plan agreed with the Bank.

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 and duly mitigated, notably when compared to the social benefits of the project.

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