

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	WWTP Gjilan
Project Number:	2017 0913
Country:	Kosovo
Project Description:	Construction of a waste water treatment facility and rehabilitation of existing sewerage in the municipality of Gjilan in Kosovo.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

Regional Water Company (RWC) Hidromorava is in charge of management, operation and maintenance of the water and wastewater services in Gjilan Municipality (having approx. 80,000 inhabitants in 2018) in accordance with the Water Law of Kosovo. At present, the most serious environmental problem in the Municipality of Gjilan concerns surface and groundwater contamination because the wastewater of the existing population is poorly treated in septic tanks, black pits or is simply discharged straight to the streams and tributaries of Morava River, which flows across the border into Serbia. The project consists of the extension and upgrade of the existing wastewater collection system in the Municipality and construction of a new wastewater treatment plant (WWTP), located near the village Uglara on the Morava River. It will treat the wastewater collected from Gjilan urban area and Velekince, designed for a capacity of 76,000 population equivalent (PE). It will contribute to increasing service levels in terms of efficacy and reliability of the waste water treatment and disposal in one of the largest municipalities in Kosovo, contributing also to Kosovo's long-term economic development.

The main legal framework in which RWCs operate includes the following laws: Law on Water, Law on Business Organizations, Law on Publicly Owned Enterprises, Law on Environmental Protection, Law on Public Financial Management and Accountability, Law on Integrated Pollution Prevention & Control, and Law on Environmental Impact Assessment.

Regarding environmental requirements in Kosovo, the relevant limits values for effluents discharged in water bodies are fully transposed into national legislation from EU Directive

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<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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91/271/EEC on Urban Wastewater Treatment. The National law on EIA is essentially harmonised with EIA Directive.

Kosovo legislation does not require a full EIA for municipal WWTPs with a capacity below 100,000 PE, but an environmental consent will be required from the relevant local Competent Authority (Ministry of Environment and Spatial Planning). According to the EIA Directive, 2014/52/EU amending the Directive 2011/92/EU the project with the designed treatment capacity of 76,000 PE would fall under Annex II as it will not exceed 150,000PE.

No major environmental or social issues potentially arising from the project have been identified at project preparation stage. All negative impacts can be easily mitigated to acceptable levels as per the Environmental and Social Action Plan (ESAP), developed by an external consultant in October 2018. Positive long-term impacts for the aquatic life and biodiversity of the recipient river are anticipated. The ESAP refers to the execution of the works with due account of the design solutions adopted and provides the measures and actions to mitigate potential adverse impacts, and to enhance positive or beneficial impacts.

The location of the project is not within, nor in the vicinity of any protected area of high ecological value, hence no sensitive areas will be affected.

Kosovo's Strategy and Action plan for Biodiversity (2011-2020), lists those areas proposed for special protection under the law. The list also includes locations in the Gjilan area, however not the area relevant to the project. The Habitats and Birds EU Directives (92/43/EEC, 2009/147/EC respectively), are not transposed into national legislation, therefore an appropriate mitigation measures described in the ESAP reducing potential negative impacts to acceptable levels shall be ensured by the RWCH during implementation of the project.

A Project Implementation Unit (PIU) will be established by the RWCH. The company does not have extensive experience in management of environmental and social plans, though it is familiar with the application of other international financing institutions' standards. Therefore, technical assistance will be made available to support the PIU in the preparation and implementation of the project, setting up an environmental and social monitoring and reporting system.

The upgrade and construction of the sewer network, collectors and WWTP will result in compliance with the requirements of the EU Directive 91/271/EEC on Urban Wastewater Treatment, which is fully transposed into Kosovo legislation. Initial designs do not propose any sludge digesters for energy recovery; therefore, the project has only a minor contribution to climate change mitigation at this stage.

## **Social Assessment**

The WWTP requires the acquisition of agricultural land currently used by smallholder farming to cultivate mainly maize and will as such, cause economic displacement for the 36 plot owners in the area of approximately 7 ha, plus one additional plot owner whose land is required for the access road. The project is not expected to cause any permanent physical displacement as all the land is uninhabited. No land acquisition is foreseen for the collectors from Gjilan and Velekince, which will be laid along the rivers of Mirusha and Morava. The right of way (for buried assets) will be used for the laying of new networks.

RWCH, together with the Municipality of Gjilan, has experience in land acquisition according to the national legislation. Technical assistance will be made available to support the RWCH in the preparation and implementation of the procedures in accordance with the EIB's and EBRD's social standards. A Land Acquisition and Livelihood Restoration Framework has been developed by an external consultant in November 2018. A more detailed Livelihood Restoration Plan (LRP) shall be developed and implemented by RWCH. Compensation to the affected

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farmers at full resettlement cost for their loss of assets and income will be carried out prior to construction in line with the EIB's and EBRD's E&S Standards. An extensive consultation with all affected households will be required.

Special attention shall be paid to stakeholder engagement through the implementation of a Stakeholder Engagement Plan (SEP), developed by an external consultant in October 2018, inclusive of a project wide grievance mechanism.

Social impacts include the possible disruption of services, noise and temporary occupation of public or private space, traffic disruptions, and safety hazards during construction. The ESAP proposes mitigation measures for any of the aforementioned impacts.

RWCH is in compliance on most labour and working conditions indicated in the ILO core labour standards. A written HR policy will be developed and implemented by RWCH and training will be offered based on the job description of the employees and on training needs assessment. Works contract will include the provision for contractor to follow legislation on labour and working conditions during construction phase. Compliance with this requirement will be supervised by the RWCH with support of the technical assistance.

The Municipal Administration provides information on new infrastructure projects through the local TV station, local newspapers, and website of the Municipal Administration. The project, which will improve the wastewater services, is receiving positive feedback in anticipation of the positive impact on the living conditions of the inhabitants. In addition, the investment will provide job opportunities during the works and operation phases.

## Conclusions and Recommendations

The project will support the reduction of environmental pollution, the improvement of sanitation, thus bringing a positive social impact and, ultimately, contribution to sustainable economic growth. The project is in line with both EU and national objectives and will be implemented in accordance with the EIB's and EBRD's social and environmental standards, including for land acquisition and compensation. The project is expected to have minor environmental impacts during construction and minor negative residual impacts in the operational phase. Overall, the project will generate positive impacts on the environment. The project will also provide long-term socio-economic benefits to the local population in the form of employment opportunities and improved quality of life.

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

- The Beneficiary shall prepare and implement Land Acquisition and Livelihood Restoration Plan for WWTP to the satisfaction of the Bank;
- The Beneficiary shall implement the Project in accordance with the Environmental and Social Action Plan and the Stakeholders Engagement Plan (inclusive of a grievance mechanism) and report to the Bank on the status of implementation;
- The Beneficiary shall implement and operate the Project in compliance with EIB's Environmental and Social Standards.

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

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