



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### **(ESRS Appraisal Stage)**

Date Prepared/Updated: 03/25/2020 | Report No: ESRSA00504



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Kosovo	EUROPE AND CENTRAL ASIA	P169150	
Project Name	Fostering and Leveraging Opportunities for Water Security		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Water	Investment Project Financing	3/30/2020	5/11/2020
Borrower(s)	Implementing Agency(ies)		
Republic of Kosovo	Ministry of Infrastructure and Environment		

Proposed Development Objective(s)

The proposed project development objective is to (i) strengthen national capacity for managing water security, and (ii) improve water security in Morava e Binces basin.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>31.61</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The project will take a two-pronged approach, with on the one hand developing sector capacity for strategic planning and development of Kosovo’s water resources; and in the selected basin area, to improve integrated land and water resource planning and management practices, water storage investment preparation, drinking water services, and environmental status of watersheds. It will thus combine foundational initiatives aiming to develop a longer term programmatic approach for water security, with a catalytic investment program that support learning in implementation and delivers immediate tangible benefits.



#### D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

Kosovo is a landlocked country bordering Serbia, North Macedonia, Montenegro and Albania. Large part of the country is covered by vast plains while Albanian Alps and Shar mountains rise in the south-west and south-east. Kosovo is divided into seven districts, which are further subdivided into 38 municipalities. The country has limited water resources and is divided into four main river basins. The project has three components ; Component 1 'Foundational measures for water security' - the scope is country-wide, Component 2 'Addressing water crisis with catalytic investments' will be implemented largely in Morava e Binces basin. Component 3 is Project management.

Morava e Binces basin is located in the east of the country bordering Serbia and is a trans-boundary basin shared by Kosovo, Serbia, North Macedonia and Bulgaria. It is the smallest of the four basins and carries significant environmental characteristics and agricultural potential. The basin is characterized with hills, forests and pastureland with some areas available for agriculture. Morava e Binces is the driest basin and suffers from significant flood and drought risks causing profound damages to people and country's economy.

Kosovo is a water scarce country, by Regional comparison, and has the lowest level of water resources development and storage. The country is very vulnerable to climate shocks. Climate change model predict that the Region will get drier and warmer faster than the world average. One of the obvious impacts of climate change in Kosovo is likely the shortage of water due to lesser snowfall and earlier meltdown of snowcaps (a major water storage) in Kosovo.

Morava e Benices basin is suffering from hydrological drought, ecosystem degradation, and reduction of ecosystem services, increased and new forms of pollution and water-related diseases.

The eastern part of the country has been badly hit by severe drought resulting in water crisis. Within the Morava e Binces basin, already the area with lowest rainfall, and among the highest water stress and least storage of Kosovo's basins, this drought has had major consequences. Water quality has further deteriorated, making it unusable for any economic activity including irrigation, and importantly, major towns and villages have had to introduce strict rationing and parts of the service area de facto ran out of drinking water. This year, the ongoing drought has led to more than six months of restricted water use among residents and businesses.

Together with ongoing deforestation and land degradation, watershed protection is important for better environmental function and ensuring adequate water quality and quantity throughout the year.

The country has challenges also in managing air pollution, waste management (solid, hazardous and municipal). Thermal power plants, vehicular emissions and some industrial facilities are major sources of urban air pollution in the country. The country does have waste management companies in many municipalities however, these either lack adequately designed landfill sites or coverage is not 100 percent. Therefore much of the waste ends up polluting land, water and/or air.

Kosovo is the poorest country in the region with several vulnerable groups at risk of social exclusion and poverty. Lack of income opportunities and limited social protection schemes make women, young people, children, the elderly, minority groups, disable and internally displaced peoples particularly vulnerable to poverty. Poverty rate in Gjilan region where the project would be implemented is 37.9% and this would be third poorest region in Kosovo based on the poverty headcount. Gjilan region includes Vitia which is beyond Morava e Binces region. In Kosovo, poorer households tend to live in rural areas although urban areas are also afflicted with deep poverty, especially the Roma, Ashkali and Egyptians (RAE) community.



Approximately, 130,000 households are engaged in agriculture, utilizing around 80 percent of cultivable land in the country. Agriculture sector as the income earner for significant population is dependent on natural resources including water but productivity levels are significantly below optimum due to water shortages, quality issues and dilapidated infrastructure.

Around 12 percent of Kosovo is protected areas supporting between 2,800 to 3,000 vascular species of flora and wide variety of fauna. Uncontrolled deforestation, habitat degradation due to human intervention, illegal hunting and global climate change are some of the factors adversely effecting biodiversity. Majority of the project activities will take place in build-up areas without effecting biodiversity, environmentally sensitive areas or any other places of natural or cultural interest.

The project will be flexibly designed to adapt to priorities emerging from the basin planning process, and overall support water security, climate change adaptation and preparing investments for future programmatic and larger scale investments. Possible investments will be result of river basin planning and these could be investments and technical assistance to improve water information systems from data production, analysis and dissemination; equipment and training for institutionalizing dam safety surveillance measures; works and technical assistance that will improve water use efficiency measures that will enhance water demand management capacity of Kosovo's irrigation sector; priority irrigation investment, to be prioritized under the irrigation master plan, currently under development; investments to expand, rehabilitate and modernize municipal water supply systems, including measures to improve performance and efficiency of water use such as goods and consulting services for non-revenue-water diagnostic and drought management planning in urban water supply systems in the region.

The beneficiary and affected population lives in urban areas such as cities of Gilan and Kamenica as well as rural villages around. The region's rural area does not have large concentrated villages thus the new water infrastructure to be financed such as potential extension of irrigation would not impact large number of population. The rehabilitation investments would have negligible impacts. The risks from land acquisition are minor. It is not expected that there will be physical displacement. Potential risks would be related with the contractors who could engage workers without proper contracts.

#### D. 2. Borrower's Institutional Capacity

The Ministry of Infrastructure and Environment (MIE), formerly (Ministry of Environment and Spatial Planning (MESPP)) is the lead agency responsible for the implementation of the project. Several other Ministries like Ministry of Agriculture, Ministry of Economic Development, Sector agencies and municipalities will also partner MIE in the project implementation. The Ministry (MIE) has had implemented, directly or in support to other Ministries, several World Bank funded projects in the past and is therefore familiar with the Bank's Safeguards Policies. For example, the resettlement department within MIE, has managed the Shala village resettlement in the Sibovc field under the World Bank funded Clean-up and Land Reclamation Project.

In the past, project specific PMUs/PIUs were set up to help prepare and implement Bank funded projects and consultants were hired to support them on meeting Bank's safeguards requirements. On a Bank funded Water Security and Canal Improvement Project (WSCP) P133829, a dedicated PIU under the Iber-Lipenc Company helps implementation of the project including safeguards. MIE though not directly involved but had presence in the implementation of WSCP from the Government side. The PIU for WSCP has a dedicated environment and social consultant and are supported by a safeguards expert in the team of design and supervision consultants. The ESMF



prepared for this project provides details on the environmental and social (E&S) due diligence arrangements. These include having a dedicated environmental and social specialist, one each, within Project Management Team (PMT). A multi-sector PMT will be housed in the MIE and with participation of the other implementing agencies, it will oversee day to day implementation and administration of the project. The project will provide funding to contract professional and support staff to form the PMT and ensure that specialized task are professionally executed by people with the required background and knowledge, including environmental and social safeguards specialists.

In the past, MIE's only introduction with the new ESF was through its staff participation in half a day awareness training held after ESF rollout in October 2018. For this project, MIE has led the preparation of ESMF report in accordance with the World Bank's ESF. A strong training program covering Bank's new ESF and implementation aspects of project specific environmental instruments is planned to be delivered after the project approval from the Bank.

In the social side, MIE has a solid experience in dealing with resettlement and land acquisition issues through its involvement for the Sibovc field LPTAP Project, the Ministry is not equipped to properly manage other social risks such as Labor and Community Health related risks. While the labor laws are mostly compliant with the Environmental and Social Standard 2 on Labor and Working Conditions, but the possibility of having of workers grievance outside of the justice system, the issue is with the inspection of the compliance. The MIE has experience in the social risk management including stakeholder engagement of infrastructure development projects, however, their experience is limited in River Basin Management including especially planning and managing of consultative processes.

**II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**Environmental Risk Rating**

Substantial

Aside from the studies for the new dam for which the project is financing preparatory technical, social and environmental studies, the proposed investments under component 2 are either small scale construction like check dams or are rehabilitation/ reconstruction or expansion of the existing irrigation and water supply network. The project also includes non-infrastructure interventions such as upstream watershed protection through afforestation, forestry and biodiversity monitoring, sustainable local tourism development and technical studies for forest and agricultural land improvement . The project is likely to generate positive impacts on human population and environment. It is reported in the ESMF that there are no protected areas or physical/cultural heritage/monuments present in the project area as majority of the project activities will happen in already settled and urban areas. The potential adverse environmental impacts could be medium to large scale but those would be predictable and reversible. Some of the project activities can be classified green field, or example, creation of new/ improve existing minor irrigation and water supply infrastructures, and flood management and erosion control infrastructure. The scale of construction may result in temporary adverse impacts on human health resulting from work related accidents or inadequate waste management. Rehabilitation or reconstruction of irrigation and water supply system may require retrieving old pipes manufactured of asbestos. Typical construction related environmental impacts noted for the project are: excessive noise and dust levels, localized air and water contamination, impacts on human health due to hazardous waste management and inadequate OHS aspects, increased use of chemical fertilizers and pesticides and



impacts on community safety. Management of construction waste, adequate management of labor camps and maintenance of machinery and yards, appropriate closure and restoration of work sites are some other key and potential E&S issues during construction. Proposed on-farm investments for agricultural modernization could also result in the increased use of chemical fertilizers and pesticides, though quantities may not be very significant in relative terms.

The past experience of the MIE in developing and implementing complex Projects is limited. The existing capacity to manage environmental risks and impacts is also basic and weak and will be strengthened for implementation by assigning dedicated E & S specialists in the PMT.

Based on both, MIE’s capacity assessment for the implementation of environmental and social due diligence and the nature and scale of project investments, the environmental risk classification is Substantial.

**Social Risk Rating**

Moderate

The impacts of the project will be positive in longer term. The project will improve reliability, security and quality of water supply in rather dry region and rural areas that have extensive agriculture activities. Some activities will directly support the livelihoods from farming. The overall social risk is deemed moderate : Most probably labor influx is not likely because the Project would only support rehabilitation/reconstruction or extension of already existing water reconstruction which are small in scale and will not require a large number of external workers. The project will not finance building of the Kike-Kremenata dam and will only finance the preparation studies. For other sub-projects communities could face project induced traffic but this would be in much smaller scale. Other risks are those related that poor, vulnerable and minority communities might be excluded from project benefits. The implementing agency will prepare the stakeholder engagement with separate strategies to engage the vulnerable groups and take necessary measures so they will benefit from the project. Risks related to land acquisition is not very significant since the project will be financing design and financing small-scale construction of irrigation, water supply, erosion control and flood management, on-farm modernization, watershed management, and non-infrastructure interventions such as upstream watershed protection through afforestation, forestry and biodiversity monitoring, sustainable local tourism development and technical studies for forest and agricultural land improvement. The MIE, through its Department for Resettlement has experience in the World Bank involuntary resettlement policy for much more complex resettlement. There is a risk that the MIE is unable to properly manage the coordination of multiple stakeholders during the Water Resource Investment Planing processes. In addition MIE does not have capacity in managing risk related to labor and working conditions as these is a mandate of the labor inspectorate which is not under the MIE. The Project will assist the capacity development of the MIE in broad social and environmental risk management including labor related issues as well as addressing livelihoods impact and vertical and horizontal coordination of multisector stakeholders

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

***Overview of the relevance of the Standard for the Project:***

Public Disclosure



Aside from the studies for the new dam for which the project is financing preparatory technical, social and environmental studies, the proposed investments under component 2 are either small scale construction like check dams or are rehabilitation/ reconstruction or expansion of the existing irrigation and water supply network. The project also includes non-infrastructure interventions such as upstream watershed protection through afforestation, forestry and biodiversity monitoring, sustainable local tourism development and technical studies for forest and agricultural land improvement. Exact information on the siting and design of investments on existing irrigation and water supply schemes, check dams for erosion control and flood management infrastructure is not available since the feasibility/detailed design studies are still on-going. The MIE therefore prepared an ESMF for all proposed investments. For Component 1 of the project, TOR for the preparation of technical studies for Kike-Kremenata dam includes requirements to address E&S aspects in line with the ESF. Besides, Strategic Environmental and Social Assessment (SESA) will also be carried out for the national level water resources investment preparation study.

OP 7.50 is applicable to the proposed Project as some of the proposed interventions use or risk polluting water resources of the Morava e Binces River, which is a tributary of the Great Morava river, shared by Kosovo, Albania, Bulgaria, Greece, Montenegro, North Macedonia and Serbia. Accordingly, the Bank, on behalf of the Government of Kosovo, notified the other riparian countries of the proposed Program/Project. Since the project also considers support to irrigation following Masterplan Priorities and locations are not yet known, the riparians of the other river Basins (Iber, Drini I Bardhe, Lepenc) were also alerted. As of January 15, 2020, which was the deadline set out in the notification letter sent to the riparian countries to respond on the Project, only North Macedonia and Serbia have responded in support of the project and its objectives, with questions for clarification that were subsequently provided. Given the nature and location of the proposed Project activities, it has been assessed that the proposed Project will not cause appreciable harm to other riparians and will not be appreciably harmed by other riparians' possible water use.

Climate variability, watershed protection, erosion control, protection of water quality from industrial and domestic effluents and water security are some of the key challenges. This project targets many of these challenges and supports better environmental management by undertaking necessary and priority investments, and non-infrastructure interventions. These are, for example, upstream watershed protection through afforestation, forestry and biodiversity monitoring, sustainable local tourism development and technical studies for forest and agricultural land improvement. All of these interventions will result in significant and wide ranging positive environmental impacts such as improved protection of biodiversity, reduced land degradation, landslide stabilization, better agricultural productivity etc. Some significant adverse environmental impacts but largely temporary in nature are associated with construction related activities. Some of the other proposed investments like construction of irrigation and water schemes, water transmission pipeline, erosion and flood control structures etc. could be considered greenfield sites. Majority of these interventions are however located in the build-up areas. Typical construction related environmental impacts noted for the project in the ESMF are: excessive noise and dust levels, localized air and water contamination, impacts on human health due to hazardous waste management (inadequate disposal of asbestos containing material), if any and inadequate OHS aspects, and impacts on community safety. Management of construction waste, adequate management of labor camps and maintenance of machinery and yards, appropriate closure and restoration of work sites are included in the impact mitigation chapter of the ESMF. There are little chances of generation of hazardous waste under the project except that some asbestos containing material (mainly pipes) are extracted from the old irrigation and water supply systems. In addition to Component 2 investments, the TA activities under Component 1 will include environmental and social due diligence requirements in line with the



ESF. Preparation of ESIA study for the Kike-Kremenata dam and SESA for water resources investment planning are included in the ESCP.

The independent panel of experts, which has been set up under World Bank funded Water Security and Canal Protection project (P133829), will help the Government to set up dam safety procedures (for the dams in the country) and protocols under the Project based on good industrial international practices, after the assessment of the existing systems. Bank's discussions with the MIE include timing and schedule of engagement (with efforts to engage them as early during the project preparation as possible) and on the revision in ToR of the panel to include their services for FLOWS project.

The ESMF was consulted with stakeholders on January 31st, 2020 at the premises of MIE. The meeting was joined by representatives from major segments of society. The report was locally disclosed both in English and (Summary) in Albanian languages on February 10th, 2020.

The environmental and social assessment includes stakeholder engagement as an integral part of the assessment, in accordance with ESS10. Special attention has been given to the vulnerable people (ethnic minorities and poor) through the stakeholder engagement framework. Poverty and exclusion is acute at the following groups : women, youth, the elderly, minority groups, disabled and internally displaced peoples are particularly vulnerable to poverty. Since 2012, an increasing number of young people from Kosovo have emigrated because of a because of a lack of opportunities at home. The young that stay in Kosovo experience high unemployment (61 percent) and related risks of poverty and social exclusion. Social mobility is almost nonexistent among marginalized groups such as the RAE, who continue to face major challenges in socioeconomic circumstances, lacking education and facing discrimination from the general public. The Project will engage with them throughout the implementation period based on the SEP to ensure that no negative impact will fall on them disproportionately and that they benefit from the project interventions. During the preparation the social assessment was informed by the scoping of the issues. Based on the initial scoping of social risks and impacts, these are the issues to be addressed during the project implementation: land and livelihoods impacts, vulnerable and disadvantaged groups, construction related traffic, strategies for outreach and engagement, labor management and exclusion risks, and potential risks to cultural heritage. Based on initial scoping there will be no physical resettlement. Most probably there will also be no livelihood impact but for more precise assessment during the Environmental and Social Assessment ownership data will be acquired and land use will be observed and analyzed to determine whether and what will be livelihood impact because of future inundation land takes, given that the project will finance preparation studies for the reservoir and not the actual works. The project will finance preparation studies for the Kike-Kremenata Dam and as part of the studies it will try to estimate potential impacts from the Kike-Kremenata Dam. Direct investments planned from the project, to be executed with the FLOWS 2 project, will most probably cause land acquisition but it is not likely that this will result in physical displacement. The resettlement policy framework (RPF) has been prepared and will guide addressing land acquisition and its impacts during the construction phase according to the relevant standard the ESS5. The Labor Management Procedure (LMP) has been prepared to address labor risks related to works to be financed by the project. The risk of exclusion of the vulnerable from the benefits or their disproportionately being affected will be addressed through identification of their concerns under the SEP and addressing them by proactively adjusting project interventions to address their needs. Special strategies will be proposed how to include vulnerable.



### ESS10 Stakeholder Engagement and Information Disclosure

The standard is relevant. Most, if not all, Project Affected People (PAP) will also directly benefit from the project through investments for water supply extension, irrigation rehabilitation and landscape management. Local governments and the regional water supply companies as well as the industry sectors that use water will also directly benefit from the project.

The Stakeholder engagement is in conjunction with the Environmental and Social Assessment. For this particular project the Stakeholder Engagement is multidimensional. One dimension of the engagement is horizontal and on national level between state institutions and non-state institutions such as civic society, professional groups, private and public commercial entities as well as settlement level representatives and local governments. This dimension of engagement is related to component one activities such as support to national level knowledge, and institutional capacity for water management institutions. Whereby the other dimension is vertical stakeholder engagement within a region and is relevant for the other activities of the component one such as support to plans for collaborative and harmonized river basin level development interventions. This level of the stakeholder engagement aims to create conducive environment, through appropriate mechanisms, for grassroot feedback for the development of river basin management plans but also engagement during the interventions of investments.

The stakeholder engagement framework is prepared and carried out identification and analysis of stakeholders, both PAP and Other Interested Parties (OIP), and propose how to engage them throughout project life and propose appropriate grievance redress mechanisms (GRM). Special attention is given to disadvantaged and vulnerable groups who are identified as part of the Environmental and Social Assessment (ESA) process but who also include those who live in very small and remote settlements and minorities, ethnic Serbian and ethnic Roma, and poorest segment of population who can be found in all project affected settlements. Inclusion of such vulnerable groups is mainstreamed in every dimension of the stakeholder engagement. Other interested parties in the project will be Regional water supply company, beneficiary local governments, business communities and various regional and national associations. The Stakeholder Engagement Framework (SEF) is developed and disclosed before appraisal and will propose measures on how these disadvantaged communities will be involved. Concrete Stakeholder Engagement Plan will be prepared during the project implementation once the particular infrastructure investments are defined. The framework includes stakeholder consultations during the preparation of ESMF but also once it is completed before the appraisal. the final draft of ESMF will be discussed as well before the end of appraisal. During the project implementation terms of references for the ESIA studies for the specific infrastructure will be shared with the stakeholders to get their meaningful input into the study and analysis. Once the draft report will be prepared, findings of the assessment and proposed environmental mitigation and management plan will be shared with the large segment of society by holding a workshop, and disclosing draft report in advance for public consultation. Participants' views will be included in the reports and their key concerns will be addressed or rationale will be provided for those not addressed in the mitigation and management plan.

### B.2. Specific Risks and Impacts

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**



### **ESS2 Labor and Working Conditions**

Direct and contracted labor will be exposed to work conditions on site. Most probably primary supply workers and community workers classification will not apply. The ESMF provides guidance on ensuring safety and health of the workers at work. The MIE has ensured that OHS guidelines and procedures provided in the ESMF for contracted workers are based on good industrial practices and follow the WBG EHSs Guidelines. The Labor Management Procedure (LMP) proposes a grievance mechanism related project worker to be implemented for every sub-project investments. It is likely that the most of the labor will be locally hired with the exception of a few skilled workers who may not be found in the project location. There are local companies that can supply the future main contractors with mechanization, labor as well as skilled labor. A worker's camp is not likely to be set up for the works of the project. This will reduce the risks typically associated with labor influx. However, consideration will be given to the employment of local communities (especially women) during the construction period. The client has prepared labor management procedures (LMP) which laid guidelines for the selected Contractor to prepare the Contractor's labor management plans to cover both labor and working conditions such as the labor management issues like terms and conditions of employment, nondiscrimination and equal opportunity (these requirements are incorporated in labor laws) as well as occupational health and safety measures for project workers.

Capacity Assessment: As part of the planned institutional analysis, the Borrower's capacity to manage labor, working conditions and community health and safety is assessed. Gaps identified are addressed in LMP as well as in relevant parts of the Environmental and Social Management Plan (ESMP) to be prepared during the project implementation.

Contract Clauses: Civil works contracts will incorporate social and environmental mitigation measures (ESMP); the Environmental Health and Safety Guidelines; other referenced plans e.g. relevant provisions of LMP, Stakeholder Engagement Plan (SEP) etc. as well as specific language referencing the prioritization of the hiring of unskilled local labor.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The project is unlikely to use significant volumes of energy, water and other raw materials for the construction activities. The ESMF provides guidance on establishing procedures for resource efficiency, cleaner production processes and pollution prevention and management. In particular, air and water quality standards set either under European Directives or WBG EHSs, whichever are more stringent, will be followed. Detailed design studies will also carry out water balance studies to establish the net impact of project on the available water sources in the area, particularly during dry seasons. There are little chances of generation of hazardous waste under the project except that some asbestos containing material (mainly pipes) are extracted from the old irrigation and water supply systems. The ESMF provides guidance on the safe disposal of ACM. Some of the proposed on-farm modernization and irrigation investments could possibly indirectly result in increased use of chemical fertilizers/pesticides. The project will need integrated pest management plan and will benefit from the on-going IPM implementation arrangements in place for the Bank-funded ARDP.

### **ESS4 Community Health and Safety**



The stakeholder engagement framework and the specific plans will incorporate strategies for informing the communities with these plans and work opportunities, and to provide services during the construction and operational phases. Proposed interventions include investment planning to avoid climate change related severity. Given the water related investment nature of the program there will be project related traffic that will interfere with the normal traffic and communities. These will be addressed through the site specific ESMPs/ESIA by preparing traffic management plans prior to commencement of the works.

**Dam Safety:** Visual inspections of the existing five dams in the country and brief review of drawings and the existence of documentation (drawings, documents on material properties and analysis) undertaken during the Kosovo Water Task Force review and World Bank Project preparations show that the dams are currently in stable conditions, but much knowledge and updated calculations are missing. The Kosovo government is currently employing dam safety panels of experts and is commissioning hydrological, seismic and hydraulic studies as well as instrumentation for two World Bank funded projects KARP and WSCP, which are supporting the rehabilitation of Gazivoda and Pridvorica dams. These are the largest dams and reservoirs in the country, and these studies will bring dam safety analysis up to current requirements. It would be advisable to build on this momentum to strengthen a more permanent panel of experts and dam safety operations; and Improve emergency preparedness and response measures in face of flood risks and potential dam failures. Emergency preparedness capacities of regional water companies and emergency management agency in Kosovo are weak and there is limited understanding of risks faced by downstream communities in face of dam failure. Preliminary assessment is needed to understand the exposure of dam failure risks and how to prepare communities downstream of dams.

Following activities have been proposed under the project: 1) assessments and training for dam safety surveillance programs; 2) investments in dam safety surveillance equipment and repair works to improve dam operation; and 3) a dam safety panel to ensure sustainability of dam operations improvement and safety management practices.

### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The risks related to the Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Standard has not changed since concept phase. Project will finance technical documentation of a future reservoir construction of Kike-Kremenata Dam, and finance preparation and construction of priority investments identified in the river-based management plan to be prepared under this project. The projects to be financed could be optimization of the water supply network, rehabilitation of water supply and irrigation, dam safety, equipment etc.

Construction of priority investments may involve minor economic and physical displacement, while the construction of Kike-Kremenata Dam (if it happens after the project) is unlikely to cause physical displacement as the reservoir will be constructed in remote area without any local residents. Since the exact project footprint cannot be known during preparation, a Resettlement Policy Framework (RPF) is be prepared during preparation, satisfying the objectives of the Land Acquisition, Restrictions and Land Use and Involuntary Resettlement Standard, to guide the land acquisition and resettlement that may happen as a result of the investments financed under the project as well as future investments for which the development of technical documentations will be conducted under the project. The RPF will thus include a section that will guide the development of a Resettlement Action Plan (RAP) for the reservoir construction based on the technical documentation prepared during project implementation.



**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The project investments include significant proportions marked for the upper watershed/catchment protection in Morava e Bences basin. Activities also include biodiversity monitoring, plantation of fruit trees, afforestation - all of these resulting in net positive impacts on biodiversity in the project area. Since the project is not located in environmentally sensitive area, nor does it impact any natural habitat, adverse impacts on biodiversity will only be very localized and restricted to construction phase of the project and largely in an already modified habitat. Site-specific ESMPs will include assessment of the flora and fauna in line with the recommendations provided in the ESMF. Contractors will be required to follow the recommendations given in the ESMF for biodiversity conservation in the immediate vicinity of the project site and avoid occupying larger areas for carrying out construction activities. Site specific impacts and mitigation will be discussed in the ESMPs or ESMP Checklist or ESIA (depending of the type of the project activities). Training will also be organized for contractors.

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

The standard is not relevant.

**ESS8 Cultural Heritage**

Potential risks and impacts on tangible cultural heritage are likely due to the fact that project involves excavation, demolition, movement of earth, flooding and other changes at several construction sites within the project area. In case any cultural heritage is encountered during the project life cycle (including construction), the client will identify relevant stakeholders as per ESS 10 for meaningful consultation to assess the potential risks and impacts and explore avoidance and mitigation options. Chance find procedures will be part of all contracts involving any works under the project. All sub-project specific ESIA's, ESMPs and ESMP-Check lists will include chance find procedures.

**ESS9 Financial Intermediaries**

Not relevant for the project

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** Yes

**OP 7.60 Projects in Disputed Areas** No

**III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)**

DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED	TIMELINE
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Public Disclosure



Public Disclosure

ESS 1 Assessment and Management of Environmental and Social Risks and Impacts	
<p>MANAGEMENT TOOLS AND INSTRUMENTS: Development of site - specific ESMPs, ESMP Checklist, as well as ESIA as needed, implementation of the following documents:</p> <ul style="list-style-type: none"> <li>• Environmental and Social Management Framework (ESMF)</li> <li>• SESA for River basin planning</li> <li>• ESIA for Kremenata Dam</li> <li>• Resettlement Policy Framework (RPF)</li> <li>• Stakeholder Engagement Framework (SEF)</li> </ul>	07/2020
MIE will establish an organizational structure (PMT) with qualified staff to support management of environmental and social risks of the Project. One full-time Environment and one Social Specialist is required to be engaged as permanent staff within the PMT.	06/2021
<p>Prepare, update, adopt, and implement, the Environmental Assessments as recommended in the Environmental and Social Management Framework. The ESMF guides preparation of environmental and social due diligence documents proportional to sub project risk and impact, specifically ESIA, ESMP and ESMP-Checklists.</p> <p>RPF will guide the potential land acquisition and the site-specific RAP will be prepared if needed. SEF is used as a tool for identification and engagement and solicit feedback.</p>	06/2020
<p>PMT within MIE will develop and implement procedures for managing Contractors and subcontractors. Incorporate the obligation of Environmental Health and Safety (EHS) plan/Labor Management Procedures (LMP) into the contractual agreements with contractors and subcontractors. Environmental and Social obligations will be included in all bidding documents including the contractual agreements.</p>	06/2020
<p>Obtain or assist in obtaining, as appropriate, the permits, consents and authorizations that are applicable to the Project from relevant national authorities, pursuant to applicable national laws.</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Decision for approval of the ESIA report by the relevant Authority;</li> <li><input checked="" type="checkbox"/> Approval for reconstruction/rehabilitation of the respective water related infrastructure (water supply/irrigation) by the competent Authority;</li> <li><input checked="" type="checkbox"/> Approval for non-hazardous waste/hazardous waste disposal at a specific location.</li> </ul>	06/2020
ESS 10 Stakeholder Engagement and Information Disclosure	
<p>1- Prepare and disclose the SEF. Implement throughout the project</p> <p>2- Set up project grievance two months after the effectiveness</p>	04/2020
ESS 2 Labor and Working Conditions	
<p>1- Based on the project level Labor Management Procedures prepared for appraisal, Labor management plans for each contract to be prepared prior to the works. To be applied throughout project implementation. Funding from the Project</p>	07/2020



Develop and implement occupational health and safety measures (OHS), including emergency preparedness and response measures, project workers training to heighten awareness of possible risks (PPE, first aid, firefighting equipment, etc.) injuries.	01/2021
<b>ESS 3 Resource Efficiency and Pollution Prevention and Management</b>	
-The Contractor will develop and implement measures and actions defined in Waste Management Plan -Contractor will implement measures prescribed within the ESMF, ESMP or ESMP Checklist or ESIA regarding the management of waste and hazardous materials	01/2021
<b>ESS 4 Community Health and Safety</b>	
1-The Contractor will Develop and implement measures and actions in Community Plan to manage risks related to Community Health and Safety including traffic and road safety risks and risks related to the use of security personnel is any	02/2021
1- As part of its bid the successful Contractor is required to submit a preliminary TMP, which will ultimately form part of the ESMP/ESIA. Before work commencement updated TMP will be submitted to ESS.	05/2021
1) assessments and training for dam safety surveillance programs; 2) investments in dam safety surveillance equipment and repair works to improve dam operation; and 3) a dam safety panel to ensure sustainability of dam operations improvement	05/2021
<b>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</b>	
1- Prepare RPF 2- Prepared RAPs as needed. As the technical designs become available for specific works	05/2020
<b>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>	
Contractors will be required to follow the recommendations given in the ESMF for biodiversity conservation in the immediate vicinity of the project site and avoid occupying larger areas for carrying out construction activities.	06/2020
<b>ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</b>	
<b>ESS 8 Cultural Heritage</b>	
- Chance find procedures will be part of all contracts involving any works under the project. All sub-project specific ESIA's, ESMPs and ESMP-Check lists will include chance find procedures	02/2020
<b>ESS 9 Financial Intermediaries</b>	

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**



**Is this project being prepared for use of Borrower Framework?**

No

**Areas where “Use of Borrower Framework” is being considered:**

Both from environmental and social perspective, borrowers' E&S Framework will not be used in all or part for the assessment, development or implementation of the project.

**IV. CONTACT POINTS**

**World Bank**

Contact:	Regassa Ensermu Namara	Title:	Senior Water Economist
Telephone No:	+1-202-473-2	Email:	rnamara@worldbank.org
Contact:	Pieter Waalewijn	Title:	Sr Water Resources Mgmt. Spec.
Telephone No:	+1-202-458-1	Email:	pwaalewijn@worldbank.org
Contact:	Trandelina Baraku	Title:	Water Resources Mgmt. Spec.
Telephone No:	5282+1119 /	Email:	tbaraku@worldbank.org

**Borrower/Client/Recipient**

Borrower: Republic of Kosovo

**Implementing Agency(ies)**

Implementing Agency: Ministry of Infrastructure and Environment

**V. FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**VI. APPROVAL**

Task Team Leader(s):	Regassa Ensermu Namara, Pieter Waalewijn, Trandelina Baraku
Practice Manager (ENR/Social)	Gulana Enar Hajiyeva Cleared on 19-Mar-2020 at 04:36:26 EDT
Safeguards Advisor ESSA	Gulana Enar Hajiyeva (SAESSA) Concurred on 25-Mar-2020 at 21:05:42 EDT

Public Disclosure