



Concept Environmental and Social Review Summary  
Concept Stage  
**(ESRS Concept Stage)**

Date Prepared/Updated: 10/27/2022 | Report No: ESRSC03075



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Kosovo	EUROPE AND CENTRAL ASIA	P179737	
Project Name	Kosovo Improvement and Rehabilitation of Irrigation Systems		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Agriculture and Food	Investment Project Financing	11/30/2022	2/15/2023
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance, Labor and Transfers	Ministry of Agriculture, Forestry and Rural Development		

**Proposed Development Objective**

The proposed development objective is to increase the efficiency of water utilization and boost agricultural productivity in the project area.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>9.04</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 proposed project aims to increase the irrigated area, reduce water losses and production costs, and improve and modernize irrigation services through the rehabilitation and modernization of the Radoniqi-Dukagjini Irrigation System (RDIS), and to improve the sustainability and efficiency of infrastructure investments supported under the project and increase the capacities of the Ministry of Agriculture, Forestry and Rural Development (MAFRD), Municipalities, irrigation providers and farmers. The proposed project would respond to Government demand and help Kosovo rehabilitate and expand irrigation systems, and directly contribute to Country Partnership Framework (CPF) Objective 2: "Improve productivity of the agriculture sector" by increasing the hectares of area provided with



improved irrigation services and promoting the adoption of improved agricultural technologies. The proposed project is highly consistent with the World Bank’s overall development frameworks – Resilience, Inclusion, Sustainability, and Efficiency (RISE) and Green, Resilient and Inclusive Development (GRID), in terms of addressing long-term development challenges and contributing to post pandemic build back better. The proposed project is also fully aligned with the vision and objectives of Kosovo Strategy for Agriculture and Rural Development 2022 – 2028, to develop a competitive and innovative agri-rural sector based on modern knowledge, technology, and standards, offering high-quality products in the domestic market, the region, and the EU, as well as sustainable development of natural resources and the environment, providing economic activities and employment opportunities, social inclusion and quality of life for residents in rural areas.

The proposed project would include the following three components. Component 1 to support the rehabilitation and modernization of the RDIS, aiming to increase irrigated area, reduce water losses and production costs, and improve and modernize irrigation services. Works for scheme rehabilitation include inter alia: (i) construction of regulating structure including flow meter valves, manholes, etc. aiming at regulating water flow and water use to ensure efficient water management, and (ii) rehabilitation of three irrigation sub-systems (Qerim, Janosh and sector “D” in Dukagjini area) including replacement of different profile of gate valves, broken pipes and fittings, purchase and installation of vertical line shaft pumps, rehabilitation of the main pipeline, intake and distribution gates manhole etc. Modernization of the RDIS include support for the development and establishment Supervisory Control and Data Acquisition (SCADA) to enable the remote operation of the irrigation structures and reducing the operational costs and water losses. Component 2 aims to improve the sustainability and efficiency of infrastructure investments supported under component 1 and increase the capacities of the MAFRD, municipalities, irrigation providers and farmers. It would provide (i) technical assistance to the municipalities to strengthen the capacities of the municipal governments for the provision of irrigation and drainage advice to the farmers in an effective and sustainable way; (ii) technical assistance to the irrigation providers on improving the overall corporate governance and best practices in management and produce of high standard business plans; (iii) assistance to the farmers on modernization of on-farm irrigation technologies and display good practices for an efficient on-farm water management; (iv) technical assistance to the MAFRD for policy, regulatory and institutional aspects supporting implementation of Irrigation Master Plan; and (v) support to knowledge exchange in the irrigation sector. Component 3 would provide overall project management support, coordination, including procurement, financial management, monitoring and evaluation (M&E), and public awareness of project activities. Project staff will benefit from capacity building on climate resilient irrigation, sustainable irrigation and climate adaptation solutions.

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#### D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The proposed Project is a continuation of the Irrigation component of the Kosovo Agriculture and Rural Development (KARD) Project, financed through a World Bank credit. The KARD Project, through the irrigation component, financed the rehabilitation of irrigation infrastructure serving about 7,000 ha of the Radoniqi Dugagjini Irrigation Scheme (RDIS). The proposed Project will be funded entirely from an EU grant through the IPA (Instrument for Precession) and will finance the rehabilitation of irrigation infrastructure serving an additional 4000 ha and modernization of an already rehabilitated infrastructure serving 7000 ha. The Project will be implemented in the area of the RDIS which



covers agricultural lands of the cities of Gjakova, Rahovec, and Prizren. The Project - RETF Recipient Executed TF - will finance the rehabilitation of the pressurized irrigation branched system through the replacement of the underground pipes; installation of flow meters in the secondary and tertiary network; rehabilitation of pumping stations; electrical installations, and automation for all structures in the RDIS including central SCADA system and backup automation enclosures.

The area suffered a lot during the war. Thus, the region received a lot of support after the war also because of the region's legacy of agriculture production and the need for the more effective economic recovery of the region. Kosova's agriculture sector is characterized with a high proportion of small-scale farming oriented towards subsistence farming, with the vast majority of farms having an area of much less than 5 hectares (ha) a. Most farms operate at subsistence or semi-subsistence levels, while in other side the operating commercial farmers face obstacles to more efficient expansion. Though agri-business, especially food processing, has grown steadily in terms of the number of firms, annual turnover, and employment.

Climate change poses significant threats to Kosovo's agricultural production, which is highly dependent on water and increasingly subject to water risks. And, Kosovo has about 1,900 m<sup>3</sup> per capita of renewable fresh water available per year which identifies Kosovo as a "water-stressed" nation.

The limited availability and quality of irrigation present a major challenge to Kosovo's agriculture sector. Aging irrigation infrastructure and lack of maintenance are reducing the level of water use efficiency and affecting the development of agriculture, in particular the horticulture subsector. The main water companies that are operating in Kosovo face difficulties in their operations due to old infrastructure, which was not properly maintained, a lack of reservoirs to meet the increasing demand from farmers, and a lack of resources to invest in new irrigation canals.

Kosovo needs to improve the sustainable development and management of the irrigation system to allow economic growth of the agriculture sector in the context of climate change. Along with increasing water use efficiency, expanding sustainable irrigation is needed for commercial farming. The revitalization of agriculture and the rural economy requires expanding the area under irrigation and improvement of water use efficiency. This includes the revitalization and improvement of the current area and the expansion of equipped areas for irrigation. The project is expected to have a significant development impact on families that belong to this area, as well indirect beneficiaries will include institutions involved in the management of water resources, local and regional governments that play a role in the local and regional economic development, as well as the population at large because of production improvement (food security, local job creation, contribution to the GNP, etc.).

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

The Project will be implemented by the same Project Implementation Unit (PIU) within the Ministry of Agriculture, Forestry and Rural Development (MAFRD) that carried out the KARD Project. The PIU will hire a company for the works to be performed based on the designs produced under the KARD Project, to be reviewed for the purposes of the proposed Project. The designs were developed through consultation with the beneficiary farmers, who also participated in the committees that oversee the progress of the works through the old project. The beneficiary irrigation company played a crucial role in facilitating the consultation of the design company and the farmers and later organized farmer committees that oversee the construction works. The same arrangements are being kept also for the proposed Project which will finance the rehabilitation of an extra 4,000 ha. The E&S risks in the KARD Project were governed by safeguard policies of the World Bank, whereas the new Project will be under ESF. The PIU is familiar



with most of the ESF standards, especially with ESS1 and ESS’s 3-6, ESS 8 and ESS 10. , through the safeguards policies, given the experience with implementing the previous Project.

The PIU includes professional staff in agriculture, irrigation, procurement, financial management, environmental and social aspects, monitoring and evaluation, and general project management and oversight. Implementation arrangements will build on existing experience.

The World Bank task team will work closely with the implementing agency to develop a training plan during the early stages of implementation on (i) E&S management tools; (ii) Environmental and Social Commitment Plan (ESCP) requirements; (iii) management of potential GBV/SEA risks; and (iv) monitoring of E&S requirements and performance. The institutional strengthening measures will be part of the project’s Environmental and Social Management Framework (ESMF) and reflected in detail in the project’s ESCP.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

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

Moderate

#### Environmental Risk Rating

Moderate

From an environmental perspective, project-related risks and impacts will mainly come from the rehabilitation and modernization of irrigation canals, and the installment of flow meter valves and poles for carrying electricity for the SCADA. As such, the anticipated key issues are related to: (i) consumption of water and raw materials for civil works; (ii) potential generation of asbestos waste (iii) generation of construction-related wastes; (iv) nuisance related to traffic, dust generation, vibration, and noise; (v) occupational health and safety hazards for the workforce. Therefore, due to the medium scale and location of the civil works anticipated for the project, most risks and impacts are expected to be predictable, temporary, reversible, low in magnitude, site-specific, and with a low probability of major adverse effects to human health or the environment; in addition, such risks and potential impacts can be easily predicted and mitigated. In relation to Borrower’s capacity, and as indicated in the previous section, PIU has experience in World Bank’s safeguards policies, certain exposure to relevant ESSs, and a good track record in environmental performance. A potential positive environmental impact of the rehabilitation of the irrigation canals is the generation of climate co-benefits while reducing vulnerability to water stress and improving crop productivity, and increasing resilience and other positive aspects such as the generation of jobs. Based on the above, and making use of the precautionary principle, the task team has assessed the environmental risk rating as moderate. The ESMF will comprise measures to assess and manage risks and impacts appropriate to the scale and nature of the activities, including an appropriate institutional set-up for implementation with enough resources and capacity for proper project E&S management.

#### Social Risk Rating

Moderate

The social risk rating of the project is considered to be low. The majority of adverse effects on human health and the environment can be managed effectively and readily through the Project design features and instruments. Most impacts are temporary, and the land-related impacts are temporary or at a very low scale and with an unlikely impact on livelihoods. The Project impacts on the targeted beneficiaries are generally positive. Given the combination of the works to be financed, which are rehabilitation and modernization works, and a very experienced PIU with a very good legacy in project management, especially in managing environmental and social safeguards, project social risks and impacts are low. Land impacts will be at a very low level, as the land to be taken for the construction of manholes for

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the installation of water flow meters or poles for carrying electricity for Supervisory Control and Data Acquisition (SCADA) system will be no larger than a couple of square meters. Labor and working condition standards would also be low, given that local companies will likely be doing the work either as a main contractor or subcontractor. There will be no need to establish labor camps, and thus no labor influx is expected. As indicated below, there may be Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) risks for which the Project will develop precautionary measures. One of the key social issues that are a prerequisite for a successful project is the inclusion of the beneficiaries, especially those from vulnerable groups, in the preparation and design activities for the rehabilitation of the irrigation network but also later during the operation. This proved to be one of the successful activities during the rehabilitation of the scheme with the first project and the same arrangements would continue which brings also the stakeholder engagement risk also to a low but serves as a base for general low social risks for the project.

## 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:**

The standard is relevant. The project will finance the rehabilitation of irrigation infrastructure serving 4,000 ha and the modernization of infrastructure serving about 7,000 ha which has been rehabilitated under the KARD Project. The rehabilitation and modernization works include the replacement of the old pipes with new ones, construction of regulation structure - installing flowmeters, flowmeter and pressure valves, manholes, and installation of the SCADA system. Given that the designs and feasibility studies prepared under KARD Project have to be updated for the proposed Project during its implementation, As such, the project will prepare a draft version of preliminary all-inclusive for three subschemes ESIA. The Preliminary ESIA will be developed, consulted, and disclosed by the appraisal to provide information on requirements and processes for E&S due diligence of the planned investments under the project during the implementation stage. The preliminary ESIA will provide: (i) the direct and indirect E&S risks and impacts from the proposed investments, based on the typology of activities and location, (ii) characterization of potential contextual E&S risks and issues which may be present in beneficiary locations, including potential SEA/SH risks, ESS2 related risks, and potential issues over the proposed water usage measures; (iii) identification of applicable national legislation; (iv) management and mitigation measures to potential identified E&S risks and impacts, both during rehabilitation and operation; (v) identification of vulnerable groups, and specific measures to prevent potential adverse impacts on them and improve their inclusion opportunities; (vi) details of the requirements for further site-specific Environmental and Social Management Plans (ESMPs) or ESMP checklists for additional works if needed; and (vii) implementation arrangements, capacity building measures, and budget for E&S management. Based on the scope and nature of the proposed activities under Component 1, the preliminary ESIA will include, inter alia: (i) an E&S Screening Checklist for risk classification of site-specific project activities; (ii) a negative list of activities to exclude those that may result in the long term, permanent or irreversible negative environmental and/or social impacts and impacts on highly sensitive areas in terms of their biodiversity and cultural heritage value; and (iii) generic E&S risk management procedures, based on the relevant WB ESS and WBG Environmental, Health and Safety (EHS) Guidelines, the Occupational Health and Safety requirements for the use of Personal Protective Equipment, planning of training activities, and investigation/reporting of accidents. The preliminaryESIAs or additional if needed site-specific ESMPs will be prepared by the borrower to address the E&S management for the activities; Abbreviated Resettlement Action Plans (ARAPs) will be prepared as and when necessary if project activities



involve land acquisition, restrictions of access to resources and/or involuntary resettlement. In addition, the borrower shall prepare an Environmental and Social Commitment Plan (ESCP) including all material actions and measures to be undertaken by the borrower during project implementation, along with timeframes for their completion and monitoring and evaluation arrangements. Before the appraisal, the borrower will develop, consult, and disclose the following core project instruments to assess and manage E&S risks and impacts, a draft ESIA (with an RPF), SEP, and LMP. These instruments will be disclosed to facilitate stakeholders' review of the risks and proposed measures to manage these issues. Additional site-specific ESIA/ESMPs will be consulted upon and disclosed before proceeding with activities. Engineering & design plans will be grounded in existing national laws and the WB's ESS. The start of works on a subproject under Component 1 will be subject to compliance with the E&S requirements of the subproject's E&S instruments, and local stakeholder engagement activities, in a manner acceptable to the Bank.

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

Borrower Framework will not be used

**ESS10 Stakeholder Engagement and Information Disclosure**

This standard is relevant. The project will involve several key stakeholders, including farmers – direct beneficiaries, commercial agribusiness that use the products for processing, Local Governments, regional offices of the Ministry of Agriculture, farmers association on a national level and the regional level, extension service consultants, Payment Agency at the Ministry of Agriculture, the Irrigation Department at the Ministry and the Dukagjini Irrigation Company. A Stakeholder Engagement Plan (SEP) will be prepared to guide activities implemented by the borrower and will be disclosed in the country at the time of Appraisal. The SEP will be a critical part of project management instruments, ensuring that meaningful, timely, and adequate stakeholder engagement takes place throughout Project design and implementation. By utilizing the recent Gender Inclusion in Productive Investment in the Western Balkans (2020) and the lessons learned from recent Bank projects in the region (e.g. MIDAS- Montenegro Agriculture Support Project and KARD Project) the proposed Project will adopt a communications strategy and carry out targeted consultations with vulnerable groups. Targeted messages and feedback will serve to understand their concerns/needs. Some of the strategies include: identifying vulnerable groups in the project area and appropriate modes of engagement with them; using the associations/CSO working with the particular groups, neighborhood units within the local governments, and agribusinesses who provide seasonal employment who often are unskilled workers from poorest segments of the population

The Project Grievance Redress Mechanism (GRM) will be tailored to meet Project standards and designed to enable stakeholders to air their concerns/comments/suggestions. The GRM managed by MAFRD for grievances for the irrigation scheme will be enhanced and improved; the GRM for KARDP shall include additional training for GRM responsibilities, community awareness tools, grievance submission tools, and investigation and feedback processes.

**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**

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This standard is relevant. The project workforce is expected to include i) direct workers, such as seconded government staff and consultants engaged directly by the MAFRD, and ii) contracted workers employed or engaged through third parties, including workers engaged through contracts for the rehabilitation of irrigation systems. Neither primary supply workers nor community workers are anticipated.

Activities encompass outreach, civil works, consultant services, and minor indoor works associated with the implementation and upgrade of IT systems for SCADA. The key risks for Project workers are those stemming from the rehabilitation of irrigation systems and related risks from equipment with high water pressure.

The civil works will be of moderate scale, with no labor influx, and thus pose limited risks stemming from construction works. The Project will ensure the application of ESS2 requirements, the Bank's EHS Guidelines, OHS Guidelines of the WHO, and the Bank's Safeguards Interim Note: COVID-19 Considerations in Construction/Civil Works Projects, in order to minimize OHS risks for construction workers and ensure adequate and adequacy of PPP supply and stringent labor management protocols.

The LMP will be developed to ensure fair and equal treatment of workers and proper labor and working conditions, including OHS issues, and to protect the worker's rights as set out in ESS2. The LMP will also include elements of Gender-based Violence (GBV)/SEA/SH to be addressed in the contractors' Code of Conduct for workers. The Project does not face risks or impacts with regard to child labor, given the country's legal context. No forced labor will be permitted under the Project.

A grievance mechanism for workplace grievances will be established for direct workers and for contracted workers by each contractor including those grievances related to GBV/SEA/SH grievances.

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

This standard is relevant. The proposed Project will support civil works throughout the territory of the Radoniqi irrigation scheme however, Project activities are not expected to be significant sources of pollution and emissions (including GHG's), or users of large volumes of resources as considered by ESS3. The types of potential pollution sources include hazardous waste (containing asbestos), non-hazardous construction waste, and air pollution from the operation of machinery and vehicles.

Emissions are expected in the construction phase from the operation of vehicles and machinery. Nuisance from noise propagation is also likely. Good construction practices will be applied to minimize these negative impacts. Hazardous materials will not be used for the Project and no large amount of hazardous waste will be generated through its implementation. Therefore, no tangible negative impacts on human health and the environment are expected.

The ESMF will provide guidance for the inclusion of due mitigation measures, such as proper storage, handling, and disposal of various types of waste (including asbestos-containing hazardous waste) into the site-specific ESMPs, and define institutional responsibilities for monitoring the application of mitigation measures by contractors. Waste disposal will be undertaken in compliance with the national legislation and in line with the Good International Industry Practice (GIIP), and Environmental, Social, Health, and Safety Guidelines of the World Bank Group (ESHS Guidelines of WBG).

All natural construction materials needed for the Project (sand, stones, timber, etc.) will be





obtained from licensed quarries and certified timber suppliers.

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

The key risks tied to community health and safety related to Project activities taking place or having impacts outside the boundaries of the construction sites. The construction sites will be adequately managed and access from outside will be controlled, proper signage provided, etc. to minimize exposure of community members to the hazards at construction sites. One of the prominent risks is the traffic and road safety that may affect communities, and the traffic near the works, especially for pedestrians thus the E&S instrument ESIA/ESMP/ESMP Checklist should also have a respective traffic management plan.

Health and safety risks posed by workers or people providing support services in the project area are assessed as very low or nonexistent

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

The standard is relevant. Most land-related impacts will be temporary or at a very low scale and with an unlikely impact on livelihood. The Project activities involve the replacement of old pipes with new ones; these will have temporary impacts and will as a consequence require the establishment of temporary easements along a narrow linear strip. The owners will eventually have their land back in its original condition with the caveat that at any time in the future, the Irrigation Company can have access to the underground pipes if required. Any permanent land take would be mostly for the installation of the flow meters, for which a manhole will need to be dug. The permanent land take impacts average 4 to 6 square meters. To manage the ESS5-related impacts, the Project will be prepared prior to Appraisal a brief RPF as part of the ESMF. It will include ARAP templates, which will set out the procedures for temporary and permanent land take.

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

This standard is not relevant. According to the Project design, the interventions are not expected to affect areas of high conservation value, natural or critical ecosystems, as Project activities will be conducted in previously disturbed areas (modified habitats according to the ESF).

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

There are no indigenous people in the project area

#### **ESS8 Cultural Heritage**

This standard is not relevant. According to the available information, the Project area does not include tangible and intangible cultural resources. However, the site-specific ESIA/ESMPs will include Chance Finds Procedures which will set out how chance finds associated with the project will be managed. They will include a requirement to: (i) notify relevant authorities of found objects or sites by cultural heritage experts; (ii) fence-off the area of finds or sites to



avoid further disturbance; (iii) conduct an assessment of found objects or sites by cultural heritage experts; (iv) identify and implement actions consistent with the requirements of this ESS and national law; and (v) train project personnel and project workers on the chance finds procedure.

**ESS9 Financial Intermediaries**

The standard is not relevant. No financing will be provided through the intermediary finance

**B.3 Other Relevant Project Risks**

There are no other relevant risks

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** TBD

**OP 7.60 Projects in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

the project will be financed 100% with EU funds.

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

- Preliminary all-inclusive ESIA for the three subschemes, including an RPF is to be prepared, consulted upon, and disclosed before Appraisal
- SEP is to be prepared, consulted upon, and disclosed before Appraisal
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- LMP is to be prepared, consulted upon, and disclosed before Appraisal
- Environmental and Social Commitment Plan (ESCP)

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

- Site-specific ESIAs/ESMPs to be prepared and incorporated into the Project design
- In case of land impacts, works to start upon implementation of the site-specific ARAPs, delivery of all compensations, and furnishing a satisfactory completion report to the World Bank



- E&S training for the Radonici Dugagjini Irrigation Service Company

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Ministry of Finance, Labor and Transfers

**Implementing Agency(ies)**

Implementing Agency: Ministry of Agriculture, Forestry and Rural Development

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s):	Silvia Mauri, Xueling Li
Practice Manager (ENR/Social)	Anne Olufunke Asaolu Recommended on 27-Oct-2022 at 16:23:39 GMT-04:00
Safeguards Advisor ESSA	Sunrita Sarkar (SAESSA) Cleared on 27-Oct-2022 at 17:23:12 GMT-04:00

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