



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 08-Jan-2020 | Report No: PIDISDSA25632

**BASIC INFORMATION****A. Basic Project Data**

Country Kosovo	Project ID P167572	Project Name Kosovo Energy Efficiency and Renewable Energy Additional Financing	Parent Project ID (if any) P143055
Parent Project Name Kosovo Energy Efficiency and Renewable Energy Project	Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 16-Dec-2019	Estimated Board Date 21-Jan-2020
Practice Area (Lead) Energy & Extractives	Financing Instrument Investment Project Financing	Borrower(s) Republic of Kosovo	Implementing Agency Kosovo Energy Efficiency Agency, Kosovo Energy Efficiency Fund

Proposed Development Objective(s) Parent

The project development objectives are to: (i) reduce energy consumption and fossil fuel use in public buildings through energy efficiency and renewable energy investments; and (ii) enhance the policy and regulatory environment for renewable energy and energy efficiency.

Components

Energy efficiency and renewable energy investments in public buildings
Policy and regulatory support for renewable energy and energy efficiency
Project implementation support

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	10.99
Total Financing	10.99
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Counterpart Funding	0.70
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Borrower/Recipient	0.70
Trust Funds	10.29
European Commission Development Fund - TF	10.29

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Heating of most buildings in Kosovo is not financially or environmentally sustainable. Kosovo has more than 2,300 public buildings across the country. About 370 of these buildings are under the purview of the central government, 334 are managed by state-owned enterprises or rented, and about 1,600 (about 1.6 million square meters) are under municipal ownership. The total annual energy consumption of the municipal building stock was estimated to be about 217,000 MWh in 2013, with an average specific energy consumption of 134 kWh/m²¹, and a total cost of €15.8 million. The major types of buildings in municipalities are offices, schools and hospitals. The main energy sources for both space and water heating in most buildings are unsustainable biomass (mainly firewood) and electricity (from lignite), together accounting for over 80 percent of heating consumption. The high consumption of unmanaged and unregulated firewood can lead to forest degradation, giving rise to adverse environmental, economic and health impacts. Heating with electricity is highly inefficient and exacerbates power supply interruptions while creating the need for electricity imports, especially during the heating (winter) season.

2. Energy efficiency (EE) can help improve energy security and spur development. EE can help address issues related to energy security (current deficits and reduced imports), while reducing public expenditures on energy and environmental impacts of energy use. The Government has recognized this potential and, thus adopted the National Energy Efficiency Action Plan (NEEAP, 2011-2018), which calls for a cumulative energy savings of 9 percent by 2018 (based on 2010 levels). The 1st NEEAP, adopted in June 2013, reported 3.1 percent energy savings in the first period, all of which was in the buildings sector, and the 2nd NEEAP reported savings of 4.0 percent (2013-15). The Ministry of Economic Development (MED) is now updating the NEEAP by preparing the 4th NEEAP (2019-2021) to include targets until 2020 and beyond. Transposition of the latest Energy Efficiency Directive (Directive 2012/27/EU) has been completed and included in the EE Law, approved on November 7,

¹ While this number compares favorably to EU levels, it is mainly due to underheating and a lack of cooling and most buildings are inefficient and in need of investment upgrades.



2018. In addition to the EE Directive, the new EE Law includes provisions for the establishment of the Kosovo Energy Efficiency Fund (KEEF) which would serve as the primary financing institution for the EE market in those sectors not currently served by local banks (e.g., municipal and central government buildings, multifamily apartment buildings). As envisaged in the Law, the KEEF would be established as an independent, autonomous and sustainable non-profit legal entity, and serve the interest of the public.

Sectoral and Institutional Context

3. The Kosovo Energy Efficiency and Renewable Energy Project (hereafter referred to as the parent Project) in the amount of US\$31 million (IDA Credit) was approved on June 18, 2014 with the objectives to: (i) reduce energy consumption and fossil fuel use in public buildings through energy efficiency and renewable energy investments; and (ii) enhance the policy and regulatory environment for renewable energy and energy efficiency. The Project included three components: (a) energy efficiency and renewable energy (RE) investments in public buildings; (b) policy and regulatory support for renewable energy (RE) and EE; and (c) project implementation support.

4. Overall progress for the parent Project is Moderately Satisfactory. Despite implementation delays, there has been substantial progress over the past two years with disbursements reaching US\$12.8 million (over 40 percent of credit proceeds). The Project has financed renovation of 50 buildings, additional 7 buildings are under renovation, while contracts were signed for renovation of 30 more buildings, and has energy audits and designs underway for additional 20 buildings (or 107 out of the 140-building target). The MED, its Kosovo Energy Efficiency Agency (KEEA) and its project implementation unit (PIU) are performing adequately and are in compliance with requirements on the submission of interim unaudited financial reports (IFRs) and withdrawal applications, in terms of timeliness and quality, and have no outstanding audits.

5. Results achieved under the parent project have been impressive. The first 32 commissioned buildings have resulted in more than 260 GWh in lifetime energy savings, installation of 2.27 MW of RE systems (e.g., solar water heating systems, biomass boilers), and emissions reductions of 4,700 metric tons of CO₂e per year. The investments are saving the Government more than US\$1.41 million per year and have benefitted more than 7,470 employees and users of the buildings (45 percent of whom are women). The Project has also trained 101 staff from auditing, design and construction firms on technical aspects and experiences from the initial building renovations and created substantial employment opportunities. In addition, ongoing policy dialogue on the longer-term plans for building renovation financing and implementation has led to the Government's agreement to establish a revolving fund for energy efficiency to sustain efforts initiated under the Project.

6. Until now, the Project has focused on central government buildings (Component 1A, US\$22 million). It was expected that in the last three years of the Project (Years 4-6), the Project would initiate a municipal building program (Component 1B, US\$6 million including US\$4.5 million from the IDA Credit). However, with the early Project delays and the proposed creation of the Kosovo Energy Efficiency Revolving Fund (KEEF), it is now agreed that the municipal buildings program would be implemented under KEEF starting in 2020, once the Fund becomes operational. Therefore, the proposed Project restructuring and additional financing primarily relates to the KEEF.

7. While the government does not have a strategy for the renovation of the full building stock in Kosovo, the KEEF will be an important mechanism to help finance a significant share of the public-sector market. The government is also obliged to renovate a share of government buildings each year under the proposed EE Law²

² Article 10 (Renovation of public buildings) calls for the renovation of at least 1 percent of central government buildings (based on heated or cooled floor area), which would be about 7.5 thousand m² each year.



and has imposed mandates for municipalities to prepare, submit and implement municipal EE action plans (MEEAPs), of which 20 have been approved and an additional 18 are being finalized. These are expected to result in €30-50 million in investment proposals for the KEEF financing. To date, only the EU and KfW have financed municipal buildings and the EU has indicated its plans to no longer finance public buildings except through the KEEF.

8. As agreed with the government, the EC and other development partners, and as stated in the new EE Law, the KEEF has been established as an independent, autonomous and sustainable non-profit legal entity, at the service of the public interest, to serve as the primary financier for municipal EE building renovations in Kosovo going forward.³ A seven-member Board has been appointed to oversee operations of the KEEF, composed of representatives from the Ministries of Finance, Economic Development, Public Administration, the Association of Kosovo Municipalities, Managing Director of the KEEF and two (nonvoting) KEEF donors (the EC and the World Bank). The KEEF would seek to develop a marketing strategy, investment plan and develop a sustainable business to finance EE projects not served by commercial banks, starting with the municipal and public sectors. The KEEF would enter into energy service agreements (ESAs) with municipalities to finance agreed EE subprojects in municipal buildings, with ESAs not classified as municipal debt. The KEEF would provide a full-service package—energy audit, technical design, contractor procurement and oversight, environmental and social safeguards, energy savings measurement and reporting. In return, the municipality would agree to repay the energy cost savings achieved for an agreed period (up to 15 years). The KEEF would need to charge reasonable fees to cover its financing, operational and subproject preparation costs (e.g., energy audits, technical designs) to be sustainable.

C. Proposed Development Objective(s)

Original PDO

9. The project development objectives are to: (i) reduce energy consumption and fossil fuel use in public buildings through energy efficiency and renewable energy investments; and (ii) enhance the policy and regulatory environment for renewable energy and energy efficiency.

Key Results

10. The PDO level indicators, namely projected lifetime energy savings from EE investments in public building (MWh), capacity of approved RE regulatory licenses (MW) and reduced fossil fuel use for heating in public buildings (toe) will remain the same. With the addition of the KEEF as an implementing agency and its revolving nature, and to address new corporate requirements, five additional intermediate indicators are proposed: percentage of operating costs covered by the KEEF revenues (to show sustainability), percentage of the KEEF defaults (to show strength of repayment mechanisms), percentage of beneficiaries satisfied with the Project's responsiveness to their needs (to support citizen engagement aspects), number of women participating in technical trainings under the Project on energy audits, technical designs, and construction supervision, and percentage of female staff hired under service contracts under the Project who are key staff. In addition, several of end target values for the project indicators (e.g., lifetime energy savings, CO2 emission reductions, installed capacity of RE systems, annual energy cost savings, number of project beneficiaries, number of buildings renovated) will be updated, to reflect the increased Project funding through the EC grant and the extended implementation period.

³ KEEF would be established following the precedent created under the recently created Kosovo Credit Guarantee Fund.



D. Project Description

11. With the creation of the KEEF, the EC has agreed to contribute a €10 million grant from the EU-Instrument for Pre-Accession (IPA) to be channeled through the World Bank as additional financing (AF via a recipient-executed trust fund - RETF) to the parent Project. No additional IDA funds are being proposed at this time. In parallel, the World Bank proposes to restructure the parent Project to include the KEEF as an implementing partner under Component 1B of the Project (Pilot Energy Efficiency Investment Program for Municipalities, US\$5.6 million), extend the Closing Date and update the Project indicators.

12. Below is a summary of each component, its current status and the proposed changes.

Component 1: Energy Efficiency and Renewable Energy Investments in Public Buildings

13. **Description.** This component includes the renovation of both central-owned government buildings (US\$22 million) and municipal government buildings (US\$4.5 million IDA, US\$1.5 million Government counterpart funding) with the EE and RE measures. It also includes US\$1.36 million for technical studies and supervision (e.g., energy audits, technical designs, construction supervision), and US\$0.2 million for contractor training.

14. **Status.** The Project has financed renovation of 50 buildings, additional 7 buildings are under renovation, while contracts were signed for renovation of 30 more buildings, and has energy audits and designs underway for additional 20 buildings (or 107 out of the 140-building target).

15. **Proposed changes.** Several changes are proposed.

- a. **Implementing arrangements.** The KEEF will be delegated some implementation responsibilities under Component 1b (Pilot Energy Efficiency Investment Program for Municipalities) related to selection of subprojects, procurement of energy audits and technical designs, procurement and oversight of renovation works, contract management and commissioning and verification of energy savings. However, the financial management, disbursement and flow of funds arrangements under the IDA credit will remain under the responsibility of the MED/KEEA. Rather than require co-financing for Component 1b, the KEEF would enter into energy service agreements, which will obligate participating municipalities to repay the cost or a portion of the cost of the investment plus fees from the generated energy cost savings resulting from investments.
- b. **Municipal Subprojects.** It is proposed that the Municipal Subproject definition be expanded to include municipal-owned and operated public lighting (in addition to public buildings). It is also proposed that US\$1.1 million (or SDR 0.798 million) of the IDA credit be reallocated from Component 1a to Component 1b. The disbursement category for Component 1b will remain the same but the disbursement percentage will be increased from 75 to 100 percent.
- c. **EU-IPA grant.** An addition of €8.55 million grant (~US\$10.0 million) from EU-IPA funds will be added as a Recipient-Executed Trust Fund (RETF) to support Components 1b (€7.55m for Pilot Energy Efficiency Investment Program for Municipalities) and 1c (€1m for Technical Studies and Supervision). The US\$4.5 million in IDA funds and US\$1.5 million of Government counterpart funding allocated under the parent Project for Component 1B will remain the same.

16. For the EU-IPA AF, the funds would be used to support:



- (a) *Financing of building renovations (€7.55 million)*: Supporting the financing of renovation works for eligible buildings⁴. About €0.55 million could be used to support partial investment grants to support renovation investments that would have payback periods greater than 15 years.
- (b) *Technical studies related to investments (€1.0 million)*: Support and technical assistance for (i) awareness raising and marketing; (ii) detailed energy audits; (iii) technical designs and construction supervision; (iv) building commissioning and measurement and verification; (v) monitoring and evaluation; and (vi) future business planning.

Component 2: Policy and Regulatory Support for Renewable Energy and Energy Efficiency

17. **Description.** This US\$2.3 million component provides support to the Energy Regulatory Office (ERO) for EE and RE and support to the MED and the Ministry of Environment and Spatial Planning (MESp) for EE legislation and implementation.
18. **Status.** One major RE/EE technical assistance (TA) package has been completed (covering an update of the feed-in-tariff (FiT) scheme for biomass and biogas, a grid integration study (integration of wind power to the transmission system), RE barrier analysis, updating of district heating tariffs for Termokos) and another one for EE (pilot EE program for homeowners' associations - HOAs) is nearing completion. This support to ERO, along with other donors/IFIs, has helped increase the installed RE capacity from about 35.8 MW at the beginning of the Project to about 254.8 MW today. Two additional technical assistance packages have been contracted and expected to be completed by May 2020. The first will cover support for ERO to determine a least cost planning for an optimal renewable energy mix and a grid integration study at the distribution level to incorporate distributed renewable energy generation. The second will cover EE and include scaling-up of EE in HOAs to add 12-15 buildings, secondary legislation for EE/ESCO procurement, and support for a KEEA public awareness campaign.
19. **Proposed changes.** None. This component will be completed by June 2020.

Component 3: Project Implementation Support

20. **Description.** This US\$0.64 million component provides funds to support the MED to effectively implement the project through the creation of a project implementation unit (PIU) under KEEA to carry out procurement, financial management, technical oversight, project monitoring and reporting, and financial audits.
21. **Status.** The PIU is staffed with a Project Manager, a Construction Engineer, a Civil Engineer (and Environmental Focal Point), a part-time Procurement Specialist, and an Office Assistant. A part-time Financial Management Specialist position was opened as the former Financial Management Specialist resigned in early September 2019. The PIU is performing their tasks satisfactorily and about half the funds allocated in this component have been disbursed to date.
22. **Proposed changes.** An additional €0.80 million from the EC grant would be added to cover additional

⁴ Proposed eligibility criteria would include: (i) buildings must be owned by (or assigned to) the municipal or central government (excluding publicly-owned enterprises, private buildings with public agency tenants); (ii) buildings must be structurally sound, not had a full energy efficiency renovation in the past 10 years, and be at least 5 years old; (iii) buildings must not have any plans for office moves, closure or privatization; (iv) beneficiaries should be in good financial standing and demonstrate payment discipline; and (v) buildings related to defense or police (e.g., prisons) may not be eligible. Investment criteria would include: (i) technical energy savings potential of at least 20%; (ii) simple payback period less than 15 years (based on calculated energy cost savings); and (iii) investments should be at least €50,000 and not more than €500,000.



KEEF operating costs for its first 4 years including salaries for the KEEF Managing Director and staff; office supplies/equipment, site visits, etc. Staff will continue to do marketing, investment screening, audit/design reviews, procurement, oversight, environmental and social safeguards, repayment collection, monitoring and reporting, etc.

E. Implementation

Institutional and Implementation Arrangements

23. As stated in the EE Law, the KEEF has been established as an as an independent, autonomous and sustainable non-profit legal entity, at the service of the public interest and serve as the primary financier for municipal EE building renovations in Kosovo going forward. The KEEF would seek to develop a 4- year program or other period as required under the EE Law, marketing strategy, investment plan and develop a sustainable business model to finance EE projects not served by commercial banks, starting with the municipal sector. As noted earlier, the KEEF would enter into ESAs with municipalities to finance agreed EE investments in municipal public buildings, with ESAs not classified as municipal debt. The KEEF would provide a full-service package to its beneficiaries —energy audit, technical design, contractor procurement and oversight, energy savings measurement and reporting, and savings and performance verification. In return, the municipality would agree to repay the energy cost savings for an agreed period (up to 15 years). The KEEF would need to charge reasonable fees to cover its financing, operational and investment preparation costs (e.g., energy audits, technical designs) in order to be sustainable.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

AF technical scope does not significantly differ from the parent Project (EE measures/works on public and municipal buildings and minor structural repairs, if needed). Major changes relate to sources and organization of funding and project management as Kosovo Energy Efficiency Fund (KEEF) assumes implementing agency responsibility from Ministry of Development. In addition to AF EE and RE activities that will be supported by EU-IPA funds through ESCO financing scheme, a portion of EC grant is intended for the beneficiaries (municipal buildings) in the event the building requires non-EE investments (such as minor structural repairs) or is not able to fully repay the loan from energy cost savings alone. Other AF activities include TA, such as market studies, development of outreach materials, capacity building and similar. No new construction is planned. AF expected environmental impacts remain to be predominantly positive for the energy and carbon savings. Possible adverse impacts are the same for EE and foreseen non-EE activities producing effects typical for small civil works including emissions of dust and noise, construction waste generation, occupational health and safety (OHS) risks, etc. Main negative environmental impact may be generation of significant quantities of hazardous waste materials, mostly asbestos containing materials (ACM) (most typically roof plates) and compact fluorescent lamps (CFLs). Geographical scope of AF has also not changed and remains the territory of Kosovo– targeted public and municipal buildings are located throughout Kosovo, however, not in the nature protected areas. There will be no social issues as the project will retrofit with EE measures public buildings of local and central government importance. Thus, end users of public services will benefit from the improved thermal comfort.



G. Environmental and Social Safeguards Specialists on the Team

Bekim Imeri, Social Specialist
Shpresa Kastrati, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The parent Project was classified B category due to small scale civil works typical impacts (dust, noise, OHS risks, community safety, etc.), risk of generating large quantities of hazardous waste (ACM, CFLs, lead paint debris, waste heating oil boilers, etc.) and potential impact to cultural heritage. WB OP/BP 4.01 Environmental Assessment and OP/BP 4.11 Physical Cultural Resources Safeguard policies were triggered. Apart from generation of large quantities of ACMs and CFLs waste, construction activities generated insignificant environmental impacts, which were typical, temporary in nature and very easily manageable during the project implementation.



For the parent Project PIU completed the ESMP Checklist as a part of the ESMF, identifying and defining the mitigation measures to be implemented during the EE activities. ESMF provided detailed guidance for dismantling, handling, transport and disposal/treatment of the hazardous materials in line with Kosovo legislation and international good practices.

The ESMP Checklist was made a part of the bidding documentation and construction works contracts. All contractors were required to use environmentally acceptable technical standards and procedures during carrying out of works. In accordance with the parent Project ESMF, ESMP Checklists were prepared guiding environmental management for each sub-project generating hazardous waste (Packages 2 and 3) as well as other sub-projects (Package 4). No cultural heritage buildings were included in the program within the parent Project.

The Environmental Safeguards aspects of the project are rated as moderately satisfactory. The parent Project environmental safeguards performance was rated MU for three ISRs due to two major issues: improper hazardous waste management and storage, and a lack of PIU capacity. The location for temporary storage for hazardous waste expected to be generated under the AF has now been secured and prepared (in accordance with the ESMF) in an existing warehouse at the Gjakova airport which MESP and the Ministry of Defence have authorized, which allowed the rating to be upgraded. The new implementation agency, KEEF, will appoint an environmental expert for safeguards work. The expert will receive Bank Environmental Safeguards training and dedicated support.

The AF Project is not expected to exceed the scope of activities of the parent Project, therefore, it remains classified as an environmental category B. AF does not trigger any additional WB Safeguards Policies. AF activities that are relevant to OP/BP 4.01 on Environmental Assessment include limited civil works such as rehabilitation, insulation, envelope works and similar. Only exceptionally, funds will be used for minor structural improvements. Hazardous waste generation and related risks remain the main environmental concern. To address potential environmental issues, the implementing agencies have revised the ESMF to reflect the changes introduced by the AF components, mainly changes in funding sources and management, but also shortcomings in environmental management recorded during parent Project implementation. Considering that the exact locations of the civil works are still unknown, the AF ESMF will continue to be process oriented. OP/BP 4.11 on Physical Cultural Resources remains to be triggered to enable EE and RE interventions on protected buildings. Physical Cultural Resources Management Plan will be prepared for such operations.

The OP/BP 4.12 does not apply so there are no social risks from the involuntary resettlement nature of impacts into private land. The AF will continue with the practice of consultations per every selected building and it will include consultations in national level with the stakeholders. The stakeholder consultation in national level will be related to lessons learned from the previous year program and reflecting improvements into upcoming year of the program. The GRM mechanism and its protocols are established in the original project and will be used with the AF and new implementing agency.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: No long term impacts are foreseen with the proper handling, storage and disposal of the hazardous materials under the AF Project. Measures will be taken to remedy incompliance in temporary storage of asbestos waste in Xerxe and new storage for waste generated under Packages 3,4 and 5 as well as AF will be found before the AF activities start. It has been agreed with Kosovo Landfill Management Company that project will fund construction of storage for disposal of the asbestos and other hazardous materials under project within the municipal waste landfill in Podujeva. Funds will be secured for the relocation and final disposal of waste under the parent Project as well as AF.



3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The potential environmental and social impacts of the civil works planned under the AF are the same as for the civil works conducted under the parent Project. With the proper asbestos waste management in place, no significant indirect or long-term environmental impacts are expected. Other potential environmental impacts will be local and taking place during the construction only. AF ESMF will keep details about good international practices in those cases where practices in Kosovo for handling and disposal/treatment of hazardous waste. In addition, it will reflect on the incompliances that were recorded under the parent Project

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

In the parent Project the Implementing Agency, Ministry of Economic Development (MED) has engaged an Environmental Specialist (part-time) as part of the Project Management Unit. In addition, Environmental Inspector (Ministry of Environmental Protection and Spatial Planning) was informed of each asbestos operation (dismantling and transport). However, this was shown to be insufficient as incompliances were still recorded (e.g. in packing and storing). Under the AF, the Environmental Specialist will increase the presence in all asbestos management operations. PIU will organize asbestos management trainings for the contractors' staff prior to the works commencement.

For the AF, the scope remains the same with possibility of minor structural interventions. The PIU will update the parent Project ESMF. The revised ESMF will maintain/provide environmental screening and assessment procedures adequate for the nature of ESMP that will be prepared for sub-projects and any small civil works that may be required to accommodate equipment purchased under the AF. Environmental issues will be addressed through ESMP Checklists, local permits, constructor contracts, supervision by civil engineers, competent authority decisions and broad consultations (e.g. for cultural heritage buildings and sites), supervision and reporting with a focus on hazardous waste management, storage and disposal.

In the parent Project Environmental Specialist (ES) and PIU Project Manager was trained by the Bank's Environmental Safeguards Specialist and provided continuous support to other staff, contractors and supervising engineers. As implementing agency is changing in the AF (from MED to KEEF), to ensure continuation of project environmental management ES will be engaged in the KEEF prior to the AF effectiveness. This person should have experience with environmental management of civil works and preferably also in implementation of Bank projects. The PIU and ES, in coordination with the environmental authorities, remain responsible for preparation of sub-project Environmental Assessments (ESMP Checklists and Physical Cultural Resources Management Plan), monitoring the compliance of the ESMP Checklists implementation and reporting to the Bank. For ES and PIU staff a half day training on the implementation and monitoring of ESMP Checklist will be organized by the Bank's Environmental Safeguards Specialist. The ES will, with the further support from WB Safeguards Specialist, organize training in ESMF and WB policies as well as asbestos management for contractors and supervising engineers, especially in the case the hazardous waste management/transport licensed companies are not available on the market.

As for the parent Project, monitoring during the AF will focus on monitoring compliance with pollution prevention regulation, standards and requirements of related permits (e.g. wastewater discharges, air quality, construction permit) as well as EA documents. For the AF, mitigation measures will include actions to prevent environmental and OHS hazards such as spreading asbestos fibers, health and safety measures for the construction workers and the public, noise disturbance prevention and mitigation measures, access restrictions, dust emissions prevention, disposal of waste construction materials, etc. Attention will be paid to works on cultural heritage buildings, if any.



5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

KEEF assumes responsibility of the implementation agency in the AF. The ESMF has been updated in English and PIU need to reflect updates in ESMF in Albanian language and redisclosed it on MED and KEEF website. The redisclosure was done on January 25, 2019.

ESMP Checklists and Physical Cultural Resources Management Plans (the latter if applicable) for individual sub-projects will be prepared and consulted in English and Albanian (as well as in Serbian in the municipalities with significant Serbian minority).

As a good practice, direct consultations with active architectural and other interested associations/parties in the ESMP Checklist consultation period (or earlier) is recommended.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)



CONTACT POINT

World Bank

Jasneet Singh
Lead Energy Specialist

Rhedon Begolli
Senior Energy Specialist

Borrower/Client/Recipient

Republic of Kosovo

Implementing Agencies

Kosovo Energy Efficiency Agency
Arsim Kuliqi
Chief Executive Officer
Arsim.Kuliqi@rks-gov.net

Kosovo Energy Efficiency Fund

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>

APPROVAL

Task Team Leader(s):	Jasneet Singh Rhedon Begolli
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Approved By

Safeguards Advisor:	Surhid P. Gautam	20-Dec-2019
Practice Manager/Manager:	Sameer Shukla	23-Dec-2019
Country Director:	Marco Mantovanelli	08-Jan-2020
