

# INTEGRATED SAFEGUARDS DATA SHEET

## IDENTIFICATION / CONCEPT STAGE

**Report No.:** ISDSC16102

**Date ISDS Prepared/Updated:** 16-Dec-2015

### I. BASIC INFORMATION

#### A. Basic Project Data

<b>Country:</b>	Albania	<b>Project ID:</b>	P158380
<b>Project Name:</b>	SUPPORT TO EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE COMPLIANCE PROCESS PROJECT		
<b>Team Leader(s):</b>	Ilhem Salamon		
<b>Estimated Date of Approval:</b>	15-Dec-2015		
<b>Managing Unit:</b>	GEEX1	<b>Lending Instrument:</b>	Lending Instrument
<b>Sector(s):</b>	Oil and gas (100%)		
<b>Theme(s):</b>	Other accountability/anti-corruption (50%), Participation and civic engagement (30%), Other environment and natural resources management (20%)		
<b>Financing (in USD Million)</b>			
Total Project Cost:	0.4	Total Bank Financing:	0
Financing Gap:	0		
<b>Financing Source</b>			<b>Amount</b>
Extractives Global Programmatic Support			0.4
<b>Environment Category:</b>	C - Not Required		

#### B. Project Development Objective(s)

The project development objective (PDO) is to enhance the transparency in the extractive sectors in Albania by supporting the implementation of the Extractive Industries Transparency Initiative (EITI).

#### C. Project Description

EITI is a global Standard to promote open and accountable management of natural resources. GoA expressed its support to EITI in February 2009, and Albania became an EITI candidate in May 2009. The implementation of the EITI agenda is ensured by a technical Secretariat, which was created by a Ministerial Council's decision on July 07, 2010 and operates under the leadership of a Multi Stakeholder Group (MSG), created by a Decree issued by the Prime Minister in July 21, 2011. The MSG includes representatives of civil society, extractive industries' operators, and government. The MSG is chaired by the Deputy Minister of Energy and Industry.

For GoA, the need to boost the contribution of the extractives sector to economic growth and

employment is clear and requires enhancing sector governance to foster private sector investments in large infrastructure projects. While the challenge is significant, substantial progress has already been recorded under the strong leadership of Albania's EITI National Secretariat. After rich debates and stakeholder consultations, innovative sector laws have been promulgated to establish principles of transparency and accountability in the mining sector (Law No. 10304 "On the Mining sector in the Republic of Albania" dated 15 July 2010) and the hydrocarbon sector (Hydrocarbon Law number 7746, dated July 28, 1993 and amended on March 12, 2015). Albania became an EITI compliant in May 2013, after successfully publishing four EITI reports covering the years 2009 to 2012.

In October 2013, the World Bank approved a Trust Fund in the amount of US\$300,000 which was scaled up to US\$420,000 in July 2015 to support the government of Albania's effort to remain compliant to the global standard of accountability and transparency (Albania – MDTF for EITI Post-Compliance Grant). The grant, which will close on December 31st, 2015 enabled Albania to: (i) publish the EITI Reports for 2011, 2012, 2013 and 2014 under the proactive supervision of Albania EITI MSG; (ii) support to the operating costs of EITI National Secretariat; (iii) enhance stakeholders capacity through EITI training; and (iv) develop analytical work, including a study articulating how to include the hydro power sector in the EITI reporting in Albania and a study investigating how to develop IT applications to systemize EITI data reporting.

While reaching compliance with the Global standard necessitated substantial effort and commitment from the Albania EITI MSG and National Secretariat, the challenges ahead remain massive. To make sure that Albania can meet its ambitious objectives of transparency and improved governance, it must: (i) periodically publish EITI reports including the most updated contextual and financial data, covering all extractive industries and the hydropower sector. In addition; (ii) communicate extensively and effectively on the EITI requirements and process, (ii) reach out to all relevant stakeholders in the EITI process and provide them with tailored capacity to engage in the EITI process, (iii) build the analytical and legal work needed to underpin the reform agenda associated the EITI compliance process. The proposed grant is meant to support these critical efforts, the publication of the next EITI reports and other key activities needed to ensure the sustainability and mainstreaming of EITI in Albania.

### Project Components

The proposed grant is meant to support critical efforts to help the country maintain EITI compliance. A follow-up grant will be needed to ensure the sustainability and mainstreaming of EITI in Albania. The signing of key contracts under the proposed project will be needed to trigger access to a follow-on grant.

Component A: EITI Implementation Support (US\$ 150,000). This component will support the activities essential to EITI implementation and to meet Albania's obligations to maintain its compliant status.

- Annual EITI reports for Albania (US\$ 150,000). Recruitment of Independent Administrator (IA) in charge of the preparation of two annual EITI reports covering all extractive industries and for the calendar years 2015 and 2016.

When additional Extractive Global Programmatic Support (EGPS) financing becomes available to Albania, a follow-on project will be prepared with the objectives to use the funds to finance: (i) the set-up of integrated government system for generating EITI data more efficiently, following the

option developed in a feasibility study financed under a previous support to EITI implementation (Albania – MDTF for EITI Post-Compliance Grant) (US\$400,000); (ii) a study identifying options to enhance the contribution of the extractive industries to economic growth and employment in Albania; (US\$ 300,000) (iii) a strategy to enhance the participation of the private sector to the petroleum sector and support on-going efforts of the Government to restructure and reorganize the crude oil and petroleum sector (US\$ 300,000). Such strategy and any associated work to this strategy would be prepared in compliance with and taking into account WB's safeguards and related operational policies.

Component B: Capacity Building Activities (US\$ 150,000). This component will support core training on EITI and natural resources management.

- Tailored training for all relevant stakeholders, including Albania's EITI National Secretariat and MSG, government officials, parliamentarians, companies operating in the Extractives Industries (EI), civil society (including NGOs, the media, and youth) on matters related to the extractive industries, EITI Standard, and overall transparency in the sector (US\$ 75,000).
- Advisory services for state agencies and companies operating in the EI to address their particular needs in complying with EITI reporting requirements (US\$ 75,000);

When additional EGPS financing becomes available to Albania, the funds will finance: (i) additional training to deepen Albania's EITI MSG and National Secretariat knowledge of issues associated with resource management (US\$ 50,000); and (iii) tailored training to investigative journalists on the reporting on the EI and EITI (US\$ 50,000).

Component C: Communication and Outreach (US\$ 75,000). This component will support the implementation of the Albania EITI Communication Strategy for the first year of project implementation and will include the following activities:

- Print and visual media outreach campaigns (US\$ 30,000). Support for the EITI National Secretariat to publish and disseminate crucial information on the EITI implementation through radio, TV, and print media outreach campaigns, in order to inform the public on the overall extractives industry, EITI implementation and related events;
- Organization of awareness raising events (US\$ 35,000). Round tables, press conferences, conferences, workshops will be organized to increase the overall understanding of the key issues in the management of the extractives sectors.
- Internet and social media activities (US\$ 10,000). Support for the management of Albania's EITI website and social media accounts that contains information specifically related to the EITI implementation in Albania as well as wider information on activities related to transparency of extractive industries and hydropower in Albania, as well as global news and trends on EITI implementation experiences from other countries.

When additional EGPS financing becomes available, the funds will be used to finance a second year of implementation.

Component D: Project Management (USD\$ 25,000). This Component will support the first year of project implementation.

- Support to Albania EITI National Secretariat. The project will finance two members of Albania EITI National Secretariat (IT specialist and procurement specialist) on individual consultant

contracts to cover specific assignments as needed and provide support for operating costs of day to day activities carried out by the EITI Secretariat, under the oversight of the MSG. GoA covers the costs of national Secretariat staff, office space, office maintenance, internet, phone, banking charges and associated utility costs, while the grant will cover the operational costs associated including travel costs related to the work of the Secretariat and of MSG members.

When additional EGPS financing becomes available, the funds will be used to finance a second year of implementation. Triggers will be added to the Project Paper for the completion of specific actions during this phase before financing for the next phase kicks in.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The project is a technical assistance for Albania. It is meant at enhancing transparency and accountability in extractive industries' revenue management. It involves no physical investment or recommendation that would be relevant for safeguard analysis.

#### **E. Borrower's Institutional Capacity for Safeguard Policies**

Not relevant for the project.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Esra Arikan (GENDR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	No	This operation does not trigger any particular safeguards policies as the activities are essentially training in nature. When additional Extractive Global Programmatic Support (EGPS) financing becomes available to Albania, a follow-on project will be prepared and will include a strategy to enhance the participation of the private sector to the petroleum sector and support on-going efforts of the Government to restructure and reorganize the crude oil and petroleum sector. Such strategy and any associated work to this strategy would be prepared in compliance with and taking into account WB's safeguards and related operational policies. All TORs prepared for this technical activity study will meet the Bank's safeguard policies.
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	No	

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	

### III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

### IV. APPROVALS

Team Leader(s):	Name: Ilhem Salamon	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Brandon Enrique Carter (SA)	Date: 25-Nov-2015
Practice Manager/ Manager:	Name: Paulo De Sa (PMGR)	Date: 25-Nov-2015

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.