

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC5318

Date ISDS Prepared/Updated: 04/14/2010

I. BASIC INFORMATION

A. Basic Project Data

Country: Albania	Project ID: P121186
Project Name: Water Resources and Irrigation Project	
Task Team Leader: IJsbrand Harko de Jong	
Estimated Appraisal Date: March 7, 2011	Estimated Board Date: May 23, 2011
Managing Unit: ECSSD	Lending Instrument: Specific Investment Loan
Sector: Flood protection (50%);Irrigation and drainage (50%)	
Theme: Water resource management (50%);Rural services and infrastructure (50%)	
IBRD Amount (US\$m.):	40.00
IDA Amount (US\$m.):	0.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
<u>Borrower</u>	<u>0.00</u>
	0.00

B. Project Objectives [from section 2 of PCN]

The PDO of the proposed project is to increase the area under improved irrigation and drainage, to improve the safety of dams and to establish the institutional basis for improved integrated water resource management in two priority river basins.

C. Project Description [from section 3 of PCN]

The proposed project will comprise the following components:

1. Systems Rehabilitation
2. Institutional and Productive Support for Irrigation and Drainage
3. Institutional Support for Integrated Water Resources Management
4. Implementation Support

Component 1: Systems Rehabilitation (approximately US\$35m)

This component will be implemented by MAFCP. The objective is to improve irrigation water delivery and address dam safety through rehabilitation of hydraulic infrastructure, including irrigation schemes, drainage facilities and irrigation reservoirs. The component will furthermore introduce modern water saving irrigation technologies, and will also finance development of a

pipeline of new investments, including feasibility and detailed design studies, and all related safeguard instruments.

The component will finance the following sub-components:

A. Reservoir, Irrigation and Drainage Rehabilitation. This sub-component will finance the preparation of all feasibility and detailed design studies, and all rehabilitation works of irrigation, drainage and dam infrastructure, as well as the supervision of the works. All investments will be located in two priority river basins, and will be undertaken in a comprehensive way to maximize the returns on investments. In pilot pump irrigation schemes, the project will finance installation of pressurized irrigation technologies that will enable farmers to use water more efficiently and reduce pumping costs. Investments in reservoirs would aim to ensure compliance of the reservoirs with internationally accepted Dam Safety regulations. This would include the preparation of dam safety plans. Based on past implementation capacity, it is estimated that the project will rehabilitate about 50 reservoirs and about 70,000 hectares, but the precise outputs will be determined during preparation.

This sub-component will finance preparation (through a PPF) and implementation of Environmental Management Plans (EMPs), and will also strengthen the framework for dam safety, including capacity strengthening and awareness raising. In close consultation with the Dam Safety Project and the National Dam Safety Committee, the extent and nature of additional support for dam safety at the national level, including revision of national dam safety legislation, will be agreed during project preparation.

B. Pipeline Preparation. This sub-component will finance all studies required to prepare a pipeline of shovel-ready investments in irrigation, drainage and reservoir infrastructure rehabilitation. This would include feasibility studies and detailed design studies, and related safeguard instruments. The number of investments that will be studied will be defined during preparation.

Component 2: Institutional and Productive Support for Irrigation and Drainage (approximately US\$5m)

This component will be implemented by MAFCP. The objective is to improve the performance of organizations that provide irrigation services. This would include institutional reforms and capacity strengthening of WUA/Os and Drainage Boards (DBs). The component would also finance preparation of an irrigation policy and strategy.

The project will finance the following sub-components:

A. Institutional Reforms of Irrigation and Drainage Sector. The sub-component will strengthen capacities of DBs in the delivery of key irrigation and drainage services to WUA/Os. During preparation, the team will discuss and agree on further reforms of the DBs. To that end, MAFCP will prepare a position paper that will describe the way in which the sector is organized, and that will make recommendations to improve the quality of irrigation and drainage service delivery. The sub-component will also help clarify the division of responsibilities between DBs and WUA/Os and will, to that end, prepare a national database of transferable irrigation

infrastructure. The sub-component will also finance preparation of a National Irrigation and Drainage policy and strategy.

The sub-component will also finance, on a pilot basis, a number of on-farm activities to help individual and groups of farmers take full advantage of improvements in infrastructure and institutional performance by optimizing water use and improving overall farm output. It is anticipated that support would include (i) equipment and infrastructure for crop diversification in higher value products; and (ii) adoption of improved agro-environmental practices, such as conservation tillage, and rationalization of use of fertilizers and chemicals. The nature of this assistance as well as the delivery instruments will be defined during preparation.

B. Support for WUA/Os. Based on the experience of WRMP, the project will scale up the existing experience regarding WUA/Os. An estimated 50 WUA/Os will be trained in a number of areas, including water use efficiency, contract management and outsourcing, and study tours will be organized. In addition, decentralized water users' support staff from MAFCP will be trained in strengthening capacities of WUA/Os. Operation and Maintenance (O&M) responsibility for selected irrigation infrastructure will be transferred to WUA/Os.

Component 3: Institutional Support for Integrated Water Resources Management (approximately US\$7m)

This component will be implemented by MEFWA. Its objective is to improve the performance of institutions responsible for IWRM, including the National Water Council (NWC) and its Technical Secretariat (TS), and selected Basin Water Councils (BWCs) and Basin Water Agencies (BWAs).

The project will finance the following sub-components:

A. Support for the preparation of an IWRM Strategy. This sub-component will support MEFWA in the preparation of a National IWRM strategy. In view of EU candidate status, the strategy will incorporate the EU's WFD, as reflected in the Water Law (currently under revision). The project will ensure the inclusiveness of the preparation process by establishing an appropriate forum for cross-sectoral dialogue and decision making.

B. Strengthening the institutional framework for IWRM. The project will support the institutions responsible for inclusive IWRM, including the NWC, TS, RBCs and RBAs. Specific activities include the drafting of a decree specifying the geographical coverage of river basins, conducting a study on water tariffs, the establishment of a national cadastre of water abstractions, awareness raising and capacity strengthening. A functional analysis of the NWC and RBCs will be conducted and recommendations to improve their performance and effectiveness will be implemented.

C. Preparation of River Basin Management Plans. In two priority river basins, the project will support the preparation of River Basin Management Plans, including the identification of structural and non-structural measures to improve the quality of IWRM. The project will also strengthen the planning capacity and regulatory responsibilities of two RBCs, including the preparation of an inventory of basin water resources and legal and illegal surface and groundwater abstractions, further strengthening of the hydromet network to enhance floods and droughts forecasting, and preparation of basin models and decision support systems.

Component 4: Implementation Support (approximately US\$3m)

This component will be implemented by MAFCP and MEFWA. Its objective is to manage project resources in accordance with the project's objectives and procedures as outlined in the Project Implementation Manual (PIM).

The project will finance the following sub-components:

A. Project Management. Project implementation will be mainstreamed into the regular functions of the implementing Ministries. Support for project implementation will include: (a) provision of technical assistance, training, office equipment and vehicles, auditing, and incremental operating costs in support of project management; (b) overall project planning, quality oversight and evaluation of project activities; (c) strengthening procurement and financial management capacity at all levels; and (d) preparation and implementation of a communications strategy to accompany the investments and the preparation of the IWRM strategy.

B. Establishment of a Monitoring and Evaluation system. The project will support the establishment of a performance based Management Information System (MIS) and arrange for data collection and reporting on key performance output and impact indicators, through baseline surveys, participatory assessments and mid-term review and final evaluation.

Priority investments under component 1.A will be concentrated in two river basins that will also benefit from institutional and capacity strengthening support under component 2 and 3.C. Investments will be undertaken in a comprehensive way, including rehabilitation of reservoirs and associated downstream irrigation and drainage infrastructure so as to capture full economic benefits. Prior to the first preparation mission, identification of priority basins and a list of priority investments will need to be prepared. In view of the availability of advanced studies, this list of investments will contain mostly dam rehabilitation works. Investments in additional dams and downstream irrigation and drainage infrastructure will be prepared during project preparation and the first year of project implementation, for development during the outer years of the project. The first preparation mission will need to agree on the precise nature of a demand-driven approach to the selection of investments in irrigation infrastructure rehabilitation (as adopted by the predecessor Water Resources Management Project, WRMP), as this could potentially be compromised by the selection of priority investments in dam rehabilitation and the need for comprehensive investments.

D. Project location (if known)

Albania - various locations as yet undetermined

E. Borrower's Institutional Capacity for Safeguard Policies [from PCN]

To be completed after PCN review meeting.

F. Environmental and Social Safeguards Specialists

Mr Frederick Edmund Brusberg (ECSS4)

Mr Nikola Ille (ECSS3)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)	X		
Although the specific list of reservoirs and associated irrigation systems to be rehabilitated in the project is yet to be determined, the project will not undertake works in Category A sub-projects. The team therefore recommends triggering category B (OP/BP 4.01) on Environmental Assessment.			
Natural Habitats (OP/BP 4.04)			X
OP/BP 4.04 on Natural Habitats will probably not be triggered because available information shows that there are no areas of natural habitat which would be affected by these works. However, this will be re-confirmed during project preparation.			
Forests (OP/BP 4.36)			X
OP/BP 4.36 on Forests will probably not be triggered because available information shows that the project-specific investments will go into areas of already altered environment, specifically designed for more intensive agricultural productions. However, this will be re-confirmed during project preparation.			
Pest Management (OP 4.09)	X		
OP 4.09 is triggered because the improvement of irrigation schemes is likely to lead to growth of intensified agriculture which could be associated with increased use of agrochemicals including pesticides (currently at very low levels). The project will work together with the Ministry of Agriculture in developing a program to raise local awareness of pesticide hazards and promote IPM approaches.			
Physical Cultural Resources (OP/BP 4.11)		X	
The project will not affect physical cultural resources. OP/BP 4.11 will not be triggered.			
Indigenous Peoples (OP/BP 4.10)		X	
The project will not affect indigenous peoples. OP/BP 4.10 will not be triggered.			
Involuntary Resettlement (OP/BP 4.12)	X		
Given the nature of civil works required OP/BP 4.12, on Involuntary Resettlement, will be triggered. Key project features which may necessitate permanent land acquisition are: temporary or permanent access roads to sub-project sites, to borrow pits / quarries and disposal areas; land needed to source borrow or quarry materials, (although the arrangement of willing buyer-willing seller will be the best option in this case), and land needed for modifications to the layout of the irrigation system. One area of special concern is encroachment over and around primary conveyance canals. This issue may be resolved by re-routing or other engineering options; however the de facto situation of people engaged in commerce or residing in close proximity to canals necessitates remedies which are in accord with OP 4.12.			
Safety of Dams (OP/BP 4.37)	X		
OP/BP 4.37 on Safety of Dams is triggered, since the project will invest in the rehabilitation of several dams. This will require due diligence to ensure that adequate dam safety measures are in place.			
Projects on International Waterways (OP/BP 7.50)	X		
OP/BP 7.50 will be triggered. However, an exception to notification will be requested as the project will finance rehabilitation only of the existing irrigation, drainage and reservoir infrastructure.			

Safeguard Policies Triggered	Yes	No	TBD
Projects in Disputed Areas (OP/BP 7.60)		X	
The project will not be located in disputed areas. OP/BP7.60 will not be triggered.			

Environmental Category: B - Partial Assessment

III. SAFEGUARD PREPARATION PLAN

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 10/03/2011

B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS.

A generic EMP will be prepared and disclosed before appraisal and specific EMPs for sub projects will be prepared during implementation and disclosed before any construction begins. A separate Pest Management Plan is not needed, but the ISDS and PAD should indicate how the project will work with Ministry of Agriculture to raise local awareness of pesticide hazards and IPM options and to build capacity and generally promote IPM approaches.

A Resettlement Policy Framework will be disclosed before appraisal, local (Abbreviated) Resettlement Action Plans will be prepared and disclosed as required during project implementation, prior to any construction which requires land acquisition.

Consultations on generic the EMP and RPF should take place before appraisal and consultations on specific EMPs should take place before implementation of sub-projects which are not identified before appraisal.

The project team should determine whether Albanian law requires preparation of a Strategic Environmental Assessment for the proposed pilot River Basin Development plans. However, even if Albanian law does not require it, we should encourage the Borrower to do this as it represents good practice (is required under EU Water Framework Directive and SEA Directive) and can provide very valuable input regarding environmental sustainability of development and management options.

¹ 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.

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Mr IJsbrand Harko de Jong	04/12/2010
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Ms Agnes I. Kiss	04/14/2010
Comments:		
Sector Manager:	Ms Dina Umali-Deininger	04/14/2010
Comments:		