

## Project Fiche – IPA National programmes / Component I

### 1 IDENTIFICATION

<b>Project Title</b>	<i>Construction of Sewerage System in Vlora, phase II</i>
<b>CRIS Decision number</b>	<i>2012/023-036</i>
<b>Project no.</b>	<i>11</i>
<b>MIPD Sector Code</b>	<i>6. Environment and Climate Change</i>
<b>ELARG Statistical code</b>	<i>03.27 Environment</i>
<b>DAC Sector code</b>	<i>14020 - Water supply and sanitation - large systems</i>
<b>Total cost</b> (VAT excluded) <sup>1</sup>	<i>21 200 000 Euro</i>
<b>EU contribution</b>	<i>18 500 000 Euro</i>
<b>Management mode</b>	<i>Centralised</i>
<b>EU Delegation in charge</b>	<i>EU Delegation to Albania</i>
<b>Implementation management</b>	<p><i>Ministry of Public Works and Transport:</i></p> <p>Mrs. Rovena Muzhaqi, SPO            Directorate of Integration and Co-ordination of IPA projects            Sheshi Skenderbej no 5, Tirana, Albania            Tel: +355 42380734            Email: <a href="mailto:rovena.muzhaqi@mppt.gov.al">rovena.muzhaqi@mppt.gov.al</a></p> <p>Mr. Edmond Hali, General Director            General Directorate of Water Supply and Sewerage            Rr. Sami Frasheri no 4, Tirana, Albania            Tel/fax: +355 42 256 091            Email: <a href="mailto:ehali@dpuk.gov.al">ehali@dpuk.gov.al</a></p> <p>Mr. Altin Rexhepi, IPA Project Coordinator            General Directorate of Water Supply and Sewerage            Rr. Sami Frasheri no 4, Tirana, Albania            Tel/Fax: +355 42 268 423            Email: <a href="mailto:altin.rexhepi@hotmail.com">altin.rexhepi@hotmail.com</a></p>
<b>Implementing modality</b>	<i>Standalone project: one works contract and one service contract</i>
<b>Project implementation type</b>	<i>C01 - Project-type interventions</i>
<b>Zone benefiting from the action(s)</b>	<i>Vlora City (area administrated by the municipality of Vlora), Albania.</i>

<sup>1</sup> The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

## **2 RATIONALE**

### **2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED**

The project aims to decrease water pollution, to improve living and health conditions for the population in the municipality of Vlora and to improve conditions for development of the region through the extension of the sewerage network and of the wastewater treatment plant. At the end of the project major part of the municipality will be connected to the sewerage network and most of the wastewater will be treated before its discharge to the recipient.

### **2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES**

This project is addressing the specific objectives as laid down in Section 3.43 of the MIPD 2011 – 2013, which, in the Environment and water sector, states that “the water supply and sanitation infrastructure shall be improved, including the aspect of maritime pollution, as well as the waste management.”

The National Strategy for Development and Integration (for the period 2007-2013, approved by the Decision of Council of Ministers no. 342, dated 12 March 2008) states that the water supply and sanitation sector will be developed according to European Union standards, to improve living conditions, conserve the environment, and develop the economy in a sustainable manner.

The National Water Supply and Sewerage Service Strategy for Albania (for the period 2011-2017, approved by the Decision of Council of Ministers no. 643, dated 14<sup>th</sup> September 2011) states as priority 1.b: "Increase the connection of both urban and rural populations to sewage collection networks" and priority 1.d: "Increase the percentage of the population connected to a sewage collection network directed to a wastewater treatment plant".

The Albanian National Action Plan for the Implementation of the Stabilisation and Association Agreement (for the period 2010-2014, approved by Decision of Minister council No. 812, date 06.10.2010), amended, foresees as mid-terms activities providing a full rehabilitation of the water supplies and sewerage network and to extend these services into poor areas.

### **2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT**

Article 108 of the Albanian Stabilisation and Association Agreement, states that “the Parties shall develop and strengthen their cooperation in combating environmental degradation with the view of promoting environmental stability”.

This project is in line with the priorities foreseen in the European Partnership, which stated as objective the further development and implementation of the national water and sanitation strategy and the rural strategy for water supply and sewerage as well as to develop and start implementing a strategy for progressive approximation to the *acquis* in the area of water supply and sanitation”.

The 2011 Progress Report of the European Union states that: "There has been no progress in the area of *water quality*. Transposition and implementation of key EU water legislation is at

an early stage. Centralised wastewater collection only exists in bigger cities. There are only two operational wastewater treatment plants in the country at the moment. Four new plants have been completed, but are not yet operational. There is still no plan to identify sensitive areas and assess their water quality, including the quality of waste water discharged by industrial plants."

## 2.4 PROBLEM ANALYSIS

Vlora is one of the biggest towns and the second largest port of Albania, after Durrës, with a population of about 94,000 (2008 estimate). Vlora is home to the Port of Vlora and is the most important economic and cultural city of south-western Albania. The port of Vlora is closer in proximity than any other to the port of Bari, Italy, and is just 70 nautical miles (130 km) from Salento's coasts. The island of Sazan is nearby, strategically located at the entrance to the Bay of Vlorë. Vlora remains a major seaport and commercial centre, with a significant fishing and industrial sector. The surrounding region produces petroleum, natural gas, bitumen and salt. The city is also the location of important installations of the Albanian Navy. Vlorë has grown in importance as an agricultural centre with very large-scale planting of olive and fruit trees, and as a centre of the food processing, oil and bitumen export industries. The surrounding district is mainly agricultural and pastoral, producing oats, maize, cotton, olive oil, cattle, sheep, skins, hides and butter. These commodities are exported. Tourism has become a major industry in recent years, with many hotels, recreational centres, and vast beaches.

The current status of water management infrastructure in the area administrated by Vlora municipality is as follows:

- The wastewater treatment plant (*funded through EU/CARDS programme*), is at the initial stage of operation of the following sections: pre-treatment unit, first primary treatment process (*two open ponds/lagoons out of three*);
- The main sewerage network, funded through PHARE, is functional. (Earlier problems were solved through central and local government investment for rehabilitation). However the sewerage infrastructure is not completed yet because there are only few houses connected to the main collector;
- The existing storm water drainage system is functional, but was constructed 40 years ago. It is a combined system, which – during rain seasons –creates a lot of problems for draining the area of Vlora city;
- The water supply system in Vlora has also been improved. An investment financed by the Dutch government has increased the quantity of water supply to the users. This is another factor that makes increasing the capacity of the existing Water Waste Water Treatment Plant (WWTP) necessary.

This project (under IPA 2012) foresees:

- to continue the construction of the sewerage network to cover the entire city of in Vlora (continuing works starting in Q2 2012 under an IPA 2009 programme);
- to extend and technologically upgrade the existing wastewater treatment plant;
- to provide for the operation of the wastewater treatment plant operation for two years after its completion;
- and to supply laboratory equipment's, as well as necessary tools and machinery for the operation and maintenance of the plant and the entire sewerage infrastructure.

The **aforementioned IPA 2009 project is to contribute** to the preparation of the present 2012 investment, through ensuring:

- the preparation of studies and design plans necessary for the planned extension and upgrade of the WWTP;
- the availability of detailed designs for the sewerage network the yet uncovered parts of the city;
- the compilation of the technical specifications for the technical equipment necessary for the new laboratory facility as well as the continued operation and maintenance of the sewerage network;
- the drafting of appropriate operational manuals and the delivery of related trainings to the personnel of the WWTP.

## **2.5 LINKED ACTIVITIES AND DONOR COORDINATION**

PHARE has invested in the construction of the city's main sewerage system; CARDS for the construction of the wastewater treatment plant. With IPA 2009 funds, the first phase of secondary and tertiary sewerage network and house connections will be constructed. The present project proposal will complete the missing sewer infrastructure within the boundaries of Vlora municipality and also build on the Dutch investment (*collecting and treating the increased quantity of drinking water supplied*).

## **2.6 LESSONS LEARNED**

Based on previous experience, three main issues are to be tackled:

- (i) Due to fragmentation in previous investments in some municipalities did not achieve the expected impact on the related service. Therefore, adequate funds need to be allocated for constructing the entire infrastructures and also providing the necessary maintenance tools.

- (ii) Ownership

In the past, some local authorities refused taking over the ownership of investments. For that reason all stake-holders (*Vlora Water Company and Vlora Municipality*) *have to be involved from the early stage* of the preparation of feasibility studies and project designs and also during the implementation.

- (iii) Land expropriation

Previous projects have shown that expropriations were one of the major issues causing delays during implementation. For avoiding a repetition of this problem, it's foreseen to start with these procedures at early stage of designing. For more details please refer to the Annex IV.

## **3 DESCRIPTION**

### **3.1 OVERALL OBJECTIVE OF THE PROJECT**

- Improving environment, living and health conditions of the Albanian population through alignment with EU standards regarding water quality and wastewater treatment.

### 3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

- Improving the aquatic environment and quality of life in and around Vlora municipality.

### 3.3 RESULTS

#### Activity 1 – Works

##### *Result 1.*

- Wastewater collected by the sewerage network within the administrative boundaries of Vlora municipality is treated in line with EU standards;
- The area within the administrative boundaries of Vlora municipality to be covered by a proper sewerage network, including the zone hosting the drinking water wells supplying the population.

#### Activity 2: - Supervision

##### *Result 2.*

- Works contracts under the project are implemented in good quality, in time, and fully in line with the relevant regulations and technical specifications.

#### Activity 3 – Supply

##### *Result 3.*

- Machinery, tools, laboratory equipment for operation and maintenance of the entire sewerage system is ensured and in use.

### 3.4 MAIN ACTIVITIES

Two Works Contracts for carrying out all constructions of all mentioned sewer infrastructure including the operation of wastewater treatment plant for 2 years, two consultancy contracts for supervision of construction works and one/more supply contract/s, as follows:

#### **Activity 1:** Construction of Sewerage System and Wastewater Treatment Plant in Vlora

Contract 1.1: (EU Contribution)

Contract 1.2: (National contribution)

#### **Activity 2:** Consultancy Services for works supervision

Contract 2.1: Service Contract (EU contribution)

Contract 2.2: Service Contract (National contribution)

#### **Activity 3:** Supply contract/s (National contribution)

Contract 3.1: Supply Contract/s for the procurement of goods, laboratory equipment, tools and machineries for the operation and maintenance of entire sewerage infrastructure.

### **3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT**

As this project will complete the missing sewerage system infrastructure within the boundaries of Vlora municipality including the zone hosting the drinking water wells supplying the population, it will substantially reduce the pollution of Vlora bay, and thereby contribute to the development of tourism in the region.

### **3.6 SUSTAINABILITY**

This investment will lead to the finalisation of the construction of sewerage network in the city of Vlora. This will enable the Vlora Water Company and the Municipality to apply and collect the necessary tariffs for Operation and Maintenance and this will ensure the sustainability of this project. Possible gaps until a full coverage via a fee system have to be taken into account.

### **3.7 ASSUMPTIONS AND PRE-CONDITIONS**

- The designs, and tender dossiers for the works, supervision contracts and supply contract/s to be prepared in time and to the necessary quality by the addendum to IPA 2009 service contract;
- All utilities to be made available for functioning of the installations are to be made available by Albanian Government (electrical power). The electricity provider shall confirm prior to the works contract signature that there is enough capacity to operate the infrastructure;
- Environmental permits are available prior to the works contracts signature;
- Land for construction is available prior to the works contracts signature (certificates of ownership shall be made available to the Contracting Authority);
- Necessary permits to be received on time,
- Funds necessary for the operation of the extended WWTP and the sewerage network available;
- Necessary human resources for the appropriate operation of the plant and the entire sewerage system are continuously available;
- Sufficient replacement investments take place to keep capacity up to standards.

## **4 IMPLEMENTATION ISSUES**

Contracts funded by IPA will be under centralised management by the EU Delegation to Albania

## 4.1 INDICATIVE BUDGET

(amounts in EUR)

PROJECT TITLE <i>Vlora sewerage</i>			SOURCES OF FUNDING										
			TOTAL	TOTAL PUBLIC EXPENDITURE	IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
			EXPENDITURE	EUR	EUR	% (2)	Total	%	Central	Regional/Local	IFIs	EUR	% (2)
IB	INV	EUR	(b)=(c)+(d)	EUR	% (2)	EUR	% (2)	EUR	EUR	EUR	EUR	% (2)	
(1)	(1)	(a)=(b)+(c)+(d)	(b)=(c)+(d)	(b)	(2)	(c)=(x)+(y)+(z)	(2)	(x)	(y)	(z)	(d)	(2)	
Activity 1		X	19 000 000	19 000 000	17 100 000	90,00%	1 900 000	10,00%	1 900 000				
Contract 1.1		X	17 100 000	17 100 000	17 100 000	100,00%	0	0,00%					-
Contract 1.2		X	1 900 000	1 900 000	0	0,00%	1 900 000	100,00%	1 900 000				
Activity 2,		X	1 600 000	1 600 000	1 400 000	87,50%	200 000	12,50%	200 000				
Contract 2.1		X	1 400 000	1 400 000	1 400 000	100,00%	0	0,00%					-
Contract 2.2		X	200 000	200 000	0	0,00%	200 000	100,00%	200 000				
Activity 3		X	600 000	600 000	0	0,00%	600 000	100,00%	600 000				-
Contract 3.1		X	600 000	600 000	0	0,00%	600 000	100,00%	600 000				
TOTAL IB			0	0	0	0,00%	0	0,00%	0				
TOTAL INV			21 200 000	21 200 000	18 500 000	87,26%	2 700 000	12,74%	2 700 000				
TOTAL Project			21 200 000	21 200 000	18 500 000	87,26%	2 700 000	12,74%	2 700 000				

NOTE: DO NOT MIX IB AND INV IN THE SAME OPERATION ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Operation row, use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

## 4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

*Dates indicated in the schedule cannot go beyond the contracting and execution deadlines in the financing proposal*

Operations	Start of Tendering/ Call(s) for proposals	Signature of contract(s)	Activity Completion
Works Contract 1.1	2 <sup>nd</sup> 2013	1 <sup>st</sup> 2014	4 <sup>th</sup> 2018
Works Contract 1.2	3 <sup>rd</sup> 2013	1 <sup>st</sup> 2014	3 <sup>rd</sup> 2018
Supply Contract 3	1 <sup>st</sup> 2014	4 <sup>th</sup> 2016	2 <sup>nd</sup> 2017
Supervision contract 2.1	2 <sup>nd</sup> 2013	3 <sup>rd</sup> 2013	4 <sup>th</sup> 2018
Supervision contract 2.2	2 <sup>nd</sup> 2013	1 <sup>st</sup> 2014	3 <sup>rd</sup> 2018

All activities should in principle be ready for tendering in the 1<sup>st</sup> Quarter following the signature of the FA.

The Tender Dossiers, ToR-s and Technical Specifications for the works, supervision and supply contracts are to be prepared under the on-going IPA 2009 project, by the end of 2012 at the latest.

## 4.3 CROSS CUTTING ISSUES

### 4.3.1 *Equal Opportunities and non-discrimination*

The principle of equal opportunities between women and men will not be affected by this project. There is a huge community that will get benefit from this project.

### 4.3.2 *Environment and climate change*

In line with Albanian Environmental Procedures and in full compliance with EU regulations, an Environmental Impact Assessment (EIA) will be prepared as part of the detailed design.

### 4.3.3 *Minorities and vulnerable groups*

Not applicable.

### 4.3.4 *Civil Society/Stakeholders involvement*

Civil society and other relevant stakeholders were consulted during the design and also for the purpose of the environmental permit, public consultation were organised and different representatives intend this consultations. The representatives of Vlora municipality have been consulted during all technical committees organised by General Directorate of Water Supply and Sanitation for the purpose of approving the design and will be involved during the project implementation

The EIA procedure for the project – like it was the case of the IPA 2009 development – will include public consultations with population affected.



## **ANNEXES**

Documents to be annexed to the Project fiche

- Log frame;
- Description of Institutional Framework;
- Reference list of relevant laws and regulations;
- Details per EU funded contract.

## ANNEX 1: Logical framework matrix for sector support in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number No. 11 / IPA 2012 Albania Construction of Sewerage System in Vlora – Phase II.	
		Contracting period expires three years following the date of conclusion of the Financing Agreement	Execution period expires two year following the end date of contracting
		Total budget – €21,2 million	:
		IPA budget: - €18.5 million	
<b>Overall objective</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>	
<ul style="list-style-type: none"> <li>Contributing to the alignment of Albania with EU standards regarding water quality and wastewater treatment</li> </ul>	<ul style="list-style-type: none"> <li>Quality of ground water and surface waters steadily approaching EU standards</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Environment regular environmental reports (national statistics)</li> </ul>	
<b>Specific objective</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>To protect the environment and improve the quality of life in and around Vlora municipality</li> </ul>	<ul style="list-style-type: none"> <li>Water quality in Vlora bay substantially improving</li> </ul>	<ul style="list-style-type: none"> <li>Regular measurements of National Institute of Health</li> </ul>	<ul style="list-style-type: none"> <li>Continued political commitment to EU accession process</li> <li>Successful completion or further IPA projects for WWT investment.</li> </ul>
<b>Results</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li><b>Result 1:</b> Wastewater generated in Vlora treated in line with EU standards; The area of Vlora municipality to be fully covered by a sewerage network, including the zone hosting the drinking water wells supplying the population.</li> <li><b>Result 2:</b> Works contracts under the project implemented in good quality, in time, and fully in line with the relevant regulations and technical specifications</li> <li><b>Result 3:</b> Machinery, tools, laboratory equipment for continued operation ensured and in use</li> </ul>	<ul style="list-style-type: none"> <li>Parameters of effluent water coming from the WWTP in line with relevant standards</li> <li>Population connected to the sewerage network above 90%</li> <li>Project completed and handed over within deadline and budget foreseen</li> <li>All machinery, tools, laboratory equipment as well as necessary staff trainings are delivered in line with project specifications.</li> </ul>	<ul style="list-style-type: none"> <li>Reports and measurements by WWTP laboratory (Water company)</li> <li>Supervisory engineer's final reports</li> <li>Supervisory engineer's final reports</li> <li>Project final reports.</li> </ul>	<ul style="list-style-type: none"> <li>Funds necessary for the operation of the extended WWTP and the sewerage network available</li> <li>Necessary human resources for the appropriate operation of the plant are continuously available</li> <li>Sufficient replacement investments take place to keep capacity up to standards.</li> </ul>
<b>Activities to achieve results</b>	<b>Means / contracts</b>	<b>Costs</b>	<b>Assumptions</b>

<ul style="list-style-type: none"> <li>• <b>Activity 1</b> - Construction of Sewerage System and Wastewater Treatment Plant in Vlora</li> <li>• <b>Activity 2</b> – Provision of consultancy Services for works supervision</li> <li>• <b>Activity 3</b> - Supply of equipment for WWTP laboratory as well as the maintenance and operation of the sewerage network</li> </ul>	<ul style="list-style-type: none"> <li>• Contr. 1.1. – Works (IPA)</li> <li>• Contr. 1.2. – Works (national contr.)</li> <li>• Contr. 2.1. – Supervision (IPA)</li> <li>• Contr. 2.2 – Supervision (national cont.)</li> <li>• Contr. 3.1. – Supply (national)</li> </ul>	<ul style="list-style-type: none"> <li>• Contr. 1.1. – €17.1 million</li> <li>• Contr. 1.2. – €1.9 million</li> <li>• Contr. 2.1. - €1.4 million</li> <li>• Contr. 2.2. - €0,2 million</li> <li>• Contr. 3.1. - €0,6 million</li> </ul>	<ul style="list-style-type: none"> <li>• The designs, and tender dossiers for the works, supervision contracts and supply contracts will be prepared in time and to the necessary quality by the addendum of IPA 2009 service contract</li> <li>• EIA to be prepared prior to commencement of activities</li> <li>• Necessary permits to be received on time</li> </ul>
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## **Annex 2: Description of Institutional Framework**

**The Ministry of Environment, Forests and Administration of Waters** is the main institution responsible for issuing the environmental permits for any project. In this light, in order to receive the environmental permit for the project, it's necessary to apply in this ministry. For applying its required preparation of an environmental impact assessment report and this is the point where this ministry it's involved and informed for the implementation of this project. The environmental permit of the previous project (funded through IPA 2007 and IPA 2010) are already taken.

**The Ministry of Public Works and Transport** is the main central institutions responsible for water supply and sanitation. The main responsibilities of this Ministry are as follows:

- Preparation and implementation of objectives and economic policies of the Government of Albania for development of Public Works and Transport in all components (infrastructure, equipment, operation etc, in national and international scale; Preparation of development policy's for Public Works, road transport, railway, sea, water, air and follow-up of the implementation of this policies in the depending body's;
- Determination of trends and tendency from analyses of different public works and transport based on statistical and information systems in construction and transport and preparation of Macro-Economic indicators of the general development of construction and transport short and long term; preparation, diffraction and follow-up of project indicators – economical and financial programs, of investments etc;
- Gathering of annual projects-plans of government units under her dependency for preparation of project macro-economic programs of construction branches and transport for supervising and reflecting of indicators and parameters of construction development strategies and transport;
- Coordination and negotiation of work with other ministries and international institutions;
- Dealing and proposing of internal and foreign financial resources (foreign donors) in harmony with construction and transport economical resources in order to cover the need of developing of construction and transport, also their redistribution through different fields of the activity of Ministry of Public Works and Transport;
- Preparation of a regulatory legal system, according to European requirements and standards;
- Preparation of project laws and project act-laws for improving and developing of different construction and transport and spreading of new technology and standards in the field of construction operation and transport, of new regulations and standards of the production technical field, services and maintenance of construction equipment's and transport;
- Accomplishment, development and improvement of the institutional reform of the construction sector and transport, aiming preparation and transforming step by step of

the institution mentioned in order to be as much as possible close to European standards;

- Preparation of national policies in the field of urban planning that serves as bases for preparation of the complete legal frame and for further improvement. Coordinate the work in different fields of the economy and local governments. Have the responsibility of monitoring, programming and managing of all activities for implementing the Governmental territory planning, in compliancy with governing laws.

For managing the water supply and sanitation policies the Ministry set up a **General Directorate of Water Supply -Sanitation and Solid Waste Policies**. It is composed by two Directorates:

- (i) Directorate of Regionalization and Water Supply - Sanitation Policies and
- (ii) Directorate of Solid Waste Policies.

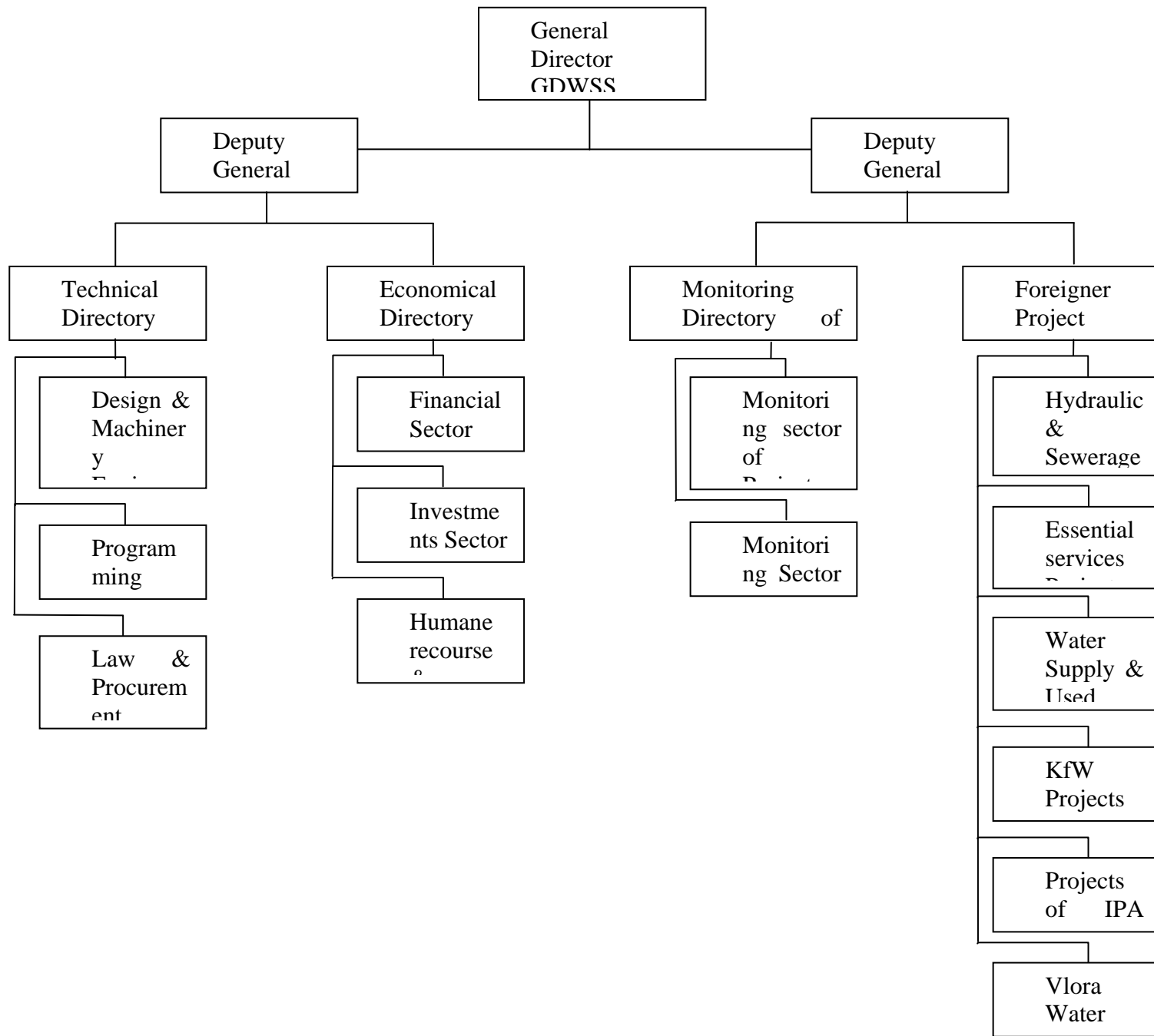
### **General Directorate of the Water Supply and Sewerage Systems**

The General Directorate of Water Sewerage is the only state body specializing in the field of drinking water supply, sewage sanitation and surface (rain) water and their treatment (water infrastructure). It technically supports the policies of the Ministry of Public Works and Transport in this field in accordance with Government legislation and policies spelled out in sector strategies.

General Directorate of Water Supply and Sewerage role in its field of activity is to perform through its legal authority and technical coordination and monitoring of activities for providing water supply, sewerage and used water and them treatment for all the country's population, in collaboration with local governments and entities of water management infrastructure. To fulfill its mission in support of the general framework of activity Ministry, General Directorate of Water Supply and Sewerage:

- Develop strategic framework for developing and managing water and sanitation sector in our country;
- Proposes annual investment planning by the state budget being based on needs that represent Local Government Units / Sh.a Water and Sewerage companies and submits for approval to the Minister of Public Works and Transport;
- Support with funding, through the Ministry of Public Works and Transport, the needs for local costs, customs duties and VAT refund, for approved contracts financed by foreign donors;
- Proposes standards and technical specifications for water supply and sanitation, and sends for approval of relevant authorities;
- Drafts and prepares draft legal acts and regulations related to the field of management and distribution of potable water, organized removal and used water treatment;
- Organizes and directs work for the identification of new projects in water sector infrastructure;
- Follow-up the reforms undertaken by the Government to improve the management, operation and improvement of sector indicators supporting Local Government Units and infrastructure management water entities;
- Prepares documentation and follow the progress of the development of alternative forms of management in the Water Sanitation Sector;

- Cooperates with central and local institutions, foreign donors, local NGOs or foreign, interested in developing water infrastructure sector;
- Cooperates with the Secretariat of National Council of Water and Water Basin agencies for efficient management of water resources especially those used for drinking water;
- Organizes and directs work for the procurement of investment (studies, design, maintenance, rehabilitation, new construction) according the legislation in force;
- Track progress of projects with foreign donors through implementation units in her dependence of its projects and responsible for their progress. Coordinate with Project Management Directorate at the Ministry of Public Works and Transport for water infrastructure projects;
- Promote and implement appropriate realistic policies in water and sanitation sector in Albania, through implementation to monitoring program effectiveness;
- Organizes and directs the data collection from all water and sewerage companies operating in the territory of the country, reviews and evaluates the data periodically, preserves their integrity, developing realistic standards for comparative evaluation within the sector, monitors the progress of companies analyzed to improve their performance, all these indicators based on the work;
- Cooperates with the Sector for Civil Emergencies and institutions interested in developing and implementing programs for the provision of water infrastructure facilities;
- Follows and develops relations organizations and international institutions for water sector infrastructure;
- Organizes and directs personnel qualification of General Directorate of Water Supply and Sewerage and water and sewerage enterprises through courses and seminars that develop within and outside the country;
- Follows and monitors service level of water supply and disposal of water used by identified problems, giving them ways to resolve that in any case informing the heads of the Ministry;
- Enable the public awareness campaigns to promote new techniques of collaboration with the community in the service of resolving problems of water and wastewater enterprises to increase the level of payment of water by consumers, reducing the abuse of drinking water, etc;
- Track the progress of campaigns organized by companies and General Directorate of Water Supply and Sewerage.



### **Annex 3: Reference list of relevant laws and regulations**

The legal framework for water resource management consists of the following:

- Law No. 8934 dated 05.09.2002 "On Environmental Protection";
- Law No. 9115 dated 24.07.2003 "On Environmental Training for Polluted Waters";
- Law No. 8093 dated 21.03.1996 "On Water Reserves";
- Law No. 9103 dated 10.07.2003, "On the Protection of Trans-boundary Lakes";
- Law No. 890, dated 06.06.2002 "On the Protection of Coastal Areas from Pollution and Damage";
- Law No. 8875 dated 04.04.2002 "On Albanian Coast Guards";

The following subordinate legal acts have been approved for its implementation:

- DCM No. 1304, dates 11.12.2009 "Water Supply and Sewerage Strategy";
- DCM No. 177 dated 31.03.2005 "On the Allowed Norms for Liquid Emissions and the Criteria for Water Environment Zoning";
- DCM No. 103 dated 31.03.2002 "On Environmental Monitoring in the Republic of Albania";
- DCM No.775 dated 28.10.1996 "On the Establishment of a National Water Council";
- DCM No. 240 dated 10.04.1998 "On the Establishment of the NWS Secretariat";
- DCM No. 635 dated 21.11.2001 "On the Establishment of a Government Commission for Water Problems with Neighbouring Countries";
- DCM No. 63 dated 26.01.2001 "On the Procedures for the Request, Consideration and Supply of Water Reserve Usage Authorisations, Permits and Concessions";
- DCM No. 313 dated 21.05.2004 "On the Approval of Water Usage Tariffs";
- DCM No. 362 dated 11.06.2004 "On Staff Bonuses for NWS and the Technical Consultative Councils;
- National Water Council Decisions:
- NWCD No. 1 dated 23.09.1994 "On the Permit Approval Procedures for Confectionary Water Usage";
- NWCD No. 2. dated 23.09.1994 "On the Permit Approval for the Partial Usage of the 'Cold Tepelena Water' Source";
- NWCD No. 1 dated 20.02.1997 "On the Approval of the Kalivaç Dam Construction, above the Vjosa River";
- NWCD No. 1 dated 04.06.1998 "On the Usage Permit Approval for Several Sources and Dam Constructions for Drinking Water";
- NWCD No. 4 dated 04.06.1998 "On the Creation of an Activity Control Working Group for the Usage of Gravel and Sand as Materials";
- NWCD No. 2 dated 04.06.1998 "On the Authorisation Approval of Digging for Underground Water for the purposes of Public Water Supply";
- NWCD No. 5 dated 16.04.2004 "On the Division of the Republic's Territory into Water Basins and for the Establishment of Water Agencies for such Basins";



#### **Annex 4: Details per EU funded contract (\*)**

##### **Centralized Management:**

The project will be implemented by the European Union Delegation to Albania by centralized management.

##### **Contracts:**

##### **Activity 1:**

###### Works contract 1.1.

The works contract will be implemented through centralised management by the European Union Delegation to Albania.

The works contract will carry out the construction works for all the area including the works at WWTP up to the foreseen budget (*excluding the part of co-financing*). Design is not yet finalized (*waiting the services according to addendum of IPA 2009 service contract to be implemented*) and the same is for the environmental report and cost estimates for each component.

##### **Activity 2: Service contract for Works supervision**

###### Supervision Contract 2.1

The supervision contract foresees supervision of the works covered by EU funding, like pipe laying, expansion works for the WWTP in Vlora, preparation of O&M manuals at the end of project, preparation of job description for the staff who will operate the infrastructure, etc.

##### **Execution of contracts:**

The execution of contracts is in principle at the latest two years following the date of contracting. However, the date of execution of works contracts, contracts for the supervision of the works may end beyond this period. As this project foresees relatively large infrastructure projects, it is considered as justified to prolong the execution period to four years.

##### **Co-financing:**

This project exceptionally will be 85% financed through IPA fund and 15% by Albanian government budget. The costs of land expropriation and the VAT will be also covered by the Government of Albania.

##### **Action Plan**

In the ToR (IPA 2009) it is included, except the additional designing of the "cold water" area, "informal" area and "WWTP" also EIA reporting including the elaboration of designs to provide numbers of plots affected by expropriation.

Expropriation identification, preparation of planning and all relevant activities to implement expropriations will be made by the Beneficiary

1. The Consultant will start his duties by early June 2012 and will deliver all the reports by early December 2012.
  2. Environmental Permits 3 months from the delivery of the report (January 2013).  
The Beneficiary will be in charge of the establishment of the environmental permit on the basis of the EIA report prepared by designer in parallel with detailed design completion.
  3. Expropriation Procedure – 6 months (June 2013).  
The Beneficiary will be in charge of the expropriations on the basis of the first draft available of the detailed design.
- Review of the reports by Commission in the MPPT – 1 month;
  - Publication on newspaper - 0.5 months;
  - Complains by landowner – 0.5 months;
  - Final Review – 1.5 months;
  - Decision of Council of the Minister – 1 month;
  - Landowner’s payment – 1.5 month;
  - Construction Permits – 3 months;
  - Preparation of the documents according the regulation – 1.5 months from the delivery of the reports;
  - Approval of Construction Permit – 1.5 months.

According the forecast and this schedule, all this actions will be finalized by end of June 2013.

#### **Annex V: Project visibility activities**

The EC rules for the visibility will be implemented, the billboard will be placed at the construction site, all equipment supplied will have a sticker and report from the contractor and consultant will have the logo with EU visibility requirements.