

Rural Areas Water Supply and Wastewater Systems

Project Financing

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|--------------|----------------|-----------------|---------------------|
| WBIF | Grant | WB10-ALB-ENV-01 | € 750,000 |
| KfW | Loan | | € 24,000,000 |
| EU IPA 2013 | External Grant | Grant | € 10,000,000 |
| KfW | External Grant | Grant | € 1,500,000 |
| Total | | | € 36,250,000 |
| Total Grants | | | € 750,000 |
| Total Loans | | | € 24,000,000 |

Project Description

In the context of improving the quality of life of its population and the commitment to meet the relevant EU directives linked with the water supply and sanitation service, Albania is making steady progress on improving its drinking water supply infrastructure and waste water collection and treatment. However, significant investment is still required to address Albania's problems in terms of access to water supply, particularly for the communities in rural areas.

Following political and socio-economic changes in Albania in the 1990s, the responsibility for existing water supply systems has been transferred under the authority of Local Government Units (LGUs). The decentralization of water enterprise management to LGUs, which often lack sufficient management capacities, and the fact that most existing water service providers are in urban areas, have led to the situation that water supply in rural areas has been largely neglected for many years. The majority of supply systems in rural areas have been built over 30 years ago while during the last 20 years only a small number of water supply systems have been built. As a result of the above-described context, the majority of the rural systems is either out of order or functioning deficiently and on a provisional basis. Consequently, the majority of rural communities have limited access to an orderly and hygienically safe drinking water supply.

Inadequate access to hygienically safe drinking water is one of the main growth bottlenecks in the rural areas, inducing difficult living conditions and contributing among others to health hazards and poverty.

The estimated cost for this project is approximately EUR 40 million. The WBIF support provides technical assistance to identify suitable communities for development and prepare feasibility studies for them. The investments under this project cover the construction or reconstruction water supply systems (consisting of spring captures, transmission lines, reservoirs, distribution networks, and house connections) and complementary emergency wastewater measures. With the available budget at least 70 water supply systems serving more than 75,000 people in the rural areas of Albania will be reached.

This project will draw on the successful experience gained and approach established by ADF and KfW within the framework of the rural water supply projects in rural areas of northern Albania. Furthermore, ADF has successfully implemented over 1,730 infrastructure projects throughout Albania, including over 300 projects involving rural water supply in the past 17 years.

Results and Benefits

- improvement of the living conditions of the rural population in Albania through the provision of improved and sustainable access to safe drinking water
- a strong positive environmental and public health impact with an overall benefit to the quality of life in the populated rural communities reaching approximately 75,000 inhabitants
- provision of potable water services that will further promote the development of a more sustainable livelihood for the community

- **Countries:** Albania
- **Code:** PRJ-ALB-ENV-010
- **Sector:** Environment
- **Lead IFI:** KFW
- **Status:** Implementation
- **Beneficiary:**