

ALBANIA RAILWAYS NON-TECHNICAL SUMMARY

Introduction

The European Bank for Reconstruction and Development (EBRD) is considering providing a sovereign loan of €36.87 million to the Republic of Albania, to finance a programme of rail infrastructure improvements for the benefit of the Albanian Railways SA (Hekurudha Shqiptare sh.a (HSH)).

The loan will finance the following components (together the 'Project'):

- the rehabilitation and upgrade of 34.7 km railway line between the Tirana Public Transport Terminal (PTT) and the city of Durres, and
- the construction of approximately 5 km of new railway line between the Tirana PTT and the Tirana International Airport (TIA), with additional spurs measuring 950m and 800m to connect the new line to the PTT and city of Durres respectively.

The proceeds of the Bank's loan will be used to co-finance the construction works and works supervision related to the Project.

Project Description and Background

The Tirana – Durres line is at present the busiest section of the Albanian railway network, providing a connection between the capital city and Durres, Albania's second largest city, as well as with the port of Durres, a major maritime gateway.

Built in 1951 and rehabilitated in 1996, the Tirana – Durres line comprises the most modern infrastructure of the network. The railway runs through mainly flat terrain, with hilly regions located in the wider Vora area and in Rrashbull. Currently, the maximum speed limit on the Tirana- Durres line is 60km/hr, however due to the age of the rolling stock and the deteriorating condition of the tracks and infrastructure (for instance, there are no working signals on the Tirana Durres line), the maximum speed of trains is currently limited to 40 km/hr.

The line that would be rehabilitated as part of the Project starts at the platform of Durres Terminal Station and ends at Tirana Public Transport Terminal station, featuring a total length of 34.7 km.

The Tirana – Durres line accommodates both passenger and freight traffic. It currently operates with five stations: Durres (terminal station), Shkozet, Sukth, Vore and Kashar. The former Tirana terminal station at the centre of the city has been demolished, and a new terminal (new Tirana Public Transport Terminal), is to be integrated with the existing line.

In addition, Shkozet station accommodates facilities for freight trains and the central railway depot (including a maintenance workshop and fuelling tanks). This facility is not part of the present rehabilitation Project, save for the reinstatement of the connection of these facilities with the upgraded railway corridor. The area of the Project is shown on Figure 1.

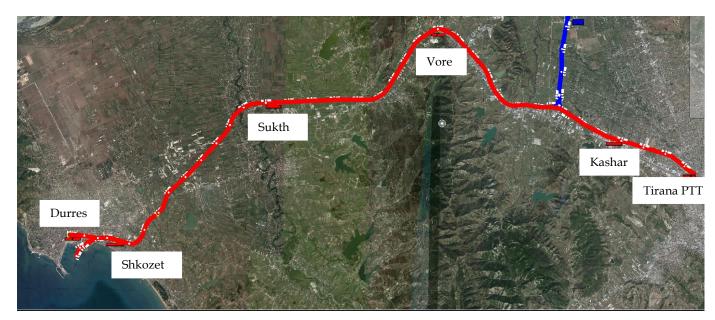


Figure 1. Tirana – Durres Railway Line to be rehabilitated (red line), new Tirana International Airport connection (blue line). Figure taken from Land Acquisition Framework (Railcon JV, 2016)

Benefits of the Project

The Project will result in the modernisation of the Tirana-Durres line, and provide an important new link for both cites to Tirana International Airport. It is expected that following the rehabilitation of the railway by the Project, and the addition of new rolling stock, train speeds of at least 100 km/h, could be achieved. The Project will provide access for local communities to a faster, more regular train service between Tirana, Durres and TIA. The transport of freight will also be more efficient, and this will provide a significant socioeconomic benefit to local communities and businesses. The Project will also encourage intermodal shift by encouraging greater use of rail transport, and providing a viable alternative to road transport.

The current railway is not fenced and is crossed by a number of illegal crossings that pose a hazard to local communities and rail users. The Project would install fencing along the rehabilitated Tirana-Durres Line, and the TIA Rail Link, and this will protect local communities from injury by fast-moving trains.

Studies Undertaken and permits received

The Project has been subject to an environmental impact assessment (EIA) with associated public consultation and public disclosure in accordance with local/national legal and permitting requirements. A social survey, Land Acquisition Framework and Stakeholder Engagement Plan have also been produced to support the Project.

These documents are available on the Ministry of Transport and Infrastructure website:

Ministria e Mjedisit: http://www.mjedisi.gov.al/al/dokumenta/vleresimi-i-ndikimit-ne-mjedis-vnm/raporte

Ministria e Transportit dhe Infrastruktures: http://www.transporti.gov.al/al/Programi/konsultim-publik

The Ministry of the Environment issued a Declaration approving the Project on 11th October 2016.

Environmental and Social Impact of the Project

Environmental

The Environmental Impact Assessment considered the impact of the Project on environmental aspects, proposed the mitigation that would be required, and concluded with an overall rating of the magnitude of the impact. The magnitude of impact was described by the following categories:

- Significant,
- Medium,
- Low, or
- Negligible.

The EIA predicts that while there would be negative impacts resulting from the Project, predominantly relating to the TIA Railway Link, for the most part these are classified by the EIA as 'low' in magnitude, both during construction and operation. Aspects of the environment where low magnitude impacts are predicted are:

- Landscape
- Water resources
- Natural vegetation
- Biodiversity (fauna) during operation
- Vibration
- Cultural heritage

Aspects of the environment where 'medium' negative impacts are predicted are:

- Biodiversity (fauna) during construction, at the crossings of the Triana, Lana, Ezeni and Limuthi Rivers
- Noise, during operation and construction
- The atmospheric environment, during construction

No 'significant' negative impacts are predicted.

A programme of surveys and other mitigation, are proposed where negative impacts are predicted. These are described in Section 5 of the EIA, pages 235-256.

To deliver the Project, new management systems and procedures will be put in place at HSH, which will improve how the Company manages its impacts upon the environment. These procedures will help the Company work towards achieving international standards, which if successful, will also serve to benefit the wider rail network in Albania.

Health and Safety

The Project is expected to have a beneficial impact on the health and safety of HSH staff and its passengers by introducing modern equipment, health and safety management systems and raising health and safety awareness. Fencing of the TIA Rail Link and the rehabilitated Tirana-Durres Line aims to prevent accidents between local communities and trains that will travel at a much faster speed as a result of the Project. At the same time, HSH will work with local communities to explain how the new railway will work and how to keep safe around it.

New health and safety management systems and procedures will be put in place at HSH as part of the Project which aim to enable the Company to work in accordance with international standards. These procedures will have a long term beneficial impact upon the health and safety of company workers and local communities throughout the rail network.

Social Impacts

The Project will provide access for local communities to a faster, more regular train service between Tirana, Durres and TIA. The transport of freight will also be more efficient, and this is expected to generate significant socio-economic benefits to the region.

While fencing of the Project in operation aims to address community health and safety risks, it will result in some lost access associated with the numerous unofficial crossings that have developed over the lifetime of the existing railway. Local communities will be consulted about these crossings, and how to mitigate the potential impacts that may result from their closure.

The TIA Rail Link will require the expropriation of approximately 250, 000 m² of primarily agricultural land, and this will impact local people who own or use this land, or who currently need to cross it to carry out their daily activities. The Land Acquisition Framework (LAF) and Stakeholder Engagement Plan (SEP) produced for the Project describe the process of how land will be expropriated, and how information will be shared on the Project and how those affected can express their opinions and concerns.

The LAF identified that 125 land parcels will be affected by the TIA Rail Link, the owners of these parcels will be identified in the Land Acquisition Plan (LAP) that will be produced for the Project.

Once the Final Design for the Project is complete, an Expropriation Study will be developed which will contain a list of all the affected land, plots, registered assets and their owners, as recorded in the Cadastre. A land and assets inventory will then be completed, which will provide basic information on affected land plots and all assets located on it. Both assets that are registered in the Cadastre and those that are not will be recorded.

A detailed socio-economic survey/census will be undertaken of Project Affected Persons (including local villages) in order to inform the LAP and help identify Project Affected Persons with no legal rights or claims to the land they occupy or use. Discussions will be held with the Municipalities in planning these surveys. The surveys shall be timed ideally to occur in parallel or in a similar timeframe as the land and assets inventory. The survey shall assist in identifying and recording persons who have no recognizable legal claim to the land they occupy or use in the affected area.

The strategy for the surveys will ensure that vulnerable groups are included and any customary use of land by certain villages is captured.

Implementation of Environmental and Social Requirements

The EIA includes details of the mitigation measures to be applied by the Project.

EBRD have undertaken Environmental and Social Due Diligence of the proposed Project and its compliance with EBRD's Environmental and Social Policy 2014. Areas where greater alignment with the Environment and Social Policy could be achieved have been identified in an Environmental and Social Action Plan (ESAP). The ESAP has been agreed with HSH and it sets out the programme, identifies those responsible and defines success criteria, and as such provides a framework for monitoring the implementation of the measures.

The ESAP includes detailed requirements for management systems and operational controls to be adopted in order for the project to be structured to meet the Banks PRs including procedures to improve resource efficiency, waste and hazardous materials management. It also includes the requirement for a Construction Environmental and Social Management Plan, Contractor Stakeholder Engagement Plan and Construction Health and Safety Plan that will need to be prepared by contractors, which will be subject to independent review.

In addition the ESAP also includes requirements for the development of Company systems and procedures for environmental, health and safety and human resources, including a programme to promote international HR practices and the implementation of a worker grievance mechanism. There is also a requirement to assess land contamination at the depot site and review and update emergency response plans. Also included is the implementation of the SEP which will be linked to public and civil society awareness campaign regarding safety in and around railways.

The ESAP is available here: http://www.transporti.gov.al

A Project Implementation Unit (PIU) will oversee that these are implemented as part of their monitoring of the Project.

Public Consultations and Stakeholder Engagement

Stakeholder engagement for the Project was undertaken as part of the EIA process. Public consultation activities went beyond national legal requirements. The Company undertook a series of interviews, meetings and a preliminary socio-economic survey with local authorities and affected people to inform the preparation of the LAF and make an initial assessment of impacts with regard to land acquisition.

A Stakeholder Engagement Plan (SEP) has been developed for the Project, to ensure that the Company manages communication with external stakeholders in a timely and effective manner. This plan foresees that the Company will engage further with affected communities, regularly inform the general public about the Project Details of recent consultation activities on the project are provided in the SEP. A Stakeholder Engagement Programme for the further engagement during the pre-construction and construction activities was developed and is presented in the SEP. This Programme will be updated regularly by the Company in cooperation with the MTI in the course of the Project's lifetime.

Public Grievance Mechanism

The Company will adopt a grievance mechanism for the Project. Principles of the grievance mechanism are outlined in the SEP and LAF. The Company will accept all comments and complaints associated with the Project. Grievances will be registered and responded to within 15 days, if contact details of the complainant are provided. Individuals who submit their

comments or grievances have the right to request that their name be kept confidential. Grievances in relation to construction activities will be managed by HSH.

Any person or organisation may send comments, complaints and/or requests for information in person or via post, telephone or email using the following contact information:

Attention: Eni ELEZI

Postal Address: THE ALBANIAN RAILWAYS S.A. (HSH)

Egnatia Str., No.3 Durres
Telephone: + +355 69 82 20 407
E-mail address: info@hsh.com.al

HSH will monitor how grievances are being addressed.

At all times, complainants are also able to seek legal remedies in accordance with the laws and regulations of Albania.