



<b>1. Project Data:</b>		<b>Date Posted :</b> 11/15/2004	
<b>PROJ ID:</b> P066491		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Water Supply Urgent Rehabilitation Project	<b>Project Costs (US\$M)</b>	14.64	13.17
<b>Country:</b> Albania	<b>Loan/Credit (US\$M)</b>	10	9.9
<b>Sector(s):</b> Board: WS - Water supply (75%), Central government administration (25%)	<b>Cofinancing (US\$M)</b>	0	0
<b>L/C Number:</b> C3322			
	<b>Board Approval (FY)</b>		00
<b>Partners involved :</b>	<b>Closing Date</b>	03/01/2003	03/01/2004
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
The main objective of the Project was to support the Government of Albania's (GOA) efforts to improve the service of water supply in the municipalities of Durres, Fier, Lezha and Saranda. The project aimed to rehabilitate components of the water supply systems which were prone to failure and/or were causing extremely high operation costs or health risk due to their state of disrepair.			
<b>b. Components</b>			
1. Durres - wells, pumping station and pressure break tank (Appraisal US\$ 2.64 million, Actual US\$ 2.74 million). Replacement of seven well pumps and construction of seven new wells in Fushe Kuqe to replace the existing wells.			
2. Durres - Transmission main improvements (Appraisal US\$ 0.10 million, Actual US\$ 2.64 million). Construction of a valve and meter chamber on each of the 20 connections to the 700 mm diameter transmission main from the source of water to the Durres service reservoir.			
3. Durres Villages - feasibility study (Appraisal US\$ 0.62 million, Actual US\$ 0.16 million). The purpose of the study was to develop a master plan to provide controlled water supply service to Durres rural areas with the aim to substantially reduce leakage, wastage and misuse of water in the rural areas, so that more water reaches the city.			
4. Fier - Well Field (Appraisal US\$ 0.86 million, Actual US\$ 0.00 million).			
5. Fier - Distribution Main (Appraisal US\$ 1.2 million, Actual US\$ 2.5 million). Replacement of parts of three distribution feeder mains.			
6. Lezha - Distribution Main Replacement (Appraisal US\$ 0.14 million, Actual US\$ 0.69 million). Replacement of a distribution main (610 m of DN 100 mm and 300 mm of DN 80 mm) and disconnection of a supply main to a paper mill which discontinued its operations in 1991.			
7. Lezha - Wells and Pumping Stations (Appraisal US\$ 2.01 million, Actual US\$ 1.14 million).			
8. Saranda - Navarice Spring (Appraisal US\$ 0.32 million, Actual US\$ 0.25 million). Replacement of 2,400 m of the gravity transmission main from Navarice spring to the Saranda distribution reservoir. Replacement of feeder mains to villages including installation of valves, valve chambers, bulk meters, a chlorination facility, and security fencing to protect the spring from contamination.			
9. All Cities - Repair of visible leakage primarily in distribution mains (Appraisal US\$ 0.21 million, Actual US\$ 0.22 million)			
<b>Revised Components:</b>			
The Fier Well Field component was dropped as funding from the Program of Community Aid to Countries of Central and Eastern Europe (PHARE Program) did not materialize in time This component could have only been carried out after or in parallel to the rehabilitation of the main pumping station and the raw water main which was supposed to be funded by the PHARE Program.			
<b>c. Comments on Project Cost, Financing and Dates</b>			
The closing date was extended by one year for the following reasons: (a) design changes due to the outcomes of the hydraulic modeling, (b) the problems resulting from the delayed implementation of the EU PHARE investment, and (c) the difficulties arising from frequent changes at the ministerial level.			
<b>3. Achievement of Relevant Objectives:</b>			

The objective to improve the service of water supply in the municipalities of Durres, Fier, Lezha and Saranda was achieved.

- The project invested in the rehabilitation of pumping stations that were completely dilapidated and prone to failure.
- The project repaired about 1,224 leaks, which contributed to reduction in water losses and reduced the risk of water contamination.
- The four utilities under the project carried out institutional improvements such as: merging sewerage with water management, increasing water tariffs, and for the first time, introducing sewerage tariffs.
- The project enhanced the capacity of the technical staff regarding disinfection systems to improve water quality, leak detection and repair of pipe breaks to reduce water losses, installation of pumps working with high efficiency to reduce operation costs, and installation of lockable valve chambers.

#### 4. Significant Outcomes/Impacts:

- The project helped in improving the water quality in all four cities through the installation of chlorination equipment and other interventions. The laboratory tests show improved water quality.
- The project increased the quantity of water supplied to customers who received insufficient quantities of water or no water at all at the beginning of the project. The average consumption of the population still receiving less than 80 l/c/d has increased from 36-45 l/c/d to 49-59 l/c/d.
- The project resulted in annual energy savings of about 6.3 million KWh, which equals annual savings in operating costs of about US\$259,000.
- The project assisted in the reduction of illegal connections by constructing a new transmission main between Xhafzotaj to the Durres City and a parallel line from Xhafzotaj to the village in Arapaj. Also, a parallel line from Fushe-Kruje pumping station to Shilore service reservoir was added.
- The project piloted the benchmarking system of indicators for the four cities.

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

- There were substantial implementation delays which resulted in extension of the project by one year. The supervision by the Ministry of Territorial Adjustment and Tourism (MOTAT) failed to ensure timely implementation of project components.
- Replacement of 2,400 m of gravity transmission main line for Saranda-Navarice Spring did not take place. Instead investments for bulk metering and installation of new valves and new feeder lines were undertaken.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Satisfactory	Satisfactory	
<b>Institutional Dev.:</b>	Modest	Modest	
<b>Sustainability:</b>	Likely	Likely	An incentive based multi-city management contract covering the four cities was awarded in 2003. Sustainability depends on the performance/progress made on this contract.
<b>Bank Performance:</b>	Satisfactory	Satisfactory	
<b>Borrower Perf.:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR:</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

The Benchmarking (developed as a pilot in this project) was an innovative idea implemented for the first time in Albania's water sector. This will help the local authorities and the project team to measure the project progress and impact on the ground.

#### 8. Assessment Recommended? Yes No

**Why?** This project along with the previous Durres Water Supply Project make an interesting case for cluster assessment focusing on urgent rehabilitation and institutional capacity building efforts.

#### 9. Comments on Quality of ICR:

The ICR provides a full review of project implementation and is satisfactory.