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ANNEX V

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Albania for 2022

Action Document for EU for Water

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and annual and multiannual action plans and measures in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI - Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

Title	EU for Water Annual Action Plan in favour of Albania for 2022
OPSYS	ACT-60887, JAD.1030030
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)
Team Europe Initiative	No
Zone benefiting from the action	The action shall be carried out in Albania
Programming document	IPA III Programming Framework
PRIORITY AREAS AND SECTOR INFORMATION	
Window and thematic priority	Window 3 – Green Agenda and Sustainable Connectivity Thematic Priority 1 - Environment and climate change
Sustainable Development Goals (SDGs)	Main SDG: - Goal 6 – Clean water: Ensure access to water and sanitation for all Other significant SDGs - Goal 14 – Life Below Water: Conserve and sustainably use the oceans, seas and marine resources - Goal 15 - Live on Land: Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
DAC code(s) ¹	140 – Water Supply and Sanitation

¹ DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab ‘purpose codes’ in the following document: <http://www.oecd.org/dac/financing-sustainable-development/development-financestandards/dacandcrscodelists.htm>

	<ul style="list-style-type: none"> - 14010 – Water sector policy and administrative management (13%) - 14015 – Water resources conservation (including data collection) (17%) - 14022 – Sanitation – Large systems (70%) 			
Main Delivery Channel @	12000 –Recipient Government			
Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Internal markers	Policy objectives	Not targeted	Significant objective
Connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Digitalisation		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Migration		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COVID-19		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
Amounts concerned	<p>Budget line: 15.020201</p> <p>Total estimated cost: EUR 77 400 000</p> <p>Total amount of EU budget contribution EUR 29 000 000</p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> - ADA (Austrian Development Agency) for an amount of EUR 1 300 000 - Entity to be selected in accordance with criteria set in section 4.3.1 for an amount of EUR 100 000 			

	- KfW (Kredit Anstalt für Wiederaufbau) for an amount of EUR 47 000 000 ²
MANAGEMENT AND IMPLEMENTATION	
Implementation modalities (type of financing and management mode)	Project Modality Indirect management with the Austrian Development Agency (ADA), the German Kreditanstalt fuer Wiederaufbau (KfW) German Development Bank and with the entity to be selected in accordance with the criteria set in section 4.3.1
Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans [only for the Western Balkans]	Priorities: “Green Agenda” Flagships: “VII Waste and Waste Water”.
Final Date for conclusion of Financing Agreement	At the latest by 31 December 2023
Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	72 months following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2. Summary of the Action

The action builds strongly on the IPA2016 and IPA2018 water programmes financed under IPAlI, which support integrated water management and wastewater pollution reduction in Albania. The Green Agenda for the Western Balkans³, the EU zero pollution action plan⁴ as a key component of the European Green

² (EUR 40M loan + EUR 7M grant) additional to WPIP programme initial KfW funding (EUR 40M loan + EUR 2M grant) co-financed by EU (EUR 24.1M grant under IPA2018 + EUR 1.4M grant WBIF) and SECO (EUR 13.3M grant) for an overall WPIP programme amount of EUR 80.8M as reported in IPA2018 Action Document. EU total contribution to the overall WPIP programme increased to EUR 45.3M (24.1M IPA2018 + EUR 1.4M grant WBIF + 21.2M IPA2022), KfW co-financing increased to EUR 89M (80M loan; 9M grant), SECO co-financing staying EUR 13.3M grant, overall WPIP programme amount increased to EUR 149M.

³ SWD(2020) 223 final

⁴ COM(2021) 400 final

Deal⁵, and the ongoing EU membership negotiations require a continued and extended EU support to Albania on integrated water management and wastewater treatment, in order to substantially increase the transposition and implementation of the EU water “*acquis*” and of national water policies. The action will contribute to SDGs 6, 14 and 15, to Aid to Environment as well as to good governance in the water sector, and will support the implementation of the priorities of the Economic and Investment Plan⁶ and Green Agenda for the Western Balkans.

The overall aim of the Action is to support Albania towards maintaining or improving the water bodies quality status in Albania and aligning further with the EU “environment *acquis*”. The expected results are: (i) the transposition as complete as possible of EU water legislation into national laws and regulations for all Water Framework Directive (WFD) related directives, (ii) completing the development of River Basin Management Plans (RBMPs) for all River Basins (RBs) and advance their implementation through capacity building and Programmes of Measures (PoMs), (iii) develop an operational national water monitoring system based on accredited reference laboratories, to designate, assess and promote good water status for all water related EU directives and all water bodies in the country, (iv) develop a national marine strategy aligned with the Marine Strategy Framework Directive (MSFD), (v) increase access of populations to waste water collection with centralised treatment systems, and (vi) enhance the sustainability of water and sewerage utilities notably through energy measures also contributing to curtail the emission of climate impacting greenhouse gases.

2. RATIONALE

2.1. Context

Albania has abundant water resources, split in seven river basins (Drin-Buna, Vjosa, Semani, Shkumbini, Mati, Ishëm, Erzeni), of which two are transboundary: Drin-Bunë is shared with Greece, Montenegro, North Macedonia, and Kosovo* ; Vjosa is shared with Greece. Albania is also home of three major natural lakes (Ohrid, Prespa and Skadar), 247 small natural lakes, and 650 artificial reservoirs. The country has access to the Adriatic and Ionian Seas with a coastline of 427 km, of which 273 km on the Adriatic Sea and 154 km on the Ionian Sea. The coast also homes several major protected natural lagoons: Kune-Vain in the north, Karavasta and Narta, and Butrinti in the south. Groundwater resources are abundant, between 9 billion m³/y and 13 billion m³/y. Albania has close to 10,000 m³ of freshwater available per person per year, ranking in the top 10 in Europe. However, the available quantity of surface water (and to a lesser extent, of groundwater) drastically decreases during the summer dry season (July-September), with only 6-9% of annual runoff).

In view of water abundance, Albania’s water sector remains relatively weak. Water management competencies are shared among several institutions with insufficient capacities and coordination. Furthermore, the sector has incomplete and partially obsolete water and wastewater infrastructure, inefficient cost recovery policies for water related services, insufficient financial means for infrastructure development and operation and maintenance. Inadequate management and water services tariffs are in general excessively influenced by political considerations. Furthermore, there is limited integrated monitoring, weak enforcement and insufficient coordination of planning and budgeting of investments.

As an economy in transition, Albania is confronting a fast development trajectory. Rapid urbanisation, economic and infrastructure development, notably mass tourism infrastructure in coastal areas threaten increasingly the quality and quantity of water resources available, impacting the ecological health of water bodies and the environment. Other concerns include the multiplication of hydropower plants, deforestation in river basins, gravel extractions. Climate change is an additional worsening factor. There is a lack of river

⁵ COM(2019) 640 final

⁶ COM(2020) 641 final

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

basin management approach and cooperation to tackle situations where water bodies show receding water levels due to climate change, or over-abstraction or pollution and deterioration of river water quality downstream of large urban centres.

The Government of Albania has adopted an integrated water management approach, which is a key national strategic priority. The government vision for the water sector set in the Integrated Water Resource management strategy 2018-27 is that *“By 2027, Albania shall be a country with efficient use of water and integrated and operational water resources management, which includes a complete monitoring system, and management of flood risk and water scarcity. Management of water resources is based on the principles of equity and sustainability for equal benefits, social, economic and gender based, and environmental justice for current and future generations”*. An Integrated Policy and Management Group (IPMG), chaired by the National Water Council (NWC), guides the policy development, implementation, and evaluation of Integrated Water Management (IPMG-IWM). To steer the water sector approach, the National Water Resource Management Agency (WRMA - AMBU in Albanian) was established in 2018, also fulfilling the role of secretariat of the NWC. The IPMG-IWM has two thematic working groups: one on water reform (Water supply and sewerage, led by the Ministry of Infrastructure and Energy (MIE)) and the other one on water resource management (led by AMBU).

The Commission 2022 Report for Albania⁸ underlined that ***“Limited progress was made in further aligning the policies and legislation with the EU acquis, in areas such as water management (...)”***, and recommended that *“Albania should amplify and accelerate further the water reform measures. The new law on water supply and sewerage, the new national strategy for water supply and sewerage 2030, and the revised water code should be adopted and implemented in 2022 (...)”*.

Moreover, the Commission report 2022 highlighted that *“Following the 2020 adoption of the Drini-Buna and Semani River Basin Management Plans, Albania should proceed with the completion and adoption of the remaining five River Basin Management Plans (...)”*, and that *“In line with the Green Agenda for the Western Balkans, Albania should increase efforts in strengthening transboundary basin management with neighbouring countries, which concern to Drini-Buna and Vjosa river basins. A transboundary approach with Greece is encouraged during the future development of the Vjosa RBMP, acknowledging the high ecological value and eco-tourism potential of the river, through a natural river park status”*.

In addition, the report stressed that *“the water quality and quantity monitoring is insufficient compared to the current compliance, management and protection needs. The Water Resources Management Agency (AMBU), together with the National Environment Agency (NEA) and other water monitoring agencies, should urgently programme and implement a national water monitoring programme with sufficient resources”*.

Finally, the report noted that *“There is also a need to ensure full alignment with the Urban Wastewater Treatment Directive, extend sewerage networks, license and apply adequate tariffs for all waste-water treatment plants and build new ones, in particular in urban and coastal areas with high tourism development”*. Wastewater treatment plants to date cater for only about 15% of the population.

A recommendation of the Commission report 2022 is that Albania should ***“substantially increase the budgetary resources and implementation capacity of its key national water agencies”***.

In view of the Green Agenda for the Western Balkans and the EU zero pollution action plan (2021), as well as the commitments made at the Sofia summit (2021) by the Western Balkans including Albania, and in view of the opening of EU accession negotiations on 19 July 2022, Albania progress on the EU recommendations is crucial both in terms of implementation of water management policies and their alignment with the EU water *acquis*, and acceleration of capacity development. Of particular relevance to the sector are the priorities agreed at the Sofia summit (Implement relevant EU water-related *acquis*: WFD/RBMP, UWWTD, ND; Modernise water monitoring infrastructure; Build Wastewater treatment (UWWT); Advance regional agreements on transboundary water pollution). The Albanian government is conscious

⁸ SWD(2022) 332 final

of the need to advance these aspects and to build strongly on the IPAlI programmes supporting water management (IPA2016 capacity building programme) as well as water investment (IPA2018 EU for a cleaner environment – support for wastewater treatment).

In reference to IPA III Programming Framework⁹ and Strategic Response of the Government of Albania, as first submitted in May 2021 and revised on 16 November 2021, a water programme was formulated between March and September 2021 and submitted officially to the EU on 16 November 2021.

2.2. Problem Analysis

Short problem analysis:

Area of Support #1: Integrated water management (IWM): Concerning the alignment of the national legislation with the EU *acquis*, the priority for Albania is the full transposition of the EU Water *acquis* in the national legislation. Two new laws and 13 Decisions of the Council of Ministers (DCMs) in the water sector are under preparation. On the other hand, while the general legal provisions and institutions are increasingly in place, practical management of river basins remains inadequate, and water monitoring is insufficient to determine water bodies' status and allow adequate application of EU water directives and planning of measures, especially those fostering water depollution. The water quality of water bodies is further deteriorating due to insufficient investment in wastewater and waste pollution control infrastructure. This has important environmental consequences for the country and even wider one for the region. Notably the Adriatic Sea is further becoming eutrophic, which is exacerbated by its confined geographic character, and there have been several complaints in recent years from some neighbouring countries on wastewater and litter pollution originating from Albanian sources. Moreover, as groundwater is the major source of drinking water in Albania (approx. 80%) and contributes to the base flow of most rivers, pesticides in groundwater are increasingly a cause of concern for human health and for the health of aquatic ecosystems. However, monitoring of water pollution in Albania is challenging due to the high number of unregistered pollution discharge points, incomplete data on polluting substances, and insufficient monitoring network, budgets and means of relevant monitoring institutions. There is an urgent need to establish an appropriate water monitoring system producing and reporting accurate, trustful, and complete water quality data for all types of water bodies. Despite the above pressures and increasing coastal development, there is still no baseline status of the marine waters, and thus a lack of protection measures where needed in priority.

Main challenges include:

- (i) Improving the monitoring capacity of all water bodies (laboratories, monitoring stations, logistics, human resources, training, and budget availability) in order to adequately assess physical, chemical, and ecological status of surface and groundwater resources. Missing water quality information is a most salient difficulty met during the elaboration of river basin management plans, as evidenced for the Semani and Drin-Buna River Basin Management Plans (RBMPs) adopted by the government in 2020, as well as for the Mati, Ishmi and Erzeni RBMPs under development by AMBU with the assistance of IPA2016 EUSIWM project. AMBU also faces difficulty accessing quality data to populate the water cadastre system established through the support of the Swedish International Development Agency (SIDA) and World Bank Group (WBG);
- (ii) Increasing the implementation of the Water Framework Directive and River Basin Management Plans, and the capacities and operational tools of the main water actors, in view of their limited exposure to River Basin management; and
- (iii) Establishing an overall view of Albania marine water bodies' status, of priority conservation actions required, and of the management capacities needs in this area.

Area of Support #2: Wastewater Treatment (WWT): Chapter 27 on environment is the most investment-heavy and demanding EU accession chapter, due mainly to high water and waste infrastructure

⁹ Commission Implementing Decision C(2021) 8914 final

needs in order to align with the EU *acquis*. Based on 2019 data, overall water supply service coverage of the Albanian population remains at 78.8%. Average non-revenue-water (NRW) for the whole sector is at a high level of 63.5%. On average, the 58 municipal utilities report about 12 hours water supply availability, and there are large differences of service quality and coverage between urban and rural areas. In terms of Wastewater management, sewerage coverage in 2019 reached only 51% at national level, with rural area essentially not covered. The situation improved only marginally since 2009 (plus 5%). According to the National Agency for Water Supply and Sewerage and Waste Infrastructure (AKUM), only 14.4% of the urban population is connected to a wastewater treatment plant (WWTP), while wastewater treatment plants in rural areas are quasi-non-existent. Albania has the lowest wastewater treatment coverage of the Western Balkan Region.

Main challenges include:

- (i) Investing in wastewater management infrastructure (sewerage networks and WWTPs) in urban and rural areas to progressively align with the requirement of the Urban Waste-Water Treatment Directive (UWWTD);
- (ii) Investing in water supply infrastructure to safeguard water quality and reduce water losses; and
- (iii) Improving management and tariffs recovery. Most water utilities (WUs) are not efficient and are not covering their operation costs, while several utilities are not officially licensed by respective River Basin Council relative to wastewater treatment, making it impossible for them to apply for wastewater treatment tariffs and therefore sustain operation and maintenance (and a fortiori infrastructure development).

Main stakeholders:

Area of Support #1: Integrated water management (IWM): AMBU (DCM No. 221 of 26.4.2018 on “the organization and functioning of the Water Resources Management Agency” under the oversight of the National Water Council, is the key national stakeholder to coordinate work with line ministries involved in the integration processes within the EU regulatory framework (transposition, implementation, and reporting), and is responsible for the implementation of at least ten Directives. Based on PM Order #24 of 09.02.2021 “on the establishment of the inter-institutional working group for drafting the legal package to harmonize all EU directives in the field of water resources management”, AMBU leads two inter-institutional working groups on water (Legal; River Basin Management) composed of all water key stakeholders: Ministry of Tourism and Environment (MTE), Ministry of Agriculture and Rural Development (MARD), Ministry of Finance and Economy (MFE), Ministry of Infrastructure and Energy (MIE), Ministry of Defence (MOD), Ministry of Health and Social Protection (MHSP) with Institute of Public Health (IPH) and Local Health Care Units (LHCUs) overseeing bathing water quality, National Environmental Agency (NEA), Albanian Geological Survey (AGS), Institute of Geosciences (IGJEO) and National Agency for Civil Protection (NACP). The coordinated and efficient work of these groups under AMBU guidance is essential to address the key challenges of the sector, including the development of water monitoring to required standards. The enhancement of AMBU capacities is essential to lead IWM and river basin management and implementation, and in particular to steer the legal and RBM working groups and the IW-IPM decisions making process.

Area of Support #2: Wastewater Treatment (WWT): MIE and AKUM have key roles and mandate to lead the development of the Water Supply and Sewerage Sector. MIE is responsible for the policy framework. AKUM (DCM #431 of 11.7.2018 "On the establishment, organization, and functioning of the National Water Supply, Sewerage, and Waste Infrastructure) as legal, independent budgetary unit under

MIE is the key national agency responsible for the implementation of two EU Directives (DWD¹⁰ and UWWTD¹¹), and for the planning and implementation of the national investment plan covering drinking water, wastewater collection and treatment and sludge management. Municipal utilities are the main water and sewerage services providers, but underperforming operationally and financially, and requiring key infrastructure investment and increased management standards. The enhancement of AKUM capacities is also essential to steer the development of the water supply and sewerage sub-sector.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

Based on the above context and the priorities in (i) the Green Agenda for the Western Balkans, (ii) the Sofia declaration, (iii) the IPA III strategic response, (iv) the national IWM strategy and EU on-going support and recommendations to the water sector, the action will foster the implementation of Integrated Water Management (IWM) and Waste Water Treatment (WWT) in line with the EU *acquis* (Water Framework Directive WFD and other EU water related directives), supporting Albania progress towards protecting its water resource and aligning with the EU environment *acquis*.

The overall objective (impact) of the action is “*to maintain or improve the water bodies` quality status in Albania*”.

The specific objectives (outcomes) of the action, corresponding to the two areas of support identified in the rationale (IWM and WWT) are to:

- Outcome 1: *Increase Albania approximation with the EU water acquis.*
- Outcome 2: *Reduce the discharge of wastewater pollution load in water bodies, advancing the alignment with the requirements of the UWWTD.*

The Outputs to be delivered by this action to contribute to the corresponding Specific Objectives (Outcomes) 1 and 2 are:

Outputs contributing to Outcome 1 (or Specific Objective 1):

- Output 1.1: The overarching IWM legal and institutional framework is substantially enhanced in line with the requirements of the EU *acquis* (WFD and other water related directives).
- Output 1.2: The Implementation of River Basin Management is increased in all river basins in line with the requirements of the WFD.
- Output 1.3: Water monitoring, reporting and enforcement are sustainably enhanced in line with the requirements of water related EU Directives.
- Output 1.4: The strategic and institutional framework for the implementation of the MSFD is established.

Completing the IWM framework, advancing River Basin Management and water quality monitoring, and establishing a marine strategic framework will to a large extent contribute to a higher level of alignment of Albania with the EU water *acquis* requirements (outcome 1), thereby providing solid ground for Albania to advance the EU accession process and maintain/improve the quality of its water resources (Overall objective).

Outputs contributing to Outcome 2 (or Specific Objective 2):

- Output 2.1: The access of the population in the programme area to wastewater collection with centralized treatment systems, monitored in accordance with EU directives, is increased.

¹⁰ Drinking Water Directive 98/83/EC of 03.11.1998 and Directive (EU) 2020/2184 of 16.12.2020 on the quality of water intended for human consumption

¹¹ Urban Waste Water Treatment Directive 91/271/EEC of 21.05.1991, Directive 98/15/EC of 27.02.1998 amending Annex I to Directive 91/271/EEC and Proposal COM(2022) 541 of 26.10.2022 final for a directive concerning urban wastewater treatment

- Output 2.2: The sustainability of the operation of selected municipal utilities in the programme area is enhanced.

Increasing the access of population to centralized wastewater treatment systems (WWTPs) and the sustainability of the operation of WWTP managed by water and sewerage utilities will contribute to reduce the discharge of wastewater pollution in water bodies, advancing the alignment with the requirements of the UWWTD, thereby allowing Albania to advance the EU accession process and maintain or improve the quality of its water resources (Overall objective).

3.2. Indicative Activities

Activities related to Output 1.1:

Activity 1.1.1: The Directive Specific Implementation Plan (DSIP) required for the implementation of the WFD and other water related directives are available. At least 7 DSIPs will be drafted, consulted and endorsed. This will allow the development of clear road maps for the implementation of all the EU water related Directives in the country.

Activity 1.1.2: The bylaws and other legal instruments needed to underpin the full requirements of all water related Directives are available. The activity concerns development and endorsement of additional necessary legal instruments to ensure further transposition of the water related *acquis* and underpin the two new water laws and 13 DCMs currently under development. This will allow the implementation of all the water related directives in the country.

Activity 1.1.3: A revised Albania National Strategy for Integrated Water Resources Management (IWRM), embedding the implementation of the water directives DSIPs, is available. In view of the expiry in 2027 of the current National IWRM strategy, this will include an evaluation of the implementation of the current strategy and the revision and endorsement of the new Strategy. This will also include support for drafting a Strategic Impact Assessment (SEA).

All activities will involve technical assistance support including formal and on the job training and assistance for the endorsement of deliverables (DSIPs, legal documents, revised strategy). Assuming that the national institutions responsible for policy decision making are committed to the implementation of the water *acquis* and all activities are successfully implemented, they should contribute to enhance the overarching IWM legal and institutional framework underpinning the requirements of the WFD and other directives (Output 1.1).

Activities related to Output 1.2:

Activity 1.2.1: RBMPs are completed or upgraded in compliance with the national model (Shkumbini and Vjosa RBMPs developed and completed; Semani and Drin-Buna RBMP upgraded). Shkumbini and Vjosa are the two remaining Albanian RBs without a proper RBMP, while the Semani and Drin-Buna RBMP need to be upgraded for alignment with the requirement of the WFD.

Activity 1.2.2: RBMPs implementation and administration is enhanced. This will provide capacity building guidance and support to AMBU, its River Basin Administrative Offices (ZABUs) at basin level, and the River Basin Councils (RBCs) to stimulate the development of practical Programmes of Measures (PoMs) and the mobilisation of budgetary resources for their implementation, as well as their implementation and monitoring.

Activity 1.2.3: Transboundary cooperation is increased for the two transboundary RBs Drin-Buna and Vjosa (Drin-Buna with North Macedonia, Kosovo, and Montenegro; Vjosa with Greece). Activities will stimulate transboundary dialogue, sharing of experience, data, issues and good practices and the development of joint initiatives such as water monitoring, or joint assessment that should progressively lead to joint agreements for the sustainable protection and use of the water resources.

The activities will involve technical assistance support for RB data collection and assessment; technical studies in RBs as needed, RBMP drafting or updating; development, prioritization, endorsement of PoMs; PoMs implementation and dialogue within and between AMBU, RBCs, NWC; transboundary dialogue and working groups; drafting transboundary agreements; on-the-job and formal trainings; as well as offices

refurbishment and equipment for ZABUs and RWCs. They will also support to get the deliverables endorsed (RBMPs, PoMs, transboundary agreements).

Activities will guide the strengthening of the development and application of RBMPs across the whole country aligned with the requirements of the WFD, toward more integrated, inclusive, practical and results oriented Programmes of Measures (PoMs) for fulfilling good ecological status conditions of all water resources. Under the assumptions that national authorities are committed to the implementation of the WFD, that the activities lead to successful completion of the RBMPs of the entire territory of Albania and the deepening of the quality of existing RBMPs not fully aligned with the WFD, and that transboundary dialogue dimension are added to the two international RBs, they will increase the implementation of River Basins Management in all river basins, in line with the requirements of the WFD (Output 1.2).

Activities related to Output 1.3:

Activity 1.3.1: An operational and budgeted water monitoring programme is available to enhance water monitoring and its compliance with EU water directives requirements. This will set up the frame for enhanced cooperation between several institutions AMBU as lead, NEA under MTE, IPH and LHCUs under MoH, AGS under MIE, IGEWE and others as appropriate to ensure all water monitoring tasks for all the water related EU directives are adequately covered and financed, and assessed, and reported with sufficient frequency, accuracy, and completeness. Such operational water monitoring programme should be approved by the competent authority.

Activity 1.3.2: Referenced national laboratories are enhanced with equipment upgrade, training, certification, and accreditation for monitoring water bodies status in line with the national water monitoring programme and the requirements of EU water related directives. This will involve the strengthening of the capacity of key reference laboratories in the country (NEA as lead for physical, chemical, and biological monitoring, AGS for ground water monitoring, IPH and LHCUs for health related monitoring and IGJEO for surface water quantity monitoring and droughts/flood forecast) to ensure they are fully equipped, well trained, and are certified and accredited as national water reference monitoring laboratories according to good international practices for their respective specific water parameter monitoring.

Activity 1.3.3: The national water monitoring network and capacities are enhanced and operational in line with the national water monitoring programme and the requirements of EU water related directives. This will involve the establishment and operation of a sufficiently developed national water monitoring architecture (infrastructure, systems, networks, equipment, staff) in at least three RBs (tentatively Mati, Ishem and Erzen) feeding routinely validated data to competent authorities and EEA. This will also drive, under the lead of AMBU with the support of NEA, the improved coordination of water data collection, assessment, sharing and reporting as required by all water related EU directives as transposed in the Albania water regulatory framework.

Activity 1.3.4: The national capacity for water quality and quantity reporting, infringement notification and enforcement are enhanced. This will involve capacity building for water quality and quantity reporting, infringement notification and enforcement for water abstraction and treated wastewater discharge, in order to address the current shortcomings of water policing in the country. Currently water abstraction is often neither licensed nor registered and therefore not controlled nor monitored, the discharge of wastewater into water bodies is often without proper permit and license, and insufficiently controlled and monitored, while infringement notification and enforcement are poorly addressed.

The activities will involve TA support and supplies/equipment. Activity 1.3.1: technical assistance support for sampling and analyses; assessment of biological and chemical status in all RBs; groundwater assessment in all RBs, consultations, drafting of programme including support for sustainable funding sources identification and budgeting, for endorsement and on the job training. Activity 1.3.2: TA support (tendering, contracting, supervision); procurement of supplies/equipment; TA support for capacity development, on-the job training, and EN/ISO 17025 lab certification (4 reference laboratories); Activity 1.3.3: TA support for complementary technical studies in RBs; capacity development; supply and works tendering, contracting and supervision; procurement of supplies/equipment for mobile stations (sampling equipment, vehicles, boats, etc.); Hydro-met monitoring stations, groundwater monitoring stations.

Activity 1.3.4: TA support for preparatory studies; rules and procedures development; capacity development and on-the-job training.

The activities will address the serious lack of robust and reliable water quantity and quality monitoring data for all aspects relevant under the WFD and other water related Directives. Water quantity, quality and ecological assessment of the water bodies including groundwater bodies in a RB require extensive, comprehensive water quantity and quality monitoring data to assess status and guide the RBMPs implementation and POMs priority measures. Under the assumption that the institutions at all levels cooperate in implementing the national water quality monitoring system and mobilize the needed statutory budgetary resources, and that the activities are successfully implemented, they should contribute to sustainably enhance water monitoring, reporting and enforcement in line with the requirements of water related EU Directives (output 1.3).

Activities related to Output 1.4:

Activity 1.4.1: The DSIP required for the implementation of the EU MSFD directive is available. This shall set up the framework for developing and implementing the National Marine Strategy for the Adriatic Sea and the Ionian Sea.

Activity 1.4.2: A national baseline assessment of the environmental status of marine waters is available. This will develop studies, surveys and assessments required to establish a baseline system allowing the definition of GES objectives and targets aligned with the requirement of the MSFD for both Adriatic and Ionian Seas.

Activity 1.4.3: A draft Marine strategy for the Adriatic Sea sub-region and for the Ionian Sea sub region is (are) available. Depending on the depth and completeness of the environmental assessment and the robustness and viability of the GES objectives and targets, a National marine strategy covering either one or both sub-regions (Adriatic and Ionian Seas) will be initiated and developed, and where feasible endorsed by the Competent Authority. Its action plan, road map, milestones and means would allow the implementation of a National Marine Strategy and its periodic future updates on a six-yearly basis.

Activity 1.4.4: A budgeted Capacity development plan for the implementation of the national marine strategy is available, and capacity of the competent authority is enhanced.

The activities will involve technical assistance support for DSIP drafting and endorsement; data collection, technical studies, water quality surveys (Adriatic and Ionian Seas), creation of data base; baseline assessment drafting and endorsement; complementary studies and drafting of marine strategy(ies) and endorsement; capacity needs assessment and development plan and budgeting; capacity development and training.

Albania is a country with a long coastline which is experiencing intensive coastal developments, along the Adriatic and Ionian seas which have transboundary status with EU Member States and other neighbouring countries. The establishment of a national marine strategy has so far never been addressed. It is however crucial for protecting the national marine resource base and biodiversity within the 12 miles of the country coast upon which marine-related economic and social activities depend. Under the assumption that Albanian authorities are fully committed to the protection of the country's Sea resources and the implementation of a National Marine Strategy aligned with the requirements of the EU MSFD and that the activities are successfully implemented, they should contribute to establish the strategic and institutional framework for the implementation of the MSFD (Output 4), thus enhancing water governance with a view to the recently started negotiations to EU accession.

Activities related to Output 2.1:

Activity 2.1.1: A new wastewater treatment plant (WWTP) is constructed and operational, for serving Kamza municipal population, additional to the two new treatment plants planned under the WPIP programme (Berat and Shkodra). This will be implemented as an add-on to the IPA2018 action "EU for a cleaner environment - support to wastewater treatment" delegated to the KfW, as part of the overall WPIP programme and funding mechanism of the KfW currently under implementation. WPIP involves investment in water and sewerage in seven selected municipalities including Kamza, with the IPA2018 action co-financing the construction of wastewater networks in the selected municipalities (including in

Kamza) and new treatment plants in Shkodra and Berat. Kamza water supply and sewerage feasibility study is officially approved by AKUM, and the conceptual design and tender dossier of Kamza sewerage networks and WWTP for 97,000 equivalent population, are scheduled to be contracted in the first half of 2022, and completed in the first half of 2023.

The activities will involve the works procurement and construction of a WWTP, inclusive of civil works and O&M equipment supplies, as well as technical assistance support for works supervision and testing and support to operation.

Under the assumption that national authorities and Kamza municipality are fully committed to the implementation of the water reform and the improvement of operational and financial performance criteria set under WPIP - IPA investment programmes, and the activities are successfully implemented, they should contribute to increase the access of municipal population to waste water collection with centralized treatment systems in line with the requirements of the UWWTD (Output 2.1). This will contribute to a reduction of discharge of untreated wastewater pollution into water bodies and ultimately the sea.

Activities related to Output 2.2:

Activity 2.2.1: Renewable Energy (RE) site capacity is installed and operational in the three WWTPs planned to be constructed under the overall WPIP programme (Shkodra and Berat under IPA2018; Kamza under IPA2022). The supply and installation of RE solar PV plants will be implemented also as an add-on to the IPA2018 action delegated to the KfW. The conceptual design and tender dossier for the equipment will be part of the overall design and tender dossiers for the treatment plants in Shkodra, Berat, and Kamza, scheduled to be completed within the year 2022.

The activities will involve the procurement of RE PV plants supply and installation, and technical assistance support for works supervision and testing.

Under the assumption that national authorities and Kamza municipality are fully committed to the implementation of the water reform and the improvement of operational and financial performance criteria set under WPIP - IPA investment programmes, and the activities are successfully implemented, they should lower the O&M cost of the Shkodra, Berat and Kamza WWTP plants. This will contribute to an enhancement of the financial sustainability of the water and sewerage utilities and the operation of the WWTPs (Output 2.2), and in addition to the curtailment of climate impacting greenhouse gases emissions.

The consultations held between EU, MIE, AKUM and KfW relative to the overall WPIP programme and funding mechanism and to the IPA2018 action already delegated to KfW, concluded that among the beneficiary municipalities of the overall WPIP programme, the additional implementation of a WWTP in Kamza was best meeting WPIP selection criteria, and provide access to a large municipal population where the development of sewerage network was already financed. Based on the Feasibility Study approved in 2020, the technical full maturity as per IPAAIII criteria is scheduled by mid-2023 (design, tender dossier). The new WWTP will significantly increase the impact of the WPIP and IPA2018 action to enhance water bodies quality and population sanitary conditions. MIE and AKUM support the construction of phase 1 of the Kamza WWTP through IPA2022 water action as an add-on to the IPA2018 action and as part of the overall WPIP programme.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

The action will mainstream environment protection, biodiversity, and climate change. As it targets the transposition and implementation of the EU-WFD and other water directives, the drafting and implementation of RBMPs, the enhancement of water monitoring, the initiation of marine assessments and strategies, and the construction of WWTP infrastructure including RE measures, the action is clearly aimed to maintain or improve water resources quality and therefore protect the environment and biodiversity. RBM planning processes and marine assessments and strategies will consider biodiversity (sensible and sensitive areas) and Climate Change exposure, vulnerabilities, and impacts, and therefore enhance Albania

preparedness in CC adaptation. The WWTP design and investment will also consider Energy Efficiency measures as well as Renewable Energy in situ production plants, which will contribute to the objectives of the Nationally Determined Contributions (NDCs) of the country under the UNFCCC.

The Third National Communications of Albania to the United Nations Framework Convention on Climate Change (UNFCCC) identifies vulnerabilities of Albania to climate change impacts in the water sector. These include changes in precipitation or melting of snow that will alter hydrological systems and thus affect water resources in terms of quantity and quality, increasing incidences of floods, droughts and other extreme events, with impact on ecosystems and the geographical ranges of species. Vulnerability due to sea level rising will also affect all coastal areas, including groundwater abstraction, incidence of floods, and impact on all coastal ecosystems, especially lagoons.

Gender equality and empowerment of women and girls

The EU GAP III¹² states that women and men need to have equal access and control over clean water, energy, transport, infrastructure and equitable engagement in their management, enjoyed by women and girls. Within Albania, the implementation of the action will have to comply with relevant aspects of the Gender Equality Law (participation, representation, affirmative action), the National Strategy on Gender equality, Domestic Violence and Gender-Based Violence 2011-2015 (elimination of gender stereotypes and gendered professional profiles), and Ministerial Order no 122 on gender statistics and the obligatory application of the National Set of Harmonized Gender Indicators. In this regard, the following entry points and key issues are identified and will be considered within the implementation of the action:

- Encourage women to participate and speak at events, workshops, trainings, conferences.
- Involvement of women in local and regional initiatives, including staff recruitment in AMBU and River Basin Agencies (ZABUs).
- Special attention to women as multipliers and key opinion leaders during awareness raising activities.
- Ensure gender sensitive awareness campaigns that address a wide variety of groups and strata of society and will aim at effectively reaching out to both male and female citizens.
- Put special emphasis on gender sensitive and social inclusive actions and policies when designing the RBMPs and Implementation Plans.
- Collection of data and provision so far possible in a sex-disaggregated manner.
- Provide a gender analysis in the beginning of the programme to ensure inclusion of gender equality related aspects (mainstreaming and affirmative action) throughout the whole implementation of the action, including the economic sustainability budgeting process.
- Promotion of the EU *acquis* related to gender equality in the water sector, through capacity building and awareness activities.
- Use of gender disaggregated indicators in the monitoring framework of the action when feasible, based on Albania Country Gender Equality Brief 2020, which identified some gaps on access to gender disaggregated data on employment in labour market, use of water resources, or environmental pollution.

Engagement with Civil Society.

The action will strengthen capacities in IWM and in the implementation of the water *acquis*, which also involves the implementation of the Aarhus convention. RBMP development and implementation and the definition of PoMs will therefore involve extensive consultations with, and the active participation of direct beneficiaries and all stakeholders including the civil society. This will contribute to changing the mentality of institutions, politicians, civil servants, professors and students, farmers, private sector representatives, and the civil society in general so they become more active in the water sector matters. The civil society is also consulted through environment and social impact studies in reference to the construction of sewerage infrastructure.

¹² [join-2020-17-final_en.pdf \(europa.eu\)](#)

Minorities and vulnerable groups

Minorities and vulnerable groups will be considered during RBMP processes as part of the consultations, and in reference to any water tariffs that may be envisaged or increased relative to the abstraction of water or the discharge of wastewater. Relevant legislation will when relevant be assessed from a HR perspective. Specific entry points in the action will be sought for considering standards related to the human right to water (including the relevant EU *acquis*) and human rights principles. Data will be collected in a disaggregated way by sex and vulnerability aspects, e.g. in areas where minorities live.

3.4. Risks and Lessons Learned

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1- The external environment	Delay of activities due to COVID-19 constraints on logistic within country and internationally.	M	M	<ul style="list-style-type: none"> Maximize use of national professionals. Establish COVID-19 compatible operational procedures (vaccination, distancing, masks, etc.).
4- Legality and regularity aspects	Mismatch of policy objectives and government contributed financial means.	H	H	<ul style="list-style-type: none"> Mobilisation of third parties funding. Provide well documented and justified budget to decision makers. Document the economic benefits of activities and outcomes to decision makers. Public visibility of the project to mobilise political support. Improving the multi-annual/annual budgeting process by continuous dialogue among the competent environmental authorities, Ministry of Finance and the Government.
5- Communication and information	Weak sector coordination (Water IPMG, AMBU, MIE, MTE, NEA, National Coastline agency, etc.) and information sharing hampering action.	H	H	<ul style="list-style-type: none"> Relentless proactive engagement with stakeholders and decision makers to highlight the multiple benefits of development, information sharing, implementation, and reporting.
3-People and the organisation	Lack of commitment, political support and ownership moving forward the IWRM agenda.	M	M	<ul style="list-style-type: none"> Continuous policy/political dialogue and engagement in the EU accession negotiations of Albania about the importance of introducing an Integrated Water Management system.
3-People and the organisation	Adequate sustainable operational resources (space, equipment, manpower and operational budget) is allocated to AMBU, ZABUs and references laboratories.	M	M	<ul style="list-style-type: none"> Continuous policy/political dialogue and engagement in the EU accession negotiations of Albania about the importance of introducing and operating efficiently Integrated Water Management system including comprehensive water monitoring.
2-Planning, processes and systems	Limited cooperation between the competence centres (National Agencies, Universities) and policy making bodies.	M	M	<ul style="list-style-type: none"> Awareness raising and training activities to highlight the multiple benefits for Albania of Water management EU directives implementation.
2-Planning processes and systems	A statutory budget line for financing a national water monitoring programme is	M	M	<ul style="list-style-type: none"> Awareness raising and training activities for decision makers to highlight the multiple benefits

	established, included in the MTEF, and operational			(economic, social and environmental) for Albania of good and performing national water monitoring system
3-People and the organisation	Limited institutional capacity of National Agencies to deliver outputs as planned.	M	M	<ul style="list-style-type: none"> Continuous high-level dialogue and capacity development emphasising the benefits of the action implementation. Cooperation with other development projects to encourage synergy and mutual reinforcement.
3-People and the organisation	High turnover of trained staff in the water sector which impact institutional memory and capacity to deliver.	M	M	<ul style="list-style-type: none"> Cast training/ coaching activities to wide circles of trainees to accommodate potential lack/loss of trained staff availability.
1-The external environment	Vulnerability to unpredictable flooding events that may hamper studies and surveys logistic.	M	M	<ul style="list-style-type: none"> Anticipate and programme mitigation measures against flood risks in all work plans under the action.
1-The external environment	Changes in costs which for works and supplies can be quite significant.	L	L	<ul style="list-style-type: none"> Foresighted and prudent programming and budgeting of all activities of the action including with contingencies.
2-Planning processes and systems	The WWTP conceptual design, and of the environment and social impact assessment for Kamza WWTP is approved and there is no difficulty nor delay with the construction permit.	L	L	<ul style="list-style-type: none"> Professional and efficient management, support and oversight of the development of the WWTP by AKUM and MIE and MTE for the ESIA.

Lessons Learned:

The action builds strongly on previous action financed under IPAIL, supporting integrated water management and wastewater management as well as pollution reduction through IPA2016 and IPA2018 water programmes.

Concerning IWM, the following recommendations issued by EUSIWM and AMBU are noteworthy:

- Several gaps and inconsistencies remain to be addressed in the approximation of Albanian legislation towards water related EU directives. Several secondary legislation and other legal instruments for implementation such as guidance, recommendation, procedures are still missing and hamper the application and later enforcement of the EU water regulatory framework.
- The country needs to significantly strengthen its current policy, institutional and strategic framework for IWRM monitoring at both at the national Level (AMBU) and the basin level (River Basin Councils (RBCs)/ Administrative River Basin Office (ARBOs/ ZABUs)). Due to incomplete team make-up by these organisations and insufficient budgetary resources limited capacity to deliver is widely prevailing. Office places needs also upgrading for AMBU and ZABU.
- The existing IWRM Action Plan expires in 2021. Therefore, the national authorities in the respective countries need to work on a follow-up action plan and revision of the national IWRM strategy.
- Capacities and knowledge at all levels in all River Basins are limited and adequate funding mechanisms for implementing the RBMPs and the PoMs are sorely missing. Albania needs to proceed with the completion and adoption of the remaining RBMPs including transboundary dialogue and consultations
- There is a lack of data in the inventory of Albania's water resources under the Water Cadastre. This is mainly due to the lack of budgetary resources which hamper populating the Cadastre's data needed for proper monitoring and planning and to link to the EU water reporting system (EIONET).

- Climate change puts an increasing strain on both water quality and quantity. In the longer term, climate-change induced changes of precipitation and in water run-off and flow regime patterns may exacerbate land degradation and soil erosion and increase flood risks.
- The water quality monitoring and reporting system and the licensing system for abstraction of water resources should be further enhanced and aligned with the EU *acquis* reporting requirements.
- The transposition of the MSFD needs clarification regarding the competent authority(ies) responsible for the oversight, planning, implementation, and monitoring of coastal and marine waters.

Concerning wastewater, the EU Delegation to Albania commissioned in 2016 an independent evaluation to assess the outcome and impact of wastewater infrastructure projects financed by the EU between 2006 and 2015. The Evaluation Report underlined the following lessons and recommendations, which are still relevant today:

- Streamline infrastructure project planning, prioritisation, and budgeting/financing.
- Develop regional WSS Master Plans aligned with the EU UWWTD. Promote the development of financial and economic viability analysis and the estimation of the funding gap for infrastructure development as part of feasibility study needed to programme wastewater management infrastructure investment.
- Structure a strengthened and EU compatible governmental mechanisms for transparent WSS projects pipeline funding mobilisation.
- Design a strengthened national reporting and monitoring framework for the WSS sector that is in line with EU standards and the requirements of the DWD and UWWTD.
- Widen the participation of utility companies and foster stakeholders' participation to lower the funding gaps needed under infrastructure programmes (such as later the WPIP programme supported by the EU which is based on reasonable minimal performance of utilities).
- Develop standard model utility service delivery contract serving multiple and differentiated (urban, rural) communities.
- Implement job development and competence and skill certification schemes for utilities staff
- Accelerate the build-up of robust asset management systems by the water utilities.

3.5. Indicative Logical Framework Matrix

Results	Results chain: Main expected results	Indicators	Baselines (2022)	Target (end of action)	Sources of data	Assumptions
Impact	To maintain or improve the water bodies quality status in Albania.	National chemical status of surface water bodies including priority substances reported to the EEA (in %) Number of water parameters (Quantity and quality) reported to EEA (units)	to be documented by NEA Water quality 13 (necessary 846) Water quantity 8 (necessary 71) Bathing water 2 (necessary 2)	% as per EU WFD reporting guidance for the country Increasing number of reported parameters by reporting institutions (at least 50 % of necessary parameters reported)	EEA reports on Albania AMBU reports on state of IWM; NEA reports on state of environment.	<i>Not applicable</i>
Outcome 1	1: To increase Albania approximation with the EU water <i>acquis</i> .	1a: Level of transposition of EU water directives (in %) 1b: Level of implementation of EU WFD and other water related directives (in %) 1c: % of the national water monitoring programme objectives achieved, on a yearly basis	1a: 39% (SANE27 screening) 1b: 41% (SANE27 screening) 1c: No existing water monitoring programme and statutory budget	1a: At least 80% 1b: At least 70% to be confirmed 1c: programme and statutory budget line operational; At least 70 % objectives achieved and increasing trend	Commission reports on Albania AMBU and NEA reports on state of IWM and Environment	
Outcome 2	2: To reduce the discharge of wastewater pollution load in water bodies, advancing the alignment with the requirements of the UWWTD.	2.1: Abatement of pollution loads (in % and/or Kg COD/day) in the beneficiary Kamza municipality. 2.2: % savings on WWTPs energy needs (and on WWTP direct operation costs) due to RE onsite electricity production at the end of the WWTPs Defects liability period	2.1: 0% 2.2: No WWTP existing in Berat, Shkodra and Kamza	2.1: at least 75 % reduction kg COD/day (*****) at WWTP 2.2: at least 15% energy saving (representing about 5% of DOC of WWTP)	WPIP programme final report; AKUM reporting on Utilities performance	

Results	Results chain: Main expected results	Indicators	Baselines (2022)	Target (end of action)	Sources of data	Assumptions
Output 1.1, related to Outcome 1	1.1: The overarching IWM legal and institutional framework is substantially enhanced in line with the requirements of the EU <i>acquis</i> (WFD and other water related directives)	1.1a: Number of water related directives* substantially** transposed (adopted laws and bylaws) and under implementation (DSIPs approved by NWC) 1.1b: Revised IWRM strategy approved by NWC	1.1a: 2 directives (DWD and BWD) substantially transposed 1.1b: current IWRM strategy valid until 2027	1.1a: At least 7*** 1.1b: revised IWRM strategy approved by NWC	Commission reports on Albania IPMG-water recordings	Albanian authorities committed to implementing the WFD and other directives toward full compliance
Output 1.2, related to Outcome 1	1.2: The Implementation of River Basins Management is increased in all river basins in line with the requirements of the WFD	1.2a: Number of nationally compliant RBMPs completed or upgraded, and endorsed by AMBU and RWCs 1.2b: 2.2.1 Number of water basins administrations with sufficient administration capacities (staff, competence level, facility, equipment, etc.) 1.2c: Number of RWCs - NWC official decisions and agreements approved on RBM issues / under implementation in the RBs	1.2a: 2 endorsed but not compliant (Drin; Semani) 1.2b: Insufficient capacities in all administrations 1.2c: Official numbers of RBM decisions/ agreements to be documented by AMBU	1.2a: 7 RBMPs endorsed 1.2b: 7 RWCs and 4 ZABUs well equipped and operational 1.2c: Increasing number of decisions/ agreements reported for each transboundary RB	IPMG-water and RWC recordings AMBU yearly progress report	National institutions responsible for policy decision making are ensuring sufficient resources for RBM and take necessary decisions swiftly in alignment with relevant prevailing legislation and policies
Output 1.3, related to Outcome 1	Water monitoring, reporting and enforcement are sustainably enhanced in line with the requirements of water related EU Directives	1.3a: Increased monitoring capacity in terms of number of water monitoring parameters from EU water directives which the reference laboratories are accredited for (NEA, AGS, IPH, LHCUs) 1.3b: Increased monitoring capacity in terms of number of monitoring stations (fixed, boat-based or vehicle-based) equipped, installed and routinely operated (****)	1.3a: Accredited parameters routinely reported (provisional, to be confirmed): NEA: 12 AGS: 15 IPH: 0; LHCUs: 0 1.3b: Number of monitoring stations: IGEWE hydro + meteo : 105 (manual) 35 (automatic) NEA (CEMSA 2012 registered points): river 147; lake 37; lagoon 33; coastal 25. AGS: 81 monitoring points	1.3a: The laboratories are accredited for and routinely report monitoring data for at least 10 more parameters. For NEA and IPH-LHCU the needs are as in the material documented by NEA and the IPH-LHCU needs, attached to this AD 1.3b: Increased number of monitoring stations equipped	Project reports NEA, AGS, IGEWE and IPH and LHCUs database and reports. Delivered data to EEA on water management	National Institutions at all levels are committed and cooperate in establishing and implementing a water monitoring programme and in ensuring water monitoring is sufficiently budgeted

		1.3c: Number of notifications and enforcement actions reported, on a yearly basis (NEA, AGS, IPH)	1.3c: NEA preparing an annual report on monitoring (meanwhile monitoring is made according to the WFD requirements 4 times a year for physic-chemical monitoring, 3 times a year for biological monitoring, 9 times a year for bathing waters); AGS reporting annually (with a monitoring frequency 4 times a year); IPH reporting annually.	and routinely operated: IGEWE: at least 30 new / upgraded monitory stations AGS: at least 40 new monitory stations 1.3c Improving trend		
Output 1.4, related to Outcome 1	The strategic and institutional framework for the implementation of the MSFD is established	1.4a: National Marine Strategy for Adriatic Sea and Ionian Sea available and endorsed by the competent authority 1.4b: Capacity development plan endorsed; % of Implementation budget allocated in the MTBF	1.4a: No National marine strategy existing 1.4b: No National marine strategy capacity plan existing	1.4a: Adriatic Sea and Ionian Sea Marine Strategy endorsed 1.4b: capacity development plan endorsed; at least 80% of Implementation budget allocated in MTBF	CoM Published decisions; Government website MTBF budget; MTE reporting	Albanian authorities are committed to the protection of the Albanian Sea resources and the implementation of the MSFD toward full compliance with the directive
Output 2.1, related to Outcome 2	The access of population in the programme area to wastewater collection with centralised treatment systems monitored according to the EU directives is increased	2.1: Additional wastewater capacity installed and operational (in p.e.); wastewater effectively treated at the end of the WWTPs Defects liability period	2.1: No WWTP existing in Berat, Shkodra and Kamza.	2.1: 187,000 p.e. capacity installed (Kamza: 97,000) At least 140,000 p.e. wastewater effectively treated (Kamza: 75,000)	WPIP final reporting; NEA state of environment report	National and local authorities are committed to the implementation of the UWWTD and the long-term operation and

						maintenance of WW investments
Output 2.2, related to Outcome 2	The sustainability of the selected municipal utilities in the programme area is enhanced	2.2: RE production installed at WWTPs (KWp)	2.2: No WWTP nor RE capacity installed at WWTP in Berat, Shkodra and Kamza	2.2: at least 1000 KWp installed across the 3 WWTPs	Water Utilities Operation reports and accounts; AKUM reporting	National and local authorities are committed to the implementation of the UWWTD and the long-term operation and maintenance of WW investments

(*) 11 Water related Directives in Total: WFD, GWD, EQSD, QA/QC-D, IED, ND, FD, BWD, DWD, UWWTD, MSFD

(**) substantially means equal or above 90%

(***) 10 taking in account the DWD and UWWTD DSIPs planned to be drafted under ongoing NIPS project (SIDA funded), and the MSFD DSIP planned under output 4 of IPA 2022 action

(****) for surface water, groundwater, coastal water, meteo, hydrometry

(*****) Minimal reduction requirement in relation to influent at WWTP (Annex 1, Table 1 of UWWTD)

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Albania.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Methods of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹³.

4.3.1. Indirect Management with a pillar assessed entity.

A part of this action may be implemented in indirect management with ADA (Austrian Development Agency). This implementation entails Output 1.1 (IWM legal and institutional framework substantially enhanced in line with the requirements of the EU *acquis*), Output 1.2 (Implementation of River Basins Management increased in all river basins in line with the requirements of the WFD), and Output 1.3 (Water monitoring, reporting and enforcement sustainably enhanced in line with the requirements of water related EU Directives) under the Outcome 1 of the action.

The envisaged entity has been selected using the following criteria:

- demonstrated experience in the water sector in Albania, more particularly in the integrated water management field,
- operational capacity or technical expertise in the integrated water management field,
- synergy with ongoing or planned projects or assistance in the integrated water management field where the entity is in the lead or co-financing,
- absence of conflict of interest,
- satisfactory experience as delegated entity in the use of EU funds, including good levels of cooperation and transparency
- capacity of the entity for providing co-financing to the action

ADA is currently entrusted with the delegated management of the project "EU support to Integrated water management" (EUSIWM, under IPA2016) which will extend until January 2023 following an independent external mid-term evaluation carried out in 2020. Another capacity building project in the water sector was delegated by the EU to ADA and completed in 2015 (IPA2010).

This selection takes into account the added value from the implementation of the EUSIWM project, which has initiated substantial legal changes towards EU approximation as well as the empowerment of AMBU in River

¹³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Basin Management processes. The implementation by ADA of Outputs 1.1, 1.2 and 1.3, which target the further enhancement of the overarching IWM legal and institutional framework, of River Basins Management implementation, and of Water monitoring, reporting and enforcement, may therefore directly build upon the achievements and lessons learnt from EUSIWM, and offer additional advantages in terms of optimal use of established experience and contacts, and recognised operational capacity and technical expertise in the sector. Other benefits expected include reduced transaction costs, absence of conflict of interest, and the entity willingness and capacity to further engage in financing IWM actions through co-financing (substantial co-financing of 1.5M.EUR was provided under IPA2016).

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it will need to be justified.

A part of this action may be implemented in indirect management with an entity (member state or international organisation that has been pillar-assessed or is currently undergoing an ex-ante assessment including the complementary pillar assessment), which will be selected by the Commission's services using the following criteria:

- demonstrated experience in the coastal and/or marine field in Albania,
- operational capacity or technical expertise in the coastal and/or marine field,
- synergy with ongoing or planned projects or assistance in the coastal and/or marine field where the entity is in the lead or co-financing,
- absence of conflict of interest,
- experience as delegated entity in the use of EU funds;
- capacity of the entity for providing co-financing to the action.

The implementation by this entity entails Output 1.4 under the Outcome 1 of the action (strategic and institutional framework for the implementation of the MSFD is established).

A part of this action may be implemented in indirect management with KfW (German Kreditanstalt fuer Wiederaufbau). The implementation by this entity entails Outputs 2.1 (increased access of population in programme area to waste water collection with centralised treatment systems) and Output 2.2 (enhanced sustainability of the water and sewerage utilities) under the Outcome 2 of the action.

The envisaged entity has been selected using the following criteria:

- demonstrated experience in the water sector in Albania, more particularly in wastewater investment projects,
- operational capacity or technical expertise in the water and wastewater investment field,
- synergy with ongoing or planned projects or assistance in the water and wastewater investment field where the entity is in the lead or co-financing,
- absence of conflict of interest,
- satisfactory experience as delegated entity in the use of EU funds, including good levels of cooperation and transparency
- capacity of the entity for providing co-financing to the action

KfW is currently entrusted with the delegated management of the project "EU for a cleaner environment - support to wastewater treatment" under IPA 2018, itself part of the overall Water Performance and Investment Programme and funding mechanism (WPPI) co-financed by KfW, EU and SECO (EUR 80.8M of which EUR 24.1M EU grant), which includes water and sewerage investment in seven selected municipalities including Kamza. The project started in 2020 and will extend until 2028 following addendum 1 to IPA 2018 Financing Agreement, with the objective of enhancing water quality and population sanitary conditions through the increase of access to municipal wastewater collection and treatment and the enhancement of the sustainability of wastewater utilities. Other EU financed water and sewerage investment projects delegated to KfW include rural water supply programme III (ongoing; IPA2013), and Municipal infrastructure projects I - II and Kamza (completed; IPA2009, 2010, 2011).

This selection takes in account the added value and synergies from the implementation of the WPIP-IPA 2018 programme, as feasibility studies done in selected municipalities (design ongoing) will be used for the investment planned under IPA2022, and as waste water networks built in Kamza and new WWTPs in Shkodra and Berat, will be complemented by an additional new WWTP in Kamza (Output 2.1) and an enhanced sustainability of these WWTPs and of the respective municipal utilities (Output 2.2). Implementation by KfW of Outputs 2.1 and 2.2, which target results similar to those of WPIP-IPA2018, may thus directly build upon achievements and lessons learnt, and capitalise on the guarantees and economy of scale of the WPIP-IPA2018 programme, the full integration of activities (works design, tendering, procurement, supervision), a common timeframe for implementation, common stakeholders and processes (local and national authorities), reduced transaction costs, absence of conflict of interest. The entity's substantial additional funding (EUR 47M) injected into the overall WPIP programme further to the delegation of IPA 2018 by EU to KfW in 2018 will increase the leverage of EU grant funding and the impact of the overall IPA financing in terms of waste water pollution reduction and population access to wastewater collection with treatment systems.

A water supply, sewerage and WWTP feasibility study for Kamza is officially approved by AKUM, and the conceptual design and tender dossier for phase 1 investment in Kamza, including sewerage networks (construction under WPIP-IPA2018) and a WWTP for 97,000 equivalent population (construction planned under WPIP-IPA2018), are already financed and scheduled to be contracted by KfW in the first half of 2022 and completed in the first half of 2023, ensuring a high level of technical maturity for this part of the action.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it will need to be justified.

4.3.2. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In exceptional circumstances and upon authorisation of the European Commission, changes from indirect to direct management mode are possible, as well as other changes in the management and procurement modes. The alternative implementation modality would be procurement.

This would apply to the Output 1.4 under the Outcome 1 of the action (strategic and institutional framework for the implementation of the MSFD is established).

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Indicative third-party contribution (amount in EUR)
Methods of implementation – cf. section 4.3		
Component 1: Outcome 1: To increase Albania approximation with the EU water <i>acquis</i> . - Outputs 1.1, 1.2 and 1.3 composed of		

Indirect Management with ADA – cf. section 4.3.1	7 500 000	1 300 000
Component 2: Outcome 1: To increase Albania approximation with the EU water <i>acquis</i> . – Output 1.4:		
Indirect Management with entrusted entities to be selected – cf. section 4.3.1	1 000 000	100 000
Component 3: Outcome 2: To reduce the discharge of wastewater pollution load in water bodies, advancing the alignment with the requirements of the UWWTD. - Outputs 2.1 and 2.2:		
Indirect Management with KfW – cf. section 4.3.1	20 500 000	47 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	will be covered by another Decision	N.A.
Communication and visibility – cf. section 6	will be covered by another Decision	N.A.
Contingencies	N.A.	N.A.
Totals	29 000 000	48 400 000

4.6. Organisational Set-up and Responsibilities

The action will rely on indirect management, with the role of the Contracting Authority with “ex-ante” control assigned to the selected entrusted entities in charge of implementing the respective components of the action. These entities will notably have the responsibility of procuring, managing contracts, do the relevant payments to contractors and recruited staff, auditing, and monitoring of contracts.

The lead Beneficiaries of the action and main national counterpart to the entrusted entities during implementation shall be AMBU relative to Outcome 1 (Outputs 1.1 to 1.4) and MIE relative to Outcome 2 (Outputs 2.1 and 2.2). They shall ensure and coordinate the close involvement of other concerned national key stakeholders: (i) For Outcome 1, MTE, NWC, RBCs, ZABUs, government agencies and Laboratories (NEA, AGS, IGEWE, IHP, NACP; (ii) For Outcome 2, AKUM, Municipalities and municipal WUs, NEA and AWR. The two lead Beneficiaries AMBU and MIE shall coordinate together as needed during the implementation of the activities.

The National IPA Coordinator (NIPAC) has the mandate for the overall coordination of the programming of the IPA, as well as shall be the main counterpart of the European Commission for the overall process of strategic planning, coordination of programming, monitoring of implementation, evaluation, and reporting of IPA III assistance at programme level. In addition, an inter-institutional and operational organisational structure is in place for integrated public policy planning. Prime Minister Order (No. 157) of 22 October 2018 revised the Integrated Policy Management Groups (IPMGs) and associated sectoral steering committees’ structures for implementation of a broad sectoral/cross-sectoral approach to manage and coordinate policies of priority areas and sectors of special importance, as well as inter-sectoral programming through the formation of a sectoral / cross-sectoral management mechanism.

The Sectoral steering committee for Water (SSC-water) is the existing IPMG-IWM chaired by the National Water Council (NWC; secretariat by AMBU), with two operating thematic working groups: (i) water reform led by MIE; (ii) water resource management led by AMBU. The SSC-Water acts as IPA Sector Monitoring Committee for the water sector, and thus it will oversee the overall implementation of the action and the fulfilment of objectives at sector level. The SSC-water, jointly with AMBU and MIE as lead of the thematic groups and lead beneficiaries of the action, will also ensure policy dialogue, coordination of stakeholders and other implementing partners, knowledge management between central and sub-national levels of government, and adequate CSOs consultation and involvement.

In addition, a Project Steering Committee (PSC) may be established to steer and monitor the implementation of the action activities and outputs. The PSC should be chaired by AMBU and involve representatives from the two lead beneficiaries AMBU and MIE, the implementing entrusted entities, the main national stakeholders, as well as the NIPAC and EUD as observer.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

4.7. Pre-conditions

IPA 2016 project EUSIWM has evidenced serious weaknesses in water quality and quantity monitoring (parameters, networks, systems, laboratory staff and equipment, reporting) for both surface and underground waters. This hampers the establishment of the quality status of water bodies in Albania required under EU water directives and needed to identify appropriate corrective action. Water bodies quality status aligned with EU directive are not available to a large extent in Albania. IPA2013 project (Pronews) also evidenced serious weaknesses of the national meteorological and hydrometric automatic weather stations network, which limits adequate forecasts and preparedness against droughts or floods. Lacking, partial, outdated, or unreliable water data have strategic implications for Albania, for instance sub-optimal planning and design of infrastructure investment (urban, roads, irrigation, flood defences, water and wastewater...), and potential high damage risks and costs to life, environment and economy from pollutions, droughts or floods. This is also a serious impediment to EU compliant River Basin Management Planning at the heart of EU water policy. As the action seeks to support Albania with considerable technical assistance and monitoring equipment to increase compliance with the EU *acquis* and thus support the accession negotiations, the Albanian Government shall therefore take urgent decisions to ensure the development and sustainability of its national water monitoring systems and allocate sufficient resources for their operation and maintenance and their progressive development. In addition, as AMBU and ZABUs efficiency is much constrained by inadequate work environments and resources, the Government shall urgently address these limitations commensurate to the importance of the water sector for the country's development and environment. This would also guarantee the sustainability of the action.

The pre-conditions to be met prior to the start of implementation of some activities under Outcome 1 are:

- Output 1.3: a statutory budget line for financing a national water monitoring programme is created in the national budget prior to the launching of the procurement of monitoring and laboratory equipment and stations.
- Output 1.2: sufficient budget is allocated in the MTEF to finance AMBU and ZABUs upgrading of office facilities and space and full operation and staffing (90%+), prior to starting the elaboration of the two new river basin management plans for the Vjosa and Skumbini river basins

Due to the important infrastructure investment under outcome 2 planned for the construction of a new WWTP in Kamza, the pre-conditions to be met prior to the start of implementation of Outcome 2 activities are:

- The official approval of the WWTP conceptual design, and of the environment and social impact assessment.
- The submission to the Territorial Development Agency of the construction permit application for the WWTP (and, if required, expropriation process relative to WWTP landsite is officially started.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of

achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logical frame matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows:

Roles and responsibilities for data collection, analysis, and monitoring

The implementing entrusted entities for the action shall monitor the action indicators at their respective components / outputs level. AMBU and MIE respectively as lead beneficiaries, will follow the achievement of indicators and outputs and outcomes defined within the action. They shall have the responsibility to collect the data concerning the indicators and timely to report to NIPAC, regularly inform NIPAC and the relevant stakeholders on the implementation of the indicators, and follow the implementation of the respective activities and alert on any delays and the reasons that caused such delays. As described in section 4.6 above, the overall monitoring of the implementation of the action will be performed at the level of the SSC-water (as IPA Sector Monitoring Committee) and at the level of the PSC. The respective institutions shall use the Results-Oriented Monitoring tool in reporting on performance and results, referring to criteria of relevance, efficiency, effectiveness, sustainability, and provide basic information that can be exploited to orient future monitoring/evaluation/audit and management decision at the action level.

The NIPAC shall be responsible at national level to monitor, review and evaluate the progress on the implementation of the indicators established within the action's Log-frame Matrix and to communicate the information with the European Commission services.

5.2. Evaluation

Having regard to the importance of the action, mid-term evaluation(s) will be carried out for this action or areas of support via the implementing partners. It will be carried out for learning purposes, for assessing effectiveness, sustainability and impact, and provide basis for revising implementation strategies and activities if needed, as well as for planning further potential future activities in the sector in Albania under IPA III.

The Commission may, during implementation, decide to undertake a final or ex-post evaluation for duly justified reasons either on its own decision or on the initiative of the partner. In case a final or ex-post evaluation is envisaged, it will be carried out for accountability and learning purposes at various levels (including for policy revision), considering the implementation of national IWM policy and their alignment with the EU *acquis*, in particular in reference to RBMPs and water monitoring, and the sustainability of wastewater infrastructures and water monitoring systems.

The Commission or relevant implementation entities shall inform the implementing partners at least two months in advance of the dates foreseen for evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a Framework Contract.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of actions are a legal obligation for all actions funded by the EU, as set out in the EU communication and visibility requirements in force. In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- Providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- Promoting the action and its results by providing coherent, effective, and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors, and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative with clear communication objectives and master messages for the relevant action, customised for the various identified target audiences and groups (stakeholders, civil society, general public, etc.).

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

The entrusted entities shall prepare dedicated Communication and Visibility Plans for the action components they will implement, which shall be developed in the inception period of implementation. Reporting shall be done regularly and monitored, to ensure that the objectives set are applied or revised if needed throughout the lifetime of the action. The communication strategies should also be coordinated with the lead beneficiaries in view of sharing information on lead beneficiaries' websites, thus reinforcing messages.

Visibility and communication measures shall demonstrate how activities contribute to the action objectives and to the accession process and publicise the fact that the action strongly supports EU priorities such as the European Green Deal and zero pollution strategy. They shall strengthen public awareness and support to the objectives pursued by the action and highlight to target audiences the added value and impact of the EU's interventions and promote transparency and accountability on use of funds. Communication shall be considered as an integral part of the dialogue with the main stakeholders and beneficiaries and play an important role in communicating on the national policy and the concrete contribution of the action (and not on technicalities and modalities).

7. SUSTAINABILITY

An important precondition for the sustainability of the action outputs is the good cooperation between the Project implementation Teams and the direct beneficiaries during implementation. Considering the involvement of different stakeholders related to IWM, RBM, water monitoring, marine strategy, and wastewater investments, ownership over the results to be achieved shall be ensured by the implementing entities and lead beneficiaries in order to secure sustainable outputs, and notably infrastructures and systems that will be maintained in the long run. Sustainability shall be targeted at an early stage of implementation, both at the institutional and financial level.

With regard to institutional sustainability, the action will consider outputs and outcomes at municipal, RB, and central level, and will seek to involve the participation from political and technical levels of partner

central-level institutions and local stakeholders. Furthermore, the action will help the beneficiaries raise the skills within the sector, upgrade their methods and technologies, clarify institutions' responsibilities and mandates, and support their effectiveness and efficiency. The action will mobilise the main beneficiaries and financial institutions at an early stage, when institutional changes are required to secure sustainability of results and outcomes, so that they are taken on board at the national level as early as possible during implementation.

With regard to financial sustainability, the action will assess ways and means to ensure that the operation and maintenance costs of RBCs and ZABUs, water monitoring laboratories and systems, marine entities, and wastewater infrastructures are adequately covered via tariffs, national budget, and other sources of funding. The action will mobilise the main beneficiaries and financial institutions at an early stage to ensure that the national medium-term budgeting includes sufficient resources for the beneficiaries to be in a position to sustain all project outputs and outcomes as well as medium term policy objectives for the sector. This is particularly true for water monitoring institutions and systems. The action will assess the willingness and affordability of the population, Government institutions, and other beneficiaries to pay for services and propose a stepwise approach in line with the targets and timelines of the action as well as of the national water policy.