



Financing challenges and opportunities on water sector in Albania

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WATER SECTOR DIMENSION



Climate #

Climate change consequences



Climate #

WATER SECTOR

WATER RESOURCE

WATER SERVICES & INFRASTRUCTURE

WATER RESOURCE

DIMENSION



WATER POTENTIAL IN ALBANIA



POTENTIAL



28 784 km²-AREA



43 305 km²-HYDROGRAPHIC BASIN



152 RIVERS AND TRIBUTARIES



250 LAKES



650 RESERVOIRS



1500 km² WETLANDS



478 km COASTLINE



1480 mm/year ANNUAL PRECIPITATION



39.22 milliard m³/year VOLUME



DRINI-BUNË



MAT



ISHËM



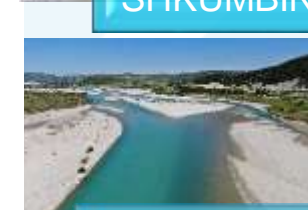
ERZEN



SHKUMBINI



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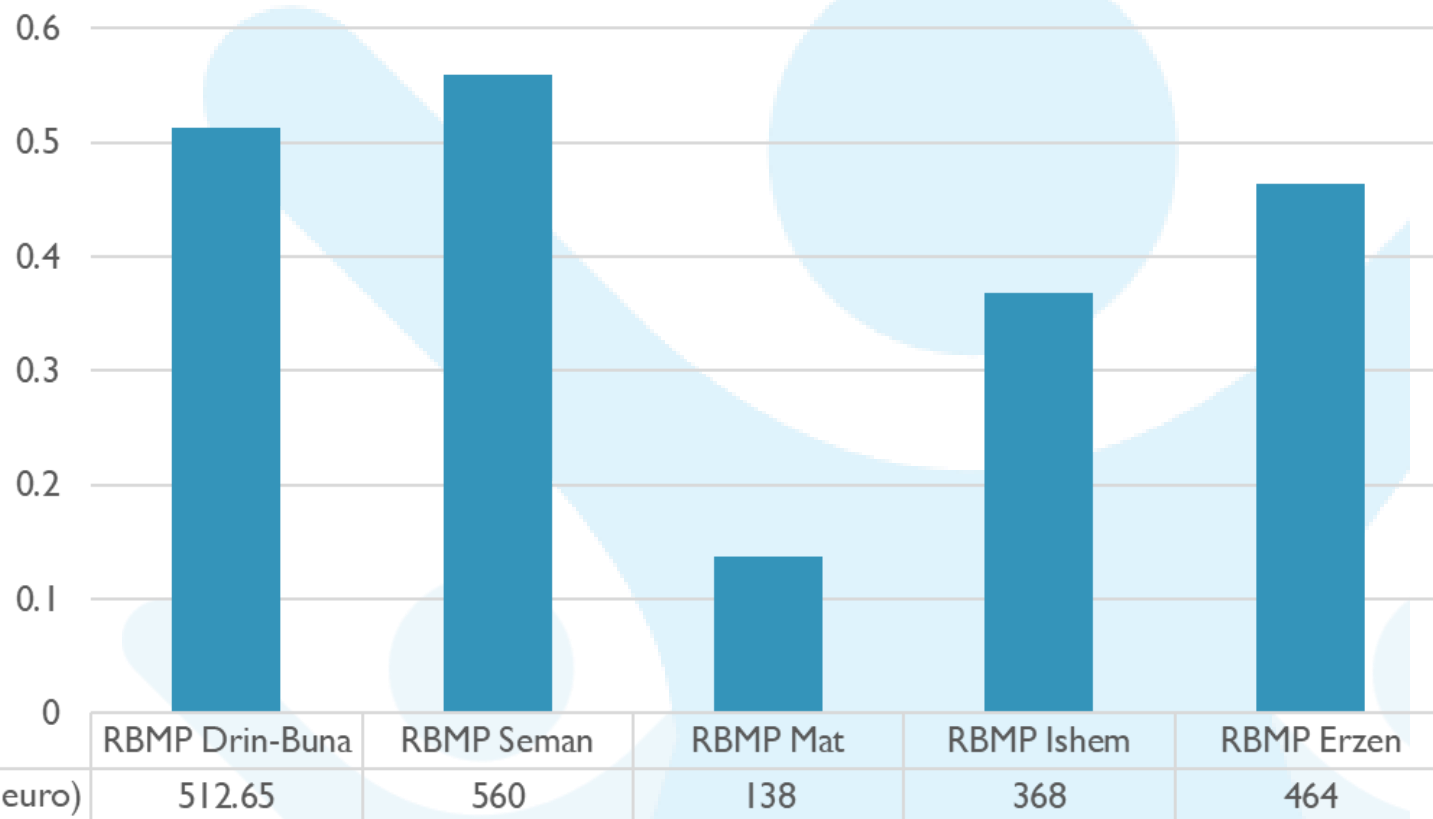


VJOSË

Necessary budget for the implementation of RBMPs



Necessary Approximately Budget for the implementation of RBMPs for Program of Measures

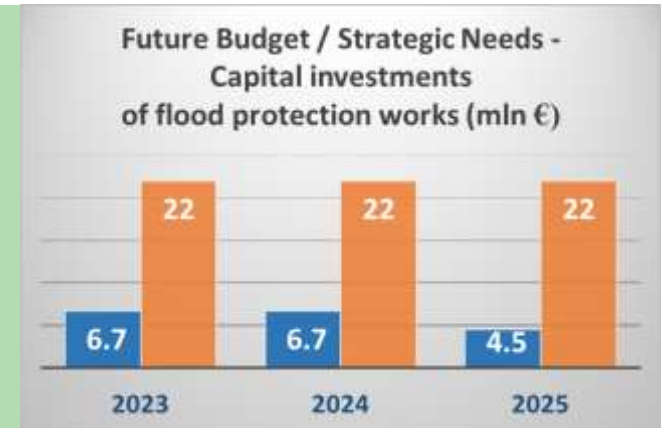


Necessary budget for the implementation of Flood protection measures



Financing the cost for rehabilitating and constructing of flood protection structures

- Referring National Strategy for Irrigation and Drainage 2019 – 2031
270 km of the total of 500 km of embankments approximately need 254 M € (priority investments 153 M €)
- While
The state budget program 2023-2025 for flood protection works and the safety of dams
The budget planned is 30% of the need or less



Funding structural measures (FRMP Sub-Shkodra of Drini-Buna RB) approx. 54 M €

Increasing/ strengthening human capacities for

Dynamic monitoring the safety of dams and flood protection embankments

Assessment of the effectiveness of the measures provided for in the FRMP after implementation

Processing and analysis of flood data, hydrological modeling (mapping)

Reporting methodology in the EU institutions for the FRMP implementation

BUDGET PROJECTION, WATER SUPPLY



N°	Type of Investment	Total Cost MEUR	Short-Term 2023-2030	Medium-Term 2030-2040	Long-Term 2040-2050
1	Water Production facilities	45.05	8.96	31.62	4.47
2	Water treatment and disinfection facilities	18.14	4.38	13.76	0.00
3	Water supply network	1,036.09	226.55	454.99	354.56
4	Laboratory Equipment	4.80	4.80	-	-
ST-1	Total Net Capital Investment Costs	1,104.08	244.69	500.36	359.02
E&C	Engineering and Contingencies	276.02	61.17	125.09	89.76
ST-2	Total Capital Investment	1,380.10	305.86	625.46	448.78
LPI	Legal, Policy and Institutional Measures	78.00	36.00	26.00	16.00
GT	Grand Total Capital Investment and Legal, Policy and Institutional Measures	1,458.1	341.86	651.46	464.78
	Average yearly Capital Investment Amounts	56.08	56.98	65.15	46.48

BUDGET PROJECTION, UWWT



N°	Type of Investment	Total Cost	Short-Term 2023-2030	Medium-Term 2030-2040	Long-Term 2040-2050
1	Wastewater Collection	1,196.91	219.04	549.89	427.99
2	Wastewater Treatment	670.14	139.59	326.78	203.78
3	Laboratory Equipment	1.00	1.00	-	-
ST-1	Total Net Capital Investment Costs	1,868.06	359.62	876.67	631.77
E&C	Engineering and Contingencies	467.01	89.91	219.17	157.94
ST-2	Total Capital Investment	2,335.07	449.53	1,095.83	789.71
LPI	Legal, Policy and Institutional Measures	19.5	8.8	10.7	0.0
GT	Grand Total Capital Investment and Legal, Policy and Institutional Measures	2,354.57	458.33	1,106.53	789.71
	Average yearly Capital Investment Amounts	90.56	76.39	110.65	78.97
	Average yearly investments carried out as combined by local & international funding		30	30	30
	Investment GAP to be covered with additional financing (in order to cover the future needs for 100% treatment and sewer collection and disposal) **Reference: 1) AKUM reporting; 2) DSIP SIDA NIPS reports		46.39	80.65	48.97

FINANCE CHALLENGING

- *State budget can not cover all necessary investments;*
- *Loan's budgeting can not be overload due to public dept limitation;*
- *Grants budgeting schemas are limited*
- *With decentralization reform on 2015 Municipalities receive many competences, their budget remain limited for investment on water infrastructure;*



REDUCE FINANCIAL GAP



- *Prepare Budget Planning on sectorial basis horizontally, using IPMG mechanism;*
- *Strategic planning harmonized with RBMP and Flood RBMP (water prospective), prepare financial strategy for POM implementation;*
- *Involve public sector in water finance, through policies and incentives;*
- *Increase income form water sector, applying tailor made tariffing system based on polluter pay and cost recovery principles for different users, in different basins;*
- *Prepare Directive Strategic Implementation Plan (DSIP) for EU water directive;*
- *Explore financing opportunities through regional and global mechanism, in water sector;*

WATER SECTOR FINANCIAL PRESPECTIVE

Project "Program for urban development resilient to climate change in Albania - ALBAdapt"



Component 1

- ❑ Modernization of the software and hardware infrastructure of hydro-meteorological monitoring in the country, in accordance with the standards of the World Meteorological Organization.
- ❑ Institutional reformation in the field of hydrometeorology, including the missing legal basis.
- ❑ Creation of the national platform (the first of its kind in the Western Balkans) for climate data and services, accessible by all institutional actors and not only.

Component 2

- ❑ Creation and 24/7 operationalization of a modern early warning system that addresses 3 of the 6 risks identified in the National Disaster Risk Reduction Strategy.
- ❑ Establishing standard operating procedures that enable the clarification of roles and responsibilities in climate risk situations.
- ❑ Establishing multiple channels of direct communication from the central level to the community through digital, telecommunication and media communication systems in order to notify the population, minimize material damage, minimize risk, etc.

Component 3

- ❑ Stimulation of innovation and private business involvement in the commercialization of climate services.
- ❑ Creation of a financial mechanism studies, promotes and implements nature-based adaptation measures and EcoDRR.
- ❑ Implementation of nature-based adaptation measures and EcoDRR to ensure urban development resilient to climate change.

6 years with a total funding of about 35 million Euro

(GIZ) national program for the GCF in 2019

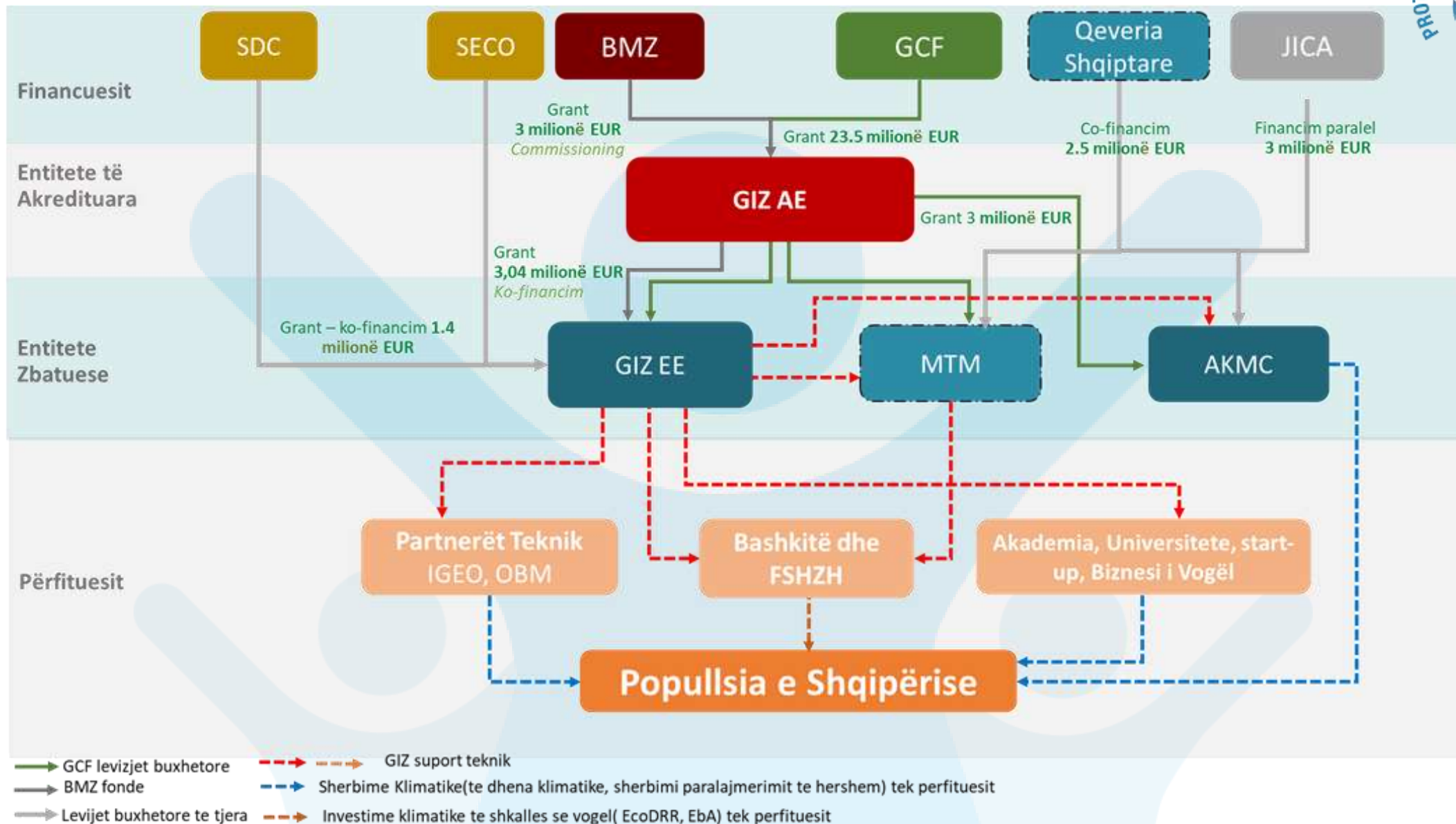
2020-2022 MTM through GIZ develop the project idea for the GCF

April 2023 approval of the project-idea by the GCF

Within 2023 submission to the GCF

March 2024 decision-making board of the GCF

Implementing institutions, roles and financing of the project



6 years with a total funding of about 35 million Euro



AMBU

Agjencia e Menaxhimit të Burimeve Ujore

Thank you!

WATER RESOURCES MANAGEMENT AGENCY

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