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Study

The access in water supply and sewerage in the informal urban settlements and rural areas in five districts of Albania

Prepared by



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Executive Summary of the Study

1. Introduction

The study on “Access in water supply and sewerage in the informal urban settlements and rural areas of five districts in Albania” (the study) is financed by the UNDP in the frame of the Economic Governance Programme which is financed by the Spanish Government and is jointly administrated by UNDP and the World Bank in Albania.

This study is undertaken by the Regulatory Entity of the Water Supply Sector and Removal and Treatment of the Wastewater (WRE) and is prepared by the Urban Research Institute (the consultant).

The study includes the assessment on the access to water and wastewater service in 29 communes which are outside the service coverage areas of the Water and Wastewater Companies, located in five districts of the country, respectively Pogradec, Lezha, Vlora, Saranda and Gjirokastra. The study covers as well as the informal settlements that are developed in and around five municipalities that are the administrative centres of the said districts

2. Methodology for the implementation of the study

In the implementation of the study, the Consultant is led by WRE goal to meet legal obligations in exercising of its regulatory mandate in the water supply and sewers sector. The consultant takes also into account the particular objectives and policies that represent the Albanian government's long-term ambitions as are expressed by the National Strategy Water supply and Sewers Sector, 2011 - 2017 (Sector Strategy).

The methodology takes also into consideration the ambitions of Albania to conform to the laws and standards of practical exercising of water and wastewater service, consumer protection that best reflect practices as they are exercises in other countries of the European Union (EU).The study was prepared by collecting and analyzing the information which was collected by many sources which in a summarized way includes the following sections.

2.1 Review of the current situation within the extent of the study area

Data collection, processing, mapping and analysis of the current situation on access to water supply and wastewater sewers service, involves identifying and geographically positioning the project area, evaluation of population in rural areas and the status of the legalization process of informal settlements and the population living in these areas that surround the five cities included in this study, as well as quantitative and qualitative information on access to water supply and wastewater sewers service. All information is processed in an excel worksheet and is reflected into a district maps, tables and graphics to make it readable and understandable for the user of this report.

2.2 Development and implementation of the mini-survey

As part of the required activities, a mini-survey of residents in informal areas of cities and in the villages of the communes included in the study is designed and implemented. Definition of the survey sample in informal settlements (VBI) and the rural areas of communes are based on the assumption with 95% certainty (confidence level) that 50% of the population living in these areas do not have access to water supply and wastewater sewers service. The number of interviews in the VBI is rounded up to a unit of 200 interviews, while the sample size of interviews in rural areas, and consists of 700 interviews. The survey aimed to interview households in both areas subject to the study. The number of interviews than

is allocated proportionally to the weight of the population between VBI in selected villages of the communes in order that the collected opinion represents a wide layer of the population living in the rural areas.

The survey was conducted through a questionnaire which was consulted and accepted in advance by National Regulatory Commission (NRC) of WRE. The questionnaire contains questions about three main aspects to include social, multiple selection identification of ways and means of ensuring access to water supply and wastewater service, as well as environmental issues. The survey was conducted by 12 specialists trained by the Consultant and data processing was carried out in the central office of the Consultant in Tirana.

2.3 Development and implementation of the Focus Group meetings

For the purposes of this study, the Consultant has planned and conducted 12 focus group discussions including seven FG in districts to address issues in rural areas and one FG in each city to address issues related to informal settlements.

In the framework of this project, in collaboration with the WRE and UNDP representatives, the Consultant has considered the focus groups (FG) as small discussion groups that are facilitated and reported by Consultant specialists.

The Consultant has summarized the results of these discussions in the form of summarized findings report for each meeting. The report also contains a comparative analysis of the findings generated by the focus group discussions. Some of the findings from FG discussions are summarized in the final recommendation section of the study.

2.4 Consultation of strategic documents

The Consultant got acquainted and referred to several strategic documents and other documents that contain valuable data to assist in the evaluation of the existing and future objectives relevant to water and wastewater sector in Albania.

2.5 Comparative analysis

The studies include a comparative analysis of the situation regarding access to water supply and wastewater service in informal areas / settlements of five cities and rural areas of five districts which are included in this project.

The Consultant has extended comparative analysis at the district level by providing for the first time in the country an overview on access to water supply and wastewater sewers. This analysis made it possible to generate recommendations that are deemed valid and enforceable in particular for WRE, but also to other relevant institutions at central and local level.

A. General overview on the sector of water supply and wastewater service in Albania

1. Administration of water resources

Albania is rich in superficial and underground water resources, which constitute one of the greatest assets for the country. The average amount of drinking water per capita is 8,700 m³ per year, which is one of the highest in Europe, showing that the capacity of water for public use is many times greater than the demand for the supply of the population with hygienic drinking water for 24 hours a day.

According to the legal hierarchy, the main national authorities responsible for water resource management in Albania are: the National Water Council (NWC), the Technical Secretariat of the National Water Council (TS) which is located in the MoEFWA and the Basin Councils. NWC is directed by the Prime Minister. Since 2002, six Basin Councils were created at the local level on the basis of 6 major rivers in Albania with the purpose to manage water resources in the respective basins.

Referring to the project area, communes and municipalities that are allocated in the districts of Vlora, Saranda and Gjirokastra are located geographically in Vjosa River catchment basin (B6), communes and municipalities in Pogradec fall respectively within Seman river catchment basins (B5) and Shkumbin river (6), while the communes and municipalities part in Lezha district fall in the Drin- Buna river catchment basins (B1) and Mat River basin (2).

2. *Reforms in the water and wastewater sector*

Since 1996, continuous efforts to improve the performance of water supply and wastewater services have been given by successive governments in Albania which have undertaken reforms in three key areas, which include many aspects. The reforms generally refer to best practices from other countries, but not necessarily have been able to reach those standards.

At first, the government of the time decided to transform the organization of state service enterprises / operators to a joint stock company with 100% of the shares owned by the state. This step was followed by the creation of the WRE in 1998, as an independent agency, with the mission to establish standards, performance monitoring, regulation, consumer protection and licensing in the sector.

WRE has taken a continuous growing responsibility especially after 2005. This new role is associated with the strengthening of human and institutional capacity, but also in the exercise of its legal mandate and obligation of rules, standards and licensing of all service operators in the country.

As a second step, through the decentralization process, the Albanian government decided to transfer the function of water and wastewater service as an own function of the LGUs.

This reform was accompanied by the transfer of property under the ownership of the LGUs. The legal process began in 2001, but actually the first transformations were carried out in 2004. The process received final direction in 2007, through a normative act of CM which forced the transfer of shares of all companies of water supply and wastewater service to be owned by the LGUs. The shares were allocated proportionally to the population of the LGUs in the service areas of each one of the water and wastewater companies.

Due to the transformation process, in Albania there are currently 57 operators, of which 28 are water and wastewater service operators, while 29 operators offer only water supply service. Out of the total number of operators in the sector, 7 of them are not licensed, while five of them have never applied to receive a license.

This transformation step set definitively a new course in the process of reforming the sector; this course made mandatory only the form of transfer of shares against the transfer of assets without taking into consideration the geography and the specific conditions of the local units. The new course was justified by emphasizing the need to improve the effect of economies of scale in the entire sector.

As a third step, in the course of the Sector Strategy 2011 - 2017, the Albanian government is committed to the reform of regionalization of the service operation. In this context, the government is committed to reduce the number of operators in 26 by the end of 2017, announcing as a prime objective the improvement of the economies of scale in the sector.

However, this process has left out the attention several hundred water supply systems that supply with water a significant portion of the population in rural areas of Albania. This system had been earlier transferred initially under the administration and later under the ownership of communes and municipalities in rural areas.

Therefore, in this context, it is the time and it is necessary to strengthen the role of the WRE to establish control and solve this situation by improving the database covering all companies but also the areas where these companies do not have access, and to extent the authority on all natural and legal persons who deal with water supply and wastewater services.

3. *Performance of water companies in the sector of water supply and wastewater service*

In this part of report, the study is not intended to assess the performance of the sector, as it is not among the tasks defined in the ToR, but to bring a summary of already reported data on coverage with water supply and wastewater service all over the country. This summary will help to create an overview and set several milestones for comparison when analyzing these indicators in the districts that are subject of this study. The report informs also about other performance indicators, that however the user of this study can find in annual reports of the specialized entities, including the WRE as well.

Referring to the data reported by WRE in the 2011 annual report and as they are published in the framework of the Sectoral Strategy 2011-2017, it is estimated that around about 2.65 million people or 80.3% out of the total of 3.31 million living in the areas of jurisdiction of the water and wastewater companies, of which 90.7% in urban areas and 57% in rural areas, have access or are covered with water supply service.

On the basis of these reports, about 1.65 million or approximately 64.6% of the total population have access to the wastewater service, with a distribution of about 83% living mainly in urban areas and only 10.9% in rural areas.

As noted by the Sector Strategy for the years 2011 – 2017 and as we will find below to the analysis of concrete cases, the study brings to the attention the fact that there is a discrepancy between the population declared to be covered with the service to the factual one living in the jurisdiction area of the water and wastewater companies.

This discrepancy is found especially in the population of rural communes, as the difference between the total population of the commune and the amount of population of villages that are actually covered with the service by the water and wastewater companies.

In this context, the WRE should create an instrument that collects data also on water supply and wastewater systems that are operational outside the service area of 57 registered companies and the data for access / coverage should be included in the evaluation of annual performance indicators of the companies.

4. *Legalization and urbanization of informal settlements*

The report evaluates the process of informal developments and legalization in general and in particular for regions where this study is extended, with the purpose to bring data on access to water supply and wastewater service for that part of the population that lives in the informal settlements that are subject of this study.

As a result of internal migration beginning by the early '90s onwards, large informal settlements were created with about 350 000 illegal buildings which have occupied more than 30,000 hectares of land, mainly in the suburbs of major cities of the country. About 270 592 informal settlements were included in the legalization process through a voluntary declaration process which starting in 2006.

Although the data for the process are constantly changing, it is reported that the identification administrative process has been completed for about 82% of the applications, permissions for legalization are granted for about 52 000 buildings, while about 100 000 others are in the process. Although there is no official identification, it is reported that there are about 80 000 new illegal buildings, which are developed following the legal deadline that was set for legalization with the purpose to prevent the spreading of this phenomenon.

B. Study on access to water supply and wastewater service in the rural areas of the districts of Pogradec, Lezha, Vlora, Saranda and Gjirokastra

The study has been extended over the rural areas of five districts and includes 29 LGUs (of which 27 communes and 2 municipalities), which are outside the coverage service areas of water supply and / or wastewater companies, respectively in the districts of Pogradec, Lezhë, Vlora, Saranda and Gjirokastra. These LGUs compound 60% of the total LGUs in the districts which are subject of this study. The village is the smallest unit of administrative mechanisms upon which the study is based on. The area includes 235 villages or 58% of the total villages in these districts.

In terms of population, the communes in the study include about 192 472 inhabitants making 31% of the total population of the five districts which number a total population of about 628 099 inhabitants. The population in the area accounts for about 64% as compared to the rural population of these districts, thus constituting a very good sample to generalize the results to all rural areas of these districts, but also for the whole country.

The study analyzed the access to water and wastewater services in all communes and the comparison among themselves and in the framework of the district where they are located, is made. For this purpose, data which is taken by municipalities is used, crossed with other data generated from ACWW or other sources. When it has not been possible to draw conclusions on the basis of these data, data generated from the survey population has been used.

The study has provided also for the comparison of the distribution of water supply systems, according to the way local government units in rural areas manage the service delivery. This analysis will help the WRE to have a rough idea about the number of the water supply systems which are located and operated from LGUs, which therefore, happen to be not included in the inventory of the water and/or wastewater companies.

1. Comparison of access to water supply in rural areas of the districts subject to the study

The majority of the rural population in the districts of Gjirokastra (83%) and Saranda (82%) has access to water supply in the water supply systems which are managed from the communes, as compared to the population living in the communes in Pogradec districts (44%), Vlora (40%), and less in Lezha (38%).

Consequently, the data indicates that a significant part of the population, respectively Lezhë 62%, in Pogradec 49%, Vlora 31% and less in Saranda (18%) and Gjirokastra (11%), do not have access to water supply but provide the water service themselves through using other resources. The majority or over 90% of the population that do not have access to centralized water systems use individual wells as a source of supply, while the rest finds water directly from natural resources or public taps.

In average terms access / coverage with water supply from centralized standing alone water systems, generalized for the population of all communes in the study, is at about 65% of the population.

Whereas, access to water supply as compared to the district's rural population is at approximately 40%, while the rest or 60% of the rural population provide the service themselves through using other resources. Compared to the total population of the districts access or average service coverage in rural areas is at about 21%.

For the first time, this study has made an inventory of standing alone water supply systems found in rural areas. The consultant has identified the existence of 128 sanding alone water supply systems or approximately 1 system for every 2 villages, of which approximately 57% operate by gravity, while the rest or 43% are operated mechanical. This information allows us to generalize about the total number of separate water supply systems that can be found in rural areas throughout the country, information that previously did not exist.

Only in the case of Himara the operator is a licensed company, while almost all communes manage the service themselves and apply tariffs which are set by the decision of the Councils of the respective LGUs without the approval of the WRE, without consulting the methodology of calculating the costs and tariff setting that is set from this institution.

Except for the case of Himara municipality and Armen commune, none of the commune uses contracts with their customers. The service is managed basically by the Public Service Sectors in the respective communes, while in 5 cases which are recorded in the District of Pogradec, water supply is managed by private individuals.

Access in water supply and wastewater	Pogradec	Lezhe	Vlore	Sarandë	Gjirokastër	Average
Sewerage systems						
Access in water supply systems	77%	45%	75%	68%	72%	67%
Access in wastewater sewers	48%	39%	49%	36%	17%	38%

Table B. 1: General overview of the access/coverage with water supply and wastewater sewers in the districts under study

The table above shows a summary view of the overall access / coverage with service of water supply and wastewater sewers including areas served by ACWWs, communes / municipalities and other administrators from central systems of these infrastructures, in the 5 districts in the study. By averaging these values we find that the average access / coverage with water supply and wastewater sewage in the districts are approximately 67% in the water supply and 38% in wastewater sewers.

2. Comparison of the access in wastewater sewers in the rural areas of the districts in the study

In rural areas of these districts dominates the lack of access to wastewater services organized through centralized systems. From the data detailed in the tables below, as illustrated in the chart that follows for each commune and district, we find that most of the population, at an average of 87% of the population do not have access to wastewater service, therefore only an average of 13% have access to wastewater organized through centralized systems.

Most of the population that does not have access to wastewater service provide the service themselves, mainly through family based sanitary holes. When the districts are compared versus each other based on the communes that are part of the study, we find out that in the districts of Gjirokastër (100%),

Saranda (90%), Vlora (70%), Lezhë (85%) and Pogradec (90%), use mainly sanitary holes and partially discharge untreated wastewater into the surface water flows.

The number of wastewater sewerage systems is negligible. Communes and municipalities in the study do not apply tariffs and contract even for those cases when they offer this service to the inhabitants. Service is managed by communes primarily through the Public Service Sector.

C. Study on the access in water supply and wastewater sewers service in the informal areas/settlements of the cities of Pogradec, Lezha, Vlora, Saranda and Gjirokastra

The study on access to water supply in the informal settlements in the cities of Pogradec, Lezhë, Vlora, Saranda and Gjirokastra is based on data obtained from water companies, citizen's opinion and the reflection of the situation in each particular city. The analysis is based on three main aspects which include:

1. The comparison of the aspect of informal developments in relation to the existing population of the cities and the progress of legalization process,
2. The comparison of the aspect of access to water supply and wastewater service of the cities, and
3. Comparison in terms of citizens' opinions about access to water supply and wastewater service.

1. Informal buildings and the process of legalization

Like most large and medium cities in Albania, the 5 cities which are the subject of this study are significantly influenced by the impact of internal migration of the population that is associated with the development of the areas and / or new settlements with informal construction mainly in the suburbs but also inside the territory of these cities.

In absolute values, among the 5 cities compared, the largest number of migrated population living in informal areas is registered to be in Vlora

Vlora is the city that has felt the greatest impact where the population in informal areas consists 36% of the total population of the city, compared with 22.7% in Saranda 22.5% in Lezha 14.4% and only 6,4% in

The legalization process seems to be moving at a very low pace since 2007, when the period of self declaration to the effects of legalization was closed. From 14 042 illegal constructions in all cities, only 3866 or 27.5% of the total are legalized. The largest number of housing is legalized in the city of Vlora. In this city, 3000 houses have been legalized, which constitute about 77% of total informal buildings.

2. Water supply service

Service operator companies do not manage separate data for the areas with informal settlements. These data misses also in the respective municipalities, therefore the percentage of the population which is not covered by the service logically corresponds mainly to those living in the informal areas of these cities.

In Pogradec and Lezha cities, service operators report covering with water supply service 100% of the population, including those in the informal settlements, while in Vlora, the company report to cover 98.5%, in Saranda 95.5% and in Gjirokastra 92%, with the later marks the lowest percentage among the 5 cities which are compared in this study.

3. Wastewater sewers service

The comparison of access/ coverage to wastewater service is made on the basis of data reported by MU in GDWS and WRE. Data are confirmed by the companies that operate in each of the cities that are part of this study. Companies do not report a breakdown of the population in specific categories for the part which is not covered by the service.

As per data reported by the operator companies, the highest percentage of coverage is found in the town of Pogradec, where the company provides this service for 98% of the population, whereas the lowest % is found in Gjirokastra where the company covers only 38.7% of inhabitants. This situation also reflects the service coverage of informal settlements in these cities. The most part of the population missing access to wastewater corresponds to the population living in informal settlements.

4. Comparison of access to wastewater service on the basis of citizen opinion data

Given that the water and / or wastewater companies in the cities do not specify data to show access to wastewater service of population living in informal settlements, in order to have a clearer picture as it is required by this study; data which is taken from the survey of the inhabitants is used.

These data confirm in part what is reported by companies operating and sometimes by the LGUs in these cities.

Residents in informal settlements of Pogradec, Lezhë and Gjirokaster confirm that are supplied with water from the water supply system which is managed by the company, while 4% of the inhabitants in Vlore and 25% of residents surveyed in Saranda say that they do not have access to the wastewater system.

Overall it is estimated that sewerage service coverage in the in the informal settlements of the cities in the study has a lower percentage as compared to the water supply. From the opinion of the households responding to the survey is indicated that there is a better coverage on this service in the city of Pogradec with 70%, the city of Saranda by over 30%, and less Lezha with about 25%, Vlora 20% and in Gjirokastër with only 13 %. In some ways these results confirm the data reported by the companies which operate in the respective cities.

D. Summary of recommendations for improving access to water supply and wastewater service in the informal settlements and rural areas

In this section are presented summarized some of the recommendations that have been collected by the Consultant and that are proposed to the WRE to further improving information on access in water supply and wastewater service in the communes and informal settlements in general. In terms of this research, from the perspective of the mandate and legal responsibilities of Water Regulatory Entity, improving access does not only mean the coverage with service, it also includes the information, communication and regulatory aspects. In the report one will find more details on the recommendations and conclusions

Regarding the rural areas of the communes:

The Consultant notes that efforts of central institutions are limited mainly on building capacities and the regulation of the activity of registered water and /or wastewater companies and less attention is paid to the service which is managed as their own functions by LGUs.

The Consultant underlines that it's time and it is necessary to strengthen the role of the WRE, therefore to establish control and address this situation by improving and expanding the database, extending its authority throughout the territory and natural or legal persons that carry out water supply and wastewater service, including LGUs as well.

Following this study, the WRE could build a pilot project, with the involvement of one or more districts, to design a special standard to collect information and build up a database for reporting basic indicators of performance in rural areas, which should be extended gradually to cover the entire country.

The analysis of the data shows that there is a discrepancy between the number of population reported by water companies and the data obtained from the National Registry of Civil Status in the Ministry of Interior. If this discrepancy is taken into account, it would change the service coverage reports and other indicators of performance of water and wastewater companies in general.

The license which is issued by WRE is based on the request submitted by the operators of the service the companies do not specify the coverage area on the basis of villages, implying that this service is offered in the whole commune territory. This situation creates higher coverage indicators and a discrepancy between the jurisdiction areas as it licensed by the WRE the real coverage that is achieved from these companies. It remains that WRE should investigate on the expand of service delivery not only for the licensed companies but also including the activity of LGUs.

Communes do not have much knowledge on the role of the WRE, they are not familiar with the terminology, methods to calculate costs, tariff setting or operators licensing conditions, as well as indicators to measure performance in these services.

WRE can use the existing companies in the districts, or the administration of Regional Councils, which can serve as the nucleus or mentors and play an important role in increasing knowledge and management capacity of communes in rural areas. This will serve as a step towards unification of some actions or services that may be performed by companies for the account of the communes with the aim of extending companies' services, covering therefore other territories within the district.

The access in the wastewater service is very low. In the majority of the villages wastewater is discharged mostly through sanitary holes which dominate or partly the discharge of wastewater is made directly to the superficial water streams. Sanitary holes are primitive and are not building according to a technical standard which means that they are a problem for the environment generally and especially to the hygiene and health conditions of the inhabitants of the villages. This phenomenon is particularly noticeable and problematic in rural costal and lake shore areas with a priority in tourism development.

The Consultant has suggested that standardizing the construction of septic holes and providing solid waste removal service is of an imperative for the communes and the licensed operators. Communes may contract out the disposal of the service for cleaning of the septic holes, to the companies that operate in the district or provide it themselves to their citizens. The first is suggested to predominate, as it will strengthen ties with companies and communes and suggests for greater control over the service and the environment.

Efficient management of water resources is evidenced as a significant problem especially in those areas where water resources are not sufficient.

Establishing control over the use of water resources from the basin councils and regional authorities in cooperation with the municipality will ensure for a better distribution and more rational and environmentally friendly use of water resources. Consultant recommends the need for encouraging intercommunal cooperation to address the lack of water resources, and the joint solution in the construction and operation of water supply and sewerage systems in rural areas.

Regarding the informal settlements of the city, it is noted that:

Informal settlements are a fait accompli and represent a significant percentage of the administrative territory in the jurisdiction of local units and water companies, especially as regards the major cities of the country. In these circumstances, we should consider not only the legalization of residences but also the relationship with the community of these areas in the field of water supply and wastewater service.

For this reason, municipalities and water and / or wastewater companies should plan the extension of the service coverage in these areas at the same standard as in other areas of the cities where they operate.

There is little coordination among water companies and local government units, although the companies are legally under the ownership of these units. As a result, the policies of water companies for the development of the service do not necessarily match with those of local governments, but are particularly affected from GDWS, which is where the main investments for this sector come out.

Sector development will take other dimensions if ever there will be a shift, without conflict, of the attention of the management of the companies from GDWS or central institutions generally, to the factual dependence from local government units, which are the owners of these operators.

WRA can play an important role in this relationship by recognizing that water and wastewater service is an own function of local government units.