

Iber-Lepenc Hydro System Project

Project Financing

WBIF	Grant	WB14-KOS-ENV-01	€ 1,507,500
WBIF	Grant	WB25-KOS-ENV-01	€ 1,872,315
EBRD	Loan		€ 38,423,492
EIB	Loan		€ 38,423,492
National Contribution	Own Contribution		€ 37,598,000
Anticipated WBIF TA Grant	External Grant		€ 18,648,160
Anticipated WBIF INV Grants	External Grant		€ 267,038,296
Total			€ 403,511,255
Total Grants			€ 3,379,815
Total Loans			€ 76,846,984

Project Description

Water supply networks in Kosovo* were designed in the 1960s and have suffered from neglect and underinvestment until recently. The situation has become critical over the past twelve years because of droughts and poor rainfall, which have led to water shortages and restrictions in supply.

The Iber-Lepenc Hydro System will be developed in two phases: Phase 1 will secure drinking water for over 400,000 people in Central and Eastern Kosovo by 2026, while Phase 2 will provide water for irrigated agriculture by 2031. Phase 1 includes the construction of the Lower Firaja Diversion Dam and water transmission pipelines for water supply for the municipalities of Ferizaj, Gjilan, Kacanik, Shtime, Lipjan, Viti, Kamenice, Klllokot and Shterpce. Phase 2 involves the construction of the Upper Shtime Dam and water transfer and transport canals for irrigation.

The WBIF has financed the feasibility study for the project. The preliminary design and the environmental and social impact assessment for Phase 1 are prepared with WBIF support.

Benefits of the project include improved security of supply for over 400,000 people in nine municipalities, improved quality of life and water quality, increased economic and investment opportunities due to reliable water supply and renewable energy sources, and adaptation to climate change.

*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.

Results and Benefits

- Improved drinking water for over 400,000 people
- Increase in industrial and commercial development potential due to provision of 24-hour water supply
- 20,000 ha irrigation potential

- 26.8 MW renewable power generation
- Compliance with the Drinking Water Directive 98/93/EC and EU standards

- **Countries:** Kosovo*
- **Code:** PRJ-KOS-ENV-005
- **Sector:** Environment
- **Lead IFI:** EBRD
- **Status:** Preparation
- **Beneficiary:** Ministry of Environment and Spatial Planning