

ALBANIA IN THE BERLIN PROCESS: MONITORING THE CONNECTIVITY AGENDA IN TRANSPORT AND ENERGY



Monitoring Report
November 2021



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LIST OF ACRONYMS

CA	Connectivity Agenda
CEF	Connecting Europe Facility
CVIII	Corridor VIII
DD	Detailed Design
EBRD	European Bank for Reconstruction and Development
EIP	Economic and Investment Plan
ERMETS	European Rail Traffic Management System
ESIA	Environmental and Social Impact Assessment
IAP	Ionian Adriatic Pipeline
IFIs	International Financial Institutions
IPF	Infrastructure Preparation Facility
LNG	Liquefied Natural Gas
PPA	Public-Private Agreement
PPP	Public-Private Partnership
SEE	Southeast Europe
TAP	Trans-Adriatic Pipeline
TEN-T	Trans-European Transport Networks
TPP	Thermo-Power Plant
TSOs	Transmission System Operators
WBIF	Western Balkans Investment Facility

INTRODUCTION

The project “*Preparing and Supporting Albania for the EU Accession Process - ALBE*” aims to regularly monitor the progress of the Connectivity Agenda projects implemented in the context of Berlin Process in Albania. Additionally, this Project aims to analyze the advantages for the Albanian economy - through the opportunities provided for improving transport and energy connections with and between Western Balkan countries and Europe - as well as the problems accompanying this process.

The projects that Albania has benefited under the Connectivity Agenda are still in the early stages of development and, in general, there is little public information on their progress and impact in the country. Therefore, this Project aims at increasing transparency, fostering debate, and providing recommendations for the improvement of monitoring during the implementation phase, and the utility of the projects in terms of increasing the added value to the local economy and improving the quality of life of Albanian citizens.

ALBE Project is an innovative effort in contributing to the development of a methodology focused on the impact of policies and measures in practice and factoring the regional dimension. This analysis is conducted within the institutional framework of the Berlin Process, launched in 2014 and which is symbolically closed its first cycle at the Berlin Summit in autumn 2021.

This study is an update of the previous monitoring report of the Connectivity Agenda, published in March 2021. The methodology of the report is based on desk *research*, and it includes a comparative analysis on the costs and utility of the specific projects.

I. EIP IN TRANSPORT AND ENERGY IN SEE6

The “Economic and Investment plan for the Western Balkans” aims to stimulate and support the long-term recovery of SEE6 through green and digital transition, sustainable growth, all by continuing the implementation of reforms towards EU membership. It offers an investment package that combines grants up to EUR 9 bn mainly supported by the Instrument for Pre-accession Assistance III (IPA III) with matching loans up to 20 bn over 2021-2027.¹ Its disbursement is based upon a performance-based approach.

The EIP contains a list of 10 investment flagships to be implemented in the region, each of them composed by different project proposals. These project proposals are based on the results of preliminary consultations of the Commission with the SEE6 governments and reflect their political and economic reform priorities. The Commission is engaged to examine their prioritization, costs, benefits and the impact of selected projects with a view to taking them forward actively and expediently.

In addition to the EU’s significant grant funding to the region, the EU can also provide guarantees to help reduce the cost of financing for both public and private investments and to reduce the risk for investors through the Western Balkans Guarantee Facility. Such support through the proposed WBGF is expected to mobilise approximately EUR 20 billion of investments in the next decade.

In the transport sector, EIP investment will focus on construction of new transport infrastructure and the upgrading of existing infrastructure along the TEN-T network extensions core networks, with the objective of bringing the core transport network up to EU standards. In energy, enhanced connectivity and extension of the Energy Union to the Western Balkans will complement energy market integration, decarbonisation and clean energy, just transition, increased digitalisation of the system and smart grids, energy efficiency, including modernisation of district heating, and energy security.

The Trans Adriatic Pipeline extension will be at the heart of gas diversification. In digital, EUR 3.7 billion of capital expenditure (planning and construction) in the next 5 years (up to 2025) are needed to ensure the necessary levels of digital connectivity. EU support will cover extension of digital infrastructure and deployment of ultra-fast and secure broadband with a view to ensure universal access.

In July 2021 the Transport Community adopted the Sustainable and Smart Mobility Strategy for the Western Balkans which aims: i) to mirror the European Union’s Sustainable and Smart Mobility Strategy; ii) to adjust goals, milestones, and actions of the EU to the realities in the Western Balkans region; and, iii) to provide the region with a roadmap for decarbonisation and digitalisation of its transport sector.

Additionally, this Strategy reflects on the policies and priorities described in the Economic and Investment Plan for the Western Balkans and Green Agenda goals. The Strategy will serve the WB6 by setting common objectives and a harmonised approach in making transport greener, sustainable, and healthier for citizens of the Western Balkans and will assist them by strengthening their national transport strategies.

¹ European Commission (2020), “An Economic and Investment Plan for the Western Balkans”, available at: https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf

II. EIP IN TRANSPORT AND ENERGY IN ALBANIA

Albania has made the Connectivity Agenda and Economic Investment Plan, one of its priorities, with a special emphasis on the preparation and financing of concrete infrastructure investment projects with national and regional impact and in the same time focusing on the implementation of technical standards and reform measures (soft measures).

Priority infrastructure investments, part of Single Project Pipeline, together with reform measures are reflected in the Economic Reform Program of Albania 2021-2023 and the budget planning.

The ERP 2021-2023 includes the following two reform measures in Energy sector: Reform measure 01 – Further liberalisation of the energy market, and Reform measure 02 – Diversifying energy sources through the promotion of renewable energy sources and energy efficiency improvements. These measures aim to ensure effective liberalisation of the energy market, with complete unbundling and a functioning power exchange, finalize implementation of the law on renewable energy sources to ensure their integration into the market, and adopt the secondary legislation for the laws on energy efficiency and energy performance of buildings, including the setting up of the Energy Efficiency Fund.

With regard to the Transport sector, the Economic Reform Programme 2021-2023 includes the following reform measures: Reform measure 03 - Rehabilitation and construction of the railway segment Durrës-TIA-Tirana.

The Albanian project proposals belonging to the sectors of energy, transport and digital and included in the October 2020 EIP, appear to be the following: i) Fierza Hydropower Plant Rehabilitation; ii) Construction of the Skavica Hydro Power Plant advanced; iii) Trans Adriatic Pipeline (Fier – Vlora gas pipeline) and Ionian-Adriatic pipeline along the coast will be prioritized; iv) Rail Route 2 linking Tirana and Podgorica and extended to the port of Durres (where the reconstruction of Durres Port: Quays 1 & 2 can be included); v) Adriatic-Ionian Highway (a.k.a. Blue Highway) linking Montenegro with Croatia and Albania with Greece - the Tirana road bypass will be completed and two further sections in Albania.

With reference to the EIP, it attracts our attention the fact that the Albanian leg of rail connections of Corridor VIII that goes through Durres to Varna, does not figure in the project proposals belonging to the Flagship “Connecting East to West”. Corridor VIII rail is not in the Core Networks neither.

The Instrument for Pre-accession Assistance III envisages that Strategic Responses are prepared by the SEE6 countries. Preparation of the Albanian Strategic response initiated in early 2020 and it outlines how its sectoral strategies are in line with the recommendations of the enlargement process and how they will contribute to the objectives of the IPA III Programming Framework. This document forms the basis for IPA’s programming and is updated in the middle of the programming period.

The Strategic Response of Albania for the period 2021-2024 sets out how Albania plans to use IPA III Financial Assistance to contribute to the overall and specific objectives outlined in the IPA III Programming Framework. In particular, it provides an articulation of actions planned across the key thematic priorities within each of the five thematic windows. Energy and Transport are included in the policy area Window “Sustainable Connectivity and Green Agenda”. The following list of actions in the transport and energy sectors have been proposed for IPA III support 2021-2024:

- Support to the telecommunication sector and to the Digital Transformation for the Private Sector Development (EUR 20 million)
- Support to improving energy transmission and connectivity (EUR 21.8 million)
- EU for Road Safety/ITS (EUR 22.5 million)
- Overall improvement of the Custom’s electronic systems (EUR 50.29 million)
- Support the implementation of the National Energy and Climate Plan 2021-2030 (EUR 4 million – technical assistance support only)

The EU Integration Facility 2022 (of 25 million EUR) which will support the enhancement of capacities for advancing the reform process and alignment and implementation of EU acquis requirements, foresees concrete support of the following TA projects in the transport and energy sectors:

- Technical Assistance to the Rail Sector
- Enhancing the maritime transport regulatory system in Albania
- Energy Efficiency and Renewable Energy
- Support for digital connectivity: institutional development, capacity building and legal alignment

The transport sector in Albania is being developed in line with the investment priorities of the Economic and Investment Plan. Albania is preparing the implementing plan (IP) according to the EIP flagships and has adopted the Guidelines for its implementation in November 2020.

Following the EIP and the Sustainable and Smart Mobility Strategy for the Western Balkans, Albania has developed its National Transport Strategy 2021 – 2025 together with its action plan and financing plan for the investments. Decarbonisation, energy efficiency, smart mobility and circular economy are in its focus in line with the concept of both green and digital transition.

In energy, Albania through its development policies on natural gas is aiming to increase the diversification of energy resources. One of the main commitments is the implementation of the Gas Master Plan that aims to establish the natural gas transmission infrastructure system. With the introduction of significant quantities of natural gas through the Trans Adriatic Pipeline (TAP), Albania is working on several projects aiming to accelerate the penetration of natural gas in Albania.

Main projects in gas infrastructure are: i) Ionian Adriatic Pipeline; ii) Fieri – Vlora Gas Transmission Pipeline; iii) Dumrea Underground Natural Gas Storage; and iv) Alkogap Pipeline. The introduction of LNG, in any form in the Vlora area, and the construction of the Fieri – Vlora gas pipeline will serve for the development of the gas sector in Albania. This will increase the feasibility of the gas transmission and distribution system by using the bidirectional connection of the exit point of the TAP.

For the gasification of Albania, it was signed the MoU for cooperation between the Ministry of Infrastructure and Energy and the American companies Exxon Mobil and Accelerate Energy on 12.03.2021.² This MoU is essentially related to the evaluation of the technical and commercial regulatory framework for the introduction of liquefied natural gas (LNG) in Albania. It includes the complete chain of using LNG in Albania.

On 15.07.2021, the Albanian gas company, Albgaz, the US Excelerate Energy L.P. (Excelerate) and the Italian company Snam S.p.A (Snam) signed in Tirana the Memorandum of Understanding, on the possibilities of cooperation for the construction of a gas pipeline from the Vlora Terminal to the other possible natural gas infrastructures in Albania.³

² Ministry of Infrastructure and Energy (2021), available at: <https://www.infrastruktura.gov.al/balluku-nenshkruan-marreshjen-me-exxon-mobil-dhe-excelerate-energy/>

³ Albgaz Sh.a. (2021), available at: <https://albgaz.al/nenshkruhet-memorandumi-per-ndertimin-e-terminalite-lng-ne-vlore/>.

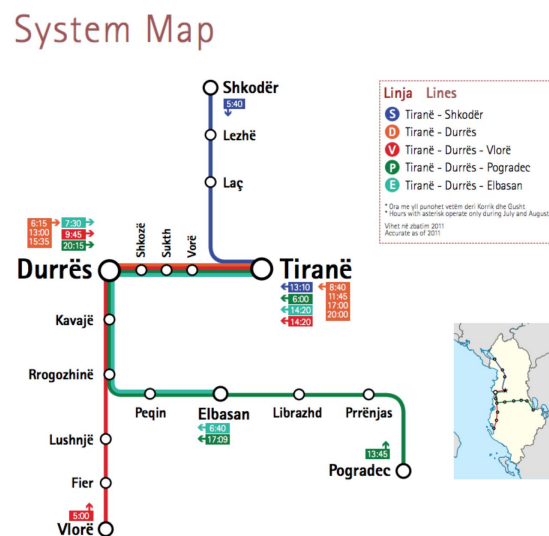
III. STATE OF ARTS OF ALBANIAN FLAGSHIP PROJECTS – TRANSPORT AND ENERGY

The main achievements affecting each EIP Flagship until October 2021, are the following:⁴

III.1 Flagship 1 – Connecting East to West

- **III.1.1 Corridor VIII Rail:** On 12 – 14 July 2021, the Infrastructure Managers of Albania, North Macedonia and Bulgaria met together expressing their will to implement the Corridor VIII (CVIII). In October 19th 2021, Bulgarian caretaker Transport, IT and Communications Minister Hristo Aleksiev, the Albanian Infrastructure and Energy Minister Belinda Balluku and the North Macedonia's Transport and Communications Minister Blagoj Bocvarski signed a memorandum of cooperation on the construction of sustainable infrastructure along Pan-European Corridor VIII. Aleksiev described the transport corridor as an absolute priority for Bulgaria and a project of great importance for the region from a strategic point of view.⁵
- **III.1.2 Corridor VIII Rail:** Albania is implementing the project for the rehabilitation of the railway Tirana–Durrës–Rinas airport in the CVIII to link the TEN-T Med to TEN-T OEM.
- **III.1.3 Corridor VIII Rail:** The detailed design of the railway link Durrës – Rogozhina and Elbasan to Pogradec toward the Republic of North Macedonia is being prepared.

Figure 1. Albanian Rail System



Source: Albanian Railways

III.2 Flagship 2 – Connecting North to South

This Flagship is important for Albania because of the implementation of the Adriatic Ionian/ Rail Route 2 connecting to Montenegro.

⁴ Report to European Union – Albania sub-committee meeting, Transport, environment, energy and regional development, Tirana, 30 September 2021, Republic of Albania, Ministry for Europe and Foreign Affairs.

⁵ Transport Ministers of Bulgaria, Albania, North Macedonia Sign Memorandum of Cooperation to Build Infrastructure along Corridor VIII, at Bulgarian News Agency <http://www.bta.bg/en/c/DF/id/2500345>.

- II.2.1 The detailed design of the railway link Durres – Rogozhina is under preparation (same as above).

Figure 2. Durres – Rogozhina Railway Section



Source: WBIF

III.3 Flagship 3 – Connecting the Coastal Regions

The Rail Route 2 linking the capitals of Tirana and Podgorica extended to the port of Durres, will be enhanced through the rehabilitation of the 120 km of railway line in Albania towards the border with Montenegro.

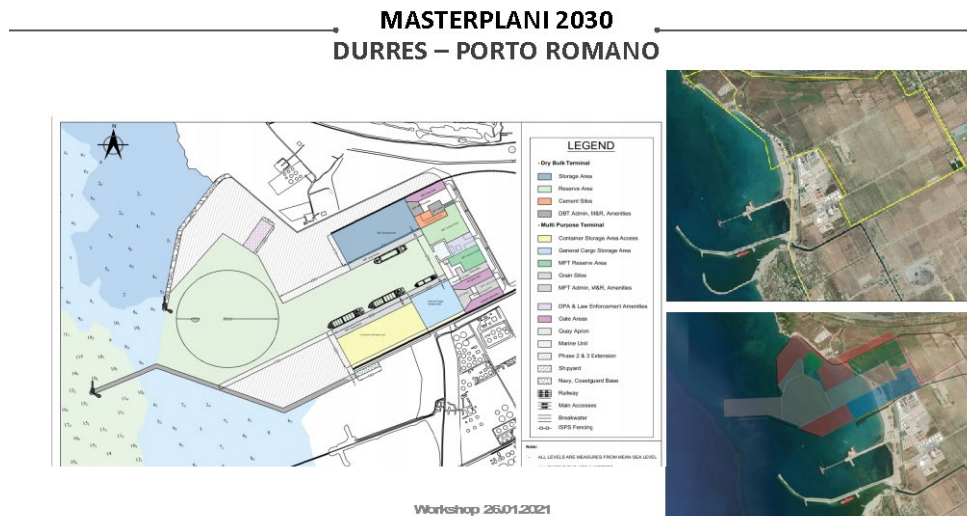
- III.3.1 Railway project Vora – Hani Hotit:

The Albanian Government submitted under the 6th Round of Investment of the WBIF, the grant application form for the railway project Vora – Hani Hotit (including the deployment of the ERMTS), which after the finalisation of the detailed design is considered a mature project ready for financing from IFIs.

- III.3.2 Reconstruction of Durres Port: Quays 1 & 2

The reconstruction of Durres Port: Quays 1 & 2 has been suspended due to the displacement of cargo activities to the Porto Romano location. In accordance with the decision of National Territory Council and the provisions of the National Sectoral Plan of Maritime Transport and Port Infrastructure, the Master Plan of Durres – Porto Romano Port areas has been drafted, and Durres Port Authority initiated the procurement procedure for the design of the project: "Drafting of the Detailed Technical Design (Detailed Design) of the new Integrated Commercial Port of Durres in Porto Romano".

Figure 3. Masterplan 2030 “Durrës-Porto Romano”



Source: Durrës Port Authority

- **III.3.3 Adriatic-Ionian Highway (a.k.a. Blue Highway)**

Adriatic-Ionian Highway (a.k.a. Blue Highway) linking Montenegro with Croatia and Albania with Greece - the Tirana Road bypass will be completed and two further sections in Albania; i) Feasibility Study of the Adriatic – Ionian Highway/Expressway, (Route 2b/Corridor VIII/Route 2c), part of the Indicative Extension of Mediterranean Ten-T Corridor to Western Balkans, financed by WBIF with €2.5 million, is completed. Preliminary design Muriqan-Lezhe to be launched shortly; ii) The Project for Detailed Design (DD) of the Tirana Bypass started with a grant of €1.4 million financed by WBIF is completed. After the DD, the Government has applied for an extra 20% on top of already acquired 20% grant support for the investment needed for the construction of Tirana Bypass motorway. Total investment is estimated €146 million.

III.4 Flagship 4 - Renewable Energy

- **III.4.1 Rehabilitation of Fierza Hydro Power Plant**

Fierza HPP is the upstream HPP of the Drini River Cascade, which counts for 22% of the overall domestic production, at an average production of 1,328 GWh/year. Fierza HPP has four generating units at 125MW installed capacity each, a total of 500MW installed capacity.

The investments co-financed by the EU under the EIP’s Flagship 3 initiative Renewable energy - includes a total of EUR 42,6 MiO composed by a grant from WBIF (EUR 8,3), a loan from KfW of 27,2MiO and Albanian contribution of 7,1MiO).

It will consist in the: i) replacement of the two old turbines/runners (125 MW each); ii) replacement of all four old generators; and, iii) replacement of all electromechanical peripheral supporting networks.

Up to December 2021, KESH is closing the procedure of selection of Implementation Consultant that will follow the whole process up to the closure of the financial guarantee. The project is currently in preparation phase.

Figure 4. Fierza HPP and Power Station



Source: KESH

- **III.4.2 Advancement of the construction of Skavica Hydro Power Plant**

The Albanian Government will build with 100% state funding HEC Skavica, finally completing the scheme of exploitation of Drini River Cascade. With funding from the European Union and the EBRD, the feasibility study for the construction of Skavica has been completed, recommending the high dam alternative with 210 MW installed capacity and a production of 915 GWh/year.

The American Government has expressed its direct commitment to support Albania in this important initiative. In the framework of the Memorandum of Economic Cooperation for Projects and Purchases between the Albanian Government and the US Government, the Minister of Infrastructure and Energy, and the representative of “Bechtel International, Inc”, signed the Memorandum of Understanding for Cooperation related to the HPP Skavica Project.⁶

With Law No 38/2021 of 23.03.2021 “On determination of the special procedure for the negotiation and execution of the contract with the company “Bechtel International, Inc”, for the design and construction of the Skavica Hydropower Plant”⁷ foresees the special procedure for the negotiation execution and approval of the contract with “Bechtel International, Inc” or its affiliates for the design and construction of the Skavica Hydropower Plant based on the preliminary expression of interest deposited at the Ministry of Infrastructure and Energy.

The contract with Bechtel is divided in two phases. The contract of the first phase includes preliminary activities which will enable Bechtel to submit a proposal to the Contracting Authority for the contract of the second phase and will help the Contracting Authority and the Council of Ministers of Albania to provide the financial support for the project. The contract of the second phase consists in designing and building Skavica hydropower.

The contract of the first phase signed between KESH S.A. and Bechtel Limited was approved with the Decision of Council of Ministers No 485 of 30.07.2021 “Contract for technical services – Skavica Hydropower Project” between KESH S.A and Bechtel Limited.

⁶ Ministry of Infrastructure and Energy (2021), available at: <https://www.infrastruktura.gov.al/hec-skavica-nenshkruhet-kontrata-e-fazes-1-mes-kesh-dhe-bechtel/>

⁷ Albanian Parliament (2021), available at: <https://www.parlament.al/Files/Akte/20210326120025ligj%20nr.%2038,%20dt.%2028.1.2021.pdf>

III.5 Flagship 5 – Transition From Coal

- **III.5.1 Completion of the Trans Adriatic Pipeline (Fier – Vlora gas pipeline)**

In January 2020, the IPF 7 Consortium Project (WB20-ALB-ENE-04), delivered for comments the document “Methodology for Fieri – Vlora gas pipeline: Detailed Design and Tender documents” of the Fieri – Vlora gas pipeline. In March 2020, “The implementation methodology for Fieri – Vlora gas Pipeline: Detailed Design and Tender Documents” was officially approved by the Steering Committee of the above-mentioned Project.

The Fieri – Vlora Gas Transmission Pipeline will connect TAP with the Vlora thermo-power plant (Vlora TPP), which has never worked. To convert it from oil to natural gas, a 40 km of pipeline is foreseen to be built connecting it with TAP at 12 km northwest of the City of Fieri. The Fieri – Vlora Pipeline is part of Gas Master Plan of Albania.⁸

Figure 5. PIP1 –Transmission pipeline from TAP CP1 to TPP Vlora



Source: Energy Charter

The technical, economic, environmental and social analysis of the Albanian Gas Master Plan assessed the transmission pipeline that connect TAP with Vlora TPP as the first Priority Investment Project, included the gasification of Vlora TPP. The project is in the phase of technical design and environmental impact assessment. TAP in December 2020 started commercial transmission and in June 2021 gas transmission reached more than 3 bcm.

In July 2021, TAP signed a cooperation and handover Agreement on the Fieri South facility with the Ministry of Infrastructure and Energy and Albgaz S.A. TAP will design and construct the South Gas Exit Point.

- **III.5.2 Prioritization of the Ionian Adriatic Pipeline**

The Ionian Adriatic Pipeline (IAP) project will connect the existing Croatian gas transmission system via Montenegro and Albania with TAP. The total length of gas pipeline from Croatia to Albania is 511 km. The capacity is 5 bcm/y foreseen to be distributed as follows: Albania (1 bcm), Montenegro (0.5 bcm), Bosnia and Herzegovina (1 bcm), Croatia (2.5 bcm).

⁸ Ministry of Infrastructure and Energy (2017), available at: https://www.infrastruktura.gov.al/wp-content/uploads/2017/12/WB11-ALB-ENE-01_final_GMP_2016_11_24.pdf

The preparation of the preliminary technical design for the Albanian and Montenegrin parts of IAP started in 2018 financed by WBIF with a value of 2.5 million euro. The rerouting of the IAP project in the Albanian territory has been approved. The draft preliminary technical design for the Albanian section was submitted by the consultant SUEZ IPF 6. In February 2021, the consultant submitted the final draft of ESIA for the IAP Albanian section. In this phase of the project, the ESIA is prepared and the final report is being prepared to be submitted to the Albania government.

Figure 6. Ionian Adriatic Pipeline Project (IAP)



Source: Energy Community

IV. OTHER INVESTMENT PROJECTS IN TRANSPORT AND ENERGY

The 400 kV interconnection line between Albania and Kosovo was completed on 28.06.2016. On 14.12.2020, the Connection Agreement between KOSTT and the transmission system operators (TSOs) from Continental Europe entered into force marking the first day of operation of KOSTT as a control area within the joint control block with the Albanian TSO, OST.⁹

- **IV.1. 400 kV interconnection line Albania – North Macedonia**

This project is part of the European Commission's initiative to establish an East-West electricity transmission corridor between Bulgaria, North Macedonia, Albania, Montenegro, and Italy. Fichtner GmbH and Co.KG entered into force on 16.04.2018, is providing consultancy services covering the 12-month phase of project preparation and tendering, as well the 24-month phase implementation and its completion. The tender procedure for the selection of Contractors who will implement the project is divided into two Lots: Lot 1 (Lines) and Lot 2 (Substations):

- *Current Stage of Lot 1:* the project implementation contract with the winning bidder for this lot JV Mitas Energy and Metal Construction Inc - DOKO sh.pk (Turkey & Albania), was signed on 14.01.2021, with a value of 24,642,478.02 Euro. The effective date of the contract after fulfilling the conditions provided in this contract

⁹ Energy Community (2020), available at: <https://www.energy-community.org/news/Energy-Community-News/2020/12/14.html>

was on 10.03.2021. The deadline / schedule of project completion for this lot is foreseen 24 months from the effective contract date.

- *Current Stage of Lot 2:* the project implementation contract with the winning bidder for this lot Mytilineos S.A. (Greece) was signed on 14.04.2021, with a value of 21,173,500.00 Euro. The contract is expected to become effective soon, after fulfilling the conditions set out in it. The deadline/date of completion of the project for this lot is foreseen 24 months from the date of effective contract.

- **IV.2. Photovoltaic Plants of Karavasta and Spitalla**

In 2020, the Ministry of Infrastructure and Energy completed the bidding procedure for selecting the developer of the project for the construction of a photovoltaic plant in Remas – Karavasta with an installed capacity of 140 MW.¹⁰ Out of those, 70 MW will be part of the support measures (for this capacity there will be a PPA for 15 years). The winning bidder – French owned Voltalia - offered a price of 24.89 euro/MWh, for 15 years,¹¹ while the Project Agreement and PPA which is under implementation were signed in 2020.¹²

Figure 7. Photovoltaic plant in Remas – Karavasta



Source: Prime Minister's Office

In November 2020, the Ministry of Infrastructure and Energy completed also the bidding procedure for the construction of Spitalla PV Plant during, with an installed capacity of 100 MW (where 70 MW, as part of Support Measures) in the area of Spitalla, Durres district.¹³ The winner of this project is again "Voltalia" – who offered the price of 29.89 Euro/MWh.¹⁴ The Project Agreement and PPA - currently under implementation - were signed in June 2021.

¹⁰ Ministry of Infrastructure and Energy (2020), available at <https://www.infrastruktura.gov.al/hapet-ankandi-per-parkun-fotovoltaik-140-mw-te-karavastase/>

¹¹ Ministry of Infrastructure and Energy (2020), available at: <https://www.infrastruktura.gov.al/24-89-euro-per-mwh-cmimi-i-fituesit-te-ankandit-per-parkun-fotovoltaik-te-karavastase/>

¹² Ministry of Infrastructure and Energy (2020), available at: <https://www.infrastruktura.gov.al/nenshkruhet-marreveshja-per-parkun-e-karavastase/>

¹³ Ministry of Infrastructure and Energy (2020), available at: <https://www.infrastruktura.gov.al/hapet-ankandi-nderkombetar-per-ndertimin-e-parkut-fotovoltaik-te-spitalles/>

¹⁴ Euronews Albania (2020) available at: <https://euronews.al/al/i-pakategorizuar/2021/03/25/spitalla-park-fotovoltaik-mbyllet-ankandi-kontraten-e-fiton-kompania-franceze-voltalia/>

ANNEX 1. Ongoing Project Progress per stage as of September 2021

- I. **Project:** Rehabilitation of railway Durres – Tirana and construction of the new railway to Rinas Branch

Stage: Rehabilitation of railway Durres – Tirana and construction of the new railway to Rinas

The main objectives in terms of outputs are to rehabilitate the existing railway line from the future location of the Tirana Public Transport Terminal (PTT) to Durres port for a length of 34.17 km and also to construct a new railway line connecting the main line at the area of Domje with Rinas airport for a total length of 5 km direct and at the junction area.

Project's cost and financing resources: Total cost of the project 90.45 million EUR including WBIF Grant EUR 36,650,000.00 and EBRD EUR 36,870,000.00 loan + grant 0.87 mln EUR. National budget EUR 16,060,000.00 as per Project's financing Plan in Law No 29 of 23.03.2017

Railway infrastructure Project: The Government of Albania has already identified the railway development projects and included these in the Single Sector Project Pipeline (SSPP) for transport sector. The projects for the improvement of the railway infrastructure include Rehabilitation of railway Durres – Tirana and construction of the new railway branch to Mother Teresa (Rinas) International Airport (total cost is 90.45 million euro): The award of contract and start of works are foreseen by September 2021. The project foresees to be completed in a period of 30 months, as the HSH and INC SPA signed a civil works contract. The project is just starting civil works.

- Lot 1: Durres - Tirana PTT Railway Line
- Lot 2: Durres – Tirana PTT Railway Line
- Lot 3: Durres – Tirana PTT Railway Line
- Lot 4: Tirana Airport (TIA) railway line connection branch to Durres
- Lot 5: Signalling and telecommunication systems
- Lot 6: connection of Porto Romano DPA with the new railway (missing)

State of implementation: The project is procuring for works, services and supplies. 6 (six) EU TAs linked are procured and closed as follows: i) Supervision and project management (announced the winner to the procurement procedure); ii) TAC and AMP kicked-off on 5.02.2020 to restarted from 2.06.2021-03/2022 due to COVID-19; iii) Civil society skills and training and capacity raising for railways procured as of 21/02/2021; iv) International assistance on ESIA implementation to HSH, for phase of Construction ongoing; v) IRFS /MIS system for international reporting financial system for the beneficiary- kicked off; and, vi) LAP Acquisition plan re-evaluation assisted by EU; delivered for Decision GoA (local costs).

- II. **Project:** Rehabilitation of the Railway line Vora – Hani i Hotit

Stage: Detailed Design for Rehabilitation of the Railway line Vora – Hani i Hotit (WB16-ALB-TRA-01)

It includes the detailed design, environmental impact assessment, tender documents for the rehabilitation of the railway line Vora – Hani i Hotit including the industrial railway track Budull – Fushë Krujë.

Cost and financier: Euro 4.500.000 of WBIF (Grant provided via EBRD)

State of implementation: The Detailed Design project kicked off on 24.07.2018 and the project started in December 2018, after every curriculum vitae of the consultant was approved. Regarding the damage assessment of the impact of the earthquake of 26.11.2019 and the rehabilitation of the Ishmi Bridge, the consultant prepared the design project for the total rehabilitation of the bridge. This priority project is delivered to the Minister of State for Reconstruction in Tirana and in Brussels.

The preparation of Detail Design was finalized in May 2021 and the closing workshop was organized on 11 June 2021. Under the WBIF 6 call for investment (extension of the deadline) the GoA applied for investment grant on 27 August 2021. The official approval will be done by the WBIF Steering Committee.

III. **Project:** Rehabilitation of the railway line Durrësi – Rrogozhina

Stage: Detailed design for rehabilitation of the railway line Durrësi – Rrogozhina (completing the Detailed Design and Technical Design of the rehabilitation/upgrade of Durrësi – Rrogozhina railway section of the Rail Corridor VIII in the territory of Albania.

Cost and financier: Euro 1,700,000.00-WBIF Grant and European Investment Bank (EIB)

Project Components which consisted of:

1. Detailed Design of at section (Durrësi – Rrogozhina) of the Rail Corridor VIII in the territory of Albania.
2. ESIA and TD into Project Implementation Plan (PIP) phase II

State of implementation: The preparation of Detail Design was finalised in August 2021. Under the WBIF 6 call for investment (extension of the deadline) the GoA applied for investment grant on 27 August 2021. The official approval will be done by the WBIF Steering Committee.

IV. **Project:** Corridor VIII Rail – Durrës – Pogradec – Lin section

Stage: PD and ESIA for section Rrogozhina to Pogradec – Border to Republic of North Macedonia

Cost and financier: Total grant amount: Euro 1,750,000

The **objectives** of the services described in these ToR are to provide the Beneficiary and Promoter for the section Rrogozhina to Pogradec, hereafter referred to as the “Study Section”, with the necessary support for the preparation of: i) Topographic surveys and geotechnical investigations; ii) Detailed evaluation of the condition of the railway line and of the structures; iii) Preliminary Design for the necessary rehabilitation works for compliance to TENT standards; iv) Feasibility Study, including more detailed CBA than prepared for the PFS, and, v) An Environmental and Social Impact Assessment (ESIA)

State of implementation: started in QII 2020 – ongoing

Results achieved and Impact: Following scope of work for the Study Section:

- Development of the preliminary design for alignment, superstructure, tunnel, structures, drainage, and road level crossings;
- Preparation of Environmental and Social Impact Assessment (ESIA), Stakeholder Engagement Plan (SEP), Non-Technical Summary (NTS) and Resettlement Action Plan (RAP);
- Preparation of procurement documentation for the next step of preparation.

V. **Project:** “Initiative for improving cross border transport through rail connection between Krystallopigi and Pogradec”

Stage: pre-feasibility study for the rail link Albania – Greece by Kapshtica

Cost and financier: Euro 845,698.05 (ERGA OSE, MIE ALB, OSE S.A.)

Objective, project purpose and components of the project: Purpose of this project is to study the link “Krystallopigi – Pogradeci” as a part of the future Corridor that provides a linkage from the port of Thessaloniki towards Western Balkans through the alignment

Thessaloniki-Florina/ Kastoria (with a link to the airport) – Krystallopigi – Pogradeci – Tirana/ port of Durrësi – Bar (Montenegro). A possible link is from Durrësi – Piraeus port.

The pre-feasibility study for the rail link Albania – Greece by Kapshtica is a joint application of the Greek Railways and the Albanian Ministry of Infrastructure and Energy, under the INTERREG Program regional cooperation Albania – Greece, estimated to cost 900,000 euro. The pre-feasibility study started in September 2018, with a duration of 24 months.

State of implementation: Ongoing.

- VI. Project:** Fier – Vlorë gas pipeline that will connect the TAP pipeline with Vlorë TPP
- Stage:** Detailed Design, and Tender Dossier for Fier – Vlorë Gas Transmission Pipeline
- Cost and financier:** Overall cost is of 23,500,000 EUR, out of which EUR 1,400,000 EUR is EU contribution
- General description:** The project aims to evaluate the fulfilment of the gas supply for the Vlorë TPP, through the construction and operation of gas pipeline Fier – Vlorë that will connect the TAP pipeline with Vlorë TPP and other regional consumers (two sections), in cooperation with the gas supply from the Middle East and Caspian Region transported by Trans Adriatic Pipeline
- State of implementation:** The preparation of the DD and TD is ongoing and it is expected to be finalised in December 2021.
- VII. Project:** Ionian Adriatic Gas Pipeline – Montenegro and Albania sections
- Stage:** Preliminary Design of Ionian Adriatic Gas Pipeline – Montenegro and Albania Sections
- Cost and financier:** Overall cost is 172,500,000 EUR, out of which EU contribution of 6,000,000 EUR (2,500,000 EUR from WBIF)
- General description.** The objective is to carry out the eventual independent technical reviews for the Ionian Adriatic Gas Pipeline (IAP), for the sections in the Republic of Albania and Montenegro. IAP is designed to interconnect the existing and planned gas transmission system of Croatia with the Trans Adriatic Pipeline (TAP) in Albania. The IAP project aims to establish a new supply route for natural gas from the Middle East and Caspian region, northwards along the Adriatic coast.
- State of implementation:** The preparation of the Preliminary Design is ongoing and it is expected to be finalised in November 2021.
- VIII. Project:** Underground natural gas storage in Dumrea Area (UGS Dumrea)
- Stage:** Feasibility Study and ESIA for the Underground natural gas storage in Dumrea Area
- Cost and financier:** Overall cost of 89,500,000 EUR, out of which EU contribution is 1,000,000 EUR
- General description.** The project aims to evaluate the improvement of the gas supply for the country, through the construction and operation of the underground natural gas storage in Dumrea Area (UGS Dumrea), in cooperation with the gas supply from the Middle East and Caspian Region transported by Trans Adriatic Pipeline.
- The Steering Committee of WBIF in its meeting of 6 December 2018, under the 20th round of WBIF, approved a grant of 1 million euro for the preparation of the Feasibility Study and ESIA for this project. The Terms of Reference for the preparation of the Feasibility Study and ESIA for the project WB20-ALB-ENE-01 “Albania, Dumrea Underground Natural Gas

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Storage” were prepared by the consultant and submitted to the WBIF and EBRD. WBIF and EBRD approved the ToRs on 24.10.2019. The kick-off meeting for the Feasibility Study and ESIA was held on 8 April 2020. The preferred options for Dumrea Underground Natural Gas Storage are select and the project is in the phase of the ESIA (public hearing).

State of implementation: Feasibility Study (ONGOING).



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