

RGF Investments in Albania

On 27 January 2026, two additional investment projects with a combined value of €135.7 million (out of which €48.8 million in EU financing) were approved under the **Reform and Growth Facility (RGF)**. These two investments add to the three ones of the first round on 27 August 2025.

The projects are financed through a blended structure of EU grants, loans from international financial institutions, and national co-funding, and are implemented within the Western Balkans Investment Framework.

They are part of Albania’s National Reform Agenda, advancing priorities in the **digital transition**, as well as the **energy and green transition**.

5 RGF Investment projects

GREEN ENERGY & DIGITAL

81 Million Euro

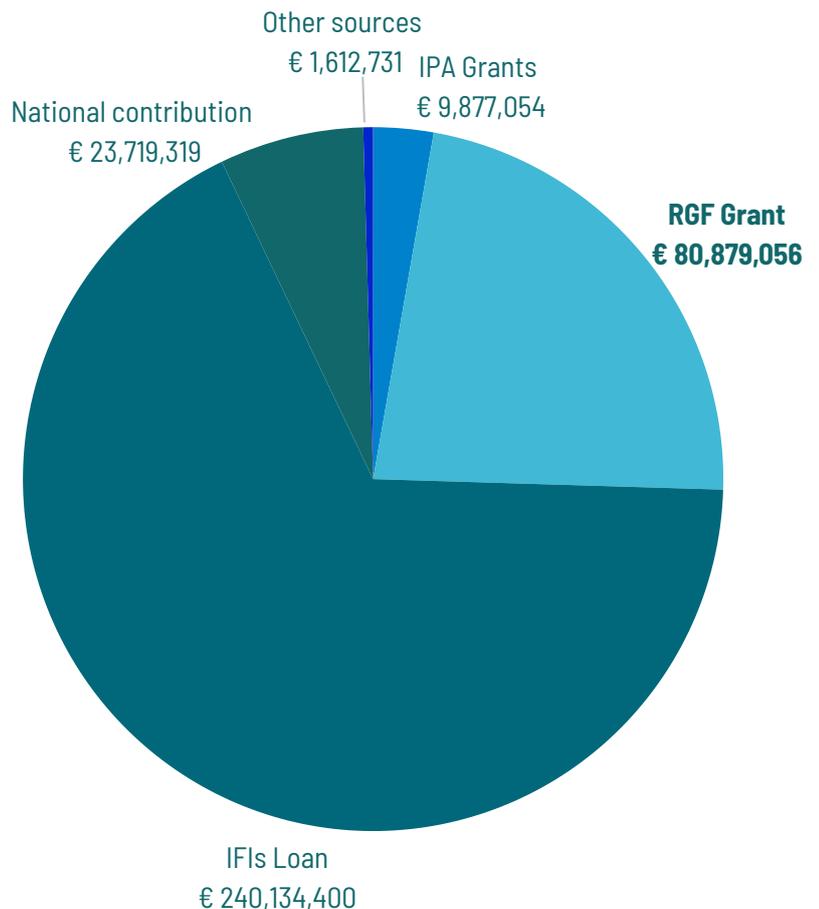
RGF BUDGET ALLOCATION

356 Million Euro

TOTAL INVESTMENT VOLUME

2025 - 2032

EXPECTED COMPLETION



Digitalization of energy transmission system in Albania

Approved in
August 2025

This project includes the digitalization of forty (40) high voltage substations with 110 kV on high voltage and 35, 20, 10 or 6 kV on medium voltage side. The substations are located in different parts of Albania: in mountainous areas, in suburban to urban areas, in coastal cities, in rural areas and remote villages, on closed down factory areas and over/close to rivers.

The general objective of the project is to enable the Albanian transmission system for future connection of the renewable energy-based power generation through modernization and digitalization in line with ENTSO-E requirements and the green energy policies of EU.

As a result of the project, renewable energy sources can be more effectively integrated, leading to a more stable and secure power supply while also reducing energy losses

Investment:

RGF Grant: € 13.6 Million

KfW Loan: € 37.2 Million

National contribution: € 11.8 Million

Other sources: € 1.6 Million

TOTAL: € 64.2 Million



Broadband Infrastructure Investment

Approved in
January 2026

Investment approved in January 2026

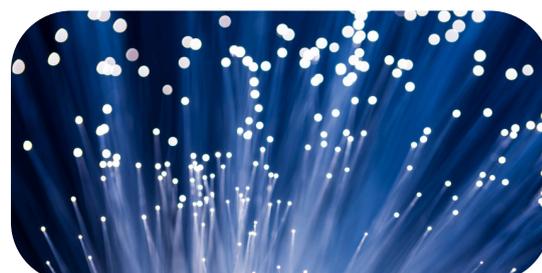
This investment project will install 7,000 km of fibre-optic cable across eight Albanian regions, bringing broadband internet to more than 74,000 households and 858 public institutions.

Investment:

RGF Grant: € 35.7 Million

IFI Loan (EIB): € 74.9 Million

TOTAL: € 110.6 Million



Rehabilitation of Fierza Hydropower Plant

*Approved in
August 2025*

This investment project upgrades the electro-mechanical components and supporting network of the Fierza hydropower plant, the country's second-largest facility. It will extend its operation lifespan by at least 30 years and increase output by 10%. The plant has an installed capacity of 500 MW and an average annual electricity production of 1,328 GWh. The RGF contribution of €10.48 million supports the second phase of the project with an expanded scope, following the previous WBIF grant from IPA of €8.7 million.

Investment:

RGF Grant: € 10.5 Million

KfW Loan: € 76.1 Million

IPA Grant: € 8.7 Million

TOTAL: € 95.3 Million



Tirana-Rrashbull 220 KV Double Circuit Overhead

*Approved in
August 2025*

This project will enable the construction of a reliable electricity transmission system in Tirana and neighboring region, towards Durres. Specifically, it will entail:

- construction a 220 kV double circuit line from SS Tirana 2 to Rrashbull, a new 220/220 kV substation in Rrogozhina as well as power transformer upgrade in SS Rrashbull (first phase).
- construction of a new 220/110 kV substation (SS Tirana 3) with an installed capacity of 120 MVA (Sauk area) and the reinforcement 110 kV Tirana ring.
- build a new 400/220 kV overhead line between Tirana and Rrashbull, expanding the local grid to meet growing demand, boosting capacity, and improving electricity reliability (second phase).

The improvements will reduce electricity losses as well as power cuts, which regularly affect 50% of the region's residents and 30% of its private businesses. Current air pollution caused by the diesel generators used during power outages is also expected to decrease.

Investment:

RGF Grant: € 8 Million

KfW Loan: € 40 Million

IPA Grant: € 1.15 Million

National contribution: € 11.9 Million

TOTAL: € 61.05 Million



Electrification of the Durrës–Tirana Railway Line

*Approved in
January 2026*

Albania will electrify the 42.1 km Durrës–Tirana– Airport rail link, transitioning to a zero-emission, 120 km/h electric system to modernise transport, reduce pollution, and meet EU interoperability standards.

Investment:

RGF Grant: € 13.1 Million

IFI Loan (EBRD): € 12 Million

Total: € 25.1 Million



This factsheet has been produced as part of the initiative “Enhancing Stakeholder’s Engagement and Ownership in the implementation of the Reform and Growth Facility”, implemented by the Cooperation and Development Institute with the support of the Swiss Agency for Development and Cooperation SDC.

The views and conclusions contained here do not necessarily reflect those of the Swiss government or SDC.