



## EITI ALBANIA 2024-2025 Work Plan Approved by MSG on April 9, 2024

### Annexe A: Narrative EITI Albania Work Plan

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**The Extractive Industries Transparency Initiative (EITI)** is a global initiative promoting public awareness about how countries manage their oil, gas and mineral resources. The EITI seeks to strengthen government and company systems, inform public debate and promote understanding. In each of the implementing countries, the EITI is supported by a coalition of government, companies, and civil society. The Standard is upheld by the international EITI Board.

**This document represents EITI Albania work plan for the years 2024-2025.** In this document, EITI Albania and the Albanian MSG have put down the objectives to fulfil during 2024-2025. The natural flow of the Albanian EITI process requires making reality the “**Advanced performing**” EITI phase. Therefore we will focus and invest in those activities that will enable EITI processes to be rhythmic and sustainable. This document is developed in accordance with Requirement 1.5 of the EITI Standard and the respective Guidance Note.<sup>1</sup>

#### 1. Background and context

- **Overview**

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<sup>1</sup> <https://eiti.org/document/guidance-note-eiti-requirement-15>

Albania is a country relatively rich in mineral resources. Mineral exploration, exploitation and processing constitute an important component of the Albanian economy, due to a traditional mining industry, that has been a solid foundation to the country economic sector, generating substantial revenues. Chrome, copper, iron-nickel and coal, are some of the minerals mined and treated in Albania for a long period. Through many studies and exploration - prospecting geological works carried out, are concretized a lot of useful metallic and non-metallic mining deposits, industrial and for construction use and as decorative stone. The mining sector is mostly represented by chromium, copper and nickel-silicate, and had a domestic output estimated of USD 770 million in 2018.

The hydrocarbon, mineral and hydropower industries have been consistently contributing to the national income and development of the country. Albania's energy sector includes hydrocarbons (crude oil, natural gas, and solid fuels), hydropower and renewable energy systems (RES), with crude oil being its primary source. In 2023 the energy sector accounted for 15.7% of country's GDP. (State owned Hydropower 61.6%, Private owned hydropower 38%, PV 0.4%). The Albanian government has launched its fifth round of auction for new PV projects, and is aiming to add 300MW of new capacity to the country's energy grid.

Albania is the only EITI implementing country to expand its EITI scope to hydropower. The country continues to report on hydropower and to disclose relevant information on commodity trading.<sup>2</sup> Albania continues to innovate with expansion of renewable energy coverage in EITI reporting; EITI reporting in Albania goes beyond the EITI Standard by providing information on the country's important hydropower sector, including on the legal and regulatory framework, production figures, government revenues and allocation of revenues to subnational authorities. While Albania's extractive sector has been previously dominated by state-owned enterprises, in 1994 it opened up to private investment. The Albanian government is promoting investment in its energy sector to stimulate development and job creation. Albania's latest [EITI Report](#) published in December 2020 covered the 2017-2018 fiscal years. Shortly the EITI 2019, 2020 and 2021 will be finished and published.

### EITI Standard

The Extractive Industries Transparency Initiative (EITI) implements the **global standard** to promote the open and accountable management of oil, gas and mineral resources.

[The EITI Standard](#)<sup>3</sup> requires the disclosure of information along the extractive industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector. In each of the 57 implementing countries, the EITI is supported by a coalition of government, companies, and civil society. During 2023 a new EITI standard was approved on the EITI Board meeting in Dakar, Senegal.

### EITI in Albania

Government of Albania (GoA) expressed its support to EITI in March 2009, and Albania became an EITI candidate in May 2009. The implementation of the EITI agenda is ensured by technical Secretariat, which was created by a Ministerial council's decision on July 07, 2010 (repealed) by the Ministerial Council's Decision No. 993, December 9, 2015 and operates under the leadership of a Multi-Stakeholder Group (MSG), created by a Decree issued by the Prime Minister in July 21, 2011, The MSG includes representatives of civil society, extractive industries, operators, and government.

The Multi Stakeholder Group is headed by the Deputy Minister of Ministry of Energy and Industry, consisting of 16 representatives. The government is represented through the Ministry of Energy and Industry, Ministry of Finance and Economy, Ministry of Justice, the General Directorate of Taxes, Geological Albanian Service and the National Agency of Natural Resources.

There are also 5 representatives from civil society and 5 representatives from the companies which operate in extractive industry. Albania is using the EITI process for wider reforms in the sector, including the development of a revenue management plan to address informality in the mining sector and building its capacity in contracts.

### **Albania Validation**

During the Validation process Albania **achieved a moderate overall score (82) in implementing the 2019 EITI Standard in February 2022.**<sup>4</sup> The EITI Board has determined that Albania will have until the next Validation to carry out corrective actions **regarding:**

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<sup>3</sup>:[eiti.org/collections/eiti-standard](https://eiti.org/collections/eiti-standard)

<sup>4</sup> <https://eiti.org/board-decision/2022-15>

- Industry engagement (Requirement 1.2);
- Contract and license allocation (Requirement 2.2);
- Contracts (Requirement 2.4);
- Beneficial ownership (Requirement 2.5);
- Comprehensiveness (Requirement 4.1);
- Subnational payments (Requirement 4.6);
- Disaggregation (Requirement 4.7);
- Data reliability (Requirement 4.9);
- Social and environmental expenditures (Requirement 6.1);
- Follow-up on EITI recommendations (Requirement 7.3);

### **Work Plan Drafting and Approval**

The drafting of this work plan is a result of the on-going consultation made over the past months with MSG members to design the activities needed to improve EITI implementation in Albania, the needs that identified during the implementation process in these years, the issues that have been raised during the Validation process, the recommendations left by the EITI Board in the Validation Decision, certainly in line with the priorities of the Albanian Government in the field of Natural Resources, Good Governance and Transparency and in accordance with Requirement 1.5 of the EITI Standard.

The process of drafting the work plan was handled by the National Secretariat Staff based on the needs, discussions and issues raised by the MSG during the meetings, as well as the recommendations that have emerged from the Validation and the needs encountered during the EITI implementation process in Albania in previous years. After consultations and discussions with MSG, their comments, suggestion and decisions are reflected in this Work Plan.

The Work Plan will be updated progressively depending on the progress of activities.

## National priorities and governance of the extractive industries

### ALBEITI implementation—areas for potential improvement.

At the same time, the EITI reporting process and the validation process have identified areas where ALBEITI stakeholders can make improvements – especially in:

- A key aspect for ALBEITI is for strengthened the EITI process by Albanian Government, to help ensure mainstreaming of Albania EITI into national systems;
- Long-term funding sustainability: a key part of this ownership by Albanian Government has been commitment to continue increasing the funding from national budget for ALBEITI processes, (largely for recurrent operating costs);
- Higher ALBEITI reporting quality – and follow-up on weaknesses identified: greater emphasis on establishing a robust framework for mainstreaming EITI implementation and a consistent of relevant agencies to follow up the weaknesses highlighted in the EITI reporting process;
- Beyond EITI: key opportunities exist for the ALBEITI process to be leveraged as a platform for ongoing reforms in mining sector reforms for better governance, especially in transparency in other aspects of the mining sector operations such as contract transparency, beneficial ownership and reliable production and export figures.

### GoA's Program 2021-2025 linked with the Work Plan Activities

While reaching compliance with the EITI Global Standard it is very important at the same time to be in line with major objectives of GoA's Program 2021 -2025 and the Corrective Actions to be implemented. The official GoA's Program 2021-2025 is conceived as a careful plan and detailed reforms and actions program, intended to materialize in each cell of governance "Albania 2030" Vision, a major project that embodies the ambition to take Albania to the next level of Economic and Social development. The clear objectives set in GoA's Program to build step by step, European future for Albania, substantially relying on the main pillars, while the main 3 formulated in the Program are:

#### ***1. Economic recovery from earthquake pandemic situation and energy crisis;***

**2. Welfare for all, which will translate into a developed economy that creates opportunities for everyone.**

**3. Modernization for the development of productive Economy, Tourism, Energy etc.**

In the GoA's Program 2021-2025 is formulated that "Based on the objective for a strong and sustainable economy through modernization, productivity and competitiveness, Albania will be a net exporter of Electricity throughout the Region; with a much more diversified Energy system, and a place that reducing its Renewable hydropower reserves along droughts will offset it with Green energy, produced by Solar and Wind plants".

In the GoA's Program 2021-2025 in the European Integration Chapter is formulated: "In 2014, Albania received the status of Candidate country, after fulfilment in 5 main key areas, which included the fight against Corruption. Albania has made steady progress in all the priorities set by the EU and as a result of these achievements in March 2020 the EU took the decision to open membership negotiations with Albania, the last step towards full integration".

Albeiti MSG and National Secretariat are fully committed to ensure that EITI implementation continues to be relevant and in properly line with National priorities. The formulation of the EITI Work Plan components has taken into consideration that activities should be compatible and organically in harmony with the main objectives and platforms set out in Governing Program regarding Extractive Industry in Energy Sector.

EITI Implementation Support activities included in the Work Plan will support the objectives essential to EITI implementation and to meet and maintain its EITI compliant status obligations, including Annual EITI Report for Albania. The preparation of the annual EITI report covering all extractive industries for the calendar year 2019 and 2020-2021.

Production of this annual report is a fundamental EITI Standard requirement. This Activity (A) included in the Work Plan optimizes the GoA's Program 2021-2025 in the objectives as below: "*Such an important principle of involvement of the public in the decision making processes will be the axis of government, in a more structured form, where the partnership with every Albanian citizen will be a partner of the government, as a guarantee of Transparency but also of regular measurement of government performance*".

Also Activities A (Annual EITI Report for Albania) of the Work Plan include data disclosing for the Energy Sector and will reflect the objectives of GoA Program 2021-2025 / In the ENERGY – Chapter is specified : "Within 2022 we sign the contract for the design and construction of the

Skavica Hydropower Plant, the largest HPP in the country". The Skavica project would cost EUR 500 million and it would be completed within five years. Skavica's expected output is equivalent to 20% of current domestic electricity production.

The government of Albania is operating under a policy for a rapid growth in renewable energy for achieving net-zero emissions goals. *Albanian government is finalizing the project which includes the conversion of TEC Vlora with LNG, to the construction of a regasification terminal, to the small-scale distribution of LNG, turning Vlora into a regional HUB. We start the construction of the 140 MW Karavasta Photovoltaic Park, the largest in the Balkans, in the spring of 2023. The Albanian Energy Exchange will become fully operational".*

The Albanian government in 2024 has launched its fifth round of auction for new PV projects, and is aiming to add 300MW of new capacity to the country's energy grid. The proposed projects could have a power generation capacity of between 10MW and 100MW, and that the government would purchase power generated at these projects as part of a 15-year power purchase agreement (PPA). Renewables already dominate the country's energy mix, with the European Commission (EC) reporting that, between 2011 and 2021, the percentage of Albania's energy demand met by renewables increased from 66.1% to 94.4%, but the government is keen to expand its renewables sector further.

Approvals are issued for 896 MW in solar power capacity, 86 MW for wind power. There are 64 solar power projects with final approvals outside subsidy mechanisms, with an overall capacity of 603 MW. It compares to just 13 final approvals for 37 MW in wind power. Preliminary consent, which in 99% of cases leads to final approval, was given for 16 photovoltaic projects of an overall 293 MW and nine in the wind segment, for 49 MW,. Altogether, the planned capacities are 896 MW and 86 MW, respectively.

There are still no operational wind turbines in Albania. The government of Albania in 2023 announced the results of the country's **first utility-scale bidder-selected site auction for onshore wind**. Three bidders were awarded capacity totalling 222.48 MW in the country's third renewable energy auction and the first onshore wind auction. The EBRD has helped the Albanian authorities introduce competitive procurement processes for renewable energy projects.

State-owned power utility KESH is planning to install a pumped storage system the future surplus in solar and wind power output. At the end of 2025, the company will have 76 MW of photovoltaics under operation. Therefore it intends to establish a system that would pump water from hydropower plant Koman back upstream to hydropower plant Fierza, Statkraft is also developing a pumped storage hydropower project in Albania.

## The Activities A – Support to streamlined EITI reporting:

**A.1** -The Activity “Selection of a consulting firm as an Independent Administrator to prepare the EITI Reports for the calendar year 2019, 2020 and 2021 and to support government institutions and extractive companies in the EITI process. Revision of current legislation for reporting by activity and in Project basis in the mining sector and the development of Standards for Local Reporting”, it is linked with the EITI Standard and also with the Corrective Actions left from the last Validation more specifically:

- ❖ Contract and License allocation (Requirement 2.2);
- ❖ Contracts (Requirement 2.4);
- ❖ Comprehensiveness (Requirement 4.1);
- ❖ Subnational payments (Requirement 4.6);
- ❖ Disaggregation (Requirement 4.7);
- ❖ Data reliability (Requirement 4.9);
- ❖ Social and environmental expenditures (Requirement 6.1);

In the ToRs of the EITI Reports 2019-2020-2021 are foreseen in detail every action that will be taken to correct the reporting gaps in the previous Reports, to increase the quality of reporting and to be in compliance with the recommendations left by the Validation team.

**A.2 /A.3** - EITI Reports for the calendar year 2022 /2023 are linked with the EITI Standard and also with the Corrective Actions left from the last Validation more specifically:

- ❖ Contract and License allocation (Requirement 2.2);
- ❖ Contracts (Requirement 2.4);
- ❖ Comprehensiveness (Requirement 4.1);
- ❖ Subnational payments (Requirement 4.6);
- ❖ Disaggregation (Requirement 4.7);
- ❖ Data reliability (Requirement 4.9);
- ❖ Social and environmental expenditures (Requirement 6.1);



In the ToRs of the EITI Reports 2022-2023 are foreseen in detail every action that will be taken to correct the reporting gaps in the previous Reports, to increase the quality of reporting and to be in compliance with the recommendations left by the Validation team.

**A.4 Maintenance of the Open Data Portal and the Mining Cadastre Portal** aligns with the government's policies for open data and open governance (OGP) ([https://www.konsultimipublik.gov.al/documents/RENJK\\_613\\_Draft-Plani-Komb-tar-i-Veprimit-2022-2024-OGP.pdf](https://www.konsultimipublik.gov.al/documents/RENJK_613_Draft-Plani-Komb-tar-i-Veprimit-2022-2024-OGP.pdf)) and also with the government program 2021-2025, chapter “Digital Society”. ([https://kryeministria.al/wpcontent/uploads/2021/10/Programi\\_Qeverises\\_2021-2025.pdf](https://kryeministria.al/wpcontent/uploads/2021/10/Programi_Qeverises_2021-2025.pdf)).

**The Activities B.** Extension of sector disclosures’ scope: These activities will identify, analyse and consult all relevant stakeholders to extend sector disclosures to enhance sector management. These activities will improve the access to EITI data through:

**B.1 Consultancy services for an assessment of the impact of the Albania Beneficial Ownership Law.** The law became effective in August 2020 and was amended in February 2022 to increase the number of entities that must be registered with the beneficial owners’ registry by extending the registration deadline, introducing the simultaneous registration of the ultimate beneficial owner along with the establishment of the reporting entity, and increasing certain penalties in case of failure to comply with the legal requirements. The Register of Beneficial Owners is active and accessible online. It’s managed by the National Business Centre. This activity will support an assessment of the compliance with the Beneficial Ownership Law and the completion level of the beneficial ownership roadmap. Is also in line with the Corrective Action: *Beneficial ownership (Requirement 2.5)*. Details on the best way to address this Corrective Actions will be discussed and established in collaboration with MSG in the ToR’s that will be prepared for this activity.

**B.2 Activity for the inclusion of renewable energy and gas in EITI reporting.** A consultant will be recruited to include renewable energy (wind and solar) and the gas sector in EITI reporting. This activity will support knowledge and dialogue around energy transition. This activity is in line with the new EITI Standard 2023, Requirements 2.1, 2.2, 3.1, 3.4 and 5.3 also with the Albanian Government priorities. Albania is working to integrate energy efficiency and renewable energy policies, making them part of a comprehensive energy strategy based on European Union directives (2001/77, 2003/54/EC; 2003/55/EC, etc.). Currently, the National Energy Strategy encompasses not only the strategy for the development of conventional (fossil) resources but also strategies for renewable energy and energy efficiency. Their inclusion in the Energy Strategy is accompanied by the anticipation of all necessary steps to implement them. The goal of incorporating all energy sources into energy needs planning is closely linked not only to the utilization of alternative resources but also to the objectives of the Albanian energy system for the development of clean energy sources. Albania has ratified and signed several agreements closely related to the environmentally friendly exploitation of alternative resources and is working to develop the necessary legal framework to promote these resources. Their integration

into energy policies is also an obligation of the Albanian government within the Stabilization and Association Agreement (SAA) to harmonize the legal framework with that of the European Union for practical benefits and excellent integration opportunities.

**B.3 Gender reporting and women participation in the extractive sector:** this activity will include provide support to analyse, and report participation of women in the extractive sector and develop a strategy and stakeholder’s capacity building of women in the extractives and creating a reporting template for gender disaggregated data in the extractive sector according with the new EITI Standard 2023, Requirements 5.2, 6.1 and 6.4. It is also in line with the government's gender equality policies and the National Strategy for Gender Equality 2021-2030 [https://shendetesia.gov.al/wp-content/uploads/2022/02/WEB\\_Strategjia-Kombetare-AL.pdf](https://shendetesia.gov.al/wp-content/uploads/2022/02/WEB_Strategjia-Kombetare-AL.pdf)

**B.4 Assessment of the socio-economic impacts of the oil industry in the regions of production and the risks and benefits of the energy transition for Albania.** This activity is in line with the new EITI Standard 2023, Requirements 2.1, 2.2, 3.1, 3.4 and 5.3 also with the Albanian Government priorities, as mentioned above in the B2 activity explanation.

**B.5 Consulting services for the assessment of current legislation on occupational health and safety in the extractive industries.** This activity is linked to the current legislation and the priorities of the Albanian government for “For safety and health at work”. <https://qbz.gov.al/eli/ligj/2010/02/18/10237/f741be79-d7bd-4bbf-861346b43be9c81e;q=ligji%20per%20sigurine%20dhe%20shendetin%20ne%20pune>

**B.6 Assessment of the impact of extractive sector foreign investments in Albania to position the country to benefit more and improve its investment attractiveness.** This activity is closely related to the general principles of the EITI for the use of revenues from the extractive industry for improvement of the country’s benefits.

**C. Advocacy and Capacity Building Activities** included in the Work Plan aims the provision of technical assistance and core training on EITI and natural resources management through

**C.1- Training and workshops focused on natural resource governance for civil society representatives, MSG members, and civil servants from local government units, public entities, and other public reporting subjects to build their capacity to effectively engage in the EITI process.**

**C.2- Participation in international forums, and study tours or visits to/by implementing countries to share the Albanian experience, in order to share knowledge and effective ways of implementation.**

**C.3- Implementation of the 2021-2022 EITI Communication and Outreach strategy:** Communication and Outreach for 2024-2025 regarding media outreach campaigns, Internet and social media activities, awareness raising events.

❖ **Corrective Action: Industry engagement (Requirement 1.2);**

These foreseen activities will enable all the stakeholders, to strength their engagement in the EITI implementation and highlights the opportunity for companies to use EITI implementation to improve their corporate performance on environmental, social and governance indicators and community information regarding their activities.

**These activities are** in line with the corrective action: Industry engagement (Requirement 1.2) :*“Stakeholders have effectively used the EITI platform for public debate on reform of the extractive industries. The government remains fully engaged in EITI implementation, while Civil Society has gradually expanded its engagement, outreach, and coordination with the broader constituency. However, the Board notes evidence of the weakening of industry participation in EITI and highlight the opportunity for companies to use EITI implementation to improve their corporate performance on environmental, social and governance indicators. The multi-stakeholder group has overcome challenges caused by the Covid-19 pandemic to retain oversight of all aspects of EITI implementation, although further efforts to consider gender aspects of representation in EITI implementation are encouraged”*. These foreseen activities will enable all the stakeholders, especially industry representatives to strength their engagement in the EITI implementation also these activities included in the Work Plan optimize the GoA’s Program 2021-2025 in the objectives formulated as below : *“Such an important principle of involvement of the public in the decision making processes will be the axis of Government, in a more structured form, where the partnership with every Albanian citizen will be a partner of the government, as a guarantee of Transparency but also of regular measurement of government performance”*.

## 2. Table of Activities

### ALBEITI WORK PLAN 2024- 2025

	<b>Period of Implementing</b>
<b>A- Support to streamlined EITI reporting</b>	
A.1- <i>The EITI Reports 2019 and 2020-2021 and to support government institutions and extractive companies in the EITI process. Revision of current legislation for reporting by activity and Project Basis in the mining sector and the development of Standards for Local Reporting.</i>	<b>2024</b>
A.2- <i>The EITI Report 2022</i>	<b>2024</b>
A.3- <i>The EITI Report 2023</i>	<b>2024-2025</b>
A.4- <i>Maintenance of the Open Data Portal and the Mining Cadastre Portal.</i>	<b>2024-2025</b>
<b>B- Extension of sector disclosures' scope</b>	
B.1- <i>Consultancy services for assessment of impact of the Albania Beneficial Ownership Law.</i>	<b>2024</b>
B.2- <i>Consultancy Service on Energy Transition in the Renewable Energy Sector: Gas/Wind/Solar energy. Designing of reporting template for the inclusion of renewable energy and the gas sector in EITI reporting.</i>	<b>2024</b>
B.3- <i>Consultancy Services for the assessment of gender in the extractive sector and gender inclusion in EITI reporting.</i>	<b>2024</b>
B.4- <i>Consultancy Services for the assessment of socio-economic impacts of the oil industry and the risks and benefits of the energy transition.</i>	<b>2024</b>
B.5- <i>Consultancy services for Health and Safety at work in the Extractive Industries Sector</i>	<b>2024-2025</b>
B.6- <i>Consultancy services for the assessment of the impact of extractive sector foreign investments.</i>	<b>2024-2025</b>
<b>C- Advocacy and Capacity Building</b>	
C.1- <i>Extractive Industry management Trainings.</i>	<b>2024-2025</b>
C.2- <i>Contribution and participation to international forums on EI governance.</i>	<b>2024-2025</b>
C.3- <i>Communication and Outreach Activities for 2024- 2025</i>	<b>2024-2025</b>