

Validation of Albania:

Final assessment of progress in implementing the EITI Standard

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Acronyms

AKBN	National Agency of Natural Resources
Albeiti	Albania EITI
AlbNet	Albanian Network – Extractive Industry Transparency Initiative
ALL	Albanian Lek
APR	Annual Progress Report
BO	Beneficial Ownership
COVID-19	Coronavirus Disease 2019
CSO	Civil Society Organisation
DPD	Albanian Customs Administration
DPT	General Directorate of Taxes
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
ERE	Energy Regulatory Agency
GDP	Gross Domestic Product
IA	Independent Administrator
INSTAT	Albania Institute of Statistics
ISIC	International Standard Industrial Classification of economic activities
KLSH	Kontrolli i Lartë i Shtetit, the supreme audit institution of Albania
LGU	Local Government Unit
MFE	Ministry of Finance and Economy
MIE	Ministry of Infrastructure and Energy
MSG	Multi-Stakeholder Group
MTE	Ministry of Tourism and Environment
NIPT/NUIS	Unique tax identification number
OSCE	Organisation for Security and Cooperation in Europe
PEP	Politically Exposed Person
PPP	Public-private partnership
PSA	Production Sharing Agreement
QBZ	Qendra e Botimeve Zyrtare [Official Publishing Centre]
QKB	Qendra Kombetare e Biznesit [National Business Centre]
SECO	Swiss State Secretariat for Economic Affairs
Sh.a.	Joint Stock Company (Shoqëri Aksionare)
Sh.p.k/Sh.a.k.	Limited liability company (Shoqëri me Përgjegjësi të Kufizuar)
SOE	State-owned enterprise
TAP	Trans-Adriatic Pipeline
TOR	Terms of Reference
TWh	Terra Watt hours
URL	Uniform Resource Locator/online hyperlink
USD	United States Dollar

Executive summary

This draft Validation report presents the findings of the International Secretariat's Validation of Albania, which commenced on 1 October 2021. The draft report was finalised for review by the multi-stakeholder group (MSG) on 18 November 2021. Following comments from the MSG submitted on 31 December 2021, the Validation report was finalised for consideration by the EITI Board. The assessment suggests that Albania has fully met 19 EITI Requirements, mostly met eight requirements, and partly met one requirement. Albania has established an EITI process increasingly based on systematic disclosures, broader civil-society participation, and more emphasis on issues relevant to energy transition and the hydropower sector. EITI objectives are well-aligned with national priorities. Stakeholders have used the EITI platform for public debate on reform of the extractive industries. While Albania has not yet fully met all requirements of the EITI Standard, this report highlights a number of areas of development for Albanian stakeholders to consider in further strengthening the EITI as a national tool for good governance.

Key achievements

- Albania EITI (Albeiti) has begun to restructure its EITI reporting process to build on routine disclosures by government and corporate entities. Through its open data¹ and cadastre² portals, Albeiti effectively combines more accessible information to provide a holistic overview of extractive activities.
- Albeiti, through strong engagement of local government units, civil society, and industry, has increased public attention to subnational transfers of royalties to local government units in Albania. Led by civil society and despite COVID-19 restrictions, there has been good debate on both actual subnational transfers and the ability of these transfers to fund public services in extractive regions.
- Led by the Albanian Network – Extractive Industry Transparency Initiative (AlbNet) Coalition, civil society have been actively engaged, including through media and academic institutions, in outreach and debate. To further strengthen these efforts and ensure delivery on the work plan objectives there is need for more sustainable financial resources.

Areas for development

- Albeiti have broadened civil society engagement in the country, which is exemplified through its activities on subnational transfers highlighted above. However, industry engagement has been subpar. A number of concerns include; lack of reporting from a significant number of companies, reliance on regular waivers to overcome legal barriers to disclosure, ensuring adequate coverage across the industry, and low engagement in Albeiti developments. Companies' active participation is key to ensure adequate disclosures at project level, with comprehensive and reliable financial data.
- Building on Albeiti's increasing use of systematically disclosed data, there is an opportunity to boost efforts on using data from government and corporate portals for analysis and debate. Some areas include the beneficial ownership register, the various license and contract registers, and licenses and contract allocation procedures.

¹ Albeiti (2020), 'Open Data Portal'. Available at: <https://www.opendata-albeiti.org/>

² Albeiti (2021), 'Albania Mining Cadastre Portal'. Available at: <https://miningcadastre.albeiti.org/>

- Lastly, Albeiti's work with regional and local governments on royalty transfers and environmental impact is commendable. There is ample room for expanding this engagement to other areas. These include better understanding of public finance management systems, especially the devolved fiscal responsibilities set in the 2014 reforms for regional and local governments. There is also scope for reviewing statutory company filings to the government to integrate any existing disclosures of companies' direct subnational payments into Albania's EITI reporting.

Progress in implementation

EITI Validation assesses countries against three components – “Outcomes and impact”, “Stakeholder engagement”, and “Transparency”.

Outcomes and impact

Albanian EITI stakeholders have contributed to policy dialogue and reform on issues relevant to the extractive industries. During the 2017-2018 reporting process, Albeiti provided input to laws on beneficial ownership disclosure legislation, environmental regulations, as well as ongoing revisions of the mining law.³ Albanian stakeholders, civil society in particular, have used and analysed EITI data on subnational revenues and transfers to support policy engagement.⁴ Stakeholders consulted appear to especially value the recent developments of a Mining Cadastre and Open Data Portal. These platforms improve accessibility of data on the extractive and hydropower sectors. By expanding open data disclosures Albeiti has the potential to deliver greater impact by cross-referencing or linking the portals to other government data disclosure systems. While the work plan clearly formulates Albeiti objectives aligned with national priorities, more could be done to strengthen the connection between the MSG's annual review of implementation progress and EITI work planning, through results-based approaches to monitoring and evaluation. This Validation has identified corrective actions from the 2019 Validation that remain unaddressed, and the MSG could ensure EITI recommendations are followed up on in a more systematic manner.

Stakeholder engagement

The government and civil society are fully, actively and effectively engaged in EITI implementation. A broad range of government representatives expressed support for the mission of Albeiti. Funding from the state budget (\$139,000 in 2020) covered salaries and operating expenses of the National Secretariat, but not EITI implementation activities. This was confirmed by MSG comments on the draft Validation report for 2020-2021 activities only. Government representatives discussed EITI implementation issues with relevant institutions (MIE, MFE, QBK, AKBN) via meetings and official communication. Civil society MSG members broadened their engagement, outreach, and coordination with the broader constituency since 2019, though there is evidence that financial capacity constraints limit civil society participation in the EITI process. On the other hand, industry representation and engagement on the MSG appears to have weakened since the last Validation. While recent industry appointments to fill vacancies on the MSG were made in 2021, industry engagement does not appear to involve other stakeholders beyond these representatives. As reflected in challenges in company participation in EITI reporting, there is clearly a scope to strengthen EITI engagement and uptake with the business

³ Albanian Parliament (2021). 'Law No.65/2021 Amendments and Additions to Law No.10 304 Dated 15.7.2010 On the Mining Sector in the Republic of Albania (Amended)'. Available at (Albanian only): <http://www.parlament.al/Files/ProjektLigje/20210524182706ligj%20nr.%2065,%20dt.%2020.5.2021.pdf>

⁴ AlbNet-EITI (2021). 'Activities'. Available at: http://albneteiti.org/?page_id=800

community. The COVID-19 pandemic curtailed MSG plans for in-person outreach across the country, which in turn reduced local stakeholder engagement. However, the Validation identified progress in outreach during consultations which included contact with stakeholders from mining regions that had not previously engaged with Albeiti.

Transparency

There have been increasing systematic disclosures of information related to the governance of Albania's extractive industries since the last Validation, including related to the hydropower sector. The Albeiti Secretariat and MSG have increasingly collated and analysed data from various government sources to provide a complete picture of extractive operations and activities, and in consolidating open data disclosures through a newly published data portal.⁵ Yet there is scope to further improve Albeiti's analysis of systematic disclosures. The Official Publishing Centre (QBZ), an official government portal, provides access to legislation and to some extractive contracts through the Official Gazette. The National Business Centre (QKB) maintains a public corporate registry, several license registers, as well as a beneficial ownership registry launched in 2021. Albpetrol, the state-owned enterprise, systematically discloses its audited financial statements and other reports, such as on public tenders and petroleum sales. Reports by Albania's gas transportation state-owned enterprise (SOE), Albgaz, and disclosures on the Trans-Adriatic Pipeline's (TAP) Electronic Data Platform⁶ have not yet been scrutinised by Albeiti but will become increasingly important as gas transportation through the TAP commenced in 2020. Transparency in company payments and government revenues from the extractive industries continues to remain a challenge for Albania. Albania currently only reports subnational transfers comprehensively, as legal constraints hamper full disclosure of national and subnational government revenues from companies participating in extractive activities. There continue to be challenges in ensuring the comprehensiveness and reliability of financial disclosures (see *Requirements 4.1 and 4.9*), as well as the disaggregation of published data at a project level for those revenues levied on a per-project basis.

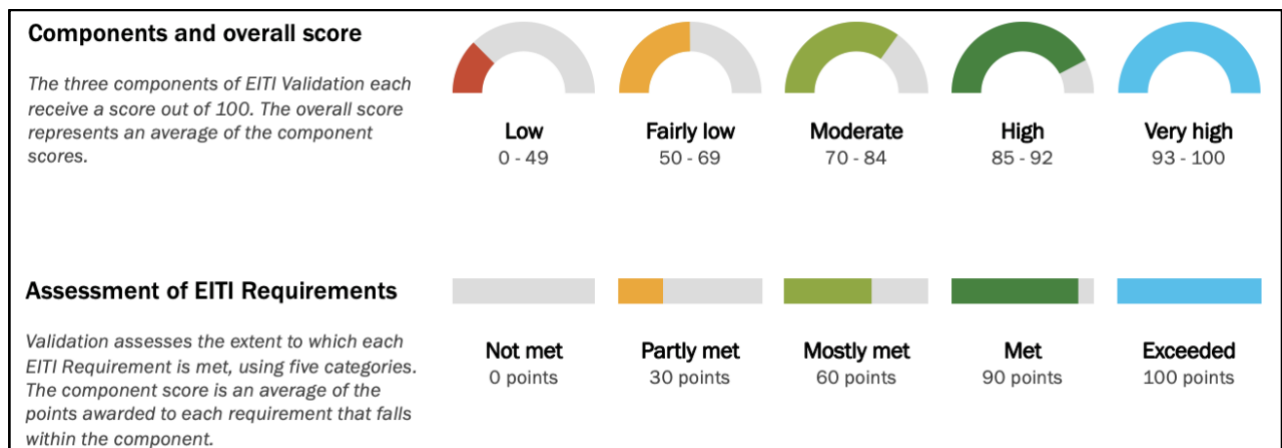
⁵ Albeiti (2020), 'Open Data Portal'. <https://www.opendata-albeiti.org/>

⁶ Trans Adriatic Pipeline (2021), 'TAP: Electronic Data Platform'. Available at: <https://edp.tap-ag.com/>

Figure 1 Scorecard: Summary of progress in the Validation of Albania (2021)

EITI Requirements			Secretariat assessment	
Validation of Albania (2021): assessment per EITI Requirement			Level of progress	Score
Component	Module	Requirements		
Outcomes and impact	Extra points	Effectiveness and sustainability indicators		2.5
	Outcomes and impact	Work plan (#1.5)	Fully met	90
		Public debate (#7.1)	Fully met	90
		Data accessibility and open data (#7.2)	Fully met	90
		Recommendations from EITI (#7.3)	Mostly met	60
	Outcomes & impact (#7.4)	Fully met	90	
Stakeholder engagement	Multi-stakeholder oversight	Government engagement (#1.1)	Fully met	90
		Industry engagement (#1.2)	Mostly met	60
		Civil society engagement (#1.3)	Fully met	90
		MSG governance (#1.4)	Fully met	90
Transparency	Overview of the extractive industries	Exploration data (#3.1)	Fully met	90
		Economic contribution (#6.3)	Fully met	90
	Legal and fiscal framework	Legal framework (#2.1)	Fully met	90
		Contracts (#2.4)	Partly met	30
		Environmental impact (#6.4)	Not assessed	-
	Licenses	Contract and license allocations (#2.2)	Mostly met	75
		License register (#2.3)	Fully met	90
	Ownership	Beneficial ownership (#2.5)	Mostly met	60
	State participation	State participation (#2.6)	Fully met	90
		In-kind revenues (#4.2)	Fully met	90
		SOE transactions (#4.5)	Fully met	90
		SOE quasi-fiscal expenditures (#6.2)	Not applicable	-
	Production and exports	Production data (#3.2)	Fully met	90
		Export data (#3.3)	Fully met	90
	Revenue collection	Comprehensiveness (#4.1)	Mostly met	60
		Barter agreements (#4.3)	Not applicable	-
		Transportation revenues (#4.4)	Not applicable	-
		Disaggregation (#4.7)	Mostly met	60
		Data timeliness (#4.8)	Fully met	90
		Data quality (#4.9)	Mostly met	60
Revenue management	Distribution of revenues (#5.1)	Fully met	90	
	Revenue management & expenditures (#5.3)	Not assessed	-	
Subnational contributions	Direct subnational payments (#4.6)	Mostly met	60	
	Subnational transfers (#5.2)	Fully met	90	
	Social and environmental expenditures (#6.1)	Mostly met	60	

How EITI Validation scores work



The overall score (out of 100) represents an average of the scores of each component.

Each requirement will be assessed following the scale below and assigned corresponding points:

- **Exceeded** (100 points): All aspects of the requirement, including ‘expected’, ‘encouraged’ and ‘recommended’ aspects, have been implemented and the broader objective of the requirement has been fulfilled through systematic disclosures in government and company systems.
- **Fully met** (90 points): The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.
- **Mostly met** (60 points): Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled.
- **Partly met** (30 points): Significant aspects of the requirement have not been implemented, and the broader objective of the requirement is not fulfilled.
- **Not met** (0 points): All or nearly all aspects of the requirement remain outstanding, and the broader objective of the requirement is far from fulfilled.
- **Assessment with/without improvements on last Validation** (+15 points): The assessment of the Requirement remains the same, but also assesses any improvements on progress in achieving the requirement’s objective since the last Validation.
- **Not assessed**: Disclosures are encouraged, but not required and thus not considered in the score.
- **Not applicable**: The MSG has demonstrated that the requirement doesn’t apply.

Where the evidence does not clearly suggest a certain assessment, stakeholder views on the issue diverge, or the multi-stakeholder group disagrees with the Secretariat’s assessment, the situation is described in the assessment.

1. Effectiveness and sustainability indicators

The country is awarded 0, 0.5 or 1 point for each of the five indicators. The points are added to the average component score on outcomes and impact.

1.1 National relevance of EITI implementation

This indicator considers the extent to which EITI implementation in Albania addresses nationally relevant extractive sector challenges and risks. Albania clearly links its EITI implementation objectives to national priorities, including the agenda of legal reforms aimed at improving the management of natural resources and the government's anti-corruption strategy. Albania uses its annual EITI reporting to shine light on financial transactions in the extractive industries. The MSG expanded outreach efforts to a wider group of stakeholders across the country referring to Albeiti disclosures. For example, a joint project with the OSCE on royalty income reached local government authorities in communities affected by extractive industries⁷, responding directly to objectives of Albania's 2018-2019 Workplan on improved understanding of subnational transfers of royalties. Subnational payments and impacts are a key issue for Albanian local government units, and consultations confirmed EITI advocacy efforts have made a positive impact to advance a dialogue between stakeholders at the local/regional and national levels about distribution of benefits and impact of extractive industries. Stakeholders noted that a major earthquake in 2019 and the COVID-19 pandemic were impediments to activities intended to deliver planned outcomes.

Albeiti has seized opportunities to go beyond EITI Requirements to address nationally relevant challenges such as the energy transition. Hydropower ranks as the second most important energy source in Albania after petroleum and is the main focus of government efforts to transition to low-carbon electricity generation. The most recent EITI Report identifies significant losses of power in the distribution system, which Albanian authorities are working to address. Stakeholders consulted called for the EITI to develop this area of work with further studies to evaluate other renewable energy technologies, mirroring national efforts to expand sources of clean energy, including wind and solar. Future EITI reporting could align with these developments and national priorities to take a broader view of the energy transition in Albania.

Based on clear alignment of the EITI with nationally relevant issues in the extractives sector, the Secretariat's proposal is that **0.5 additional points** be added to the score on outcomes and impact for this indicator.

1.2 Systematic disclosures of extractive industry data

This indicator considers the extent to which Albania systematically discloses extractive sector data through routine government and corporate reporting. Digital governance is a priority for Albeiti reflected in its EITI objectives. Currently, 48% of data required by the EITI Standard are routinely disclosed at source by government and corporate entities in Albania, based on a self-

⁷ Albeiti (2020), 'Annual Progress Report'. Available at: <https://www.albeiti.org/site/wp-content/uploads/2021/07/2020-eng-apr.pdf>

assessment by Albeiti and published through EITI's Systematic disclosure dashboard.⁸ As part of its commitments to the Open Government Partnership, the government is implementing a strategy to advance its e-governance services and information. Albeiti has made a significant contribution to the e-government transition with two open data projects for natural resource governance. The Open Data Portal⁹ and Mining Cadastre¹⁰ demonstrate the added value of EITI as data collectors and providing improved access to information for the public. Albania EITI fills a gap of what the government is unable to publish systematically. However, these efforts fall short of systematic disclosure for the time being, until ministries and agencies that own the data provide equivalent access. Albeiti National Secretariat staff currently update the portals manually with data received from the data owners, which is resource heavy. Nonetheless, there are reforms underway through reviews of beneficial ownership legislation, a review of the Mining Law, and several activities in Albeiti's 2021-2022 work plan reference steps needed to further expand EITI disclosures and improve the systematic disclosures of EITI data through routine government systems.

To improve the sustainability of disclosures, Albeiti could work with government agencies to allow for direct links to government information systems streamlining this particular reporting process. Where data is maintained online, Albeiti resources can be redirected to activities with potential to achieve greater impact. As part of these efforts the portals could be further developed to e.g. be expanded to include the full text of contracts associated with mining and hydrocarbon licenses, which are published as a matter of public record according to government stakeholders consulted. Another example concerns legislation, where Albeiti seemingly does not make use of the routine (at least partially disclosed) publications of legislative documents through the QBZ.¹¹ Indeed, while QBZ appears to publish up-to-date legislative documents online, such as acts, regulations and decrees, Albeiti does not appear to have yet systematically reviewed these disclosures to ensure that EITI reporting builds on existing systematic disclosures by the Albanian government.

Based on progress to establish the online portals which advance open data and provide a foundation for further progress toward systematic disclosure, the Secretariat's proposal is that **0.5 additional points** be added to the score on outcomes and impact for this indicator.

1.3 Environment for citizen participation in extractive industry governance

This indicator considers the extent to which there is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities. During the period under review, Albeiti increased outreach efforts to civil society and other stakeholders in regions and local communities with extractive industries. Switzerland's State Secretariat for Economic Affairs (SECO) provided financial support for a project to strengthen civil society in the Albeiti process.¹² In February 2020, the civil society constituency led a series of meetings with local stakeholders to introduce and explain the benefits of engagement with the

⁸ EITI International Secretariat (2021), 'Systematic disclosure dashboard'. Available at: <https://app.powerbi.com/view?r=eyJrIjoiaNjc2Y2ZmY2YtOWEzNS00NDdjLWJmNzYtMjg3MjYwM2NiODEwliwidCI6ImQwNDNmNjc3LTlxOTgtNGZkNC05YjZLWJlYTOzNTJhNGRlMyIsImMiOiJh9>

⁹ Albeiti (2020), 'Open Data Portal'. <https://www.opendata-albeiti.org/>

¹⁰ Albeiti (2021), 'Albania Mining Cadastre Portal'. Available at: <https://miningcadastre.albeiti.org/>

¹¹ Qendra e Botimeve Zyrtare (2020), 'Qendra e Botimeve Zyrtare [Official Publishing Centre]'. Available at: <https://qbz.gov.al>

¹² Albanian Centre for Development and Integration (2020), 'Strengthening Civil Society in the Albania EITI Process'. Available at: <https://www.albeiti.org/site/wp-content/uploads/2021/09/progress-report-sec-eiti-ngo-final.pdf>

EITI.¹³ Further planned outreach efforts were curtailed by the COVID-19 pandemic. The civil society constituency has renewed its membership in the MSG. This includes two new stakeholders from media and academic sectors who had not previously been involved in EITI, but who have interests in the extractive industries and energy transition. The MSG renewal provides evidence of broader citizen participation in the EITI process. Regional outreach has raised awareness about EITI but does not appear to have resulted in wider geographic involvement in EITI implementation. A greater focus on corporate engagement at the regional level could potentially increase the responsiveness to corporate reporting, as several non-reporting companies represent smaller and local enterprises.

There are no stakeholder concerns about civic space related to the extractive industries. As civic space has not been considered a significant concern by stakeholders of the EITI process, it is not possible to attribute any perceived improvements in civic space to the EITI process either. The Freedom in the World 2021¹⁴ report on Albania found there were no significant restrictions on free and open discussion, including for online blogs and social media. The report notes that NGOs generally function without restriction but have limited policy influence due to dependence on foreign donors and funding challenges. Financial constraints were noted by civil society representatives as a limiting factor for participation in the EITI process. Stakeholders noted that the World Bank is the main donor for Albeiti activities and rules in the MSG Terms of Reference prevent civil society members on the MSG from direct financial benefit from activities in the EITI work plan. However, this rule does not preclude civil society members from contributing to projects in the work plan. Albeiti could strengthen fundraising efforts with an aim to diversify funding sources, which could help to address the problem of financial constraints. Thus, the Secretariat cannot conclude that EITI has expanded civic space in Albania, but the EITI platform has improved civil society and the public's access to extractive sector governance issues.

In light of progress in increasing regional outreach and engaging civil society in public debate about the extractive industries, the Secretariat's proposal is that **0.5 additional points** be added to the score on outcomes and impact for this indicator.

1.4 Accessibility and use of extractive industry data

This indicator considers the extent to which extractive sector data is accessible and used for analysis, research and advocacy. Albeiti has made a significant contribution to increase the accessibility of extractive sector data. These include two projects that expanded public access to open data for natural resource governance. The Open Data Portal¹⁵ and Mining Cadastre¹⁶ demonstrate how Albeiti activities added value by gathering data from different government sources into a consolidated online source. Data in these portals are available for download as PDF, Excel and CSV format. Industry stakeholders consulted considered that the data available in the Mining Cadastre had been particularly useful to the constituency. Civil society organisations are particularly involved in the use and analysis of EITI data on subnational transfers. There is evidence that stakeholders used EITI reporting and research studies for advocacy about the benefits of extractives revenues for regions and local communities.¹⁷ This included interviews

¹³ Albeiti (2020), 'Annual Progress Report'. Available at: <https://www.albeiti.org/site/wp-content/uploads/2021/07/2020-eng-apr.pdf>

¹⁴ Freedom House (2021). 'Freedom in the World 2021 Albania'. Available at: <https://freedomhouse.org/country/albania/freedom-world/2021>

¹⁵ Albeiti (2020), 'Open Data Portal'. <https://www.opendata-albeiti.org/>

¹⁶ Albeiti (2021), 'Albania Mining Cadastre Portal'. Available at: <https://miningcadastre.albeiti.org/>

¹⁷ AlbNet-EITI (2021). 'Activities'. Available at: http://albneteiti.org/?page_id=800

and articles published in Albanian media channels.¹⁸ Civil society have also used the EITI platform to facilitate dialogue between local and national authorities on direct subnational revenues from the extractive industries.

There are opportunities for Albeiti to do more to promote awareness and use of new online disclosure tools, including the open data portal and mining cadastre. The portals have improved public accessibility of license information. These resources are still relatively new, which helps explain why the Validation team did not identify evidence that government or industry stakeholders had used or analysed data available through these portals. The COVID-19 pandemic has hampered planned communication and outreach efforts by Albeiti, including promotion of the Open Data Portal and Mining Cadastre. The Communications and Outreach Strategy¹⁹ identifies promotion of the Open Data Portal and Mining Cadastre but does not specify target audiences that would potentially use these tools for public debate, or the policies or practices that could change as a result of using EITI data. Albeiti may wish to sharpen the focus of the strategy to strengthen the impact of implementation. EITI implementation could be strengthened with more focus on the encouraged aspects of the 2019 Standard such as reporting on environmental impact assessments and social payments. Government stakeholders involved in this area of work seemed to be unaware of the EITI and how its implementation could support the transparency agenda. Industry representatives cited examples of social payment requirements by regional authorities in the form of an “educational tax” related to project development. Albeiti may consider investigating this issue in follow up to work it has commissioned on the social impact of the extractive industries on local communities.

Based on the progress of Albeiti to increase accessibility of open data, the Secretariat’s proposal is that **0.5 additional points** be added to the score on outcomes and impact for this indicator.

1.5 EITI-related changes to extractive industry policy and practice

This indicator considers the extent to which EITI has informed changes in extractive sector policies and practices. The Albeiti work plan includes studies with potential to inform policy relevant to the oil, gas and mining sector. In 2020, the MSG commissioned a consultant to prepare an environmental impact assessment study of the extractive industries in Albania.²⁰ Despite the difficult conditions of the COVID-19 pandemic, the consultant conducted a comprehensive study with in-depth analysis of environmental impacts. The study included a review of Albanian legislation with gap analysis and recommendations to strengthen environmental regulation. The findings fed into revisions of the mining law in 2021 to reflect EITI Requirements and included recommendations relevant for environmental impact.²¹

¹⁸ AlbNet-EITI (2021). ‘Media’. Available at: http://albneteiti.org/?page_id=650

¹⁹ Albeiti (2021). ‘Communication and Outreach Strategy’. Available at: <https://www.albeiti.org/site/wp-content/uploads/2020/12/EITI-Albania-Draft-English.pdf>

²⁰ Abkons (2020). ‘Albania EITI Final Environment Scoping Study Report for the Extractive Industries’. Available at: https://www.albeiti.org/site/wp-content/uploads/2021/01/AL-AB-BA1-Albania-EITI-Environment-Scoping-Study-Final-Report_English-signed.pdf

²¹ Albanian Parliament (2021). ‘Law No.65/2021 Amendments and Additions to Law No.10 304 Dated 15.7.2010 On the Mining Sector in the Republic of Albania (Amended)’. Available at (Albanian only): <http://www.parlament.al/Files/ProjektLigje/20210524182706ligje%20nr.%2065,%20dt.%2020.5.2021.pdf>

Another study published in February 2021 looked at the social impact of the extractive industries in local content and employment.²² The Albeiti civil society constituency led this initiative, which links with the strong national interest in the economic impact of revenues from the mining and hydrocarbon sector, particularly in the regions where these industries are concentrated. The study complemented the annual EITI report by providing further contextual information. The findings indicated that the law on royalty transfers to Local Government Units (LGUs) was not being fully implemented. Albeiti civil society representatives have communicated the study's findings to regional stakeholders to raise awareness about social impact and economic issues. This has supported the EITI advocacy work on subnational payments to ensure that local communities are receiving the financial benefits owed to them from extractive activities in their respective jurisdictions. Albeiti is considering the findings to also feed into current public debate in Albania related to possible changes to subnational transfers, specifically whether the current 5% of royalties is sufficient for fair redistribution. Aside from the community engagement on subnational payments, the Validation consultations and dossier review identified examples of Albeiti contribution to beneficial ownership legislation and amendment to the mining law to include environmental impact (cited above).

In light of evidence that Albeiti reporting and advocacy contributed to mining legislative reform on environmental impacts and the practice of subnational payments, the Secretariat's proposal is that **0.5 additional points** be added to the score on outcomes and impact for this indicator.

2. Outcomes and impact

This component assesses EITI Requirements 7 and 1.5, which relate to progress in addressing national priorities and public debate.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Work plan (Requirement #1.5)	<p>The Secretariat's assessment is that Albania has fully met the objective of ensuring that the annual planning for EITI implementation supports implementation of national priorities for the extractive industries while laying out realistic activities that are the outcome of consultations with the broader government, industry and civil society constituencies. The annual EITI work plan is a key accountability document for the MSG vis-à-vis broader constituencies and the public. There is no evidence to suggest that there has been backsliding on Requirement 1.5, which was assessed as 'satisfactory progress' in the previous Validation.</p> <p>The work plan reflects strategic objectives agreed by the MSG, aligned with national priorities and stakeholder needs. The work plan is publicly accessible via the Albeiti website. The workplan would still benefit from a clearer link between objectives and how</p>	Fully met

²² Haxhia and Hajdari Attorneys at Law (2021). 'Final Study: Albania EITI Social Impact of Extractive Industries in Local Content and Employment'. Available at: http://www.albeiti.org/wp-content/uploads/2021/02/Social-impact-of-EI-in-Albania_Final-Draft_EN_EXE.pdf

	activities will deliver outcomes to achieve them. Additionally, civil society stakeholders noted financial constraints that can limit stakeholders' ability to fully deliver on activities. As the Albeiti workplan almost exclusively depends on a single development partner there is scope to identify domestic and external sources of funding and technical assistance to ensure timely implementation of the agreed work plan.	
Public debate (Requirement #7.1)	<p>The Secretariat's assessment is that Albania has fully met the objective of this requirement to enable evidence-based public debate on extractive industry governance through active communication of relevant data to key stakeholders in ways that are accessible and reflect stakeholders' needs. Significant aspects of the requirement have been implemented, and the broader objective of the requirement is mostly fulfilled. There is no evidence to suggest that there has been backsliding on Requirement 7.1, which was assessed as 'satisfactory progress' in the previous Validation.</p> <p>Disclosures and reporting are widely accessible to the public via the Albeiti website. The MSG increased outreach to regions and broader civil society including academics, think tanks and journalists, though stakeholders noted that the 2019 earthquake and COVID-19 pandemic adversely affected communication and outreach activities with limitations on movement and in-person participation. Albeiti collaborated with the OSCE and Ministry of Interior on the impact of the extractive industries in local communities, raising awareness among regional stakeholders and supported advocacy work on subnational payments. Albeiti may still wish to sharpen the focus of the communications strategy to also specify target audiences that would potentially use these tools for public debate.</p>	Fully met
Data accessibility and open data (Requirement #7.2)	<p>The Secretariat's assessment is that Albania has fully met the objective of this requirement to enable the broader use and analysis of information on the extractive industries, through the publication of information in open data and interoperable formats. The broader objective of the requirement has been fulfilled, and all required aspects of the requirement have been addressed.</p> <p>There is evidence that the MSG made efforts to improve open data access. Albeiti have developed an Open Data Portal and a Mining Cadastre, where data about the oil, gas, mining and hydropower sectors can be downloaded in various open formats. Summary data was completed in due course subsequent to publication of EITI reports. These efforts, while recently expanded could be further improved by ensuring real-time linkage to government systems.</p>	Fully met
Recommendations from EITI implementation (Requirement #7.3)	The Secretariat's assessment is that Albania has mostly met the objective of this requirement to ensure that EITI implementation is a continuous learning process that contributes to policymaking, based on the MSG regularly considering findings and recommendations from the EITI process and acting on those	Mostly met

	<p>recommendations it deems are priorities. The level of progress has deteriorated since the previous Validation.</p> <p>There was some progress in addressing recommendations originating from EITI reports. MSG representatives contributed to drafting a new legal framework for royalties. Through the Ministry of Infrastructure and Energy (MIE), Albeiti contributed to drafting a law on beneficial ownership and a decision to create a BO register. The contribution included convening an expert group who prepared a legal review of transparency in the extractive industries as input to the MIE for what became Law 112/2020 on the “Register of the Beneficiary Owners.”</p> <p>The previous Validation in 2019 noted that Albeiti had belatedly established a working group with a time-bound plan to act upon lessons learnt, to identify, investigate and address the causes of any discrepancies and weaknesses of the EITI process and to consider any recommendations for improvements by the IA. This Validation confirmed the MSG process for learning, review and action on recommendations includes a Working Group on Corrective Actions. However, the Secretariat’s consultations and documentation review was unable to locate any evidence of group’s discussions or decisions since the 2019 Validation. Additionally, Albeiti did not respond to several corrective actions (see requirements 4.1, 4.6 and 4.9), in particular related to challenges of the reconciliation exercise. In combination these issues call into question the MSG’s mechanisms for consistent follow-up on recommendations and corrective actions. It is still important to note that the 2017-18 EITI Report does provide a reference to progress, or lack thereof, on addressing findings and recommendations from EITI reporting and validations.</p>	
<p>Review the outcomes and impact of EITI implementation (Requirement #7.4)</p>	<p>The Secretariat’s assessment is that Albania has fully met the objective of this requirement to ensure regular public monitoring and evaluation of implementation. There is no evidence to suggest that there has been backsliding on Requirement 7.4, which was assessed as ‘satisfactory progress’ in the previous Validation.</p> <p>The MSG tracks outputs, outcomes and impact through surveys, annual progress reports (APRs), and meetings with stakeholders. Consultations found that the COVID-19 pandemic had reduced overall EITI engagement including feedback collection. The 2021 APR highlighted social and environmental impact studies, including recommendations to closely monitor rights of vulnerable groups, including gender implications of the extractives sector.</p>	<p>Fully met</p>
<p>New corrective actions and recommendations</p>		
<ul style="list-style-type: none"> To strengthen implementation on workplans (Requirement 1.5), Albania is may wish to improve its description of how activities relate to wider objectives in general, including how they link with anti-corruption efforts and goals of the government. Albania may also wish to diversify its sources of funding and technical assistance to better facilitate the full participation of all stakeholder groups in all of its activities. To further strengthen implementation, Albania could consider a results-based approach of activities in work plan to provide a better basis for monitoring and evaluation. Lastly, to improve on its documentation of follow up on findings and recommendations of EITI reporting and Validation, Albania could ensure that these are included as specific activities as part of future workplans. 		

- To further improve on data accessibility and open data (Requirement 7.1), Albania may wish to consider sharpening the focus of its communications publications to clearly identify target audiences and its contributions to public debate. The Albeiti website could be further improved by ensuring automation of information transfer between open data portal and mining cadastre and government systems that maintain EITI-related data.
- In accordance with Requirement 7.3 on recommendations from EITI implementation, Albania must ensure there is a clear and documented process that ensures actual review and follow up on recommendations from EITI reporting and validations. To further improve on stakeholders' capacity to address recommendations, Albania is encouraged to ensure adequate funding is secured from government to address the relevant recommendations (also see recommendation under EITI Requirement 1.1 on government engagement), and to request support from the EITI Secretariat when undertaking capacity building or technical exercises.
- To further enhance its annual review of EITI outcomes and impacts (Requirement 7.4), Albania is encouraged to reach out to broader stakeholder constituencies, including increased use of telecommunications platforms to mitigate the potential limitations of outreach during the COVID-19 pandemic. To improve its efforts to document the impact of the Albanian EITI process, Albania should also identify targets for priority areas and develop precise mechanisms to monitor the country's development.

3. Stakeholder engagement

This component assesses EITI Requirements 1.1 to 1.4, which relate to the participation of constituencies and multi-stakeholder oversight throughout the EITI process.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Government engagement (Requirement #1.1)	The Secretariat's assessment is that Albania has fully met the objective of this requirement to ensure a full, active and effective government lead for EITI implementation. There is no evidence of back-sliding since the previous Validation, in which Requirement 1.1 was assessed as "satisfactory progress." A broad range of government representatives expressed support for the mission of Albeiti and consultations clearly revealed a full, active and effective engagement, with strong coordination across various ministries led by the MSG Chair, the Deputy Minister of Infrastructure and Energy. The government funds the National Secretariat including staff salaries and operating expenses but does not financially support implementation activities. The MSG confirmed this through its comments to the draft Validation report, and clarified that the government did fund certain communication and outreach activities prior to the Covid-19 pandemic.	Fully met
Industry engagement (Requirement #1.2)	The Secretariat's assessment is that Albania has mostly met the objective of this requirement to ensure that extractive companies are fully, actively and effectively engaged in the EITI, both in terms of disclosures and participation in the work of the multi-stakeholder group, and that the government ensures an enabling environment for	Mostly met

	<p>this. The level of progress has deteriorated and there is evidence to suggest back-sliding since the previous Validation.</p> <p>The MSG Terms of Reference state that the industry constituency shall include “five business representatives selected from the largest companies operating in the country in the extractive sector and hydropower, as well as the Association of Investors in this sector or Chambers of Commerce with a focus on natural resources.”²³ In practice, there were three vacancies on the MSG between 2019 and 2021 which indicate that industry has not been fully and effectively engaged (unrelated to the COVID-19 pandemic). While the participation of two industry members since 2019 is commendable, the appointment of three remaining business representatives in September 2021 occurred just before commencement of Validation. Weaknesses in industry engagement are also reflected in company reporting practices since the last Validation. A relatively low share of material companies participated in EITI reporting for 2017-2018, despite company reporting constituting a key corrective action related to Requirement 4.1 from the last Validation. For Albania to improve on company participation in EITI reporting and to progress further on systematic disclosures, the engagement of the wider extractive industry and awareness of the benefits of corporate disclosure is key. The constituency’s inability to engage with non-reporting extractive companies therefore suggest that there are additional efforts needed for Albania to ensure that extractive companies are fully, actively and effectively engaged in the EITI, both in terms of disclosures and participation in the MSG’s work. As part of the MSG’s comments to the draft Validation report, it was noted that these findings may highlight the need for review and amendment of legal aspects in order to ensure data disclosure for the public.</p>	
<p>Civil society engagement (Requirement #1.3)</p>	<p>The Secretariat’s assessment is that Albania has fully met the objective of this requirement to ensure that civil society is fully, actively and effectively engaged in the EITI process, and that there is an enabling environment for this. The level of progress has improved since the previous Validation. There is no evidence of any barriers to civil society participation or input to the EITI process related to freedom of association, expression, operation, or access to public decision-making. Albania’s corrective action from its previous Validation mandated the civil society constituency to implement all provisions of its Code of Conduct in practice, including those related to regular coordination and canvassing of views, and ensure that adequate outreach is undertaken towards all CSOs with potential interests in EITI implementation. Evidence and stakeholder consultations indicate that such improvements have occurred during the period under review. The nomination procedure, codified in December 2018, is publicly available on the website of Albeiti and has been followed in practice during the last round of nominations in 2019. The AlbNet is leading the constituency, coordinating most of the outreach and dissemination activities, and strengthened its engagement, outreach, and coordination. Stakeholders did note that there are financial constraints that may limit participation in all EITI activities, though this was not</p>	<p>Fully Met</p>

²³ Albeiti (2015). ‘MSG Terms of Reference Article 7 – Composition of MSG’. Available at: <https://www.albeiti.org/site/en/regulation-of-msg/>

	<p>cited as a concern related to civil society members' abilities to engage within the MSG. There was a clear consensus among stakeholders that the constituency had expanded the group to newer organisations, with more regularly coordination with a broader constituency. The MSG comments to the draft Validation report clarified that future World Bank funding is foreseen to consider financing civil society activities, which remains to be assessed in future Validations. Civil society in its broader sense uses and disseminates EITI data in research and local communities. A particular emphasis has been on issues related subnational transfer of royalties, and environmental and social impact, though there is scope to broaden some of AlbNet's areas of focus in the coming years.</p>	
Multi-stakeholder group (Requirement #1.4)	<p>The Secretariat's assessment is that the MSG includes appropriate stakeholders relevant to the extractive industries in the country. There is no evidence to suggest that there has been backsliding on Requirement 1.4, which was assessed as 'satisfactory progress' in the previous Validation.</p> <p>The MSG operates under Terms of Reference agreed in 2016. Meeting minutes are published on the Albeiti website. The format and quality of the minutes varies. Members operated according to the Code of Conduct and there was no evidence of conflict of interest in carrying out responsibilities. Stakeholders indicated the MSG process was effective in the inclusion of all constituency groups in decision-making. MSG members generally appear to have sufficient capacity to carry out their duties. However, industry's representation on the MSG was not complete in the 2019-2021 period. Still, these gaps appear to reflect broader weaknesses in the industry constituency and are thus assessed in conjunction with the broader constituency's engagement in EITI (see Requirement 1.2). Knowledge of MSG members on some subjects such as subnational payments was particularly strong, though MSG members could benefit from building their capacity to work on licensing issues and new requirements including beneficial ownership and contract transparency. EITI peer learning opportunities within the Eurasia region could support capacity building.</p>	Fully Met
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To strengthen EITI implementation as part of its full, active and effective engagement in the EITI process (Requirement 1.1), the government may wish to review its resourcing of EITI to ensure that there is sustainable funding for all aspects of implementation, including for activities, disclosures and dissemination of EITI-related data. • In accordance with EITI Requirement 1.2, companies must be fully, actively and effectively engaged in the EITI process, which should include the wider constituency beyond the MSG. In addition the industry constituency should ensure they comply with the MSG's Terms of Reference Article 7 on the composition of the MSG to include five business representatives. The recent renewal of the industry constituency is a step in this direction and opportunity for Albeiti to address broader objectives to increase company reporting and develop awareness of the benefits of corporate disclosure. However wider industry engagement is particularly key for Albania to improve on its comprehensiveness of reporting, especially given the legal barriers for government disclosure of revenues. • To further strengthen civil society participation in the EITI process (related to Requirement 1.3), Albeiti may wish to consider ways to diversify its funding sources, e.g. increase government funding of activities. This could also improve the financial sustainability of Albeiti. 		

- To strengthen implementation in connection with Requirement 1.4.b.i, Albeiti is encouraged to undertake knowledge-building activities to strengthen members' capacity to work on licensing, beneficial ownership and contract transparency. For example, for each of the topics mentioned Albania could (i) define what constitutes complete disclosure of one license, one beneficial owner, and one transparent contract, and; (ii) monitor to which extent routine government publications provide complete disclosures of each extractive company's licenses, contracts and owners. Albania would then be well positioned to develop precise baselines, milestones and targets related to levels of transparency in the country.

4. Transparency

This component assesses EITI Requirements 2 to 6, which are the requirements of the EITI Standard related to disclosure.

Overview of the extractive sector (Requirements 3.1, 6.3)

Overview of progress in the module

EITI reporting in Albania continues to provide an overview of the extractive activities in the country, including its recent, on-going, and planned exploration activities. Additionally, Albania has demonstrated partial systematic disclosure of this information by government agencies. Amongst others, the MSG's submission for Validation highlights that access to up-to-date information on which exploration licenses exist through the Albania cadastre portal²⁴, though it is not possible to isolate recent activities associated with these licenses, nor provide an overview of the industry that would capture developments pertaining to a particular fiscal year. The Secretariat's review of the relevant disclosures indicate that this requirement has remained fully met since the last Validation.

For the extractive sector's contribution to the economy, the national statistics office of Albania (INSTAT), systematically discloses estimates of artisanal and small-scale mining, and the informal sectors' contribution to gross domestic product (GDP). Other routine disclosures include the extractive sector's contribution to GDP, exports, employment and investments. However, government revenues from the extractive sector does not seem to be systematically disclosed, with data only available through EITI reporting. The Secretariat's review of the relevant disclosures indicate that this requirement has remained fully met since the last Validation.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Exploration (Requirement #3.1)	The Secretariat's assessment is that Albania has fully met the objective of ensuring public access to an overview of the extractive sector in the country and its potential, including recent, ongoing, and planned significant exploration activities. There is no evidence to suggest that there has been backsliding on Requirement 3.1, which was assessed as 'satisfactory progress' in the previous Validation.	Fully met

²⁴ Albania EITI (2021), 'Albeiti Mining Cadastre'. Available at: <https://miningcadastre.albeiti.org/>

Contribution of the extractive sector to the economy (Requirement #6.3)	The Secretariat's assessment is that Albania has fully met the objective of ensuring a public understanding of the extractive industries contribution to the national economy and the level of natural resource dependency in the economy. There is no evidence to suggest that there has been backsliding on Requirement 6.3, which was assessed as 'satisfactory progress' in the previous Validation. Albeiti provides data for the extractive sector's contribution to GDP, government revenues, and exports. Additionally it provides employment data disaggregated by gender, as well as providing an estimate of artisanal and small-scale mining activities in the country, and the extractive sector's contribution to investments.	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation, Albania should ensure that its EITI implementation cooperates with INSTAT to explore systematic disclosures of government revenues by economic activity categories as defined under United Nation's System of National Accounts, or the International Standard Industrial Classification of economic activities (ISIC). 		

Legal environment and fiscal regime (Requirements 2.1, 2.4, 6.4)

Overview of progress in the module

The Secretariat's review of the relevant disclosures indicates that Albania's progress on disclosing information on the legal and fiscal framework has remained fully met since the last Validation. Albania continues to adequately explain the legislative environment in Albania for mining, petroleum and hydropower through EITI reporting. However, despite references to systematic disclosures in the MSG's submission for Validation, there is no evidence of systematic disclosures referenced in EITI reporting for public disclosure of applicable laws, regulations and roles of agencies relevant to the extractive sector, nor whether legislation is systematically disclosed centrally or through government agency websites such as the AKBN²⁵, the MIE²⁶, nor for Albpetrol.²⁷ Additionally, while it is clear that there is fiscal devolution of extractive revenues in Albania, it is not clear from public disclosures which legislation awards subnational entities with a right to determine and collect subnational revenues (see *Requirement 4.6*). However, through findings of the EITI Secretariat it appears that most, if not all, acts and decrees are searchable and publicly accessible through the QBZ.²⁸

In Albania, it appears that no legal framework or practice guarantees for comprehensive disclosure of the contents of future or current licenses, though legislation does not appear to prohibit such disclosures. There have been claims of confidentiality provisions contained in production sharing agreements (PSAs) and mining concessions, through the 2017-2018 EITI Report (see pages 33,37,88), and the prevailing policy does not appear different for licenses and contracts awarded prior to 1 January 2021 compared to after. Since 1 January 2021, it appears that no new PSAs have been entered by the Albanian government, though systematic disclosures

²⁵ National Agency of Natural Resources (2021), 'Lesgjislacioni [Legislation]'. Available at: <http://www.akbn.gov.al/lesgjislacioni/>

²⁶ Ministry of Infrastructure and Energy (2018), 'Ligje [Laws]'. Available at: <https://www.infrastruktura.gov.al/minerar-2/ligje/>

²⁷ Albpetrol (2021), 'Albpetrol: Home'. Available at: <https://albpetrol.al/>

²⁸ QBZ (2020), 'Qendra e Botimeve Zyrtare [Official Publishing Centre]'. Available at: <https://qbz.gov.al>

suggest that several mining licenses have been awarded or transferred (see Validation templates submitted by Albeiti).

While Albeiti does collate and publish the most complete list of licenses, concessions and contracts that exist in Albania (see Requirement 2.3 below for details), they do not maintain an overview that accompanies these lists to indicate which licenses are publicly disclosed, and whether each is published in its entirety. Thus the Secretariat were unable to assess whether Albania have published the full text of different licenses, concessions and contracts, including any of their appendixes, addendum or riders for those awarded in 2021.

There are examples that suggest that some parts of licenses and contracts are publicly accessible. One example is through the Official Gazette where a recent PSA between the Government of Albania and Eni Albania Ltd²⁹ appears to be published in its entirety, as well as mining licenses through the National Business Centre's license registry.³⁰ Thus it remains unclear whether there are any legal barriers to disclosure. It also remains unclear though what the MSG considers as "the full text of different licenses, concessions and contracts, including any of their appendixes, addendum or riders". Lastly, while Albeiti's workplan for 2021 references a study to explore the legal framework for contract or license disclosure, the timeframe for completing this study remains uncertain. Government stakeholders appeared to be largely under the impression that contracts and license documents were already disclosed (which was also restated through MSG comments on the draft Validation report), though stakeholders of other constituencies did not appear as confident in that this requirement's objective is fulfilled.

The MSG's comments on the draft Validation report, identified several companies which were awarded mining permits in 2021, and reaffirmed that no PSAs were awarded in 2021. A review of the mining permits awarded reveals that license certificates were available for public access and scrutiny, which should be recognised. The MSG also provided several additional references to government disclosures of legislative documents, mainly through the AKBN and MIE websites. In addition, the MSG provided reference to Albpetrol's website which contains a list of all production sharing contracts (PSC) – albeit not the actual contract texts – referring to the QBZ portal to locate the full texts of all Decisions by the Council of Ministers (DCMs). Thus, Albeiti does not appear to have yet published a combined list of all PSCs and mining licenses, clearly indicating where all relevant DCMs and contractual documents can be publicly accessed, including annexes, amendments and riders where applicable.

The EITI Requirement related to environmental impact (Requirement 6.4) is an encouraged aspect of the EITI Standard and is therefore not assessed in Validation unless the country has exceeded the requirement. The Secretariat's assessment is that Albania has met, although not yet exceeded, the objective of providing a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental impact of extractive industries, and to assess extractive companies' adherence to environmental obligations. Stakeholder consultations reveal that there are electronic portals containing reports related to Environmental Impact Assessments (EIAs) ahead of extractive operations, though Albeiti does not appear to document whether such assessments can be made publicly accessible.

²⁹ QBZ (2020), 'Official Journal of the Republic of Albania Nr. 27, Date. 04/03/2020'. Available at: <https://qbz.gov.al/share/0050rwNwTQSBVBy2df4KdQ>

³⁰ QKB (2021), 'List of licenses issued by QKB'. Available at: <https://qkb.gov.al/kerko/kerko-ne-regjistrin-kombetar-te-licencave-autorizimeve-dhe-lejeve/licensat-lejet-e-leshuara-nga-qkb/>

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Legal framework and fiscal regime (Requirement #2.1)	<p>The Secretariat's assessment is that Albania has fully met the objective of ensuring public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework, fiscal regime, roles of government entities and reforms. There is no evidence to suggest that there has been backsliding on Requirement 2.1, which was assessed as 'satisfactory progress' in the previous Validation. The level of fiscal devolution is clarified, though documentation is not provided as to how/where LGUs are awarded authority to impose taxes and fees (this issue is highlighted under EITI Requirement 4.6). MSG comments on the draft Validation report did highlight the relevant legislation, though the MSG could also ensure to cover this in EITI reporting. Additionally AlBEITI could improve on providing a precise indication of where applicable laws and regulations, identified in EITI reporting, are systematically disclosed.</p>	Fully met
Contracts (Requirement #2.4)	<p>The Secretariat's assessment is that Albania has partly met the objective of this requirement to ensure the public accessibility of all licenses and contracts underpinning extractive activities. Significant aspects of the requirement have not yet been addressed: It remains unclear whether the full texts of all licenses, concessions and contracts awarded in 2021 are publicly disclosed. There is currently no clear government policy, though the MSG appear to deem the legal framework and practice conducive for comprehensive disclosure of the contents of future or current licenses and contracts. It appears that general practice is to (at least partially) publish production sharing agreements (PSAs) through the Official Gazette and mining licenses issued through the National Business Registry (QKB). Albeiti also appears to collate the most complete list of licenses that exists in Albania, but does not indicate what documents would constitute a comprehensive disclosure of appendixes, addendum or riders of a concession, contract or license. While Albanian stakeholders confirm their intention to publicly disclose the contents of concessions, contracts and licenses entered or amended from 1 January 2021, it still remains unclear (i) what the MSG considers as "the full text of different licenses, concessions and contracts, including any of their appendixes, addendum or riders", and (ii) whether Albeiti maintains a list of licenses, contracts or concessions that are publicly accessible at present. While MSG comments to the draft Validation report identified several companies that were awarded mining permits in 2021, the comments did not appear to address the two issues highlighted above. While Albeiti appears to maintain lists of active licenses and contracts, they do not appear to provide references to whether or (precisely) where the full text of these documents can be accessed, covering both the body of the contract and license as well as any annexes, amendments and riders where applicable. Lastly, Albeiti's workplan for 2021 references</p>	Partly met

	a study to explore the legal framework for contract or license disclosure, but the execution of this study remains unclear. Stakeholders from different constituencies did not seem to be aligned in whether this requirement's objective is fulfilled.	
Environmental impact (Requirement #6.4)	Requirement 6.4 is an encouraged aspect of the EITI Standard and is therefore not assessed in Validation unless there is evidence that the country has exceeded the requirement. Still, the Secretariat's assessment is that Albania has met the objective of providing a basis for stakeholders to assess the adequacy of the regulatory framework and monitoring efforts to manage the environmental impact of extractive industries, and to assess extractive companies' adherence to environmental obligations. The report clarifies the role of various government agencies, including requirements for extraction rights holders, and identifying AKBN as the agency assessing companies' compliance with environmental terms of licenses and concessions. However, the EITI Report does not strictly reference public documents where e.g. Environmental Impact Assessments, can be accessed. Still the MSG provided information about several reports including the annual National Environmental Monitoring Plan and specific forms for Environmental Rehabilitation requirements for companies. Albeiti also appears to have provided inputs to legal amendments with an emphasis on environmental considerations.	Not assessed
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation on EITI Requirement 2.1, Albania may wish to consider providing a precise indication of where applicable laws and regulations, identified in EITI reporting, are systematically disclosed. This could also entail an annual review by the MSG of which government agencies regularly update their websites and portals to provide explanations or summaries of the most recent and relevant legislative changes. In accordance with EITI Requirement 2.4, Albania should ensure that any contracts, license certificates or other legal agreements that award companies rights to exploit oil, gas or mineral resources as of 1 January 2021 are disclosed. While systematic disclosure of certain contracts, concessions and licenses exist in Albania, it is unclear (i) what Albania considers as "the full text of different licenses, concessions and contracts, including any of their appendixes, addendum or riders", and (ii) whether Albeiti maintains a list of which licenses, contracts or concessions are currently published in their entirety (including all annexes, amendments and riders), with specific references to each published document. In order to maintain an overview of which licenses and contracts are publicly accessible, Albeiti may wish to consider providing this overview through its regular publications of the registries on its website, and in line with similar recommendations on monitoring EITI implementation under Requirement 7.3. To strengthen public access to environmental impact assessments, and ensure that local communities are well informed of the obligations and risks of extractive companies' operations in Albania, the MSG may further wish to work with the National Environmental Agency to explore the potential for opening up the electronic portal maintaining Environmental Impact Assessments for public disclosure. 		

Licenses and property rights (Requirements 2.2, 2.3)

Overview of progress in the module

Overall, 16 new mining permits were awarded and five mining licenses were transferred in the year under review 2018. No licenses nor participating interests were awarded or transferred in

the oil and gas sector the year under review; 2018. Significant progress has been made by Albeiti in addressing the corrective actions regarding licenses and property rights.

With regards to license and contract allocation procedures (Requirement 2.2), Albeiti has addressed several aspects of the corrective action from the last Validation. The process for transferring or awarding licenses in the mining sector including the specific technical and financial criteria are now well described. Where licenses were awarded through a bidding process during the year under review in the mining sector, the government has also disclosed information on the list of applicants (including non-winning applicants) online. However, an important corrective action from the previous validation still remains outstanding. There is no evidence that Albeiti assessed whether there were any material deviations in the award or transfer of licenses in the year under review (2018). While the 2017-2018 EITI Report and related disclosures describe the statutory procedures for license allocations and transfers, they do not examine whether these procedures were followed in practice in the years under review. Stakeholder consultations revealed that most stakeholders believed the laws being in place meant that they had also been followed in practice but that no additional work had been undertaken by the MSG to demonstrate this. Stakeholders did not clarify whether they considered the objective of the requirement as fulfilled but recognised that checks for non-trivial deviations were not undertaken, amidst public concerns³¹ relating to awards *subsequent* to the fiscal year under review. MSG comments on the draft Validation report provided references to mining permit transfers and awards and confirmed that the MSG has not identified any material deviations from the applicable or regulatory framework. However, the MSG did not provide references to publicly accessible documentation of how the MSG assessed potential deviations from the applicable processes, nor the conclusions related to this assessment. This is problematic given the EITI Report's conclusion that it was "not able to conduct an assessment" of the practice of awards and transfers in the period under review (page 89 of the 2017-2018 EITI Report).

With regards to Requirement 2.3, Albeiti has made significant progress in transitioning to direct and systematized disclosures of the datasets required under Requirement 2.3 through its online mining and oil and gas registers, ensuring timelier disclosures than the annual EITI Report. The registers are updated on a half-yearly basis. The license register data available at the start of Validation covers the year 2020 for the oil and gas sector³², and until July 2021 for the mining sector.³³ All stakeholders consulted highlighted Albeiti's contribution towards improved public accessibility of comprehensive information on property rights related to extractive deposits and projects.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
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³¹ La Via Libera (2021), 'Eni is looking for oil in Albania, but there is no environmental impact assessment'. Available at: <https://livialibera.it/it-schede-661-eni-albania-oil-exploration-environmental-damages#email>

³² Albania EITI (n.d.), 'Regjistri i Licensave Në Sektorin Hidrokarbur [Register of Licenses in the Hydrocarbon Sector]'. Available at: <https://www.albeiti.org/site/regjistri-i-kompanive-koncensionare/>

³³ Albania EITI (n.d.), 'Regjistri i Licensave Në Sektorin Minerar [Register of Licenses in the Mining Sector]'. Available at: <https://www.albeiti.org/site/regjistri-minerar/>

Contract and license allocations (Requirement #2.2)	<p>The Secretariat's assessment is that Albania has mostly met the objective of providing a public overview of awards and transfers of oil, gas and mining licenses, the statutory procedures for license awards and transfers and whether these procedures are followed in practice. Progress has especially been made towards the corrective action from the previous validation with regards to describing the process for transferring or awarding licenses in the mining sector including the specific technical and financial criteria. Where licenses were awarded through a bidding process during the year under review in the mining sector, the government has also disclosed information on the list of applicants (including non-winning applicants) in accordance with Requirement 2.2 (c). This is despite perceived legal barriers to disclosure of non-winning bidders as documented by the IA. Albeiti, however, has not yet provided documentation of how the MSG assessed whether there are any non-trivial deviations in the allocation or transfer of licenses in the mining sector in accordance with requirement 2.2 (a) (iv), especially considering that the EITI Report was "not able to conduct an assessment". No license allocations or transfers were made in the oil and gas sector in the year under review, also confirmed through MSG comments on the draft Validation report.</p>	Mostly met (with improvements since the last Validation)
Register of licenses (Requirement #2.3)	<p>The Secretariat's assessment is that Albania has fully met the objective of ensuring the public accessibility of comprehensive information on property rights related to extractive deposits and projects. There is no evidence to suggest that there has been backsliding on Requirement 2.3, which was assessed as 'satisfactory progress' in the previous Validation. Albeiti maintains a mining cadastre as well as a bi-annually updated mining license register and hydrocarbons license register. All datapoints required under Requirement 2.3 are disclosed by Albania online and systematically, except for date of license applications for many mining licenses and all oil and gas licenses, though in Albania's second EITI validation the EITI Board took the view that the lack of publicly accessible dates of application was a marginal issue that did not affect Albania's progress in meeting the overall objective of transparency in license information. This view is being retained in the current validation as well. It is to be noted that while the dates of expiry of mining and hydrocarbons licenses are not explicitly provided, these can be surmised from the dates of award, and duration of licenses which have been provided in the online license register for the mining and hydrocarbons sectors. In its comments to the draft Validation report, the MSG confirmed this possibility and Albeiti's intention to provide this data in the future.</p>	Fully met
New corrective actions and recommendations		
<ul style="list-style-type: none"> In accordance with EITI Requirement 2.2.a.iv, Albania should document its assessment of whether there have been any material deviations from statutory procedures with regards to the award or transfer of oil, gas and mining licenses. In order to do so, the Albeiti MSG may wish to conduct a licensing process review for its oil, gas and mining sectors, selecting either some (either based on company materiality or risk perceived by Albeiti) or all of the licenses awarded or transferred for a deeper analysis of whether the legal procedures were actually followed in practice, explaining any deviations thereto, and identifying if any of them were material (non-trivial). To ensure continued adherence to the EITI requirement, Albeiti would benefit from clarifying whether there are legal barriers to disclose non-winning bidders, and to ensure that lists containing the names of all bidders (and winners) are made publicly accessible on a regular basis. 		

- To strengthen implementation, Albania may wish to address the systemic barriers that prevent it from collecting and disclosing the dates of application for its remaining mining licenses, and for all of its hydrocarbons licenses. Albeiti may wish to collect and disclose this information at least prospectively if it is not possible retrospectively. Dates of application for oil, gas and mining licenses are an important data set to measure whether there were any material deviations in license awards. This holds true in case of competitive bids, and also in case of first-come-first served methods of license allocations. Albeiti may also explicitly publish the dates of expiry of its mining and hydrocarbons licenses for ease of access.

Beneficial ownership (Requirement 2.5)

Overview of progress in the module

Adherence to Requirement 2.5 on beneficial ownership is assessed in Validation as of 1 January 2020 as per the framework agreed by the Board in June 2019.³⁴ The assessment consists of a technical assessment focusing on initial criteria and an assessment of effectiveness.

Technical assessment

Albania's 2017-2018 EITI Report clarifies the government's definition and position on beneficial ownership. The Law no. 112/2020, "On the Register of Beneficial Owners" entered into force in August 2020 and requires all companies registered in Albania to disclose beneficial ownership (BO) information. The QKB maintains the BO register³⁵, alongside the corporate register which maintains publicly accessible legal ownership³⁶ information. The BO register was launched in 2021, with a deadline for corporate reporting to the registry on 30 June 2021. The MSG has followed international standards and practice in developing their definition of BO, which is clarified. In the event that a beneficial owner is a Politically Exposed Person (PEP), the BO threshold is lowered to 10%. This raises questions of interpretation of EITI Requirement 2.5.d and 2.5.f.ii related to disclosure thresholds for PEPs. Regardless of the issue on interpretation, none of the publicly accessible systematic disclosures by the QKB provides any indication of PEPs, nor does any such PEP information appear to have been identified through EITI reporting. EITI reporting does not provide BO data per company.

PEPs are subject to Law No.9049, dated 10.4.2003, "On Declaration and control of Assets, financial liabilities of elected and some Public employees", and are filed with the General Directorate for the Prevention of Money Laundering. None of the findings or assets declared to this directorate appears to be publicly accessible. Additionally, comments by the MSG indicated that the High Inspectorate of Declaration and Control of Assets and Conflict of Interest is the sole responsible agency for investigation and audit of PEPs' filings. Judging by stakeholder consultations and documentation, Albeiti only seems to have had a limited engagement with any of the above entities, and thus far appear limited to reporting templates submitted by reporting companies, or public disclosures of the QKB (which does not encompass indications of PEPs).

As part of EITI reporting, Albeiti requested BO data from all 127 material (reporting) companies. Of the 127 companies that reported to Albeiti's for 2018, only 59 submitted BO data. The report refers to one "Appendix 4" for detailed BO data submitted by the 59 companies, however no such

³⁴ <https://eiti.org/document/assessing-implementation-of-eitis-beneficial-ownership-requirement>.

³⁵ QKB (2021), 'Registry of Beneficial Owners'. Available at: <https://qkb.gov.al/kerko/kerko-ne-regjistrin-e-pronareve-perfitues-rpp/k%C3%ABrko-p%C3%ABr-subjekt-raportues/>

³⁶ QKB (2021), 'Corporate Registry'. Available at: <https://qkb.gov.al/kerko/kerko-ne-regjistrin-tregtar/kerko-per-subjekt/>

appendix appears to exist in the English EITI Report. The Albanian version appendix 4 confirms that not all BO data was disclosed at the time of 2017-2018 Report publication and highlights multiple challenges and recommended efforts to ensure progress. However, to the EITI Secretariat's knowledge all data required by the EITI Standard (with the exception of aspects related to PEPs and publicly listed companies) was requested.

Although EITI reporting only requested information related to material companies, all companies registered in Albania were requested to submit data on beneficial ownership to the corporate registry by 30 June 2021, or within 30 days of incorporation. This extends to all companies registered in Albania, i.e. including all companies that hold or apply for mining or petroleum licenses and contracts. However, there is no overview related to which companies reported or did not report beneficial ownership data to Albeiti. The self-assessment by Albeiti confirms that no additional assurances were asked for companies' BO reporting, beyond the same assurances made for financial disclosures.

The MSG assessment of BO disclosures (as of the December 2020 date of publication of appendix 4 in the 2018 EITI report) notes the challenge of the current legal framework and planned changes to law and regulation that are intended to improve data collection and disclosure. In 2018, the MSG conducted a BO survey of 127 reporting companies and received 59 responses, of which 23% were only partially completed. Only one company in the oil and gas sector responded. The MSG cross-checked company reporting with information held by the National Business Centre, with 87.7% of reported data matched exactly. Discrepancies included partial reporting of information, erroneous reporting of previous owners who had sold shares, and incorrect reporting due to failure to understand the survey questions. However, the actual reported data the Albeiti is referencing has so far not been publicly disclosed per company. Thus, Albeiti falls short of providing an overview of which extractive companies have published their beneficial owners, their legal owners, or which publicly listed stock exchanges their parent companies are filing information to.

Assessment of effectiveness

Stakeholders consulted through Validation implied that BO disclosures in Albania was underway upon the commencement of Validation, though that the full overview of who owns and controls extractive companies in Albania is not yet complete. At the time of publication of the 2017-2018 EITI Report, the QKB did not disclose BO data. However, at the commencement of Validation, the QKB had established such a public register. In accordance with national data privacy laws, the publicly accessible BO register does not include the full date of birth (month/year only) nor the residential address of the beneficial owner, though this is accessible through a special and "justified" request. The data made public through the register is the full name, citizenship, the date of determination as a beneficial owner, including percentage of ownership and whether control is direct or indirect. Stakeholder consultations implied that there are certain checks of BO information by the QKB, however it remains unclear what these checks or reviews entail. The International Secretariat, using a sample³⁷ of extractive companies, assessed whether ten companies provided BO data through the QKB registry. Six provided full BO information, two provided partial data, while there were two companies not located in the registry at the time of review (see Annex A). One of these companies is a 100% state-owned enterprise while the other is a foreign-owned company.

³⁷ The sample was selected as five largest companies of revenues, and five randomly sampled from the list of companies included in the Transparency template, sheet "#4.1 – Reporting entities". Each of the NUIS numbers were used to search the QKB for indication of beneficial ownership on 6 October 2021.

The assessment, as well as stakeholder consultations, confirm that foreign-owned and publicly listed companies do not report which stock exchanges in which they are listed, nor which tickers or identifiers they submit filings under. MSG comments on the draft Validation report indicated that further amendments of BO laws had been enacted in 2021, though a review of the amendments did not appear to address all issues, such as identification of parent companies that are publicly listed on (foreign) stock exchanges.³⁸ Albania does not have a functioning stock market, but further verification is needed to determine whether any extractive companies operating in Albania may be publicly traded on international stock exchanges. Rather, publicly listed companies identify their most senior legal representatives (often executive officers) as beneficial owners. The same procedure applies to companies that are unable to identify and report their respective beneficial owners. Upon reviewing a sample of ten company entries in the QKB's Corporate registry, legal ownership data is present for all companies, including what percentage and type of control the legal owners have.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Beneficial ownership (Requirement #2.5)	The Secretariat's assessment is that Albania has mostly met the objective of this requirement to enable the public to know who ultimately owns and controls the companies operating in the country's extractive industries. Most aspects of Phase I of beneficial ownership requirements have been addressed, in that BO data has been requested from all companies in Albania (not merely those holding and applying for extractive licenses). However, in the MSG's assessment of comprehensiveness and reliability of BO disclosures, Albeiti does not reference publicly accessible information per company (only publishing their conclusions, not the underlying BO data). The MSG has also not assessed disclosures through the newly launched beneficial ownership registry of the National Business Centre (QKB). Albeiti does not appear to maintain a list of material companies' legal or BO owners themselves at present. The Beneficial Ownership Register also appears to have some gaps in its beneficial ownership disclosures and does not indicate in any way which companies are publicly listed on (foreign) stock exchanges. While the register does include some BO information, it does not currently indicate whether beneficial owners are publicly exposed persons (PEPs), and current legislation does not appear to guarantee that all PEPs are indicated as BO for any company, regardless of their level of control. Legal ownership of extractive companies is disclosed by the QKB. Lastly, the EITI Report clearly indicates that there are no current verification methods or means by the government agencies, with the exception of penalties for failure to disclose or incorrect disclosures.	Mostly met
New corrective actions and recommendations		

³⁸ QKB (2021), 'Act no 12 on amendments and additions to Law no 112/2020 "For register of Beneficial Owners"'. Available at: <https://qkb.gov.al/media/38122/akti-normativ-nr-12-date-25032021-per-rpp-botuar-ne-fz-nr-49-date-29032021.pdf>

- In accordance with Requirement 2.5 and to prepare for the second phase of Validation of Requirement 2.5 from January 2022 onwards, Albania is required to ensure that the beneficial ownership of all companies holding or applying for a mining, oil and gas license is comprehensively and reliably disclosed as of January 2022. In the meantime, in accordance with Requirement 2.5.c, Albania is required to ensure that the MSG publishes an assessment of the comprehensiveness and reliability of beneficial ownership disclosures of each company holding or applying for a mining or oil and gas license. In accordance with Requirement 2.5.d, Albania should ensure that politically exposed persons that directly or indirectly own shares in extractive companies in Albania, are publicly identified either through EITI reporting or through publicly accessible government portals. Albania, through the MSG, is encouraged to review its PEP thresholds for reporting to ensure alignment across EITI Requirements 2.5.d and 2.5.f.ii. Publicly listed companies, including wholly owned subsidiaries of companies listed on stock exchanges, are required to disclose the name of the stock exchange, and include a link to the stock exchange filings where they are listed, in accordance with Requirement 2.5.f.iii.

State participation (Requirements 2.6, 4.2, 4.5, 6.2)

Overview of progress in the module

The 2017-2018 EITI Report comprehensively lists all of Albania's interests in mining sector companies, and identifies the sole SOE operating in the upstream petroleum sector; Albpetrol. The report clarifies the statutory and actual practices of Albpetrol's financial relations with the state. Albania's 2017-2018 EITI Report clarifies any changes in Albania's interests in the sectors as well as the terms associated with state equity. No state loans or guarantees were given to extractives companies directly in 2018, though Albpetrol's 2018 audited financial statements confirm that two loans existed, one from the MFE and one from a private banking institution. This was confirmed during stakeholder consultations, and the MSG's comments on the draft assessment confirmed that Albpetrol is entitled to, and in practice does, seek third-party debt financing, as well as providing additional documentation of Albpetrol's systematic disclosures. Apart from the extractive sector it is also worth noting that the hydropower sector is dominated by state owned enterprises and Albanian government equity interest. However, no dividends were paid in 2018. The Albanian State also acts as a guarantor in banking and other loans granted to the SOE's in the hydropower sector, providing more details for hydropower than for other sectors (see below). Thus the Secretariat's assessment is that the objective of Requirement 2.6 has been fulfilled.

Albania appears to continue to fulfil the overall objective of Requirement 4.2, documenting in-kind revenues from both oil and gas and mining sectors. No such payments exist in the mining sector. In the petroleum sector, Albpetrol collects, sells and retains all proceeds of the state's in-kind revenue entitlements. Any transfers to government are made through dividend payments to the government as a shareholder. The EITI Report contains information about the sale of oil in kind, the identity of the buyers, the prices, contract number and date, all disaggregated by individual delivery. Compared to previous reporting years, sales are no longer disaggregated by cargo. However, each sale and auction process is systematically disclosed by Albpetrol on its own website.³⁹

The 2017-2018 EITI Report describes clearly the revenues collected by the Albpetrol. No payment of dividends or another revenue flow outside of the regular taxation took place in 2018. In the oil and gas sector, there is no transfers between the state and the SOE for the year under

³⁹ Albpetrol (2021), 'Auction for sale of crude oil'. Available at: <https://www.albpetrol.al/en/auction-for-sale-of-crude-oil-by-albpetrol-sh-a-07-04-2021/>

review. The section dedicated to transfers between the state and SOEs in the hydropower sector is exemplary, clarifying how the state injects funds into the sector through investments in equity and direct lending to state-owned companies. Regarding the completeness and reliability of the data, Albpetrol and the Albanian Electrical Power Corporation (KESH) in the hydropower sector were the only SOEs that produced audited financial statements according to EITI reporting. They were subject to two types of audits, which the EITI Report notes provide a “medium” level of assurance. Albania appears to continue to fulfil the objective of ensuring public understanding of transactions that involve SOEs and other companies or the government.

Regarding quasi-fiscal expenditures there was consensus among stakeholders consulted that there have not been any quasi-fiscal expenditures funded by Albpetrol in the year under review. In addition, the audited financial statements of Albpetrol, which did not include a qualified or adverse auditor opinion, did not mention any quasi-fiscal expenses. Thus quasi-fiscal expenditures appear to continue to be ‘not applicable’ in Albania.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
State participation (Requirement #2.6)	The Secretariat’s assessment is that Albania has fully met the objective of the requirement 2.6, ensuring an effective mechanism for transparency and accountability for well-governed SOEs and state participation more broadly through a public understanding of whether SOEs’ management is undertaken in accordance with the relevant regulatory framework. Albpetrol is considered the sole SOE of the upstream extractive sector, given that the Hydropower sector is not covered by Validation. Additionally, two SOEs in the midstream sector are highlighted, though not material: Transnafta Sh.a. and Albgaz. State participation in Albpetrol gives rise to material revenues through Albpetrol’s payments of dividends to the state as its sole shareholder. These payments are determined on the same terms as private companies, and through its sale of the state’s in-kind revenues. The 2017-2018 EITI Report clarifies the rules and practice related to Albpetrol’s ability to raise third-party financing and document the changes in state participation in the year under review. On the practice of SOE governance, the EITI Report draws from the publicly available audited financial statements of Albpetrol to document two loans from private banks to Albpetrol. The 2017-2018 Report also notes the absence of state loans to private companies in the mining, oil and gas sector including (the lack of) state guarantees.	Fully Met
Sale of the state’s in-kind revenues (Requirement #4.2)	The Secretariat’s assessment is that Albania has fully met the objective of this requirement to ensure transparency in the sale of in-kind revenues of minerals, oil and gas to allow the public to assess whether the sales values correspond to market values and ensure the traceability of the proceeds from the sale of those commodities to the national Treasury. The 2017-2018 EITI Report provides volumes collected, volumes sold and sales proceeds for both the share of oil production under PSAs as well as Albpetrol’s equity oil. Disaggregation between equity and profit share of production does not occur. Albpetrol also systematically discloses each	Fully Met

	sale and auction process on its own website. ⁴⁰ Compared to the previous Validation, the sales are not disaggregated by cargo anymore, which is encouraged, though there is no evidence to suggest that there has been backsliding on required aspects Requirement 4.2, which was assessed as 'satisfactory progress' in the previous Validation.	
Transactions related to state-owned enterprises (Requirement #4.5.)	The assessment of the Secretariat is that Albania has fully met the objective of the requirement 4.5, ensuring the traceability of payments and transfers involving SOEs and strengthen public understanding of whether revenues accruable to the state are effectively transferred, as well as the level of state financial support for SOEs. There is no evidence to suggest that there has been backsliding on Requirement 4.5, which was assessed as 'satisfactory progress' in the previous Validation. There might be scope for replicating additional details covered on hydropower SOE transactions to be published for the petroleum sector as well. This would be increasingly important as EITI reporting begins to cover the flows from Albania's gas transportation SOE, Albgaz. The level of progress in addressing this requirement have been maintained since the previous Validation.	Fully Met
Quasi-fiscal expenditures (Requirement #6.2)	There is no evidence to suggest that there has been backsliding on Requirement 6.2, which was assessed as 'not applicable' in the previous Validation. According to the Report, the MIE and Albpetrol informed that law and regulations governing Albpetrol's activity do not include quasi-fiscal expenditures or similar arrangements. However, it does not explain the methodology followed to reach such conclusion. There is consensus among stakeholders that there have not been any quasi-fiscal expenditures for the year under review. The financial statements of Albpetrol have been audited according to international standards and did not make reference to such non-commercial liabilities, nor result in a qualified or adverse opinion.	Not applicable
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To strengthen implementation Albania may wish to consider resuming the commodity trading disclosure practice from 2016, where oil sales were disaggregated by cargo as per Requirement 4.2.c. As a way to progress towards systematic disclosure, Albpetrol is encouraged to liaise with the EITI commodity trading network to publish oil sales disaggregated by cargo on its own website, as well as ensure its systematic disclosures extend to encompass the rules and practices related to their operating and capital expenditures, procurement, subcontracting and corporate governance, as per Requirement 2.6.c. • To strengthen implementation, Albania may wish to replicate the exemplary work on financial transactions between the State and the SOEs in the hydropower sector, and apply the same coverage to the upstream and midstream petroleum sectors. • To ensure its continued adherence to EITI requirements, Albania is strongly encouraged to ensure that only data from the reporting period in question is used for determining whether quasi-fiscal expenditures are applicable or not, and refrain from citing former Validations or EITI Reports as evidence. Albeiti must rely on assessments of materiality to ascertain whether these requirements are applicable or not. 		

⁴⁰ Albpetrol (2021), 'Auction for sale of crude oil'. Available at: <https://www.albpetrol.al/en/auction-for-sale-of-crude-oil-by-albpetrol-sh-a-07-04-2021/>

Production and exports (Requirements 3.2, 3.3)

Overview of progress in the module

Details of mining production volumes and values are presented in the 2017-2018 EITI Report, disaggregated by commodity. Similarly, the AKBN portal also publishes production figures disaggregated by commodity for a wider range of commodities and sub-commodities, though only includes production volumes. Oil and gas production is disclosed in the EITI Report, disaggregated by commodity and field, with the field of Patos-Marinza operated by Bankers Petroleum accounting for more than 87% of the total production. All production figures are also available in open format in summary data for Albania. The EITI Report devotes a detailed and innovative section on the production of electricity from hydropower plants, including a comparison between the power output and power installed in the country and the amount of TWh produced each year. It also discloses the domestic consumption as well as the losses due to network transportation of electricity. Albeiti's reporting and consultations therefore confirm that the objective of providing production volumes and values for each commodity produced in Albania is fully met. MSG comments on the draft Validation report did imply that there are additional minerals extracted in Albania⁴¹, though argued that the volumes and values produced are so small that they were not included in the EITI Report. The example was given of 150 tonnes of stone coal produced at the price of 15 USD per tonne (i.e. at a value of USD 2,250). The same issue is not highlighted for export volumes and values, though would imply that the list of exported commodities may not be comprehensive. Lastly, a review of Albeiti's open data portal⁴² revealed that Albeiti does publish data on several of the highlighted commodities, which implies that the overall objective of the requirement is fully met.

Export volumes and values are detailed in the 2017-2018 EITI Report, disaggregated by commodity and country of destination. The three main commodities exported by Albania in terms of value are oil, chromium and ferrochromium. It should be noted that in the mining sector, a significant share of chromium exports came from companies supposedly not holding extractive licenses. Export volumes are also disclosed in open format in the summary data templates of Albania. Albeiti's reporting and consultations therefore confirm that the objective of providing export volumes and values for each commodity produced in Albania is fully met.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Production (Requirement #3.2)	The Secretariat's assessment is that Albania has fully met the objective to ensure public understanding of extractive commodity(ies) production levels and the valuation of extractive commodity output, as a basis for addressing	Fully Met

⁴¹ Basalt, Bitumen, Bituminous Gravel, Bituminous Sand, Chromium, Clay, Conglomerate, Conglomerate Limestone, Copper, Decorative Limestone, Gravel Sandstone, Gypsum, Gypsum (Alabaster), Iron (Nickel), Limestone, Marbled Limestone, Massive Limestone, Quartz, Quartz sand, Sandstone Siliconite, Siliconite, Slab limestone, Slope breccia, Travertina, and Zhure.

⁴² Albeiti (2020), 'Sektori Minerar [Open data portal: Mining sector]'. Available at: <https://www.opendata-albeiti.org/Mining>

	production-related issues in the extractive industries. The methodology for estimating production values is based on export sale prices. While comments from the MSG to the draft Validation report implied that there could be missing commodities from the published data, Albeiti's data portal does include data on the highlighted commodities. Thus, there is no evidence to suggest that there has been backsliding on Requirement 3.2, which was assessed as 'satisfactory progress' in the previous Validation.	
Exports (Requirement #3.3)	The Secretariat's assessment is that Albania has fully met the objective to ensure public understanding of extractive commodities export levels and the valuation of extractive commodity exports, as a basis for addressing export-related issues in the extractive industries. The Report notes however that 10% of mineral exports came from companies that did not hold mining permits. There is no evidence to suggest that there has been backsliding on Requirement 3.3, which was assessed as 'satisfactory progress' in the previous Validation.	Fully Met
New corrective actions and recommendations		
<ul style="list-style-type: none"> To strengthen implementation, Albania may wish to consider disclosing extractive commodity production figures disaggregated by region and project. To strengthen implementation, Albania is encouraged to disclose production and export data, including both volumes and values, for each commodity extracted in Albania, regardless of the small size of such production or exports. To strengthen implementation, the MSG is encouraged to systematically disclose the production and export figures through the relevant agencies (AKBN and INSTAT), with the same level of details than EITI Reporting. Albania could furthermore consider applying internationally recognised data standards such as the Harmonised System Codes for commodity classification at 4- or 6-digit levels, or other equivalents, in its public disclosure of extractive export or production data. 		

Revenue collection (Requirements 4.1, 4.3, 4.4, 4.7, 4.8, 4.9)

Overview of progress in the module

The Secretariat's review of the relevant disclosures and stakeholder consultations indicate that the level of progress in addressing Requirements 4.3 on barter and infrastructure provisions, 4.4 on transport revenues and 4.8 on data timeliness has been maintained since the previous Validation. However, it is important that Albeiti reconfirms the applicability of these EITI Requirements on an annual basis in light of developments in the sector. For example, while neither the government nor its state-owned companies were generating revenues from the transportation of extractive commodities in 2017-2018, the launch of the Trans-Adriatic Pipeline in 2020 implies that transportation revenues are likely to become material for EITI reporting in subsequent years.

Albania has not made further progress ensuring comprehensive disclosures of company payments and government revenues from oil, gas, and mining, beyond its assessment in its second Validation in 2019. Several challenges documented in previous Validations remain outstanding. First, there is a challenge in ascertaining the full government disclosure of extractive sector revenues, partly due to issues related to the monitoring systems of government agencies. The General Directorate of Taxes (DPT) and the Albanian Customs Administration (DPD), is limited by tax confidentiality laws in its submission of comprehensive data to the Albanian EITI process, unless companies sign waivers of their rights to tax confidentiality. This is even the case

when discussing aggregate numbers, as exemplified in stakeholder consultations with government representatives. As part of their comments on the draft Validation report, the MSG noted that the DPT does publish an annual report on their websites⁴³, though a review of the report did not uncover precise data on extractive sector revenues disaggregated by individual revenue streams and company.

Stakeholder consultations confirm that the issue is two-fold: (i) Companies upon registration note their "primary activities" according to national classification of economic activities, which corresponds with the ISIC standard of UN's System of National Accounts. However, a company may still not be an extractive rights holder. (ii) On the other hand, consultations confirmed that extractive rights holders have other economic operations as its primary activity, thus their tax payments would not solely be attributed to extractive activities.

The 2017-2018 EITI Report does not provide sufficient data to estimate the total government revenues from extractive companies, and there is a discrepancy between figures in the EITI Report and the MSG's submission for this Validation. The EITI Report itself clearly states that data only covers "significant payments made by the licensees and does not represent a list of all payments". There is also a challenge in ascertaining the relationship between multiple tables of the EITI Report (see Annex B of this report).⁴⁴ Several types of revenues were not reported, or were only reported for companies included in the scope of reconciliation: service and license fees, training bonuses, signature bonuses, import value-added tax (import VAT), excise tax, carbon tax, other import revenues, and "other revenues" generated by AKBN and Albanian Geological Survey (SHGJSH) (Albanian: Shërbimi Gjeologjik Shqiptar). Thus, it is not possible to conclude that the government provides full disclosure of revenues from the extractive sector by individual revenue stream. On the other hand, stakeholder consultations confirmed (supported by third-party documentation⁴⁵) that e.g. environmental payments to government are not material in Albania, even at the subnational level, without referencing specific data or evidence. Furthermore, the EITI Report does claim that none of these exclusions would significantly affect comprehensiveness of reporting, without substantiation through numbers and values.

In the end, two oil and gas companies, 31 mining companies and six hydropower companies that were material did not report for Albania's 2017-2018 EITI Report. Additionally, two government agencies did not report, the MFE and the Ministry of Tourism and Environment (MTE). While the report does not indicate the value of payments from each of the non-reporting companies and government agencies, the report does indicate that two of the non-reporting companies in 2018 represented more than 1% of total revenues. While the reconciliation coverage is claimed to be 99.45%, an alternative calculation based on the information submitted by the MSG for this Validation suggests a reconciliation coverage of at most 48%.⁴⁶ Coverage of local government units' (LGUs') revenues and environmental payments are also unclear as they depend on what is the true total of government receipts (see *Requirements 4.6 and 6.1*).

⁴³ General Directorate of Taxes (DPT), 'RAPORTI VJETOR 2018 [Annual report 2018]'. Available at: <https://www.tatime.gov.al/c/8/42/49/strategjia-dhe-raporte>

⁴⁴ Tables 14, 23, 28, 36 and 37 appear to be the closest estimate of full government disclosure disaggregated by revenue stream, but the footnotes of the tables imply that some revenue streams are only aggregates of "material companies". Some estimates of "other" are not disaggregated and direct payments to LGUs or the Ministry of Tourism and Environment are not included in the tables.

⁴⁵ UNECE (2021), 'Environmental Performance Review of Albania 2018'. Available at: https://unece.org/sites/default/files/2021-08/ECE.CEP_183_Eng.pdf

⁴⁶ According to the Transparency template, ref sheet "#4.1 - Companies" divided by "#4.1 - Government", only 48% of revenues were covered. If tables 14,23,28,36 and 37 constitute full government disclosure (ALL 44.52 billion), then this coverage drops further to 40%.

Albania has not made significant progress to ensure improved reliability of disclosures of company payments and government revenues from oil, gas and mining since its previous Validation. In fact, it was confirmed that the MSG's approach to ensuring EITI data reliability did not substantially change, both through the 2017-2018 EITI Report and through stakeholder consultations. MSG comments imply that this is for consideration for future EITI Reports.

The EITI Report does not include a statement by the Independent Administrator related to the comprehensiveness and reliability of reconciled financial data in the EITI Report. In terms of actual audit practices the report confirms that 45% of reconciled revenues were from corporate entities subject to audits in 2018⁴⁷, representing a slight improvement since the 2019 Validation. However, the report continues to not provide a comprehensive list of reporting practices for each of the material companies. For companies that undergo audits, these are accessible through the QKB's Corporate registry. The EITI Report also clarifies that only 25 of 155 companies' financial statements were audited, with only one modified audit opinion, without identifying the various reporting entities. None of the government reporting entities were listed as being subject to an audit by Kontrolli i Lartë i Shtetit (KLSH), the supreme audit institution. However, on the KLSH website it appears that all audit reports are made publicly accessible.⁴⁸ These findings were confirmed by the MSG's comments on the draft Validation report. Additional comments appear to highlight that Albeiti did not retain all the detailed data and information basis for the EITI Report. This highlights the importance for Albeiti to perform a full review of which government and corporate entities' audited financial statements are indeed accessible through the QKB's or other portals, and summarise these findings as part of EITI reporting.

Finally, the most significant difference from prior years of reporting is that Albeiti asked for an ex-post verification of the comprehensiveness of the reconciliation from the General Directorate of Taxes (DPT) and the Albanian Customs Administration (DPD), but only considered the assessment from DPD. The reconciliation covered 84% of export royalties in 2018 according to the DPD. The IA did not consider the ex-post confirmation from DPT as its systems uses an incompatible data standard, which defines industrial activity of companies based on their main activities only. The IA argued this is incompatible with which companies holding extractive licenses or contracts, and thus make payments to the government.

Albeiti has begun to report certain revenues by "project", defined as a single PSA for oil companies, a single license for mining companies, or a single concession for hydropower. These are in line with the definition of 'project' in the EITI Standard. According to the EITI Report, only one revenue stream is levied at a project level – royalties.

However, there are challenges in reporting by project as several companies hold multiple extractive licenses even if government systems used for EITI reporting only record payments per NIPT (unique taxpayer ID). This is the case for all revenue streams, whether levied by project or not. The EITI Report does not assess whether any of the companies' different licenses can be deemed as a single project, either as multiple substantially interconnected operations or subject to overarching agreements.⁴⁹ Stakeholder consultations confirmed that some companies have a single processing facility servicing multiple mining licenses where royalties are actually paid at the processing facility level, though these companies are not explicitly identified, nor did the MSG consider these as a single project. The EITI Report confirms that only 16 of 35 companies with

⁴⁷ 42% of oil & gas flows, 8% of mining flows and 89% of hydropower flows, see page 136 of 2017-2018 EITI Report.

⁴⁸ KLSH (2021), 'Audits'. Available at: <https://www.klsh.org.al/>

⁴⁹ See EITI Guidance for an introduction to these concepts: <https://eiti.org/GN29>

multiple licenses, reported by project. Even so, the 2017-2018 EITI Report does not include data disaggregated further than NIPT (company) level. Thus, project-level reporting only occurs in instances where companies hold a single license. As was confirmed by stakeholders consulted from civil society, government and industry, this implies that Albania does not yet fulfil the objective of project-level reporting. The actual share of reconciled revenues levied by project that is actually disclosed in a disaggregated way remains unclear from the current reports and templates.⁵⁰ MSG comments on the draft Validation report confirmed the lack of full disaggregation by all extractive projects. Comments suggest that a study which will review the legal basis for project-level reporting is undertaken as part of a new World Bank grant, which may also assess to which extent various licenses and contracts are “substantially interconnected”.

Lastly, when asked whether there are alternative government systems that may disaggregate data by project, some government stakeholders claim that all companies file so-called “declaration forms” to AKBN per individual license or permit held, however this has yet to be confirmed. Also, while civil society stakeholders implied it would be desirable, the MSG has not discussed the possibility of pursuing requirements of ring-fencing mining operations at license or contract level.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Comprehensive disclosure of taxes and revenues (Requirement #4.1)	<p>The Secretariat’s assessment is that Albania have mostly met the objective of ensuring comprehensive disclosures of company payments and government revenues from oil, gas, and mining as the basis for detailed public understanding of the contribution of the extractive industries to government revenues. The level of progress in addressing this requirement have been maintained since the previous Validation, i.e. without significant improvements.</p> <p>In determining material revenues and companies, it does not appear the MSG has made progress on the corrective action from the 2019 Validation to reconsider materiality thresholds for selecting mining companies. The methodology appears to be unchanged since last Validation, and the report indicates that no thresholds were used for determining material flows [revenues].The International Secretariat also cannot conclude that the government in Albania provides a full government disclosure of revenues from the extractive sector by individual revenue stream. The EITI Report states that it does not provide full government disclosure, and multiple revenue streams appear to have been excluded seemingly without consideration of their individual total values. Mining companies continue to be selected based on production, without a per-company breakdown of</p>	Mostly met (without improvements since the previous Validation)

⁵⁰ Data from the Transparency template imply that USD 76 million out of USD 90 million levied on project basis, are reported on a project basis. However, multiple companies reported as a single project in the Transparency template are involved in multiple projects as defined by the EITI Report, which draws the percentage coverage into question: MSG comments ahead of Validation implied that 16 of 37 reporting companies held more than one license. As one example, Beralb Sh.a. (K12107002A) indicated in the Transparency template as only holding a single license (license no. 643), holds eight licenses according to table 44 of the EITI Report, but is not disaggregated further.

	companies' contribution to government revenues, followed by an ex-post confirmation only determined for a single revenue stream. Given that 31 of 137 companies did not report, this remains a significant challenge for determining the comprehensiveness of reporting, in combination with uncertainties related to full government disclosure of revenues. Lastly, two government entities did not report for either 2017 nor 2018; Ministry of Finance and Economy (MFE) and the Ministry of Tourism and Environment (MTE).	
Infrastructure provisions and barter arrangements (Requirement #4.3)	The Secretariat's assessment is that Requirement 4.3 remains 'Not Applicable' in Albania in the period under review. The level of progress in addressing this requirement have been maintained since the previous Validation, though the MSG is advised to re-confirm its non-applicability annually, through the EITI reporting process.	Not applicable
Transportation revenues (Requirement #4.4)	<p>The Secretariat's assessment is that Requirement 4.4 remains 'Not Applicable' in Albania in the period under review. The level of progress in addressing this requirement have been maintained since the previous Validation, though the MSG is advised to re-confirm its non-applicability annually, through the EITI reporting process.</p> <p>There are no SOEs or government agencies regulating the transportation of minerals, and though the EITI Report identifies some companies and public-private partnerships (PPP) in the midstream petroleum sector (oil and gas transportation), stakeholder consultations confirm that any such arrangements were inactive or under development during the period under review. The SOE Transnafta Sh.a. was inactive during the period, and while Albgaz was subject to gas transportation tariffs set by ERE, it was not operational during the 2017-2018 period. A PPP arrangement involving La Petrolifera Italo-Albanese Sh.a. (PIA), indicates and descriptions of the Trans Adriatic Pipeline (TAP) indicate there were no remunerations to the Government of Albania in 2018.</p>	Not applicable
Level of disaggregation (Requirement #4.7)	<p>The Secretariat's assessment is that Albania have mostly met the objective of this requirement to ensure disaggregation in public disclosures of company payments and government revenues from oil, gas and mining that enables the public to assess the extent to which the government can monitor its revenue receipts as defined by its legal and fiscal framework, and that the government receives what it ought to from each individual extractive project. The level of progress in addressing this requirement have been maintained since the previous Validation, i.e. without full incorporation of the requirement's new aspects.</p> <p>The EITI reporting highlights significant challenges for government systems to publish revenue data disaggregated by revenue stream, company and government entity, due to issues of prior consent of licensees for the disclosure of tax and customs data. However, the EITI Report does disaggregate data for those companies that provided consent to such publication. In terms of project-level reporting (PLR), Albania applies definitions of projects in line with the EITI Standard; a single Petroleum Agreement for the oil and gas sector and "each license " for mining sector. Royalties are the only revenue stream deemed to be imposed at project levels. However, there are also substantial challenges related to PLR due to mining companies holding multiple licenses, though government systems only recording per unique company ID. Stakeholder consultations do imply</p>	Mostly met

	that AKBN, or other agencies than the General Tax Administration, receive regular declarations from license/concession/contract holders on a per-project basis, which may reveal a potential for project-level reporting through government systems. Regardless, Albeiti sought to collect PLR data from companies to overcome this issue, to which it has been partially successful. The data provided through Validation templates and in the 2017-2018 EITI Report so far does not indicate that Albania comprehensively reports data per project, in line with Requirement 4.7 of the EITI Standard.	
Data timeliness (Requirement #4.8)	The Secretariat's assessment is that Albania has fully met the objective of ensuring that public disclosures of company payments and government revenues from oil, gas and mining are sufficiently timely to be relevant to inform public debate and policy making. There is no evidence to suggest that there has been backsliding on Requirement 4.8, which was assessed as 'satisfactory progress' in the previous Validation.	Fully met
Data quality and assurance (Requirement #4.9)	<p>The Secretariat's assessment is that Albania has mostly met the objective of ensuring that appropriate measures have been taken to ensure the reliability of disclosures of company payments and government revenues from oil, gas and mining. The aim is for the EITI to contribute to strengthening routine government and company audit and assurance systems and practices and ensure that stakeholders can have confidence in the reliability of the financial data on payments and revenues. The level of progress in addressing this requirement have been maintained since the previous Validation, i.e. without significant improvements.</p> <p>Statutory audit procedures are clear in the EITI Report. However, no government entity or state-owned enterprise (SOE) submitted their audited financial statements or reports to the Independent Administrator (IA) for 2018, and only 25 companies published results of external audits, without information broken down per reporting company. The report indicates that only 45% of reconciled revenues were audited in 2018 (42% of oil & gas, 8% of mining and 89% of hydropower). Furthermore, the report highlights that the MSG did not opt for a different method in assessing assurances related to the 2017-2018 reporting process and contest that they followed the Standard TOR for Independent IAs. The EITI Report does not clarify how the MSG influences the design of reporting templates, citing an outdated template approved in 2011, with an additional template for beneficial ownership data (see Requirement 2.5). MSG comments on the draft Validation report appears to provide examples of how reporting is discussed and decided by the MSG, by submitting extended MSG meeting minutes for 27 July 2021. The meeting minutes and MSG comments clarify that these issues are under discussion though the MSG have not reached a clear decision on additional assurances and/or reporting templates. The outcome of these discussions should be reassessed in future Validations.</p> <p>The EITI Report provides multiple, and at times contradictory assessments of comprehensiveness, though does not provide an explicit conclusion on the reliability of EITI data. Even when given the limitations above, it does not affect the MSG's view of the comprehensiveness of the EITI Report. Assessments are included per individual revenue stream, even if contradicting other limitations on total extractive revenues (see Requirement 4.1). Lastly, limitations of providing an ex-post verification of</p>	Mostly met (without improvements since the previous Validation)

	the company selection reveal that comprehensiveness is only assessed towards a single revenue stream, not towards total coverage.	
New corrective actions and recommendations		
<ul style="list-style-type: none"> • In accordance with Requirement 4.1.d, Albania should ensure that the government is provides aggregate information about the amount of total revenues received from each of the benefit streams agreed in the scope of EITI implementation, including revenues that fall below agreed materiality thresholds. Furthermore in accordance with Requirements 4.1.b and 4.1.d, the materiality threshold for selecting companies in future EITI reporting ensures that all payments that could affect the comprehensiveness of EITI reporting be included in the scope of reconciliation, and ensure that all material companies participate in EITI reporting. Albania may wish to consider revisiting its materiality threshold for selecting mining companies to strike a balance between the comprehensiveness of disclosures and the quality of reporting. The MSG may wish to consider a sampling approach, which would allow these payments to be investigated without creating an unreasonable reporting burden. In the longer term, Albania may wish to seek legislative changes through amendments or new legislation that can overcome tax confidentiality issues. Another possibility is for Albania to seek multi-year waivers from extractive companies in order to ensure the government can fully disclose what it receives from companies involved in extractive activities. • In order to more effectively estimate the full government revenues from extractive companies, and overcome certain practical barriers of estimation, Albeiti may wish to use a dual approach for estimation, comparing the total revenues received from companies registered with their main activities in “B. Mining and quarrying (including petroleum)”, as per UN’s ISIC rev4 data standard, versus total revenues received from exploration, mining and petroleum rights holders. • To ensure the continued adherence to EITI requirements, Albania is strongly encouraged to ensure that only data from the reporting period in question is used for determining whether EITI Requirements are applicable or not, and refrain from citing former Validations or EITI Reports as evidence. Especially in view of an increasing importance of revenues from gas transportation through the country, Albeiti must rely on assessments of materiality to ascertain whether these requirements are applicable or not. • In accordance with Requirement 4.7, Albania should continue to improve its coverage of revenues by project (license, contract and concession). Albania should ensure that any substantially interconnected agreements or overarching agreements are identified, and that relevant data for each company is sufficiently linked to individual projects both for mining and petroleum companies. In order to further improve on Albanian government systems, and their ability to monitor payments on a per-license basis, Albeiti is encouraged to engage regional or local government entities, or AKBN, to explore whether royalty-payments are or can be recorded as part of regular corporate declarations to government that occur on a per-license basis. This could include exploring whether any changes are needed in laws or in statutory instruments and regulations, while ensuring such changes are cost-effective. • To strengthen implementation and improve the EITI data’s contribution to public debate, Albania is encouraged to improve on the timeliness of EITI data (Requirement 4.8), by building on existing systematic disclosures by companies and government, possibly in combination with opting for alternative or flexible reporting frameworks. • In accordance with Requirement 4.9.a, the EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. In accordance with the standard Terms of Reference for the IA agreed by the EITI Board, Albania should develop and agree quality assurance procedures for Albania’s EITI reporting, based on a review of audit and assurance practices in the year under review. Albania should ensure that the EITI Report includes an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the IA must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether each entity’s omission is likely to impact on the comprehensiveness and reliability of the report. Albania should ensure that the IA provides an assessment of comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the IA and the limitations of the assessment provided. When implementing an ex-post verification of the company selection, Albeiti should ensure that any omissions are contrasted towards all material revenues, not one or two revenue streams. 		

Revenue management (Requirements 5.1, 5.3)

Overview of progress in the module

Albania fulfils the objective of ensuring traceability of extractive revenues for both on- and off-budget revenues. Albania also ensures public oversight of the management of extractive revenues, the use of extractives revenues to fund specific public expenditures and the assumptions underlying the budget process. There is no evidence to suggest that there has been backsliding on either revenue management requirements. However, this Validation does not find evidence that revenue management and expenditures (Requirement 5.3) can be assessed as 'exceeded' and is thus marked as 'not assessed'.

In terms of disclosing the distribution of extractive industries revenues, Albania's 2017-2018 EITI Report clearly describes how all mining revenues are recorded in the national budget. While a majority of the oil and gas revenues are recorded in the national budget, off-budget revenues in the oil and gas sector accrue to Albpetrol and AKBN. Regular and transparent disclosures of financial statements of Albpetrol mean that even the off-budget oil and gas revenues are treated with a high degree of transparency. While AKBN does not publish its financial statements, the 2017-2018 Albania EITI Report contains a description of how the minor share of revenues are used.

Albeiti also strengthens public oversight by clarifying that extractive revenues in Albania are not earmarked for any specific expenditures outside of the national budget processes. The 2017-2018 EITI Report discusses the auditing process, including standards and links to disclosure of compliance and performance audits for government entities. Moreover, information on State budget and expenditures is systematically disclosed through the website of the Ministry of Finance.⁵¹

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Distribution of extractive industry revenues (Requirement #5.1)	The Secretariat's assessment is that Albania has fully met the objective of ensuring the traceability of extractive revenues to the national budget and ensuring the same level of transparency and accountability for extractive revenues that are not recorded in the national budget. There is no evidence to suggest that there has been backsliding on Requirement 5.1, which was assessed as 'satisfactory progress' in the previous Validation. All of Albania's mining revenues are recorded in the national budget, alongside 72% of the oil and gas revenues. Extractives revenue streams that are not recorded in the national budget mainly consists of Albania's Share of Oil Production and Bonuses that are received by Albpetrol, with its financial statements available online. The report also identifies AKBN as collecting and retaining a minor portion of oil and gas revenues in 2018 (bonuses).	Fully met

⁵¹ Financat Vendore (2021), 'The Local Finance Platform'. Available at: <http://financatvendore.al/>

Revenue management and expenditures (Requirement #5.3)	Progress in addressing Requirement 5.3 is not assessed in Validation unless there is evidence that the country has exceeded the requirement. The Secretariat's assessment is that Albeiti have met the objective of strengthening public oversight of the management of extractive revenues, the use of extractives revenues to fund specific public expenditures and the assumptions underlying the budget process. There is no evidence to suggest that there has been backsliding on Requirement 5.3, which was assessed as 'satisfactory progress' in the previous Validation.	Not assessed
New corrective actions and recommendations		
<ul style="list-style-type: none"> • To strengthen implementation, on revenue management (Requirements 5.1 and 5.3) Albania may wish to use its EITI reporting to reference the systematically disclosed audited financial statements of Albpetrol⁵² and support AKBN to annually add an additional degree of accountability and assurance with regards to Albania's off budget revenues. Albania may also wish to use EITI reporting to provide an annual diagnostic of government reforms of off-budget revenues to strengthen public accountability in the reform of agencies such as AKBN. Lastly, Albania is recommended to use the EITI process to ensure that forecasts and expenditures are adjusted to provide realistic estimates of future revenues and ability of these revenues to service the country's expenditures in the medium to long term. • To strengthen implementation, Albania may wish to use its EITI reporting as a means of ensuring timely government disclosures that would further public understanding and debate around issues of revenue sustainability and resource dependence, including the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector. Such EITI reporting could further strengthen Albania EITI's contribution to the public debate on the impact of the energy transition on the extractive industries. 		

Subnational contribution (Requirements 4.6, 5.2, 6.1)

Overview of progress in the module

Albania continues to fulfil the overall objective of reporting on sub-national transfers of its revenues under Requirement 5.2. The same level of progress has been maintained since its last Validation. Six local government units (LGUs) were selected for reporting and reconciliation of Albania's subnational transfers of royalties, and combined they received 84% of all such transfers. The remaining 55 LGUs received the remaining 16%. Despite minor shortcomings such as the non-disclosure of budgeted transfers per LGU, the overall objective to determine whether transfers and management of subnational transfers of extractive revenues are in line with statutory entitlements has been fulfilled. The 2017-2018 Albania EITI Report describes statutory subnational transfers of royalties, provides the general formula, applies it to the royalty payments in 2017 and 2018, and includes budgeted and actual transfers for 2017 and 2018 in aggregate terms. It also explains the possible reasons for the discrepancies between the aggregate budgeted and actual transfers, though MSG comments also clarified that budgeted and actual transfers cannot be reconciled due to formal criteria as part of the disbursement process. In short there may be a multitude of reasons why an actual disbursed amount might differ from what was budgeted ahead of time. The report also specifies the actual transfers executed in 2017 and 2018 for the six reporting LGUs, disaggregated by LGU, and reconciles the data as reported by the said LGUs and the Ministry of Finance and Economy.

⁵² Albpetrol (2021), 'Albpetrol Financial Results'. Available at: <https://albpetrol.al/njoftim-per-qtetaret/>

However, Albeiti continues to face several shortcomings in reporting of extractive companies' direct subnational payments in accordance with Requirement 4.6. Coverage of LGUs' revenues depends on government systems' ability to determine what are true totals of taxes and non-taxes, which is a general issue covered under Requirement 4.1.⁵³ There is little evidence of improvement in disclosures of direct subnational payments since the last Validation. There continues to be a lack of clarity about the way in which the six LGUs identified as material for reporting sub-national payments were selected, given the lack of assessment of the materiality of revenues collected by each LGU. The reasons why the same LGUs were selected to report both direct subnational payments and subnational transfers remain unclear from public documents, given the lack of evidence of correlation between extractive companies' direct subnational payments and subnational transfers of extractive revenues. Furthermore, even reporting by the six selected LGUs was with delays, discrepancies and was partial in every case.⁵⁴ Thus the assessment of the Secretariat is that significant aspects of the corrective action from the last Validation remain unfulfilled.

As clearly documented in Albeiti's workplan and studies, social and environmental impacts and benefits of local communities are of high interest in Albania. However the finding of the Secretariat is that the overall objective to clarify environmental contributions and a basis for assessing whether companies comply with legal and contractual obligations to undertake environmental expenditures, remains unfulfilled. The materiality of environmental payments by extractive companies has not been comprehensively assessed to date in Albania's EITI Reports. Stakeholders consulted revealed that some environmental payments are likely to be substantial on the part of mining companies at the exploration stage. While the 2017-2018 EITI Report discloses e.g. carbon tax for the oil, gas and mining sectors, the MSG has not discussed whether it has considered carbon tax as an environmental payment, and the EITI report does not comprehensively report how much Albania received of carbon taxes from all companies involved in extractive activities.

Progress by requirement and corrective actions

The detailed assessment of progress in addressing each EITI Requirement or corrective action is available from the data collection templates referenced in the annex to this report.

EITI Requirement	Summary of progress in addressing the EITI Requirement	Secretariat assessment
Subnational payments (Requirement #4.6)	The Secretariat's assessment is that Albania has mostly met the objective of enabling stakeholders to gain an understanding of benefits to local governments through transparency in companies' direct payments to subnational entities and strengthening public oversight of subnational governments' management of their internally generated extractive revenues. Albania established that six reporting LGUs were material based on production and subnational transfers of royalty. However, some subnational payments to LGUs are reported by companies under "Other Payments made to the LGU", not per revenue stream, though only partially and with delays and discrepancies (2017-2018 Albania EITI Report at pp.186-187). The EITI Report (p. 152) as well as the Albeiti MSG confirm most of the payments to the LGUs are local	Mostly met (without improvements since the previous Validation)

⁵³ If table 37 is deemed the true total of all extractive companies' payments to LGUs, then reconciliation coverage (tables 50,54,58) is close to 97.5%. However, if tables 39,41,43 are the best estimates of total LGU receipts, this coverage drops to 33%.

⁵⁴ See page 187 of the 2017-2018 EITI Report.

	<p>taxes unrelated to the extractives sector. Still, Albania's progress does not address the corrective action of the EITI Board, that the MSG should undertake appropriate scoping of direct subnational payments by extractive companies to LGUs, establishing a comprehensive basis for the MSG's materiality discussions regarding direct payments to LGUs. MSG comments to the draft Validation report clarify the precise law which awards LGUs with the mandate to impose local taxes and fees (see Transparency template attached to this Validation report), though does not clarify the value of each LGU's revenues in accordance with the law in the period under review. Other recommendations on Requirement 4.6 have also not been fulfilled, to ensure all extractive payments to subnational government units, when material, be disclosed and reconciled, and to publicly disclose a detailed explanation all types of local payments. The prevailing scenario brings to question the comprehensiveness of reporting sub-national direct payments in Albania.</p>	
<p>Subnational transfers (Requirement #5.2)</p>	<p>The Secretariat's assessment is that Albeiti has fully met the objective of enabling stakeholders at the local level to assess whether the transfer and management of subnational transfers of extractive revenues are in line with statutory entitlements. There is no evidence to suggest that there has been backsliding on Requirement 5.2, which was assessed as 'satisfactory progress' in the previous Validation. While the process of allocation of 5% royalties to the LGUs is done by the Directorate of Local Finances in the Ministry of Finance and Economy, the actual transfers are executed by the General Directorate of Taxes through the government's single treasury system. The 2017-2018 Albania EITI Report describes statutory subnational transfers of royalties, provides the general formula, and budgeted and actual transfers for 2017 and 2018. However, Albeiti stops short of specifying the budgeted subnational transfers disaggregated by LGU, nor compare any strict 5% calculation of royalties that should have been distributed per LGU. This prevents the assessment of any discrepancy between the budgeted and actual amount transferred, disaggregated by LGU. This was accepted by the EITI Board as sufficient in their previous Validation, and Albania's progress towards this requirement has been maintained. Additionally, as part of MSG comments on the draft Validation report, a recent development of 2021 is the opening of a dedicated account in the Unified Treasury System: 7204100 "Local Unit Grants from the Participation in the royalty tax". While the comments do not influence the assessment of fully met, the comments indicate that government systems will improve further on its monitoring revenues earmarked for subnational transfers from mineral royalties collected in 2022 onwards.</p>	<p>Fully met</p>
<p>Social and environmental expenditures (Requirement #6.1)</p>	<p>The Secretariat's assessment is that Albania has mostly met the objective of enabling public understanding of extractive companies' social and environmental contributions, and providing a basis for assessing extractive companies' compliance with their legal and contractual obligations to undertake social and environmental expenditures. The level of progress in addressing this requirement have been maintained since the previous Validation, i.e. without full incorporation of the requirement's new aspects.</p> <p>Social payments are not mandatory in Albania, but the EITI Standard 2019 also cover environmental payments to government. Environmental payments are mandated by law and as reported in the EITI Report 2017-2018, made to the Ministry of Tourism and Environment (MTE), and are classified as environmental/social expenditures. Therefore, while social payments may be excluded from the purview of reporting, the materiality of environmental payments must be assessed. Aggregate environmental payments by revenue</p>	<p>Mostly met</p>

	<p>stream for all sectors (and not just extractives) are directly disclosed online by Albeiti and are available at: http://www.instat.gov.al/en/themes/environment-and-energy/environmental-accounts/. For the year under review 2018, these payments amounted to Albanian Lek 51,146 million. This total amount far exceeds the materiality thresholds established by Albeiti for reporting its extractives revenue streams. Although it is unclear how much of these environmental payments are attributable to extractive industries, it raises the possibility that they might be material. However, the Albeiti MSG has not discussed the materiality of these payments. The fact that the universe of government revenues has not been disclosed in accordance with Requirement 4.1 further complicates such calculation.</p> <p>Stakeholder consultations during validation revealed that some of these environmental payments may be substantial for mining exploration companies. As another example, while the Albania 2017-2018 EITI Report discloses carbon tax for the oil, gas and mining sectors (tables 14 and 23), it is akin to an excise duty in Albania (See also: The United Nations Economic Commission for Europe's (UNECE) third environmental performance review of Albania at p.37). The Albeiti MSG has not discussed whether it has considered carbon tax or other environmental payments as <i>material</i> environmental payment. MSG comments on the draft Validation report confirmed that there are mandatory environmental payments to be paid by extractive companies, though the precise type of tax and mode of calculation remains unclear.</p>	
New corrective actions and recommendations		
<ul style="list-style-type: none"> • In accordance with Requirement 4.6, Albania should undertake appropriate scoping of direct subnational payments by extractive companies to LGUs, establishing a comprehensive basis for materiality discussions regarding direct payments to LGUs. Albania is required to ensure that all company payments to subnational government entities, when material, are disclosed and reconciled, and is encouraged to which local taxes are collected by local government units and paid by extractive companies. In case the MSG wishes to continue using production and transfer of royalties as a proxy for calculating the materiality of direct subnational payments, it is important to establish the clear linkage between these subnational transfers and direct subnational payments, for example through applicable laws and regulations. • To strengthen implementation under Requirement 5.2, Albania may wish to distinguish in its EITI reporting between revenues that <i>should be</i> transferred sub-nationally, revenues that are <i>actually budgeted</i> for such transfers, and the <i>actual transfers</i> that are made. Further disaggregating and disclosing this data on a per-LGU basis would enable Albeiti to better inform the country's ongoing national dialogue on sub-national revenue sharing from extractive industries. Currently, Albeiti only discloses the revenues that <i>should be</i> transferred sub-nationally and the <i>actual transfers</i> made in an aggregate basis for all LGUs. This makes it difficult to perform a detailed comparison of how much each LGU should have received according the formula, whether the budgeting process was accurate, and whether the LGU actually received the budgeted amount. Implementing this strategic recommendation, however, would enable Albeiti to better inform stakeholder dialogue on whether LGUs receive their fair share of extractives revenues through intra-governmental transfer mechanisms. • In accordance with Requirement 6.1.b, Albania must undertake an assessment of the materiality of mandatory environmental payments by extractives companies in Albania as part of its EITI reporting. Where material, such payments must be disclosed. Albania is also required to agree a procedure to address data quality and assurance of information on environmental expenditures, in accordance with Requirement 4.9. Where reconciliation is not feasible, Albanian EITI should provide unilateral company and/or government disclosures of the environmental expenditures. 		

Background

Overview of the extractive industries

An overview of the extractive industries is accessible on the [country page](#) of the EITI website for Albania.

History of EITI implementation

The history of implementation is accessible on the [country page](#) of the EITI website for Albania.

Explanation of the Validation process

An overview of the Validation process is available on the EITI website.⁵⁵ The [Validation Guide](#) provides detailed guidance on assessing EITI Requirements, while the more detailed [Validation procedure](#) include a standardised procedure for undertaking Validation by the EITI International Secretariat.

The International Secretariat's country implementation support team include Mark Burnett and Olesia Tolochko, while the Validation team was comprised of Christoffer Claussen, Hugo Paret and Sridar Kannan.

Confidentiality

The detailed data collection and assessment templates are publicly accessible, on the internal Validation Committee page [here](#).

The practice in attribution of stakeholder comments in EITI Validation reports is by constituency, without naming the stakeholder or its organisation. Where requested, the confidentiality of stakeholders' identities is respected, and comments are not attributed by constituency.

Timeline of Validation

The Validation of Albania commenced on 1 October 2021. A public call for stakeholder views was issued on 1 September 2021. Stakeholder consultations were held virtually on 13 October to 25 October 2021. The draft Validation report was finalised on 18 November 2021. Following comments from the MSG on 31 December 2021, the Validation report was finalised for consideration by the EITI Board.

⁵⁵ See <https://eiti.org/validation>

Resources

- Validation data collection file – [Stakeholder engagement](#)
- Validation data collection file – [Transparency](#)
- Validation data collection file – [Outcomes and impact](#)
- [Albania Validation Dossier](#)

Annex A: Review of beneficial ownership in National Business Centre

Company & TIN	Sector	Revenues disclosed (in USD)	Discloses beneficial ownership data?	Comment
Bankers Petroleum Albania Ltd. (K43128401L)	Oil & Gas	45,091,865.80	Partially	BO register indicates the name of one foreign-based legal representative and seven other ID numbers. However, the entry does not indicate name, ownership percentages, mode of control, nor what type of entity holds indirect legal ownership. The registry does not indicate whether the company is publicly listed on a stock exchange in any country, but for legal owners it includes the name of the corporate entity (field 13-18).
Albpetrol Sh.a. (J82916500U)	Oil & Gas	18,920,369.30	No	Was not located in the National Business Centre Beneficial Ownership Registry. State-owned enterprises are not required to provide their beneficial owners. The legal ownership and amounts are included. The EITI Report and MSG comments confirm the 100% ownership of the Albanian government, though it does not appear that this information is not clarified as part of BO data of the registry.
Albchrome (K11613001M)	Mining	7,308,691.61	Yes	BO register indicates the name of one beneficial owner, nationality, percentage of ownership, mode of control, and birth month and year. The Corporate register also indicates the direct legal ownership.
Shell Upstream Albania B.V (L21807009I)	Oil & Gas	4,749,584.51	Partially	BO register indicates the name of one foreign-based beneficial owner and seven other indirect legal owners. However, the entry does not indicate name, ownership percentages, mode of control, nor what type of entity holds indirect legal ownership. The registry does not indicate whether the company is publicly listed on a stock exchange in any country, but for legal owners it includes the name of the corporate entity (field 13-18).

Antea Cement Sh.a (K61914005R)	Mining	3,609,251.77	No	Was not located in the National Business Centre Beneficial Ownership Registry. The Corporate register indicates the direct legal ownership, a foreign-based company.
Kaprolla & Kompani (L06817401D)	Mining	520,717.55	Yes	BO register indicates the name of two beneficial owners, their nationality, percentage of ownership, mode of control, and birth month and year. The Corporate register indicates the direct legal ownership.
Miniera e Kromit Katjel (K67812601U)	Mining	201,481.07	Yes	BO register indicates the name of two beneficial owners, their nationality, percentage of ownership, mode of control, and birth month and year. The Corporate register indicates the direct legal ownership.
11 Heronjte Bater (K28310906F)	Mining	127,321.41	Yes	BO register indicates the name of two beneficial owners, their nationality, percentage of ownership, mode of control, and birth month and year. The Corporate register indicates the direct legal ownership.
Ivno 1100 (K472204050)	Mining	34,037.60	Yes	BO register indicates the name of one beneficial owner, his/her nationality, percentage of ownership, mode of control, and birth month and year. The Corporate register indicates the direct legal ownership.
Isaku (J96829402J)	Mining	2,560.21	Yes	BO register indicates the name of one beneficial owner, his/her nationality, percentage of ownership, mode of control, and birth month and year. The Corporate register indicates the direct legal ownership.

Source: Sample was selected as five largest payers of revenues, and five randomly sampled from the list of companies included in the Transparency template, sheet “#4.1 – Reporting entities”. Each of the NUIS numbers were used to search the National Business Centre for indication of beneficial ownership on 6 October 2021: <https://qkb.gov.al/search/search-in-the-register-of-beneficial-owners-rbo/search-reporting-subjekt/> and <https://qkb.gov.al/kerko/kerko-ne-regjistrin-tregtar/kerko-per-subjekt/>.

Annex B: Revenue tables of Albania's 2017-2018 EITI Report

Full government disclosure and reconciliation coverage

Reported by government

Sector	Topic	Source	ALL	USD (million)
Oil and gas	Aggregate	Table 14	8,592,340,000.00	73.42
Oil and gas	Other	Table 36	570,832,662.00	5.28
Mining	Aggregate	Table 23	18,363,300,000.00	170.02
Mining	Other	Table 36	278,145,905.00	2.58
Hydropower	Aggregate	Table 28	15,920,700,000.00	147.40
Hydropower	Other	Table 36	560,442,147.00	5.19
All	Other LGU payments**	Table 37	233,108,489.00	2.16
TOTAL			44,518,869,203.00	406.05
<i>o/w Aggregates</i>			<i>42,876,340,000.00</i>	<i>390.84</i>

* Calculated using exchange rate of ALL 108.01 per USD

** Only covers local government units included in Validation: Bulqizë, Fier, Krujë, Lushnjë, Patos, Rroskovec.

Reconciled revenues (table 46)

Sector	Topic	Source	ALL	USD (million)
Oil and gas	Sum recipient	Table 46	7,435,021,000	68.84
Mining	Sum recipient	Table 46	3,788,674,000	35.08

Hydropower	Sum recipient	Table 46	6,659,975,000	61.66
TOTAL			17,883,670,000	165.57
% coverage of reported by government			40%	41%

* Calculated using exchange rate of ALL 108.01 per USD

Payments to LGUs and reconciliation coverage

Reported by companies

Sector	Topic	Source	ALL	USD (million)
Mining	Companies reporting	Table 39	197,152,468.00	1.83
OG	Companies reporting	Table 43	450,687,731.00	4.17
Hydropower	Companies reporting	Table 41	41,364,275.00	0.38
TOTAL			689,204,474.00	6.38

* Calculated using exchange rate of ALL 108.01 per USD

Reconciled

Sector	Topic	Source	ALL	USD (million)
Mining	Sum recipient	Table 54	97,840,000.00	0.91
OG	Sum recipient	Table 50	129,176,000.00	1.20
Hydropower	Sum recipient	Table 58	256,000.00	0.00
TOTAL			227,272,000.00	2.10
% coverage of reported by companies			33%	33%

* Calculated using exchange rate of ALL 108.01 per USD