

**BANK MANAGEMENT RESPONSE TO THE  
REQUEST FOR INSPECTION PANEL REVIEW OF THE  
ALBANIA: POWER SECTOR GENERATION AND RESTRUCTURING  
PROJECT (IDA Credit No. 3872-ALB)**

Management has reviewed the Request for Inspection of the Albania: Power Sector Generation and Restructuring Project (IDA Credit No. 3872-ALB, received by the Inspection Panel on April 30, 2007 and registered on May 2, 2007 (RQ07/03). Management has prepared the following response.



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## ABBREVIATIONS AND ACRONYMS

BP	Bank Procedures	KESH	Korporata Electroenergjitike Shqiptare (Albanian Power Corporation)
CAPBV	Civil Alliance for the Protection of the Bay of Vlora	KfW	Kreditanstalt für Wiederaufbau – German Development Bank
CAS	Country Assistance Strategy	kWh	Kilowatt hour
CCGT	Combined-Cycle Gas Turbine	MVA <sub>r</sub>	Mega Volt Ampere reactive
CTARA	Council of Territorial Adjustment of the Republic of Albania	MW	Megawatt
EA	Environmental Assessment	NO <sub>x</sub>	Nitrogen oxides
EBRD	European Bank for Reconstruction and Development	NPV	Net Present Value
ECA	Europe and Central Asia Region	NSSD	National Strategy for Socio-Economic Development
ECSIE	ECA Infrastructure and Energy Sector Unit	OMS	Operational Manual Statement
EIB	European Investment Bank	OP	Operational Policy
EMP	Environmental Management Plan	OPN	Operational Policy Note
EPC	Engineering, Procurement and Construction	PAD	Project Appraisal Document
ERR	Economic Rate of Return	PCD	Project Concept Document
EU	European Union	PID	Project Information Document
GoA	Government of Albania	QACU	Quality Assurance and Compliance Unit
GPRS	Growth and Poverty Reduction Strategy	SO <sub>x</sub>	Sulfur oxides
GWh	Gigawatt hour	TEP	Thermal electric power plan
HFO	Heavy Fuel Oil	TT	Task Team
IDA	International Development Association	TTL	Task Team Leader
IFI	International Financial Institutions	TWh	Terawatt hour
IMF	International Monetary Fund	UCTE	Union for the Coordination of Transmission of Electricity
IPN	Inspection Panel	UNEP	United Nations Environment Programme
IPP	Independent Power Project	USTDA	United States Trade and Development Agency
ISDS	Integrated Safeguards Data Sheet		

### Currency Unit

(as of May 23, 2007)

1 ALL.= USD 0.0102 / USD 1 = 97.27 ALL

1 EUR = USD 1.35 / USD 1 = 0.74

### Measurements

1 kWh = 1000 Watt-hours

1 MWh = 1000 kWh

1 GWh = 1,000,000 kWh

1 TWh = 1,000,000,000 kWh

## I. INTRODUCTION

1. On May 2, 2007, the Inspection Panel registered a Request for Inspection, IPN Request RQ07/03 (hereafter referred to as “the Request”), concerning the Albania: Power Sector Generation and Restructuring Project (Credit No. 3872-ALB) financed by the International Development Association (IDA).
2. The document contains the following sections: Section II presents the Request; Section III describes the project and country context; Section IV discusses issues related to safeguards, and Section V contains Management’s response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format. Annex 2 contains a chronology of key dates related to safeguard aspects of the project. Annex 3 is a report of the visit of a senior level consultant with expertise in cultural property to the project site in July 2006. Annex 4 contains the Draft Findings of the Aarhus Convention Compliance Committee (see paragraph 62). Annexes 5 and 6 are the responses of the World Bank and the Government of Albania to the Draft Findings of the Aarhus Convention Compliance Committee. A map of the project area is included (IBRD No. 35504).

## II. THE REQUEST

3. The Request for Inspection was submitted by Mr. Lavdosh Ferruni, on behalf of the Civil Alliance for the Protection of the Bay of Vlora (CAPBV) and eight persons who live in the city of Vlore (hereafter referred to as the “Requesters”).
4. Attached to the Request is the first page of a June 2005 letter from the CAPBV to the World Bank. Although the Request makes reference to other attachments to be sent subsequently by mail or e-mail, no further materials were received by Management in support of the Request.
5. The Request contains claims that the Panel has indicated may constitute violations by the Bank of various provisions of its policies and procedures, including the following:
  - OMS 2.20, Project Appraisal, January 1984;
  - OP/BP 4.01, Environmental Assessment, January 1999 (revised August 2004);
  - OP/BP 4.04, Natural Habitats, June 2001;
  - OP/BP 4.12, Involuntary Resettlement, December 2001;
  - OP/BP 10.04, Economic Evaluation of Investment Operations, September 1994;
  - OPN 11.03, Management of Cultural Property in Bank-Financed Projects, September 1986; and

- OP/BP 13.05, Project Supervision, July 2001.

### III. PROJECT BACKGROUND

#### COUNTRY CONTEXT

6. Albania has suffered from electricity shortages since the summer of 2000. This is due to growth in electricity demand and impacts from adverse hydrology on Albania's predominantly (95 percent) hydropower-based system. A net exporter of electricity until 1997, Albania has since had to import significant quantities of electricity (from 300 GWh in 1998 to 2,200 GWh in 2002). Improved hydrological conditions during 2003–2005 resulted in reduced electricity imports and power disruptions but, in the absence of new thermal generation capacity, the vulnerability of Albania's economy to adverse hydrology has continued to increase. At the end of 2006 and as recently as January 2007 the country has suffered from significant power supply disruptions.

7. The electricity crisis has had multiple adverse impacts on the poor. There is the direct impact in that frequent and prolonged load shedding deprives them of light, space heating and cooking fuel, thereby adversely affecting their quality of life and their health, as well as restricting their access to education. Secondly, the use of budgetary resources for electricity imports means that funds are diverted from poverty reduction efforts. Thirdly, it adversely affects economic growth, which is recognized to be the main instrument to reduce poverty in Albania.

8. The crisis has affected economic performance in a number of ways. A fall in hydropower production is the direct cause of a fall in national output. Electricity imports contribute to a widening of Albania's trade deficit. Load shedding leads to cuts in industrial production, and requires industrial and commercial enterprises to install costly back-up diesel-fueled power generators. An Energy Sector Study<sup>1</sup> completed in January 2003 estimated that these generators produce electricity equal to about 15 percent of what they receive from the grid. Electricity shortages are also listed among the factors which representatives of business mention as reasons for slow expansion in production of tradable goods.

9. Albania's electricity needs are supplied almost solely by hydropower, which is subject to considerable variability since it is dependent on rainfall. The total *potential* hy-

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<sup>1</sup> DECON, EDF, LDK Consultants, Lahmeyer Int and GEI- ENERGY, "Albania Energy Sector Study" January 2003. The study provides: (i) electricity demand projections to 2015; (ii) a least-cost power generation investment program covering the same period; (iii) a power transmission master plan; (iv) a plan for reduction in technical and non-technical power losses; (v) a power dispatch plan; (vi) a power distribution master plan; (vii) an investigation of the heating sector; (viii) an evaluation of the technical and economic feasibility of imported natural gas; (ix) a petroleum strategy; (x) an overall investment plan and financing options; (xi) electricity tariff reform taking into account long run marginal cost estimates and financial performance; and (xii) recommendations for energy sector restructuring.

dropower capacity of the country is estimated at about 3,000 MW, with an annual generation potential of about 10 TWh. However, the current installed capacity is 1,450 MW, and the average generation in a normal hydrological year is about 4,000 GWh, compared to current demand of about 6,800 GWh. The Drin River cascade, with a total installed capacity of 1,350 MW (Fierze – 500 MW, Komani – 600 MW, and Vau i Dejes – 250 MW), provides about 90 percent of the country's electricity generation. The remaining 100 MW of hydropower capacity comes from small plants on other rivers. The problems stemming from excessive dependence on hydropower from a single river are further exacerbated by the fact that the power generation facilities are concentrated in the north of the country, whereas the major load centers are in the center and the south.

10. Future availability of large quantities of electricity imports at competitive prices is uncertain. Domestic thermal generation capacity is needed to reduce dependence on imports and to diversify domestic generation. A Bank-financed review of electricity supply and demand in South-East Europe (2002-2012)<sup>2</sup> concluded that an early shortage of generating capacity could appear in the region in the absence of new generating capacity. Thus, prices of electricity imports to deficit countries in the region were expected to soon rise to the level of the full cost of power from new plants, if not higher. Additional domestic generation capacity for Albania would reduce excessive dependence on imports and thereby lessen vulnerability to supply disruptions and price increases. Shortages have already begun to appear in the region and the price of electricity imports has increased significantly (the average import price rose from 4.4 Lek/kWh in 2004 to 9.1 Lek/kWh in 2007). Albania is already facing considerable difficulties in obtaining sufficient imported electricity.

## **THE PROJECT**

11. Recognizing the magnitude of the power sector crisis and its serious implications, the Government developed in late 2000 an Action Plan to tackle the critical issues. The Plan included measures to reduce electricity losses, improve collections, lower demand and increase tariffs, as well as other wide-ranging measures to urgently improve the performance of the sector. The Government also adopted a Power Sector Policy Statement in April 2002, setting out the sector reforms to be implemented, and a National Energy Strategy in June 2003, identifying priority investments, financing needs and required reforms for the energy sector. In line with the strategy contained in these documents, the Government made efforts to find financing for new power plants to address the increasing electricity shortage. Various studies commissioned by the Government clearly identified that addition of domestic thermal generation capacity was needed to reduce the excessive dependence on imports and to diversify domestic generation so as to reduce vulnerability to hydrological variations. The addition of thermal capacity would improve the security of electricity supply and thereby facilitate Albania's reconnection with the network of Western Europe.

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<sup>2</sup> "Review of Electricity Supply and Demand in South East Europe," World Bank, ECSIE, 2003.

12. The Government asked the Bank to assist in arranging donor financing for a new thermal electric power plant (TEP). As the World Bank had a limited financing envelope for Albania under its IDA allocation, the Bank initiated discussions with the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) regarding co-financing of a TEP, and informed the Government in January 2002 that the three International Financial Institutions (IFIs) were prepared to assist it in adding critically-needed thermal generation capacity (about 100 MW nominal capacity). An internationally recognized consulting firm prepared a siting and feasibility study of the proposed TEP with financing from the United States Trade and Development Agency (USTDA) in 2002. It also prepared the environmental assessment of the project in 2003.<sup>3</sup> Project appraisal commenced in November 2003, with careful attention to the project's economic, technical, institutional, financial, and commercial aspects, as well as its social impact.<sup>4</sup>

13. The project has an important place in Albania's development strategy. A Growth and Poverty Reduction Strategy (GPRS, subsequently revised as the National Strategy for Socio-Economic Development – NSSD), an IDA-IMF Joint Staff Assessment of the GPRS, and the Country Assistance Strategy (CAS), in which the project was included as a priority investment, were presented to the Board in June 2002. Both the GPRS and the CAS emphasized the macroeconomic impact of the crisis in the power sector, its major impact on the poor, and the critical importance of addressing the underlying causes of the crisis and meeting priority investment needs. The NSSD stressed the alleviation of the energy crisis as a key factor for economic growth. Among the measures proposed for the power sector in the medium term were implementation of the Vlore combined-cycle power plant project, further reduction of network losses, an increase in bill collections, restructuring of the Albanian Power Corporation (KESH) and creation of conditions for private sector involvement in energy production and distribution.

14. In January 2003, the European Commission and Albania started negotiations on a Stabilization and Association Agreement. This process gave Albania a significant incentive to reform its institutions, including those in the power sector, in line with requirements in the European Union (EU). Another important consideration, both from a regional and national perspective, was the need for the Albanian system to be interconnected with the Union for the Coordination of Transmission of Electricity (UCTE), the association of transmission system operators in continental Europe. Maintaining UCTE interconnection required Albania to meet a number of conditions. A draft agreement has been negotiated under UCTE supervision with the electric power utilities of FYR Macedonia, Greece, Montenegro and Serbia. One of these conditions was the commissioning of the Vlore TEP. This agreement was signed in 2004.

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<sup>3</sup> The Bank discussed internally whether the environmental assessment should be carried out by the same firm that prepared the siting and feasibility study. In support of the firm being able to carry out this work it was noted that, consistent with Bank EA policy, the firm was not conducting any "engineering studies." (In addition, the firm would not be engaged in any downstream construction.) However, to fortify the objective nature of the EA review, it was decided that an additional independent review would be commissioned for the EA. This independent review of the EA took place during September and October 2003.

<sup>4</sup> Per the requirements of OMS 2.20, *Project Appraisal*.



15. The project will be the first new generation plant in Albania since the Komani hydropower station entered service in 1987. Based on a review of available unit sizes from different manufacturers, bids were invited for a capacity between 85 MW and 135 MW, and the contract was awarded for a thermal power plant of 97 MW capacity. The plant is expected to provide about 680 GWh per year (at an availability of about 80 percent). When commissioned, it is estimated to cover about 20 percent of the supply deficit in an average hydrological year and a significantly lower proportion in a dry year. Construction of a thermal plant in the southern part of the country will reduce technical losses and significantly improve the security and quality of supply in the country overall and in particular in the south, which is poorly served at present.

16. The project consists of:

- (i) a combined-cycle power station fueled by very low sulfur content distillate oil at a six-hectare site about six km north of Vlore adjacent to an offshore oil tanker terminal;
- (ii) technical assistance for:
  - bid evaluation, contract administration and supervision of project implementation;
  - formation of a subsidiary company of KESH to own and operate the plant, preparation of a power purchase agreement, and assistance in procuring the services of an operator for an initial period;
  - follow-up studies required by the Environmental Management Plan (EMP);
  - examination of the option of soliciting bids to supply gas to the plant;
  - power sector reforms;
  - consumer satisfaction surveys;
  - improvements in inventory control; and
  - training in procurement and environmental management.

17. The project will use a Combined-Cycle Gas Turbine (CCGT) for power generation. This technology dominates investments for most modern power plants because it achieves significantly higher efficiency than other options for thermal power generation combined with very low air emissions. CCGT technology is used primarily with natural gas as a fuel but, in the absence of natural gas in Albania in the short to medium term, the plant will be fueled by distillate fuel oil. The fuel specifications for the plant provide for low sulfur content of distillate fuel in order to reduce emissions, even though this will add to the operational cost. *“Fuel sulfur content will be monitored to ensure that it is less than or equal to 0.1 percent by weight. Sampling and analysis should be performed on*

*each delivery received.*”<sup>5</sup> The TEP is designed to allow conversion to natural gas if and when it is imported to Albania.

18. The total amount of financing for the contract of the TEP is currently expected to be EUR92 million (approximately USD123.3 million). Based on the awarded Engineering, Procurement and Construction (EPC) contract the cost of the power station project includes about EUR10 million for: (i) an offshore oil tanker terminal; (ii) an undersea pipeline; and (iii) fuel storage facilities. It also includes USD4.4 million for a connection to the Albanian transmission system at the Babica 220/110 kV substation located seven kilometers away. The total project cost also incorporates USD4.85 million for technical assistance and training.

19. Financing for the project is being provided through an IDA Credit of USD25 million equivalent and loans of EUR40 million each (approximately USD54 million) from EIB and EBRD. The three IFIs are providing joint financing, rather than parallel financing, since there is a single supply and install contract (EPC) for the TEP.

20. The power station will be owned and operated by a separate corporatized enterprise, with all of its shares held by KESH. There will be a power purchase agreement between the company and KESH, with a guaranteed take-or-pay arrangement for a limited period. Such an agreement between KESH and the plant company provides two benefits: first, it constitutes a useful precedent for subsequent investments in generation by the private sector or through a public-private partnership; second, a track record of financial performance of the subsidiary company with such an agreement could facilitate its subsequent privatization. In addition, having a reliable power supply by a dedicated producer would benefit the population.

21. The project benefits will consist of: (i) increased electricity supply from the new power station that will contribute to an improved balance between hydropower and thermal power; (ii) avoided costs of transmission lines and capacitors to improve electricity service in southern Albania; (iii) lower transmission losses since the plant will be located near demand centers in southern Albania where there is currently a supply shortage; (iv) potential for fulfillment of the condition to connection with the UCTE system; (v) less load shedding resulting from reductions in non-technical power losses and improved collections, since both lead to lower demand and improve the ability of KESH to pay for imported electricity; (vi) improved power sector financial performance resulting from reductions in transmission and distribution losses, increased collections, and higher electricity tariffs; and (vii) implementation by the Government of a clearly defined power sector reform strategy. In addition, increased electricity availability should help to support the growth of tourism in the Vlore area as well as further south.

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<sup>5</sup> From the EMP, which forms the Annex to Contract document (h), Annex 5. Refer to table 8.4, page 21. Use of this low sulfur fuel would be in line with EC directive 1999/32/EC which will require distillate fuels to reduce sulfur content to 0.1% sulfur from January 1, 2008.

22. KESH is managing project implementation, with the Project Management Unit that was responsible for implementation of the previous Power Sector Rehabilitation and Restructuring Project continuing for the present project.

### **PROJECT ANALYSIS OF ALTERNATIVES AND ECONOMIC EVALUATION**

23. As required under the Bank's policy on Economic Evaluation, an analysis of alternatives was carried out as part of the project appraisal process.<sup>6</sup> Four sets of alternatives to the project were considered: (i) no project; (ii) another transmission and distribution project; (iii) alternative fuels and sites; and (iv) an independent power project (IPP) financed by a private investor.

24. **No Project.** One alternative to the proposed TEP would have been to import an additional amount of electricity equal to what would have been produced by the plant. Albania was already heavily dependent on imported electricity, and this dependence would continue to increase. Without additional domestic capacity, domestic generation would meet only 44 percent of demand in 2015 in an average hydrological year and 33 percent in a dry year (3,000 GWh domestic generation). Further, a supply deficit was already emerging in the region. Imports were thus likely to become progressively more difficult to obtain and more expensive. Albania was buying imported electricity on the basis of contracts for one year or less, and was unable to arrange for longer contracts. Lack of sufficient imports would have had a major negative macroeconomic impact. Provision of additional domestic generation capacity would reduce Albania's vulnerability to such a situation.

25. **International Interconnection, Transmission and Distribution Project.** The option of a new IDA-supported project to strengthen transmission links with neighboring countries was determined to be unnecessary since financing for a new 400 kV interconnection to the north is already committed by KfW of Germany and Italy. The internal Economic Rate of Return (ERR) of this interconnection was lower than that of the proposed Vlore TEP. The option of another project to rehabilitate and strengthen the distribution systems in selected regions of Albania together with associated transmission investments was also considered. This option was evaluated using a detailed cost-benefit analysis of the power distribution and associated transmission investments given the highest priority in the Energy Sector Study, and designated for implementation prior to 2006. The internal ERR for this option, while favorable, was lower than that of the Vlore TEP, and the net present value (NPV) was significantly less.

26. **Alternative Fuels and Sites.**<sup>7</sup> The project feasibility study considered other sites and other fuels as alternatives to the use of distillate oil in a combined-cycle generating unit at Vlore (site B). The other sites investigated were: Durres, Elbasan, Fier, Korce, Shengjin, and Vlore (site A).

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<sup>6</sup> For more details see also: Project Appraisal Document, February 17, 2004, Report No: 27049-ALB.

<sup>7</sup> See consultant's studies, "Final Feasibility Study" and "Siting Study," October, 2002.

27. The option of a natural gas-fired combined-cycle unit at each site was found to be more costly than the distillate fuel option, since, in the absence of any other significant potential consumer of gas in Albania at the time the new plant will enter service, the total cost of building the infrastructure to import gas would have to be assumed by the proposed TEP. However, if and when imported natural gas is brought to Albania, the Vlore plant could be readily converted to gas. The oil-fired combustors on the combustion turbines would be capable of firing natural gas, with no additional cost to the project although there would be additional costs with respect to new natural gas lines, gas compression, gas treating and heating equipment.

28. The use of indigenous coal in a conventional coal power station was ruled out because of the high cost of reintroducing coal mining, addressing pollution mitigation due to high sulfur content, the lack of an adequate transportation system, and the low heat content. The imported coal option was found to be more costly than the distillate fuel option at all of the sites.

29. Use of heavy fuel oil (HFO) in a combined-cycle plant would be cheaper than distillate oil, but firing low sulfur HFO (less than 1 percent) would not result in any cost savings, due to decreased unit performance. The use of high sulfur HFO (more than 1 percent) would have reduced the levelized cost by about 6 percent, but would have also resulted in higher particulate emissions and approximately twice the amount of NO<sub>x</sub> and SO<sub>x</sub> emissions. In view of this, HFO was not considered for the project.

30. The sites themselves were evaluated on the basis of ten criteria, each assigned a different weight. The criteria and their weights were: (i) environmental remediation – 12 percent; (ii) air quality concerns – 8 percent; (iii) levelized cost – 12 percent; (iv) socio-economic concerns – 8 percent; (v) reduction in transmission system losses and voltage profile improvement – 12 percent; (vi) transmission availability and proximity – 10 percent; (vii) fuel availability – 14 percent; (viii) water and sewage needs – 10 percent; (ix) transportation – 8 percent; and (x) property availability – 6 percent. The Vlore and Fier sites were found to be best from a transmission perspective since they would significantly improve the voltage profile throughout the Albanian power system, greatly reduce the number of substations with low voltage, significantly reduce system losses, and have reasonable interconnection costs.

31. Other advantages of the Vlore sites were the possibility of using sea water for once-through cooling for steam cycle heat rejection, and the possibility of using the nearby Vlore port to receive the imported equipment for the TEP. The Durres and Elbasan sites also would have provided benefits from a voltage and losses perspective, but not as much as the Fier and Vlore sites. The Korce and Shengjin sites would have provided marginal voltage improvements and loss reductions, but they suffered from other limitations such as expensive access to fuel and difficulties of transporting material. Site Vlore A, which is located four kilometers west of the city center, encompasses part of an abandoned chemical plant that is a source of extensive mercury contamination as well as other chemical waste. The cost of the measures needed to remedy the environmental problems

would have been prohibitive.<sup>8</sup> The disadvantage of the Fier site in comparison with the Vlore B site was the extra cost that would be required to transport the imported distillate oil overland from Vlore to Fier, and associated environmental concerns. There was a close correspondence between the ordering of the sites on the basis of the ten criteria and the ordering on the basis of levelized cost alone. In both cases, the recommended Vlore site was ranked first over the site at Fier.

32. **IPP.** The option of an IPP was rejected in light of the low likelihood that private investors would be interested in investing in a new power station to serve the Albanian market because of a combination of factors. These included the worldwide reduction in investor interest in the power sector, the financial difficulties experienced by some potential utility investors and the substantial perceived country risks.

33. The project feasibility study estimated economic NPV and internal ERR for different sizes and types of combined-cycle plants at the Vlore B site. The estimates used for the Project Appraisal Document (PAD) are for a plant consisting of two combustion turbines and one steam turbine, with an installed capacity of 131 MW, annual production of 921 GWh, and an assumed life of 20 years.

34. For the economic analysis during project appraisal, the costs consisted of the investment cost, estimated to be USD102 million (including physical contingencies of 5 percent but no price contingencies), annual fuel costs and annual operations and maintenance costs. The quantified benefits consisted of: (i) retail sales valued at willingness to pay less transmission and distribution costs and losses; (ii) reduction in transmission losses on the Albanian system attributed to the project of 46 GWh per year valued at willingness to pay; (iii) avoided investments totaling USD27.9 million in a 220 kV transmission line from Tirana 2 to Durres to Fier and a 220 kV transmission line from Elbasan 1 to Fier; and (iv) avoided investments totaling USD1.7 million in 100 MVar of capacitors. Willingness to pay of USD0.109 per kWh was estimated on the basis of the consumption weighted average cost of alternative diesel generation located at consumers' premises for large industrial and small industrial and commercial consumers, with the weights being the consumption increases by these two respective sets of customers. Projected additional demand over the period 2003-2008 for these consumer groups slightly exceeded the output of the Vlore TEP. The Cost Benefit analysis of the project calculated a NPV of USD118 million and an ERR of 37 percent.

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<sup>8</sup> The United Nations Environment Programme (UNEP) conducted site investigations and risk analyses in 2000, and designated the area a "hot spot" posing risks to public health and the environment. According to UNEP, the former chemical plant used excessive quantities of mercury in its chlorine-alkali electrolysis operations and considerable amounts of mercury were lost in spills during the production period, causing soil and groundwater contamination. The report made a series of recommendations to reduce public health risks and further characterize site conditions. See *United Nations Environment Programme and National Environmental Agency of Albania, 2000. Post-Conflict Environmental Assessment and State of the Environment Report. ISBN 82-7701-014-1*, available in CD.

## PROJECT STATUS

35. The project was approved by the World Bank's Board on March 16, 2004. The legal documents were signed on April 6, 2004 and the project became effective on January 25, 2005. After a bidding process that was protracted by the need to carefully review complexities that arose during evaluation of the bids, the EPC contract for the TEP was signed on February 9, 2007 and became effective on May 5, 2007. It is expected that civil works will commence in June 2007.

36. Regular supervision missions were carried out by the project team<sup>9</sup> after the approval of the project by the World Bank's Board. The Bank received correspondence from civil society, starting in June 2005, which raised issues about the project. The project team reviewed the concerns and responded in writing. The Country Manager and the Country Director held a meeting with representatives of civil society to discuss their concerns in April 2006 while a separate mission took place in 2006 to conduct further investigations on cultural issues (see also Annexes 1 and 2 for more details).

## IV. SAFEGUARD-RELATED ISSUES

### ENSURING COMPLIANCE WITH WORLD BANK AND IFI SAFEGUARD POLICIES

37. The World Bank, EBRD and EIB all required compliance by the Borrower with various "safeguard" policies to ensure environmental and social standards would be met.<sup>10</sup> Given the likely design of the proposed TEP, the overarching policy in all three institutions was deemed to be that of Environmental Assessment (EA, covered by OP 4.01 under the World Bank system). While Albania did have laws on EA in place at the time, the country's experience with (and ability to finance) EA work for such large investments was extremely limited. The USTDA provided support to hire consultants for the preparation of EA and related due diligence assessments. These assessments were prepared in accordance with the requirements of each of the three participating IFIs and relevant Albanian laws. The USTDA facilitated a contractual relationship between the consultant and the Government of Albania (signed April 10, 2002) to carry out EA work in addition to the siting and feasibility support.

38. The comparative analysis of twenty-one sites at seven localities for a new TEP (the "Siting Study") looked at environmental and social factors, in particular: (i) the extent of environmental remediation required to prepare the site; (ii) air quality concerns; (iii) water and sewer needs; and (iv) socio-economic concerns including proximity to protected or sensitive areas. These and other quantitative rankings led to the recommendation to proceed with further analysis of the Vlore B site; first in a preliminary fashion in

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<sup>9</sup> See Implementation Status Reports from 9/29/2004.

<sup>10</sup> The World Bank's policies can be found at the Bank's external web site: <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTSAFEPOL/0,,menuPK:584441~pagePK:64168427~piPK:64168435~theSitePK:584435,00.html>

the draft siting study (June 6, 2002) and then the final siting study of October 21, 2002. The Draft Feasibility Study (August 6, 2002) included a detailed Preliminary Environmental Analysis section as well as a draft outline of an Environmental Assessment (EA). These findings were discussed in a public meeting in Vlore on October 31, 2002.<sup>11</sup> Following the identification of the Vlore B site as a leading candidate for the site of the proposed power plant, safeguards work was initiated, with the siting study providing information that was then incorporated into the required “alternatives” section of the EA report.

39. The World Bank’s formal process for safeguards compliance began in early October 2002 with the first internal meetings to set safeguards requirements at the concept-stage. The project was assigned a “Category A” rating for EA, recognizing the potential significant impact on the environment and need for avoidance, mitigating and monitoring measures. This was consistent with the rating systems of EBRD and EIB (both based on the EA Directive of the European Commission). The Category A rating was driven by the highest risk component, that of the TEP itself, which required a full EA under World Bank policies and procedures and those of EBRD<sup>12</sup> and EIB.<sup>13</sup> Particular areas of attention included the impacts on air quality from stack emissions, water quality from cooling water discharge, and any ancillary impacts on the Narta lagoon, located about two kilometers from the project site. It was also recognized that the nature of the EPC contract meant that very localized risks, impacts and mitigating measures would need to be further clarified once the specific project design was set and further data obtained on baseline ambient air quality. Other components of the project that posed potential impacts which would be mitigated during implementation include upgrading of fuel handling, the location of offshore intake for cooling water supply, upgrading of local access roads to handle construction, and construction site waste management.

40. Additional internal discussions on the approach to due diligence took place from October 2002 through early January 2003. Formal public notification of the Bank’s intention to prepare the project took place on January 2, 2003 with the posting of the Project Information Document (PID) in the InfoShop. An outline of the initial approach to safeguards (as required under Bank policy) was posted on February 19, 2003 at the Bank’s InfoShop as a part of the Integrated Safeguards Data Sheet (ISDS). Key safeguard policies that were investigated for relevance under the EA (OP 4.01) process included Natural Habitats (OP 4.04), due to the proximity of the Narta lagoon (then designated for protection) and Involuntary Resettlement (OP 4.12) due to the possible need for land acquisition for transmission line towers. During project preparation review and after consultations on the protected area around Narta lagoon with the United Nations Development Programme (UNDP), it was found that the potential impacts on Natural Habitats (OP 4.04) would not be significant and hence the safeguard was not triggered.

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<sup>11</sup> Note some project records have this meeting on October 28<sup>th</sup>.

<sup>12</sup> EBRD’s policies can be found at <http://www.ebrd.org/enviro/policy/index.htm>.

<sup>13</sup> An overview of EIB’s approach on the environment is provided at: <http://www.eib.org/environment/index.htm>.

41. The project followed standard World Bank procedures for a Category A project including: (i) public consultations by the Government at the early EA preparation stage on April 2, 2003 and draft EA report stage on September 3, 2003; (ii) advanced notification of these meetings by Government to stakeholders; (iii) a thorough internal World Bank and IFI review process for drafts and final documents; (iv) resolution of comments through the completion of final reports and an Addendum; (v) posting of draft EA reports in Albania (in Albanian) and in the InfoShop (in English) in a timely fashion consistent with the Bank's Policy on Disclosure of Information (Volume 1 on October 6, 2003 and a Volume 2 Addendum on January 15, 2004); and (vi) inclusion of the Policy Framework for Land Acquisition in the EA documents.<sup>14</sup> In addition, an external expert peer review of the EA was conducted by an internationally recognized consulting firm financed by the Canadian Government as an additional measure to ensure the quality of the EA.

42. The EA reports included (as per Bank policy) integrated EMP sections outlining requirements for mitigating and monitoring the project during construction and operation. These provisions were then incorporated into project specifications for bidders. The Government committed to adhere to these requirements during project implementation, and an internationally recognized consulting firm (independent from the firm that prepared the previous study) has been engaged to support the implementation of the EMP in four areas: (i) updating of ambient air quality impact assessment using site-specific ambient air quality and meteorological monitoring data; (ii) training of KESH's Environmental Management Unit to enable their oversight of EMP implementation; (iii) reviewing the oil spill prevention and response plan for the specific designs chosen by the EPC contractor; and (iv) preparing a Supplemental EA for all studies included in the EPC contractor scope. Additional monitoring of air quality and local meteorology has also been in place since February 2002 to allow reconfirmation of the results of the emission studies. Further details are provided in the selected chronology included as Annex 2.

43. World Bank safeguards requirements were addressed during project preparation and there were no policy exceptions included in the PAD or presented to the Board. Regarding other IFI requirements, EBRD and EIB relied on the same EA documentation as the World Bank. EBRD, for example, disclosed the EA to meet its requirements on February 6, 2004, and held a 120-day comment period from February 9 through June 7, 2004.<sup>15</sup> The project was approved by the EBRD Board on June 8, 2004. In addition, the Government of Albania has also confirmed that all domestic legal requirements of Albanian law were followed for this project (see government's response to Aarhus Convention). Management notes that the key Environmental Consent and License were in place as of March 2007.

44. The CAPBV wrote to the Bank in June 2005 raising technical, legal and economic arguments against the project. From January 2006, the Bank received letters regarding the completeness of the review of cultural heritage issues in the original EA work. Internal

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<sup>14</sup> The Policy Framework was prepared and posted in English only due to the initial determination that acquisition of privately held land was unlikely.

<sup>15</sup> Their succinct summary can be found at: <http://www.ebrd.org/projects/eias/33833.pdf>



Bank review suggested that this specific matter be looked into through a specialized supervision review which was carried out in July 2006. The review (Annex 3) included a field visit and discussions with noted experts, and confirmed that the project complied with relevant Bank policies (OPN 11.03 at the time) and relevant Albanian laws and regulations on historical and cultural resources. Monitoring of excavations during construction of the plant and related civil works to identify and protect “chance finds” was deemed the only action that needed to be taken, consistent with established Bank practice, and this is provided for in the EPC contract.

#### **ALLEGED DEFICIENCIES RELATING TO WORLD BANK SAFEGUARD POLICY COMPLIANCE**

45. The Requesters have raised several concerns on the project that Management views as being linked to the compliance of the project with World Bank safeguard policies. The first topic is both broad in coverage yet focused on a few environmental and social topics: *“If built, the Vlore TEPP will irreparably destroy environment, tourism, safe fisheries, natural habitat, ecosystem, coral colonies as well as the unique historical and cultural significance of the entire Vlore Bay and Narta lagoon. In short, it will destroy our past, present and future.”* Management notes that the application of Bank safeguard policies is the means by which the potential impacts of its investment projects in such areas are systematically examined as part of the project preparation and decision process. The project in question was rated as Category A for EA since it was the view of Management (as well as the co-financing IFIs) that the project could pose potentially significant environmental and social impacts. Through the EA process, however, it is Management’s view that significant environmental and social risks of the project can be successfully avoided, mitigated, monitored and controlled.

46. As noted earlier, the priority need for additional power generation capacity meant that Albania and its IFI partners sought an approach to project preparation that would provide technically sound options in a timely manner while meeting Bank (as well as EBRD and EIB) standards for quality and due diligence. Indeed, the anticipated growth of tourism along the coast of Albania would considerably increase electricity demand, further supporting the need for investment in power generation. Fortunately, the USTDA was able to mobilize an internationally recognized consulting firm to prepare pre-feasibility and feasibility studies as well as, on a parallel track, the necessary environmental and social due diligence documentation. The timeline for this process was challenging, and consisted of two stages: first, the prioritization of sites from April through November 2002 and, second, preparation and completion of all EA and related work on the highest ranked site (Vlore B) between January 2003 and January 2004. Management notes that the Requesters directly and implicitly raise several questions on the overall site selection, both in the early stages and with respect to any associated or “linked” investments. The next paragraphs examine this question in more detail.

## **SITE SELECTION AND LINKAGES TO OTHER INVESTMENTS**

47. As noted earlier, seven candidate locations for a TEP were evaluated on a number of environmental and social factors. Management notes that there are no internationally standardized approaches to conducting such site rankings, and that other evaluators might have chosen different ranking factors or weightings. Management considers, however, that the approach used under the project reflects appropriate and acceptable professional practice, and that the presentation of the review at the October 2002 public consultation meeting was notable in Albania as one of the first such engagements by Government with civil society at an early stage of a major investment project.

48. As a Category A project, the project included public consultations at the design stage of EA in April 2003 as well as at the draft EA report stage in September 2003. Notification of these consultation meetings was carried out by Government, and the minutes of these meetings were included in the final EA report (October 2003). Each of these meetings and the EA report itself reference the alternatives examined under earlier pre-feasibility and feasibility studies in the latter half of 2002, a process that led to the recommendation of the current site in Vlore. The analysis of alternatives did include a solid range of analytical criteria, including suitability with regard to the environment. It is important to note that no major objections were raised with the Bank regarding the selection of the Vlore site during the EA process from April 2003 through Board approval.

49. The Requesters have expressed concern about the extent to which the Bank's project is physically linked to other investments that had been proposed or might be sited in the area, and how this may have an impact on due diligence. References have been made to three possible investments in this regard: (i) a proposed major industrial or "energy park;" (ii) a proposed oil storage facility operated on a concession basis and located at a partially-built site south of the Vlore TEP; and (iii) one or more additional TEPs that would raise generation capacity at the selected Vlore site to as much as 300 MW.

50. Management notes that the first proposal of an energy/industrial park was introduced during project preparation by local officials (this proposal was subsequently dropped, as has been stated repeatedly by the Government).<sup>16</sup> Appraisal of the project, however, showed that the TEP is fully justifiable based on national energy needs regardless of the possible co-location of a large additional user. Had such an energy and industrial park been sited near to either Vlore B or A, then full due diligence would have been required of that facility to meet Albanian law. To Management's knowledge, the proposal for the energy park never advanced to the pre-feasibility stage, whereby candidate investments and technologies are proposed. Without such basic information, it would have been technically infeasible during project preparation to speculate as to whether ambient air or water surrounding the TEP would have deviated from assumed conditions.

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<sup>16</sup> See Annex 6, Government of Albania Response to Draft Findings of the Aarhus Convention Compliance Committee, 'Comments on Paragraph 25. According to the Secretariat of the Council of Territorial Adjustment of the Republic of Albania (CTARA), the Ministry of Economy, Trade and Industry has proposed the abrogation of the Decision Nr. 8 Date 19/02/2003 "On Approval of the Industrial and Energy Park-Vlore". It is expected the CTARA will abrogate the decision during its next meeting.'

51. The second proposed investment in the vicinity of the TEP, a proposed onshore oil terminal concession, is not related to the project, which will have its own independent offshore terminal, pipeline and storage tanks. In Management's view, project due diligence for the unassociated investment of an onshore terminal in the general area did not need to be carried out by the Bank.

52. Regarding the third issue, that of the possible expansion of generating capacity at Vlore to 300 MW, Management believes clarification of the record is helpful. The need for additional thermal generation capacity in Albania is recognized and a feasibility study had been carried out regarding addition of possible subsequent thermal power plants. Project documentation shows the Vlore site could physically accommodate additional units for a total installed capacity of 300 MW. The draft EA of July 2003, used for public consultation, did analyze air quality and cooling water thermal dispersion for both 100 and 300 MW capacities and concluded that, for both the 100 and 300 MW case, air quality and receiving water temperature rise are within limits acceptable to the World Bank and EU.<sup>17</sup> However, the project being financed by the World Bank, EBRD and EIB is limited to one facility of 97 MW capacity and the final EA focused on that only. If the Government decides to proceed with additional generation units (either at the Vlore site or another location), then a new comprehensive EA will be required.

#### **ADEQUACY OF SAFEGUARDS COMPLIANCE FOR THE PROJECT**

53. Moving from the matter of site selection and potentially associated investments, the Requesters have raised issues with the quality of the project EA in terms of the accuracy of site characterization and findings that the projected impacts in a number of areas would meet Bank and Albanian norms. Management's perspectives on these two themes, as well as reflections on compliance with internal procedural requirements are outlined below.

54. It is Management's view that the EA<sup>18</sup> was carried out with an appropriate mix of field reconnaissance, literature review, contacts with Albanian experts, review of available baseline data, and simulation of impacts using analytical models. The World Bank requires the Borrower to carry out the EA, and Albania had limited experience with directing EA work of an international standard when the project began. Thus, the EA benefited significantly from support by the USTDA through a consulting arrangement with a highly respected international consulting firm. The subsequent EA documentation pro-

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<sup>17</sup> For example, on the impacts of air emissions, see p. 63 of the Draft Environmental Impact Assessment, July 17, 2003: "The combustion emission unit consists of two distillate fuel oil-fired combustion turbines, each equipped with a HRSG. There is no supplemental firing in the HRSGs. The exhaust discharge points include two stacks; one from each HRSG. Complete facility build-out may include two additional generating units with identical emission sources. For the purposes of this analysis, one unit will be modeled, and impacts from complete facility build-out are estimated by scaling the results."

<sup>18</sup> EA means the two-volume Environmental Impact Assessment report (main text plus later Addendum) disclosed as per Bank requirements, and referenced by the Executive Summary prepared for SECBO. The "Summary of Environmental Impacts associated with the Vlore Thermal Power Station" published by EBRD on its web site is based on the same source materials.

duced from this collaboration met World Bank requirements (as well as EBRD and EIB requirements) for a Category A project from a content and organizational perspective, and through an iterative internal and external review process (outlined above and elaborated in Annex 2), the EA was deemed to be of professional quality. Consultations and disclosure of EA documentation was consistent with both OP 4.01 and the Bank's Policy on Disclosure of Information. The thoroughness of these consultations has been raised as an issue directly by the Requesters before the Compliance Committee for the Aarhus Convention (as discussed in paragraph 62) and Management's view on this matter is presented in that section and in Annex 5.

55. The Requesters' view that the EA was *"based on material misrepresentation of the site....[and] was misleading, illegal and wrong"* is, in Management's view, not supported by any evidence. Management recognizes that the EA does rely on a certain amount of reconnaissance-level information on some topics which will need to be refined as implementation progresses. Additional field review will be carried out as appropriate which represents good professional practice. To cite one example, reliable ambient air quality in the area was not available at the time of the EA and baseline information for modeling was approximated based on a comparable geographic setting and an estimated average ambient air quality. New field data are now being acquired which will allow site-specific data to be used for the analysis; the results of the EA analyses provide a significant margin between the expected results and acceptable limits but, if necessary, fine tuning of technology choices and operation can be undertaken in order to ensure that acceptable ambient quality is achieved after the plant is in operation. Similarly, the specific alignment for the oil pipeline and water intake/discharge will be selected, based on design choices and additional field studies. On the basis of the foregoing, Management sees no appreciable gains from an examination of additional project possibilities or choices selected.

56. One area where Management agrees that there was insufficient coverage in the EA was on the matter of the review of potential cultural property, even though the consulting team's initial research on cultural property issues suggested there were no assets likely to be found in the project area and thus a field survey was not warranted. When this issue was subsequently raised, Management believed that further consultations and a field visit would be beneficial to address this issue. A supervisory visit was carried out in July 2006, the Back-to-Office Report for which is included as Annex 3. The review concluded *"that the site is not of archaeological significance due to the known locations of the ancient city sites in the Vlore Bay region and the lack of any evidence of human habitation during digging for the adjacent fishing harbor in the early 1980s and beyond. Consequently a surface survey of the selected site prior to the start of construction is neither necessary nor justifiable."*

57. The Requesters' concern for potential impacts on ecosystems (i.e.,.... *"fisheries, natural habitat, ecosystem, coral colonies..."*) was also reviewed and Management considers that the EA and measures to be taken during implementation are adequate in these areas. The project site is outside the protected area around the Narta lagoon, designated as such in 2004 by the Government and is not anticipated to have an impact on this area. There is no evidence to suggest that areas immediately offshore from the TEP site sup-

port colonies of coral. Potential project impacts that were examined in the EA and which Management believes provide adequate assurance of acceptable risks include: (i) the location of the cooling water intake, discharge pipe, and oil supply pipeline which will be selected based on careful consideration of sea-bottom; (ii) the dispersion of cooling water offshore designed to meet acceptable temperature limits before the edge of a mixing zone thereby minimizing impacts on fish and submarine ecology; (iii) no projected impact from chemical or particulate fallout from the TEP stack that could cause loss of biodiversity in the Narta wetland; and (iv) careful consideration of potential ecological impacts and mitigation measures in project components beyond the TEP proper such as the rehabilitation of the access road and construction of a transmission line connecting the TEP to the regional grid. Management concludes that the Natural Habitats safeguard (OP 4.04) was appropriately shown as “not triggered” in the final ISDS.

58. Further details on mitigation and monitoring approaches are outlined in detail in the EA and will be the subject of careful review by the independent consultant’s oversight contract. Management recognizes that even with the implementation of the EMP and supervision of the works by an independent contractor, residual risks do remain, but these are within the range of acceptability by the Bank and the cooperating IFIs. The approach to having the operating contractor provide further details on safeguards compliance (rather than having all details laid out in the EA) is commensurate with the nature of the operation, since an EPC contract means that the contractor undertakes the detailed design, procurement and construction of the project. Management considers, furthermore, that the project warrants close and frequent supervision by Bank staff during implementation and will continue to provide the appropriate support in this regard.

59. Regarding impacts on tourism potential, this is not an issue covered directly by Bank safeguard policies, but only indirectly through related issues such as potential impacts on cultural property and natural habitats. Management notes that while tourism adjoining the immediate site could possibly be reduced, the benefit of more reliable power in the Vlore area (and generally in the southern part of Albania) for tourism is undeniable.

60. Regarding the Involuntary Resettlement Safeguard (OP 4.12), Management notes that the policy was appropriately shown as “triggered” in the ISDS and a Policy Framework for Land Acquisition was included in the PAD and disclosed. This Framework was needed to address the very small amount of land that will need to be acquired for transmission line towers and not for the TEP itself. The land acquisition will not lead to actual displacement of households or businesses, since acquisition of privately held land is unlikely.

61. The Requesters allege certain additional legal deficiencies. Regarding the general allegation that the Bank’s procedures violated EU laws and guidelines, Management notes that the EA was carried out in full compliance with relevant EU laws and guidelines. In addition, Management notes that the approach to due diligence followed by EBRD and EIB is heavily influenced by EU Directives under the Environment *acquis*. Allegations by the Requesters that the project is in violation of Albanian laws on environment and public participation are not supported by legal citations and the Government

has stated that all Albanian legal requirements have been complied with in approving the project and issuing the relevant licenses. Albania would certainly benefit from further institutional strengthening on environmental management, but Management believes this should not detract from the tremendous gains the country has made in the preparation and implementation of the project. Finally, following the award of the EPC contract, Albanian requirements with respect to “Environmental Consent” on the TEP was obtained on February 16, 2007. The Environmental License for operating the TEP was obtained on March 3, 2007.

62. The Request for Inspection refers to a recent draft report on the project issued by the Aarhus Convention Compliance Committee, provided as Annex 4.<sup>19</sup> Management maintains that the Bank’s safeguard policy framework supports the Convention by, among other items, seeking early and meaningful dialogue. It is the Bank’s understanding that the Committee’s compliance process is still underway. Management believes that the process leading up to the project respected the requirements of the Convention. Annex 5 presents a response to the Committee’s invitation for comments on the Report. In it, the Bank clarifies or confirms a number of points relevant to the report, including: (a) the project is in compliance with Bank policies and procedures, and, as relevant to this case, the Bank’s EA and disclosure and consultation requirements; (b) a satisfactory analysis of alternatives was conducted for the project, and that the result of this analysis was discussed with local stakeholders; and (c) consultation and disclosure of information did take place during project preparation in a manner satisfactory to the Bank and other development partners. The response of the Government to the Aarhus Convention Compliance Committee is provided as Annex 6.

## V. MANAGEMENT’S RESPONSE

63. The Requesters’ claims, accompanied by Management’s detailed responses, are provided in Annex 1.

64. Management believes that the Bank has made diligent effort to apply its policies and procedures and to pursue concretely its mission statement in the context of the project. In Management’s view, the Bank has followed the guidelines, policies and procedures applicable to the matters raised by the Request. As a result, Management believes that the Requesters’ rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.

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<sup>19</sup> Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention).

**ANNEX 1**  
**CLAIMS AND RESPONSES**

No	Claim/Issue	OP/BP	Response
<b>Environmental Assessment, Natural Habitats, Physical Cultural Resources</b>			
1.	<p>If built, the Vlora TEPP will irreparably destroy environment, tourism, safe fisheries, natural habitat, ecosystem, coral colonies as well as the unique historical and cultural significance of the entire Vlora Bay and Narta lagoon. In short, it will destroy our past, present and future. We believe the Bank has violated policies concerning environment, public participation, cultural heritage, the requirement for full compliance with Albania's domestic laws.</p>	4.01, 4.04, 11.02	<p>In the earliest stages of preparation following a siting and ranking study, the World Bank screened the Vlore TEP project as a Category A for EA, recognizing the potentially significant impact on the environment. An iterative process of field review, consultations, data gathering, analysis, and analytical modeling of key media-related risks was undertaken. Internal and external peer reviews by Bank staff, consultants and other IFI partners took place which found that risks to the environment (including aquatic and terrestrial ecosystems) could be mitigated by the selection of high quality and low polluting fuel, good control technologies, and a comprehensive EMP. The Narta lagoon will not be degraded by the project and, while tourism in the immediate site could possibly be reduced, the benefits of more reliable power in the Vlore area for tourism are undeniable. There is also no evidence to suggest that areas immediately offshore from the TEP site support colonies of coral. The project site is not of archaeological significance, but sound procedures for identifying and protecting chance finds will be put in place.</p> <p>The project has complied with safeguard policies of the World Bank, including policies related to consultations and disclosure. Management recognizes that Albania's compliance under the Aarhus Convention is currently under review by the UN ECE compliance committee. While Albania is not a member of the EU, IFI partners such as EBRD and EIB have ensured that the project complies with relevant segments of the EU Environmental acquis. The Requesters have provided insufficient information regarding alleged project non-compliance with Albanian laws and the Government has stated that all legal requirements have been complied with in approving the project and issuing the relevant licenses. Management notes that the key Environmental Consent and License were in place as of March 2007.</p>
2.	<p>The Bank's project is based on the material misrepresentation of the site.</p>	2.20	<p>Sufficient in-field review and site characterization has been carried out in the preparation of the EA. Where field data were lacking (for example on ambient air quality) reasonable surrogates were chosen and a program of field monitoring was begun to collect data which will allow site-specific data to be used for the analysis; the results of the EA analyses provide a significant margin between the expected results and acceptable limits but, if necessary, fine-tuning of technology choices and operation can be undertaken in order to ensure that acceptable ambient quality is achieved after the plant is in operation. The project EMP, which is a part of the EA, provides for further site characterization as choices are made in project details such as the alignment of oil supply pipelines and the intake and discharge of cooling water. This approach is flexible and professionally appropriate, as well as commensurate with the need for adding generation capacity in a timely fashion.</p>
3.	<p>The EA upon which the Bank's loan was based is misleading, illegal and wrong.</p>	4.01	<p>The EA is consistent with World Bank policies and procedures and those of EBRD and EIB for coverage, accuracy and technical quality. Internal and external peer review and disclosure and consultations were also sufficient and necessary pre-conditions for Board approvals in 2004.</p>

No	Claim/Issue	OP/BP	Response
4.	The whole Bank's procedure leading to the Project is in violation of Albania's laws on environment, public participation, cultural heritage and EA, as well as the EU's laws and guidelines.	4.01	Please see the last paragraph of Item 1 above.
5.	The EA, in which the Bank based its loan, refers only to one thermal power plant of 100 MW, while in the decision of government No. 610 dt. 21.9.2004 – which the Bank is or should have been aware of – it is explicitly written that it is agreed to reach a capacity of 300 MW in next phases.	4.01	The need for additional thermal generation capacity in Albania is recognized and a feasibility study had been carried out regarding addition of possible subsequent thermal power plants. Project documentation shows the Vlore site could physically accommodate additional units for a total installed capacity of 300 MW. The draft EA, used for public consultation, did analyze air quality and cooling water thermal dispersion for both 100 and 300 MW capacities and concluded that, for both the 100 and 300 MW case, air quality and receiving water temperature rise are within limits acceptable to the World Bank and EU. However, the project being financed by the World Bank, EBRD and EIB is limited to one facility of 97 MW capacity. Should the Government decide to proceed with additional generation units (either at the Vlore site or another location), then a new full-fledged EA will be required.
6.	There is violation of the World Bank's own guideline for new thermal power plants. (This guideline says: "When there is [a] reasonable likelihood that in the medium [or long] term the power plant will be expanded or other pollution sources will increase significantly, the analysis should take account of the impact of the proposed plant design both immediately and after probable expansion in capacity or in other sources of pollution.")		Please see response to Item 5 above.
7.	Also the government approved (Law No. 9231 dt. 13.5.04) just one km far from TEP Vlorë a concessional agreement of building of large oil storage deposits in the Vlorë Bay.		The second proposed investment in the vicinity of the TEP, a proposed onshore oil terminal concession, is not related to the project, which will have its own independent offshore terminal, pipeline and storage tanks. In Management's view, project due diligence for the clearly unassociated investment of an onshore terminal in the general area need not be carried out.
8.	We have complained to World Bank staff on the following occasions: Letter to [the Country Director] and [the Country Manager], on date 20 June 2005, <sup>1</sup> various letters to [the Europe and Central Asia Region (ECA) Vice President] during the entire year of 2006 by Dr. Anna Kohen, Honorary Citizen of Vlorë and Honorary Member of Civic Alliance for the Protection of the Vlorë Bay, <sup>2</sup> meetings in Tirana with [the Country Director, [the Country Manager, and the consultant for physical cultural resources]. <sup>3</sup> We have received no response [or] we have received a re-	4.01	<p>The World Bank received one letter from CAPBV on June 30, 2005 raising concerns about the decision to site a Thermo-Electric Power plant at the Bay of Vlorë. The then Acting Country Director responded on August 1 noting CAPBV's concerns, assuring it that the Bank team would take them into account, recommending a meeting with the Albanian power company KESH to clarify the project scope and assuring CAPBV that any future investment would only be undertaken after an EA that ensured the environmental impact is minimal and could be mitigated. The Country Director and Country Manager met CAPBV in April 2006 and reiterated these points.</p> <p>The World Bank also received six letters from Dr Anna Kohen, President of the Albanian American Women's Organization and then President of the Albanian-Jewish Committee of New York,</p>

<sup>1</sup> [http://guida-shqiptare.net/vloranerezik/GAZETA\\_percent20VLORA\\_percent20NE\\_percent20RREZIK.pdf](http://guida-shqiptare.net/vloranerezik/GAZETA_percent20VLORA_percent20NE_percent20RREZIK.pdf) (note that this link is broken but the letter can be found at <http://www.guida-shqiptare.net/news/art.php?artid=46>).

<sup>2</sup> To be found on World Bank's archives, or otherwise available to your office immediately upon your request.

<sup>3</sup> With [the Country Director] and [the Country Manager] on April 24, 2006 and with [the Physical Cultural Resources consultant] on July 14, 2006.



No	Claim/Issue	OP/BP	Response
	<p>sponse and we are not satisfied that the explanations and answers solve our problems for the following reasons:</p> <p>The response to Sazan Guri et al's letter was misleading and ignoring or misrepresenting of the facts. The Bank staff that authored it was simply in denial.</p> <p>The responses to Dr. Anna Kohen's letters have been more diligent, but still they failed to consider the brutal fact[s noted above in items 4, 5 and 6]. The various meetings with Bank's officials were also completely unproductive.</p>		<p>between January 2006 and January 2007. Either the Vice President or the Director of Infrastructure for the Region responded to each letter promptly, in most cases in less than one month. One response took two months so as to include the findings of a technical mission to Albania fielded to investigate some of the specific claims made by Dr Kohen. Several of the letters from the World Bank to Dr Kohen offered to meet to discuss the issues, at a time and location convenient to Dr Kohen. This offer has not been taken up.</p> <p>In each instance, the substantive issues raised by Dr Kohen were addressed comprehensively by the World Bank team. In doing so, the team held extensive discussions with experts in Albania, including those in Government Departments with responsibility for Archaeology, Cultural Heritage and Power.</p> <p>In July 2006, as noted above, the Bank contracted a specialist in cultural property issues to undertake a technical mission to Albania with members of the project team. The team met with government officials and non-governmental experts in archaeology and cultural heritage. The team also met with CAPBV on July 14, 2006. The findings of this technical mission were conveyed to Dr Kohen in a letter dated August 2, 2006.</p> <p>In August 2006, the World Bank's INT Department also received a letter from CAPBV raising allegations of fraud and corruption, as well as concerns regarding the environmental assessment, in relation to the Vlore TEP. INT responded in October 2006 requesting more details of the fraud and corruption allegations and advising CAPBV to address concerns regarding the environmental assessment to the Inspection Panel. No further information was submitted.</p> <p>The Executive Director for Albania, Greece, Italy, Portugal, San Marino, Malta and Timor-Leste has subsequently received a letter from Dr Kohen dated May 19, 2007.</p>
<b>Other Issues</b>			
9.	<p>We note that the procedures concerning the Vlore TEPP were already found in violation of Article 6 of the Aarhus Convention on Access to Information, Public Participation and Access to Justice, as determined by the Aarhus Convention Compliance Committee in its Draft Finding and Recommendations of March 23, 2007.</p>		<p>The Bank's safeguard policy framework supports the Convention by seeking early and meaningful dialogue. The project team notes that the Compliance Committee of the Aarhus convention has issued <i>draft</i> findings on the matter and invited the Bank to comment on those findings before they are finalized. Annex 5 presents a response to the Committee's invitation for comments on the Report. The Bank is corresponding with the Committee on the matter. It believes that the process leading up to the project respected the requirements of the Convention.</p>
10.	<p>We note that the Office of the Executive Director [...] (EDS21) may have a conflict of interest in properly, thoroughly and impartially investigating this matter. Among other countries, EDS21 is comprised of Albania, Italy and Greece. Italian and Greek companies may have strong economic and financial interests in benefiting from World Bank's Vlore TEPP loan agreement. Moreover, Greek citizens who are employees of the World Bank are directly responsible for the TEPP violations in both planning and implementation stage. For example, [...the] Country Director for Albania [is Greek], [... as is] the Bank Team Leader/Project Director. Fi-</p>		<p>Management takes exception with the points raised in this paragraph. No evidence is provided to support these claims, which discriminate against Bank staff solely on the basis of their nationality.</p>

*Albania*

No	Claim/Issue	OP/BP	Response
.	nally, the contract for the construction of the Vlora TEPP, signed on February 9, 2007, is between the Albanian utility KESH and a major Italian company [...]. We can simply hope that EDS21 carries out its duties in the most professional, ethical and responsible fashion and opens the way to the Inspection Panel for a thorough, impartial and objective investigation of such matter, regardless of whether citizens of Italy and/or Greece become its subject.		

**ANNEX 2**  
**SELECTED KEY DATES RELATED TO SAFEGUARDS**

Date	Activity	Who	Comments
<b>2001</b>			
Dec 2001	Albania Energy Sector Mission; first mention of option for new TEP; team safeguard specialist identified but not on mission.	TT	
<b>2002</b>			
Jan 2002	EIB and EBRD interested in financing new TEP along with IBRD; USTDA interested in financing feasibility studies with work possible by March.	TT	
Jan 22, 2002	Letter from WB Country Director to Albanian Prime Minister indicating willingness to assist in raising financing for a new thermal plant.	ECA-Management	
Jan 30, 2002	Draft scope of services sent to TT from USTDA consultants on feasibility work (including on environment).	USTDA Consultants	
Feb 4, 2002	Email from EBRD to TTL confirming their view of EBRD Category A rating with full compliance of EU Directive required; concerns about speed of processing schedule.	IFI review	
Feb 2002	Emails from EBRD to TTL on specifics of scoping and carrying out project EA; EBRD encourages preparation of consultation and disclosure plan; concurs on use of surrogate air quality data.	IFI review	
April 10, 2002	Contract Amendment between Government of Albania (GoA) and consultant to prepare draft and final feasibility studies (including Siting Study) and an EA "of the identified site ... to comply with both European Union and World Bank standards"; also to include a "public consultation and disclosure plan."	USTDA consultants; GoA	Negotiated between USTDA, consultants and GoA (including input from IFIs)
June 6, 2002	Draft Siting Study submitted which recommends Vlore B as preferred site for TEP following seven site reviews. Meetings with Government and site visits held during week of April 22, 2002.	Consultant; GoA	
June 21, 2002	Albanian Ministry of Energy & KESH agree with MWH recommendations on Vlore B as being preferred and authorizes completion of Siting Study.	GoA	
Aug 6, 2002	Draft Feasibility Study includes 40+ page Section 4 on Preliminary Environmental Analysis of the Vlore B site as well as draft outline of full EA to be conducted.	Consultant	
Aug 19, 2002	E-mail from TT Environmental Specialist following consultation with ENV staff; suggesting draft [project] EA can be condition of appraisal and consultations carried out during appraisal.	TT/ENV	
Aug 13-21, 2002	Preparation mission for proposed Power Sector Generation and Restructuring Project; key environmental issues raised relative to Vlore siting including clarification of approval and licensing process; review of impacts on Narta Lagoon, and questions regarding refinement of ambient air quality data.	TT	
Sept 12, 2002	Meeting of GoA Task Force for implementation of Energy Document headed by Minister of Energy; endorsed findings [recommending Vlore B site] and to send report to Min of Environment.	GoA	

Date	Activity	Who	Comments
Sept 23-24, 2002	First email exchange between TT and Quality Assurance and Compliance Unit (QACU) on project seeking advice on due diligence requirements for the project; QACU noted that it could be controversial given siting near lagoon and, in a follow-up meeting, suggested taking up this specific issue with UNDP.	TT; QACU	
Oct 1, 2002	Request from TT to ECA safeguards team requesting initial pre-Project Concept Document (PCD) stage consultation meeting to set EA requirements.	TT	First formal contact by TT with ECA safeguards
Oct 3-5, 2002	Pre-PCD safeguards consultation meeting held on 3rd; on environment; extensive advice for preparation of project documentation and EA. TT's initiative in calling for early review appreciated.	ECA Safeguards	First formal step in ECA safeguards clearance process
Oct 11, 2002	E-mail from UNDP to TTL and others outlining background on Narta lagoon issues and related UNDP-GEF efforts. Their brief review suggests siting of TEP should not affect integrity of habitat; emphasizes continued cooperation. TTL met UNDP in Tirana from Oct 17-24 and followed up with e-mail on November 14, 2002.	IFI review	
Oct 17, 2002	Environmental reviewer comments on terms of reference for consultant; some deficiencies noted.	ECA Safeguards	Comments were factored into preparation of the EA Addendum
Oct 2002	Follow-up internal discussions on biodiversity issues relative to Narta Lagoon given UNDP/GEF interest; also on remedying issue with same firm doing feasibility studies and EA work (w/LEGEN; approved on Oct 9, 2002).	TT/Others	
Oct 8, 2002	Ministry of Environment approval letter to Ministry of Trade and Industry on Vlore B (although initially it felt <i>"Fier option is a little bit preferable from the environmental point of view"</i> ) yet recognized the higher cost of Fier. Also urged a good EA on Vlore noting <i>"This should be an open process ensuring participation of all interested parties especially of public in the area."</i>	GoA	
Oct 21, 2002	Date of Final Siting Study and Final Feasibility Study release date.	USTDA consultants	
Oct 28, 2002	Public meeting in Vlore to discuss the recommendations from the siting study that Vlore site is preferred.	GoA	Meeting was organized by GoA under its own process.
Nov. 15, 2002	Letter from GoA to TTL forwarding minutes of Oct 28 <sup>th</sup> meeting, reporting on progress on several issues, and expressing <i>"that all three ministries (Energy, Environment and Territory) stakeholders in Vlora agreed with us for the importance of Building this power plant in Vlora B site."</i>	GoA	
<b>2003</b>			
Jan 2, 2003	Date of PID on World Bank external website.	TT; InfoShop	
Jan 10, 2003	Project Concept Review date.	ECA Management	
Jan 10 & 14, 2003	Review of PCD for environment and social. OP 4.12 suggested as triggered (confirmed on Feb 4 <sup>th</sup> ) due to small amounts of land acquisition for associated transmission line towers.	ECA Safeguards	
Feb 2, 2003	Government of Albania (Council of Territorial Adjust-	GoA	Formal siting approval

Date	Activity	Who	Comments
	ment, CTARA) decision nr. 8 "On Approval of the Industrial and Energy Park -Vlore."		by GoA on surrounding Industrial Park (later dropped)
Feb 10, 2003	PCD-stage ISDS completes staff clearance by ECA safeguards; some issues raised by Acting Regional Safeguards Coordinator regarding possible illegal forest cutting due to fuel price hikes.	ECA Safeguards	
Feb 14 & 19, 2003	ISDS cleared by Acting Regional Safeguards Coordinator on 14th; by Sector Manager on 19 <sup>th</sup> ; same day registered in InfoShop.	ECA Safeguards & TT	
Feb 19, 2003	Government of Albania (CTARA) decision nr. 20 for "the construction of the new thermal generation facility in Vlora...within the Industrial and Energy Park."	GoA	Formal siting approval by GoA on TEP
March 10 to 19, 2003	Preappraisal mission: TT provides copies of Bank requirements for EA and stresses need to ensure that applicable requirements for consultation and disclosure are met and that this is appropriately documented. TT was informed that the CTARA had approved the Vlore Site for the construction of the proposed thermal power plant and had confirmed that this site was outside the proposed protected area around Narta Lagoon.	TT	
March 24, 2003	Email from consultant to TTL requesting review of agenda for public consultation meeting (initial stage of EA).	Consultant	
March 25, 2003	Invitations to April 2 <sup>nd</sup> public meeting sent out to "more than 100 people" including government, locals, media, etc.	GoA	
March 31, 2003	Outline for public meeting cleared by TT Environmental Specialist.	TT	
April 2, 2003	Public meeting in Vlore reportedly attended by more than 60 persons (PowerPoint and meeting minutes later included in EA). Reported as "second public consultation," since October 2002 meeting on the siting study is considered as the "first."	GoA; presentation by consultant	This meeting corresponds to the first (of two) EA consultations required by the World Bank for a Category A project
April 2, 2003	EBRD E-mail to TTL supporting independent peer review by Canadian consultants.	IFI review	
April 8-22, 2003	E-mails between TT, consultant and EBRD regarding timing of EA consultations and disclosure period.	TT, consultant, EBRD	
April 24, 2003	TTL informs KESH and Government that the World Bank would like an independent review of EA by Canadian (CIDA) funded group.	TT	
May 2003	Country Director visits Albania, including project site.	Country Director	
July 18, 2003	E-mail transmitting Draft EA and supporting appendices from consultant to TTL.	Consultant, TT	
July 23, 2003	Invitations to September 3 <sup>rd</sup> public meeting reportedly sent out; copies of EA made available later to Ministries and locally in Vlore in English and Albanian.	GoA	
July 29, 2003	Comments from EBRD on Draft EA sent to TTL; supportive but requesting details on alternatives, more specifics on EMP, capacity building for KESH, etc.	IFI review	
July 31, 2003	Comments from EIB on Draft EA.	IFI Review	

Date	Activity	Who	Comments
Aug 1, 2003	Extensive comments from TT Environmental Specialist on draft EA.	TT	
Sept 3, 2003	Public meeting in Vlore attended by approximately 25 persons (PowerPoint and meeting minutes later included in EA). Reported as "third public consultation" given sequencing noted above.	GoA; presentation by consultant	This meeting corresponds to second (of two) EA consultations required by the World Bank for a Category A project.
Sept 10, 2003	Draft independent desk peer review of July 17 <sup>th</sup> draft EA by Canadian-financed consultants .	Peer review to TT	
Sept 13, 2003	General concurrence on comments by TT Environmental Specialist.	TT	
Sept 18, 2003	Acknowledgement of receipt of comments from peer reviewers by consultant; most comments OK except request for new data collection on air and noise which is not covered by terms of reference.	Consultant	
Oct 1, 2003	Justification from consultant on use of surrogate meteorological data for air dispersion modeling .	Consultant	
Oct 6, 2003	Transmittal and Date of Final EA (in English).	USTDA consultants	Final EA is augmented by an Addendum later
Oct 6, 2003	Date of EA on World Bank external web site .	TT; InfoShop	
Oct 10, 2003	Transmittal of final peer review report from independent peer reviewer.	Peer review to TT	
Oct 10, 2003	Comments from ECA safeguards team on Final EA; issues to be covered in Addendum .	ECA Safeguards	
Oct 13, 2003	GoA letter of agreement to implement recommendations of EA and actions specified in EMP (Min of economy; Min of Industry & Energy; Min of Environment).	GoA	
Oct 15, 2003	Date of EA summary on World Bank external web site .	TT and InfoShop	
Oct 20-21, 2003	Safeguards team comments on PAD (Decision package); further comments on environment; Policy Framework still pending on social.	ECA Safeguards	
Oct 20, 2003	Response by consultant on comments raised by ECA safeguards team environmental reviewer.	Consultant	
Oct 21, 2003	Project Decision Meeting.	ECA Management	
Oct 23, 2003	Transmittal of EA Summary from Sector Manager to SECBO.	ECA Management	
Oct 24, 2003	Disclosure of EA report (including environment and social aspects) in InfoShop; Date of PID on World Bank external web site .	TT; InfoShop	
Oct 24, 2003	Comments from EBRD on EA report; numerous concerns on technical aspects, inclusion of information on alternatives from earlier report, etc.	IFI review	
Oct 28-29, 2003	Draft EA Addendum and Response to World Bank, EBRD and EIB comments from consultant.	Consultant	
Nov 6, 2003	Detailed resolution of comments on EA by TT Environmental Specialist.	TT	
Nov 10, 2003	Start of Project Appraisal.	ECA Management	

Date	Activity	Who	Comments
Dec 15, 2003	Safeguards team review of EA Addendum; key issues raised in earlier reviews have been resolved	ECA Safe-guards	Issues on environment resolved in view of ECA safeguards team
Dec 17, 2003	Transmittal of Final EA Addendum <i>"including all comments provided by the Ministry/KESH, World Bank, EBRD and EIB on Final EA."</i>	Consultant to TT	
Dec 17, 2003	Safeguards team clears OP 4.12 issues; Negotiations package is thereby cleared by Regional Safeguards Coordinator.	ECA Safe-guards	
Dec 18, 2003	Request from TTL to GoA regarding EBRD request for <i>"detailed accounting of the public disclosure and consultation process....to judge the adequacy of consultation vs. their policy requirements in terms of its scope, detail and duration."</i>	TTL to GoA	
Dec 19, 2003	Agreement by GoA to <i>"implement all the recommendations given in the Addendum to the Environmental Assessment and the actions specified in the Environmental management Plan...."</i>	GoA	
Dec 22, 2003	Updated ISDS filed in InfoShop.	TT; InfoShop	
Dec 24, 2003	Response from GoA to EBRD (cc. to TTL) on April 2 and September 3 public consultation meetings for EA; summary and minutes forwarded.	GoA to IFI and TT	
<b>2004</b>			
Jan 2004	Final Technical Specifications (contains clear linkages to EA documentation which contained EMP).	USTDA consultants	
Jan 15, 2004	EA Addendum filed in InfoShop.	TT	Note re-disclosed in InfoShop in April 2004 though this earlier date applies for policy compliance
Jan 22, 2004	E-mail enquiry to LEGEN from European Commission (Head of Unit on Environmental Governance with DG-Environment) expressing concern over choice of TEP site at Vlora given impacts on birds and wetlands; also concerned about EA.	IFI enquiry	Not acting in an official capacity on this enquiry.
Feb 3, 2004	Response from TT to QACU clarifying that lagoon will not be impacted.	TT; QACU	
Feb 17, 2004	Date of PAD on external World Bank web site.	TT; InfoShop	
Mar 16, 2004	Bank project approval.	WB Management	
April 2004	Emails from/to InfoShop clarifying that EA documents also contained Policy Framework for OP 4.12; filing separately and corrected on March 1 <sup>st</sup> for EA addendum (Vol 2) and Resettlement Plan (March 24).	TT; ECA Sa-feguards; InfoShop	
April 6, 2004	Signed Legal Agreements between Bank and Albanian partners.	GoA; World Bank	
April 22, 2004	E-mail response from World Bank to January 22 <sup>nd</sup> letter; clarifying background and record of project due diligence.	QACU	
April 27, 2004	E-mail from QACU to EBRD and EIB forwarding response April 22 response for information.	QACU	

Date	Activity	Who	Comments
<b>2005</b>			
Jan 25, 2005	Project effective.	ECA Management	
June 2005	Country-based safeguards effectiveness review found very good compliance with Bank policies.	ECA Safeguards	Report is available on ECA safeguards intranet site.
June 30, 2005	Letter from CAPBV to World Bank on " <i>Case against the Thermo-electric Power Plant at Vlora, Albania</i> " containing over 25 alleged deficiencies.	Civil society complaint	Brief reply from World Bank on August 1 <sup>st</sup> .
<b>2006</b>			
January 23, 2006	Receipt by World Bank of January 16 <sup>th</sup> letter from Anna Kohen (Albanian American Women's Organization) expressing " <i>deep apprehension over a power plant project...</i> " Numerous issues were raised; issues on cultural property addressed by July mission.	Civil society complaint	Correspondence and response by Bank continued periodically thereafter and not noted here.
July 9-15, 2006	Cultural property supervision mission carried out; BTOR prepared on July 27 <sup>th</sup> finds that " <i>the project complies with OPN 11.03 and the relevant Albanian laws and regulations governing protection of cultural heritage. Aside from monitoring excavation during construction of the plant and its related structures, no further actions related to cultural heritage are required for the project.</i> "	TT	
July 27, 2006	Letter from UN ECE to World Bank regarding communication to Aarhus Convention Compliance Committee " <i>concerning a proposed industrial park in Vlora.</i> "	UN ECE	
August 2, 2006	Reply from Bank to UN ECE.	ECA Management	
<b>2007</b>			
Feb 16, 2007	"Environmental Consent" for the Construction of the new TEC in Vlora by Ministry of Environment, Forest and Water Management.	GoA	
Mar 3, 2007	"Environmental License" for the "Construction and Operation of the Thermal Power Plant"; License Committee Decree no.2 by Ministry of Environment, Forest and Water Management.	GoA	
Mar 29, 2007	Draft <i>Findings and Recommendations</i> of the Aarhus Compliance Committee regarding Albanian compliance with the Convention on activities including the TEP forwarded to World Bank for comment.	UN ECE	
May 2, 2007	Notice of registration regarding a Request for Inspection of the Albania Power Sector Generation and Restructuring Project.	WB-Inspection Panel	
May 15, 2007	Comments on Draft Findings and Recommendations Sent from WB to UN ECE.	ECA Management	