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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

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**Standing Committee**

46th meeting
Strasbourg, 7-11 December 2026

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**Bureau of the Standing Committee**

22-24 September 2026,
Strasbourg

# Complaint on Stand-by: 2023/01

# Alleged habitat destruction due to the construction of the Skavica Hydropower Plant on the Drin River (Albania)

# - REPORT BY THE GOVERNMENT -

*Document prepared by the*
*Ministry of Tourism and Environment of Albania*

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**Update for the Autumn Bureau Meeting**

**REPUBLIC OF ALBANIA**
**MINISTRY OF ENVIRONMENT**

**Subject: Complaint No. 2023/1 - Stand-by File** "*Alleged habitat destruction due to the construction of the Skavica Hydropower Plant on the Drin River*

**Progress Report by the Government of Albania** **31 July 2026**


## Abstract

The Skavica Hydropower Project remains in Phase I and at the feasibility and assessment stage. Field investigations, technical reports and the preliminary design prepared by Bechtel have been completed and subjected to technical review by the Polytechnic University of Tirana. The technical environmental and social documentation prepared by Bechtel and Golder remains under review and has not taken final form. This developer-level documentation is distinct from the statutory in-depth environmental impact assessment procedure administered by the National Environment Agency (NEA). KESH's application of 18 January 2023 was automatically rejected through the e-Permits system because the documentation was not completed within the statutory deadline, and KESH has not reapplied. No environmental decision has therefore been issued. No decision has been taken to proceed to Phase II; the Negotiating Commission required for that phase has not been established and no Phase II request has been submitted. Ernst & Young's preliminary analysis recommends further economic, financial, social and environmental work, including a broader cost-benefit analysis and examination of the state support or credit-enhancement mechanisms that potential financing may require. Although KESH and its adviser consulted international financial institutions and commercial banks, no financing agreement or final financing structure has been concluded. Further studies and engagement are also required for resettlement planning. Before any decision to proceed, KESH states that the assessed alternatives and finalized studies will be presented for public consultation and consideration by the competent authorities. The authorities acknowledge the European Parliament resolution of 9 July 2025 and the Bureau's concerns regarding the Balkan lynx, the ecological connectivity of the Black Drin valley, protected species and habitats, and the Emerald Network. These issues must be addressed in the assessment of alternatives and, should the project advance, through the statutory environmental assessment and meaningful participation of affected communities. No construction works have commenced.

## 1. Purpose and basis of the report

This report responds to the Bureau's conclusions adopted at its meeting of 7-9 April 2026 and communicated by letter of 18 May 2026. It provides the latest information available from KESH sh.a. and the National Environment Agency, National Agency of Protected Areas, and distinguishes preparatory environmental and social studies commissioned by the project developer from the statutory environmental assessment and approval procedure.

## 2. Current project status

KESH is implementing Phase I under Law No. 38/2021 and Council of Ministers Decision No. 485 of 30 July 2021 approving the Phase I Technical Services Contract between KESH and Bechtel Limited. As of July 2026, the project remains at the feasibility stage.

Field investigations, technical reports and the preliminary design by Bechtel have been completed and have undergone technical review by the Polytechnic University of Tirana.
KESH continues to analyse the Phase I studies and to work on finalizing the environmental report.
No final decision has been taken to proceed to Phase II. The Negotiating Commission envisaged by Article 3 of Law No. 38/2021 has not been established, and no request for Phase II has been submitted.
The preferred project alternative and final dam coordinates have not yet been confirmed.
No construction works have commenced.

## 3. Environmental assessment and proposed timeline

Bechtel and Golder have prepared technical environmental and social documentation for KESH. That documentation remains subject to review and finalization by KESH and an independent third party. It does not constitute an approved statutory Environmental Impact Assessment.

On 18 January 2023, KESH submitted application No. AN180120230008 concerning notification of the in-depth EIA procedure. According to the NEA, the application was automatically rejected through the e-Permits system because the required documentation was not completed within the statutory deadline. KESH has not submitted a new application. Consequently, no in-depth EIA procedure is currently pending before the NEA and no environmental decision has been issued.

On the basis of the present status, the sequence of any further steps would be:

completion and review of the Phase I technical, financial, environmental and social studies, including assessment of alternatives and the wider cost-benefit analysis;
public disclosure and consultation on the completed studies and alternatives, with effective participation of affected communities and other relevant stakeholders;
consideration by the competent authorities and a decision on whether the project should proceed;
if continuation is decided, submission of a complete application to the NEA and conduct of the statutory in-depth EIA procedure, including the legally required public participation; and
only following the required approvals, financial arrangements and completion of the environmental and social procedures, consideration of project implementation.

A calendar with fixed dates cannot yet be provided because completion of the remaining studies, identification of a preferred alternative, financing considerations and the prior decision whether to advance remain outstanding. The authorities will provide updated timing when these preconditions have been resolved. **Public consultation will take place before a decision to proceed, in accordance with applicable legislation and the stated commitment to IFC standards.**

**4. Financial feasibility and resettlement**

Ernst & Young's preliminary analysis recommends further assessment of the project's feasibility and sustainability and consideration of support and guarantee mechanisms. KESH and Ernst & Young consulted JPMorgan, MUFG, Santander, EBRD, IFC, MIGA and UKEF. No financing agreement has been signed and no final financing structure has been agreed. The institutions consulted indicated that financing would require state guarantees or other credit-support mechanisms.

A broader cost-benefit analysis has not yet been completed. It is expected to cover construction, financing and maintenance costs, social and environmental impacts, and resettlement. KESH states that IFC standards, including Performance Standard 5, will guide further work. No final resettlement plan has been confirmed; additional studies and meaningful consultation with affected communities are required to develop the strategy and costs.

**5. Alternatives to construction**

The authorities take note of the Bureau's request to identify viable alternatives and to consider options other than construction in view of the site's exceptional value. KESH is still assessing the Phase I studies and alternatives in order to identify the most appropriate solution from the technical, economic, financial, social and environmental perspectives. No preferred alternative has yet been approved.

The further cost-benefit and feasibility work should allow comparison of the project alternatives, their scale and footprint, and the consequences of not proceeding, together with other measures capable of contributing to security of supply, renewable-energy integration and management of the Drin cascade. The results should be disclosed and consulted before submission to the competent authorities. Accordingly, the present report does not prejudge whether construction is the preferred or viable outcome.

**6. Biodiversity, ecological connectivity and the Emerald Network**

The Bureau's concerns regarding the Balkan lynx, other Bern Convention species, priority habitats, ecological connectivity and the Black Drin valley's relevance for the Emerald Network are acknowledged. Because the environmental documentation is not final and no statutory in-depth EIA is pending, it cannot yet be concluded that these matters have been fully assessed or resolved.

**Information provided by the National Agency of Protected Areas**

Regarding the concerns raised by the Bureau about the potential effects of the Skavica Hydropower Project on the Balkan lynx (Lynx lynx balcanicus) and the ecological corridor, the National Agency of Protected Areas (NAPA) provided the following information on the basis of its biodiversity monitoring:

Long-term monitoring conducted by NAPA through the Regional Administration of Protected Areas, using camera traps, field surveys and other standard monitoring techniques, has not recorded any Balkan lynx individuals or other confirmed evidence of the species within the Skavica project area. Camera trapping is currently the principal method used to detect the presence of this species in Albania.

The Balkan lynx is a habitat-specialist felid associated with mature, continuous mountain forest ecosystems that provide suitable prey resources, shelter and breeding conditions. Current monitoring data indicate that the species has a highly restricted and fragmented distribution in Albania, concentrated in limited mountain areas in the eastern part of the country and along border areas with neighbouring countries.

According to the monitoring data available to NAPA, there are no confirmed records of the Balkan lynx within the Skavica project area. Furthermore, because the project area lies outside the protected-area network, NAPA has no evidence indicating that it constitutes core habitat or an area regularly used by the species. NAPA therefore considers, on the basis of the data currently available, that significant impacts on the Balkan lynx are not expected.

Albania remains fully committed to conserving the Balkan lynx through implementation of national biodiversity policies, designation of Munella Nature Park as a key conservation area for the species, systematic species monitoring, and continued alignment of its legal and institutional framework with the Bern Convention and the EU nature acquis.

This monitoring information reflects the evidence presently available to NAPA. It will be taken into account alongside project-specific studies and the assessment of ecological connectivity, protected species and habitats, cumulative effects and alternatives required before any authorization to proceed.

Before any authorization to proceed, the relevant assessment must, as applicable:

use current field data to identify species and habitats protected under the Bern Convention and relevant resolutions;
assess direct, indirect and cumulative effects on the Balkan lynx and the functionality of the transboundary ecological corridor;
assess impacts on freshwater and riparian habitats, endemic fish and other species of conservation concern;
examine alternatives capable of avoiding or materially reducing impacts, before reliance on mitigation or compensation;
consider the site's current and prospective Emerald Network relevance; and

make the relevant information available early enough for meaningful public and expert participation.
The Bureau's request concerning a database with revised Emerald-site boundaries is noted. This is a national Emerald Network process separate from KESH's project-development procedure. The competent biodiversity authorities will communicate the relevant database to the Bern Convention when the national technical work necessary for submission has been completed, so that the requested biogeographical seminar can be organised. No completed revised database is reported through the project information available for this update.

**7. Conclusions**

The Skavica project remains in Phase I and at the feasibility stage.
The developer's environmental and social documentation is not final, and the statutory in-depth EIA procedure has not been reinitiated before the NEA.
No final environmental decision, Phase II decision, financing agreement, preferred project alternative or final resettlement plan is in place.
The project alternatives and finalized studies are to be disclosed and consulted before consideration and decision by the competent authorities.
The biodiversity, ecological-connectivity and Emerald Network concerns raised by the Bureau must be addressed before any authorization to proceed.
No construction works have commenced.

**Sources of the update**

Letter of the Secretary of the Bern Convention dated 18 May 2026 concerning Complaint No. 2023/1.
Information published by KESH in its 2026 Transparency Register, including responses dated 3, 9 and 14 July 2026.
Information provided by the National Environment Agency concerning application No. AN180120230008 of 18 January 2023.
Information provided by the National Agency of Protected Areas concerning biodiversity monitoring and the Balkan lynx.

**Update for the Spring Bureau Meeting**

**MINISTRY OF ENVIRONMENT**

REPUBLIKA E SHQIPËRISË

January 23, 2026

Subject: Complaint No. 2023/01: Stand-by: Albania: Alleged habitat destruction due to the construction of the Skavica Hydropower Plant on the Drin River

Following the ordinary meeting of 2025 on 8-10 April, the Bureau of the Standing Committee to the Bern Convention, as required we are submitting the updated report/information based also on what was cited in the previous report:

**Background information**

The Skavica Hydropower Project (HEC Skavica) is a proposed large-scale dam and hydroelectric power plant on the Black Drin River in northeastern Albania. It is planned to be built upstream of the existing Drin cascade of hydropower plants, which includes Fierza, Koman, and Vau i Dejës. The project has been in discussion for decades and remains one of the largest potential energy infrastructure projects in Albania.

**Main goals:**

- Increase renewable electricity generation.
- Improve water regulation and reduce downstream flood risks.
- Strengthen energy independence and reduce reliance on imported power.
- Optimize the performance of the Drin cascade.
- Skavica hydropower project will take place entirely within the state borders of Albania. No transboundary impacts are expected. This is due both to the location of the project and to

the fact that the river's water flow is directed from North Macedonia toward Albania, and not the other way around.

- **Preparatory studies continue on feasibility, environmental, social, and geological aspects.**
- **These efforts include stakeholder consultations and plans for stakeholder feedback on environmental/social assessments and compensation strategies.**

- **Albania's state power utility, KESH (Korporata Elektroenergjetike Shqiptare), leads the project.**

Government of Albania and KESH are dedicated to adhering to all applicable international and national laws, as well as industry best practices, in evaluating the viability of the Skavica Project. Bechtel and the consultants engaged for phase one—which includes technical feasibility studies, ESIA, and related assessments—are required to comply with IFC standards and all relevant European regulations. **It is important to note that phase one is currently ongoing. According to the information available, the status of the Skavica HPP as of January 2025 remains unchanged from December 2025.**

- The field investigations and studies have been completed, including the technical reports and the preliminary design by consultant Bechtel. According to legal provisions, the technical opposition for the technical reports and the preliminary design has been carried out by the Albanian Polytechnic University of Tirana (UPT). completed.
- **The technical report for the Environmental and Social Impact Assessment (ESIA), prepared by Bechtel and Golder in compliance with national legislation and IFC standards, has been submitted.** This report will be finalised following reviews by KESH and an independent third party.
- Subsequent consultations with relevant stakeholders will occur once the project's technical and financial feasibility is established. The implementation phase will commence only after full compliance with all stakeholder engagement requirements—including those related to the ESIA and the reallocation plan, which must adhere to both IFC international best practices and applicable local laws—has been achieved.
- The Financial Advisor has conducted comprehensive assessments of KESH's bankability, the project's financial feasibility, and has initiated market research among financial institutions regarding potential financing options; these activities are currently ongoing. KESH is also engaging in further discussions with financial institutions that may express interest in supporting the project's financing. It should be noted that all financial institutions require strict adherence to both European and local laws and regulations concerning environmental and social impacts.
- The above reports will be shared with the public after they have passed the administrative review process by the stakeholders involved, both within and outside KESH, and have taken their final form.

- The Council of Ministers will make the final decision regarding the continuation of subsequent project phases, such as the ESIA process, implementation etc, based on both the commitment of financial institutions to support the Skavica Project and the completion of all required reports, including the ESIA consultation phase with stakeholders, that will commence only after these documents have been finalized. While the Government of Albania (GoA) may approve phase one, initiation of phase two—the ESIA process, followed by the implementation phase—will be contingent upon strict adherence to all environmental and social requirements. The Environmental and Social Impact Assessment (ESIA) approval process will conform to both local regulations and international best practices, and project implementation may proceed only after this process is successfully completed.

**Summary**

- The Skavica Project is **one of Albania's most ambitious hydropower initiatives**, designed to bolster energy output and control the Drin cascade more effectively. It is supported by the government as vital for renewable energy and flood management.
- The **Skavica Hydropower Project remains officially active**, with government steps formalizing the project. However, it is **not yet under construction**.
- Its future depends on completed studies, legal outcomes, and political decisions over the coming years.