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CONVENTION ON THE CONSERVATION OF EUROPEAN WILDLIFE
AND NATURAL HABITATS

Standing Committee

45th meeting
Strasbourg, 8-12 December 2025

Bureau of the Standing Committee

8-10 April 2025
Strasbourg

New Complaint: 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*



REPUBLIKA E SHQIPËRISË

MINISTRY OF TOURISM AND ENVIRONMENT

January 17, 2025

Subject: Complaint No. 2023/1: New Complaint: Albania: Alleged habitat destruction due to the construction of the Skavica Hydropower Plant (Skavica HPP) on the Drin River

Following the ordinary meeting of 2024 on 10-12 September of the Bureau of the Standing Committee to the Bern Convention, the following is the updated report based also on what was cited in the previous report:

Referring to the documentation sent in the application, related to the “Skavicë Hydropower Project”, located in the Kukës region, in the northern part of Albania, in the Drin I Zi (Drin) river basin, with developer and applicant “Albanian Electric Power Corporation (Sh. A KESH), with Application no. AN180120230008, it turns out that the part marked with a red line (option 1B) of HEC “Skavica” affects the natural monument “Karsti I Arnit”, designated with DCM no. 187, dated 25.03.2021 “On some changes and additions”, of DCM no. 303, dated 10.05.2019 “For the approval of the revised and updated list of Albanian natural monuments”, also this part (option 1B) is located in the protected area PN “Munelle”, designated with DCM No. 60, dated 26.01.2022 “On the designation of Natural Ecosystems, Managed Natural Reserves/Natural Parks (Category IV), as well as the Approval of the Change of Status and Existing Areas of Environmentally Protected Areas”, in the central sub-area (ZQ) and in the sub-area of traditional and sustainable use (ZPT/Q). The other part with a yellow line is not located within the territory of the protected areas.

Based on the above, National Agency of Protected Areas, referring to the law no. 81/2017 “On protected areas”, article 17, points 2 and 3 cites that: In a “Natural Monument” applies the same level of protection as of the “Strict Reserve”. The area is protected and managed for the preservation of special natural, cultural, historical and archaeological characteristics and phenomena, for which it has been declared a monument. Natural monuments are surrounded by a buffer zone with a width of up to 200 meters from the perimeter of the monument”.

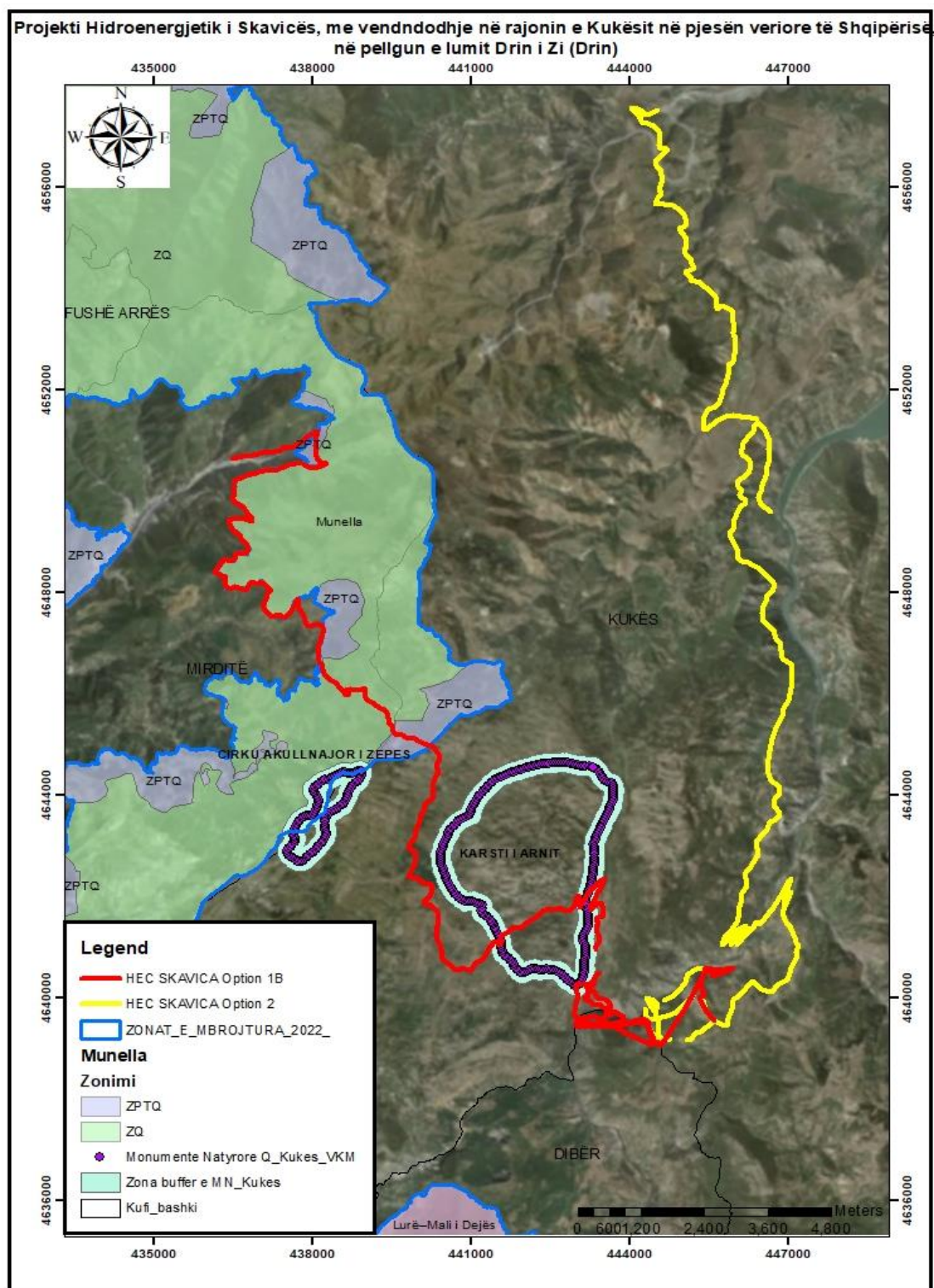
Article 19, point 1, states that: “Managed nature reserve or natural park” are declared territories, which represent areas with active human intervention for the purposes of managing species and habitats, in order to guarantee the preservation of habitats and meet specific requirements of types of regional and local importance, as well as areas used for study, educational and cultural purposes.

According to DCM no. 60, Annex no. 22, it is quoted that: The Central sub-zone, marked on the map with ZQ, includes the main forest and bush habitats and is defined as an area with high and rare values for natural heritage and biodiversity and the highest degree of protection is applied to it, which ensures an undisturbed territory. In this subzone, scientific research, the development of free ecotourism activities in nature are allowed.

The sub-zone of traditional and sustainable use (ZPT/Q), includes forest, agricultural and pasture lands, and water territories where it is possible to continue traditional activities such as works for the health of forests, agricultural activities, grazing, collection and cultivation of medicinal and aromatic plants, with their balanced use, and constructions and economic activities that cause a change in the natural state of the natural ecosystem are not allowed. In the sub-zone of traditional use and sustainable development, the second level of protection is applied, which provides a territory with low impact and control of economic, social, agribusiness, entertainment, sports and ecotourism activities, infrastructure construction according to urban development plans and tourist, approved by the National Council of the Territory (KKT), which do not harm the ecological integrity of the natural ecosystem and respect the functions of the protected area, the ecological values and those of the natural and cultural landscape.

Referring to the above legal acts, the first option IB is not approved. The project should be developed in the second option, marked on the map with a yellow line, where the territory of the protected areas is not affected.

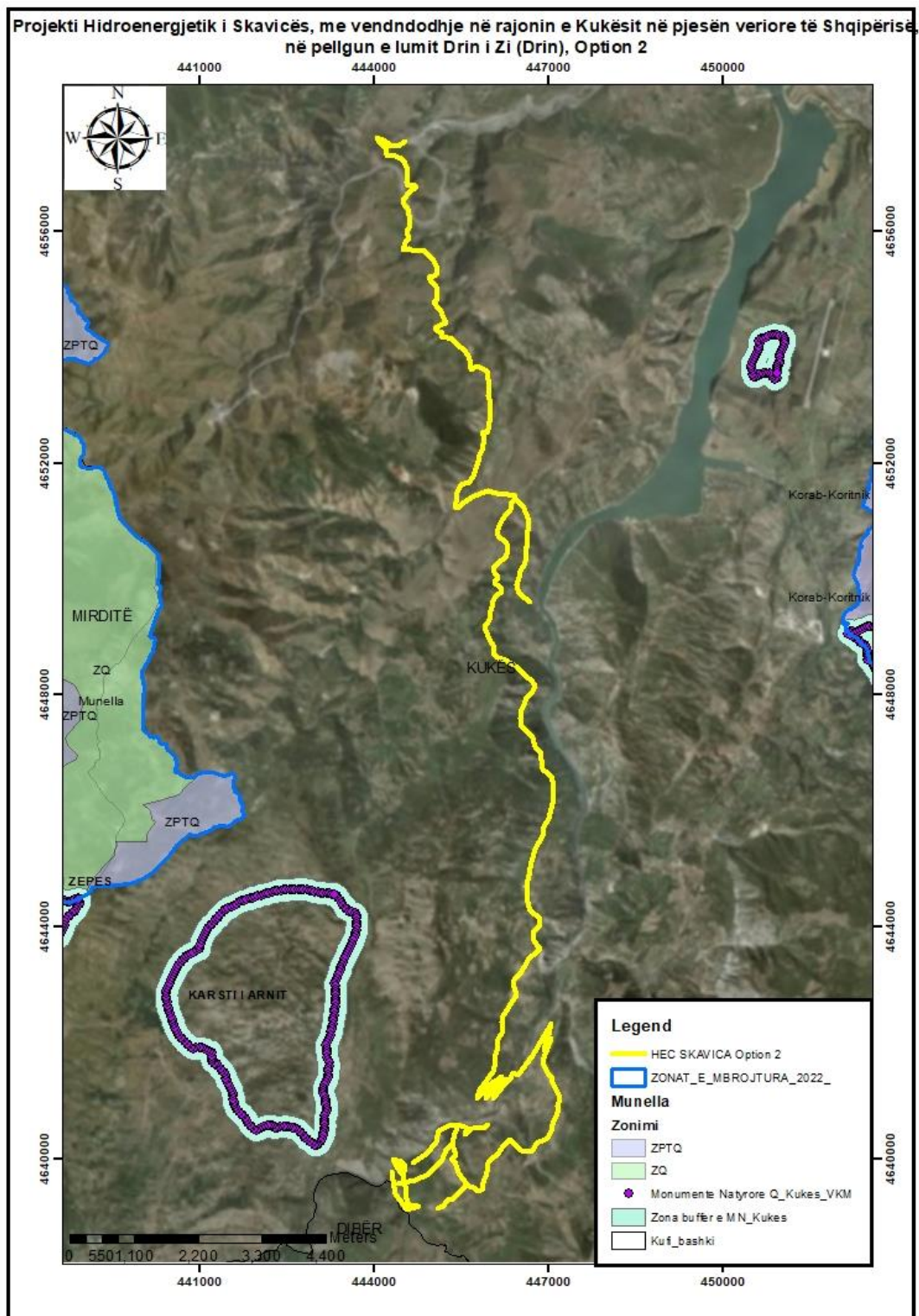
The map Attached



In the second phase, based on the requirements of the NAPA, there was resubmission of the documents, related to the “Skavicë Hydroelectric Project”, located in the Kukës region in the northern part of Albania, in the Drin I Black (Drin) river basin, with the developer and applicant “Albanian Elektroenergjitike Corporation (Sh.a

KESH), with no. Application AN180120230008. After the assessment of the documents by NAPA, it was concluded that this project does not lie within the network of protected areas.

Map Attached:



After that, at this reporting moment there has been no further communication with the NEA, and NO PERMIT ISSUED SO FAR.

Regarding the Skavica project, which is subject of the EIA procedure, MoTE/NEA among others has and will request again when the EIA procedure resumes that in the in-depth EIA report, a special chapter must be dedicated

to the cumulative impact that will describe initiatives, conditions and circumstances that may have synergistic effects with this project.

Based on the communication with KESH the updated information is as following:

The first phase contract, endorsed by the Decision of Council of Ministers No 485 of 30.07.2021 “For the approval of the first phase contract "Technical services contract - Skavica Hydro Energy Project" between KESH sha and BECHTEL limited”, includes preliminary activities, which will enable BECHTEL to submit a proposal to the Contracting Authority for negotiating the contract of the second phase. As well as it will help the Contracting Authority and the Council of Ministers of Albania to provide the financial support for the project.

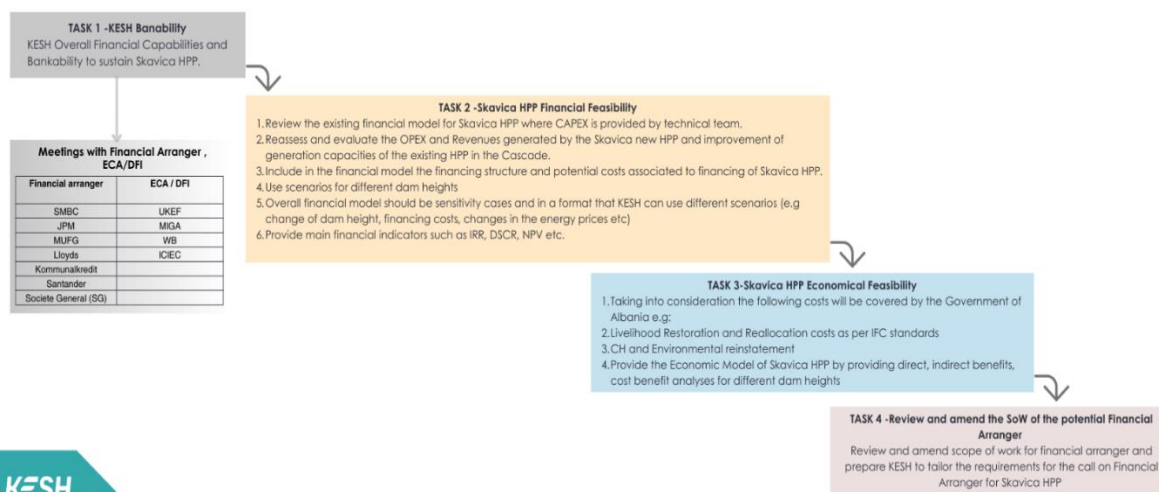
The technical components of the first phase of the project such as topography, hydrology, geology, and geotechnical studies have been completed. As part of this phase, the Preliminary Environmental Impact Assessment (EIA) is also being undertaken by Golder, a well-known and experienced international firm supported by local consultancies. Studies have already been carried out on the existing environmental conditions for the summer, autumn, winter, and spring periods.

The draft Environmental Interaction Report was drawn up in the fourth quarter of 2022 and was published on the official website of KESH S.A at the beginning of February 2023. This report was forwarded to both the Ministry of Tourism and Environment and the National Environment Agency as an integral component of the application process for the formulation of the Environmental and Social Impact Report (EIA) in accordance with the legal provisions. The in-depth EIA technical report is under preparation by the Consultant (Golder) and it will be subject of an Environmental and Social Due Diligence from third parties to assure the report is prepared compliance with national requirements and IFC Standards. ESIA procedure and application to NEA according to the national legislation, will resume only after the financial and economic feasibility of the project is complete and the project is approved by Council of Ministers.

KESH has engaged a financial adviser, Ernst and Young (ILF and other consultants) to assess the financial and economic feasibility of the project and support the discussion with potential lenders, which is ongoing. The main tasks of the financial adviser are detailed below. Task 1: KESH Bankability and is ongoing Task 2: Skavica HPP Financial Feasibility.

FINANCIAL ADVISOR

KESH has engaged an experienced Financial Advisor to provide services related to financing purpose of the Skavica HPP Project consisting in stages:



The special law no. 38 dated 23.03.2021 envisions the approval by DCM for phase one and the initiation of phase two of the project which will be approved by the Council of Ministers after the report of the Financial Adviser is completed and would state that the project is technically, financially and economically feasible. **Also, it is important to underline that an initial engagement for the financing is secured. Pre-condition for the**

development, as part of phase two is also the in-depth ESIA with full scale public consultations, which will be initiated after the Council of Ministers approval of phase one. So far KESH has consulted different alternatives through scoping report. Starting from 2022 up to 2024, a series of engagement and consultation were conducted with different stakeholders from Bechtel, Golder and KESH as follows:

- 27 meetings held as part of scoping report in Dibra region with authorities, head of administrative units, key informants and local NGOs, including national authorities.
- 23 meetings were organized with communities in the project area of interest, involving 346 individuals from local communities.
- Over 70 meetings held with Municipality representative and Administrative Units to collect information on demographics, socio-economic characteristics of the area of interest of the project.