Albania, August 2020

TERMS OF REFERENCE
FOR THE INVENTARIZATION, DIGITALIZATION AND CREATION OF THE ALBANIA MINING CADASTRE PORTAL

Approved by the MSG on 31.08.2020

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I. BACKGROUND

The Extractive Industries Transparency Initiative (EITI) was launched at the World Summit on Sustainable Development in held in Johannesburg in September 2002. This global initiative encourages Government, extractive companies, international agencies and NGOs to work together to develop a framework to promote transparency of payments made within the extractive industries. It is a shared belief that transparency of payments and revenues greatly increases the likelihood that the revenues generated by the development of natural resources
will be used in an efficient and equitable manner and can assist Government in financial and macro-economic planning and also reduces the risk of diversion or misappropriation of resources.

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the extractive sector. It has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues from oil, gas and mining at the country level and disclosing information across the extractive sector value chain. Each implementing country creates its own EITI process adapted to the specific needs of the country. This involves defining the scope of information to be published and exploring how disclosure of information can be integrated into government and company portals to complement and strengthen wider efforts to improve extractive sector governance.

EITI implementation has two core components:

- **Transparency**: oil, gas mining and hydro energy companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by an Independent Administrator and published annually alongside other information about the extractive industries in accordance with the EITI Standard.

- **Accountability**: a Multi-stakeholder group (MSG) with representatives from Government, Companies and Civil society is established to oversee the process and communicate the findings of the EITI reporting, and promote the integration of EITI into broader transparency efforts in that country.

The EITI Standard encourages MSGs to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business. The requirements for implementing countries are set out in the EITI Standard. Additional information is available via www.eiti.org¹.

**EITI Implementation in Albania**

The Albanian Government supported this initiative and engaged for EITI implementation on March 2009. It became an **EITI Candidate Country** on May, 2009.

The International EITI Board, declared Albania as an **EITI Compliant Country** according to EITI standard on May 2013. Compliance with EITI Standard means that the country has an effective process for annual declaration and the reconciliation of all revenues from the extractive industries. This process gives possibility to the citizens to see the revenues from the companies of oil & gas, mining and those hydro power sectors.


In February 2017, Albania published its sixth EITI Report, for the fiscal year 2015 and in February 2018 Albania published the EITI report for the fiscal year 2016.

During 2017, it was conducted a Validation process regarding the EITI implementation in Albania in compliance with EITI Standard 2016 and the Validation Decision was taken in February 2018 indicating that Albania has made a Meaningful Progress.

Following the second Validation Process conducted in March 2019, the EITI Board agreed on 17 June 2019 that Albania has made a meaningful progress overall in implementing the 2016 EITI Standard, with considerable improvements across several individual requirements.

Now Albania is about to finalize the EITI Reports for the fiscal years 2017 and 2018.

On October 2014 and March 2015 there have been revisions to the Mining Law and Hydrocarbons Law adding clauses for the EITI reporting.

EITI disclosure mandatory in Mining Code (October 2014)

**In the framework of the Global initiative for Transparency in extractive industries, EITI Albania, has the right to ask and receive information from the mining operators, as well as from the Tax, Customs and Local Administration. EITI Albania has the obligation to publish to its annual EITI reports the data on the payments of fiscal obligations by the mining operators.**

EITI disclosure mandatory in Hydro-carbons law no.7746, date 28.07.1993 (Exploration and Exploitation), (March 2015).

**In the framework of the Global initiative for Transparency in extractive industries, EITI Albania, the licensed operators, as well as Tax, Customs Directorates and Central Local Administration have the obligation to report according to the EITI standard, and in accordance with the regulations issued based on EITI standard. EITI Albania has the duty to publish these data to its annual EITI reports according to the EITI Standard.**

**Mining Legislation in Albania**

Albania is a country rich in mineral resources and has high potential for oil and gas exploitation. Today, the economic development of the country is largely relying on the Extractive Industries sector, as a major contributor to its economy, local community development and employment. Albania is well known for its chromium, copper and nickel reserves and is an important centre for hydrocarbon resources in the Mediterranean area.


This law defines the rules for the development of mining and post-mining activities in the Republic of Albania and aims to promote mining activity in the Republic of Albania, by ensuring
transparency and free competition in the development of this activity, increasing the maximum public benefit from the activity mining and protection of the environment and public health from the risk of mining and waste of the mining industry. The adopted legislation intends to implement mining policies in the direction that extraction activities, will become a supporting pillar for the economy.

Upon entry into force of the sectorial law, a series of by-laws have been duly approved:

a) Decision no.479, dated 29.06.2011 “For the Approval of Mining Strategy Sector 2010-2025”


c) Decision of the Council of Ministers no.441 dated, 16.06.2011 "For Determining the Conditions of Licensing and Certification, Accompanying Documents, Validity Deadlines and Requirements Review Procedures, for Licensing the Study-Design Activity in Mining Activities"

d) Decision of the Council of Ministers no. 440, dated 16.06.2011 "On the approval of the form, conditions of return and the way of calculating financial guarantees for the rehabilitation of the environment, for the realization of the minimum work program and for the realization of the investment"


f) Decision of the Council of Ministers no. 364, dated 04.05.2011 "On Determining the Criteria of the Minimum Value of the Area of the Allowed Mining Area and the Minimum Value of Investment and Production for a Mining Permit”

g) Decision of the Council of Ministers no. 362 dated 29.04.2011 "On the approval of the criteria and rules of transfer, the manner of application for extension of deadlines and conversion of mining permits"

h) Decision of the Council of Ministers no.320, dated 21.04.2011 “On the approval of procedures, competition criteria and deadlines for reviewing applications for mining permits in competing areas ", as amended

i) Decision of the Council of Ministers no. 233, dated 23.3.2011 "On the Approval of the Report Form, the manner of publishing data on local and national tax payments in the mining sector of the Republic of Albania and the Level of Confidentiality within the Extractive Industries Transparency Initiative"


k) Decision of the Council of Ministers no. 942, dated 17.11.2010, "On the approval of procedures and documentation for obtaining mining permits in open areas"
l) Order no. 384, dated 20.05.2011, "On the approval of registration procedures and documentation registered in the mining Cadaster and the mining register, as well as the form and procedure of reporting this documentation by the holders of mining permits".

m) Decision of the Council of Ministers no.320, dated 21.4.2011 "On the approval of procedures and competition criteria and deadlines for reviewing applications for obtaining mining permits in competing areas"

The Mining Sector Law provides that the mining activity is considered of public interest and is developed respecting the principle of sustainable development and environmental protection.

The relevant authority for supervision of the mining sector is the National Agency of Natural Resources (AKBN), who has the following functions:

a) risk prevention in the mining field, drafting maps of mining risk zones and approval of the mining risk zone;

b) control of the observance by the holder of the mining permit in regards to the conditions set by the issued permit and of the obligatory norms of the legislation in force for the mining activity;

c) control of the implementation of the Mining Sector Law;

d) mining and post-mining monitoring of closed mines and in conservation mode;

e) monitoring the deposition of mining mineral waste in abandoned, closed and conservation activities;

f) support the Minister for the preparation of policies and programs in the mining field;

g) reviews the fulfillment of the conditions for issuing the permit and organizing competition procedures for competing mining areas;

h) review of annual mining activity plans.

Decision of the Council of Ministers no. 479, dated 29.6.2011 "On the Approval of the Mining Strategy of the Republic of Albania", defines as an objective the strengthening of the mining law regime by improving regulatory effectiveness, including strengthening supervision, mining monitoring and post-mining for the implementation of obligations arising from mining permits and concession contracts in existing operations and the prospect of mining activities, the establishment of an independent cadastral office for the administration of all existing and future licenses, improving monitoring and strengthening occupational safety and the health of employees in this sector, as well as compliance with environmental and social norms.

To develop and promote solid mining concessions under a system which facilitates state ownership of mining resources and private sector development, it is necessary to establish a robust and efficient computer-based cadaster system for application, titling and issuing of the mining permits.

Nonetheless, it should be noted that the Mining Cadaster is legitimized by an appropriate regulatory framework and supported by the paper documents, and thus the digitalized cadaster should be consistent with this regulatory framework and contain exactly the same information.
as registered in the paper documents. In this way, the digitalized system should serve as a user-friendly management tool, supporting the Government decisions in the application and awarding of licenses by automating the access to accurate information, screening applications, deadlines and dates, and routine procedures consistent with the law, and limiting discretionary decision making.

From the graphical point of view, the computerized Mining Cadaster must provide:

a) the correct positioning of the mining titles and related data

b) the management capacity of the administrative information associated with mineral rights and the storage of the historical records of the mining titles granted and

c) be able to handle simultaneously the present irregular geometry of the mineral rights and the “cadastral unit” or other geometric rules based on UTM metric coordinates that could be implemented in the future.

Based on the information described above, this project aims to realize the Web GIS Portal of the Mineral Cadaster System which will include the creation of a mining geodatabase in the Republic of Albania which will contain cartographic and textual information such as information integrated on the presentation of the current situation, active or suspended mining licenses, their validity as well as free mining licenses.

II. OBJECTIVES OF THE ASSIGNMENT

On behalf of the Government of Albania and the Albanian Ministry of Infrastructure and Energy, the EITI Albania seeks a competent and credible firm, free from conflicts of interest, to provide Consultancy Services for making an inventory, digitalization and creation of the mining geodatabase, in other terms the development of the Digital Mining Cadaster, in compliance with the Albanian Legislation and this Terms of Reference.

The objective of the assignment is the assessment of the current situation in regards to the existing mineral register, data gathering, elaboration and provision of a Digital Mining Cadaster.

The assignment will:

a) **Provide analysis of the current situation in terms of the existing mining register.** The Consultant shall conduct an up-to-date review and documentation of the Mining Laws and regulations.

b) **Identify what components are included in the existing mineral register.** The consultant will perform a check of the current mineral system. This task will be performed through desk-based review aiming to create a full visibility of the current database and identify gaps that need to be revised.

c) **Propose new elements to be included.** The consultant should propose a method of coding the permits that allows to unequivocally identify the permits as well as to trace their history.

d) **Develop and integrate the outcomes in a Web GIS Portal.** The consultant, upon finalization of the assignment tasks, will develop and integrate all outcomes in a singular
web GIS portal which will be accessible by public administration relevant institutions and by other related parties, with pre-defined access level of information.

III. SCOPE OF SERVICE AND TASKS

The Consultant will be expected to undertake the following tasks:

❖ Kick-Off meeting – Upon selection of the Consultant, a Kick-Off meeting will take place with representatives from the EITI, the Consultant and AKBN, Albanian Geological Survey and another related stakeholder.

The main objectives of this Kick-Off meeting are:

- Presentation between all related parties;
- Presentation of the methodology to be implemented by the Consultant for data gathering and to set out the specification for the development of the mining Cadaster portal;
- Presentation of the updated work-plan upon finalizing the above tasks.

❖ Modeling structure of the Albania Web GIS Mining Cadaster Portal - At this stage, the consultant will develop the model the structure and detail each process of the workflow from receipt of a license application to award of license, production and continuous monitoring. The information shall be enough to carry out the work, or to be able to develop the applications and processes to be undertaken.

- Detailed description of the process
- Identification and definition of the data that needs to be introduced.
- Identification, definition and format of output data.
- Data to get from the mineral Cadaster system.
- Data to introduce to the mineral Cadaster system
- Users authorized to perform this process.
- Special situations that can be given solution.
- Acceptance process
- Required communications to third parties.
- Support information etc.

❖ Data Gathering – Once the methodology and work plan submitted by the Consultant will be approved, data gathering will take place by:

- Scanning, archiving and digitalization of preliminary information;
- Preparation of a preliminary checklist where detailed information of the current situation related to mining licenses will be presented. This checklist will serve as
a preliminary document that will be subject to revision by the related stakeholders in order to ensure the adequacy and completeness of the documents gathered to date by the Consultant.

❖ Digitalization of the cartographic and alphanumeric data and development of the Albania Web GIS Mining Cadaster Portal – Upon presentation and approval of the information submitted through the Preliminary Checklist, the Consultant, based on the approved methodology and specifications of the geodatabase, will elaborate all data and information gathered to date.

In addition, based on the conceptual design of the portal and the approval of it, the consultant will develop the Web GIS Portal of the Albania Mining Cadaster which will be presented and integrated in the EITI Albania website.

This Web GIS Portal will serve as a working tool that allows visualizing the existing permits but also the new permits, and any other geographical information that is necessary for the management of permits. The system should have basic tools such as measurement of distance and areas, determination of coordinates, change of coordinates, permit edition requested, mineral production data etc.

❖ Submission of Mining Cadaster Portal – Pursuant to the revised and approved work plan in the Kick-Off Meeting, the Consultant will submit the final Mining Cadaster Portal, which will be subject of functionality testing and approval by EITI.

❖ Workshop and training – Workshop and training of the counterpart’s technician to support the maintenance of the system for routine operations.

IV. DELIVERABLES

The assignment is expected to commence in October 2020 culminating in the finalization of the assignment before the end of the month of December, 2020.

The Consultant will have a period of 70 (seventy) calendar days to prepare the assignment.

In addition to the Scope of Work presented above, the Consultant must submit the following reports:

a) Inception Report – Upon finalization of the Kick-Off Meeting, the Consultant will submit the Inception Report where, upon consulting all documents available, will be presented the to-date findings, the approved methodology and revised work-plan for the implementation of the assignment compliant to this Terms of Reference.

b) First Progress Report – Once the Preliminary Checklist has been duly revised and approved by the related stakeholders, the Consultant will prepare and submit to EITI the First Progress Report. This document will consist of to-date phase of project
implementation by the Consultant, challenges faced and information on the current situation related to licenses granted in the mining sector (active and/or suspended).

In addition to this, the First Progress Report will also consist of the Consultants’ conceptual design of the Albania Web GIS Mining Cadaster Portal, which will be the basis for the development of the portal and subject of EITI approval.

c) **Final Report** – Alongside with the submission of the Mining Cadaster Portal, the Consultant will submit also the Final Report. This document will present a general summary of the project implementation, manual and specifications for the use and maintenance of the portal and recommendations for further hardware and/or software improvement in the future.

The proposed schedule is set out below:

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<tr>
<th>Event</th>
<th>Timeline</th>
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<tr>
<td>Signing of Contract</td>
<td>October 20, 2020</td>
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<tr>
<td>Submission of Inception Report</td>
<td>1 calendar week after contract signature</td>
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<tr>
<td>Submission of First Progress Report</td>
<td>2 calendar weeks upon Inception Report</td>
</tr>
<tr>
<td>Final Report and submission of Mining Cadastre Portal</td>
<td>5 calendar weeks upon First Progress Report (no later than December 31st, 2020).</td>
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*The Signing of the Contract date will be set according to the deadlines of WB procurement procedures, at the end of the selection process.*

V. **CONSULTANT QUALIFICATIONS REQUIREMENTS**

The Consultant Firm will need to demonstrate:

a) Experience in inventorying, digitalization, creation of geodatabases/portals and in delivering services related to cadastral components (registration etc.)

b) That is certified by an International Accredited Certification Body, pursuant to the following standards:
   - ISO 9001:2015 Quality Management System;

c) That holds the license pursuant to the requirements of the legislation in force in the Republic of Albania, pursuant to the following categories:
   - License in Design, category 8, point a, b, c, d and e.
   

d) Excellent knowledge of the Albanian legislation;
e) Availability of key staff to perform the assignment;

l) Expertise in mineral system design and operation

The firm should have the following staff available for this assignment:

a) **One Project Manager** with the following qualifications:
   - University education in Engineering, preferably Geodesy;
   - Have at least 5 (five) – years’ experience in inventorying, creation of geodatabase, cadaster registration etc.;
   - Specific knowledge on the Cadastral Law and Mining Sector Law;
   - Very good knowledge of English language.

b) **One Mining Expert** with the following qualifications:
   - A minimum of 8 years of expertise and experience in mineral system design and operation
   - Strong knowledge of drafting mineral sector regulatory
   - Very good knowledge of English language.
   - Proven knowledge of database setup

c) **Two GIS Database Experts** with the following qualifications:
   - University education in geodesy, geomatics, geoinformatics, with experience and / or training in the field of geodatabase;
   - Have at least 5 (five) – years’ experience in inventorying, creation of geodatabase, metadata’s etc.;
   - Very good knowledge of English language.

d) **Two IT and/or Web GIS expert** with the following qualifications:
   - University education in IT science and with experience and / or training in the field of creation of Web GIS portal or systems;
   - Have at least 5 (five) – years’ experience in creation of geodatabase, metadata’s, GIS application, Web GIS Portal etc.;
   - Very good knowledge of English language.

e) **One stakeholder engagement and data gathering expert** with the following qualifications:
   - Holder of university degree;
   - Proven experience in stakeholder engagement as well as data gathering including scanning, archiving and digitalization process
   - Very good knowledge of English language
VI. SCHEDULE OF PAYMENTS

The schedule of payments will be agreed during contract negotiations and shall have the following structure:
- 10% upon submission of Inception Report;
- 40% upon submission of First Progress Report
- 50% upon submission of the Final Report and the Albanian Mining Cadaster Portal.

VII. CONTRACT DURATION

The contract is lump sum and the services should be performed within 70 (seventy) calendar days.

VIII. SELECTION METHOD

The Consultant will be selected in accordance with Consultant Qualification method with the procedures set out in World Bank’s Procurement Regulations for IPF Borrower’s (July 2016, revised November 2017) (Procurement Regulations).

IX. ADMINISTRATIVE ARRANGEMENTS

The EITI Albania Secretariat will assist the consultant with the following:
- Liaison with the relevant Ministry and Government agencies, LGUs, extractive operators to facilitate consultant’s work.
- Weekly co-ordination on the work of the Consultant with relevant government agencies, MSG and stakeholders.

X. REFERENCE MATERIALS

Documentation on governance arrangements and tax policies in the extractive industries, including relevant legislation & regulations

- EITI disclosure mandatory in Mining Law 10 304, date 15.7.2010. "For Mining sector in the Republic of Albania” (October 2014).
- EITI disclosure mandatory in Hydro-carbons law nr. 7746, date 28.7.1993 (Exploitation and Exploration), (March 2015).

• Order no. 121, dated 08.05.2015 of the MIE “For some amendments and addendums to the Regulation for approval procedures of hydrocarbon agreements and agreements license and respective deadlines”

Websites by

• MIE – www.infrastruktura.gov.al
• MFE – www.financa.gov.al
• GDT – www.tatime.gov.al
• ACD – www.dogana.gov.al
• AKBN – www.akbn.gov.al
• SHGJSW – www.gsa.gov.al
• ERE – www.ere.gov.al
• INSTAT – www.instat.gov.al
• KESH – www.kesh.al
• Albpetrol – www.albpetrol.al
• OSHEE – www.oshee.al
• OST – www.ost.al