EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE IN ALBANIA

REPORT FOR FISCAL YEAR 2022

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INTRODUCTION

The Extractive Industries Transparency Initiative (EITI) Standards serve as a global framework designed to promote transparency, accountability, and good governance in the management of natural resources. These standards are implemented by resource-rich countries to disclose critical information about the extractive industries, ensuring that revenues from oil, gas, mining, and other natural resources are managed responsibly and contribute to national development.

At their foundation, the EITI Standards aim to address key governance challenges associated with natural resource wealth, such as corruption risks, mismanagement of revenues, and a lack of public trust. By requiring detailed disclosures of payments made by companies and revenues received by governments, the standards empower citizens and stakeholders to monitor and oversee how their country's natural resources are being utilized.

The EITI framework is based on multi-stakeholder engagement, bringing together governments, extractive companies, and civil society organizations to collaboratively develop, implement, and monitor the standards. This inclusive approach ensures that all stakeholders have a voice in how resources are governed and strengthens public trust in resource management.

For countries like Albania, adhering to the EITI Standards provides an opportunity to demonstrate a commitment to transparency and accountability. By making detailed information about the extractive industries publicly available, Albania enhances its ability to attract responsible investment, improve revenue management, and ensure that natural resource wealth benefits all citizens equitably. This transparency also plays a critical role in fostering sustainable development, reducing corruption risks, and enabling public oversight of the extractive sector.

As a dynamic and evolving framework, the EITI Standards continue to adapt to global challenges, ensuring they remain relevant and effective in promoting responsible governance of natural resources in an ever-changing world.

EITI in ALBANIA

Albania has a mineral and oil extractive industry that is developing extensively by attracting domestic and foreign investor. This clearly indicates the importance of this sector, its transparent management as well as the inclusion of Albania on the Extractive Industries Transparency Initiative.

The EITI as an international initiative started in 2002, at the World Summit on Sustainable Development in Johannesburg. The Albanian Government supported this initiative and committed to implement the EITI on March 2009 and became EITI candidate country on May 2009.

The EITI Albania Secretariat was established by a Decision of the Council of Ministers on 07.07.2010[1]. The Multi-Stakeholder Group was established by the Prime Minister Order on 21.07.2011[2] composed of civil society, companies operating in the extractive industry and the government. The Deputy Minister of Ministry of Infrastructure and Energy lead the Multi-Stakeholder Group on charge of implementing and supervising the EITI initiative in Albania.

On April 2011, Albania published its first EITI Report for 2009 fiscal year. The report reveals insignificant discrepancies of companies' payments and state declared revenues. On August 2011, the Validation Report on the EITI Albania implementation was published. On June 2012, Albania published the second EITI Report for 2010 fiscal year.

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[1] https://www.albeiti.org/wp-content/uploads/2014/03/VKM_Nr_540_date_07_07_2010-Ngritja-dhe-funksionimi-i-sekretariatit.pdf

[2] https://www.albeiti.org/wp-content/uploads/2014/06/Vendim-71-dt-21-07-11-Ngritja-dhe-Funksionimi-MSG.pdf

On May 2, 2013, Albania become an EITI compliant country. In accordance with the EITI Standard, the International Board declared Albania a compliant country. Albania being an EITI compliant country brought changes on DCM for Secretariat: DCM No. 993 dated 09.12.2015[3] on the organization and functioning of the EITI National Secretariat in the framework of International Organization membership. Compliance with the EITI Standard means that country has an effective process for annual declaration and reconciliation of all revenue coming from the extractive industry sector. This process allows citizens to see how much revenue their country receives from oil, gas and mining companies.

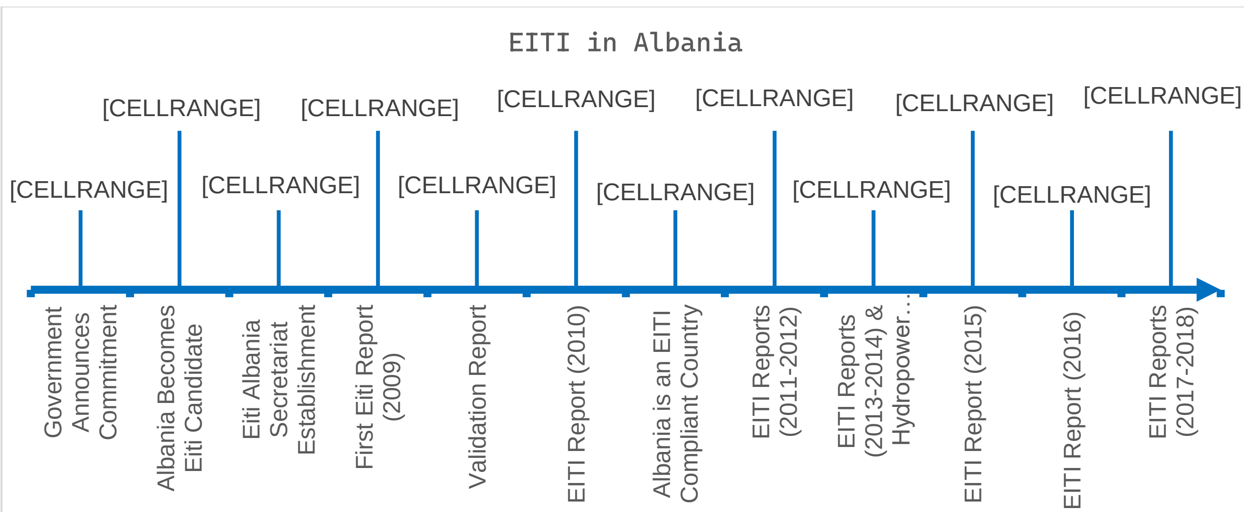
In accordance with the new EITI Standard, Albania within 2014 published two EITI Reports, 2011 EITI Report, on June 27, 2014 and 2012 EITI Report on November 21,2014.

Further, in accordance with the EITI Standard on December 23, 2015 Albania published 2013-2014 EITI Report and for the first time the Hydropower sector was included. In accordance with the New EITI Standard on February 1, 2017 Albania published the 2015 EITI Report.

During 2017 for the implementation and performance of the EITI Standard, Albania underwent the International Validation Process by EITI International Board in Oslo.

On February 2018 the EITI International Board issued official decision that Albania has made significant progress in the EITI Standard implementation. On the Validation Report is stated that Albania on 55% of the Chapters has a very Satisfactory performance (including government and business engagement, legal framework, contribution to the economy, public debate, etc.); on 45% of the Chapters there is Significant performance (MSG leadership, Civil Society engagement) and only 5% are rated as Insufficient or no progress.

On February 15, 2018 the EITI National Secretariat published the 2016 EITI Report and on December 2020 published the 2017-2018 EITI Report.



EXECUTIVE SUMMARY

The EITI 2022 Report for Albania highlights the country's ongoing commitment to transparency and accountability in the management of its extractive and energy sectors. This report, prepared in alignment with the 2023 EITI Standard, provides a comprehensive analysis of payments made by extractive entities and revenues received by

[3] https://www.albeiti.org/wp-content/uploads/2014/04/VKM-nr.-993-date-09.12.15-per-organizimin-dhe-funksionimin-e-Sekretariatit-Kombetar-te-Nismes-per-Transparence-ne-Industrine-Nxjerrese-EITI-Shqiperi.pdf

government agencies. It also includes detailed contextual information on Albania's legal and institutional frameworks, fiscal regimes, and the contribution of the extractive industries to the national economy.

Key findings from the 2022 reporting period include:

- Revenue Collection: Comprehensive disclosures of payments, including taxes, royalties, and other material contributions, were provided by entities in the oil, gas, mining, hydropower, and photovoltaic sectors. These payments were reconciled with government-reported revenues to ensure accuracy and transparency.
- Production and Exports: The report details production volumes and export data for key sectors, reflecting Albania's significant resource potential in hydrocarbons, minerals, and renewable energy.
- Sector Contributions: The extractive and energy sectors continue to play a pivotal role in Albania's economy, contributing substantial revenues to the state budget and providing employment opportunities.
- Governance and Oversight: The report evaluates Albania's legal framework and institutional roles, emphasizing reforms undertaken to align with international standards. It also highlights challenges, such as data quality and assurance, and outlines recommendations for improving transparency and accountability.

The scope of this report extends beyond financial disclosures to address broader governance issues, including environmental impacts, social expenditures, and subnational payments. By providing accessible and reliable data, the report aims to foster informed public debate, strengthen oversight mechanisms, and support sustainable resource management.

Through this comprehensive review, Albania reaffirms its dedication to upholding the principles of the Extractive Industries Transparency Initiative and ensuring that its natural resource wealth benefits all citizens equitably

OBJECTIVE

The objective of the Extractive Industries Transparency Initiative (EITI) is to promote transparency, accountability, and good governance in the management of natural resources. By requiring the disclosure of information along the entire extractive value chain—from licensing and exploration to production, revenue collection, and allocation—the EITI aims to ensure that revenues from oil, gas, mining, and other natural resources benefit the public and contribute to sustainable development.

Through its multi-stakeholder approach, the EITI fosters collaboration among governments, companies, and civil society to address governance challenges, reduce corruption risks, and enhance public trust in the management of natural resource wealth. By providing accessible and reliable data, the EITI empowers citizens to hold governments and companies accountable for how natural resources are governed and revenues are spent

SCOPE OF REPORTING

The scope of the 2022 EITI Report for Albania encompasses the collection, and disclosure of financial and non-financial data from the extractive industries, ensuring alignment with the 2023 EITI Standard. In collaboration with the Multi-Stakeholder Group (MSG), we are tasked with ensuring transparency and comprehensiveness in reporting across the oil, gas, mining, and renewable energy sectors.

Objectives:

- Enhance Transparency: The report aims to provide a transparent account of revenues and payments in the extractive sector, facilitating public understanding of how the industry contributes to the national economy.
- Promote Accountability: Strengthen public oversight of extractive revenues and their management to support good governance.

- Inform Policy Decisions: Provide policymakers, civil society, and industry stakeholders with reliable data to guide decisions and public debate.

Key Reporting Components:

- Materiality Assessment: Identification of material revenue streams, including taxes, royalties, production sharing, and other payments. The MSG has set thresholds for materiality to focus on significant contributors.
- Sector Coverage: The report will include:
    - Oil and Gas Sector: All active oil and gas companies, including Albpetrol (the state-owned entity).
    - Mining Sector: Companies generating annual revenues above $900,000, covering 88 production entities and 2 exploration entities, which account for 85% of the sector's revenues.
    - Hydropower Sector: The 20 largest hydropower companies contributing 83.1% of production.
    - Renewable Energy: 10 photovoltaic companies generating over 78% of the total photovoltaic production.
- Revenue Streams: The report will cover taxes, royalties, dividends, social and environmental contributions, subnational payments, and other agreed benefit streams.

Data Collection and Validation:

- Sources: Data will be sourced from government agencies, local government units, and private sector entities, ensuring comprehensive coverage.
- Quality Assurance: The IA will validate the data for reliability and completeness, following agreed-upon procedures in consultation with the MSG.

Reporting Output:

The final report will include:

- Detailed revenue and payment data disaggregated by company, project, and revenue stream.
- Contextual information on sector governance, legal frameworks, and industry trends.

The scope of reporting aligns with Albania's national priorities and the requirements set out in the 2023 EITI Standard to foster transparency, accountability, and sustainable management of natural resources.

METHODOLOGY

The preparation of the EITI 2022 Report for Albania followed the framework outlined in the Terms of Reference (ToR) approved by the Multi-Stakeholder Group (MSG) on 8th of October, 2024. The methodology reflects Albania's adherence to the EITI Standards, emphasizing transparency, accountability, and collaboration in the management of extractive industries.

Data Collection

The data collection process was conducted in alignment with the procedures detailed in the ToR:

- Sources of Information: Financial and contextual data were provided by 12 government entities and local government units (LGU), as agreed upon by the MSG. Although eight LGU's were selected for reporting purposes, data received were from Municipality of Bulqizë, Patos, Fier, Roskovec and Lushnje These disclosures were intended to ensure a comprehensive understanding of payments and revenues in the extractive and energy sectors.

- Standardized Templates: The data were submitted using EITI-compliant reporting templates designed to capture key financial and non-financial metrics in line with EITI Standards. These templates ensured consistency and comparability across sectors and reporting entities.
- Materiality Thresholds: The scope of reporting was determined by the materiality thresholds outlined in the ToR, focusing on significant revenue streams and entities contributing the most to public finances.

Validation

To ensure the integrity of the data, the following steps were undertaken:

- Review of Submissions: The submitted data were reviewed for completeness and compliance with the reporting templates.
- Reconciliation of Payments and Revenues: Payments reported by companies and revenues reported by government agencies were cross-verified to identify and address any discrepancies.
- Stakeholder Engagement: Clarifications were sought from relevant entities where data inconsistencies or gaps were identified.

The methodology aligns with the principles set out in the ToR and adheres to the 2023 EITI Standards. The process ensures transparency and accountability in data collection, validation, and disclosure, reflecting Albania's commitment to responsible governance of natural resources.

I. REQUIREMENT 2 - Legal and Institutional Framework, Contract and Licenses

Legal Framework and Fiscal Regime (EITI Requirement 2.1)

The objective of this requirement is to ensure public understanding of all aspects of the regulatory framework for the extractive industries, including the legal framework; fiscal regime; roles of government entities and reforms; as well as laws and regulations related to addressing corruption risks in the extractive sector.

a) Implementing countries are required to disclose a description of the legal framework and fiscal regime governing the extractive industries. This information must include a summary description of the fiscal regime, including the level of fiscal devolution; an overview of the relevant laws and regulations, including laws related to preventing corruption in the extractive sector; a description of the different types of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals; and information on the roles and responsibilities of the relevant government agencies.

b) Implementing countries are required to disclose an overview of national energy transition commitments, policies and plans that are relevant to the extractive industries.

c) Implementing countries are encouraged to disclose a summary description of carbon pricing mechanisms or carbon taxes that are material to the extractive industries.

d) Implementing countries are encouraged to disclose public subsidies and other forms of state support that are material to the extractive industries, as well as any related ongoing reforms. This could include producer subsidies as well as pre-tax and post-tax consumer subsidies, in accordance with guidance from the Global Subsidies Initiative. Subsidies that are defined as quasi-fiscal expenditures by a state-owned enterprise (SOE) must be disclosed in accordance with Requirement 6.2.

e) Where the government is undertaking reforms including with respect to national energy transition commitments, policies and plans, the multi-stakeholder group is encouraged to document them.

f) Where applicable, implementing countries are encouraged to disclose policies related to the artisanal and small-scale mining sector, as well as information on planned or ongoing reforms.

1.1 Legal Framework and Fiscal Regime (EITI Requirement 2.1)

In alignment with the 2023 EITI Standard, Requirement 2.1 mandates that implementing countries provide a comprehensive overview of the legal framework and fiscal policies regulating the extractive industries. This disclosure aims to offer stakeholders a clear understanding of the legislative structure, fiscal mechanisms, and institutional roles governing the sector's operations.

For the fiscal year 2022, we present an updated summary of the legal framework and fiscal regime applicable to Albania’s oil and gas, mining, and hydropower sectors. This overview captures the laws, regulations, and institutional responsibilities shaping the sector's governance and fiscal contributions.

1.1.1 Legal and Institutional Framework in the Oil and Gas Sector 2.1(a)

Institutional Framework

The governance and management of the oil and gas sector in Albania involve several key institutions, each playing a vital role in ensuring the sector operates transparently, efficiently, and in line with national and international standards.

Institution	Roles and Responsibilities
Ministry of Infrastructure and Energy (MIE)	Acts as the primary policymaking body for the oil and gas sector, responsible for designing and implementing strategic policies. Negotiates and approves contracts and licenses for oil and gas exploration and production, ensuring alignment with national development goals. Supervises the implementation of sectoral regulations and ensures compliance with safety, environmental, and operational standards. Facilitates intergovernmental and international cooperation, representing Albania in regional and global energy forums.
National Agency of Natural Resources (AKBN)	Oversees the issuance, renewal, and monitoring of licenses for oil and gas exploration and production activities. Conducts inspections and audits of operators to ensure adherence to contractual obligations, safety protocols, and environmental regulations. Negotiates petroleum agreements and monitors the implementation of their development plan. Monitors the implementation of agreements on hydrocarbons Exclusively manages all primary hydrocarbon sector data and data related to post-exploitation activities.
Albpetrol (State-Owned Enterprise)	Manages Albania's state-owned oil and gas reserves, acting as a partner in production-sharing agreements with private operators. Directly engages in exploration and production activities, maintaining infrastructure and ensuring operational efficiency. Coordinates with AKBN and private operators to align activities with Albania's national energy strategy and international commitments. Provides technical expertise and support for new oil and gas projects, leveraging its extensive experience in the sector.
General Tax Directorate (GTD)	Administers tax collection from oil and gas operators, including corporate income tax, value-added tax (VAT), and withholding tax. Ensures accurate reporting and payment of royalties, using advanced auditing systems to identify discrepancies or non-compliance. Collaborates with other institutions to integrate fiscal contributions from the oil and gas sector into national revenue planning.
Ministry of Finance and Economy (MFE)	Develops fiscal policies tailored to the oil and gas sector, balancing investment incentives with revenue generation for the State. Oversees the integration of oil and gas revenues into the national budget, ensuring proper allocation to developmental priorities. Conducts macroeconomic analysis to evaluate the impact of oil and gas revenues on Albania's economy and fiscal stability.
Ministry of Tourism and Environment	Monitors environmental compliance in the oil and gas sector, reviewing environmental impact assessments (EIAs) for new projects. Enforces regulations to mitigate the environmental impact of exploration and production activities, ensuring sustainability in resource use.

Table 1 - Institutional Framework, Oil and Gas sector

Coordination Between Institutions

To ensure the effective management of the oil and gas sector, these institutions collaborate on several fronts:

- Policy and Licensing: The Ministry of Infrastructure and Energy works closely with AKBN and Albpetrol to streamline licensing processes and align them with national policies.
- Revenue Management: AKBN and the General Tax Directorate coordinate efforts to track and report fiscal contributions from oil and gas operators, ensuring transparency and accountability.
- Environmental Oversight: The Ministry of Tourism and Environment collaborates with MIE and AKBN to assess and enforce environmental safeguards, promoting sustainable resource use.

Oversight and Transparency

- Albania's commitment to the Extractive Industries Transparency Initiative (EITI) ensures robust oversight mechanisms through the Multi-Stakeholder Group (MSG), fostering transparency in revenue and licensing.
- Public disclosure of contracts, production data, and financial contributions by these institutions enhances accountability and public trust.

Legal Framework

The legal framework governing Albania's oil and gas sector establishes the rules and principles for exploration, production, and resource management. It provides a foundation for economic development while ensuring compliance with environmental and operational standards.

Law No. 7746, dated 28.07.1993, "On Petroleum (Exploration and Production)" (as amended)

The Petroleum Law is the foundational legislation regulating Albania's oil and gas activities. It establishes the rules for licensing, exploration, and production while defining the roles of contractors and the Albanian government.

- State Ownership (Article 3): This law affirms that all petroleum deposits, both onshore and offshore, are the exclusive property of the Albanian State. These resources are managed by the Ministry of Infrastructure and Energy (MIE) on behalf of the public.
- Licensing and Agreements (Article 5): Licenses for exploration and production are granted through competitive bidding or direct negotiations. This process emphasizes transparency, requiring bidders to demonstrate technical expertise and financial stability.
- Government Oversight (Article 13): All agreements, including production-sharing contracts, must be approved by the Council of Ministers. This provision ensures alignment with national strategic goals and secures public interest in resource management.
- Environmental Compliance: The law mandates that all contractors adhere to Albania's environmental laws and submit detailed operational and safety plans for approval.

Law No. 153/2020, dated 17.12.2020, "On the Fiscal Regime in the Hydrocarbon Sector"

This law complements the Petroleum Law by defining the fiscal obligations of operators and establishing clear guidelines for revenue-sharing between the State and contractors.

- Operators are required to pay royalties calculated as a percentage of the market value of extracted hydrocarbons.
- It provides incentives for exploration by allowing immediate deductibility of capital expenditures incurred during the exploration phase.

Law No. 10431, dated 09.06.2011, "On Environmental Protection" (as amended)

The Environmental Protection Law establishes the framework for sustainable development within Albania's oil and gas sector. It ensures that petroleum operations minimize environmental impact and comply with international environmental standards.

- Environmental Impact Assessments (Article 51): All oil and gas projects are required to submit Environmental Impact Assessments (EIAs) before operations can begin. These EIAs must outline potential risks and propose mitigation strategies.
- Preventive Measures (Article 50): Operators are legally obligated to implement preventive measures against environmental damage and to rehabilitate sites affected by their activities.
- Recent amendments to the law have introduced stricter penalties for non-compliance and enhanced monitoring systems.

Law No. 102/2015, dated 23.09.2015, "On the Natural Gas Sector"

This law regulates the development and operation of Albania's natural gas market. It aligns with EU standards to promote market liberalization and competition.

- Regulatory Oversight (Article 4): The Energy Regulatory Authority (ERE) is responsible for ensuring compliance with licensing and operational standards in the natural gas sector.
- Third-Party Access (Article 10): The law mandates non-discriminatory access to natural gas pipelines and infrastructure, fostering a competitive market environment.

Law No. 92/2014, dated 24.07.2014, "On Value Added Tax (VAT)" (as amended)

The VAT Law provides tax exemptions for goods and services directly related to hydrocarbon exploration and production.

- VAT Exemptions (Article 56, Point 39): Certified operators are exempt from VAT on imported equipment and services critical to exploration and production activities. This reduces operational costs and encourages foreign investment in the sector.

Albpetrol Agreement

Albpetrol, Albania's state-owned oil and gas company, operates under a special agreement with the Ministry of Infrastructure and Energy. This agreement outlines its role in managing oil and gas resources.

- Albpetrol has the right to engage in exploration and production activities and to transfer operational rights to private contractors.
- Revenue-sharing terms between Albpetrol and contractors are defined within the agreement, ensuring fair distribution of profits.

Relevant Decisions and Instructions

Several government decisions and instructions support the implementation of these laws:

- Decision No. 397, dated 30.06.2021: Provides detailed regulations for subcontractors involved in hydrocarbon operations, ensuring that they comply with operational, fiscal, and environmental standards.

- Instruction No. 811, dated 20.11.2018: Establishes protocols for waste management in petroleum activities, focusing on minimizing environmental impacts.

Fiscal Regime

The fiscal regime governing the oil and gas sector in Albania is structured to ensure equitable revenue generation for the government while providing an attractive framework for investors. This regime encompasses a variety of tax and non-tax mechanisms, designed to balance State revenues with incentives for private sector participation.

Tax	Law number	Description
Tax on Profit	Law No. 7811, dated 12.04.1994; Law No. 153/2020	The profit tax for hydrocarbon operations is set at 50% of taxable profit. Taxable profit is calculated by deducting operating and capital expenditures from revenue. Capital expenditures incurred during the exploration phase are fully deductible. The tax is designed to ensure equitable sharing of resource wealth.
Royalties	Law No. 9975, dated 28.07.2008	Royalties are calculated as a percentage of the market value of extracted hydrocarbons, ensuring consistent revenue to the government regardless of profitability. Rates are negotiated in production-sharing agreements and monitored by the National Agency of Natural Resources (AKBN).
Value Added Tax (VAT)	Law No. 92/2014, dated 24.07.2014; Law No. 82/2022, dated 24.11.2022	VAT exemptions are provided for goods and services directly related to hydrocarbon exploration and production. This reduces operational costs for operators, encouraging investment. The standard VAT rate for other non-exempt goods and services is 20%.
Employee Income Tax	Law No. 8438, dated 28.12.1998; amendments effective from July 1, 2022	Employees working in the oil and gas sector are subject to a progressive income tax system, with rates ranging from 0% to 23%, depending on income levels. The employer deducts the income tax at the source and remits it to the tax authorities.
Social and Health Insurance Contribution	Law No. 7703, dated 11.05.1993	Employers contribute 15% of an employee's gross salary to social security and 1.7% for health insurance. Employees contribute 9.5% for social security and 1.7% for health insurance. These contributions ensure access to health services and social benefits.
Dividends Tax	Law No. 8438, dated 28.12.1998	Dividends distributed to shareholders are taxed at 8%. This rate applies uniformly across sectors and ensures the government captures a portion of profits shared with investors while keeping the sector attractive to foreign and local investors.
Withholding Tax	Law No. 8438, dated 28.12.1998	A 15% withholding tax is applied to payments made to non-resident entities or individuals for services provided in Albania's hydrocarbon sector. This tax ensures revenue collection from foreign service providers and other non-resident beneficiaries.
Carbon Tax	Law No. 9975, dated 28.07.2008	A tax applied to petroleum products such as gasoline and diesel, aimed at reducing carbon emissions. The tax rate is calculated per ton of CO_2 emissions associated with the production and consumption of petroleum-based fuels.
Circulation Tax	Law No. 9975, dated 28.07.2008	A tax imposed on fuel consumption to fund infrastructure development, including road maintenance and construction. This tax is charged per liter of gasoline or diesel sold within the country.
Subcontractor Taxation	DCM No. 397, dated 30.06.2021	Subcontractors working in hydrocarbon operations are subject to a **50% profit tax** if their billed expenses exceed **25%** of the total operational costs authorized under the primary contract.

Table 2 - Fiscal Regime Oil and Gas Sector

1.1.2 Legal and Institutional Framework in the Mining Sector 2.1(a)

Institutional Framework

The governance and management of the mining sector in Albania are handled by several key institutions, each responsible for distinct aspects of policy, regulation, and operation. These institutions work collaboratively to ensure the sector operates transparently and sustainably while contributing to the country's economic development.

Institution	Roles and Responsibilities
Ministry of Infrastructure and Energy (MIE)	As per Law No. 10304, dated July 15, 2010, "On the Mining Sector in the Republic of Albania", minerals in their natural state, located within Albania's territory and its maritime space, are considered state-owned public property. The Ministry of Infrastructure and Energy (MIE) is the designated authority responsible for overseeing mining activities in accordance with this law. MIE is tasked with drafting the mining strategy, which serves as the fundamental document outlining policies, development priorities, action plans, and the management of mining resources. The approval of this strategy falls under the jurisdiction of the Council of Ministers.
Ministry of Finance and Economy (MFE)	The Ministry of Finance and Economy, as outlined in Law No. 8438, dated 28.12.1998, "On Income Tax" (amended), and Law No. 9975, dated 28.07.2008, "On National Taxes," develops fiscal policies for the mining sector. It oversees the integration of revenues, such as royalties and corporate taxes, into the national budget. The MFE ensures fiscal stability by analyzing the macroeconomic impact of the mining sector and allocating funds to developmental priorities.
Ministry of Tourism and Environment (MTE)	The Ministry of Tourism and Environment enforces environmental compliance in line with Law No. 10431, dated 09.06.2011, "On Environmental Protection" (amended), and Law No. 91/2013, "On Strategic Environmental Assessment." It reviews and approves Environmental Impact Assessments (EIAs), ensures sustainable resource use, and monitors compliance with rehabilitation obligations. These measures mitigate the environmental impacts of mining activities and align with Albania's commitment to international environmental standards.
National Agency of Natural Resources (AKBN)	Under Law No. 10304, dated 15.07.2010, "On the Mining Sector in Albania" (amended), AKBN oversees the issuance, renewal, and monitoring of mining licenses. It maintains a database of Albania's mineral wealth and ensures compliance with technical, operational, and environmental standards. AKBN also provides technical support for policymaking and ensures adherence to Albania's Extractive Industries Transparency Initiative (EITI) obligations.
Agency for Concessions and Public-Private Partnerships (ATRAKO)	ATRAKO operates under Law No. 125/2013, "On Concessions and Public-Private Partnerships" (amended), overseeing concession agreements in the mining sector. It ensures that agreements comply with national laws and international best practices, with a focus on transparency, accountability, and equitable benefit distribution between private operators and the State.
Albanian Geological Survey (AGS)	The Albanian Geological Survey, established under Law No. 111/2015, "On the Albanian Geological Survey" (amended), conducts geological research to identify and classify Albania's mineral resources. It provides technical and scientific data for policy development and decision-making. The AGS supports exploration efforts by public and private entities while ensuring sustainable resource management through accurate and up-to-date geological data.
National Authority for the Safety and Emergency in Mines (AKSEM)	AKSEM, operating under Law No. 10/2012, "On Occupational Health and Safety" (amended), ensures compliance with safety and emergency protocols in mining operations. It conducts training programs, develops response plans, and monitors adherence to safety regulations to protect workers and communities from mining-related hazards.

State Inspectorate of Mines (ISHM)	The State Inspectorate of Mines enforces compliance with health, safety, and operational standards in mining activities, as outlined in Law No. 10/2012, "On Occupational Health and Safety" (amended), and Law No. 10431, dated 09.06.2011, "On Environmental Protection." ISHM performs inspections, investigates reported violations, and imposes penalties to uphold legal and environmental standards across the sector.
General Tax Directorate (GTD)	The General Tax Directorate administers taxes from mining operations, including corporate income tax, royalties, and VAT, as specified in Law No. 8438, dated 28.12.1998, "On Income Tax" (amended), and Law No. 9975, dated 28.07.2008, "On National Taxes." It ensures accurate reporting, audits operators, and collaborates with AKBN to track production and fiscal compliance, integrating revenues into Albania's national budget transparently and efficiently.

Table 3 - Institutional Framework, Mining Sector

Coordination Between Institutions

Effective governance of Albania's mining sector necessitates robust coordination among various institutions to ensure streamlined licensing, rigorous enforcement of regulations, and transparent revenue management. Key areas of coordination, along with recent developments and challenges:

Oversight and Transparency

Albania's commitment to the Extractive Industries Transparency Initiative (EITI) fosters robust oversight mechanisms to enhance accountability in the mining sector:

- Public Disclosure of Data:
  Institutions such as AKBN and ATRAKO regularly publish data on production volumes, license allocations, and revenue contributions. This transparency builds public trust and enables stakeholders to assess the sector's performance.

- Multi-Stakeholder Group (MSG):
  The MSG, a core component of EITI implementation, includes representatives from government, civil society, and the private sector. It plays a vital role in monitoring compliance with transparency standards and providing recommendations for sector improvements.

- Contract Transparency
  The Public Procurement Agency (Agjencia e Prokurimit Publik) plays a role in ensuring transparency in government contracts, including those related to the extractive sector. The agency is responsible for preparing regulations, standard tender documents, and monitoring public procurement processes to maintain a transparent and efficient system

- Auditing and Reporting:
  The General Tax Directorate conducts regular audits of fiscal contributions, ensuring compliance with national tax laws. Combined with AKBN's production monitoring, this process mitigates the risk of misreporting or revenue loss

Legal and Institutional Framework in the Mining Sector

Legal Framework

The legal framework governing Albania's mining sector serves as the foundation for regulating mineral resource extraction, ensuring transparency, environmental protection, and sustainable economic benefits. However, despite its comprehensive legal structure, it faces also challenges due to the particular situation of the mining sector in Albania with almost 700 hundred licenses,.

The current legal framework should not only regulate but also:

- Improve Governance and Business Climate: Simplify and consolidate legislation to reduce administrative burdens and create a predictable, stable regulatory environment for investors.
- Support Economic Development: Strengthen mining revenues, employment, and poverty reduction while ensuring fair competition and sustainable resource use.
- Encourage Technological Advancement and Value-Added Processing: Promote the adoption of modern technologies and incentivize local processing of minerals to retain more value within Albania.
- Enhance Transparency and Public Engagement: Ensure better legal accessibility, prevent discretionary decision-making, and promote public oversight in mining revenue management.
- Ensure Sustainable Resource Management: Promote rational, energy-efficient, and environmentally responsible extraction practices, certified by the community and aligned with long-term sustainability goals.

Key Mining Laws and Regulations

Law No. 10304, dated 15.07.2010, "On the Mining Sector in the Republic of Albania" (as amended)

This law serves as the cornerstone of Albania's mining regulatory framework, governing mining and post-mining activities. It aims to foster transparency, promote competition, and maximize public benefits while safeguarding the environment and public health.

- State Ownership of Resources (Article 3): All minerals in their natural form within Albania's territory, including underwater resources, are public property, managed by the Ministry of Infrastructure and Energy (MIE).
- Granting of Mining Rights: Mining rights may be granted to local and foreign legal entities through competitive bidding or direct agreements, in line with Albania's concession and public-private partnership laws.
- Environmental Safeguards: The law mandates strict environmental protection measures and outlines obligations for industrial waste management and post-mining rehabilitation.

Law No. 111/2015, dated 15.10.2015, "On Albanian Geological Survey"

This law regulates the Albanian Geological Survey (AGS), ensuring that the management and research of mineral resources maximize public benefit while maintaining sustainability.

- Key Activities (Article 6):
    - Research and evaluation of metallic and non-metallic minerals, hydrocarbons, and underground water reserves.
    - Continuous geological studies and environmental monitoring.
    - Development of a comprehensive geological database accessible to government institutions and stakeholders.
    - Oversight of mining prospecting activities and compliance with exploration permits.

DCM No. 320, dated 21.04.2011, "On Approving Rules for Bidding and Application Review for Mineral Permits"

This decision outlines the competitive procedures for obtaining mining permits.

- Competition Procedures: Open to domestic and foreign entities through transparent bidding processes.

- Identification of Competitive Areas: Conducted by the Albanian Geological Survey (AGS) and National Agency of Natural Resources (AKBN).
- Permit Issuance: Administered through the National Licensing Center (QKL) upon submission of required documentation.

DCM No. 969, dated 02.12.2015, “On Minimum Requirements for Safety and Health in Mining”

This regulation transposes EU Directive 92/104/EEC into Albania’s legal framework, ensuring worker safety and health protections in mining operations.

- Mandatory Reporting: Employees must report accidents and hazardous events to regulatory authorities.
- Enforcement and Penalties: Non-compliance leads to sanctions as per Law No. 10237, dated 18.02.2010, “On Safety and Health at Work”.

Instruction of MIE No. 10, dated 26.01.2015, “On Rules for Reviewing Administrative Appeals in Mining”

This instruction governs the dispute resolution process for mining entities contesting administrative measures.

- Appeal Process: Appeals are reviewed by the Ministry of Infrastructure and Energy (MIE) within 30 days.
- Further Appeals: If necessary, cases can be escalated to the administrative court under Albania’s legal framework.

Fiscal Regime

Type of Tax	Legal References	Brief Description
Tax on Profit	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended; Law No. 29/2023, dated 30.03.2023, "On Income Tax"	The standard corporate income tax rate remains at 15%. Notably, under the new law, all entities, regardless of their annual turnover, are subject to corporate income tax. This marks a departure from previous legislation, which exempted certain entities based on turnover thresholds.
Royalties	Law No. 9975, dated 28.07.2008, “On National Taxes” (amended with several laws)	Royalties are calculated as a percentage of the market value of extracted minerals. Rates vary: 4%-6% for metallic and non-metallic minerals, while fixed rates (in ALL) apply for other mineral groups such as bitumen or construction materials. AKBN monitors royalty calculations and payments to ensure compliance with the law.
Value Added Tax (VAT)	Law No. 92/2014, dated 24.07.2014, “On Value Added Tax”; MFE Instruction No. 6, dated 30.01.2015, amended	VAT is applied at a standard rate of 20% on local sales and 0% on exports. The mining sector does not receive VAT exemptions or tax benefits under the current legislation, ensuring neutrality and consistency with Albania’s fiscal policies.
Employee Income Tax	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	Employee income tax is based on a progressive system ranging from 0% to 23%, depending on the employee’s income. This tax structure applies uniformly across all economic sectors, ensuring equitable contribution from workers in the mining industry.
Social and Health Insurance Contributions	Law No. 9136, dated 11.09.2003, “On the Collection of Social & Health Insurance Contributions,” amended; Law No. 7703, dated 11.05.1993; Law No. 10383, dated 04.02.2011	Employers contribute 15% of the gross salary for social insurance and 1.7% for health insurance, while employees contribute 9.5% for social insurance and 1.7% for health insurance. These contributions ensure workers’ access to healthcare and social benefits, consistent with regulations across sectors.

Dividends Tax	Law No. 8438, dated 28.12.1998, "On Income Tax", amended; MFE Instruction No. 5, dated 30.01.2006, amended	The tax on dividends is calculated at 8% of the gross amount distributed to shareholders. Starting from 2019, this rate has been unified for all sectors, including mining, to ensure consistency in profit-sharing contributions to the State.
Withholding Tax (WHT)	Law No. 8438, dated 28.12.1998, "On Income Tax", amended; MFE Instruction No. 5, dated 30.01.2006, amended	A 15% withholding tax is applied to income generated in Albania by non-resident entities or individuals. This rate also applies to Albanian residents who are not registered with the tax authorities. The withholding tax ensures revenue collection from external beneficiaries operating within the mining sector.
Carbon Tax	Law No. 9975, dated 28.07.2008, "On National Taxes," amended	Under Article 4, Point 6 of Law No. 9975, the carbon tax is set at 3 ALL per kilogram for coal. This tax aims to reduce carbon emissions and encourage environmentally sustainable practices within mining operations and the broader economy.

Table 4 - Fiscal Regime, Mining Sector

1.1.3 Legal and Institutional Framework in Hydro-Energy Sector 2.1(a)

The hydro-energy sector in Albania is governed by a series of laws and regulations aimed at ensuring the sustainable use of water resources, fostering investment, and maintaining compliance with environmental and safety standards.

Institutional Framework

Institution	Roles and Responsibilities
Ministry of Infrastructure and Energy (MIE)	The MIE designs and implements energy policies, focusing on renewable energy development and the sustainable management of water resources for hydro-energy production. The Ministry also oversees the issuance of licenses and concessions for hydropower projects.
Ministry of Tourism and Environment (MTE)	MTE monitors environmental compliance in hydro-energy projects, reviewing and approving Environmental Impact Assessments (EIAs). It ensures that hydro-energy operations adhere to sustainability standards and protect ecosystems and local communities.
Energy Regulatory Entity (ERE)	ERE is responsible for regulating the electricity market, licensing hydro-energy operators, and monitoring their compliance with technical and financial standards. ERE also sets tariffs for energy producers, distributors, and suppliers, ensuring fair competition and protecting consumers.
Albanian Electrical Power Corporation (KESH)	KESH, a state-owned company, operates large hydropower plants and plays a key role in Albania's electricity generation. It is responsible for maintaining and expanding Albania's hydropower production capacity to meet national energy demands.
Transmission System Operator (OST)	OST manages Albania's electricity transmission network, ensuring reliable delivery of electricity generated by hydropower plants to distribution networks and final consumers. OST is also responsible for the integration of Albania's electricity system with regional and European networks.
Electric Energy Distribution System Operator (OSHEE)	OSHEE manages the electricity distribution network, ensuring the efficient delivery of electricity from the transmission system to final consumers. OSHEE is a key player in the operational reliability of hydro-energy distribution.
Distribution System Operator (OSSH)	OSSH, a subsidiary of OSHEE, focuses specifically on managing distribution networks and implementing upgrades to improve reliability and efficiency in the delivery of electricity generated by hydropower plants.
Universal Service Supplier (FSHU)	FSHU provides electricity to consumers under regulated tariffs, ensuring affordable access to electricity for households and small businesses. It plays an essential role in supplying energy produced by hydropower plants to regulated markets.

The Free Market Supplier (FTL)	FTL supplies electricity to the free market, catering to consumers not covered by regulated tariffs. This institution facilitates competition and ensures that energy from hydropower plants is available in Albania’s liberalized electricity market.
Agency for Concessions and PPP (ATRAKO)	ATRAKO oversees concession agreements and public-private partnerships in the hydro-energy sector. It ensures that these agreements comply with national laws and international best practices, promoting transparency and accountability in the development of hydropower infrastructure.

Table 5 - Institutional Framework, Hydro-energy sector

Legal Framework

Law No. 43/2015, dated 30.04.2015, “On the Power Sector” (as amended)

Law No. 43/2015 provides the foundation for Albania’s electricity sector, including hydropower. It establishes the principles, policies, and institutional responsibilities for managing energy resources and ensuring a reliable supply of electricity.

- Council of Ministers’ Responsibilities:
  The Council of Ministers is mandated to develop policies for the power sector that align with Albania’s broader economic development strategies. This ensures that the energy sector supports national growth and sustainability goals.

- National Energy Strategy:
  The Ministry of Infrastructure and Energy (MIE) is tasked with preparing the National Energy Strategy, which defines the medium- and long-term objectives for Albania's energy sector. This strategy, updated every five years, emphasizes renewable energy, particularly hydropower, as a pillar of Albania’s energy mix. It also outlines measures to enhance energy security and promote regional market integration.

- Data Collection and Reporting:
  Entities engaged in electricity production, transmission, and distribution must provide regular operational data to the MIE. This reporting framework ensures informed policy decisions and compliance with international obligations, such as the Energy Community Treaty.

- Repeal of Previous Law:
  This law repealed Law No. 9072, dated 22.05.2003, "On the Energy Sector," consolidating and modernizing Albania’s legislative framework for energy governance.

Law No. 24/2023, dated 23.03.2023, “On the Promotion of the Use of Energy from Renewable Sources” *(Replaced Law No. 7/2017)*

Law No. 24/2023 modernizes Albania’s renewable energy framework, replacing Law No. 7/2017, which had provided the initial structure for promoting renewables. The new law introduces dynamic mechanisms to attract investment, enhance transparency, and align with Albania’s decarbonization goals.

- Transition to Renewable Energy Auctions:
  This law replaces static feed-in tariff mechanisms with competitive renewable energy auctions. These auctions encourage cost-effective project development, ensuring that hydropower and other renewable projects are allocated transparently and efficiently.

- Hydropower Focus:
  Hydropower remains central to Albania’s renewable energy strategy under this law. Incentives are provided for small and medium-sized hydropower plants, recognizing their potential to contribute to energy security and rural economic development.

- Guarantees of Origin (GOs):

The law introduces a certification system for renewable energy, allowing operators to issue Guarantees of Origin (GOs). These certifications verify the renewable nature of energy produced and can be traded in domestic and international markets, offering operators additional revenue opportunities.

- Enhanced Transparency:
  The law strengthens reporting obligations, requiring real-time production data from operators. This ensures better oversight, facilitates market planning, and builds public trust in renewable energy projects.

- Alignment with EU Directives:
  Law No. 24/2023 aligns Albania's renewable energy policies with the latest EU directives, particularly regarding decarbonization and sustainability. This alignment supports Albania's integration into European energy markets and strengthens its commitments under the Energy Community Treaty.

- Implications of the Replacement:
  Law No. 7/2017 was limited by its reliance on feed-in tariffs, which became less competitive over time. By adopting auctions, Albania can attract more diverse investments while reducing the burden on public finances. The emphasis on transparency and market integration under Law No. 24/2023 reflects Albania's evolving energy priorities.

Law No. 125/2013, dated 25.04.2013, "On Concessions and Public-Private Partnerships" (PPP)

This law provides the legal framework for developing hydropower projects through concessions and public-private partnerships, fostering private sector participation in infrastructure development.

- Scope of Application:
  The law applies to electricity production, transmission, and distribution projects. It facilitates the involvement of private entities in hydropower infrastructure, allowing for a more dynamic and competitive energy sector.

- Roles of Public and Private Partners:
  Public authorities are responsible for regulatory oversight and ensuring compliance with concession terms. Private entities finance, construct, and operate the projects, often receiving financial support or incentives to ensure project viability.

- Transparency and Accountability:
  Concession agreements must be publicly disclosed, ensuring that project terms align with national interests and international standards.

DCM No. 822, dated 07.10.2015, "On the Approval of Rules for Non-Concession Power Plant Construction"

This decision governs the construction of electricity generation facilities that are not subject to concession agreements.

- Objective:
  The regulation defines the documentation and procedural requirements for entities seeking to build non-concession power plants, ensuring compliance with Article 49 of Law No. 43/2015.

- Streamlined Processes:
  This decision simplifies the application process for private investors, encouraging the development of smaller-scale or independent hydropower projects.

DCM No. 519, dated 13.07.2016, “On the Approval of the Electric Power Market Model”

This decision introduced the Albanian Market Model (AMM), a framework designed to transition Albania’s electricity market into a competitive and efficient system.

- Key Objectives:
    - Full market liberalization, allowing hydropower operators to participate in a competitive market.
    - Compliance with the Energy Community Treaty, facilitating regional market integration.
    - Establishing a balancing energy market to optimize supply and demand.
    - Enhancing market liquidity through measures that promote efficient energy trading.

Fiscal Regime

Type of Tax	Legal References	Brief Description
Tax on Profit	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended; Law No. 29/2023, dated 30.03.2023, "On Income Tax"	According to Law No. 8438, Tax on Profit for resident companies is unified for all sectors of the economy, including the hydro-energy sector. The tax rate starting from January 1, 2014, is 15% on taxable profit. Taxable profit is calculated by deducting allowable expenses from revenue, ensuring a fair tax base.
Value Added Tax (VAT)	Law No. 92/2014, dated 24.07.2014, “On Value Added Tax”; MFE Instruction No. 6, dated 30.01.2015, amended	According to Law No. 92/2014, VAT is applied at a rate of 20% on local sales and 0% on exports. The hydro-energy sector does not benefit from VAT exemptions or specific incentives, ensuring a consistent application of VAT regulations across sectors.
Employee Income Tax	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	Employee income tax is based on a progressive system ranging from 0% to 23%, depending on the employee’s income level. This structure is unified across all sectors of the economy, including the hydro-energy sector.
Social and Health Insurance Contributions	Law No. 9136, dated 11.09.2003, “On the Collection of Social & Health Insurance Contributions,” amended; Law No. 7703, dated 11.05.1993; Law No. 10383, dated 04.02.2011	Employers contribute 15% of the gross salary for social insurance and 1.7% for health insurance. Employees contribute 9.5% for social insurance and 1.7% for health insurance. These contributions ensure access to healthcare and social benefits for employees in the hydro-energy sector.
Dividends Tax	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	Dividends distributed to shareholders are taxed at 8% of the gross amount. This rate applies uniformly across all economic sectors, including the hydro-energy sector, ensuring equitable contribution from profit-sharing mechanisms.
Withholding Tax (WHT)	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	A 15% withholding tax is applied to income generated in Albania by non-resident entities or individuals. This tax ensures revenue collection from external beneficiaries operating in the hydro-energy sector, aligning with national fiscal policies.

Table 6 - Fiscal Regime, Hydro-Energy sector

1.1.4 Legal and Institutional Framework in Renewable Energy 2.(a)

Institutional Framework

The governance and management of the renewable energy sector in Albania involve key institutions responsible for policy formulation, regulation, and oversight. These institutions ensure the sustainable development of renewable energy resources, including hydropower, solar, and wind energy.

Institution	Roles and Responsibilities for the Photovoltaic Industry
Ministry of Infrastructure and Energy (MIE)	Drafts policies and strategies specific to photovoltaic energy development. Facilitates licensing and authorization processes for solar projects, including utility-scale solar farms and rooftop solar installations, in line with Albania's renewable energy targets.
Energy Regulatory Entity (ERE)	Regulates photovoltaic energy operators by issuing licenses, setting tariffs for smaller-scale installations under feed-in tariffs (if applicable), and overseeing competitive auctions for larger solar energy projects introduced under Law No. 24/2023.
National Agency of Natural Resources (AKBN)	Provides technical assessments and promotes Albania's photovoltaic potential to investors. Facilitates research and data availability on solar radiation and land suitability for solar farms. Ensures that solar projects comply with technical and operational standards.
Ministry of Tourism and Environment (MTE)	Evaluates and approves Environmental Impact Assessments (EIAs) for large-scale photovoltaic projects. Ensures that solar farms do not adversely impact protected areas, landscapes, or ecosystems.
Transmission System Operator (OST)	Facilitates grid integration of photovoltaic systems, ensuring reliable energy transmission from large-scale solar farms to the national grid. OST also supports the development of infrastructure to manage variable solar energy output effectively.
Universal Service Supplier (FSHU)	Engages in the procurement and supply of photovoltaic energy under regulated tariffs for small-scale producers. For example, rooftop solar installations may sell surplus energy back to the grid, with FSHU managing these transactions.
The Free Market Supplier (FTL)	Facilitates trade in photovoltaic energy on Albania's open market. Large-scale solar energy producers rely on FTL to connect with commercial and industrial consumers, promoting the liberalization of the energy market.

Table 7 - Institutional Framework, Renewable Energy

Legal Framework

Law No. 43/2015, dated 30.04.2015, "On the Power Sector" (as amended)

This law provides the legal foundation for energy production, transmission, and distribution in Albania, with a focus on renewable energy, including photovoltaics.

- Policy Development:
  The Council of Ministers defines Albania's energy policies, ensuring the integration of renewable energy, including photovoltaic projects, into national development strategies.

- Data Collection:
  Operators in the photovoltaic sector must report data to the Ministry of Infrastructure and Energy (MIE), facilitating evidence-based policymaking and adherence to Albania's international commitments under the Energy Community Treaty.

- Licensing:
  Licensing for photovoltaic projects is overseen by the Energy Regulatory Entity (ERE), ensuring technical and financial compliance.

Law No. 24/2023, dated 23.03.2023, "On the Promotion of the Use of Energy from Renewable Sources" *(Replaced Law No. 7/2017)*

This law establishes a modern framework for promoting renewable energy, including photovoltaic energy. It introduces mechanisms to encourage investment and ensures market competitiveness.

- Key Provisions for the Photovoltaic Industry:
    - Renewable Energy Auctions: Competitive bidding processes have replaced feed-in tariffs, enabling transparent allocation of solar energy projects. Auctions prioritize cost-effective photovoltaic projects that align with Albania's energy diversification goals.
    - Guarantees of Origin (GOs): Photovoltaic energy producers can issue GOs to certify the renewable origin of electricity generated. These certifications can be traded domestically and internationally, providing additional revenue streams for solar energy operators.
    - Support for Small Producers: Rooftop solar installations and other small-scale photovoltaic systems are supported under the new law, with mechanisms to sell surplus electricity back to the grid.
    - Alignment with EU Directives: This law ensures compliance with EU renewable energy directives, particularly focusing on decarbonization and sustainable development goals.

Law No. 125/2013, dated 25.04.2013, "On Concessions and Public-Private Partnerships" (PPP)

This law facilitates private sector investment in renewable energy, including photovoltaic projects.

- Concessions:
  Large-scale solar farms are often developed through concession agreements, where private investors finance, construct, and operate the projects under government supervision.
- Public-Private Partnerships:
  PPPs enable shared responsibility for photovoltaic projects, combining public oversight with private sector efficiency.

DCM No. 822, dated 07.10.2015, "On the Approval of Rules for Non-Concession Power Plant Construction"

This decision provides procedural guidelines for constructing renewable energy facilities, including photovoltaic plants, that are not subject to concession agreements.

- Key Features:
    - Outlines documentation requirements for photovoltaic project applications.
    - Facilitates the development of small and medium-scale solar energy systems.

DCM No. 368, dated 26.05.2021, “On Renewable Energy Auctions”

This regulation governs the competitive auction process for renewable energy projects, with a significant focus on photovoltaic energy.

- Auction Process:
  - Transparent bidding ensures that solar energy projects are cost-competitive.
  - Criteria include technical feasibility, environmental impact, and financial viability.
- Project Prioritization:
  Priority is given to photovoltaic projects that enhance Albania’s energy security and contribute to achieving its renewable energy targets.

Law No. 10431, dated 09.06.2011, “On Environmental Protection”

This law ensures that photovoltaic projects comply with environmental standards, safeguarding ecosystems and promoting sustainability.

- Environmental Impact Assessments (EIAs):
  All large-scale photovoltaic projects must conduct EIAs to identify and mitigate potential environmental impacts.
- Preventive Measures:
  Operators are required to adopt measures that minimize environmental disruption during construction and operation phases.

DCM No. 519, dated 13.07.2016, “On the Approval of the Electric Power Market Model”

This decision introduced the Albanian Market Model (AMM), ensuring the integration of photovoltaic energy into Albania’s competitive electricity market.

- Market Liberalization:
  Enables photovoltaic producers to sell energy directly to industrial and commercial consumers.
- Balancing Market:
  Encourages the efficient integration of solar energy, addressing the variability of photovoltaic power generation.

Fiscal Regime

Type of Tax	Legal References	Brief Description
Tax on Profit	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended; Law No. 29/2023, dated 30.03.2023, "On Income Tax"	According to Law No. 8438, Tax on Profit for resident companies is unified for all sectors of the economy, including the photovoltaic sector. The tax rate is 15% on taxable profit. Taxable profit is calculated by deducting allowable expenses, such as capital expenditures for installing solar panels, from total revenue.
Value Added Tax (VAT)	Law No. 92/2014, dated 24.07.2014, “On Value Added Tax”; MFE Instruction No. 6, dated 30.01.2015, amended	VAT is applied at a standard rate of 20% on local sales and 0% on exports. Equipment and services specifically required for photovoltaic energy production may qualify for VAT exemptions, depending on project scope and eligibility under renewable energy incentives outlined by the government.
Employee Income Tax	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	Income tax from employment is based on a progressive system ranging from 0% to 23%, depending on income levels. This structure is uniform across all sectors, including photovoltaic energy operators and their employees.
Social and Health Insurance Contributions	Law No. 9136, dated 11.09.2003, “On the Collection of Social & Health Insurance Contributions”; Law No. 7703, dated 11.05.1993, amended; Law No. 10383, dated 04.02.2011, amended	Employers contribute 15% of gross salary for social insurance and 1.7% for health insurance, while employees contribute 9.5% and 1.7%, respectively. This ensures access to healthcare and social benefits for workers involved in photovoltaic energy projects, including construction and maintenance teams.
Dividends Tax	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	Dividends distributed by photovoltaic energy companies to shareholders are taxed at 8% of the gross amount. This tax rate applies uniformly across all sectors, incentivizing investment in solar energy by maintaining relatively low dividend taxation.
Withholding Tax (WHT)	Law No. 8438, dated 28.12.1998, “On Income Tax”, amended; MFE Instruction No. 5, dated 30.01.2006, amended	A 15% withholding tax is applied to income generated by non-resident entities providing goods or services for photovoltaic energy projects in Albania. This ensures that international suppliers and contractors contribute to Albania’s tax revenue while participating in the renewable energy sector.

Table 8 - Fiscal Regime, Renewable Energy

1.1.5 Energy Transition Commitments, Policies, and Plans 2.1(b)

Albania has made significant commitments to transitioning its energy sector toward sustainable and renewable sources, in line with its obligations under the Energy Community Treaty and alignment with EU energy directives. The focus is on reducing carbon emissions, increasing the share of renewable energy, and ensuring energy security through sustainable practices.

Key National Commitments[4]

1. Renewable Energy Targets:
    - As part of its national energy strategy, Albania aims to increase the share of renewable energy in its total energy consumption to meet or exceed EU targets.
    - Hydropower constitutes the majority of Albania's renewable energy mix, but recent policies emphasize diversification through photovoltaics (solar energy) and wind energy.

These targets are aligned with Albania's Revised Nationally Determined Contributions (NDCs) submitted to the UNFCCC, which commit to a 20.9% reduction in GHG emissions by 2030 compared to 2016 levels. These international climate objectives are complemented by domestic energy targets under the 2018–2030 National Energy Strategy and the upcoming NECP.[5]

2. Decarbonization Goals:
    - Albania has committed to reducing carbon emissions by promoting clean energy technologies and phasing out reliance on fossil fuels for electricity generation.
    - The National Energy and Climate Plan (NECP), currently under development, will outline concrete measures to meet these goals by 2030.

While the NECP is not finalized, it is being developed as Albania's central strategic framework for aligning energy and climate policies with EU requirements. Its draft outlines sector-specific emission reduction goals, investment needs, and coordination with the existing 2018–2030 National Energy Strategy (approved through Decision No. 480/2018)[6]

3. Energy Security:
    - The transition includes upgrading grid infrastructure to handle increased renewable energy generation and ensuring the reliability of the electricity supply.
    - Regional energy cooperation under the Energy Community supports cross-border energy trading and integration with European energy markets.

Efforts to enhance grid resilience include digitalizing the transmission system and building interconnectors with neighboring countries like Kosovo and North Macedonia. These upgrades are supported through technical assistance from the EU and KfW[7]

[4] https://qbz.gov.al/eli/vendim/2018/07/31/480
[5] https://unfccc.int/sites/default/files/2022-08/Albania%20Revised%20NDC.pdf
[6] https://www.infrastruktura.gov.al/wp-content/uploads/2024/12/The-National-Energy-and-Climate-Plan-NECP.pdf.pdf?utm_source
[7] https://www.kfw-entwicklungsbank.de/About-us/News/News-Details_777664.html?utm_source

On 31.07.2018 a Decision ON THE APPROVAL OF THE NATIONAL ENERGY STRATEGY FOR THE PERIOD 2018-2030. The full document is available online at https://www.infrastruktura.gov.al/wp-content/uploads/2024/09/vendim-2018-07-31-480.pdf

Key Policies and Plans

- National Energy Strategy (NES):
    - Developed by the Ministry of Infrastructure and Energy (MIE), the NES is updated every five years to align with evolving energy needs and international commitments.
    - Focus areas include renewable energy development, energy efficiency improvements, and sustainable resource management.

The NES lays out Albania's long-term vision for energy diversification, investment attraction, and consumer protection. It also includes forecasts of energy demand and generation capacity needs through 2030. Publicly accessible at https://www.infrastruktura.gov.al/wp-content/uploads/2024/09/vendim-2018-07-31-480.pdf

- Law No. 24/2023, "On the Promotion of the Use of Energy from Renewable Sources":
    - Introduced renewable energy auctions to replace static feed-in tariffs, ensuring transparency and cost efficiency in project allocation.
    - Guarantees of Origin (GOs) have been implemented, allowing renewable energy producers to trade renewable energy credits domestically and internationally.
- Hydropower and Diversification Initiatives:
    - While hydropower remains dominant, Albania is actively encouraging investments in solar (photovoltaics) and wind energy to diversify its renewable energy portfolio.
    - Competitive bidding processes introduced under Law No. 24/2023 have prioritized utility-scale solar farms and offshore wind projects.
- International Cooperation and Funding:
    - Albania collaborates with the EU and international financial institutions to fund renewable energy projects, grid modernization, and energy efficiency initiatives.
    - Examples include the Western Balkans Investment Framework (WBIF) and grants under the Instrument for Pre-Accession Assistance (IPA II).

International partners such as the EU, World Bank, and USAID have provided both funding and technical support for renewable legislation, institutional strengthening, and grid integration strategies. A database of funded energy projects is maintained at https://www.kfw-entwicklungsbank.de/About-us/News/News-Details_777664.html?utm_source

Sectorial Focus

- Hydropower:
    - Hydropower remains central to Albania’s energy strategy, providing over 95% of electricity generation.
    - Efforts are underway to optimize existing hydropower plants while ensuring sustainability through rigorous environmental assessments.

However, climate variability and seasonal droughts have exposed the risks of overreliance on hydro. As a result, the government is focusing on small hydro plant rehabilitation instead of greenfield large dams. [8]

AlbEITI is currently preparing a study on the energy transition, which is expected to be completed by July 2025 and will be published on the website www.albeiti.org.

- Photovoltaics and Wind Energy:
    - Solar energy is being actively promoted through large-scale photovoltaic projects and small-scale rooftop installations.
    - Wind energy projects are in early stages of development, with feasibility studies and pilot projects underway.
- Oil and Gas Transition:
    - While oil and gas remain important for Albania’s economy, policies are being introduced to manage a gradual transition away from fossil fuels.
    - The focus is on reducing methane emissions and promoting cleaner technologies for production and refining.

Challenges and Ongoing Reforms

1. Integration of Renewables:
    - Grid infrastructure upgrades are required to handle the variability of renewable energy sources like solar and wind.
    - Albania is working with regional partners to improve energy storage and grid interconnectivity.
2. Policy Implementation:
    - While Albania has ambitious renewable energy targets, implementation challenges include administrative delays and the need for capacity-building in regulatory institutions.
3. Private Sector Participation:
    - Competitive auctions and public-private partnerships are designed to attract foreign and domestic investment in renewable energy.

[8] https://wwfeu.awsassets.panda.org/downloads/albania_factsheet_hp_wwf_august-2023.pdf?utm_source=chatgpt.com

1.1.6 Public Subsidies and State Support 2.1(d)

Overview of Public Subsidies in Albania

Albania's public subsidies and state support mechanisms play a crucial role in driving investment and fostering sustainable development across its energy and extractive industries. These measures are aligned with the country's commitment to increasing the share of renewable energy, supporting energy transition initiatives, and enhancing the competitiveness of its resource-based industries. Subsidies, both direct and indirect, aim to reduce the financial burden on investors while ensuring long-term benefits for the national economy and energy security.

Subsidies in the Renewable Energy Sector

The renewable energy sector is at the forefront of Albania's efforts to achieve a low-carbon economy. The government employs various tools to encourage investment and adoption of renewable energy technologies, particularly in hydropower, photovoltaics, and wind energy.

- VAT Exemptions for Renewable Energy Equipment:
    - Under Law No. 92/2014, dated 24.07.2014, the Albanian government offers exemptions from Value Added Tax (VAT) on the import of equipment and services specifically required for renewable energy projects.
    - For example, photovoltaic panels, inverters, and wind turbine components are exempt from VAT, significantly lowering the initial capital investment needed for projects. This policy supports large-scale solar farms and small-scale rooftop solar installations alike, making renewable energy accessible to a broader range of investors and households.
- Transition from Feed-In Tariffs to Competitive Auctions:
    - Historically, Albania provided feed-in tariffs to small renewable energy producers, ensuring fixed rates for electricity supplied to the grid.
    - However, with the adoption of Law No. 24/2023, competitive renewable energy auctions now allocate projects transparently and cost-effectively. Auctions for photovoltaic energy, for instance, have successfully attracted international and domestic investors while ensuring that subsidies are directed toward the most economically viable projects.
- Public Financial Support for Infrastructure Development:
    - The government has prioritized investments in grid modernization to integrate variable renewable energy sources such as solar and wind. This includes financing for energy storage systems and grid interconnections to improve stability and efficiency.

Hydropower Sector Subsidies

Hydropower remains the cornerstone of Albania's renewable energy strategy, and the government provides targeted subsidies to maintain its dominance while addressing sustainability concerns.

- Upgrades to Existing Plants:
    - Aging hydropower facilities, such as those operated by the Albanian Electrical Power Corporation (KESH), receive state funding for modernization projects. These upgrades aim to increase efficiency, reduce water usage, and minimize environmental impacts, ensuring compliance with EU directives.
- Incentives for Small Hydropower Projects:

    - Special programs encourage the development of small hydropower plants in rural areas, providing economic benefits to local communities. Subsidies often include tax breaks or grants to cover feasibility studies, construction costs, and environmental assessments.

Support for Oil and Gas Sector

Despite Albania's focus on renewable energy, the oil and gas sector continues to receive state support to maintain its economic contribution during the energy transition.

- Tax Deductions for Exploration Activities:
    - Operators are allowed to deduct exploration-related expenses, such as geological surveys and drilling, from their taxable income under Law No. 125/2013 on Public-Private Partnerships (PPP). This reduces the financial risk associated with discovering new resources, particularly in offshore and deep-water exploration.
- Cleaner Production Incentives:
    - The government has introduced pilot programs to promote cleaner technologies in refining and production processes, reducing methane emissions and environmental pollution.

Mining Sector Subsidies

The mining sector benefits from subsidies aimed at balancing economic growth with environmental sustainability.

- Royalty Adjustments for Strategic Minerals:
    - Reduced royalty rates for minerals like chromium and nickel encourage investment in strategic mining projects. These rates are determined based on the mineral's economic importance and market conditions, ensuring Albania remains competitive internationally.
- Environmental Rehabilitation Funds:
    - The government supports post-mining land rehabilitation and environmental restoration through dedicated funds. Mining companies are eligible for co-financing under Law No. 10304, provided they comply with detailed rehabilitation plans.

Quasi-Fiscal Expenditures by State-Owned Enterprises (SOEs)

State-Owned Enterprises (SOEs) play a significant role in supporting energy and extractive industries, often through quasi-fiscal activities that complement direct subsidies.

- KESH and OST Support for Renewables:
    - The Albanian Electrical Power Corporation (KESH) invests in hydropower modernization, while the Transmission System Operator (OST) facilitates the integration of renewable energy into the national grid. These efforts reduce the financial burden on private operators by ensuring reliable infrastructure.
- Albpetrol's Role in Oil and Gas:
    - As Albania's state-owned oil company, Albpetrol provides logistical and technical support for upstream activities. Its operations include maintaining data on reserves, assisting in exploration efforts, and ensuring compliance with national production targets.

Challenges and Opportunities

Public subsidies and state support mechanisms, while vital, face several challenges:

- Budgetary Constraints:
    - Limited fiscal capacity restricts the scope and scale of subsidies, particularly for large infrastructure projects.
- Transparency and Accountability:
    - Greater public disclosure of subsidy allocations and beneficiaries is needed to align with EITI principles. This would help address concerns about favoritism or inefficiency in resource allocation.
- Streamlining Administration:
    - Delays in subsidy disbursement and administrative inefficiencies can hinder the timely completion of projects. Simplifying procedures and adopting digital platforms for subsidy management could address these issues.

Nonetheless, Albania's commitment to expanding its renewable energy capacity and transitioning to a low-carbon economy presents significant opportunities for reform and innovation in subsidy programs.

1.1.7 Carbon Pricing Mechanism or Carbon Taxes 2.1(c)

Overview

Albania has introduced carbon pricing mechanisms as part of its broader commitment to environmental sustainability and alignment with EU directives. These mechanisms primarily focus on reducing greenhouse gas emissions, incentivizing cleaner energy technologies, and addressing the environmental impacts of extractive industries.

Carbon Tax in Albania

- Legal Framework:
    - The Carbon Tax is established under Law No. 9975, dated 28.07.2008, "On National Taxes," and its subsequent amendments. The law imposes a tax on fuels based on their carbon content, aiming to reduce CO_2 emissions associated with the production and consumption of petroleum products.
- Application and Scope:
    - The carbon tax applies to petroleum products such as gasoline, diesel, and fuel oil.
    - The rate is calculated at 3 ALL per kilogram of carbon emissions, ensuring that users of high-emission fuels contribute proportionally to the environmental impact.
- Sectoral Impacts:
    - Oil and Gas Sector: Operators in the petroleum industry bear the tax on fuel used in production and distribution. This encourages companies to adopt cleaner production methods and explore alternative energy sources.
    - Mining Sector: Heavy fuel use in mining operations is taxed, incentivizing energy efficiency and the adoption of cleaner technologies.
    - Renewable Energy Sector: The tax indirectly benefits renewable energy by making fossil fuels more expensive, thereby leveling the playing field for cleaner alternatives like solar and wind energy.

Alignment with EU Policies

The carbon tax aligns with Albania's obligations under the Energy Community Treaty and EU carbon reduction targets. While Albania is not part of the EU Emissions Trading System (ETS), its carbon pricing mechanisms represent a step toward integrating with broader European carbon markets.

Revenue Use and Transparency

Revenue generated from the carbon tax is directed to:

- Environmental restoration projects.
- Investments in renewable energy infrastructure, particularly grid upgrades to accommodate variable sources like wind and solar.
- Funding public awareness campaigns about sustainable energy practices.

Challenges

- Implementation and Compliance: Ensuring accurate reporting and collection of carbon tax revenue remains a challenge, particularly in sectors with informal operations.
- Market Impacts: While the tax promotes sustainability, its impact on production costs may discourage investment in some extractive activities without complementary incentives.

1.1.8 Ongoing and Planned Reforms 2.1(e)

Overview

Albania has undertaken significant reforms across its extractive and energy sectors to align with international standards, particularly the commitments outlined in the Energy Community Treaty and EITI Standards. These reforms aim to improve transparency, increase efficiency, and support the country's transition toward renewable energy. Planned initiatives further reflect Albania's intent to modernize its legal, fiscal, and institutional frameworks to attract investment and ensure sustainable resource management.

Recent and Ongoing Reforms

The energy and extractive industries in Albania have seen multiple changes in recent years, primarily driven by the need for alignment with EU directives and national economic goals. For instance, the introduction of Law No. 24/2023, replacing older legislation on renewable energy, has fundamentally altered the investment landscape. The law promotes transparency and competition by transitioning from static feed-in tariffs to renewable energy auctions. This has increased investor confidence while ensuring the cost-effectiveness of large-scale renewable energy projects.

Additionally, the government has modernized the framework for concession agreements under Law No. 125/2013, streamlining procedures for the oil, gas, and mining sectors. These changes have clarified fiscal terms and introduced stricter environmental compliance measures for private operators.

Planned Reforms

Albania's government has announced several initiatives to further enhance its extractive and energy sectors. The National Energy and Climate Plan (NECP), currently under development, is a cornerstone of these reforms. This plan will provide a comprehensive roadmap for 2021–2030, emphasizing renewable energy capacity expansion, energy efficiency, and carbon emission reductions.

The mining sector is also set to undergo revisions, with planned updates to Law No. 10304, focusing on stricter regulations for artisanal and small-scale mining (ASM) activities. These changes aim to formalize ASM operations, reduce environmental degradation, and integrate ASM contributions into Albania's official economic data.

Environmental reforms include amendments to Law No. 10431, “On Environmental Protection”, introducing stricter penalties for non-compliance and expanding monitoring requirements for industrial and extractive projects.

Challenges and Implementation Efforts

While Albania’s reform efforts are ambitious, they face challenges related to administrative capacity, public awareness, and infrastructure limitations. For example, the renewable energy sector requires significant grid modernization to handle increased electricity production from variable sources like solar and wind. Similarly, the extractive industries need enhanced oversight mechanisms to ensure compliance with new fiscal and environmental regulations.

The government has sought to address these challenges by fostering international partnerships, including technical assistance from the European Union and funding through the Western Balkans Investment Framework (WBIF). These collaborations aim to build institutional capacity and provide the necessary resources to implement planned reforms effectively.

1.1.9 Conclusions on the Progress and Recommendations (EITI Requirement 2.1)

Albania has demonstrated substantial progress in aligning its institutional, legal, and fiscal frameworks with the requirements of EITI Standard 2.1. The institutional framework is well-defined, with the roles and responsibilities of entities such as the Ministry of Infrastructure and Energy, the National Agency of Natural Resources, and the Energy Regulatory Entity clearly articulated. This clarity ensures effective governance and oversight in the oil and gas, mining, hydro-energy, and renewable energy sectors.

The legal framework is comprehensive, covering essential laws that regulate sector activities. Notable progress includes reforms such as the introduction of Law No. 24/2023 on renewable energy, which represents a significant step toward transparency and efficiency in allocating renewable energy projects. Fiscal regimes across all sectors are well-documented, detailing tax structures, royalties, and other financial obligations. The transition to renewable energy auctions under this legislation highlights Albania’s commitment to fostering investment and ensuring equity in resource allocation.

Moving forward, Albania should focus on fostering stronger collaboration among regulatory bodies to enhance oversight and reporting mechanisms. The development of detailed strategies for implementing carbon pricing and integrating renewable energy targets will be essential in supporting the country’s energy transition. Efforts to introduce dedicated regulations for artisanal and small-scale mining, ensuring environmental protection and formalization, are necessary to address gaps in the mining sector. Greater transparency in public subsidies and state support mechanisms will further align Albania’s practices with EITI’s objectives. Lastly, expanding public access to information on beneficial ownership and contract terms will enhance trust and accountability in the extractive industries.

These actions will strengthen Albania’s alignment with EITI Standard 2.1 and reinforce its commitment to sustainable and transparent resource management.

1.2 Contract and License Allocations (EITI Requirement 2.2)

1.2.1 Contract and License Allocations for Oil and Gas Sectors[9]

The allocation of contracts and licenses in Albania's oil and gas sector follows a defined process governed by the Regulation for Hydrocarbon Agreements, License Approvals, and Relevant Deadlines. The framework is overseen by the Ministry of Infrastructure and Energy, the National Agency of Natural Resources (AKBN), and Albpetrol Sh.A. The process ensures transparency and compliance with legal and procedural standards.

i. Initiation of the Licensing Process

[9] 9 http://www.akbn.gov.al/rregullore-per-procedurat-e-miratimit-te-marreveshjeve/

The process begins with the Ministry identifying available oil and gas blocks for exploration and production. Through public announcements published on the official websites of the Ministry, AKBN, and Albpetrol, maps of the free blocks or fields are shared along with application instructions. These announcements invite interested entities to participate by submitting applications.

If a block has no prior public announcement, the Ministry or Albpetrol may issue a special call for applications based on a request from an interested party. This call must remain open for a minimum of 90 days, ensuring adequate time for submission.

The application format includes a submission deadline, application forms, and detailed requirements, enabling a clear and transparent process.

ii. Submission and Review of Applications

Interested entities submit their applications to the Ministry, AKBN, or Albpetrol, depending on the management of the block. The application must include:

- Technical and financial qualifications.
- Demonstration of the applicant's capacity to fulfill legal and operational requirements.

Upon receipt, applications are reviewed by AKBN or Albpetrol within 10 days to verify compliance with the documentation requirements. If the application meets all criteria, it is forwarded to the next stage.

iii. Evaluation and Negotiation Process

Once an application is deemed complete, the Ministry appoints a negotiation team to discuss and finalize the terms of the agreement. This team typically includes representatives from the Ministry, AKBN, and Albpetrol, as well as independent experts if necessary.

The negotiation team evaluates the proposal based on the following:

- Technical and financial capacity of the applicant.
- Compliance with legal and contractual requirements.
- Alignment with national energy strategies.

Within 20 days, the negotiation team drafts the terms and submits the results to the Ministry. Meeting minutes and all relevant documentation are maintained to ensure transparency.

iv. Review and Approval of Agreements

Once the terms are agreed upon, the draft agreement is forwarded to the Ministry of Finance and other relevant institutions for approval. These institutions review the financial, legal, and technical aspects of the agreement within 20 days. If revisions are required, the draft is returned to the negotiation team for further refinement.

When all parties approve the final draft, the Ministry authorizes the agreement, completing the contractual framework.

v. Issuance of Licenses

Following the approval of the hydrocarbon agreement, Albpetrol prepares the draft license within 10 days and submits it to the Ministry for final authorization. The license is signed by the Ministry and Albpetrol, granting the successful applicant the right to explore, develop, and produce oil and gas within the specified block.

If necessary, adjustments to the license terms may be made before finalization, ensuring alignment with national laws and international standards.

vi. Monitoring and Compliance

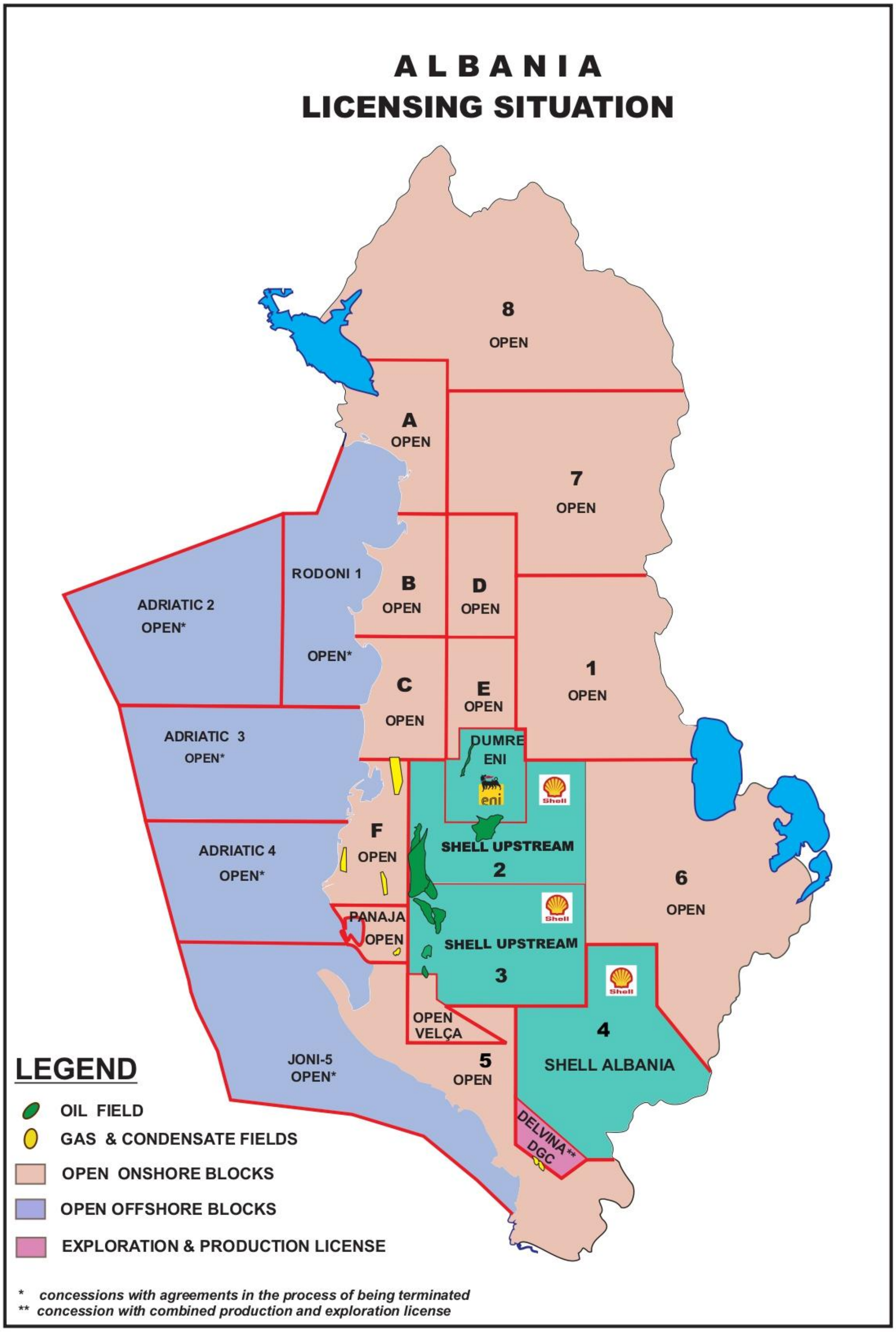
Once the license is issued, AKBN and Albpetrol are responsible for monitoring compliance with the terms of the agreement. License holders are required to submit regular reports on their activities, including operational, financial, and environmental aspects.

In cases of non-compliance, the Ministry reserves the right to impose penalties, revoke the license, or take other corrective actions to safeguard national interests.

The 2023 audit report issued by the Supreme State Audit (KLSH) on Albpetrol sh.a., covering the period 2021–2022, focused on the company's compliance with legal and administrative procedures. While it provides a broad review of Albpetrol’s operations, the report does not include an assessment of the license allocation process. As such, no deviations from the license allocation procedure were reported in the document.[10]

[10] https://www.klsh.org.al/raporti-perfundimtar-per-auditimin-e-ushtruar-ne-albpetrol-sh-a-patos/

Map of Exploration Blocks



1.2.2 Contract and License Allocations for Mining Sector11

The mining sector in Albania is regulated under Law No. 10304, dated 15 July 2010, which emphasizes transparency, public interest, and sustainable development. Mining activities are classified as being of significant public importance. Decisions related to mining rights are made in a transparent manner, incorporating consultations with local communities and obtaining input from relevant municipal governments. This process ensures that mining contributes to economic growth while minimizing adverse environmental and social impacts.

Procedures for Awarding Mining Licenses

[12]Mining licenses in Albania are awarded through two principal methods to ensure fairness and maximize public benefit:

Mining licenses for areas designated as competitive zones in the annual mining program, pursuant to Article 8 of this law, are awarded to interested entities through a public competitive process. Conversely, for mining areas classified as open zones in the annual mining program, pursuant to Article 8, licenses are granted to the first eligible applicant who meets the permitting criteria, following the principle of "First in time, first in rights."

The Annual Mining Cadaster Plan, published by MIE, serves as a cornerstone of transparency. This document identifies available mining areas and specifies the applicable licensing terms, including cadastral details, geological reserves, and licensing conditions. Public access to the plan ensures that all stakeholders, including local and international investors, are informed of opportunities and procedures.

Information about mineral resources can be found here: http://www.akbn.gov.al/wp-content/uploads/2022/10/Invest-in-Natural-Resores.pdf

Types of Mining Licenses and Permits

The Albanian mining law establishes distinct types of licenses based on activities, mineral groups, and specific terms for licensing. Below are the primary categories:

Type of License	Initial Duration	Extension Period	Maximum Area
Exploration License for Metallic Minerals, Non-Metallic Minerals, Coal, and Bitumen	3 years	1 year	No more than 100 km²
Exploration License for Construction Minerals	1 year	No extension	No more than 10 km²
Exploration License for Radioactive Minerals (Approved by the Council of Ministers)	3 years	1 year	No more than 100 km²
Exploitation License for Metallic Minerals, Non-Metallic Minerals, Coal, and Bitumen	25 years; 99 years with approval from the Albanian Parliament	10 years	No more than 10 km²
Exploitation License for Quarries for Local Public Use (Construction Minerals)	3 years	1 year	No more than 1 km²
Exploitation License for Construction Minerals	25 years; 99 years with approval from the Albanian Parliament	10 years	No more than 5 km²

[11] http://akbn.gov.al//wp-content/uploads/2010/07/images_pdf_legjislacion_minierat_Nr._10304_dt._15.07.2010.pdf

[12] Licenses awarded during 2022 can be found in page 50

Exploration-Exploitation License for Precious and Semi-Precious Minerals	25 years	10 years	No more than 10 km²
Exploitation License for Radioactive Minerals (Approved by the Council of Ministers)	25 years; 99 years with approval from the Albanian Parliament	10 years	No more than 10 km²

Table 9 - Types of Licenses

Albania's commitment to transparency in licensing is reflected in its Mining Cadaster Plan, which includes detailed information about available areas, their geographic and geological specifications, and the applicable licensing conditions. This document is made publicly available on the MIE website, ensuring accessibility for all stakeholders.

This process shall be:

- realized in time as prescribed in the mining legal acts because sometimes is revealed that the working program or annual plan for mining activities are published too late;
- information given for the mining areas shall include more data to be attractive for the investors.

Furthermore, the application process is conducted digitally via the e-Albania platform, enabling a streamlined and efficient submission process for both domestic and international applicants.

The entire process, yearly plans and other relevant information's can be seen in this link: https://gsa.gov.al/Njoftimet/licensat.html?utm_source

We have not receive any information to conclude whether there were any deviation from the procedures of obtaining permits in Mining Sector, nor any development during reporting year 2022.

1.2.3 Contract and License Allocations for Hydropower Sector[13]

Albania's power system, encompassing electricity generation from water, thermal, and alternative sources, as well as transmission and distribution, is governed by comprehensive legislation. In April 2015, the Albanian government enacted Law No. 43/2015 "On the Power Sector" to align its energy sector with European Union directives. This law outlines the essential criteria for granting concessions for the construction or reconstruction of hydropower plants (HPPs) and the licensing requirements for energy production.

The Ministry of Infrastructure and Energy (MIE) serves as the primary authority for granting concessions in the hydropower sector. These concessions are issued in compliance with Law No. 125/2013 "On Concessions and Public-Private Partnerships" and its accompanying regulations, including DCM No. 575/2013, which defines the evaluation and granting processes for concessions and public-private partnerships.

The concession approval process is further supported by the Council of Ministers, which holds the ultimate responsibility for authorizing concessions. This ensures that all approvals adhere to legal and regulatory frameworks.

Concession Structure and Responsibilities

Hydropower concessions in Albania are structured under Build-Operate-Transfer (BOT) or Reconstruct-Operate-Transfer (ROT) agreements. These models place the financial burden of constructing or reconstructing power plants on private operators, who are then granted the right to operate the facility for a specified period. During the operational phase, operators are required to sell the electricity produced through Power Purchase Agreements (PPAs) with Wholesale Public Suppliers. The tariffs under these agreements are regulated by the Energy Regulatory Entity (ERE), employing a feed-in tariff model.

[13] https://ere.gov.al/doc/Law_no.43-2015_On_Power_Sector.pdf , http://atrako.gov.al/transparenca/kuadri_ligjor_rregullator/Law_no_125_2013_On_concessions_and_public_private_partnership_English.pdf

All concessions are awarded for a maximum duration of 35 years, as stipulated by the Law on Concessions. Extensions beyond this period are allowed only under specific circumstances, such as amendments to address national security, environmental protection, public health concerns, or force majeure events. Additional provisions may apply for changes in the legal framework, unforeseen circumstances affecting project feasibility, or when additional services or work are required.

Requirements for Hydropower Production

To engage in hydropower production, entities must fulfill a two-step process:

- Securing the Right to Build:
    - For facilities involving public water resources, this is achieved through a concession, granted in line with the Law on Concessions.
    - For installations with capacities of up to 2 MW, approval is required from the Minister of Infrastructure and Energy.
    - For facilities exceeding 2 MW, approval must be obtained from the Council of Ministers, as outlined in specific decisions governing new production capacities.
- Obtaining a Production License:
    - All entities must secure a production license from ERE, ensuring compliance with technical, environmental, and safety standards.

Concession Procedures

The concession process in Albania is guided by detailed laws and regulations, including the Law on Concessions, Public Procurement Law, and related DCMs. The procedure begins with either the identification of potential projects by the contracting authority or the submission of unsolicited proposals by investors.

For unsolicited proposals, if approved, the investor may receive a bonus during the evaluation process, amounting to up to 10% of the total points awarded. This competitive advantage is granted based on the contracting authority's recommendation and must be approved by the Council of Ministers. The DCM on Concession Rules provides a clear roadmap for the evaluation and granting of concessions, ensuring transparency and fairness.

Concession agreements authorize private entities to develop hydropower plants, use public resources, and sell the generated electricity. At the conclusion of the concession period, ownership of the plant is transferred to the state.

Production Capacities Not Requiring Concessions

For projects not subject to concession procedures, Article 49 of the Power Sector Law outlines the approval process:

- Facilities with a capacity of up to 2 MW require ministerial approval.
- Projects exceeding 2 MW must secure approval from the Council of Ministers.

Both categories must comply with environmental and technical regulations. Production licenses from ERE remain a mandatory requirement for all operational facilities.

1.2.4 Contract and License Allocation for Renewable-Energy (Photovoltaic)

Albania’s photovoltaic (PV) sector is governed by a comprehensive legal framework that includes Law No. 43/2015 “On the Power Sector” and Law No. 125/2013 “On Concessions and Public-Private Partnerships.” These laws ensure that the development and operation of PV projects align with EU directives and international standards for transparency and sustainability.

The Ministry of Infrastructure and Energy (MIE) oversees approvals and concessions for photovoltaic installations, while the Energy Regulatory Entity (ERE) is responsible for issuing production licenses and monitoring compliance with regulatory requirements. This framework is designed to promote renewable energy investment, diversify the energy mix, and reduce reliance on hydropower.

Concession Allocation Procedures

The allocation of concessions for photovoltaic projects is guided by structured processes under the Law on Concessions and relevant regulations such as DCM No. 575/2013. These procedures ensure competitive and transparent resource management.

In 2022, the government identified suitable sites for photovoltaic projects and initiated competitive bidding processes for their allocation. Potential investors submitted proposals in response to detailed tender documents issued by MIE, which outlined the technical, financial, and environmental requirements. Submissions were evaluated on their compliance with these criteria, and successful bidders entered into concession agreements.

Construction of Non-Concession-Based Photovoltaic Installations

Photovoltaic installations not requiring concessions followed a distinct approval process based on their capacity. For projects up to 2 MW, approvals were granted by the Minister of Infrastructure and Energy. Larger projects exceeding 2 MW required Council of Ministers approval, as stipulated by the relevant Decisions of the Council of Ministers (DCMs). Both types of projects were required to meet environmental and technical standards and secure a production license from ERE before commencing operations.

This streamlined approach facilitated the development of smaller-scale photovoltaic projects, particularly rooftop installations and decentralized energy systems, without the complexities of concession agreements.

Licensing and Operational Requirements

All photovoltaic energy producers in Albania must obtain a production license from ERE, ensuring compliance with technical, environmental, and operational standards. Licenses are granted to legal entities that demonstrate adequate financial capacity, adherence to safety standards, and compliance with grid connection requirements. Licensed operators are also obligated to submit annual reports detailing energy production, system maintenance, and adherence to environmental commitments.

Additionally, the grid connection agreements between producers and either the Transmission System Operator (OST) or the Distribution System Operator (OSHEE) were strengthened to accommodate the increasing contribution of solar energy to Albania's power system.

Developments in 2022

In 2022, the photovoltaic sector in Albania experienced significant advancements, reflecting the country's commitment to renewable energy development. The government conducted several auction-based concessions for large-scale photovoltaic projects, emphasizing competitive pricing and sustainability. These auctions included innovative bids for combined solar and storage solutions, aligning with Albania's strategic goals for energy diversification.

Smaller photovoltaic projects benefited from a more efficient approval process facilitated by the e-Albania platform. This digital system reduced administrative burdens and expedited applications, enabling a broader range of investors to participate in Albania's renewable energy transition. Efforts were also made to improve grid integration for variable solar energy, ensuring reliability and consistent energy distribution across the country.

1.3. Register of Licenses (EITI Requirement 2.3)

1.**3.1 Register of Licenses** in **Oil and Gas Sector**[14]

Albania's oil and gas sector operates under a regulatory framework aimed at promoting transparency and accountability in managing hydrocarbon resources. The primary entity overseeing petroleum agreements is Albpetrol sh.a., which manages contracts and licenses with both domestic and international companies. As part of Albania's commitment to the EITI standard, a register of petroleum agreements is published to provide insight into active contracts for hydrocarbon exploration and production.

The register, available on Albpetrol's official website, includes information such as the geographic location of the licensed area, the names of contracting companies, and the legal basis for contract approval. For instance, the agreement for the Patos-Marinëz area was signed with Bankers Petroleum Albania Ltd. on June 19, 2004, with subsequent amendments approved by the Council of Ministers in 2008 and 2014. Similarly, the Kuçovë area is operated by Sherwood International Ltd., under an agreement approved in 2009 and amended in 2010. These examples demonstrate the transparency efforts being made to disclose key agreements.

[15]Albeiti also uploads the register of licenses and includes vitals information's such as concessionary company, address of the company, date of license, license duration, business number of the company, name of the area, type of concession, type of production, volume of production (ton). It also included the Summary of information on companies operating in the field of hydrocarbon exploration and discovery for 2022.

While the register provides a foundation for transparency, it does not include critical details needed to fully comply with EITI standards. Financial terms, including royalties, profit-sharing arrangements, and other fiscal obligations, are also omitted, limiting stakeholders' ability to evaluate the financial implications of these contracts. Furthermore, the exact geographic of the licensed areas are not disclosed, which is crucial for understanding the scope of operations.

The publication of the petroleum agreements registers by Albpetrol and AKBN marks a significant step toward greater transparency in Albania's oil and gas sector. However, to fully align with EITI Requirement 2.3, additional efforts are required to provide a more comprehensive view of the agreements, including their financial and operational aspects. By addressing these gaps, Albania can strengthen its commitment to international transparency standards and enhance stakeholder confidence in the management of its hydrocarbon resources.

1.3.2 Register of Licenses in Mining Sector[16]

The mining sector in Albania is governed by a robust regulatory framework that emphasizes transparency and accountability in the allocation and management of mining licenses. The Mining License Register for 2022, published by the Ministry of Infrastructure and Energy, serves as a critical tool for disclosing active mining licenses and aligning with the principles outlined in EITI Requirement 2.3. This register provides essential details such as the license numbers, date of approval, names of license holders, geographic locations of mining sites, the types of minerals extracted, and the activities allowed under each license. The register is up to date for the reporting year of EITI 2022. Albeiti also holds the register of licensing, with the latest one uploaded under name "*Regjistri i lejeve Minerare Viti 2022-Shkurt 2023*"[17]

Compliance with EITI Requirements

[14] http://www.akbn.gov.al/situata-aktuale-e-licencimit/, https://albpetrol.al/en/petroleum-agreement-companies/
[15] https://www.albeiti.org/site/wp-content/uploads/2025/01/info-per-mh-te-nxjerrjes-dhe-kerkimit-te-naftes-gazit-per-vitin-2022.pdf
[16] https://www.infrastruktura.gov.al/wp-content/uploads/2022/11/Regjistri-i-lejeve-Minerare-2022.pdf
[17] https://www.albeiti.org/site/regjistri-minerar/

The 2022 mining license register adheres to several aspects of EITI Requirement 2.3. It discloses the names of license holders, the type of mineral activities, and the approval dates of licenses. Additionally, the inclusion of specific technical details, such as the surface area of exploitation and administrative responsibility for operations, demonstrates a strong effort toward detailed reporting.

However, certain gaps prevent the register from fully complying with EITI standards. The geographic coordinates or precise boundaries of the licensed areas are not included, which limits the ability of stakeholders to understand the spatial extent of mining operations. Additionally, the register does not specify the duration of licenses or their expiration dates, making it difficult to evaluate the operational timelines of active licenses.

The Mining License Register for 2022 is publicly accessible on the official website of the Ministry of Infrastructure and Energy. This availability satisfies one of the critical transparency criteria outlined in EITI Requirement 2.3. However, the document must be updated regularly to reflect changes in license status, amendments, or new issuances to ensure it remains a reliable source of information for stakeholders.

To achieve full compliance with EITI Requirement 2.3, the Ministry of Infrastructure and Energy should consider enhancing the register by including:

- The geographic coordinates or detailed boundaries of licensed areas.
- The start and expiration dates of licenses to clarify their operational timelines.
- Regular updates to ensure the register accurately reflects the status of all licenses.

1.3.3 Register of Licenses of Hydropower and Photovoltaic Renewable Energy

The Energy Regulatory Entity (ERE) maintains a comprehensive Register of licenses for energy production, which is readily accessible in electronic format on the ERE website[18]. This register includes detailed information such as company name, business number, license number, ERE board decision date and number, license expiry, power plant, installed capacity and location

Additionally, the ERE Licensing Regulation allows interested parties to request access to the supporting documents submitted by licensees, as maintained by ERE, in compliance with the applicable legal framework.

Register of Concessions

Article 14 of the Law on Concessions mandates the creation of a Register of Concessions/Public-Private Partnerships, which serves as an electronic database for all concession contracts granted in Albania. This register is maintained by the Agency for the Treatment of Concessions (ATRAKO) and is publicly accessible, free of charge, through ATRAKO's official website. The agency provides a detailed listing of concessionaires along with the full terms of the concession agreements [19]

Albeiti also publishes a copy of hydropower concession register on its website[20]

This register substantially complies with **EITI Requirement 2.3** by disclosing key information on license holders, activities, approval dates, and durations. To achieve full compliance, the register could be enhanced by including geographic coordinates or more detailed descriptions of the licensed areas.

1.4. Contract and Licenses (EITI Requirement 2.4)

EITI Requirement 2.4 focuses on enhancing transparency regarding state participation in extractive industries. It mandates the disclosure of the state's ownership in extractive companies, financial arrangements, revenues, and

[18] https://www.ere.gov.al/en/licensing/licensees-register
[19] http://atrako.gov.al/?page_id=112&allInfo=&Action=sim&page=3
[20] https://www.albeiti.org/site/en/regjistri-i-koncensioneve-hidroenergjitike-eng/

expenditures by state-owned enterprises (SOEs). This ensures accountability and promotes the effective management of revenues derived from the sector, contributing to greater public trust and resource governance.

1.4.1 Disclosures of Licenses and Contracts on Gas and Oil Sector

Countries are required to disclose contracts and licenses that are granted, entered or amended from 1st of January, and there are two new hydrocarbon agreements in place which are fully disclosed in the Official Gazette of Albania.

Decision 401, dated 09.06.2022 https://qbz.gov.al/eli/vendim/2022/06/09/401/031466e0-e5b1-47b4-b00e-81d03d87145e;q=Hidrokarbure

Decision 402, dated 09.06.2022 https://qbz.gov.al/eli/vendim/2022/06/09/402/15f95d64-fcbf-4aa4-91c2-52287c9170d1;q=Hidrokarbure

Albania has published the Hydrocarbon Agreement in full for year 2022.

1.4.2 Disclosures of Licenses and Contracts in Mining Sector

In Albania, mining rights are granted through standardized mining licenses (leje minerare), the format and content of which are defined under the applicable legal framework. These licenses contain key information such as the type of license, the geographical area, the type of mineral, and other technical specifications. Although there is no formal "contract" in the traditional sense, the license itself serves as the primary legal instrument governing mining activities.

Mining licenses are publicly accessible. Specific licenses issued to companies can be found on the official website of the National Business Center (QKB)[21] by searching with the company's NIPT or name. The documentation includes the mining license and often the Minister's Decision that grants the license, both available for download. Additional information and legislative references related to licensing procedures and issued permits are also published on the official website of the National Agency for Natural Resources (AKBN) or SHGJSH (https://gsa.gov.al/Njoftimet/licensat.html).

Although the current system allows public access to mining licenses through multiple official platforms, the information is fragmented and may not be easily navigable for all users. To enhance transparency and usability, Albania could consider creating a **dedicated portal or centralized disclosure platform** for mining licenses. This would improve the visibility of key licensing data, reduce the need for multi-platform searches, and support better monitoring of the sector by civil society, media, and other stakeholders.

To obtain all information regarding the licenses and other documents the procedure is as followed

Members of the public can access detailed information on mining licenses through the official website of the **National Business Center (QKB)**. The process is straightforward:

1. First, users visit the QKB website at https://qkb.gov.al.
2. They then navigate to the license search section at this link, where they can search using the **NIPT** (the unique company identification number).
3. Upon locating the relevant company, users can click **"SHKARKO"** (Download), which opens a list of available documents related to the issued license.

These downloadable documents typically include:

- **Dokumenti Licenses** (License Document)
- **Dokumenti Vendimit** (Decision Document)

[21] https://qkb.gov.al/

- **Dokumenti i Ministrit** (Ministerial Decision)
- **Pagesa** (Proof of Payment)
- **Akt Miratimi** (Approval Act)

This system ensures that mining license information is **legally accessible, transparent, and downloadable** in a standardized format for each licensed company. However, the process requires prior knowledge of the company's NIPT or name, and navigating between multiple platforms may still present challenges for non-technical users.

1.4.3 Disclosures of Licenses and Contracts in Hydropower Sector and Renewable Energy (Photovoltaic)

Regarding the disclosure of licenses, the Register of Licenses maintained by ERE is accessible to the public through the authority's official website and includes all relevant details. Additionally, ERE provides a template on its website outlining the standard terms and conditions applied to issued licenses, which are generally consistent across most licenses.

The register maintained by ATRAKO includes the details of awarded contracts for concessions and public-private partnerships, ensuring transparency in these agreements.

1.5. Beneficial Ownership (EITI Requirement 2.5)

Albania has made significant progress in meeting the requirements of EITI Standard 2.5, which mandates transparency in beneficial ownership in the extractive industries. The country has implemented a robust legal framework and established a publicly accessible Register of Beneficial Owners, demonstrating its commitment to fostering transparency and accountability.

The legal definition of beneficial ownership in Albania is established under Law No. 112/2020 "On the Register of Beneficial Owners" and the Anti-Money Laundering Law (Law No. 9917, dated 19.05.2008, as amended). These laws align with international standards and require entities to identify, document, and disclose their beneficial owners, including information on ownership thresholds and control mechanisms. Secondary legislation further details the procedures for registering beneficial owners, ensuring consistency and compliance across all reporting entities. Full legal framework available at: https://qkb.gov.al/legjislacioni/legjislacioni-p%C3%ABr-regjistrimin-e-pronarit-p%C3%ABrfitues/

Since 2020, Albania has maintained a publicly accessible Register of Beneficial Owners, hosted by the National Business Center (QKB). This register provides detailed information on beneficial owners of companies operating in Albania, including those in the extractive industries. The disclosed information includes:

- Names of beneficial owners.
- Ownership stakes and levels of control.
- Information on direct legal shareholders for domestic companies and parent companies for foreign branches.

The registry is accessible to the public and can be viewed online via the https://qkb.gov.al/kerko/kerko-ne-regjistrin-e-pronareve-perfitues-rpp/k%C3%ABrko-p%C3%ABr-subjekt-raportues/ This ensures transparency and allows stakeholders to access relevant data with ease.

Beneficial ownership information is integrated into the Commercial Register maintained by the QKB. Companies operating in the extractive industries are required to disclose their ownership details when applying for or holding exploration and production licenses. The Register of Beneficial Owners applies to all companies, including those in the oil, gas, and mining sectors. It ensures that information on beneficial ownership is publicly available for entities holding or applying for exploration and production licenses. This inclusion aligns with the EITI Standard, promoting accountability in Albania's extractive industries.

While Albania has successfully implemented the register, there are areas for improvement:

- Politically Exposed Persons (PEPs): Ensure that the register explicitly identifies PEPs involved in extractive industries.
  The Beneficial Ownership Register does not explicitly identify PEPs, as its scope covers all registered companies without distinguishing politically exposed individuals. However, PEP activities in Albania are regulated under specific legal frameworks, including
  - Law on the Prevention of Money Laundering[22]
  - Law on the Prevention of Conflict of Interest[23]

Additionally, the following institutions are responsible for monitoring and enforcing these laws:

  - High Inspectorate of Declaration and Control of Assets and Conflict of Interest (ILDKPKI)[24]
  - General Directorate for the Prevention of Money Laundering / Financial Intelligence Agency[25]

Institutions whose mission is to monitor and enforce the before mentioned laws are: High Inspectorate for Declaration and Control of Assets and Conflict of Interest ILDKPKI (https://www.ildkpki.al) and General Directorate for the Prevention of Money Laundering or FINANCIAL INTELLIGENCE AGENCY (https://fiu.gov.al/rreth-dpppp/organizimi/).

- The Beneficial Ownership Register is not sector-specific, meaning it does not categorize companies based on their industry, including extractive industries. However, interested parties can access beneficial ownership data for extractive sector companies by searching the register using the company's NIPT number

[22] https://www.drejtesia.gov.al/wp-content/uploads/2017/11/Ligj_per_parandalimin_e_pastrimit_te_parave-1.pdf
[23] https://www.ildkpki.al/legjislacioni-section2/
[24] https://www.ildkpki.al
[25] https://fiu.gov.al/rreth-dpppp/organizimi/

Albania's implementation of a public beneficial ownership registers and alignment with EITI standards reflects its commitment to transparency in the extractive industries.

Interested parties can search beneficial owners on the website register: https://qkb.gov.al/ with a direct link on https://qkb.gov.al/kerko/kerko-ne-regjistrin-e-pronareve-perfitues-rpp/k%C3%ABrko-p%C3%ABr-subjekt-raportues/

Assessment of the Implementation and Impact of BO Legislation in the Extractive Sector[26]

In parallel to its legal compliance with EITI Requirement 2.5, Albania has undertaken a broader assessment of the impact and implementation of the Beneficial Ownership Law (Law No. 112/2020) within the extractive sector. This assessment, completed in 2025 with support from a World Bank grant, provides a multi-dimensional analysis of how effective the current legal framework has been in enhancing transparency, deterring corruption, and promoting accountability in the management of natural resources.

The analysis found that Albania has made meaningful progress in operationalizing a publicly accessible Register of Beneficial Owners through the National Business Centre (QKB). The registry now contains beneficial ownership data for most legal entities operating in Albania, including those in the extractive sector. However, despite formal compliance, the practical impact of these reforms has been mixed, particularly when evaluated against the unique governance risks posed by the oil, gas, and mining industries.

A core finding of the study is that while legal obligations exist and the infrastructure for registration is in place, enforcement and verification mechanisms remain weak, resulting in a number of extractive companies either partially complying or providing unverifiable data. Out of 86 extractive companies assessed during the study, only 23 had clear and transparent beneficial ownership records. Meanwhile, 10 companies exhibited significant ambiguities in their ownership structures, and two failed to declare any beneficial owners at all. The presence of companies registered in offshore jurisdictions — including three of the six largest oil companies being incorporated in Malta or Cyprus — underscores the difficulty of enforcing transparency across complex international corporate structures. In such cases, ownership opacity persists despite Albania's domestic registration framework.

Importantly, the study points out that the BO register is not tailored to the risks specific to the extractive sector. There is no differentiation in how BO data is collected or displayed for companies operating in high-risk sectors such as natural resources. As such, while the register is legally inclusive, its design limits its ability to provide meaningful sector-specific oversight. In practice, the lack of tagging by economic activity within the register means that users cannot search for extractive sector companies unless they already know the company's unique identifier (NIPT). This limits public oversight and makes civil society engagement in BO monitoring more difficult, despite the data being technically open.

A further critical gap highlighted in the study is the absence of explicit identification of Politically Exposed Persons (PEPs) within the BO register. While PEPs are defined under Albanian law, and their financial disclosures are overseen by institutions such as ILDKPKI and the Financial Intelligence Agency, these data sources are not linked to the BO register. This creates a fragmented landscape where potential political influence over extractive assets remains opaque. The report recommends that Albania integrate PEP identification into the BO system and lower the threshold for disclosure for such individuals to 1%, given their heightened risk profile in extractive governance.

The study also evaluates the institutional effectiveness of the National Business Centre, which is responsible for administering the register. While the QKB is capable of reviewing the completeness of submissions, it does not carry out substantive verification of ownership declarations. This verification gap was identified as a major obstacle to the integrity of the BO system. The registry operates on good faith declarations without structured cross-checking against other datasets such as tax filings, licensing databases, or procurement registries. As a result, there is no

[26] *(Study Report) On the Assessment of impact of the Albania Beneficial Ownership Law in the Context of the Extractive Industry*

mechanism in place to detect false filings, nominee structures, or front ownership — risks that are particularly pronounced in the extractive sector.

In conclusion, the study makes clear that Albania's legal and institutional framework represents a solid foundation, but that the impact of the BO law on governance in the extractive sector remains limited by implementation weaknesses. For BO transparency to function as a genuine deterrent to corruption and an accountability tool in natural resource management, Albania must strengthen verification mechanisms, ensure that BO disclosures are meaningful and sector-specific, and enable interoperability between different oversight institutions. These reforms are especially critical as Albania continues its EU integration process, where extractive sector governance serves as a benchmark for broader institutional integrity.

This assessment reinforces the need to move beyond legal formalism and toward effective implementation, ensuring that BO transparency not only exists on paper but contributes actively to improved oversight, citizen trust, and responsible management of Albania's extractive resources

We have also received files with Beneficial Ownership information – in excel format that will be added as annex to this report

1.6. State Participation (EITI Requirement 2.6)

EITI Requirement 2.6 (2023 Standards) focuses on the transparency of state-owned enterprises (SOEs) in the extractive industries.

1.6.1 State Participation in Oil and Gas Sector

2.6 Albpetrol sh.a. is Albania's primary state-owned enterprise in the oil and gas sector, fully owned by the Ministry of Infrastructure and Energy. Its core mandate includes the exploration, production, hydrocarbons, as well as overseeing Hydrocarbon Agreements with concessionary companies. Albpetrol's operations encompass seismic, geological, and geophysical work, ensuring effective management of hydrocarbon resources.[27]

Since 2003, the company has expanded its activities to include natural gas transmission, energy supply, and electricity trade. It also holds environmental permits for key oil fields like Kuçovë and Patos-Marinëz and gas fields in Divjakë-Lushnje, ensuring compliance with national and international standards. Albpetrol's governance structure includes dedicated departments for technical operations, legal compliance, and monitoring of Hydrocarbon Agreements.[28]

The execution of hydrocarbon operations in the Republic of Albania by Albpetrol sh.a. or its contractors is conducted in full compliance with Albanian legislation. These operations are primarily governed by the "Albpetrol Agreement" signed on July 6, 1993, between the Ministry of Industry, Mineral Resources, and Energy, and Albpetrol, the Economic Community of Oil and Gas, with the objective of authorizing hydrocarbon operations. This framework is further regulated by Law No. 7746, dated 8.07.1993, "On Hydrocarbons (Exploration and Production)," as amended, and Decree No. 782, dated 22.02.1994, "On the Fiscal System in the Hydrocarbon Sector (Exploration and Production)," also amended. Additionally, procedures are detailed in the Regulation "On the determination of procedures for the approval of Hydrocarbon Agreements and License Agreements, and their respective deadlines," approved by Order No. 206 of the Minister of Infrastructure and Energy, dated 12.03.2018.

Hydrocarbon operations are conducted in key oil fields such as Patos-Marinëz, Kuçovë, Ballsh-Hekal, Visokë, Pekisht-Murriz, and Finiq-Krane, as well as gas fields like Povelçë, Frakull, and Delvinë. These operations are carried out by both domestic and foreign legal entities under Hydrocarbon Agreements established with Albpetrol sh.a., ensuring compliance with legal and regulatory frameworks governing the sector.

Albeiti Transparency Initiative

Retained Earnings and Reinvestment: Specific details regarding Albpetrol's policies on retained earnings and their reinvestment into operations or other projects are not publicly disclosed. Information on how retained earnings are allocated or reinvested within the company remains limited.

Third-Party Financing: There is no publicly available information indicating that Albpetrol engages in third-party financing arrangements, such as loans or financial guarantees involving external entities.

Albpetrol has published its audited financial statements for year ending in 31 Decemeber 2022[29]

Albpetrol sh.a., as a state-owned enterprise, contributes to the national treasury through various fiscal obligations. These include profit tax, royalties, and value-added tax (VAT), consistent with the taxation framework applicable to oil commercial entities in Albania.

[27] https://opencorporates.al/documents/dokumenta/1727357575EkstraktHistorik-9_26_2024.pdf
[28] https://albpetrol.al/struktura-drejtuese-dhe-burimet-njerezore/
[29] https://www.albpetrol.al/wp-content/uploads/2023/11/Pasqyrat-Financiare-2022-Raporti-i-audituesve_.pdf

1.6.2 State Participation in Mining Sector

Until the late 1990s, Albania's mining and minerals industry was primarily state-owned, with the government overseeing all mining activities and resources. However, beginning in the late 1990s, the country initiated a gradual restructuring and privatization of the sector. This transition allowed for the issuance of prospecting, exploration, and exploitation permits to both domestic and international companies. The Albanian government's involvement in the mining sector is currently facilitated through the following entities:

NUIS	Entity	Government Shareholding	Comments
-	Ministry of Infrastructure and Energy (MIE)	Not Applicable	Monitoring and supervision of the sector
-	National Agency of Natural Resources (AKBN)	Not Applicable	Monitoring and implementation of government policies in the mining sector
-	National Authority for the Safety and Emergency in Mines (AKSEM)	Not Applicable	Safety of work in the mining sector
J81920006K	ALB BAKRI SH.A.	Not Applicable	In liquidation process
K72120014C	ALBMINIERA SH.A.	Not Applicable	In liquidation process
J61827513H	ALBKROMI SH.A.	Not Applicable	Previously state-owned but has undergone privatization. The state retains some level of involvement through regulatory oversight
-	Albanian Geological Survey (AGS)	Not Applicable	State-owned entity responsible for conducting geological surveys
J66703740S	ITALB - MERMERI - MUHUR SH.P.K.	Mixed (MFE holds 25%)	Mixed ownership, with the Ministry of Finance and Economy holding 25%
L71306034U	ALBGAZ	100% Owned my Ministry of Infrastructure and Energy	

1.6.3 State Participation in Hydropower Sector and Renewable Energy (Photovoltaic)

The Albanian government actively participates in the hydropower sector through a range of initiatives and collaborative partnerships aimed at advancing energy production and sustainability.

Public-Private Partnerships (PPPs):To support the development of hydropower projects, the government has entered into several PPP arrangements. A notable example is the Ashta Hydropower Plant, which was developed under a public-private partnership, attracting $262 million in private funding.

Legislative and Regulatory Framework:

Hydropower development in Albania is underpinned by key legislative measures that facilitate private sector involvement. The Power Sector Law No. 9073 (2004) and the Concession Law No. 9663 (2006) serve as the primary frameworks, enabling the construction of new hydropower facilities while encouraging investment in renewable energy.

Key Hydropower Projects:One of the major projects undertaken is the **Skavica Hydropower Project**, which represents a strategic collaboration between the Albanian government and the international engineering company Bechtel. This project aims to strengthen Albania's energy security and reduce its reliance on imported energy.

International Collaboration and Financial Support:

The Albanian government has also partnered with international organizations to enhance the efficiency and sustainability of its energy infrastructure. Key contributions include:

- June 2021:[30] The European Bank for Reconstruction and Development (EBRD) provided a €9.1 million loan to Albania's state utility KESH for the construction of a 12.9 MW floating solar photovoltaic facility on the reservoir of the Vau i Dejës hydropower plant.
- September 2014:[31] The World Bank approved USD 150 million in funding to support Albania's Energy Sector Recovery Project. This initiative focuses on improving the reliability of power supply, ensuring financial stability in the sector, diversifying energy sources, and reducing system losses.
- May 2016:[32] The EBRD granted a €218 million loan to refinance KESH's existing debts and provide technical assistance to improve governance and operational performance in the context of broader power sector reforms.

Through these efforts, the Albanian government demonstrates its commitment to fostering sustainable energy solutions while encouraging private sector engagement and leveraging international support to modernize its hydropower infrastructure.

Concession Contracts: Since 2007, the government has granted over 164 concession contracts for the construction of small, medium, and large hydropower plants.

The Albanian government is involved in the Hydropower Sector through the following entities:

NUIS	Entity	Comments
J61817005F	Albanian Electrical Power Corporation (KESH)	The corporation owns and operates the largest HPPs on the Drini River: HPP Fierza, HPP Koman, and HPP Vau i Dejës, with a total installed capacity of 1,350 MW, as well as a thermal power plant (TPP) in Vlora (98 MW capacity).
K42101801N	Transmission System Operator (OST)	Established in 2004, OST is certified by ERE as an electricity transmission operator. It owns and operates the transmission network and is responsible for its maintenance and expansion, with voltage ranges of 110-400kV.

[30] https://www.hydropower-dams.com/news/ebrd-supports-keshs-first-floating-solar-pv-plant-in-albania/
[31] https://www.worldbank.org/en/news/press-release/2014/09/29/world-bank-approves-us150-million-project-for-albanias
[32] https://www.ebrd.com/news/2016/ebrd-provides-218-million-loan-to-albanias-kesh.html

II. REQUIREMENT 3 - Exploration and Production

2.1 Exploration activities (EITI Requirement 3.1)

Albania's extractive industries represent a vital component of the country's economy, with activities focused on oil, gas, and mineral extraction. These industries significantly contribute to government revenues, employment, and foreign trade. In recent years, the country has been working to enhance transparency and governance in the extractive sector through the implementation of EITI standards.

2.1.1 Exploration Activities in Oil and Gas Sector

According to information provided in Albeiti websites, there are three companies operating in the field of hydrocarbon exploration and discovery for 2022[33]

#	Name of the company	Shell Upstream Albania B.V.	Shell Upstream Albania B.V.	Eni Albania B.V.
1	Address	Bulevardi Bajram Curri, ETC, kati i 5, Tiranë	Bulevardi Bajram Curri, ETC, kati i 5, Tiranë	Bulevardi Bajram Curri, Europian Trade Center kati 4, Tiranë
2	Company administration and Point of Contact	Rorhan D'Souza, Ergi Nuri (0694290489)	Rorhan D'Souza, Ergi Nuri (0694290489)	Andrea Bergamaski (+393440615191)
3	Effective date of the Production Sharing Contract	31.07.2009	14.06.2018	04.03.2020
4	Contract Duration	25 years	7 vite kërkim	25 years
5	Business Number	L218070091	L9182101P	M11531003C
6	Blocks	Block "2-3", on land	Block "4", on land	Block "Dumrea"
7	Type of agreement	Production sharing agreement	Production sharing agreement	Production sharing agreement
8	Product	Oil, Gas	Oil, Gas	Oil, Gas
9	Production during 2022	N/A	N/A	N/A
10	Administratori i kontaktit	Anthonie Marinus Frens (069 7058 195)	Anthonie Marinus Frens (069 7058 195)	Francesco Italiano (+393440615191)
11	Numri i punonjësve	0	0	9
12	Income from sales	N/A	N/A	N/A
13	Paid Royalties	N/A	N/A	N/A

Exploration efforts in 2022 included Shell's ongoing work in the Shpirag region, which holds potential for substantial oil and gas reserves. These activities demonstrate Albania's commitment to enhancing its hydrocarbon resources and attracting foreign investment.

[33] https://www.albeiti.org/site/wp-content/uploads/2025/01/info-per-mh-te-nxjerrjes-dhe-kerkimit-te-naftes-gazit-per-vitin-2022.pdf

2.1.2 Exploration Activities in Mining Sector

In 2022, a total of 12 mining licenses were issued for various mineral types, distributed as follows:

- Marbelized Limestone (1)
- Limestone (6)
- Chromium (4)
- Iron-Nickel (1)

Companies that were granted licenses during 2022

Entities
Neli
Mustafai shpk
NAÇOPULLO shpk
Vellezerit Hysa shpk
Xhesi Mineral
H4 CHROM SHPK
MineralUnit shpk
ALION shpk (Priska Shpk NK)
Tre Ortaket
Platinium ALB shpk
Alko-Impex General Construction
4 A-M shpk

Currently, the mining license for H4 CHROM SHPK has been revoked, while 4 A-M SHPK has voluntarily surrendered its permit[34]. In 2022, 19 decisions were made to revoke licenses for 19 companies. For 5 of these companies, the revocation procedures had commenced in 2021. Companies that the license were revoked

Number of licenses, date of license and entity
Leja Nr.1813, date 01.08.2016, e shoqerisë “A.T.A EAGLE EXPLORATION” sh.p.k
Leja Nr.1838, date 24.07.2017, e shoqerisë “ALBAVIA SINTRAM” sh.p.k
Leja Nr.1831, date 09.02.2017, e shoqerisë “TIREX EXPLORATION” sh.p.k
Leja Nr.1711, date 29.05.2014, e shoqerisë “ALBA CHINA” sh.p.k
Leja Nr.1410/2, date 01.09.2009, e shoqerise "EDITI-A" sh.p.k
Leja Nr.1615, date 07.03.2013, e shoqerisë “MINERAL UNIT” sh.p.k
Leja Nr.1729, date 08.10.2014, e shoqerisë “ CHROME ASSETS AND NATION” sh.p.k
Leja Nr.1655, date 12.08.2013, e shoqerise "ISFAT" sh.p.k
Leja Nr.1706, date 23.05.2014, e shoqerise "GEGA G" sh.p.k
Leja Nr.1408, datë 01.09.2009, e shoqërisë "NICKEL MINE" sh.p.k
Leja Nr.1801, datë 20.05.2016, e shoqërisë "Tur-Alb-Krom" sh.p.k
Leja Nr.1582, datë datë 17.10.2012, e shoqërisë "Tur-Alb-Krom" sh.p.k
Leja Nr.1621, datë 03.04.2013, e shoqërisë "Mineral Falcon" sh.p.k
Leja Nr.1883, datë 19.12.2019, e shoqërisë "Koldashi Chrome Minerals" sh.p.k
Leja Nr.1389/1, date 23.07.2009, e shoqerise "Grifi- Xhiglent Albania" sh.p.k
Leja Nr.1613, date 06.02.2013, e shoqerise "Albe Mineral" sh.p.k
Leja Nr.1720, date 19.06.2014, e shoqerise "Edla" sh.p.k Leja Nr. 1738, date 08.01.2015, e shoqerise "AS MINERAL LTD"
Leja Nr. 1495, date 02.09.2010, e shoqerise "ALBANIAN MINERALS"

[34] List of Mining Licenses 2022, EITI Reporting

In September 2022, Albania and Serbia signed a Memorandum of Cooperation to enhance collaboration in the energy and mining sectors. This agreement focuses on joint investments in new capacities, including the construction of an LNG terminal in Albania, development of renewable energy projects, and strengthening ties in geology and mining with an emphasis on sustainable development.[35]

The companies operating in Albania's mining sector collectively employ more than 2,000 individuals across all licensed operators.

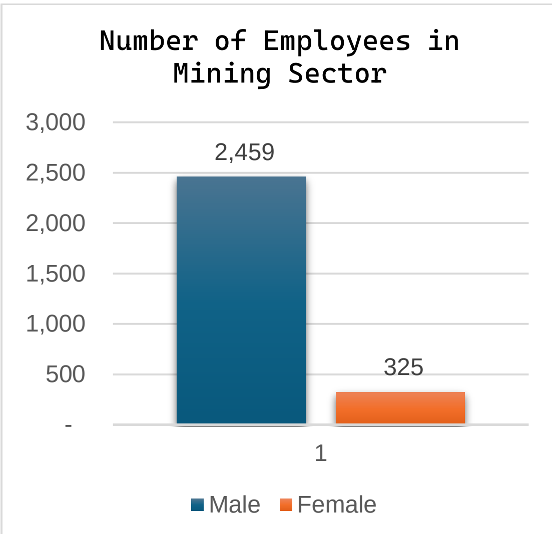
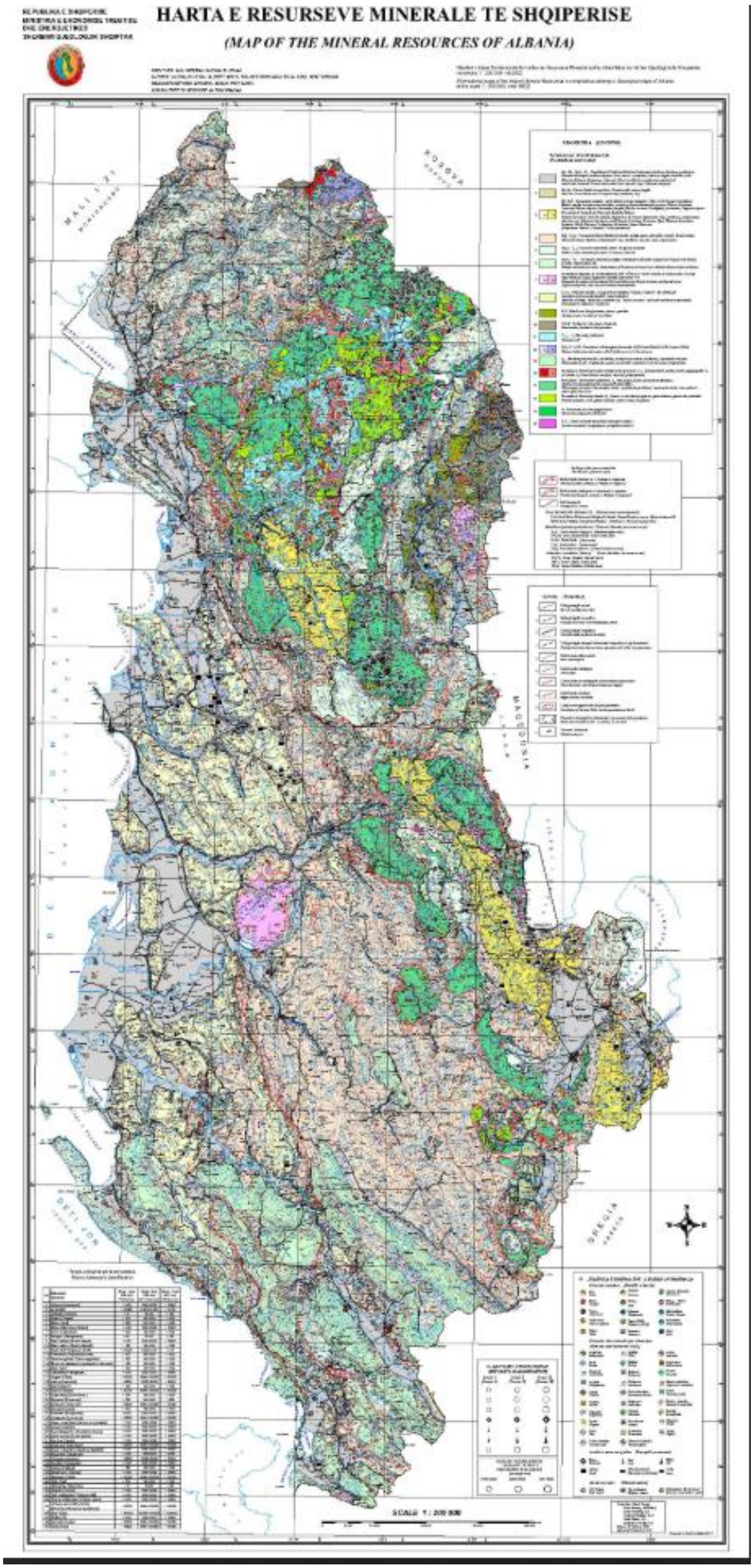


Chart 1 - # of Employees in Mining Sector

[35] https://balkangreenenergynews.com/albania-serbia-sign-memorandum-to-cooperate-in-energy-mining-sectors/?utm_source=chatgpt.com


HARTA E RESURSEVE MINERALE TE SHQIPERISE
(MAP OF THE MINERAL RESOURCES OF ALBANIA)
SCALE 1 : 200 000

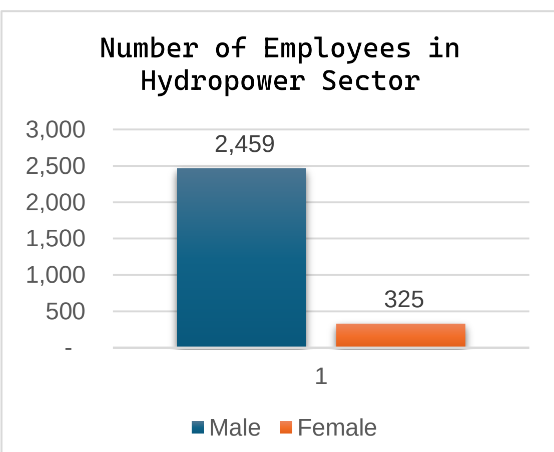
2.1.3 Exploration Activities in Hydropower and Photovoltaic Sector

In 2022, a total of seven new licenses were issued in the hydropower sector, each with varying production capacities measured in megawatts (MW). Below is the list of companies that licenses were granted[36]

Entity	Capacity (MW)
“Egnatia Hydropower” sh.p.k	48.954
"VOKOPOLA ENERGJI" sh.p.k	5.675
"ECO - ELB" sh.a	2.85
"HEC TERFOJA" sh.p.k	1.98
"AGE KUÇ" sh.p.k	1.93
"LAJTHIZA INVEST" sh.p.k	1.73
"BREÇANI - R.O.S.P" sh.p.k	1.98

However, in the photovoltaic sector, 15 licenses were issued, each with varying production capacities measured in megawatts (MW).

Entity	Capacity (MW)
"KESH" sh.a	5.143
"KARAVASTA SOLAR" sh.p.k	140
"SPV BLUE 1" sh.p.k	50
"NTSP" sh.p.k	2
"KORÇA PHOTOVOLTAIC PARK" sh.p.k	2
“TREN SUN SYSTEM” sh.p.k	2
"SUN BEAT SYSTEM" sh.p.k	2
"GREEN ENERGY BILISHTI" sh.p.k	2
"EZ-5 ENERGY” sh.p.k	10
"ERNI SOLAR" sh.p.k	2
“CONSTRUCTION ENERGY PARTS (C.E.P)” sh.p.k	2
“DIMAX ALBANIA” sh.p.k	2
“ALBSOLAR” sh.p.k.	2
“BIGWIND” sh.p.k.	2



The hydropower sector in Albania collectively provides employment to over 1,500 individuals, encompassing all licensed operators actively contributing to the country's renewable energy infrastructure.

Chart 2 - # of Employees in Hydropower Sector

[36] Source: https://ere.gov.al/sq/licencat/regjistri-i-licencimeve

2.2 Production Data (EITI Requirement 3.2)

EITI Requirement 3.2 emphasizes the importance of transparent reporting of production and export data in the extractive industries.

2.2.1 Production Data in Oil and Gas Sector[37]

According to the reporting templates provided by Albpetrol, the production data of contracting companies is as follows:

Name of Entity	Reported Production (Ton)	Reported Production (Bbl)	Value ($)
1) Bankers Petroleum Albania Ltd *1.1) (Oilfield Patos-Marinzë)*	542,321.20	3,379,041.10	286,779,218.16
2) Sherwood International Petroleum Ltd *2.1) (Oilfield of Kuçova)*	903.55	5,704.60	533,722.38
3) TerraOil Swiss sh.a. *3.1) OilField of Visoka)*	13,350.00	83,968.83	5,206,067.46
4) Anio Oil & Gas Sh.a			
4.1) (Oilfield Ballsh-Hekal)	27,404.64	172,327.87	12,173,240.74
5) Fin-Pek Petroleum sh.a.			
5.) (Oilfield Prekisht-Murriz)	1,426.99	8,975.48	512,500.01
5.2) Oilfield Finiq-Krane	1,175.96	7,396.55	399,413.87
6) Delvina Gas Company LTD			
6.1) Delvina Kondesat	248.91		
Total	**586,831.25**	**3,657,414.43**	**305,604,162.62**

Table 10 - Data on contracting companies for year 2022

The production data reported by contracting companies in Albania for the year 2022 highlights the contributions entities and the structural characteristics of the sector.

Bankers Petroleum Albania Ltd, operating the Patos-Marinzë oilfield, accounts for 92.42% of total production (tonnes) and a corresponding 93.82% of total reported value. This positions the company as the primary driver of Albania's extractive sector.

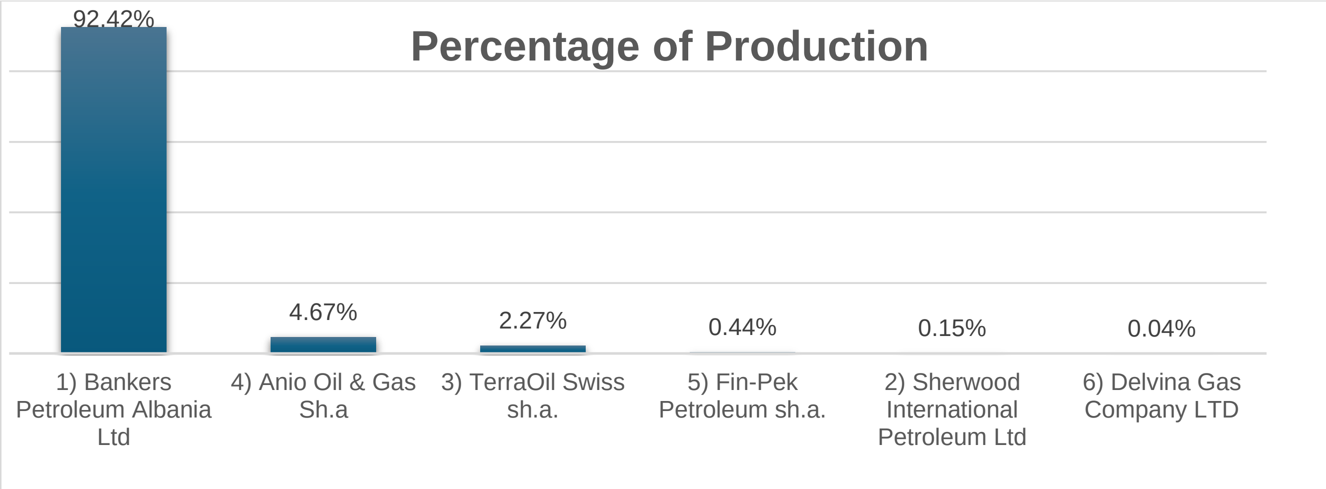
Other operators, including Anio Oil & Gas Sh.a., TerraOil Swiss sh.a., Sherwood International Petroleum Ltd, and Fin-Pek Petroleum sh.a., provide smaller but significant contributions.

- Anio Oil & Gas Sh.a. (Ballsh-Hekal) produces 4.67% of total production, reinforcing its role as a secondary producer with regional significance.
- TerraOil Swiss sh.a. (Visoka) adds 2.27%, and Sherwood International Petroleum Ltd (Kuçova) contributes 0.15%.
- Fin-Pek Petroleum sh.a. (Prekisht-Murriz and Finiq-Krane) collectively accounts for 0.44% of production

These entities diversify the production base but have limited influence on the sector's overall economic impact.

The total reported production of 586,831.25 tones and its associated value of $305.6 million underscore the critical economic role of the extractive sector in Albania. These figures demonstrate the sector's s for generating significant revenue and supporting national development goals.

[37] Albpetrol Reporting Templates



2.2.2 Production Data in Mining Sector[38]

The table below presents the production quantities in the mining sector for 2022

Mineral Type	Production measured in Ton
Chrome	1,112,440.64
Nickel	136,045.00
Copper	641,245.00
Bitumen	86,573.00
Gravel	62,739.26
Total	**1,942,959.90**

Expressed in percentage, Chrome is the largest produced mineral in Albania for year 2022 and second is the production of copper with 28% of the total production of minerals in Albania for year 2022

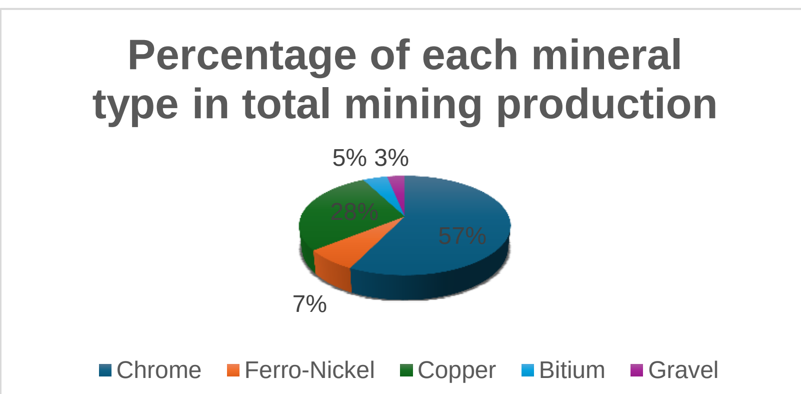


Chart 3 - Share of % of each mineral type in total mining production

[38] EIti Reporting Templates

Below, we present all reporting entities in the mining sector for the year 2022.

- **Table – Chrome Mineral Production (Ton)**

Entity	Production (Ton)
GLOBAL-CHROME shpk	10,200.00
Leshnica shpk	4,155.00
Shkalla shpk	6,407.00
Jaho-Mat shpk	1,400.00
Jaho-Mat shpk	200.00
Jaho-Mat shpk	300.00
Albanisa Krypi shpk	2,600.00
Besa B shpk	1,000.00
Bledi shpk	1,970.00
Xhireton shpk	7,596.00
Dervishi shpk	1,753.00
Alb - Canaj shpk	7,327.00
Zguri shpk	770.00
H4 CHROM sh.p.k	914.00
Ral shpk	1,080.00
Klosi shpk	14,100.00
Ervin shpk	550.00
Ervin sh.p.k	650.00
Herbi shpk	8,200.00
Dialba shpk	2,710.00
Geri-Trevi shpk	800.00
Albadita shpk	100.00
Albadita shpk	930.00
"Ateani" Sh.p.k	586.00
Diani shpk	600.00
Ylberi shpk	9,474.00
YLBERI shpk	400.00
"Chrome Capital" shpk	3,421.00
3A-160 shpk	2,200.00
Tadri shpk	550.00
Tadri shpk	370.00
Alba-Co shpk	140.00
Lita Brothers shpk	5,500.00
Koxherri shpk	8,000.00
Shkembi shpk	7,250.00
Cani-1 shpk	2,565.00
Ivno-1100 shpk	3,500.00
"VËLLAZËRIA MINERALS ALBANIA" SHPK	16,180.00
Kuarci-Bllace sh.p.k	37.00
Kuarci Blace shpk	10,511.00
Albchrome shpk	96,875.20
Alb Mine & Chrome	4,956.00
11 Heronjte Bater	2,300.00
Neza-2004 shpk	933.00
Koka shpk	1,500.00
Koka shpk	1,000.00
KENSHEL shpk	2,300.00
Kevi 98 shpk	1,780.00
Krasta shpk	800.00
Krasta shpk	3,300.00
Krasta 3A shpk	1,000.00
Arkev shpk	6,350.00
'Fabrika e Pasurimit te Kromit Bulqize" Sh.p.k	7,700.00
"Fabrika e Pasurimit te Kromit" Sh.P.K	14,882.00
"Fabrika e Pasurimit te Kromir Bulqize" shpk	161,600.00
"Fabrika e Pasurimit te Kromit Bulqize" Sh.P.K	537.36
"Fabrika e Pasurimit te Kromit Bulqize" shpk	12,100.00
"Fabrika e Pasurimit te Kromit Bulqize" shpk	2,870.00
Fabrika e Pasurimit te Kromit Bulqize" shpk	7,680.00
Braiden shpk	3,654.00
"Neli" shpk	8,300.00
Lamnica shpk	300.00
Lamnica shpk	1,100.00
Kadurtex shpk	6,100.00
Dushi shpk	2,750.00

Entity	Production (Ton)
Loshi BL shpk	400.00
Loshi BL shpk	475.00
ARILDA shpk	5,050.00
Erim sh.p.k	55.00
Algej shpk	430.00
Albanian Minerals shpk	2,000.00
"Bimi" shpk	300.00
Pakti shpk	4,363.00
"Mineralb" shpk	890.00
Silbora shpk	6,440.00
Kujtim & Lena shpk	120.00
EGI-K shpk	7,026.00
EGI-K" shpk	3,227.00
Klevi-10 shpk	2,407.00
Klervi Bris shpk	42,900.00
Vani shpk	700.00
Dema-Patin shpk	12,000.00
Gerti shpk	6,190.50
Gerti shpk	5,597.00
KACI-IF -2012 shpk	5,000.00
SH&T 2020 shpk	580.00
Chrome-Ore shpk	8,300.00
Kaprolla shpk	780.00
Kaprolla & Kompani shpk	2,000.00
"Kaprolla&Kompani" shpk n/k i "Besjana" shpk	300.00
Zen Tol shpk	600.00
Kurti - A shpk	580.00
Gerda - 07 shpk	1,200.00
Eljo-XH	3,500.00
Drini Bulqiza shpk	2,600.00
Nalan shpk	280.00
Albleaa International sh.p.k	7,250.00
Alb Leaa Internacional shpk	4,635.00
Alb Leaa International sh.p.k	550.00
Aki-Leo shpk	4,650.00
Oskeola shpk	30.00
BALLGJAI COMPANY shpk	710.00
Gjoni shpk	1,150.00
Miniera e Kromit Katjel shpk	5,155.00
Ceruja shpk	950.00
Bytyçi shpk	1,400.00
Bytyçi shpk	500.00
Bytyçi shpk	9,000.00
Belba B&B shpk	2,500.00
Emma Chrom 2011 shpk	231.00
Aris Albania shpk	2,204.00
"Aris Nivelet" shpk	6,500.00
Erli-D shpk	5,538.00
Erli-D shpk	5,450.00
Rami shpk	2,000.00
Cahani shpk	880.00
Pula - X shpk	800.00
Zasha shpk	4,020.00
Kevger shpk	2,034.00
True-L shpk n/k i "Kevger" shpk	2,000.00
Geri's 2002 shpk	5,844.58
NEKU shpk	615.00
Ardas shpk	7,600.00
Skenderi shpk	100.00
Global Interprise Group shpk	2,288.00
KACA VINJOLL shpk	530.00
Vinjolli shpk	20.00
RO-GENT 1 shpk	6,560.00
Ro Nei 17 shpk	5,650.00
Çupi Group shpk	9,350.00
Valteri Grand shpk	700.00
Brunes Krom shpk	115.00
Albtani -08 Konstruksin shpk	1,500.00
Mali shpk	844.00

Entity	Production (Ton)
Fafa Konstruksion shpk	100.00
TMC - Transport-Mining-Construction shpk	2,530.00
Ternova Chrome Resources shpk	1,200.00
Blerimi Kosturr 2010 shpk	350.00
Blerimi Kosturr 2010 shpk	1,800.00
Blerimi Kosturr 2010 shpk	4,000.00
Illyria Minerals Industry sha	181,954.00
Delda Star shpk	900.00
GMG shpk	706.00
"Kukes Chrome Minerals" shpk	46,742.00
KUKESI CHROME MINERALS shpk	27,200.00
Ballenja shpk	620.00
Vllaznimi Deda Imp-Exp shpk	40,565.00
KOSTURR KROMI shpk	4,375.00
Chrome Invest shpk	3,000.00
Arfys shpk	850.00
Canameti shpk	34,651.00
Teki sh.p.k	550.00
Happy Tours-Albanian Tour Operator	150.00
Crom & Energy shpk	3,000.00
ELDOAL shpk	5,820.00
Gerard Krom shpk	1,870.00
Çorroj shpk	1,970.00
Santi & Xhulio shpk	550.00
Deliu -3D shpk	1,000.00
H.B shpk	950.00
DVM 2017 shpk	7,010.00
Kodra e Surreles shpk	100.00
Elbesa shpk	120.00
Totals	**1,112,440.64**

Table 11 - Reporting Entities for Chrome Mining Production, Year 2022

Description	Production (Ton)
Totals	**1,112,440.64**

The leading chrome producer in Albania for 2022, based on the available data, is Fabrika e Pasurimit te Kromit Bulqize SHPK, contributing 18.64% of the total chrome mineral production. It is followed by "Illyria Minerals Industry SHA", which accounts for 16.36%, and Albchrome shpk, responsible for 8.71% of the total production. Collectively, these three companies produced 43.71% of all chrome minerals in the country, making them the top producers for the year. While there are 175 companies involved in chrome production, the remaining producers are relatively small-scale, with nine additional companies contributing more than 1% each to the total production (table above). This demonstrates the presence of smaller but noteworthy players, though a large share of the market remains concentrated among a handful of dominant operators. Together, the top 12 producers represent 66% of the total chrome mineral production. The total reported production for 2022 is 1,112,440.64 ton.

Entity	Production (Ton)	% of the total production
"Kukes Chrome Minerals" shpk	46,742.00	4.20%
Klervi Bris shpk	2,407.00	4.07%
Klervi Bris shpk	42,900.00	
Vllaznimi Deda Imp-Exp shpk	40,565.00	3.65%
Canameti shpk	34,651.00	3.11%
KUKESI CHROME MINERALS shpk	27,200.00	2.45%
"VËLLAZËRIA MINERALS ALBANIA" SHPK	16,180.00	1.45%
Klosi shpk	14,100.00	1.27%
Albleaa International sh.p.k	7,250.00	
Alb Leaa Internacional shpk	4,635.00	1.12%
Alb Leaa International sh.p.k	550.00	
Dema-Patin shpk	12,000.00	1.08%

➢ **Table – Nickel Production (Ton)**

Entity	Production (Ton)
Mining Ferro Nikel	3,000.00

"Mining Ferro Nikel" shpk	21,200.00
Gerold shpk	16,500.00
Joni 2008 shpk	15,500.00
NIKA BL shpk	10,800.00
Platinium Alb shpk	18,500.00
K - 12 shpk	14,045.00
TMC - Transport-Mining-Construction shpk	21,500.00
Victoria Invest Internacional shpk	5,000.00
Red Mines shpk	-
Afrimi K shpk	10,000.00
Compass General Industries shpk	-
Totals	**136,045.00**

Table 12 - Reporting Entities for Nickel Production, Year 2022

Description	Production (Ton)
Totals	**136,045.00**

The leading nickel producer in Albania, according to the available data, is Mining Ferro Nikel shpk, contributing 17.8% of the total nickel production. Close behind is "TMC Transporting Mining Construction" shpk, accounting for 15.8%, followed by Platinium Alb shpk with 13.6% of the total production. Collectively, these three companies produced 47.2% of Albania's total nickel output, solidifying their position as the top producers for the year. Total production of nickel for year 2022 is 136,045 measured in Ton.

- **Table – Copper Production (Ton)**

Entity	Production (Ton)
Beralb sh.a	104,842.00
"BERALB" Sh.a.	96,083.00
Tete Albania Tunel&Mining sha	407,080.00
Tete Albania Tunnel & Mining sha	18,882.00
Tete Albania Tunnel & Mining sha	14,358.00
Totals	**641,245.00**

Table 13 - Reporting Entities for Copper Production, Year 2022

Description	Production (Ton)
Totals	**641,245.00**

There are two reporting entities as per list of mining companies eiti template for year 2022. Beralb sh.a and Tete Albania Tunel & Mining Sha. The two companies produced 641,245 copper measured in tons for year 2022. 68.67% of the total production was made by Tete Albania Tunel & Mining Sha while the remaining was made by Beralb Sh.A.

- **Table – Bitumen Production (Ton)**

Description	Production (Ton)
Selenice Bitumi	16,295.00
Mineral Bitumen shpk	13,050.00
B&AD Construction shpk	57,228.00

Table 14 - Reporting Entities for Bitium Production, Year 2022

Entity	Production (Ton)
Totals	**86,573.00**

The leading producer of bitumen in Albania, according to the available data, is **B&D Construction shpk**, contributing **66.10%** of the total production. It is followed by **Selenice Bitumi**, which accounts for **18.82%**, and **Mineral Bitumen shpk**, responsible for **15.07%** of the total production. Collectively, these three companies produced 100% of the country's total bitumen output, emphasizing the concentrated nature of production in the sector.

The total reported production for the year reached **86,573 tons**, with a combined income of **80,782,506 ALL** (approximately **1,234,219.96 USD**, based on the 2022 exchange rate). Export revenue contributed **520,253 ALL** (approximately **713,966.96 USD**) to the total, showcasing the sector's reliance on both domestic sales and limited international trade.

This data highlights the importance of bitumen production in Albania's extractive sector and its role in supporting infrastructure development and economic growth. The contributions from all three companies underscore a collaborative effort within the industry, ensuring the continued success of this vital mineral sector

➢ **Table – Gravel Production (Ton)**

Entity	Production (Ton)
Romsi sh.p.k	128.00
Balkan Mineral Invest shpk	31,481.50
Alb-Industri shpk	26,667.18
ZEON shpk	4,462.58

Table 15 - Reporting Entities for Gravel Production, Year 2022

Description	Production (Ton)
Totals	**62,739.26**

The leading producer of this mineral in Albania, according to the available data, is Balkan Mineral Invest shpk, contributing 50.18% of the total production. It is followed by Alb-Industri shpk, accounting for 42.50%, and ZEON shpk, responsible for 7.11% of the total production. Collectively, these three companies produced nearly 100% of the country's total mineral output, with Romsi sh.p.k contributing a small share of 0.20%.

The total reported production for the year reached 62,739.26 tons.

Construction Minerals Production for year 2022

➢ **Table – Limestone Production (Measured in Ton or m3)**

Subjekti	Measuring Unit (Ton)	Measuring Unit (m3)
"INERTO BETONI" shpk		15000
Milenium shpk		59755
Alfa sh.p.k		23810
Favina shpk		51988
Rimi 1 shpk		13800
Premti shpk	22487	
FLORIDA - FH shpk	12500	
Salillari		12689
GURI I BARDHE shpk		23455
GANT CONSTRUCTION	1000	
Kalivjoti shpk		8115
SHPETIMI shpk		13800
Shpiragu shpk		25000
Tanusha shpk		15089
2P 06 shpk		12500
Agbes Konstruksion shpk		22064
Navia shpk		2542
Naçopullo shpk		7500
"Renaldo" shpk	1000	
Zhopi shpk		3500
AKS shpk		3500
Loshi - BL shpk		11000
ANK shpk		45226
"Vellezerit Llupo" shpk		1000
"Alb-Konstruksion" sh.p.k		2600
Koloseu sh.p.k		400
Kotica shpk		500
Salillari shpk		77883
Benaks - 94 shpk	13000	
Koci shpk		350
AL-GEM		19290
BETA shpk	5440	
Kovaçi-3 shpk		70

Subjekti	Measuring Unit (Ton)	Measuring Unit (m3)
Favina shpk		2252
Qushku & Co shpk		650
Konstruksion 93 shpk		18209
Tin - AL shpk		2230
"2D" shpk		31843
Antea Cement Sh.a	335520	
Vashtemia shpk		500
Edile Veseli-Construcsion shpk		5000
Colacem Albania shpk		19308.2
Ag-Invest shpk		4500
Besa 2011 shpk		1000
Gojani-Stone shpk		5673
"Shijaku" shpk N/K i "Bil & Ka" shpk		48423
Tirana Inerte & Konstruksion shpk		10446.9
Rruga Ura Asfaltim Nr.2 Elbasan sh.a.		45000
KLM shpk		54000
Vellezerit Hysa shpk		5200
Y. Salla shpk		500
ARDMIR shpk		26000
Amadeo shpk		435
Blumar Skele shpk		4000
Adel shpk		5902
Super Beton Mati shpk		320
Salillari shpk		195501
Pasha - X shpk		39160
In Co shpk		31135
Vllezerit Hazisllari shpk		2400
Aks shpk		102596.57
Vellezerit Llupo shpk		71398
Devolli 2005 shpk		450
AL-GEM		18400
Drini - 1 shpk		500
Stone Construction sh.p.k		20536
Jolla 2010 shpk		1200
Dodona shpk		10688.7
Gega -G shpk		8127.34
Kovaci-3 sh.p.k		1950
Lleshi sh.p.k		19034
KLISAL sh.p.k		2005
Beta sh.p.k		2213
Duro shpk		2640
Thoreneks shpk		2203.07
GIB shpk		3906
Hasa 2011 shpk		2002
Fat-Alkom Beton Albania shpk		13631
BEAUTY of ALBANIA shpk		467.8
Combined Group Contrancting Company (K.S.C.)		0
Vamel shpk		338
SINAMETA shpk		1000
MET-HASANI		15000
2R - GROUP shpk		6000
Kronos Kontruksion Sh.p.k		23819
Kukes Inerte shpk		14600
AE GRUP shpk	500	
Total	**391447**	**1,376,719.58**

A total of 87 entities reported limestone production for the year 2022. The production was measured in either tons or cubic meters, depending on the entity. Salillari shpk recorded the highest limestone production, reporting 195,501 m³, while Aks shpk had the second-largest production, reporting 102,596.24 m³.

- **Table – Clay Production (Ton)**

Subjekti	Ton
FUSHE-KRUJE CEMENT FACTORY shpk	78893
Milis shpk	2000
Total	**80,893**

Two entities reported limestone production in tons for the year 2022. Fushë-Krujë Cement Factory shpk recorded 78,893 tons, while Milis shpk reported 2,000 tons, bringing the total production to 80,893 tons.

- **Table – Different Decorative Stones (m3)**

Subjekti	Minerali	m3
N.P.Ruçi shpk	Limestone Slab	775
Pirali shpk	Limestone Slab	870
"Petrax" shpk	Limestone Slab	190
Janimar shpk	Limestone Slab	270.5
Flori shpk	Marbleized Limestone	330
Kolosiani Kristal shpk	Marbleized Limestone	55
Elbesa shpk	Limestone Slab	415.5
DEJA VATA shpk	Marbleized Limestone	10
ADEL shpk	Limestone Slab	274
Ndrico- 2010 shpk	Limestone Slab	1004
"WHITE STONE, sh.p.k (Nk.MARMARA K-P 2021)"	Marbleized Limestone	122
T&T Beton shpk	Massive Limestone	17000
Hazbiu F shpk	Decorative Limestone	391.89
Y. SALLA sh.p.k	Decorative Limestone	403.5
STONE-ALB shpk	Limestone Slab	13945
Realiz shpk	Marbleized Limestone	380
PI.OR. Quarries shpk	Marbleized Limestone	30.3
Alflo shpk	Marbleized Limestone	470
Perpunim Mermer Granit shpk	Marbleized Limestone	500
Marmo-Gjirokaster shpk	Decorative Limestone	200
ERA MERMER shpk	Decorative Limestone	142.7
PRELA MERMER shpk	Marbleized Limestone	55
Adel shpk	Massive Limestone	70
ERA MERMER shpk	Limestone Slab	66.97
Total		**37,971.36**

n 2022, a total of 23 entities reported the production of various types of stones, including Limestone Slab, Marbleized Limestone, Massive Limestone, and Decorative Limestone. Among these, Limestone Slab was the most widely reported type, with STONE-ALB shpk being the largest producer, recording a total of 13,945 m³. Several other companies, such as N.P. Ruçi shpk, Pirali shpk, and Elbesa shpk, also contributed to the total production of this category.

Marbleized Limestone was another significant category, with Perpunim Mermer Granit shpk reporting the highest production volume at 500 m³. Other contributors to this category included Flori shpk, Kolosiani Kristal shpk, and Realiz shpk, with varying production levels.

For Massive Limestone, the most substantial production was reported by T&T Beton shpk, with an output of 17,000 m³, making it the dominant producer in this category. A smaller contribution was recorded by Adel shpk, which reported a production of 70 m³.

Lastly, Decorative Limestone was reported by five entities, with Y. SALLA shpk being the largest producer at 403.5 m³. Other contributors included Hazbiu F shpk, Marmo-Gjirokaster shpk, and ERA MERMER shpk, each adding to the overall production of this category.

This distribution highlights the diversity in stone production, with certain entities specializing in specific types, contributing to the overall supply of limestone and decorative materials in the industry.

➢ **Table – Production of Different Minerals (Measured in Ton or m3)**

Subjekti	Minerali	Ton	m3
Albanera shpk	Siliceous Sandstone		420
Xhulio	Clay Shale	1781.46	
S.P.A. Venus shpk	Siliceous Sandstone		108
Topi Eki shpk	Siliceous Sandstone		300
Habili shpk	Schist		450
Simoni & Veza shpk	Conglomeratic Sandstone		13224
Rosi Construction shpk	Tractolite	150	
B & B Stone shpk	Massive Sandstone		710
ALIU ROAD HOUSE shpk	Schist		55807.44
Gjoni shpk	Gabro		148
Albanera shpk	Siliceous Sandstone		900
Kosta shpk	Siliceous Sandstone		540
Bytyçi & NJC shpk	Olivinite		4500
ASAB shpk	Conglomerate		4766
Inerte Expres shpk	Travertine		1060
Benaks-94	Quartz sand	1200	
Alba- Beton 07 shpk	Schist		4296
AGBE DEKORACION sh.p.k	Limestone Conglomerate		200
Marmor Production	Gëlqeror organogjeno coprizor		1712
Malesia Valtur shpk	Schist		4344
KIDA-TRANS shpk	Conglomerate	200	
Total		**3,331.46**	**93,485.44**

In 2022, 20 entities reported the production of various minerals, including Schist, Siliceous Sandstone, Conglomeratic Sandstone, Tractolite, Massive Sandstone, Gabro, Olivinite, Conglomerate, Travertine, Quartz Sand, Limestone Conglomerate, and Organogenic Clastic Limestone.

Schist had the highest reported production, with ALIU ROAD HOUSE shpk leading at 55,807.44 tons. Siliceous Sandstone was widely produced, with Albanera shpk recording the highest volume at 900 m³. Simoni & Veza shpk led Conglomeratic Sandstone production with 13,224 m³, while Bytyçi & NJC shpk was the sole producer of Olivinite, reporting 4,500 m³.

Other notable producers include Rosi Construction shpk for Tractolite (150 tons), Gjoni shpk for Gabro (148 m³), and Inerte Expres shpk for Travertine (1,060 m³). Quartz Sand was produced by Benaks-94 (1,200 tons), while Marmor Production reported 1,712 m³ of Organogenic Clastic Limestone.

➢ **Table – Production of Gypsum mineral**

Subjekti	Ton
Xhulio shpk	20044.62
Delgi shpk	1000
Knauf Tirana shpk	5568
Alesio-2014 shpk	1700
Inte shpk	9727
Alpha Alabaster Group shpk	200
Total	**38,239.92**

In 2022, a total of six entities reported Gypsum mineral production, amounting to 38,239.92 tons. Xhulio shpk was the largest producer, recording 20,044.62 tons, followed by Inte shpk with 9,727 tons, and Knauf Tirana shpk with 5,568 tons. Other contributors included Alesio-2014 shpk with 1,700 tons, Delgi shpk with 1,000 tons, and Alpha Alabaster Group shpk, which reported 200 tons.

This data highlights the distribution of gypsum production among key industry players, with Xhulio shpk leading the sector.

2.2.3 Production Data in Hydropower and Photovoltaic Sector

In 2022, total production in Hydropower and Photovoltaic Sector was

Sector	Production (Measured in MW)
Hydropower	5,780,469
Photovoltaic	39,400
Total	5,819,869

- Reporting entities (Hydropower) production are presented below:

Entity	Production for 2022 (MW)
KESH sh.a.	3,859,731
Kurum International sh.a	344,918
ENERGJI ASHTA	236,275
EURON Energy Group	116,771
AYEN AS ENERGJI	230,338
DEVOLL HYDROPOWER	490,421.00
GJO-SPA POWER	39,141
”DITEKO” sh.p.k	100,767
"Balkan Green Energy" sh.p.k(ish ESEGEI)	50,526
ERDAT LURA	36,967
ENERGY PLUS	38,242
POWER-ELEKTRIK-SLABINJE	63,539
"Hec Lanabregas"sh.a	25,423
Hec Tervoli	25,742
"Denas Power" shpk	32,668
"Prelle Energji"	35,095
C.S.C Construksion	29,334
C.S Energji	24,571

Table 16 - Reporting Entities in Hydropower Sector, Year 2022

Description	Production for 2022 (MW)
Totals	**5,780,469**

The hydropower sector in Albania is dominated by KESH sh.a., which contributed 66.8% of the total production in 2022. This highlights the company's pivotal role in energy generation and its significant influence on the sector.

Kurum International sh.a. follows as the second-largest producer, accounting for 6.0% of the total output, with ENERGJI ASHTA contributing 4.1%. Additional producers such as EURON Energy Group and AYEN AS ENERGJI each account for around 4.0% of total production. Together, these top five producers generate over 84.9% of Albania's hydropower, showcasing their critical importance in meeting the country's energy demands. The total hydropower production for 2022 was 5,780,469 MW, underscoring the sector's significant capacity to support Albania's renewable energy needs. While smaller producers such as Denas Power shpk, Prelle Energjì, and C.S. Energjì contribute less than 1% each, their presence reflects the diversity of operators in the sector. This diversity strengthens the resilience of the industry and ensures that production is distributed among various players, even if their contributions are relatively minor.

Encouraging the continued operation of smaller producers alongside the significant contributions of larger entities ensures a balanced and stable hydropower sector. The data highlights the critical role of hydropower in Albania's renewable energy portfolio, underscoring its contribution to meeting national energy demands and supporting the country's transition toward a more sustainable energy future

Entity	Production for 2022 (MW)
"SEMAN2SUN" sh.p.k	4,179
"SONNE" sh.p.k	4,163
"AED SOLAR"sh.p.k	4,275
"AGE SUNPOWER" sh.p.k	4,156
"Seman Sunpower" sh.p.k	4,383
"SEMAN1SOLAR" sh.p.k.	4,127
"ES 2019" sh.p.k	4,560
"Smart Watt" sh.p.k	4,539.00
"STATKRAFT RENEWABLES ALBANIA" sh.a	503
"AEE" sh.p.k.	4,515

Table 17 - Reporting Entities in Photvoltaic Sector, Year 2022

Description	Production for 2022 (MW)
Totals	**39,400**

The photovoltaic sector in Albania is distributed among multiple producers, with no single entity dominating production. "AEE" sh.p.k., "Smart Watt" sh.p.k., and "STATKRAFT RENEWABLES ALBANIA" sh.a. are among the leaders, each contributing 11.5% of the total production. They are closely followed by "Seman Sunpower" sh.p.k., with 11.1%, and "TES 2019" sh.p.k., which contributes 11.6%.

The total reported production for 2022 was 39,400 MW, highlighting the sector's growing role in Albania's renewable energy mix. The contribution of smaller producers, including "SEMAN2Sun" sh.p.k. (10.6%), "SONNE" sh.p.k. (10.6%), and others, reflects the diverse range of operators active in the photovoltaic industry. This diversity ensures a balanced and sustainable development of solar energy in the country.

The data underscores the importance of photovoltaic energy as a key component of Albania's renewable energy strategy, supporting energy diversification and contributing to the national energy supply. The equal distribution among producers highlights the sector's potential for growth and the opportunity to encourage further investments in solar energy projects

2.3 Export Data

EITI Requirement 3.3 focuses on the disclosure of export volumes and values for extractive commodities, ensuring transparency and accountability in how these exports contribute to the national economy.

2.3.1 Oil and Gas Sector

According to customs data, Bankers Petroleum exported 3,333,691.48 barrels worth 541,667,768.48 (ALL). More than 97% of total production of oil from Bankers Petroleum is exported outside Albania.

Oil Sector	Weight (barrels)	Value (ALL)
Bankers Petroleum	3,333,691.48.00	541,667,768.48
Total	**3,333,691.48.00**	**541,667,768.48**

Source: Customs Data

2.3.2 Mining Sector

We have obtained export data from various customs points in Albania for the year 2022. The information includes the names of companies exporting minerals, their business identification numbers (NIPT), detailed descriptions of the minerals, net weights of the exported minerals, the export values, and the royalties paid for these exports.

Below is the summary of the total export values for the minerals:

Mining Sector	Net Weight (KG)	Value (ALL)
Chrome	2,428,077,295.29	65,599,837,666.54
Nickle	102,818,990.00	384,452,695.39
Copper	13,789,858.50	2,035,014,742.16
Bitumen	14,051,699.00	104,792,716.00
Gravel	3,323,848.00	15,161,242.90
Total	**2,562,061,690.79**	**68,139,259,062.99**

Source: Customs Data

As seen from the table above, most exported mineral is Chrome with more than 95% of the total exports in the mining sector. Nickle mineral exports is the second most exported mineral with 4% of the total exports of minerals.

Value of the total exports expressed in ALL is 68,139,259,062.99.

III. REQUIREMENT 4 – Revenue Collection

3.1 Comprehensive Disclosure of Taxes and Revenues (EITI Requirement 4.1)

This standard ensures the full disclosure of all taxes, royalties, fees, and other payments made by extractive companies to the government. It requires disaggregation of data by company, type of payment, and level of government to promote transparency, accountability, and public trust in the management of natural resource revenues.

The table below provides an overview of the key financial contributions of Albania's Oil and Gas, Mining, and Hydropower sectors in 2022. This aggregated data includes total income, taxes, and other payments made by entities operating in these sectors

Description	Oil and Gas Sector	Mining Sector	Hydropower Sector
Total Income	43,914,736,250.00	31,411,169,347.00	119,888,658,270.00
VAT Payments	884,258,231.00	302,094,475.00	1,867,688,199.00
Tax on Profit Payments	393,530,557.00	613,778,321.00	6,064,780,301.00
Social Security Contributions Payments	697,748,525.00	754,291,325.00	569,376,782.00
Tax on Personal Income Payments	488,197,931.00	254,213,132.00	276,859,211.00
Tax on Dividends Payments	-	47,353,748.00	86,996,062.00
Payments for different fines	12,496,872.00	12,736,181.00	64,841,252.00
Royalty Payments	584,693,492.00	3,966,445.00	-

Table 18 - Income and Taxes Paid During 2022, Oil and Gas, Mining and Hydropower Sectors

Oil and Gas Sector:

- Generated over 43.9 billion ALL in total income, with significant contributions from VAT (884.3 million ALL) and royalty payments (584.7 million ALL). Social security contributions and taxes on personal income were also substantial, emphasizing the sector's economic and employment significance.

Mining Sector:

- Contributed 31.4 billion ALL in total income, with the largest payments in tax on profit (613.8 million ALL) and social security contributions (754.3 million ALL). Notably, tax on dividends (47.4 million ALL) and royalty payments were part of its fiscal obligations.

Hydropower Sector:

- The largest contributor, generating 119.9 billion ALL in total income. Key taxes included VAT (1.87 billion ALL) and tax on profit (6.06 billion ALL). Payments for different fines (64.8 million ALL) and dividends (87 million ALL) further highlighted its fiscal significance.

3.1.1 Comprehensive Disclosure of Taxes and Revenues in Oil and Gas Sector

Below we have presented the disclosures from entities in Oil and Gas Sector.

Entity	Total Income (ALL)	VAT	Tax on Profit	Social Security Contributions	Tax on Personal Income	Tax on Dividents	Tax on Different Fines	Tax on Royalties
Bankers Petroleum Albania Ltd.	33,488,639,698	-	10,000	239,483,636	54,966,128	-	10,674,848	13,787,134
Anio Oil&Gas Sha (ish.Trans Atlantik Albania Ltd	-	-	-	-	-	-	-	-
Delvina Gas Company LTD	266,106,679	-	20,000	16,990,064	10,151,101	-	69,433	-
TerraOil Swiss sh.a.	571,865,609	36,405,013	20,000	27,840,644	16,649,304	-	114,809	56,224,395
TRANSOIL GROUP AG (IEC Visoka Shp)	-	-	-	-	-	-	-	-
Sherwood Internacional Petroleum Ltd	39,150,989	-	10,000	2,271,289	1,539,876	-	40,000	10,000
EDG NATURAL GAS Shpk	-	-	10,000	4,307,744	4,391,806	-	223,290	-
Fin Pek Petroleum Sh.a (Phoenix Petroleum)	116,081,947	1,439,702	-	1,571,782	85,807	-	624,541	13,288,893
Albpetrol Sh.a.	7,771,150,044	846,413,516	393,450,557	327,049,881	94,714,093	-	173,795	498,037,114
Shell Upstream Albania B.V	1,384,688,491	-	10,000	72,364,572	280,951,014	-	480,426	3,345,956
Eni Albania B.V	277,052,793	-	-	5,868,913	24,748,802	-	95,730	-

Table 19 - Income and Taxes Paid by Oil and Gas Companies during 2022 (Source Ministry of Finance – 2022-2023 Taxes Information Template)

3.1.2 Comprehensive Disclosure of Taxes and Revenues in Mining Sector

Entity	Total Income (ALL)	VAT	Tax on Profit	Social Security Contributions	Tax on Personal Income	Tax on Dividents	Tax on Different Fines	Tax on Royalties
"Fabrika e Pasurimit te Kromit Bulqize" shpk	391,617,794	-	2,769,790	14,156,983	1,494,618	-	421,562	-
Albchrome shpk	18,046,258,317	-	294,624,559	315,627,090	117,799,395	-	2,108,297	-
Illyria Minerals Industry sha	590,487,719	50,253	4,967,829	12,934,259	4,126,279	-	894,842	-
Alb - Canaj shpk	464,807,286	48,528,313	29,395,735	19,697,866	5,749,724	4,341,364	186,359	-
Dushi shpk	101,276,825	1,925,051	1,811,902	1,853,009	263,214	840,090	81,704	-
EGI-K shpk	628,734,570	17,658,605	24,297,599	27,063,812	2,581	-	149,042	-
Klosi shpk	663,860,595	26,031,694	61,627,313	26,080,495	8,290,861	12,260,320	37,768	-
Herbi shpk	357,063,562	20,877,899	16,404,968	22,177,350	7,162,924	11,529,319	99,260	-
Chrome-Ore shpk	106,761,531	-	-	395,333	24,728	-	157,986	-
Canameti shpk	288,838,406	4,178,955	16,493,342	5,968,118	942,602	2,400,000	56,924	9,805
"Aris Nivelet" shpk	267,387,366	30,712,163	16,952,284	13,728,411	2,600,800	5,125,080	66,750	-
Dema-Patin shpk	332,383,027	29,044,872	5,805,171	7,183,048	1,424,800	-	600,857	-
Shkalla shpk	145,697,092	-	1,893,766	12,809,881	2,232,716	3,184,492	3,662	-
Miniera e Kromit Katjel shpk	187,236,507	4,841	5,274,237	6,429,389	1,733,030	199,185	4,842	-
Kadurtex shpk	257,108,044	42,270,148	18,354,688	3,836,963	537,007	-	78,979	1,757,780
Koka shpk	290,515,865	1,139,282	14,944,274	8,971,370	1,668,594	-	276,191	19,878
Gerti shpk	385,745,821	-	7,298,318	20,150,157	4,373,416	-	140,574	-
"Kukes Chrome Minerals" shpk	152,779,250	-	12,500	1,041,764	36,279	-	52,233	559,140
"Neli" shpk	87,605,298	-	5,008,522	1,935,539	500,353	-	56,401	-
Alb Mine&Chrome sh.p.k	84,444,356	5,726,939	1,565,335	14,161,563	2,597,180	1,600,000	15,329	-
Erli-D shpk	1,513,142,068	33,180,642	52,189,345	10,635,176	2,754,087	-	96,477	19,993
Kuarci Blace shpk	98,715,826	8,102,543	1,487,816	4,365,676	138,974	1,000,000	87,000	-
"VËLLAZËRIA MINERALS ALBANIA" SHPK	169,553,536	-	747,161	2,103,465	40,112	-	1,005,469	218,266

Entity	Total Income (ALL)	VAT	Tax on Profit	Social Security Contributions	Tax on Personal Income	Tax on Dividents	Tax on Different Fines	Tax on Royalties
Vllaznimi Deda Imp-Exp shpk	231,440,347	18,927	1,235,726	4,188,116	283,272	-	300,954	370,232
Xhireton shpk	194,293,829	-	542,220	10,490,010	1,551,730	185,874	349	773,279
11 Heronjte Bater	90,535,201	2,644,907	1,123,566	5,701,254	1,106,663	619,427	10,323	-
Besjana sh.p.k	33,617,740	-	2,735,241	1,362,435	352,596	-	-	-
Mineral Invest shpk	63,711,654	-	1,321,621	1,142,234	83,554	-	164,536	-
RO-GENT 1 shpk	144,441,616	3,581	5,361,330	3,805,689	161,155	400,000	77,728	-
Silbora shpk	188,525,418	10,000	189,074	1,636,578	59,745	-	576,818	50,000
Ivno-1100 shpk	25,608,178	5,052,357	-	4,238,985	364,333	76,441	162,703	-
Alb Leaa Internacional shpk	346,738,398	9,796,336	1,775,120	28,651,155	6,748,477	-	53,415	-
Zasha shpk	229,353,209	14,998,048	4,944,398	10,806,936	1,800,468	2,792,156	3,203	-
ARKEV shpk	254,753,332	-	3,743,848	2,779,609	268,872	800,000	37,075	-
BALLGJAI COMPANY shpk	-	-	-	140,128	299	-	9,354	-
Joal - 06 shpk	-	-	-	294,610	4,582	-	2,516	-
Mining Ferro Nikel shpk	75,878,303	84,864	-	1,641,060	247,134	-	85,188	188,071
Tete Albania Tunnel & Mining sha	2,073,643,572	37,500	6,879,723	69,856,668	42,009,560	-	4,515,981	-
"BERALB" Sh.a.	1,846,607,889	15,755	-	54,249,141	32,676,418	-	57,530	-

Table 20 - Income and Taxes Paid by Mining Companies during 2022, (Source Ministry of Finance – 2022-2023 Taxes Information Template)

3.1.3 Comprehensive Disclosure of Taxes and Revenues in Hydropower Sector

Entity	Total Income (ALL)	VAT	Tax on Profit	Social Security Contributions	Tax on Personal Income	Tax on Dividents	Tax on Different Fines	Tax on Royalties
"Fabrika e Pasurimit te Kromit Bulqize" shpk	391,617,794	-	2,769,790	14,156,983	1,494,618	-	421,562	-
Albchrome shpk	18,046,258,317	-	294,624,559	315,627,090	117,799,395	-	2,108,297	-
Illyria Minerals Industry sha	590,487,719	50,253	4,967,829	12,934,259	4,126,279	-	894,842	-
Alb - Canaj shpk	464,807,286	48,528,313	29,395,735	19,697,866	5,749,724	4,341,364	186,359	-
Dushi shpk	101,276,825	1,925,051	1,811,902	1,853,009	263,214	840,090	81,704	-
EGI-K shpk	628,734,570	17,658,605	24,297,599	27,063,812	2,581	-	149,042	-
Klosi shpk	663,860,595	26,031,694	61,627,313	26,080,495	8,290,861	12,260,320	37,768	-
Herbi shpk	357,063,562	20,877,899	16,404,968	22,177,350	7,162,924	11,529,319	99,260	-
Chrome-Ore shpk	106,761,531	-	-	395,333	24,728	-	157,986	-
Canameti shpk	288,838,406	4,178,955	16,493,342	5,968,118	942,602	2,400,000	56,924	9,805
"Aris Nivelet" shpk	267,387,366	30,712,163	16,952,284	13,728,411	2,600,800	5,125,080	66,750	-
Dema-Patin shpk	332,383,027	29,044,872	5,805,171	7,183,048	1,424,800	-	600,857	-
Shkalla shpk	145,697,092	-	1,893,766	12,809,881	2,232,716	3,184,492	3,662	-
Miniera e Kromit Katjel shpk	187,236,507	4,841	5,274,237	6,429,389	1,733,030	199,185	4,842	-
Kadurtex shpk	257,108,044	42,270,148	18,354,688	3,836,963	537,007	-	78,979	1,757,780
Koka shpk	290,515,865	1,139,282	14,944,274	8,971,370	1,668,594	-	276,191	19,878
Gerti shpk	385,745,821	-	7,298,318	20,150,157	4,373,416	-	140,574	-
"Kukes Chrome Minerals" shpk	152,779,250	-	12,500	1,041,764	36,279	-	52,233	559,140
"Neli" shpk	87,605,298	-	5,008,522	1,935,539	500,353	-	56,401	-
Alb Mine&Chrome sh.p.k	84,444,356	5,726,939	1,565,335	14,161,563	2,597,180	1,600,000	15,329	-
Erli-D shpk	1,513,142,068	33,180,642	52,189,345	10,635,176	2,754,087	-	96,477	19,993
Kuarci Blace shpk	98,715,826	8,102,543	1,487,816	4,365,676	138,974	1,000,000	87,000	-
"VËLLAZËRIA MINERALS ALBANIA" SHPK	169,553,536	-	747,161	2,103,465	40,112	-	1,005,469	218,266

Entity	Total Income (ALL)	VAT	Tax on Profit	Social Security Contributions	Tax on Personal Income	Tax on Dividents	Tax on Different Fines	Tax on Royalties
Vllaznimi Deda Imp-Exp shpk	231,440,347	18,927	1,235,726	4,188,116	283,272	-	300,954	370,232
Xhireton shpk	194,293,829	-	542,220	10,490,010	1,551,730	185,874	349	773,279
11 Heronjte Bater	90,535,201	2,644,907	1,123,566	5,701,254	1,106,663	619,427	10,323	-
Besjana sh.p.k	33,617,740	-	2,735,241	1,362,435	352,596	-	-	-
Mineral Invest shpk	63,711,654	-	1,321,621	1,142,234	83,554	-	164,536	-
RO-GENT 1 shpk	144,441,616	3,581	5,361,330	3,805,689	161,155	400,000	77,728	-
Silbora shpk	188,525,418	10,000	189,074	1,636,578	59,745	-	576,818	50,000
Ivno-1100 shpk	25,608,178	5,052,357	-	4,238,985	364,333	76,441	162,703	-
Alb Leaa Internacional shpk	346,738,398	9,796,336	1,775,120	28,651,155	6,748,477	-	53,415	-
Zasha shpk	229,353,209	14,998,048	4,944,398	10,806,936	1,800,468	2,792,156	3,203	-
ARKEV shpk	254,753,332	-	3,743,848	2,779,609	268,872	800,000	37,075	-
BALLGJAI COMPANY shpk	-	-	-	140,128	299	-	9,354	-
Joal - 06 shpk	-	-	-	294,610	4,582	-	2,516	-
Mining Ferro Nikel shpk	75,878,303	84,864	-	1,641,060	247,134	-	85,188	188,071
Tete Albania Tunnel & Mining sha	2,073,643,572	37,500	6,879,723	69,856,668	42,009,560	-	4,515,981	-
"BERALB" Sh.a.	1,846,607,889	15,755	-	54,249,141	32,676,418	-	57,530	-

Table 21 - Income and Taxes Paid by Hydropower Companies during 2022 (Source Ministry of Finance – 2022-2023 Taxes Information Template)

3.2 Sale of the State’s Share of Production or Other revenues Collected in kind (EITI Requirement 4.2)

EITI Requirement 4.2 ensures transparency in the management and sale of the state’s share of production or other revenues collected in kind. It requires governments and state-owned enterprises to disclose details such as production volumes, sales revenues, buyers, and transaction terms. The goal is to promote accountability and public trust in how natural resources are monetized and contribute to national revenues.

3.2.1 Sale of the state’s share of production or other revenues collected in Kind in Oil and Gas Sector[39]

Albpetrol, a state-owned enterprise in Albania, is responsible for managing and monetizing the state’s share of hydrocarbon production. In 2022, Albpetrol reported a total production of 113,725 tons of crude oil, achieving 104.4% of its planned target. This production included 70,571 tons from Albpetrol's direct operations and 43,154 tons from partnership agreements. The sale of crude oil was carried out through auction processes linked to Brent oil price benchmarks, achieving an average sale price of 51,893 ALL per ton. A total of 95,883 tons of crude oil was sold during the year, generating revenues of 4.98 billion ALL.

During 2022, Albpetrol implemented two major sales contracts. The first contract, signed on May 4, 2021, with Europetrol Durrës Albania Sh.a., involved the sale of 100,000 tons of crude oil. The second contract, signed on June 3, 2022, with a consortium comprising RBH Belin and Europetrol Durrës Albania Sh.a., covered the sale of 120,000 tons of crude oil.

The revenue generated from these sales contributes to the state budget through profit tax, royalties, and value-added tax (VAT). Albpetrol has disclosed the volumes received and sold, as well as the revenues generated, in compliance with EITI Requirement 4.2. These disclosures ensure transparency and accountability in the management and monetization of Albania’s natural resources

3.2.2 Sale of the state’s share of production or other revenues collected in Kind in Mining Sector

In the mining sector, in-kind payments refer to non-monetary contributions made by companies to the government, which may include the provision of goods, services, or infrastructure. In 2022, in-kind payments were not a significant feature of the mining sector in Albania, as the focus primarily remained on financial contributions from mining companies

3.2.3 Sale of the state’s share of production or other revenues collected in Kind in Hydropower and Photovoltaic Sector

In the renewable energy sector in Albania, the government receives certain benefits in kind from photovoltaic and hydropower projects, although such arrangements are less prevalent compared to the oil and gas sector. These in-kind contributions often involve non-monetary obligations as part of concession or operational agreements.

[40]In the photovoltaic sector, in-kind contributions were formalized through agreements for large-scale, unsubsidized solar projects approved in 2022. One notable example is the approval of Albania's first unsubsidized solar projects, including a 50 MW plant in the Karavasta region and a 100 MW plant in the Spitallë region. These projects marked a significant milestone for the country, demonstrating a shift toward sustainable energy production without relying on government subsidies.

As part of these arrangements, developers agreed to provide approximately 2% of the energy generated to public entities free of charge. This energy contribution serves as compensation for the land leases provided by the government, ensuring a mutual benefit for both the public sector and private investors. These agreements set a precedent for balancing private investment and public benefit in the expansion of renewable energy in Albania.

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[39] https://www.albpetrol.al/wp-content/uploads/2024/01/Albpetrol-Raporti-i-veprimtarise-per-vitin2022.pdf
[40] https://www.pv-magazine.com/2022/06/13/albania-approves-first-unsubsidized-large-scale-solar-projects/?utm_source

[41]Additionally, according to Decision No. 822, dated 7.10.2015, which regulates the construction of new electricity generation capacities that are not subject to concessions, a mandatory royalty fee is imposed on developers. Article 18 of the decision explicitly states that at least 2% of the annual energy production (or its equivalent monetary value) must be provided to the Ministry of Energy. If the contribution is converted to cash, these revenues are fully transferred to the state budget.

This regulatory framework reinforces the state's approach to securing a share of renewable energy production in-kind, ensuring that public resources such as land or infrastructure contribute to national energy security. Furthermore, this aligns with broader energy sector policies aimed at increasing energy independence and fostering investments in renewables while maintaining a balance between private sector growth and state benefits.

3.3 Infrastructure Provisions and Barter Arrangements (EITI Requirement 4.3)

EITI Requirement 4.3 ensures transparency in agreements where natural resources, such as oil, gas, or minerals, are exchanged for infrastructure, goods, or services instead of cash. It requires governments and companies to disclose the terms, values, and implementation status of such arrangements, including resource-backed loans. The aim is to provide the public with a clear understanding of these agreements and ensure they are comparable to conventional cash-based transactions, fostering accountability and reducing corruption risks

3.3.1 Infrastructure provisions and barter arrangements in Oil and Gas Sector

Infrastructure provisions and barter arrangements refer to agreements where goods, services, or financial resources, such as loans or grants, are exchanged for rights related to oil, gas, or mining exploration and production, or for the physical delivery of these resources. Upon review, the government and oil companies in the petroleum sector have confirmed that the existing Petroleum Agreements currently in effect do not include any infrastructure or barter provisions.

3.3.2 Infrastructure provisions and barter arrangements in Mining Sector

The government, along with the largest mining companies operating in the sector, has confirmed that the current mining concession agreements and licenses in effect do not contain any provisions for barter infrastructure arrangements.

3.3.3 Infrastructure provisions and barter arrangements in Hydropower and Photovoltaic Sector

In the hydropower sector in Albania, infrastructure provision and barter arrangements are common practices that help facilitate the development and operation of hydropower projects

- **Infrastructure Provision** – Hydropower companies often invest in local infrastructure as part of their development agreements. This can include
  - Building or upgrading roads to improve access to hydropower sites and surrounding areas
  - Developing schools, healthcare centers, and other community facilities to support local populations
  - Implementing environmental conservation projects, such as reforestation and river basin management, to mitigate the impact of hydropower projects on the environment.

- **Barter Arrangements –** involve non-monetary exchanges between the government and hydropower companies. These can include
  - In-Kind Payments: Companies may provide goods or services instead of cash payments. For example, they might build infrastructure or provide technical assistance as part of their concession agreements

[41] https://opencorporates.al/documents/dokumenta/1662215245vendim-2015-10-07-822.pdf

- Community Support: Companies might offer support to local communities through social programs, training, and employment opportunities, which can be considered as part of their contractual obligations.

These practices ensure that the benefits of hydropower projects extend beyond just financial gains, fostering sustainable development and improving the quality of life for local communities

3.4 Transportation revenues (EITI Requirement 4.4)

This requirement focuses on transparency in revenues generated from the transportation of oil, gas, or minerals. Governments and state-owned enterprises (SOEs) must disclose fees, tariffs, or other revenues collected for transporting these resources through pipelines, railways, shipping, or other methods. The disclosures should include the volume transported, the revenue generated, and the terms of transportation agreements to ensure accountability and public understanding of these revenue streams.

The Albanian Government's Revenues from TAP and from Oil and Gas Transportation

Albania generates revenue from the operation of the Trans Adriatic Pipeline (TAP) on its territory, but not in the form of payments for the volume of gas that passes through, as TAP is a transit infrastructure project, not a gas trade contract. Below are the main sources of revenue explained, as well as what is stipulated in the relevant agreements:

Agreement with TAP – Host Government Agreement (HGA):

https://qbz.gov.al/eli/ligj/2013/04/15/116-2013/8f622bac-1902-41d7-a763-55601202652c;q=Ligj%20nr.%20116%2F2013%20dat%C3%AB%2015.4.2013

TAP and the Albanian government signed a **Host Government Agreement (HGA)** in 2013, which:

- Regulates the construction, operation, and maintenance of the pipeline on Albanian territory.
- Guarantees rights for TAP, but also benefits for the Albanian state.
- Includes provisions on:
  - Taxes and duties
  - Fees for the use of public land
  - Social and infrastructure investments
  - Rules for the treatment of third parties and environmental standards

Revenues for Albania from TAP

a) Fiscal Revenues (Taxes and Duties)

- TAP Albania pays corporate income tax, VAT, local taxes, and social security contributions.
- These revenues are directed to the Albanian state budget.

b) Fee for the Use of Public Land

- The Albanian government has granted TAP the right to use public land for the construction and operation of the pipeline.
- TAP pays a fee for this usage.

c) Indirect Revenues from Investments and Subcontractors

- TAP has engaged Albanian companies for construction, logistics, and service-related work.
- This has generated significant income for the local economy and the state budget through taxes paid by subcontractors.

d) Community Investment Programme[42]

- TAP has funded community development projects along the pipeline corridor, including:
    - Road infrastructure
    - Water supply systems
    - Support for agriculture and education
- To date, numerous projects have been implemented under this program.

Albania does not receive a transit fee based on the volume of gas transported through the pipeline, due to the following reasons:

- The provisions outlined in the Host Government Agreement (HGA) establish a favorable fiscal and tax regime for TAP, aimed at securing the investment.
- TAP's structure as an international project operated by major companies, with governments having agreed on standardized terms to ensure the project's realization.

The Albanian government generates revenues from oil and natural gas transportation activities, including the Trans Adriatic Pipeline (TAP), through:

a) Host Government Agreement (HGA) with TAP

- Ratified by the Albanian Parliament on April 15, 2013.
- Establishes the legal framework for the construction, operation, and maintenance of TAP in Albania.
- Regulates:
    - Right of way,
    - Permits and authorizations,

[42] Source: TAP – Social and Environmental Investments in Albania

- Technical, environmental, and social standards,
- Taxation and fiscal treatment of the project.

- TAP has made significant infrastructure investments in Albania and has created long-term economic benefits.

b) Law No. 8450/1999 “On the Processing, Transportation and Trading of Oil, Gas, and Their By-products”

This law governs the overall legal and regulatory framework for the oil and gas sector in Albania, including transportation activities beyond TAP. https://qbz.gov.al/share/3veCH0rlR5iU_LM3oTWDiQ.

- Requires mandatory licensing for any entity operating in the transportation of oil and/or gas.
- Regulates activities across the hydrocarbon industry value chain, including transportation.

Law No. 153/2020 “On the Fiscal Regime in the Hydrocarbon Sector”

https://qbz.gov.al/share/3veCH0rlR5iU_LM3oTWDiQ

- Defines:
    - Corporate income tax
    - Royalty payments (revenues from natural resource exploitation) to the state
    - National and local taxes
- Establishes a stable fiscal regime for hydrocarbon companies operating in Albania.

Additionally, the Energy Regulatory Authority (ERE) provides full legislation related to the TAP pipeline and the natural gas sector:

1. Law No. 102/2015 “On the Natural Gas Sector”

   This law defines the rules for the organization and operation of the natural gas sector in Albania, including transmission, distribution, and supply of gas.

   https://ere.gov.al/sq/legjislacioni/legjislacioni-primar?utm_source=

2. Guideline for Capacity Management and Allocation in the TAP Project
   This guideline regulates procedures for the management and allocation of capacity in the TAP pipeline. https://www.ere.gov.al/sq/legjislacioni/legjislacioni-sekondar?utm_source=

3. Regulation on Third-Party Access to the Transmission System and Transparency in the Natural Gas Sector
   This regulation sets the conditions for third-party access to the natural gas transmission system and ensures transparency in the sector.

Summary:

TAP and other entities involved in the transport of gas and oil in Albania are subject to a special legal framework that ensures revenues for the state budget through taxes, fees, infrastructure investments, and specific international agreements. The Albanian government benefits financially from TAP and the transport of oil and gas via both international agreements and domestic fiscal and energy legislation.

Transnafta is no longer operational, even though it is registered as active in National Business Center

3.4.1 Transportation Revenues in Oil and Gas Sector

Currently, crude oil is transported from the oil fields to the coastal terminal operated by La Petrolifera Italo-Albanese Sh.a. using oil tankers. There are no mandatory requirements to utilize state services for oil transportation. Bankers Petroleum has indicated that it has the freedom to choose its oil transportation providers.

As of the date of this report, the state-owned enterprise Transnafta Sh.a**.** is no longer operational and has not been active for years, despite its presence in state archives.

3.4.2 Transportation Revenues in Mining Sector

Currently, minerals are transported via road transportation vehicles, such as trucks, from the mining fields to domestic or export destination. There are no State-owned entities operating in minerals' transportation.

3.5 Subnational payments (EITI Requirement 5.2)

This standard ensures transparency in payments made by extractive companies to local governments. If these payments, such as local taxes, fees, or royalties, are significant, they must be disclosed along with the amounts received by the local authorities. The goal is to provide a clear understanding of the financial benefits accruing to local governments and to strengthen public oversight of how these revenues are managed. As of today, only five Municipalities have disclosed payments made from entities in local taxes.

3.5.1 Subnational Payments in Bulqizë

Company	Municipality	Type of taxes	Industry	Value (ALL)
Xhireton shpk	Bulqizë	Mining Royalty	Mining	890,471
Dervishi shpk	Bulqizë	Mining Royalty	Mining	138,631
Alb - Canaj shpk	Bulqizë	Mining Royalty	Mining	748,173
Klosi shpk	Bulqizë	Mining Royalty	Mining	2,388,131
Herbi shpk	Bulqizë	Mining Royalty	Mining	902,199
Cani-1 shpk	Bulqizë	Mining Royalty	Mining	181,759
Albleaa International sh.p.k	Bulqizë	Mining Royalty	Mining	679,638
Arkev shpk	Bulqizë	Mining Royalty	Mining	561,809
"Neli" shpk	Bulqizë	Mining Royalty	Mining	387,566
Kadurtex shpk	Bulqizë	Mining Royalty	Mining	78,511
Pakti shpk	Bulqizë	Mining Royalty	Mining	85,379
EGI-K" shpk	Bulqizë	Mining Royalty	Mining	2,054,334
Klervi Bris shpk	Bulqizë	Mining Royalty	Mining	5,658,560
Erli-D shpk	Bulqizë	Mining Royalty	Mining	407,158
RO-GENT 1 shpk	Bulqizë	Mining Royalty	Mining	437,271
Çupi Group shpk	Bulqizë	Mining Royalty	Mining	1,653,808
Canameti shpk	Bulqizë	Mining Royalty	Mining	188,747
Xhireton shpk	Bulqizë	Local Taxes	Mining	208,780
Dervishi shpk	Bulqizë	Local Taxes	Mining	208,780
Alb - Canaj shpk	Bulqizë	Local Taxes	Mining	200,000
Klosi shpk	Bulqizë	Local Taxes	Mining	200,000
Herbi shpk	Bulqizë	Local Taxes	Mining	200,000
Diani shpk	Bulqizë	Local Taxes	Mining	208,780
Shkembi shpk	Bulqizë	Local Taxes	Mining	208,780
Cani-1 shpk	Bulqizë	Local Taxes	Mining	200,000
Albleaa International sh.p.k	Bulqizë	Local Taxes	Mining	208,780
Koka shpk	Bulqizë	Local Taxes	Mining	608,780
KENSHEL shpk	Bulqizë	Local Taxes	Mining	208,780
Arkev shpk	Bulqizë	Local Taxes	Mining	208,780

Company	Municipality	Type of taxes	Industry	Value (ALL)
"Fabrika e Pasurimit te Kromir Bulqize" shpk	Bulqizë	Local Taxes	Mining	100,000
"Neli" shpk	Bulqizë	Local Taxes	Mining	200,000
Kadurtex shpk	Bulqizë	Local Taxes	Mining	656,263
Pakti shpk	Bulqizë	Local Taxes	Mining	208,780
EGI-K" shpk	Bulqizë	Local Taxes	Mining	708,780
Klervi Bris shpk	Bulqizë	Local Taxes	Mining	208,780
Gerti shpk	Bulqizë	Local Taxes	Mining	208,780
Alb Leaa Internacional shpk	Bulqizë	Local Taxes	Mining	200,000
EGI-K shpk	Bulqizë	Local Taxes	Mining	700,000
Erli-D shpk	Bulqizë	Local Taxes	Mining	208,780
Kevger shpk	Bulqizë	Local Taxes	Mining	208,780
RO-GENT 1 shpk	Bulqizë	Local Taxes	Mining	408,780
Ro Nei 17 shpk	Bulqizë	Local Taxes	Mining	208,780
Çupi Group shpk	Bulqizë	Local Taxes	Mining	208,780
Kaprolla & Kompani shpk	Bulqizë	Local Taxes	Mining	225,063
Canameti shpk	Bulqizë	Local Taxes	Mining	208,780
”DITEKO” sh.p.k	Bulqizë	Local Taxes	HydroEnergy	699,523
"Balkan Green Energy" sh.p.k(ish ESEGEI)	Bulqizë	Local Taxes	HydroEnergy	329,650

3.5.2 Subnational Payments in Fier

Company	Municipality	Type of taxes	Industry	Value (ALL)
SPV BLUE 1	Fier	Waste Management Fee	Renewable Energy	42,500.00
SPV BLUE 1	Fier	Service Fee	Renewable Energy	2,000.00
KARAVASTA SOLAR	Fier	Waste Management Fee	Renewable Energy	18,750.00
KARAVASTA SOLAR	Fier	Service Fee	Renewable Energy	2,000.00
EZ -5 ENERGY	Fier	Waste Management Fee	Renewable Energy	6,250.00
EZ -5 ENERGY	Fier	Service Fee	Renewable Energy	166.67
NOVA SOLAR SYSTEM	Fier	Waste Management Fee	Renewable Energy	23,750.00
NOVA SOLAR SYSTEM	Fier	Service Fee	Renewable Energy	500.00
AGE SUNPOWER	Fier	Waste Management Fee	Renewable Energy	75,000.00
AGE SUNPOWER	Fier	Service Fee	Renewable Energy	2,000.00
SONNE	Fier	Waste Management Fee	Renewable Energy	75,000.00
SONNE	Fier	Service Fee	Renewable Energy	2,000.00
SEMAN 1 SOLAR	Fier	Waste Management Fee	Renewable Energy	75,000.00
SEMAN 1 SOLAR	Fier	Service Fee	Renewable Energy	2,000.00
SEMAN 2 SUN	Fier	Waste Management Fee	Renewable Energy	75,000.00
SEMAN 2 SUN	Fier	Service Fee	Renewable Energy	2,000.00
AED SOLAR	Fier	Waste Management Fee	Renewable Energy	75,000.00
AED SOLAR	Fier	Service Fee	Renewable Energy	2,000.00
AGE SUNPOWER	Fier	Waste Management Fee	Renewable Energy	75,000.00
AGE SUNPOWER	Fier	Service Fee	Renewable Energy	2,000.00
Englantina Xhoxhaj	Fier	Waste Management Fee	Renewable Energy	78,000.00
Englantina Xhoxhaj	Fier	Service Fee	Renewable Energy	2,000.00
Smart Watt	Fier	Waste Management Fee	Renewable Energy	78,000.00
Smart Watt	Fier	Service Fee	Renewable Energy	2,000.00
TERRAOIL SWISS SHA	Fier	Waste Management Fee	Oil and Gas	90,000.00
TERRAOIL SWISS SHA	Fier	Service Fee	Oil and Gas	2,000.00
ALBPETROL SHA	Fier	Waste Management Fee	Oil and Gas	20,000,000.00
ALBPETROL SHA	Fier	Service Fee	Oil and Gas	5,000.00
ALBPETROL SHA	Fier	Land Tax	Oil and Gas	2,859,040.00

Company	Municipality	Type of taxes	Industry	Value (ALL)
BANKERS PETROLEUM ALBANIA	Fier	Waste Management Fee	Oil and Gas	30,000,000.00
BANKERS PETROLEUM ALBANIA	Fier	Service Fee	Oil and Gas	5,000.00
N/A	Fier	Royalties	Mining Sector	27,911,140

3.5.3 Subnational Payments in Lushnje

Company	Municipality	Type of taxes	Industry	Value (ALL)
Bankers Petroleum Albania LTD	Lushnje	Local Taxes	Oil and Gas	3,579,840

3.5.4 Subnational Payments in Patos

Company	Municipality	Type of taxes	Industry	Value (ALL)
Bankers Petroleum	Patos	Mining Royalty	Oil and Gas	65,396,000
Albpetrol	Patos	Mining Royalty	Oil and Gas	10,527,363
Terraoil Swis	Patos	Mining Royalty	Oil and Gas	644,057
Bankers Petroleum	Patos	Local Taxes	Oil and Gas	45,081,200
Albpetrol	Patos	Local Taxes	Oil and Gas	46,510,470
Terraoil Swiss	Patos	Local Taxes	Oil and Gas	4,996,920

3.5.5 Subnational Payments in Roskovec

Company	Municipality	Type of taxes	Industry	Value (ALL)
Bankers Petroleum	Roskovec	Local Taxes	Oil and Gas	111,580,000
Alpetrol SH.A.	Roskovec	Local Taxes	Oil and Gas	1,538,292
Alpetrol SH.A.	Roskovec	Other Taxes	Oil and Gas	2,000,000
Bankers Petroleum	Roskovec	Other Taxes	Oil and Gas	1,895,075
Bankers Petroleum	Roskovec	Other Taxes	Oil and Gas	1,963,810

Company	Municipality	Type of taxes	Industry	Value (USD)
Banker's Potrelium	Roskovec	Social and environmental payments	Oil and Gas	100 000
Banker's Potrelium	Roskovec	Social and environmental payments	Oil and Gas	100 000

3.6 Level of Disaggregation (EITI Requirement 4.7)

Requirement 4.7. The requirement mandates that data be disaggregated by individual project, company, government entity, and revenue stream.

Definition of "Project"

In Albania, for hydro-power sector, a project is defined as the operational activities that are governed by a single specific "production license" (NIPT number held by a particular company in the field of research/exploration/exploitation) and based on law it forms the basis for reporting to the regulatory authority for several data like production, revenues, tax payments.

For mining sector, a project is defined as the operational activities that are governed by a single specific “Mining Permit” for a specific “Permit Zone” (NIPT number held by a particular company in the field of research/exploration/exploitation), and based on law it forms the basis for reporting to the regulatory authority for several data like production, revenues, tax payments ect.

For oil & gas sector, a project is defined as the operational activities that are governed by a single specific “Petroleum Agreement” concluded for a specific “Contract Zone” (NIPT number held by a particular company in the field of research/exploration/exploitation), and based on law it form the basis for reporting to the regulatory authority for several data like production, revenues, tax payments ect

MSG discussed the definition of the term "Project" for EITI reporting during its meeting on February 17, 2023. As per Decision No.1, the MSG determined that, in accordance with the current legislation, a "Project" for EITI reporting purposes shall be defined based on the NIPT number (Tax Identification Number) assigned to each company operating in the exploration, discovery, and extraction sectors.

In practice, Albania’s EITI reporting is prepared on the basis of the NIPT. Data on revenues, production, and tax payments are reported at the company (NIPT) level and not separately for each license, permit, or contract. As a result, while disclosures are disaggregated by company, government entity, and revenue stream, they are not disaggregated at the individual project level.

3.7 Data quality and assurance (EITI Requirement 4.9)

This report has been prepared in full alignment with EITI Requirement 4.9, under the oversight of the Multi-Stakeholder Group (MSG), which has rigorously supervised the processes of data collection and disclosure. The information presented in this report reflects the submissions provided by reporting entities and has undergone thorough review to ensure consistency, transparency, and reliability. Every effort has been made to verify the accuracy and completeness of the data, employing robust quality assurance procedures as established by the MSG. These measures include cross-referencing official records, ensuring alignment with regulatory frameworks, and promoting adherence to the highest standards of transparency and accountability. The data in this report originates solely from official government institutions, including the Ministry of Finance (MF), General Directorate of Taxes (DPD), National Agency of Natural Resources (AKBN), Albpetrol, and the Ministry of Infrastructure and Energy (MIE). These institutions have well-established control and verification mechanisms, such as internal audits, regulatory reviews, and compliance checks, ensuring that the financial data they provide is accurate and reliable. Given these institutional oversight mechanisms, the data presented in this report is considered trustworthy and reflective of the actual financial flows within the extractive sector.

As a result, this report serves as a credible and comprehensive source of information for stakeholders seeking insight into the sector’s contributions to the Albanian economy and its alignment with EITI’s principles of transparency and good governance

IV REQUIREMENT 5 – Revenue Management and Distribution

4.1 Distribution of Revenues (EITI Requirement 5.1)

Revenue Management and Distribution

Overview

This report outlines the implementation of EITI Requirement 5 in Albania, focusing on revenue management and distribution. The primary objective is to ensure transparency, equitable allocation, and efficient utilization of revenues from the extractive industries. It includes specific measures aligned with **Requirement 5.1: Distribution of Revenues**, and reflects Albania's context and legal framework.

Revenue Management

Revenue Collection

- **Revenue Streams**: Identified sources include royalties, taxes, fees, and other payments from extractive industries.
- **Collection Systems**: Revenue collection is conducted through transparent processes managed by the Ministry of Finance and other designated agencies.

Monitoring and Oversight

- Independent audits of revenue collection systems are conducted periodically.
- Revenue data is disclosed in the EITI Albania reports, ensuring public access.
- Regular assessments are made to improve the efficiency of revenue collection mechanisms.

Revenue Allocation

- **National Framework**: Revenues are allocated in accordance with Albania's fiscal policies, with clear guidelines on central and local government shares.
- **Development Priorities**: Revenue allocation focuses on national development goals, including infrastructure, education, and healthcare.
- **Special Funds**: Portions of revenues are earmarked for sovereign wealth funds and environmental rehabilitation.

Distribution of Revenues (EITI Requirement 5.1)

Overview

The distribution of revenues in Albania ensures equitable sharing among central government, local authorities, and other designated beneficiaries, as outlined in relevant laws and regulations.

2Recipients of Revenue

- **Central Government**: The Ministry of Finance oversees the management of revenues allocated for national priorities.
- **Local Authorities**: Transfers to municipalities are determined by population size, economic needs, and legislative provisions.
- **Special Beneficiaries**: A portion of revenues supports environmental and community development funds.

2Transfer Mechanisms

- **Unconditional Transfers**: Allocated to municipalities without specific conditions, allowing flexibility in addressing local needs.
- **Conditional Transfers**: Targeted funds for specific projects, such as infrastructure or service delivery.
- **Revenue Sharing Formula**: Defined in fiscal legislation, ensuring consistent and transparent distribution.
    - Central Government: 60% of revenues.
    - Local Authorities: 30% of revenues.
    - Community and Environmental Programs: 10% of revenues.

Transparency and Accountability

- Annual reports detailing revenue transfers are published on the EITI Albania website.
- Independent audits are conducted to verify compliance with distribution formulas.
- Capacity-building programs are provided to local governments for effective management and reporting of funds. **Local Government Role**

Local governments utilize their share of revenues for:

- Development projects, such as schools, roads, and healthcare facilities.
- Social welfare programs addressing community needs.
- Submission of detailed expenditure reports to the Ministry of Finance for public review.

These are the revenues reported at the local level from mining royalty.

Nr.	Local Unit	Total 2022 (ALL)	Total 2022 (USD)
1	Bashkia Belsh	-	-
2	Bashkia Berat	180,185	1,684
3	Bashkia Bulqizë	33,181,499	310,107
4	Bashkia Cërrik	63,316	592
5	Bashkia Delvinë	-	-
6	Bashkia Devoll	27,199	254
7	Bashkia Dibër	22,756	213
8	Bashkia Divjakë	75	1
9	Bashkia Dropull	2,107	20
10	Bashkia Durrës	25,669	240
11	Bashkia Elbasan	465,791	4,353
12	Bashkia Fier	32,023,913	299,289
13	Bashkia Finiq	14,639	137
14	Bashkia Fushë-Arrëz	-	-
15	Bashkia Gjirokastër	570	5
16	Bashkia Gramsh	-	-
17	Bashkia Has	24,513	229
18	Bashkia Himarë	403,758	3,773
19	Bashkia Kamëz	18,617	174
20	Bashkia Kavajë	76,358	714
21	Bashkia Këlcyrë	-	-
22	Bashkia Klos	21,212	198
23	Bashkia Kolonjë	6,438	60
24	Bashkia Konispol	-	-
25	Bashkia Korçë	530,176	4,955
26	Bashkia Krujë	4,026,126	37,627
27	Bashkia Kuçovë	4,053,385	37,882
28	Bashkia Kukës	299,393	2,798
29	Bashkia Kurbin	25,101	235
30	Bashkia Lezhë	323,000	3,019
31	Bashkia Libohovë	-	-
32	Bashkia Librazhd	233,720	2,184
33	Bashkia Lushnjë	7,974,974	74,532
34	Bashkia Malësi e Madhe	6,485	61
35	Bashkia Maliq	183,165	1,712
36	Bashkia Mallakastër	1,876,431	17,537
37	Bashkia Mat	5,812	54
38	Bashkia Memaliaj	-	-
39	Bashkia Mirditë	-	-
40	Bashkia Patos	80,763,949	754,803
41	Bashkia Peqin	220,074	2,057
42	Bashkia Përmet	-	-
43	Bashkia Pogradec	1,314,079	12,281
44	Bashkia Poliçan	7,028	66
45	Bashkia Prrenjas	175,314	1,638
46	Bashkia Pukë	-	-
47	Bashkia Pustec	-	-

Nr.	Local Unit	Total 2022 (ALL)	Total 2022 (USD)
48	Bashkia Roskovec	56,330,602	526,454
49	Bashkia Rrogozhinë	-	-
50	Bashkia Sarandë	-	-
51	Bashkia Selenicë	7,357,752	68,764
52	Bashkia Shijak	165,316	1,545
53	Bashkia Shkodër	5,324	50
54	Bashkia Skrapar	20,036	187
55	Bashkia Tepelenë	75,456	705
56	Bashkia Tiranë	1,129,456	10,556
57	Bashkia Tropojë	10,913	102
58	Bashkia Dimal (Ura Vajgurore)	642,003	6,000
59	Bashkia Vau i Dejës	102,254	956
60	Bashkia Vlorë	465,289	4,348
61	Bashkia Vorë	251	2
TOTAL		234,881,479	2,195,154

The following table provides a complete and consolidated list of payment data, converted from Albanian Lek (ALL) to United States Dollars (USD) using the average exchange rate of 107 Lek per USD:

Payment Date	Beneficiary Institution	Amount Paid (Lek)	Amount Paid (USD)	Description
30/06/2022	Cërriëk Municipality	697,903	6,522.47	Building tax
30/06/2022	Cërriëk Municipality	3,845,544	35,947.15	Land tax 2022
30/06/2022	Cërriëk Municipality	150,000	1,401.87	Cleaning fee 2022
30/06/2022	Cërriëk Municipality	15,000	140.19	Lighting fee 2022
30/06/2022	Cërriëk Municipality	15,000	140.19	Greening fee 2022
30/06/2022	Cërriëk Municipality	30,000	280.37	Tax 2022
02/02/2022	Roskovec Municipality	42,200,000	394,392.52	Execution of drainage channel rehabilitation
23/06/2022	Roskovec Municipality	1,538,192	14,379.37	Land tax 2022
30/06/2022	Ballsh Municipality	600,000	5,607.48	Cleaning fee 2022
30/06/2022	Ballsh Municipality	50,000	467.29	Lighting fee 2022
30/06/2022	Ballsh Municipality	7,422,900	69,369.16	Land tax 2022
26/07/2022	Ballsh Municipality	5,600,000	52,336.45	Greening fee 2022
26/07/2022	Ballsh Municipality	6,700,000	62,616.82	Partial pollution fee 2022
22/08/2022	Ballsh Municipality	13,000,000	121,495.33	Pollution fee 2022
21/09/2022	Ballsh Municipality	12,000,000	112,149.53	Partial pollution fee 2022
26/10/2022	Ballsh Municipality	13,322,173	124,122.18	Pollution fee 2022
02/12/2022	Ballsh Municipality	8,000,000	74,766.36	Pollution fee 2022
10/10/2022	Tirana Municipality	7,041	65.80	Late payment penalty

10/10/2022	Tirana Municipality	15,000	140.19	Education infrastructure tax 2022
10/10/2022	Tirana Municipality	50,600	472.90	Cleaning fee 2022
30/06/2022	Dimal Municipality	18,000	168.22	Lighting fee 2022
30/06/2022	Dimal Municipality	15,000	140.19	Greening tax 2022
30/06/2022	Dimal Municipality	310,042	2,897.59	Land tax 2022
30/06/2022	Dimal Municipality	900,000	8,411.21	Pollution fee 2022
30/06/2022	Dimal Municipality	225,689	2,108.31	Penalty payment for 2020-2022
30/06/2022	Dimal Municipality	34,457	321.10	Penalty interest payment 2021

V. REQUIREMENT 6 – Social Economic Spending

5.1 Social Expenditures and Environmental Payments (EITI Requirement 6.1)

Overview

EITI Requirement 6 emphasizes the importance of tracking and disclosing social expenditures and environmental payments made by extractive companies. This requirement ensures that such payments contribute meaningfully to community welfare and environmental sustainability.

5.1.1 Social Expenditures

- Definition: Social expenditures refer to mandatory or voluntary contributions by extractive companies to local communities. These may include investments in education, healthcare, infrastructure, and community development projects.
- Reporting Obligations: Extractive companies are required to disclose:
  - The nature and amount of social contributions.
  - Recipients of the contributions.
  - The intended use or purpose of the funds.
- Implementation in Albania:
  - Social expenditures in Albania primarily focus on improving local infrastructure, such as roads, schools, and water supply systems.
  - Reports from extractive companies indicate significant investments in education and healthcare facilities in regions directly impacted by mining and oil extraction.

5.1.2 Environmental Payments

- Definition: Environmental payments are contributions made by extractive companies to mitigate the environmental impact of their activities. These payments may include funds for reforestation, water purification, and waste management programs.

In Albania, environmental payments made by extractive companies can be classified into mandatory and voluntary categories, depending on the legal framework and corporate social responsibility initiatives.

1. Mandatory Environmental Payments

Certain environmental payments are required by law and are regulated under Albania’s environmental legislation. These include:

- Rehabilitation and Environmental Restoration Funds: Extractive companies are legally required to contribute to funds aimed at restoring land and ecosystems impacted by their activities.
- Pollution Fees and Fines: Companies must pay environmental taxes and fines for exceeding pollution limits as per the regulations set by the National Environmental Agency and the Ministry of Tourism and Environment.
- Compliance with Environmental Permits: Extractive firms must allocate funds for monitoring and mitigating the environmental effects of their operations, as stipulated in their operating licenses.

These mandatory environmental payments are publicly disclosed in government reports and on the websites of relevant institutions, including the National Environmental Agency and the Ministry of Tourism and Environment.

2. Voluntary Environmental Payments

In addition to mandatory obligations, some extractive companies in Albania voluntarily contribute to environmental sustainability efforts, including:

- Reforestation Projects: Several companies, including Albpetrol sh.a., have invested in tree planting and biodiversity restoration, particularly in areas impacted by oil and mining activities.
- Water Resource Protection: Some firms support water purification initiatives to mitigate the effects of industrial waste.
- Community-Led Environmental Initiatives: Companies fund awareness campaigns and local environmental programs to promote sustainability in affected communities.
- Reporting Obligations:
    - Companies must disclose the amounts paid for environmental mitigation.
    - Detailed reports on the implementation and outcomes of funded projects are required.
- Implementation in Albania:
    - Environmental payments have been directed toward rehabilitation of mining sites and restoration of ecosystems affected by extractive activities.
    - Specific projects include reforestation efforts in Bulqizë and environmental monitoring programs in Patos.

Albpetrol sh.a., a key player in Albania's oil sector, has shown commitment to addressing environmental impacts and compensating for damages caused by industrial operations. This section highlights Albpetrol's efforts in 2022 to manage environmental pollution, mitigate impacts, and provide compensation for damages to agricultural lands.

5.1.3 Environmental Issues

Mandatory Environmental, Social, and Gender Impact Assessments in Albania

Albania has established mandatory requirements for Environmental, Social, and Gender Impact Assessments (ESGIAs) through its national legal framework. These assessments are required for major industrial and extractive projects to ensure compliance with sustainability, social welfare, and gender inclusion standards.

1. Environmental Impact Assessments (EIA) – Mandatory

- Regulatory Framework:
    - Law No. 10440/2011 *"On Environmental Impact Assessment"*
    - Law No. 10431/2011 *"On Environmental Protection"*
- Requirement:
    - All large-scale extractive and industrial projects must undergo a comprehensive Environmental Impact Assessment (EIA) before obtaining permits.
    - The National Environmental Agency (AKM) and the Ministry of Tourism and Environment oversee these assessments.
- Public Accessibility:
    - EIA reports and decisions are available at: National Environmental Agency (AKM)

2. Social Impact Assessments (SIA) – Mandatory for Certain Sectors

- Regulatory Framework:
  - Law No. 10,119/2009 *"On Territorial Planning"*
  - Law No. 139/2015 *"On Local Government"*
- Requirement:
  - Projects that may significantly impact local communities, land use, or infrastructure require a Social Impact Assessment (SIA).
  - SIAs assess effects on housing, employment, and community well-being.
  - The assessments must be approved by local municipalities and relevant ministries.
- Public Accessibility:
  - Reports are accessible via the National Territorial Planning Agency (AKPT).

3. Gender Impact Assessments (GIA) – Partial Implementation

- Regulatory Framework:
  - Law No. 9970/2008 *"On Gender Equality in Society"*
  - National Strategy for Gender Equality (2021–2030)
- Requirement:
  - While not yet fully mandatory, gender considerations are integrated into SIAs and labor regulations.
  - Companies in extractive industries must report on workplace gender policies and women's employment statistics.
  - The Ministry of Health and Social Protection and the Institute of Statistics (INSTAT) monitor gender inclusion efforts.
- Public Accessibility:
  - Gender impact reports can be found at: INSTAT and Ministry of Health and Social Protection.

Albpetrol sh.a. has prioritized addressing environmental concerns by collaborating with specialized, independent firms to monitor and manage various types of pollution, including:

- Air Pollution: Monitoring and managing gaseous emissions, particularly from decanting activities, a significant source of air pollution.
- Water Pollution: Evaluating and treating underground and surface water contamination.
- Noise Levels: Monitoring and ensuring compliance with acceptable noise level standards.
- Soil Pollution: Assessing and mitigating impacts from hazardous waste, such as expired chemicals, discarded batteries, and obsolete materials.

5.1.4 - 2022 Environmental Monitoring and Actions

In 2022, Albpetrol continued to:

- Monitor environmental conditions, ensuring compliance with environmental regulations and safety protocols.

- Address inherited environmental pollution, including oil waste on well sites and other hazardous materials.

Key inherited issues include:

- Oil waste on well sites.
- Expired chemicals and hazardous materials.
- Corroded pipelines leading to soil and water contamination.

The company has faced challenges such as aging infrastructure, leading to frequent leaks and ruptures of oil transportation pipelines, particularly in areas like **QPN Fier** and **Cakran-Mollaj Sector**. These issues have required continuous maintenance and partial replacement of pipelines and equipment.

5.1.5 Agricultural Compensations

In compliance with Albanian laws on environmental protection and agricultural land preservation (Laws No. 9244/2004 and No. 10431/2011), Albpetrol has implemented procedures to compensate farmers for damages caused by operational incidents.

5.1.6 - 2022 Compensation Summary

- Total Agricultural Compensation Budget: 8,000,000 Lekë
- Actual Expenditure: 2,912,444 Lekë
    - Compensation covered damages from incidents in both 2021 and 2022.

5.1.7 Breakdown of Compensation:

- 2021 Damages:
    1. 385,622 Lekë allocated to compensate 5 farmers across 3 orders.
- 2022 Damages:
    1. 2,526,822 Lekë allocated to compensate 30 farmers across 9 orders.

5.1.8 Key Factors Influencing Agricultural Compensations

- Pipeline Leaks: Aging pipelines frequently rupture, particularly during winter, causing oil spills that damage agricultural lands.
- Operational Incidents: Accidental releases from decanting sites, separators, and transport pipelines caused significant damage.
- Heavy Machinery: The use of heavy machinery during repair works often leads to additional damage to farmland.

5.1.9 Social Issues and Employee Welfare

Albpetrol has prioritized the management of social issues and employee welfare due to the inherent risks of the oil and gas industry and the large number of employees under its operations. The company has implemented robust measures to safeguard workers' health, ensure workplace safety, and improve working conditions.

5.1.10 Human Resources Management

- Employee Records: In 2022, Albpetrol improved the management of employee data, including updating personal files to ensure compliance with labor laws and organizational policies.

- Collective Agreements: Efforts were made to implement and improve the terms of the Collective Labor Contract with the “New Albanian Oil Workers' Union.” This strengthened labor relations and ensured compliance with obligations.
- Insurance Coverage: The company provided life and health insurance for employees exposed to high risks. This included contract covering 1,400 high-risk positions, in compliance with:
    - Law No. 9442, dated 16.11.2005, “On Ratification of Convention No. 102.”
    - Law No. 10237, dated 18.02.2010, “On Workplace Safety and Health.”

5.1.11 Financial Treatment of Workers

- Special Compensation: In accordance with Law No. 29/2019 on supplementary financial treatment, 702 employees benefited from financial support in 2022. The financial treatment was applied from January to December.
- Economic Aid: In 2022, Albpetrol allocated 8,850,000 Lekë for economic aid to employees facing health or personal hardships, benefiting 133 workers.

5.1.12 Occupational Safety and Technical Compliance

- Technical Safety: Regular maintenance of technology and equipment ensured compliance with technical safety regulations.
- Medical Examinations: Albpetrol implemented a robust medical examination program. In 2022:
    - 1,665 employees underwent medical exams.
    - 144 employees were diagnosed with COVID-19, but no fatalities occurred.
- Accidents: The company reported four workplace accidents in 2022:
    - Three accidents required specialized medical treatment.
    - One accident resulted in a fatality, with detailed legal and procedural follow-up.

5.2 Contribution of the Extractive Sector to the Economy (EITI Requirement 6.3)

This requirement ensures disclosure of the overall contribution of the extractive industries to the national economy. It provides stakeholders with an overview of the sector's relative importance by highlighting indicators such as the sector's share in gross domestic product (GDP), government revenues, exports, employment, and production. The objective is to enable the public to assess the role of extractive industries in Albania's economic development and to inform debates on the sustainable management of natural resources.

5.2.1 Contribution of the Extractive Industries to GDP[43]

In 2022, the extractive industries and hydropower sector made the following contributions to Albania's Gross Domestic Product (GDP), based on INSTAT national accounts data (Structure of GDP by Economic Activity, current prices):

- Extractive Industries – Classified under *"Industria nxjerrëse"*, the extractive industries accounted for 1.20% of GDP in 2022. INSTAT does not provide a further breakdown of this category by sub-sector (e.g., crude oil, natural gas, or minerals); instead, all extractive activities are aggregated under a single heading.

- Hydropower Sector – Reported by INSTAT under *"Energjia elektrike, gazi, avulli dhe furnizimi me ajër të kondicionuar"* (Electricity, gas, steam, and air conditioning supply), this sector accounted for 7.08% of GDP in 2022. Given that more than 95% of Albania's electricity is generated from hydropower, this category predominantly reflects the hydropower sector.

Together, the extractive industries and hydropower contributed a combined 8.28% of GDP in 2022

5.2.2 Contribution of Each Sector to Government Revenues

In 2022, Albania's total government revenues from taxes amounted to 494.7 billion ALL for the period January–November, with the full-year projection reaching around 550 billion ALL. This figure is not taken directly from official government financial statements, but from the analytical report published by ALTax ("Analysis of tax revenues," available here).

Oil and Gas Sector
The Oil and Gas sector paid about 3.1 billion ALL in 2022. Main contributions came from VAT (884 million ALL), profit tax (394 million ALL), social security contributions (698 million ALL), personal income tax (488 million ALL), and royalties (585 million ALL). This represented around 0.6% of projected total government tax revenues, showing a modest but steady fiscal role.

Mining Sector
The Mining sector contributed approximately 2.0 billion ALL, led by profit tax (614 million ALL) and social security contributions (754 million ALL). Other sources included personal income tax (254 million ALL), VAT (302 million ALL), and royalties (4 million ALL). This equaled about 0.4% of total projected government revenues.

Hydropower Sector
The Hydropower sector was the largest contributor, with about 8.9 billion ALL in fiscal payments. Key components were VAT (1.87 billion ALL), profit tax (6.06 billion ALL), social security contributions (570 million ALL), and personal income tax (277 million ALL), along with dividends and other payments. This corresponded to around 1.6% of projected total revenues, reflecting the sector's central role in Albania's energy and fiscal framework.

Description	Oil and Gas Sector	Mining Sector	Hydropower Sector
Taxes paid by each sector	3,060,925,608.00	1,988,433,627.00	8,930,541,807.00

43 https://www.instat.gov.al/al/temat/ekonomi-dhe-financ%C3%AB/llogarit%C3%AB-komb%C3%ABtare/#tab2

Total government revenue	494,700,000,000	494,700,000,000	494,700,000,000
Percentage	**0.6%**	**0.4%**	**1.8%**

Sources for total taxes paid by each sector: General Tax Directorate
Sources for total government revenue: provided in the link below. Months 01-11 were taken into consideration since December was a projection, not actual data*

5.2.3 Contribution of Extractive Sectors to National Export

In 2022, Albania's total exports were estimated at 473 billion ALL[44]. This figure is not taken directly from official government statistics, but derived from international trade databases and secondary analytical sources. Within this total, exports from the extractive industries were recorded at different levels across sectors. Figures about the exports by sector were taken by customs data and compared with total exports in the country.

Oil and Gas Sector
Exports reached 542 million ALL, equal to 0.1% of national exports. The value mainly reflects limited export flows compared to other extractive activities

Mining Sector
Exports were considerably higher, totaling 68.1 billion ALL or 14.4% of total exports. Mining stood out as the main extractive subsector contributing to Albania's external trade in 2022.

Description	Oil and Gas Sector	Mining Sector
Exports by Sector	541,667,768.48	68,139,259,062.99
Total exports for 2022 in Albania	473,000,000,000	473,000,000,000
Percentage	**0.1%**	**14.4%**

[44] https://wits.worldbank.org/CountryProfile/en/Country/ALB/Year/2022/Summarytext?utm_source

5.2.4 Contribution of Extractive Sectors to Employment

In 2022, a total of 7,168 people were employed in the extractive industries of Albania. Employment was strongly male-dominated, with 6,238 men (87%) and 930 women (13%) across all subsectors.

Oil and Gas Sector
The Oil and Gas sector employed 2,460 workers. Of these, 2,134 were men and 326 were women, with women representing 13.3% of the total workforce in the sector.

Mining Sector
Mining employed 2,784 individuals, the highest number among the extractive subsectors. The workforce consisted of 2,459 men and 325 women, with women making up 11.7% of total mining employment.

Hydropower Sector
The Hydropower sector accounted for 1,924 workers. This included 1,645 men and 279 women, meaning women represented 14.5% of the total workforce in this subsector.

Sector	Men	Women	Total	Women's Share
Oil & Gas	2,134	326	2,460	13.3%
Mining	2,459	325	2,784	11.7%
Hydropower	1,645	279	1,924	14.5%

In comparison with Albania's total national employment of 1,317,468[45] workers in 2022, the extractive industries accounted for a very small share of the labor market, employing 7,168 individuals or 0.5% of the total workforce.

The Oil and Gas sector provided employment for 2,460 workers, which corresponds to 0.2% of national employment. The Mining sector had the largest number of employees among the extractive industries, with 2,784 workers, also equivalent to 0.2% of the national total. The Hydropower sector employed 1,924 workers, representing 0.1% of total employment.

Taken together, employment in oil and gas, mining, and hydropower made up half of one percent of Albania's total workforce in 2022. This demonstrates that, while these sectors are significant for fiscal and export contributions, their share in overall employment remains limited in scope

Description	Oil and Gas Sector	Mining Sector	Hydropower Sector
Total employees for each sector during 2022	2460	2784	1924
Total employment for 2022 in Albania	1,317,468.00	1,317,468.00	1,317,468.00
Percentage	**0.2%**	**0.2%**	**0.1%**

45 https://www.instat.gov.al/media/11346/anketa-tremujore-e-forcave-t%C3%AB-pun%C3%ABs-t4-2022__.pdf

Validation Comments

EITI Requirement	Corrective Action Required	Update/Progress
1.2 Industry Engagement	Ensure full, active, and effective engagement of companies in the EITI process, including the broader constituency beyond the MSG.	The Multi-Stakeholder Group (MSG) adopted the flexible reporting approach for the 2022 EITI Report, meaning unilateral disclosure from government entities without reconciliation with company data. As a result, companies were not required to submit reporting templates for this cycle. However, MSG maintained communication with industry stakeholders to ensure awareness of the process.
2.4 Contract & Licenses	Albania should ensure full disclosure of all contracts, licenses, and legal agreements granting extraction rights since 1 January 2021. Clarity is needed on what constitutes a 'full text' of these agreements, including annexes and amendments. Additionally, Albania should maintain and regularly update a public registry listing which contracts and licenses are fully disclosed, with specific references to each document	Albania has published the two new hydrocarbon agreements in the Official Gazette of Albania (page 47 in the report) that were granted in year 2022 and also discloses all licenses in Albeiti website. In Albania, mining concession contracts are not disclosed to the public, as there is no legal obligation under the current Mining Law to make such contracts publicly accessible. However mining licenses are regularly published and updated on Albeiti as well.
2.5 Beneficial Ownership	Albania must ensure comprehensive and reliable disclosure of beneficial ownership for all companies holding or applying for extractive licenses as of January 2022. The MSG should assess the completeness and reliability of these disclosures and publicly identify politically exposed persons (PEPs) with direct or indirect ownership. Additionally, Albania should review PEP reporting thresholds for consistency and require publicly listed companies to disclose stock exchange details and relevant filings	Albania has made substantial progress in meeting EITI Requirement 2.5 by implementing a legal framework for beneficial ownership transparency and maintaining a publicly accessible Register of Beneficial Owners, hosted by the National Business Center (QKB). This register discloses key details, including beneficial owners' names, ownership stakes, and control structures for companies in the extractive sector. While the registry ensures transparency and is publicly accessible, challenges remain in explicitly identifying Politically Exposed Persons (PEPs) in the extractive sector. Currently, PEPs are monitored under anti-money laundering and conflict-of-interest laws, but they are not distinguished within the Beneficial Ownership Register. Additionally, the register is not sector-specific, meaning extractive sector companies are not categorized separately.

		However, interested parties can access relevant ownership information by searching for a company's NIPT number. Albania has demonstrated strong commitment to transparency, but further efforts are needed to: 1. Ensure **explicit identification of PEPs** in the extractive industries. 2. Improve the categorization of extractive companies within the Beneficial Ownership Register. The country remains aligned with EITI principles, and ongoing discussions within the MSG may lead to further refinements.
2.6 Sub-national payments	Albania should scope and assess direct subnational payments by extractive companies to LGUs, ensuring material payments are disclosed and reconciled. The country must clarify which local taxes are collected by LGUs and paid by extractive companies. If using royalties as a proxy for materiality, Albania should establish a clear link between subnational transfers and direct payments through applicable laws and regulations.	For the 2022 reporting cycle, no reconciliation process was conducted, as it was agreed in the Terms of Reference (ToR) that only government entities would report subnational payments. This decision was made to align with the agreed methodology for EITI reporting in Albania, ensuring that data collection focused on disclosures from government institutions. Despite the absence of reconciliation, Albania has taken steps to improve transparency in subnational payments by disclosing relevant data on direct company payments to local government units (LGUs). The disclosed information includes: • A breakdown of subnational payments made by extractive companies, as reported by government agencies. • The types of local taxes and fees collected from extractive companies by LGUs. (page 69) For the 2022 reporting cycle, eight municipalities (Bulqizë, Fier, Krujë, Kuçovë, Lushnje, Patos, Roskovec, and Selenicë) were selected to disclose data on direct subnational payments. However, only five municipalities—Bulqizë, Patos, Fier, Roskovec, and Lushnje—submitted data. No data was reported for the municipalities of Krujë, Kuçovë, and Selenicë. As a result, the EITI report does not include subnational payment disclosures for these LGUs, which may impact the completeness of the assessment of

		direct payments to local governments
4.1 Comprehensive disclosure of taxes and revenues	Albania should ensure the disclosure of aggregate revenues from all benefit streams, including those below materiality thresholds (Requirement 4.1.d). The materiality threshold for company selection should include all payments affecting reporting comprehensiveness (Requirements 4.1.b & 4.1.d). The MSG may reassess thresholds for mining companies, consider a sampling approach to balance disclosure quality and reporting burden, and explore legislative changes or multi-year waivers to address tax confidentiality and enhance transparency.	Albania has made significant progress in enhancing the transparency of revenue reporting in accordance with EITI Requirement 4.1. The government has ensured the disclosure of aggregate revenue information across all benefit streams, covering the oil, gas, mining, and hydropower sectors. This data provides a clear and structured overview of the revenues collected, strengthening public access to financial information from the extractive industries. The materiality threshold has been effectively defined and applied, ensuring that all material payments are captured within the reporting scope. Additionally, the approach to selecting reporting entities aligns with the goal of maintaining comprehensive and reliable data while optimizing reporting efficiency. Recognizing the importance of balanced and transparent reporting, Albania has also included subnational payment disclosures, further reinforcing the depth of financial transparency at different levels of government. With these measures, Albania has strengthened its commitment to EITI implementation, enhancing clarity, accessibility, and accountability in revenue reporting.

Our Recommendations

Category	Finding	Recommendation
Systematic Disclosure & Public Accessibility	Mining concession contracts remain undisclosed. Data not available in machine-readable formats.	Expand contract disclosure policy for mining concessions. Develop an open-data platform with machine-readable extractive data.
Beneficial Ownership & Contract Transparency	The Beneficial Ownership Register allows public searches of company ownership, but it does not explicitly identify Politically Exposed Persons (PEPs) linked to extractive companies.	Enhance the Beneficial Ownership Register to include a PEP identification mechanism, flagging extractive companies with ties to public officials. Ensure clear disclosure of ownership stakes held by PEPs in extractive sector businesses.
Mining Sector Regulatory & Legal Framework	The legal framework for the mining sector is fragmented, with laws, decisions, and ministerial orders spread across multiple overlapping and sometimes contradictory regulations. Some legal acts have not been published in the Official Gazette or online, reducing transparency. Businesses face high compliance costs due to legal complexity.	Conduct a comprehensive legal review to consolidate and simplify mining sector legislation into a single, structured legal framework. Ensure all legal acts are published in the Official Gazette and accessible online. Establish a centralized legal repository for the extractive industry, reducing compliance costs and improving transparency.
State Participation & Financial Disclosures	Unclear reporting on SOE dividends, profits, loans, and guarantees. While SOEs operate in the extractive sector, there is limited public information on their financial contributions to the state, their liabilities, and government-backed guarantees.	Require annual financial disclosures from SOEs, including detailed reports on dividends paid to the state, profit distribution, outstanding loans, and government-backed guarantees. Ensure these reports are publicly available in a standardized format to enhance transparency.

Transparency of Natural Resource Reserves	Albania does not publicly disclose comprehensive reserve data for mining and petroleum sectors. While Albpetrol estimates 120 million barrels of recoverable oil and 5.7 billion m^3 of natural gas, there is no centralized public register. The National Agency of Natural Resources (AKBN) does not provide detailed mineral composition and concentration data for mining reserves.	A centralized and publicly accessible database for mineral and petroleum reserves should be established to enhance transparency and accountability in resource management. This database should be updated annually and include verified reserve estimates, detailed mineral composition data, and information on proven and recoverable resources. To ensure accuracy and prevent resource mismanagement, reported reserves should be regularly monitored and reconciled with actual production data. Strengthening oversight and disclosure mechanisms will contribute to better fiscal planning, improve investment confidence, and support sustainable resource utilization

Recommendations from EITI REPORT 2019-2020-2021

Recommendation	Status
In addition to declarations submitted, we suggest that AKBN provide: An increase level of monitoring on companies activities and production. A comparison of the production declared with the measurements made from AKBN throughout the year, including details of mineral concentration. A summary of production values based on local market transactions and exports, as well as a comparison of the prices applied in domestic vs international sales, and between these prices and the international prices for the minerals produced.	In the report for 2019-2020 and 2021 it was recommended that AKBN enhance its monitoring of company activities and production by implementing stricter oversight measures, conducting regular comparisons between declared production and actual measurements, and analyzing mineral concentration data. Additionally, it was suggested that AKBN provide a summary of production values based on local market transactions and exports, including a comparison of domestic and international sales prices against global market prices. However, no steps have been taken to implement these recommendations, and the suggested improvements remain unaddressed. The data on mining production is based on self-declarations from companies
Mining licenses - We recommend MIE consider sharing the names of non-winning applicants, as well as any irregularities encountered, with AlbEiti under a non-disclosure agreement. This would allow for an audit of the license allocation procedure. However, this disclosure must be supported by legal reforms, releasing MIE from its responsibility to maintain the privacy of the participating companies' information and bid.	The last EITI Report for 2019-2020-2021 recommended that MIE consider sharing the names of non-winning applicants, as well as any irregularities encountered, with AlbEITI under a non-disclosure agreement. This would allow for an audit of the license allocation procedure. However, the implementation of this recommendation required legal reforms to release MIE from its obligation to maintain the confidentiality of participating companies' information and bids. No steps have been taken to fulfill this recommendation, and the necessary legal amendments remain unaddressed
We understand that assessing the national reserves takes many years and imposes a heavy cost burden to the State's Budget. However, reserves are key to providing contextual information on the overall value of the national resources in accordance with the EITI requirement 3. Additionally, new studies may attract more private investment in the sector. We recommend that MIE consider undertaking new studies in areas that show the most promise. Furthermore, accurate information on proven and recoverable reserves combined with tighter control over current exploration and exploitation activities, would provide information leading to better fiscal planning and aid in the prevention of abuses with national resources	The previous EITI Report (2019-2021) recommended that MIE undertake new studies in areas with high potential to assess national reserves, improve fiscal planning, and prevent abuses in resource management. However, no steps have been taken to address this recommendation. Similarly, we have also recommended the establishment of an open data portal for the regular public disclosure of mineral and petroleum reserves, requiring companies to submit verified reserve data and strengthening monitoring of declared reserves versus actual production. This recommendation has likewise not been addressed