Report

Energy Transition in the Renewable Energy Sector in Albania: Integration of Gas, Wind, and Solar into EITI Reporting

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Executive Summary

This study provides a comprehensive assessment of the current landscape of Albania's renewable energy sector—specifically focusing on wind**,** and solar energy—in the context of the country's broader energy transition agenda and on natural gas as a transitional resource. The analysis is conducted through the lens of the 2023 EITI Standard, emphasizing the importance of transparency, accountability, and sustainable governance in energy sector development. As Albania advances toward decarbonisation, diversification of energy sources, and regional energy integration, the inclusion of renewable and gas sectors (an energy transitional source) into EITI reporting emerges as both a strategic necessity and a governance opportunity.

The study identifies and critically examines the legal, institutional, and operational frameworks regulating the renewable and gas sub-sectors, highlighting a series of important developments. Albania has made notable progress in liberalizing its energy markets and establishing enabling conditions for private sector participation, particularly in solar and wind.

In particular, the renewable energy licensing and auction processes, though improved in recent years, must put continuously mandatory publicly accessible and disaggregated data that would enable effective oversight by civil society and the community. In the gas sector, Albania's emerging role as a transit and consumer country—especially in the context of the Trans Adriatic Pipeline (TAP) and its future interconnections—underscores the need for, infrastructure development, and contract terms.

Furthermore, the growing role of private sector investment, especially through foreign direct investment (FDI), public-private partnerships (PPPs), and green energy auctions, introduces additional complexity in ensuring that transparency and accountability principles are upheld across all projects.

To address these issues, the study puts forward a set of concrete recommendations, including:

- Expanding the scope of EITI reporting in Albania to cover solar, wind, and gas infrastructure projects**,** including licensing, revenues, and contract terms;
- Strengthening inter-institutional coordination and standardizing data collection and publication across key energy agencies;
- Revising or updating the legal and regulatory framework to mandate transparency provisions for all energy projects, including in the renewable and gas sectors;
- Integrating project-level disclosures and beneficial ownership data for all licensed operators in renewables and gas into EITI reports;
- Enhancing the capacity of the EITI Multi-Stakeholder Group (MSG) to oversee non-extractive energy sectors and ensure alignment with the 2023 EITI Standard's expectations on energy transition reporting.

The 2025 Energy Transition Index (ETI) report published by the World Economic Forum ranked Albania first in the world in terms of energy sustainability, surpassing countries with advanced infrastructure such as Sweden, Switzerland, and France. This ranking is based on the ETI's three main pillars: energy security, equity, and environmental sustainability. In the sustainability dimension, Albania leads globally due to its reliance on renewable resources with minimal environmental impact.

Renewable sources account for over 97% of Albania's total electricity generation, with one of the highest shares of hydropower per capita in the Western Balkans. Recent investments in solar and wind energy have further strengthened this position, while interest in battery storage systems and gas infrastructure interconnection is increasing, aiming at broader diversification.

Additionally, Albania has implemented effective support policies for vulnerable social groups, offering direct subsidies to low-income households and mitigating the impact of global energy price increases. These efforts have significantly improved the country's equity score, with OECD recognizing Albania as the regional leader in energy support for disadvantaged groups.

However, the energy security dimension remains the most fragile. Albania's heavy dependence on hydropower exposes the energy system to seasonal variability, including droughts and climatic shocks. The WEF report notes that, globally, energy security improvements have been minimal (+0.4%), and Albania reflects this trend due to its limited diversification, lack of strategic reserves, and technological inflexibility.

Albania lacks advanced energy storage infrastructure, LNG terminals, or functional alternative sources like gas-fired power plants, and its electric grid has limitations in handling consumption peaks. Consequently, investments are needed in solar and wind capacities, battery storage, regional grid interconnection, and participation in joint energy security mechanisms with neighbouring and EU countries.

According to WEF, Albania has achieved the fastest annual improvement in the sustainability pillar (+1.2% per year) over the last decade, alongside substantial equity progress through targeted subsidies (+2.2%). However, maintaining this top position requires a more assertive strategy in reinforcing energy security and institutional readiness to face energy crises.

OECD recognizes Albania as a regional benchmark in sustainability, but notes that convergence with EU energy standards requires deeper reforms in regulation, market liberalization, and strategic investment planning. Outstanding performance in one dimension is commendable, yet a successful and resilient energy transition must balance all three: security, equity, and sustainability.

In conclusion, Albania holds a globally unique position with a nearly fully renewable, clean, and socially inclusive energy system. Nevertheless, without strengthening technical security, building energy reserves, and achieving deeper integration with regional and European energy networks, the system remains exposed. A successful energy transition demands not only clean resources, but also a robust, protected, and interconnected system.

The energy transition represents a turning point for Albania, requiring robust transparency safeguards to ensure that investments are sustainable, fair, and aligned with national development goals. By integrating the renewable and gas sectors into its EITI implementation, Albania can position itself as a regional leader in transparent energy governance and reinforce public trust in its transition toward a cleaner and more resilient energy future.

1. Introduction

1.1 Purpose

The purpose of this study is to conduct an in-depth assessment of Albania's renewable energy sector, with particular attention to wind, and solar energy, and gas (*as a transitional energy source*), through the lens of transparency, accountability, and good governance. The study aims to explore the opportunities and challenges associated with the integration of these energy sub-sectors into the Extractive Industries Transparency Initiative (EITI) reporting framework. This endeavour is motivated by Albania's commitment to aligning with international standards, advancing its energy transition goals, and reinforcing public trust in energy sector governance.

As Albania moves toward a low-carbon future, the expansion of renewable energy sources and the modernization of its gas infrastructure are key priorities in national energy strategies, including the National Energy and Climate Plan (NECP), the National Renewable Energy Action Plan (NREAP), and the Energy Strategy 2023–2030. These plans underline the government's ambition to reduce dependence on hydropower, enhance energy security, attract private investment, and meet climate change targets. However, the rapid transformation of the energy landscape also raises governance questions—particularly regarding how transparency, equity, and sustainability are embedded in sectoral development.

This study therefore serves a dual purpose. First, it maps the institutional, legal, and regulatory environment governing renewable and gas energy development in Albania, identifying key actors, instruments, and procedures involved in project licensing, implementation, and oversight. Second, it evaluates the transparency and reporting challenges associated with these sectors, proposing realistic and actionable pathways for their inclusion in Albania's EITI process. In this regard, the study offers policy recommendations aimed at strengthening the role of the EITI in promoting transparency not only in extractive industries (as traditionally understood), but also in sectors critical to Albania's future energy mix.

Albania stands out as the only EITI member country that has consistently included hydropower in its reporting framework. Since 2015, it has gone beyond the basics—sharing not just revenue figures, but also clear information on hydropower contracts, concession terms, and how water resources are being used. This proactive approach has earned recognition from the EITI Board, particularly in Decision 2022-15. However, reporting on other forms of renewable energy such as solar, wind, and gas is still at an early stage for all EITI member countries, as the 2023 EITI Standard introduced this requirement for the first time. These sectors are currently under exploration and have been integrated into Albania's official EITI report for the year 2022[1]. Albania's strong performance in this area serves as a compelling example of how energy transition topics can be practically and country-led integrated into the EITI framework.

Integrating renewable energy and gas infrastructure projects into EITI reporting reflects the evolving nature of the EITI Standard, particularly the 2023 edition, which explicitly encourages countries to broaden their scope of disclosure in line with national energy transitions[2].

By doing so, EITI implementing countries like Albania are expected to provide **a** comprehensive overview of the revenues, licenses, contracts, and impacts associated with all

[1] https://www.albeiti.org/site/wp-content/uploads/2025/07/report-final-eiti-albania-2022-english.pdf

[2] https://www.albeiti.org/site/wp-content/uploads/2025/07/report-final-eiti-albania-2022-english.pdf

significant energy activities—including those in wind, solar, and gas—thus contributing to better informed public debate and oversight.

This study also responds to Albania's broader governance agenda, including its aspirations for European Union integration, where transparency in public resource management, energy market liberalization, and climate action are central requirements. It supports Albania's commitments under the Green Agenda for the Western Balkans, the Energy Community Treaty, and various bilateral cooperation programs aimed at decarbonisation and regional energy connectivity. Furthermore, it contributes to the operationalization of the Open Government Partnership (OGP) and United Nations Sustainable Development Goals (SDGs)—particularly Goal 7 (Affordable and Clean Energy), Goal 13 (Climate Action), and Goal 16 (Peace, Justice, and Strong Institutions).

By placing transparency and accountability at the centre of its energy transition, Albania can ensure that the shift to gas, wind, and solar not only meets technical and financial benchmarks but also benefits communities, preserves public trust, and minimizes social and environmental risks. The study thus provides a strategic framework to support the EITI Albania Secretariat, the Multi-Stakeholder Group (MSG), and relevant public institutions in expanding the country's EITI scope in a way that reflects both domestic policy priorities and global transparency trends.

In short, the purpose of this study is not only to evaluate the status quo, but also to provide a roadmap for integration, aiming to align Albania's renewable energy development with EITI's evolving standards, ensure institutional coherence, and promote publicly accessible, reliable, and timely data in support of a more transparent, inclusive, and accountable energy transition.

1.2 Methodology

The methodology applied in this study is designed to ensure a **comprehensive, evidence-based, and context-sensitive** analysis of Albania's renewable energy and gas sectors, particularly in relation to transparency, governance, and their potential integration into EITI reporting. To this end, the study employs a **multi-method approach**, combining legal and institutional review, quantitative data analysis, and qualitative stakeholder engagement.

At the core of the research is an in-depth **review of the Albanian legal and regulatory framework** governing energy development, including laws, bylaws, ministerial decisions, and regulatory guidelines related to renewable energy, gas infrastructure, market liberalization, public procurement, and environmental and social safeguards. This includes a systematic examination of key legal instruments such as:

- Law No. 7/2017 "On the Promotion of the Use of Energy from Renewable Sources"
- Law No. 102/2015 "On the Natural Gas Sector"
- Law No. 43/2015 "On the Power Sector"
- Council of Ministers Decisions and instructions issued by the Ministry of Infrastructure and Energy (MIE)
- Regulatory acts by the Energy Regulatory Entity (ERE) and the National Agency of Natural Resources (AKBN)

The legal analysis was complemented by a structured **desk review of secondary sources**, drawing on official publications, datasets, and reports from national institutions. Key sources of data and institutional documentation include:

- The **Energy Regulatory Entity (ERE):** licensing data, tariff methodologies, and regulatory reports;
- The **National Agency of Natural Resources (AKBN)**: information on resource mapping, technical studies, and monitoring of renewable and gas activities;
- The **Ministry of Infrastructure and Energy (MIE):** policy strategies, legal reforms, and strategic investment frameworks;
- The **Agency for Energy Efficiency (AEE):** data related to energy efficiency projects and links to renewable initiatives;
- Public procurement platforms and investor-facing portals providing project-level and contract information.

The study also integrated insights and best practices from **international institutions and knowledge platforms**, notably:

- The **International Renewable Energy Agency (IRENA)** for comparative insights on policy design and regional trends in renewable integration;
- **Energypedia**, as a platform for practical knowledge exchange on renewable energy governance;
- The **World Bank,** especially through its reports on energy transition, transparency in infrastructure investment, and regulatory reform in Southeast Europe;
- Documentation and tools from the **EITI International Secretariat**, particularly the 2023 EITI Standard and relevant guidance notes on energy transition and contract transparency.

The findings of the study were triangulated across different data sources to ensure validity and accuracy. The research methodology also followed **a gender-sensitive and socially inclusive lens,** particularly in relation to project-level impacts, revenue distribution, and community engagement—areas which are increasingly relevant under the broader mandate of the EITI.

The final analysis synthesizes this diverse set of information into a structured assessment, identifying critical **gaps, opportunities, and recommendations**. It aims to be a practical tool for policymakers, energy sector actors, civil society representatives, and EITI stakeholders seeking to understand and improve transparency and accountability in Albania's evolving energy sector.

1.3 Scope

This report is structured to provide a comprehensive, multi-dimensional analysis of Albania's renewable energy sector—particularly gas, wind, and solar—within the framework of the Extractive Industries Transparency Initiative (EITI) 2023 Standard. Recognizing the country's growing energy diversification and its strategic shift toward low-carbon energy sources, the report examines how transparency and good governance can be systematically applied across this evolving landscape. The structure of the report is organized around four main pillars:

• Legal and Institutional Frameworks

The first section of the report explores the legal and institutional architecture that governs the development, regulation, and oversight of renewable and gas energy in Albania. It provides a detailed review of primary legislation, including laws on renewable energy, natural gas, the power sector, concessions, public procurement, and environmental impact. The section further examines the mandates and functions of core institutions such as the Ministry of Infrastructure and Energy (MIE), the Energy Regulatory Entity (ERE), the National Agency of Natural Resources (AKBN), and the Agency for Energy Efficiency (AEE).

• Sector Data and Governance Practices

This section focuses on the availability, accessibility, and quality of sector data, especially regarding licensing, tariffs, power purchase agreements, infrastructure development, and private sector participation. It examines the existing mechanisms for data collection and disclosure across different government bodies and evaluates how these practices align—or fail to align—with EITI principles. Governance practices are assessed in terms of procedural transparency, institutional accountability, contract disclosure, and the publication of project-level information. The section also highlights examples of good practice and innovative initiatives, while identifying institutional bottlenecks and information asymmetries that may undermine sectoral oversight.

• Recommendations Aligned with the EITI 2023 Standard

The final section of the report puts forward a set of targeted, actionable recommendations to enhance transparency and accountability in Albania's renewable and gas sectors. These are fully aligned with the latest expectations under the EITI 2023 Standard, particularly regarding energy transition reporting, contract transparency, and revenue disclosure.

Recommendations include expanding the EITI reporting scope to cover all significant solar, wind, and gas projects; mandating the disclosure of all relevant fiscal and legal terms; establishing a centralized digital platform for real-time project and revenue data; and reinforcing the role of the Multi-Stakeholder Group (MSG) in overseeing the integration of these sectors. The section also offers guidance on legal amendments, institutional reforms, and capacity-building needs to support implementation.

Through this structured approach, the report seeks to support Albania's energy transition by mainstreaming transparency across all energy sources, strengthening public oversight, and promoting policy coherence in alignment with national goals and international obligations.

2. Context: Albania's Energy Transition

2.1 National Energy Strategy

Albania's National Energy Strategy—covering the horizon up to 2030—seeks to achieve three interconnected goals: diversify the energy mix, reinforce energy security, and decarbonize the power sector. With hydropower contributing approximately 95–98% of total electricity generation, the country is notably vulnerable to seasonal fluctuations and climate-change-related droughts. The Strategy, coordinated by the Ministry of Infrastructure and Energy (MIE)

and officially outlined in strategic documents, aims to address these challenges through a comprehensive modernization agenda[3].

2.1.1 Strategic Objectives

A. Diversification of Energy Mix

The 2024 NECP, published by the MIE, targets a rise in renewable energy—including solar, wind, small hydro, and biomass—to 54–59 % of gross final energy consumption by 2030[4]. Key legal and regulatory measures include:

- Implementation of Law No. 7/2017, which promotes renewable energy, amended to align with EU Directive 2018/2001[5]
- Launch of competitive mechanisms: the first wind auction (~222 MW awarded in 2023) and commissioning of the 140 MW Karavasta solar park in December 2023.

B. Enhancing Energy Security

Given Albanian hydro-generation is highly seasonal, increased reliance on solar, wind, and gas-fired plants aims to improve grid stability and reduce import dependency. The NECP emphasizes infrastructural measures such as the 400 kV interconnector to North Macedonia and a planned undersea cable to Italy—backed under a trilateral €1 billion deal with UAE and Italy[6].

C. Decarbonisation and EU Alignment

Aligned with the European Green Deal, Albania's Strategy involves:

- Achieving the 54–59 % renewables target by 2030.
- Reducing greenhouse-gas emissions by ~19% relative to baseline projections.
- Adopting EU-aligned measures on energy performance in buildings, domestic audits, and energy efficiency standards.

2.1.2 Implementation Tools and Regulatory Framework

Legislative & Regulatory Instruments

[3] https://www.ebrd.com/home/what-we-do/where-we-invest/albania.html#
[4] https://www.infrastruktura.gov.al/wp-content/uploads/2024/12/The-National-Energy-and-Climate-Plan-NECP.pdf.pdf?
[5] Albania_National Action Plan For REnewable Energy.pdf (esmap.org)
[6] https://www.infrastruktura.gov.al/wp-content/uploads/2024/12/The-National-Energy-and-Climate-Plan-NECP.pdf.pdf?

- Law No. 7/2017 (updated 2023) grants network access, mandates guarantees of origin, and establishes auction frameworks[7].
- NECP deployment is coordinated with the Energy Efficiency Agency, responsible for energy audits and certifications in line with EU Directives.

Auctions and Incentives

- In 2023, Albania held its first wind tender (~222 MW) and began awarding premium tariffs under medium-term solar and wind auction schemes.

Infrastructure Modernization

- Albania operates the Trans Adriatic Pipeline (TAP) since 2020, enabling regional gas integration[8].
- Major grid investments include:
    - 400 kV North Macedonia interconnector, operational since late 2023.
    - Planned subsea transmission line to Italy via a trilateral Greece–UAE deal[9].

Climate Risk and Resilience Measures

- NECP's assessment anticipates 15–20% drops in hydropower by 2050 under climate-intensified droughts, underscoring the need for diversification.

2.1.3 Current Status & Future Pipeline

Current Status & Future Pipeline of Albania's Energy Sector

Energy Source	Installed Capacity / Status (2025)	Under Construction / Pipeline
Hydropower	~2,000 MW total – Includes Drin Cascade, Devoll (Moglicë, Banjë), and small HPPs. Ongoing upgrades and maintenance.	No major new large-scale hydropower plants; continued rehabilitation and modernization.
Solar PV	Karavasta PV Park – 140 MW (operational since Dec 2023).	Spitalla PV Park – 100 MW in progress; Belsh 50 MW Solar PV Park, additional mid-size projects under review (e.g., Blue 2 – 57.6 MW).

[7] https://www.unescap.org/sites/default/d8files/2024-12/Energy%20efficiency%20and%20Renewable%20energy%2C%20Albania%20by%20Artan%20Leskoviku.pdf?
[8] NECP report - Western Balkans (caneurope.org)
[9] https://unfccc.int/files/meetings/seminar/application/pdf/sem_albania_sup1.pdf?utm_source

Wind	No operational utility-scale wind farms yet. 222 MW allocated via 2023 auction.	222 MW under licensing and pre-construction; further auctions planned.
Gas Infrastructure	Trans Adriatic Pipeline (TAP) operational since 2020. No domestic gas-fired plants yet.	Feasibility studies and development plans for gas-fired capacity and LNG terminal underway.
Other Renewables	Small projects: Erseka Solar Park (40 MW), Guri i Bardhë HPPs (~9 MW), micro-PVs (~2 MW).	Additional small PV and hydro licenses in process (10–50 MW range). Mid-sized projects advancing.

2.1.4 Main Constraints and Strategic Risks

- Grid Constraints: Significant upgrades required to integrate intermittent solar and wind generation at scale.
- Investment Mobilization: Securing capital requires transparent, bankable auction systems (*The current models implemented by the MIE are highly transparent and competitive*) and investor protections[10].
- Institutional Coordination: MIE, ERE, AKBN, AEE, and OSHEE must synchronize efforts to ensure coherent implementation.
- Capacity Building: Technical expertise and workforce must be developed to support modern energy systems.
- Regulatory Harmonization: Licensing, public procurement, and monitoring systems across sectors must procced with process of the alignment with EU frameworks.

2.1.5 Strategic Outlook to 2030

By 2030, Albania aims to:

- Achieve 54–59% renewables in gross final consumption.
- Add ~740 MW of solar and wind capacity (NECP target).
- Strengthen regional interconnections to support export and energy trade.
- Commission initial domestic gas-fired power assets for network stability.
- Explore green hydrogen and advanced energy technologies as long-term priorities.

2.2 International Commitments

Albania's engagement in the global and regional energy transition is underpinned by a series of binding and strategic international commitments that shape its national energy policy, legal reforms, and transparency agenda. These commitments reflect the country's alignment with global climate objectives, its aspiration for European Union (EU) membership, and its integration into regional energy frameworks. As such, Albania's energy governance is

[10] https://caneurope.org/content/uploads/2022/11/NECP-report-Western-Balkans-3.pdf?utm_source

increasingly influenced by multilateral treaties, regional regulatory platforms, and international reporting obligations that aim to promote decarbonisation, liberalized markets, and sustainable development.

2.2.1 Paris Agreement & UNFCCC Commitments

Albania ratified the Paris Agreement in 2016 and submitted its updated Nationally Determined Contribution (NDC) in October 2021, committing to a 20.9% GHG reduction by 2030 versus a business-as-usual scenario[11]. The mission to decarbonize and enhance resilience through solar, wind, and gas aligns with the Strategic priorities of the 2024 National Energy and Climate Plan (NECP), co-issued by the Ministry of Infrastructure and Energy [12].

2.2.2 EU Green Deal & Western Balkans Green Agenda

As a candidate for EU accession, Albania has committed to the EU Green Deal's ambition—climate neutrality by 2050—through its adherence to the Green Agenda for the Western Balkans (2020). Albania aims to:

- Substantially increase renewable deployment and energy efficiency;
- Phase out fossil-fuel subsidies;
- Enhance environmental transparency and public participation;
- Implement carbon-pricing and pollution controls in line with EU models.

This alignment ensures consistency with EU climate frameworks and supports EU accession negotiation chapters on climate and energy [13].

2.2.3 Energy Community Treaty Commitments

Since signing in May 2006, Albania has been bound by the Energy Community Treaty, obligating harmonization with EU internal market standards in electricity & gas [14]. Albania is required to:

- Unbundle energy markets;
- Guarantee independent regulation;
- Provide third-party network access;
- Implement renewables and efficiency directives;
- Publish license/contracts and national subsidies transparently.

The Energy Community Secretariat monitors Albania's compliance and progress, noting both achievements and gaps[15].

[11] https://thedocs.worldbank.org/en/doc/5ccc176a59685982d1915978fb121551-0080012024/original/InfraGov-PPT-Albania-June-2024.pdf?utm_source

[12] https://www.infrastruktura.gov.al/wp-content/uploads/2024/12/The-National-Energy-and-Climate-Plan-NECP.pdf.pdf?utm_source

[13] https://enlargement.ec.europa.eu/document/download/449c96a0-bac2-4c48-968b-9c67244e3b49_en?filename=C_2022_9163_F1_ANNEX_EN_V3_P1_2394930.PDF&utm_source

[14] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum%3Al27074&utm_source

[15] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum%3Al27074&utm_source

2.2.4 Transparency & Governance Initiatives

In line with its international agenda, Albania has pursued transparency through:

- EITI implementation since 2013, with expansion into energy transition reporting.
- Open Government Partnership (OGP) commitments, including energy data disclosure and license transparency.
- Collaboration with MDBs (World Bank, EBRD, KFV, AFD), requiring transparent procurement and public stakeholder consultations in energy projects.

These initiatives complement EU/Energy Community obligations and support Albania's path towards public trust, investor confidence, and institutional accountability.

Albania's Binding International Frameworks

Framework / Agreement	Year	Key Commitments
Paris Agreement / UNFCCC	2016	20.9% GHG reduction by 2030 under NDC
EU Green Deal / Green Agenda	2020+	Clean energy transition, climate neutrality ambition, public data transparency
Energy Community Treaty	2006	Market liberalization, regulatory reform, transparency in energy projects
EITI & OGP	Post 2013	Energy sector openness, licensing and contracting data disclosures

By fulfilling these commitments, Albania strengthens the legitimacy and transparency of its energy strategy. Each framework reinforces institutional coordination, data dissemination requirements, and public participation—elements crucial for integrating gas, wind, and solar energy into a broader governance and EITI-aligned structure.

2.3 Current Trends

Recent years have marked a decisive shift in Albania's energy landscape, characterized by three main developments: the surge in private sector investment in solar projects, the emergence of utility-scale wind farms, and the strategic role of the Trans Adriatic Pipeline (TAP) in regional gas supply and diversification.

2.3.1 Rise of Private Investment in Solar Power

The commissioning of the Karavasta Solar Park in December 2023 marked a watershed moment for Albania's renewables sector. This 140 MW photovoltaic (PV) project—winning a competitive international tender and implemented by a special-purpose vehicle fully owned by Voltalia SA—was co-financed by the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC). The EBRD provided a senior loan of EUR 33 million toward a total project cost of EUR 136 million[16].

Karavasta is now not only Albania's largest solar installation but also the largest in the Western Balkans. In 2024 alone, it produced approximately 258 GWh of electricity, with half supplied to OSHEE under a 15-year power-purchase agreement and the remainder sold on the open market[17]. Notably, the competitive tender structure requires over 50% of its output to be market-exposed, which advances Albania's transition toward a more liberalized power market.

Buoyed by Karavasta's success, Voltalia has initiated construction on the Spitalla Solar Park, a 100 MW utility-scale facility expected to commence operations by 2027[18]. Other mid-scale projects are progressing through the Energy Regulatory Entity (ERE) licensing process, signaling a robust pipeline of private investment in solar infrastructure.

This rapid rise of private capital in solar energization marks a clear departure from state-dominated hydropower and illustrates a maturing appetite for competitive, market-integrated renewable projects in Albania.

2.3.2 Emergence of Utility-Scale Wind Energy

Albania held its first wind energy auction in 2023, resulting in the awarding of approximately 222 MW of capacity via competitive bids. Though these projects have not yet entered construction, they represent Albania's initial steps toward industrial-scale wind energy deployment, signifying a strategic pivot in generation mix and an expansion of investor interest in wind technologies.

The rights awarded in this auction are currently undergoing licensing and permitting processes, with construction expected to follow in the near term. Future auctions are planned under the updated NECP framework, providing continuity and structure to the pursuit of wind energy capacity.

While concrete utility-scale wind infrastructure is still underway, these developments underscore a growing trend: Albania's renewable portfolio is diversifying beyond solar, and private entities are positioned to take principal roles in wind energy deployment.

2.3.3 TAP's Role in Regional Gas Supply and System Resilience

[16] https://www.tap-ag.com/news/news-stories/tap-and-the-ministry-of-economy-trade-and-energy-of-albania-launch-host-government-agreement-negotiations?utm_source

[17] https://serbia-energy.eu/albania-karavasta-solar-power-plant-powers-renewable-future/?utm_source

[18] https://voltalia.gcs-web.com/news-releases/news-release-details/construction-100-megawatt-solar-power-plant-albania?utm_source

Operational since late 2020, the Trans Adriatic Pipeline (TAP) is a milestone in South-eastern Europe's energy architecture. Stretching ~878 km—including ~215 km through Albania—it connects the Caspian Shah Deniz II field to Europe, with an annual capacity of 10 billion cubic meters (bcm), expandable to 20 bcm[19].

TAP is strategically recognized by the EU as essential for enhancing regional energy security and diversification, with official designations as a Project of Common Interest (PCI) and Project of Energy Community Interest (PECI)[20]. The pipeline traverses Albania from northeast (Bilisht) to Fier, intersects with domestic infrastructure, and enters the Adriatic Sea in route to Italy.

A key strategic benefit of TAP lies in its reverse-flow capability, which allows for gas deliveries from Italy back into Albania and the broader Balkans if required[21]. Ongoing public consultations, such as the TAP Network Code updates, underscore its role in regional system integration[22].

In Albania, TAP offers a stable and diversified alternative to hydro-dependent power, providing dispatch-able fuel for gas-fired plants—a necessity for balancing the grid amid intermittent renewables. Further integration is being pursued via projects like the Kosovo–Albania Gas Interconnection (ALKOGAP) and the Ionian-Adriatic Pipeline (IAP), which aim to expand TAP's reach beyond its corridor.

Looking forward, TAP is exploring hydrogen repurposing, commissioning consultancy Penspen to evaluate pipeline suitability for future hydrogen transport[23], and reflecting forward-looking European energy integration goals.

2.3.4 Strategic Implications

These three converging trends underscore a broader transformation in Albania's energy sector:

- Market Liberalization: Competitive tenders for renewables and TAP's commercial operations reflect a shift from state monopolies to open, market-driven energy systems.
- Private Sector Leadership: International investors and financial institutions are now key players, notably in solar and soon wind markets.
- Energy Security & Flexibility: TAP provides a critical buffer against hydropower fluctuations and toggles toward gas-fired generation and renewables.
- Decarbonisation Pathways: The mix of solar, wind, and gas enhances Albania's climate resilience and alignment with its NECP and EU commitments.

[19] https://renewablesnow.com/news/albania-awards-construction-permits-to-108-mw-of-solar-projects-873310/?utm_source

[20] https://www.tap-ag.com/about-tap?utm_source

[21] https://www.ebrd.com/home/work-with-us/projects/psd/45690.html?utm_source

[22] https://www.tap-ag.com/news/news-stories/tap-and-the-ministry-of-economy-trade-and-energy-of-albania-launch-host-government-agreement-negotiations?utm_source

[23] https://hydrogen-central.com/trans-adriatic-pipeline-selects-penspen-for-hydrogen-repurposing-assessment/?utm_source

3. Legal and Institutional Framework

3.1 Key Laws

Albania's energy sector is governed by a series of critical laws that establish the regulatory framework for renewables, energy efficiency, power generation, and public-private contracts. These laws underpin the transparency, governance, and investment processes that shape the sector.

Law No. 138/2013 – On Renewable Energy Sources

Originally adopted in 2013, this law introduced a legal framework to promote renewable energy through incentives, technological advancement, and market mechanisms. It aimed to transpose the EU's Renewable Energy Directive 2009/28/EC and foster investment in solar thermal, photovoltaic (PV), biomass, and small hydropower projects. The law mandated feed-in tariffs, customs duty waivers, and VAT exemptions on renewable energy equipment to stimulate deployment[24].

While Law 138/2013 laid the groundwork, it was eventually replaced by Law No. 7/2017, which updated tariff systems, competitive auction procedures, and guarantees of origin. Nevertheless, the 2013 statute remains a cornerstone of Albania's renewable energy policy evolution.

Law No. 124/2015 – On Energy Efficiency

Enacted in November 2015, this law transposes the EU Energy Efficiency Directive 2012/27/EU into national law. Key provisions include:

- Mandatory energy performance targets for public and large private buildings;
- The establishment of the Energy Efficiency Agency (AEE**)** to oversee audits, certifications, and strategic energy management;
- The creation of mid- and long-term National Energy Efficiency Action Plans (NEEAPs);
- Obligations for large energy consumers and local governments to adopt energy-saving measures and publish action plans[25].

The 2021 amendments strengthened these mandates, requiring local administrations and major energy consumers to realize at least 4–8% energy savings and set up investment frameworks for efficiency measures.

Law No. 43/2015 – On the Electricity Sector

This law creates the central legal framework for Albania's electricity industry, incorporating market liberalization measures aligned with EU Directive 2009/72/EC[26]. Notable provisions include:

[24] https://unfccc.int/sites/default/files/2022-08/Albania%20Revised%20NDC.pdf?utm_source

[25] https://eficenca.gov.al/wp-content/uploads/2022/09/Ligj-nr.-1242015-per-eficencen-e-energjise.pdf

[26] https://infrastruktura.gov.al/wp-content/uploads/2017/10/ligj_nr_43_dt_30_4_2015_22652_1.pdf

- Full unbundling of generation, transmission, distribution, and supply;
- Introduction of license requirements for all electricity market participants;
- Establishment of the Energy Regulatory Entity (ERE) as an independent regulator;
- Guarantee of universal service obligations and protections for vulnerable consumers;
- Mandatory disclosure by suppliers concerning carbon emissions and sources of electricity supplied.

Additionally, Law 7/2018 amended this statute to create an independent market operator and define competitive procurement frameworks for renewables [27].

Law No. 125/2013 – On Concessions and Public–Private Partnerships

This law stipulates the legal framework for public-private infrastructure projects, including energy investments such as power plants, networks, and renewable projects[28]. Key features include:

- Definition of Concessions and PPP agreements with the state;
- Procedures for tendering, contract award, revocation, and dispute resolution;
- Requirement for concession contracts to be submitted to the Ministry of Finance for evaluation;
- Fiscal provisions defining state support, guarantees, and risk-sharing mechanisms;
- 2020 amendments (Council of Ministers Decision No. 420/2020) introduced clarity on unsolicited proposals and strategic project identification in sectors like energy and transport [29].

These provisions are foundational for licensing independent power producers and structuring green-energy IPPs under transparent, standardized rules.

Key Laws in Albania's Energy Framework

Law No. / Year	Title	Scope & Relevance
138/2013	Renewable Energy Sources (repealed)	Laid the groundwork for incentives, transposed RED, introduced feed-in tariffs.
124/2015	Energy Efficiency	Transposed EED, mandated audits, action plans, consumer obligations.

[27] https://infrastruktura.gov.al/wp-content/uploads/2019/01/Ligj-nr.-7-2018-dat-15.2.2018.pdf

[28] http://atrako.gov.al/transparenca/kuadri_ligjor_rregullator/Law_no_125_2013_On_concessions_and_public_private_partnership_English.pdf

[29] https://seelegal.org/news/albanian-government-passes-detailed-rules-on-concessions-ppps/?utm_source

43/2015	Electricity Sector	Defined market structure, unbundling, licensing, regulatory oversight.
125/2013	Concessions & PPPs	Regulates infrastructure contract awarding, fiscal support regimes.

Institutional Responsibilities

Institution	Responsibilities
Ministry of Infrastructure and Energy (MIE)	Sets energy strategy, oversees laws, updates NECPs[30].
Energy Regulatory Entity (ERE)	Issues licenses, regulates tariffs, and ensures transparent operations in electricity sector.
Energy Efficiency Agency (AEE)	Manages energy audits, certifications, and efficiency programs[31].
Public Procurement Agency (PPA)	Monitors application of concession laws and regulated procurement processes[32].

Legal Interdependencies and Harmonization

- Law 7/2018 harmonizes 43/2015 with EU energy market integration standards, enabling renewables to interface with liberalized markets.
- Energy efficiency provisions in Law 124/2015 are reinforced by tertiary legislation implementing building energy audits under the Energy Performance Buildings Directive (EPBD).
- Law 125/2013 and its subsidiary regulations (e.g., CMD 420/2020) bring clarity to PPP procedures—particularly for large-scale infrastructure like solar parks, gas-fired plants, and interconnections.

Implications for Transparency and Governance

[30] https://www.unescap.org/sites/default/d8files/202412/Energy%20efficiency%20and%20Renewable%20energy%2C%20Albania%20by%20Artan%20Leskoviku.pdf?utm_source

[31] https://planifikimi.gov.al/index.php?eID=dumpFile&t=f&f=5109&token=f734e3f54cf4535ab6794ce8e5e790eb977f0113

[32] https://www.app.gov.al/

- Mandated data reporting (via ERE) on generation, licenses, and emissions supports the basis for EITI integration[33].
- PPP and concession laws require public tender disclosure, fiscal risk transparency, and inter-institutional coordination.
- Energy efficiency mandates involve public building audits and plans, offering governance leverage and civil society engagement opportunities.

3.2 Institutional Roles

Ministry of Infrastructure and Energy (MIE)

The Ministry of Infrastructure and Energy (MIE**)** is the cornerstone of Albania's energy policy and strategic planning. It is responsible for drafting, coordinating, and implementing the National Energy Strategy, the NECP, and the National Renewable Energy Action Plan. The MIE also leads Albania's engagement with international frameworks—including the Energy Community, EU accession processes, and climate diplomacy—while overseeing key subordinate agencies such as the AKBN and the Energy Efficiency Agency. MIE ensures that energy sector regulations are aligned with both EU directives and domestic priorities. It reviews and approves concession agreements, solar and wind licenses, and major infrastructure contracts, serving as the conduit between high-level policy and sectoral implementation. As a central policy-maker, MIE also coordinates cross-sectoral initiatives, such as the integration of energy efficiency in transport, water systems, and urban planning.

Energy Regulatory Authority (ERE)

The Energy Regulatory Entity (ERE)[34] is a legally independent regulator established under Law 43/2015 and Law 102/2015. Reporting to parliament—not to MIE—the ERE plays a pivotal role in licensing, tariff setting, and ensuring market competition in both electricity and gas sectors. ERE issues generation, transmission, distribution, and supply licenses, overseeing provider compliance with technical and financial standards. Its tariff methodologies ensure cost-reflectivity, consumer protection, and system stability. ERE also monitors unbundling, particularly the separation of distribution and supply arms post-reforms—collectively working to prevent cross-subsidization and promote fair market access[35].

National Agency of Natural Resources (AKBN)

The AKBN[36], subordinate to MIE, supervises concession agreements and project monitoring across energy and mineral sectors. It reviews technical and impact assessments, ensuring compliance with contracts and environmental standards. As the authority managing resource extraction and hydropower concessions, AKBN maintains the national energy balance database and compiles statistical energy data in line with Eurostat formats for reporting by INSTAT. This data underpins EITI disclosures, energy modelling, and strategic planning.

Energy Efficiency Agency (AEE)

[33] https://www.ere.gov.al/doc/Law_on_energy_sector_approved_on_43.2015.pdf?utm_source
[34] https://www.ere.gov.al/en/ere/what-is-ere
[35] https://balkangreenenergynews.com/albania-unbundles-power-distribution-system-operator-ossh-in-line-with-eu-rules/?utm_source
[36] http://www.akbn.gov.al/mission/?lang=en

The Energy Efficiency Agency[37], a state institution under MIE, leads national energy saving efforts. Founded under Law 124/2015, it prepares and implements three National Energy Efficiency Action Plans (NEEAPs), enforces energy audits, and certifies buildings and appliances. AEE also supports private and public sector compliance, providing investment guidance and technical expertise. Partnerships with EU-backed programs like PEEB Cool help design integrated energy solutions at the municipal level. AEE thus operationalizes energy efficiency strategies and builds institutional capacity for national energy transition goals.

Albania's state-owned Transmission System Operator (OST)

OST is Albania's state-owned Transmission System Operator[38], unbundled from KESH in 2004. It operates, dispatches, and manages Albania's high-voltage transmission network (110–400 kV), ensuring technical stability and coordination with regional grids OST's responsibilities include real-time power system dispatch, grid planning and expansion (including new interconnectors), and operation under an approved Transmission Grid Code. OST plays a strategic role in integrating renewables, maintaining grid reliability, and preparing for future electricity exports such as the subsea cable to Italy.

***Electricity Power Distribution System Operator* (OSHEE)**

OSHEE[39], the state electricity distribution and supply operator under MIE, delivers power to end consumers across the country. Created in 2007, OSHEE maintains and expands Albania's low and medium-voltage distribution network, managing consumer relations, billing, and addressing power outages. Following EU-driven unbundling, OSHEE has separated its DSO (distribution) and supply operations to enhance transparency and competition. Its performance metrics, such as network losses and customer service statistics, are closely monitored by ERE

Albanian Power Corporation (KESH)

KESH[40] remains Albania's largest public electricity generator, mostly hydropower-based (Drin cascade) with minor thermal capacity. It supplies about 70–75% of national electricity demand and ensures energy system balancing and ancillary services. KESH is governed under Law 99/2008 and Law 43/2015, accountable to a Supervisory Council appointed by MIE and MZHETS. It delivers on both public service obligations and commercial mandates, coexisting alongside private renewable producers

Inter-Agency Coordination

Effective governance in Albania's energy landscape demands tight coordination among these institutions. MIE holds overarching strategic functions, while ERE, AKBN, AEE, OST, OSHEE, and KESH operate within clearly defined roles. Institutions collaborate through committee structures, joint technical groups, and data-sharing platforms coordinated by MIE .

External Oversight & Reform Support

[37] https://eficenca.gov.al/
[38] https://ost.al/en/about-us/about-us-history/
[39] https://oshee.al/
[40] https://www.kesh.al/en/

Energy reforms are bolstered by external partners. The Energy Community Secretariat monitors regulatory alignment, particularly unbundling and market transparency. Simultaneously, programs such as those funded by EBRD, WB, EU, and AFD provide technical assistance and capacity-building support to institutional stakeholders.

3.3 Gaps and Challenges

Albania has made notable progress in reforming and diversifying its energy sector. However, certain aspects of governance and transparency still require improvement to ensure a more sustainable and inclusive energy transition. Further efforts are needed to enhance digital access to information on licenses and contracts, as well as to standardize data disclosure practices.

1. Digital Access to Licensing and Contracts

While the EITI National Secretariat has promoted the digitized extractive licenses to make them publicly available through an Open Data Portal, the same level of accessibility is good but can be more focused in energy sector—especially for contracts, concessions, and renewable power purchase agreements[41]. This transparency in energy governance and fuels calls for electronic publication standards across renewable and gas sectors. Under Albania's Digital Agenda (2022–2026), the e-Albania portal aims to provide interoperable public services and access to official documents and datasets across 15 sectors.

3. Data Publication Formats

When energy data is available, it is often published in different formats, such as scanned PDFs or textual reports that impede machine readability. While ERE publishes monthly market data, tariff decisions, and licensing lists, these are posted in PDF[42].

4. Central Registry for Energy Contracts

Unlike the mining-sector registry developed via EITI, Albania may need centralized energy-related contractual documents for renewables and gas infrastructure, including power purchase agreements (PPAs), concession contracts, and land use permits.

5. □ Regulatory Reporting Standards Need Update

ERE's 2023 Annual Report highlights ongoing work to improve data reporting and regulatory transparency. However, many licensing and market reporting processes remain tied to new rules or digital infrastructure[43].

6. Compliance Challenges with EU Requirements

As an Energy Community and candidate EU country, Albania must adhere to EU Directives requiring transparent, digital, and interoperable energy data. Formal assessments (2023) have

[41] Albania EITI APR 2023.pdf
[42] https://www.ere.gov.al/media/files/2024/10/01/Anual_Report_2023.pdf?utm_source

[43] https://www.ere.gov.al/media/files/2024/10/01/Anual_Report_2023.pdf?utm_source

flagged the need for fast-track implementation of e-governance tools and data interoperability to meet EU milestones .

7. Limited Civil Society and Public Engagement

A recommendation can be for a more clearly participatory framework for public feedback on licensing, tariffs, or infrastructure planning limits public oversight. This impedes trust and reduces the social license for energy projects.

4. Data Inventory and Sector Overview

4.1 Installed Capacity and Projects

Installed Capacity and Projects: Data Inventory and Sector Overview (2025)

Albania's electricity generation infrastructure continues to evolve, driven by the imperative to diversify its energy sources, improve resilience, and meet international climate commitments. As of mid-2025, the country has made notable progress in balancing its historic reliance on hydropower with increased deployment of solar, wind, and natural gas infrastructure. Below is a comprehensive analysis of the current installed capacity and licensed project landscape, supported by official sources and data.

Hydropower (~1,450 MW Installed)

Hydropower remains the cornerstone of Albania's electricity generation, providing over 90% of domestic production in many years. According to the ERE Annual Report 2023, Albania's installed hydropower capacity stands at approximately 1,450 MW[44].The backbone of this system is the Drin River Cascade, operated by KESH (Albanian Power Corporation), which includes:

- Fierza (500 MW)
- Komani (600 MW)
- Vau i Dejës (260 MW)

These three large-scale facilities contribute significantly to national generation. In addition to KESH-operated plants, the private sector operates mid-sized and small hydropower plants, including:

- Moglicë HPP (197 MW) and Banjë HPP (72 MW), operated by Devoll Hydropower (Statkraft)
- Dozens of small HPPs ranging from 1 to 10 MW licensed by ERE and monitored by AKBN

Hydropower remains a reliable but climate-sensitive resource, and modernization efforts are ongoing to optimize output and manage seasonal fluctuations.

Solar Energy (>250 MW Licensed; 140 MW Operational)

[44] https://www.ere.gov.al/en/publications/annual-reports/annual-report-2023

The solar energy sector has seen accelerated growth, with over 250 MW[45] of licensed capacity as of 2025. The most prominent developments include:

- Karavasta Solar Park (140 MW)[46]: Developed by Voltalia, this flagship project became operational in December 2023. It is Albania's first utility-scale solar park and a model for future public-private cooperation.
- Spitalla Solar Park (100 MW): Also under development by Voltalia, this project is in the construction phase and expected to begin operation in late 2025.
- Erseka Solar Park (40 MW): Located in the high-altitude Kolonja region, this project is developed in phases by Favina Group and M&K Energy Trading, with expansion plans to reach 100 MW.
- Other licensed operators include SPV Blue 1 & 2 (Fier), Nova Solar System (50 MW), Sun Avenue, Sun Energy Solutions, and several projects ranging from 2 to 10 MW.

Most recently, the photovoltaic park project in the Belsh area has been launched. It is expected to supply energy to 16,100 subscribers, or approximately 50,000 citizens of the Republic. The project will contribute to an annual reduction of 50,000 tons of CO_2. On July 22, 2025, the loan and grant agreement for financing the construction of the Belsh photovoltaic park was officially signed.

This diversified portfolio reflects growing private sector interest and favourable licensing frameworks.

Wind Energy (~150 MW Pipeline)

Although Albania has yet to bring large-scale wind power online, the pipeline for wind development is expanding. Recent licensing and auction efforts include:

- SunPro Wind (3 MW): A pilot project near Vlora, licensed in 2025[47].
- 2023 National Wind Auction: Resulted in the allocation of approximately 222 MW, of which ~150 MW are currently in permitting and early-stage development.

Wind potential is concentrated in coastal and mountainous zones, and technical studies are underway to improve grid integration and environmental compliance.

Gas Infrastructure: TAP and Domestic Prospects

The Trans Adriatic Pipeline (TAP)[48], operational since 2020, remains Albania's gateway to natural gas. With a capacity of 10 billion cubic meters (bcm/year), TAP has strategic importance for regional energy security.

While no domestic gas-fired power generation is operational yet, studies are being conducted to extend TAP's infrastructure for:

- Local distribution to industrial zones

[45] https://ere.gov.al/media/files/2024/03/07/ERE_Decision_Register_2023.pdf
[46] https://www.voltalia.com/case-study/karavasta-solar
[47] https://www.ere.gov.al/en/licensing/licensees-register
[48] Trans Adriatic Pipeline (TAP) (tap-ag.com)

- Gas-fired backup generation for grid flexibility
- Potential LNG import terminals in Vlora

ERE has issued several regulatory decisions[49] to support these developments, including frameworks for metering, interconnection, and pipeline licensing.

Table: Installed Capacity and Projects (2025)

Energy Source	Installed / Licensed Capacity	Status & Notes	Key Operators / Projects
Hydropower	~1,450 MW	Operational	KESH, Statkraft, multiple small HPP licensees
Solar PV	>250 MW licensed / 140 MW operational	Operational & under construction	Voltalia, Favina, Nova Solar, Sun Avenue
Wind	~150 MW in pipeline	Licensed, under permitting	SunPro, national auction winners (2023)
Gas Infrastructure	10 bcm/year (TAP)	Operational pipeline; domestic extension in study	TAP AG, future Albanian gas network operators

This comprehensive table illustrates the dynamic evolution of Albania's energy sector in 2025. While hydropower still dominates, the solar and wind segments are rapidly gaining ground. Gas infrastructure is expected to support future flexibility, and ERE continues to play a central role in licensing and market oversight. All data are based on officially published sources by ERE, MIE, and energy operators.

4.2 Investment Trends

☑ Competitive Solar Auctions

Albania has embraced competitive solar energy tenders to drive investment and market development. The flagship Karavasta Solar Park (140 MW) was awarded through Albania's first solar auction as part of the EBRD Renewable Energy Auctions Programme. The EBRD provided €29 million in financing, underpinned by a €99 million loan syndicate, with the IFC,

[49] https://www.ere.gov.al/en/publications/decisions

Intesa Sanpaolo, and Privredna Banka Zagreb participating[50].The project, developed by Voltalia, represents a significant pivot by dedicating 50% of output to open-market sales and the remainder to a 15-year PPA with OSHEE. Buoyed by Karavasta's success, Spitalla Solar Park (100 MW) followed suit. Construction began in December 2024 under a concessional price of €29.89/MWh for 70 MW and an open-market supply arrangement for the remaining 30 MW[51]. Commissioning is expected by 2027, marking continued momentum in Albania's competitive solar auction landscape.

□ PPPs and IPPs on the Rise

The Karavasta and Spitalla projects exemplify a growing trend for public-private partnerships (PPPs) and independent power producers (IPPs). Voltalia, as project developer, operator, and owner, demonstrates a full-of-market participation model that contrasts with traditional state-led hydropower generation. These solar projects were structured under Law 125/2013 (Concessions & PPPs), managed by MIE, licensed by ERE, and facilitated through transparent tendering mechanisms. The solar auctions illustrate Albania's intent to pivot toward market-linkage models, incorporating hybrid PPAs and encouraging IPPs while anchoring investment with long-term contracts. This approach aligns with Energy Community principles and broader EU energy market integration ambitions.

□ International Financing – EBRD, IFC, KfW

International financial institutions are central players in Albania's energy transition:

EBRD

The Karavasta project was financed through an EBRD loan of €29 million, part of a €99 million syndicate, with a total project cost of €135 million[52]. The EBRD also provides technical assistance for Albania's second solar auction and a planned 150 MW onshore wind auction.

IFC

The International Finance Corporation participated in the Karavasta financing with an estimated €41 million package (A and B-tranches), supporting commercial viability and climate resilience features like adaptation designs and overhead collector lines.

KFW and other DFIs

While details are less public, KFW is known to fund grid modernization and energy efficiency projects in Albania (e.g., public building retrofits), supporting integration of renewables. These interventions complement private-sector-led energy investments and focus on enabling infrastructure.

□ Market Impact and Outlook

[50] https://www.ebrd.com/home/news-and-events/news/2023/ebrd-leads-on-financing-for-landmark-solar-plant-in-albania.html?

[51] https://balkangreenenergynews.com/voltalia-starts-building-spitalla-pv-plant-in-albania-of-100-mw/?

[52] https://energynews.pro/en/albania-welcomes-a-100-megawatt-solar-power-plant-by-voltalia/

- **Demonstration Effect:**

  Karavasta stands as a high-impact demonstration: 265 GWh/year, 140 MW capacity, hybrid sales model, and biodiversity-sensitive siting adjacent to Karavasta Lagoon[53].

- **Cost control & market readiness:**

  Auction prices—€24.89/MWh (Karavasta) and €29.89/MWh (Spitalla)—are competitive and signal Albania's tightening market integration and investor interest[54].

- **Scaling tender pipelines:**

  Applications have been lodged for new solar projects totaling 235 MW (February 2025), another 300 MW solar auction is planned for mid-2025, and the first wind auction (222 MW) is advancing toward commercial operational readiness[55].

- **Blending finance and PPP mechanics:**

  Hybrid structures attract DFIs while leveraging IPPs. Long-term PPAs provide bankable frameworks, while profit-sharing allocations (50/50 open market exposure) foster liberalization.

□ Strategic Significance

These investment trends are pivotal for several reasons:

1. Diversification from hydro-dependence, aiding resilience during low-water seasons.
2. Investment momentum shift, from public to private investment, supported by international finance.
3. Regulatory maturity, where structured auctions and DFIs' due diligence standards elevate governance and compliance.
4. Institutional capacity-building, driven by multi-stakeholder engagement and improved transparency—making future EITI integration stronger.

Summary Table of Investment Trends

Objective	Details

[53] https://www.energy-box.com/post/albania-inaugurates-largest-solar-park-in-the-balkans
[54] https://www.reuters.com/business/energy/ebrd-leads-financing-albanias-largest-solar-plant-2023-04-24
[55] https://balkangreenenergynews.com/solar-power-developers-launch-projects-in-albania-for-235-mw

Competitive Solar Auctions	Karavasta (140 MW) & Spitalla (100 MW) via EBRD/IFC-sponsored tenders, leveraging hybrid sale models and long-term PPAs
Rise of PPPs & IPPs	Full private ownership/development under public concession, reflecting law-based support and transparent licensing
International Financing	EBRD & IFC anchoring commercial loans (€135 M project); KfW supporting grid and efficiency infrastructure
Pipeline Expansion	Latest tenders totaling >235 MW solar; wind pipeline ~150 MW; more auctions expected in 2025

4.3 Data Transparency.

In recent years, Albania has made meaningful strides in promoting openness and transparency in its energy sector—a cornerstone of responsible governance and sustainable development. Through collaborative efforts led by the Energy Regulatory Authority (ERE)[56], the Ministry of Infrastructure and Energy (MIE), and other key factors such as AKBN and OST, the country has begun to lay the foundation for a more accessible, data-driven, and inclusive energy landscape. These efforts not only align with the EITI Standard 2023 but also reinforce Albania's EU integration goals and its broader commitments under the Green Agenda for the Western Balkans.

4.3.1 Transparent Licensing and Tariff Frameworks

At the heart of Albania's regulatory architecture is ERE, which consistently upholds its legal mandate to publish decisions, methodologies, and market data in accordance with Law No. 43/2015 (Electricity Sector) and Law No. 102/2015 (Natural Gas Sector). Licensing decisions for electricity generation, transmission, and distribution—as well as tariff-setting documentation—are published and accessible online:

- ERE Decisions Archive[57]
- ERE Annual Reports

These documents give the public access to critical regulatory data, providing insight into how energy markets operate and evolve. Additionally, ERE conducts open consultations and shares methodology development openly[58], inviting public and stakeholder feedback. Though much

[56] https://www.ere.gov.al/sq/
[57] https://ere.gov.al/doc/Rregjistri%20i%20Vendimeve_ERE_2020_08%2012%202020%20anglisht%20%282%29.pdf
[58] https://www.ere.gov.al/doc/Final__Publicly-1Owned__Generation_Tariff_Methodology.pdf

of the content is in PDF format, it remains a vital resource for transparency and legal accountability.

4.3.2 Increasing Visibility of Energy Projects

While there is no a single public portal for all renewable and gas projects, important progress has been made in disclosing licensing and investment information through:

- ERE Licensing Bulletins[59]
- AKBN Project Register
- National Concession Registry – Ministry of Finance
- MIE Investment Directory

Examples such as the Karavasta Solar Park (140 MW) and Spitalla Solar Park (100 MW) serve as success stories. These projects followed structured auctions supported by EBRD and IFC, with publicly disclosed concession terms, financing sources, and implementation plans.

4.3.3 Energy Production Monitoring and Data Reporting

Albania has created a routine for monitoring and sharing production data, coordinated primarily by ERE and OST. These entities publish information such as:

- Electricity generation by source (hydro, solar, etc.)
- Import/export balances
- Transmission grid capacity and performance
- Balancing and market operation data

ERE Electricity Market Reports[60]

While updates are published quarterly or annually, OST is modernizing its digital infrastructure through SCADA upgrades and metering system reforms, which are expected to enable more granular, real-time data publication in the future.

4.3.4 Advancing Financial and Revenue Transparency

Albania is steadily improving transparency around financial flows and sector revenues. This includes:

- Detailed revenue tracking in EITI Reports (2019–2021)[61] → EITI Albania Report
- Public financial disclosures from OSHEE, KESH, and OST → oshee.al, kesh.al, ost.al
- Tariff models and assumptions used in rate-setting → ERE Tariff Methodology

[59] https://www.ere.gov.al/sq/licencat/rregullore-per-licencimin
[60] https://www.ere.gov.al/en/energy-market/reports-and-data-of-the-electricity-market-operation
[61] https://www.albeiti.org/site/wp-content/uploads/2024/10/eiti-report-for-years-2019-2020-2021.pdf

This level of fiscal openness allows for improved accountability and supports the systematic disclosure expectations of the EITI 2023 Standard. Albania is well-positioned to expand these efforts to cover project-level revenue reporting and to improve contract summary transparency.

4.3.5 Civic Engagement and Stakeholder Access

Public access is central to transparency. Albania has a number of tools available for citizens and stakeholders:

- Open Data Albania: Concession register[62], Offers licensing, production, and budgetary datasets
- ☐ ERE Consumer Portal: Offers guidance, complaint forms, and tariff assistance[63].
- National Agency for Information Society – AKSHI: Leads digital service reform and interoperability

These platforms empower researchers, journalists, and ordinary citizens to follow how public resources are managed in the energy sector.

4.3.6 Integration with EU and Regional Best Practices

The Energy Community Secretariat's 2024 Report highlights Albania's compliance with tariff and licensing disclosure but encourages more structured data formats and real-time access. Albania's energy digitalization goals are anchored in the Digital Agenda 2022–2026, which focuses on e-services, open data, and government transparency:

- Energy Community IR 2024[64]
- OGP Albania
- Digital Agenda – AKSHI

These initiatives reinforce the country's path toward EU alignment and better integration of renewable energy projects into open governance mechanisms.

5. Transparency and Governance

5.1 Access to Information: Advancing Coordination and Practical Access

One of the most valuable yet complex aspects of Albania's energy sector transformation lies in improving how institutional information is accessed, organized, and presented to the public. The government has made meaningful steps toward transparency in the sector, but challenges persist not in the absence of data, but in its structure, consistency, and practical utility.

[62] https://opencorporates.al/sq/concession
[63] https://www.ere.gov.al/sq/artikulli/sherbime-konsumatori
[64] https://www.google.com/search?q=IR2024_Albania.pdf&oq=IR2024_Albania.pdf&gs_lcrp=EgZjaHJvbWUqBggAEEUYOzIGCAAQRRg7MgYIARBFGDzSAQkyNTc4ajBqMTWoAgiwAgHxBcOtawPcQFCE&sourceid=chrome&ie=UTF-8

Access in Practice

While data on licenses, tariffs, concessions, and generation are publicly available, they remain scattered across different platforms and often presented in static formats (PDFs, scanned copies, non-searchable lists). This makes it difficult for stakeholders—be they civil society organizations, journalists, researchers, or even investors—to follow the full value chain of an energy project or policy.

For example, a renewable energy project may be listed by ERE with licensing details, but that same project's contractual arrangements, construction progress, or local environmental impact might not be immediately updated on other platforms. Without cross-referenced and standardized publishing methods, the information, although technically public, becomes less actionable.

Moreover, there is no single publicly accessible interface that allows tracking of energy project development from permit issuance to operation and revenue contribution. Each institution maintains sector-specific functions, but these are not yet digitally synchronized to allow user-centered access to integrated data.

Access across Institutions

- ERE publishes licensing decisions, tariffs, and market reviews.
- AKBN maintains renewable project registers and concession data.
- MIE provides investment information and procurement announcements.
- OST holds valuable operational and transmission data,

Opportunities for Enhanced Access and Public Utility

The current moment offers an opportunity to transition from transparency-by-availability to transparency-by-design. This means not only publishing data but designing tools, platforms, and digital pathways that make information intuitive, comparable, and interconnected. Albania's work on the Digital Agenda 2022–2026, and its collaboration with the Open Government Partnership (OGP), set the groundwork for this shift.

Recommendations for Enhanced Public Access

1. Develop a unified "Energy Project Tracker" platform—integrated with ERE, MIE, AKBN, and OST systems. This would allow users to follow energy investments by project ID, location, company, and energy type.
2. Introduce a public-facing energy data dashboard—to display licensing, production, and fiscal indicators with filters by year, region, and company.
3. Enable automatic data exchange between institutional databases using shared formats (e.g., JSON, CSV), so that updates in one agency feed into the national energy transparency portal.
4. Design citizen-focused visualizations—simplified maps, timelines, and project summaries accessible on mobile and web.
5. Institutionalize open-data standards across institutions through common technical protocols and cross-training of IT staff.

Albania does not face a shortage of transparency commitments. What it faces are challenges in how transparency is implemented in the digital age, where data accessibility must be matched by data usability. By evolving its institutional data practices—from parallel, static reports to dynamic, interconnected platforms—Albania can amplify the strong regulatory work already in place and set a precedent for modern, inclusive governance of the energy sector.

5.2 Stakeholder Engagement

5.2.1 A New Era of Public Interest in Renewable Energy

As Albania moves toward a more diversified and sustainable energy future, stakeholder engagement becomes a crucial component of good governance. While the country has made notable progress in engaging civil society within the extractive industries through the EITI Multi-Stakeholder Group (MSG), similar efforts in the renewable energy sector are still developing. This transition offers a timely opportunity to widen the circle of participation, ensuring that communities, civil society, and other stakeholders are not just informed—but involved.

5.2.2 MSG Participation Beyond the Extractives

The EITI MSG has been instrumental in providing oversight, dialogue, and transparency in the oil, gas, and mining sectors. However, the scope of this platform has still place fully extended to Albania's rapidly expanding solar and wind energy projects. As these new sectors begin to generate revenue and transform local landscapes, the absence of structured civil society monitoring creates a gap in accountability. There is growing recognition—both from within institutions and civil society—that integrating renewable energy into MSG discussions would bring added legitimacy and improve project oversight. With more than 250 MW of solar and 150 MW of wind projects already licensed, the relevance of fiscal transparency and community participation is stronger than ever.

5.2.3 Public Engagement in Environmental

Albania's laws on environmental protection and land use planning provide for public consultations during the Environmental Impact Assessment (EIA) process and the development of zoning or strategic plans. Yet, these consultations can often feel with meaningful opportunities for influence.

For example, in some regions—such as Erseka, Divjakë, and areas near Fier—community members have expressed concerns about the pace of development, lack of accessible information, or insufficient responses to their input. Information may be shared late in the planning process, technical documents are often difficult to understand, and community feedback mechanisms are not always consistently applied.

These concerns are not necessarily the result of neglect but are reflective of broader challenges in aligning national energy ambitions with local expectations and capacities.

5.2.4 Good Practices

Despite these challenges, Albanian authorities have demonstrated growing openness to participatory practices. For instance, ERE regularly holds public consultations on tariff

methodologies, and MIE has published major renewable project documentation online. Moreover, the National Digital Agenda and Open Government Partnership (OGP) initiatives reinforce Albania's commitment to civic participation and government openness. The foundation is there—what is needed now is deeper institutionalization and clearer entry points for civil society and communities in renewable energy governance.

5.2.5 Suggested Measures for Deepening Engagement

To ensure the maximum fair, transparent, and community-sensitive energy development, the following measures are recommended:

1. Formally expand MSG mandates to include oversight of renewable energy projects and their fiscal impacts.
2. Create a national consultation portal where energy-related projects, EIAs, and spatial plans are uploaded for comment.
3. Strengthen public participation requirements in environmental licensing and land use zoning, including the right to receive feedback on submitted comments.
4. Provide training for local government units and CSOs to understand technical documents and monitor project developments effectively.
5. Promote clear benefit-sharing mechanisms, such as local employment, infrastructure contributions, or co-investment options.

5.2.6 A Path to a Clean Energy Future

Stakeholder engagement is not only a procedural obligation—it is a democratic value and a strategic tool. As Albania accelerates its energy transition, it will be essential to ensure that people feel informed, heard, and represented. Expanding stakeholder engagement in renewable energy governance is one of the most effective ways to ensure social acceptance, project sustainability, and long-term policy success.

5.3 Good Practices: Building Trust through Transparent Energy Governance

5.3.1 Transparent Auctions by the Ministry of Infrastructure and Energy

Over the past five years, Albania has taken clear steps to position itself as a regional leader in renewable energy transparency. One of the strongest examples of this leadership is the way in which the Ministry of Infrastructure and Energy (MIE) has organized competitive auctions for large-scale solar power projects.

Rather than making closed-door decisions, MIE has followed a clear, public process that includes pre-announced criteria, published tender documents, and transparent evaluation procedures. Notable projects like the Karavasta (140 MW) and Spitalla (100 MW) solar parks were awarded through international bidding processes supported by development partners such as the EBRD and IFC.

What stands out about these tenders is not only their size, but their openness:

- All technical and financial criteria were clearly published in advance (source).
- Winning bids and power purchase agreements (PPAs) were publicly disclosed, reinforcing accountability.

- Environmental constraints and land-use considerations were included in the bidding documents, showing attention to sustainability.

These auctions demonstrate how clear communication and structured competition can attract investment while maintaining public trust. The model developed by MIE is now being considered for replication in upcoming wind energy projects.

5.3.2 Licensing Improvements by the Energy Regulatory Authority (ERE)

In parallel, the Energy Regulatory Authority (ERE) has made important reforms to simplify and clarify the energy licensing process. These reforms are particularly important for independent producers, especially those investing in solar and small hydropower.

Key improvements can include:

- Standardized licensing procedures, with application forms, timelines, and documentation requirements clearly defined and published online (ERE Licensing Regulation).
- Faster processing for small-capacity projects (typically <5 MW), helping to boost decentralized and community-based renewable projects.
- Public access to licensing decisions, available on ERE's website, making it easier to track that has been granted a license, when, and under what conditions.

Furthermore, ERE regularly holds consultations on tariff methodologies and market rules, with participation from operators such as KESH, OST, and OSHEE, as well as consumer advocacy groups.

These licensing practices, based on transparency and predictability, contribute to an environment where businesses can plan with confidence and civil society can engage with oversight.

5.3.3 Institutional Synergy and Forward

When combined, the approaches of MIE and ERE form a robust foundation for transparent energy governance. They demonstrate how strong institutional coordination can improve both investment outcomes and public accountability. By aligning auction design and licensing procedures with international best practices, Albania is already seeing increased interest from private investors and development banks.

This synergy between policy and regulation is exactly what is needed for a successful energy transition—and it is already working.

5.3.4 Recommendations to Scale Good Practices

To build on these mandatory successes, the following steps are recommended:

1. Replicate the solar auction model for future wind, hybrid, and storage projects.
2. Publish feedback reports on each auction, sharing lessons learned from both the government and developers.

3. Create an online “project tracker”, where citizens can follow a project's status from auction to commissioning.
4. Continue digitizing the licensing process, including interactive tools for application tracking and real-time updates.
5. Strengthen inter-agency coordination, to ensure that good practices are consistent across institutions.

5.3.5 Conclusion: A Strong Foundation for the Future

The good practices developed by MIE and ERE are not just technical accomplishments—they are examples of how Albania can lead by example in the region. By continuing to prioritize openness, fairness, and accessibility, the country is building a modern energy sector that works for investors, institutions, and citizens alike.

These efforts, if scaled and sustained, will be key to ensuring that Albania’s energy transition is not only green—but also transparent, accountable, and inclusive.

6. Alignment with EITI Standard 2023

6.1 Relevant Provisions.

Albania has demonstrated steady progress in aligning its energy sector governance with the requirements of the EITI Standard 2023. With a solid institutional foundation and strong legal frameworks in place, the country is well-positioned to meet the evolving transparency expectations outlined in the updated standard. This section highlights the most relevant provisions—Revenue Collection (Requirement 6), Legal Framework and Contracts (Requirement 2), and the 2023 Energy Transition Guidance—and illustrates how Albania is advancing in each area.

6.1.1 Requirement 6: Revenue Collection

This requirement focuses on disclosing payments made by companies and revenues received by governments in the energy and extractive sectors. Albania has made significant strides in this area:

- State-owned companies such as KESH, OST, and OSHEE publish their annual reports and financial data, including income statements and performance indicators.
- ERE ensures transparency by making tariff decisions and methodologies publicly available.

These disclosures already provide a strong foundation for aligning with Requirement 6. With further steps—such as disaggregating project-level revenues and including production-linked income—Albania can deepen its compliance and enhance fiscal transparency across renewable energy projects.

6.1.2 Requirement 2: Legal Framework and Contracts

The 2023 Standard places renewed emphasis on the publication of legal frameworks, licensing terms, contract transparency, and beneficial ownership. In recent years, Albania has taken important steps to improve legal disclosures:

- MIE and ERE have published comprehensive licensing procedures and auction documentation.
- Major public-private partnership agreements, such as for Karavasta and Spitalla solar parks, have been made available through official channels.

To build on this good practice, Albania can strengthen alignment with Requirement 2 by enhancing centralized access to all contracts and licensing decisions, including PPA terms and SOE ownership structures.

 Reference: EITI Requirement 2 Reference: MIE Solar Auction Announcement

6.1.3 Energy Transition-Specific Guidance (2023)

The 2023 update of the EITI Standard introduces dedicated guidance for energy transition reporting. It encourages countries to disclose:

- National energy transition policies
- Environmental and social impacts of renewable energy development
- Subsidies, carbon pricing, and related fiscal tools

Albania is already laying the groundwork for these disclosures:

- The National Energy Strategy 2023–2030 outlines goals for solar, wind, and gas integration.
- Solar auctions include environmental assessments and land-use planning.
- Government institutions like AKBN and ERE publish market data that can be expanded to cover climate-related indicators.

While this is a newer area of reporting, Albania's progress shows strong commitment to aligning energy development with long-term sustainability and transparency.

Summary Table: EITI 2023 Alignment Overview

EITI Requirement	Albania's Current Progress	Next Steps for Strengthening Alignment
Requirement 6: Revenue	SOE reports, tariff disclosures, public budgets	Add project-level fiscal flows and forecasted revenues
Requirement 2: Legal & Contracts	Published licensing, tender rules, PPA examples	Consolidate and digitize full contract texts and BO data

Energy Transition Guidance	National strategy, auction design, market data	Expand to include emissions, subsidies, transition policies

Conclusion:

Albania has taken concrete steps toward meeting the 2023 EITI Standard requirements, particularly in legal transparency, SOE disclosures, and structured public auctions. The government's continued investment in digital access to data, stakeholder participation, and green transition planning creates a strong pathway to full compliance. By further consolidating and publishing data on revenue flows, licensing terms, and renewable project impacts, Albania can strengthen its reputation as a transparent and forward-looking energy leader in the Western Balkans.

6.2 Integration Opportunities: Advancing Albania's Transparency in the Renewable Energy Transition

Albania has made significant progress in establishing a transparent and rules-based framework for its traditional and renewable energy sectors. Building on this strong foundation, there are important opportunities to further integrate the renewable energy segment into the EITI reporting process. Doing so would not only enhance the credibility of public institutions but also reflect Albania's ambition to lead the Western Balkans in good energy governance.

6.2.1 Including Renewable Licensing and Tariff Data in EITI Reports

The country has successfully launched public auctions for large-scale solar projects and issued dozens of licenses for solar, hydropower, and wind energy developers. These licenses, while publicly available on the Energy Regulatory Authority (ERE) and Ministry of Infrastructure and Energy (MIE) websites.

Integrating this data into EITI reporting would enhance transparency in the following ways:

- Clearly presenting all licensed renewable projects, their capacities, and their geographic locations
- Documenting support mechanisms, including feed-in tariffs and Power Purchase Agreements (PPAs)
- Clarifying project stages (licensed, under construction, operational)

This would allow stakeholders—including citizens, civil society, and investors—to better understand the growth and structure of Albania's renewable energy landscape.

6.2.2 Publishing Revenue Flows from IPPs

Independent Power Producers (IPPs) operating in the renewable space are subject to various forms of taxation and fees, including:

- Value-Added Tax (VAT)
- Corporate profit tax

- Concession fees or lease payments for land use

By including these figures in EITI reports, Albania could:

- Increase visibility into the contribution of renewable energy to national and local revenues
- Reinforce its reputation as a transparent and fiscally responsible country
- Set a benchmark for project-level reporting across the Western Balkans

Summary Table: Integration Opportunities

Area of Integration	Why It Matters	Recommended Action
Renewable licensing & tariffs	Reflect sector growth and transparency	To continue including in EITI annexes and data dashboards
IPP revenues (VAT, tax, fees)	Show fiscal contribution of renewables	To continue disaggregation and publishing in financial disclosures

Albania is clearly on the right track. By leveraging its already robust systems—public auctions, open licensing, and SOE reporting—the country can build a more complete picture of how renewable energy contributes to national development. Integrating these areas into EITI reporting would not only support compliance with the 2023 Standard but also enhance stakeholder confidence, attract more responsible investment, and ensure that Albania's green transition remains accountable, inclusive, and transparent.

7. Recommendations and Reporting Template

7.1 Legal and Institutional Reforms: Building a Transparent and Cohesive Governance Model

As Albania advances toward a low-carbon future, legal and institutional adjustments are crucial to ensure that renewable energy governance keeps pace with investment growth and public expectations. Authorities such as the Ministry of Infrastructure and Energy (MIE), the National Agency of Natural Resources (AKBN), and the Energy Regulatory Authority (ERE) have made tangible progress. However, further digital tools will improve efficiency and align governance with the EITI Standard 2023.

7.1.1 Clarifying the Roles of AKBN and MIE in Project Monitoring

Albania has made great strides in growing its renewable energy sector, backed by committed institutions and increasing investor interest. As the sector continues to mature, there's a real opportunity to strengthen the way key players—like AKBN and the Ministry of Infrastructure and Energy—work together. Both bring valuable strengths to the table: AKBN with its technical know-how, and the Ministry with its broader strategic vision. A few simple,

thoughtful adjustments—like updating the legal framework, clarifying roles after licensing, and holding regular coordination meetings—could go a long way. They'd help make processes smoother, reduce uncertainty for developers, and build even stronger trust between public institutions and the private sector. These are small steps that can make a big difference as Albania continues to lead on renewables in the region.

7.1.2 Establishing a National Digital Portal for Renewable Energy Transparency

Access to renewable energy information is improving but remains fragmented across multiple institutional websites. ERE provides tariff and license data, AKBN maintains a project register, and MIE offers auction documentation. Yet, there is no single, real-time portal to consolidate this information for public and investor use.

A centralized National Renewable Energy Transparency Portal could:

- Host license data, PPA summaries, auction results, and contract milestones
- Visualize project locations through GIS mapping tools
- Offer search and export functions for civil society, researchers, and international observers
- Integrate with EITI Albania and Open Data Albania platforms

The portal could be jointly developed by the National Agency for Information Society (AKSHI), MIE, and the EITI Secretariat, ensuring both user accessibility and institutional interoperability.

Such a portal would strengthen Albania's reputation as a transparent and investor-friendly destination for clean energy and would directly support improved reporting during EITI validations.

7.2 EITI Reporting Template (Sample Fields)

To reflect the growing importance of renewables in Albania's energy landscape, future EITI reports should incorporate structured data from solar, wind, and gas projects. A model reporting format is proposed below to facilitate this integration.

This reporting template is designed to support the inclusion of renewable energy projects—solar, wind, and gas—in Albania's Extractive Industries Transparency Initiative (EITI) reports. It aligns with the 2023 EITI Standard, particularly regarding project-level revenue disclosures, contract transparency, and beneficial ownership. The fields below are intended to guide reporting entities and responsible institutions in collecting and publishing relevant data in a structured and consistent manner.

EITI Reporting Template for Renewable Energy Projects (Model)

Field	Description	Example Entry

Project Name	Name of the licensed or operational project	Karavasta Solar Park
Technology Type	Type of energy source used: Solar, Wind, Gas	Solar
Capacity (MW)	Installed or planned capacity in megawatts	140
Location (Region/Municipality)	Geographic location of the project	Fier Municipality
Developer / Operator	Legal name of the implementing company	Voltalia Albania
License ID	Reference number of the generation license issued by ERE or MIE	License No. 03-2020-ERE
License Date	Date of issuance of the license	15 April 2020
Tariff / PPA Value	Contracted tariff (€/MWh) or terms of Power Purchase Agreement	€29.89/MWh – CfD Contract
Type of Award	Competitive Auction, Concession, or Direct Negotiation	Competitive Auction
Revenue to State	VAT, land lease fees, concession fees, or other fiscal contributions	€3.2M (estimated annually)
Production (Annual)	Reported or estimated annual energy generation (MWh)	210,000 MWh
BO Disclosed	Yes/No – whether the project developer's beneficial ownership has been published in QKB	Yes

BO Registry Link	Hyperlink to BO profile (QKB or EITI disclosure)	https://www.qkb.gov.al/VoltaliaProfile
Environmental Permit	Date and issuer of Environmental Impact Assessment or approval	Approved – Ministry of Environment, 2020
Status	Operational, Under Construction, Planned	Operational

This table offers a clear, consistent method for tracking project-level activity, including licensing, financial returns, and beneficial ownership. It is fully aligned with the 2023 EITI Standard's emphasis on revenue transparency and energy transition reporting. Adopting this template in annual reporting would not only meet international expectations but also empower Albanian citizens and civil society to monitor how renewable energy projects contribute to sustainable national development

7.3 Stakeholder Engagement: Encouraging Inclusive Participation in Albania's Energy Transition

Stakeholder engagement remains a cornerstone of good governance and a key strength of Albania's EITI process. As renewable energy continues to grow in importance, there are valuable opportunities to build on existing structures and promote inclusive, informed participation—without overburdening institutions or communities.

7.3.1 Exploring an MSG Working Group on Renewables

The EITI Multi-Stakeholder Group (MSG) in Albania has proven to be a functional and inclusive platform for dialogue. As renewable energy projects expand, it could be helpful to explore the creation of a focused renewables discussion group within the MSG. This would not require structural changes, but rather facilitate informal exchange among interested MSG members, civil society, government representatives, and developers.

This group could:

- Share updates on renewable energy policies and projects
- Identify areas where EITI reporting might include additional data on renewables
- Offer feedback on transparency efforts linked to licensing and revenue disclosures

Such an initiative would complement existing MSG workstreams while gradually broadening the scope of stakeholder involvement in energy transition governance.

7.3.2 Encouraging Public Dialogue on New Concessions

Albania already has legal frameworks in place for environmental consultation and land-use planning. Building on this, encouraging more frequent and locally grounded public dialogues—especially around major renewable concessions—can further enhance public trust.

Municipalities, in cooperation with AKBN, may consider hosting periodic information sessions or community briefings. These could:

- Provide accessible information on concession plans and environmental aspects
- Allow space for community questions and suggestions
- Be held at early planning stages to support informed participation

Importantly, these dialogues need not be formal hearings, but rather constructive and informative sessions aligned with Albania's transparency efforts and EU engagement practices. This balanced approach to stakeholder engagement supports Albania's commitment to inclusive governance while respecting institutional capacities and community expectations.

7.4 Capacity Building: Empowering Local Institutions and Civil Society for the Energy Transition

As Albania deepens its commitment to clean energy, capacity building remains essential to ensure that institutions, local authorities, and civil society actors are equipped to engage meaningfully in the energy transition. Investments in training, technical exchange, and international partnerships can strengthen transparency and ensure inclusive decision-making.

7.4.1 Training for Local Governments and Civil Society

Local governments and community-based organizations play a growing role in the oversight of renewable energy projects, especially when it comes to land use, environmental impacts, and public participation. However, many local units face capacity constraints—both technical and administrative.

To address this, national stakeholders such as the Ministry of Infrastructure and Energy (MIE), the EITI Secretariat, and the Albanian School of Public Administration (ASPA) could support tailored training programs focused on:

- Understanding renewable licensing, contracts, and public-private partnerships (PPPs)
- Tools for monitoring project compliance and environmental safeguards
- Strategies for communicating with citizens and responding to community concerns

These trainings would help local institutions become stronger partners in energy governance and increase citizen confidence in renewable project implementation.

7.4.2 Technical Cooperation with IRENA and the Energy Community

Albania is already a member of the International Renewable Energy Agency (IRENA) and the Energy Community Treaty. These partnerships offer rich opportunities for technical cooperation, benchmarking, and knowledge sharing.

Potential areas of collaboration include:

- Support for national energy planning and investment modeling
- Exchange of best practices on auction design and transparency tools
- Assistance in aligning reporting formats with EU and EITI standards

Through these collaborations, Albania can continue to benefit from international expertise while contributing regional leadership in renewable energy governance. These partnerships also reinforce the country's strategic commitment to EU integration and the global green agenda.

8. Case Examples: Showcasing Albania's Energy Transition in Practice

8.1 Karavasta Solar Park

The Karavasta Solar Park is one of Albania's most prominent renewable energy investments. Located in the Fier region, this 140 MW photovoltaic (PV) plant represents a milestone in the country's transition to sustainable power generation. Developed by Voltalia, a French multinational company specializing in renewable energy, the project was awarded through Albania's first competitive solar auction in 2020.

The auction process was widely regarded as transparent and competitive, managed with support from the European Bank for Reconstruction and Development (EBRD). Voltalia secured the project by offering a remarkably low tariff of €24.89/MWh for 50% of the generated energy under a 15-year Contract for Difference (CfD), while the remaining energy would be sold on the market.

This project marked the first time Albania adopted an auction model for large-scale renewable projects. The auction was open to international investors and included detailed prequalification criteria, published bidding rules, and oversight from international financial institutions. These elements ensured a fair and accountable process.

Construction began in 2021, and by the end of 2023, the Karavasta plant was fully operational. The project involved the installation of over 250,000 solar panels, contributing significantly to the diversification of Albania's power mix, which has historically been dominated by hydropower.

In terms of financing, the project received a major boost from the EBRD, which arranged a long-term financing package of €99 million. This included contributions from the International Finance Corporation (IFC) and local commercial banks, highlighting strong investor confidence in Albania's energy sector.

The project has created numerous local jobs and is expected to generate clean electricity for over 200,000 households annually. It also reduces carbon emissions by more than 96,000 tons per year, aligning with Albania's commitments under the Paris Agreement and EU Green Agenda.

From a transparency perspective, Karavasta stands out as a best-practice case. Licensing documentation, auction results, and financing structures were published on the MIE and EBRD platforms, setting a benchmark for future solar tenders.

8.2 Spitalla Solar Park

The Spitalla Solar Park is a 100 MW renewable energy project located near Durrës, and represents the second major solar initiative awarded through a public auction in Albania. Like Karavasta, the project was developed by Voltalia, further consolidating its presence in the Albanian energy market.

The auction for Spitalla took place in 2021, with Voltalia again emerging as the winning bidder. The project was awarded under a 15-year Contract for Difference (CfD), securing a tariff of €29.89/MWh for 70 MW of the energy produced, while the remaining 30 MW would be sold on the free market.

Spitalla marks an important evolution in Albania's renewable energy policy. Building on lessons from Karavasta, the tender process incorporated refinements that improved efficiency and investor response. Documentation was published in advance, with clear timelines, and included stakeholder consultation to improve transparency.

As of mid-2024, construction of the Spitalla plant was underway, with commissioning expected by 2025–2026. The project is expected to include advanced PV technology and tracking systems to optimize energy generation, contributing further to Albania's energy diversification goals.

Spitalla also underscores the growing interest of international financial institutions in Albania's energy sector. Financing discussions involved a combination of private capital and multilateral support, building on the successful model tested in Karavasta.

Local authorities have played an increasingly active role in licensing and land use decisions around Spitalla. Community consultations were organized as part of the environmental and social impact assessments, and employment opportunities have been created in project design, construction, and maintenance.

The Spitalla project exemplifies Albania's ability to scale renewable energy through auction-based mechanisms while maintaining transparent governance. It reflects continuity in government policy, investor trust, and regulatory maturity.

Looking forward, Spitalla serves as a replicable model for upcoming solar and wind tenders, especially as Albania aims to meet its National Energy and Climate Plan (NECP) targets by 2030.

8.3 Trans Adriatic Pipeline (TAP) and Gas Infrastructure

The Trans Adriatic Pipeline (TAP) is a strategic natural gas project that connects Albania to the broader Southern Gas Corridor, bringing gas from the Caspian region to Europe. Operational since 2020, TAP delivers approximately 10 billion cubic meters (bcm) of gas per year and runs through Albania, Greece, and Italy.

Although Albania does not currently have a domestic gas distribution network, the presence of TAP has created new strategic opportunities. Feasibility studies are underway to explore the extension of gas infrastructure for industrial and residential use, particularly in key economic zones.

From a transparency standpoint, TAP is regulated by the Energy Regulatory Authority (ERE), which oversees third-party access and tariff settings. However, some stakeholders have called for enhanced public disclosure of transit fees, tax contributions, and local infrastructure agreements.

TAP AG, the consortium managing the pipeline, has engaged in community development initiatives along the pipeline route, including road upgrades and environmental restoration projects. These efforts have improved local infrastructure and supported positive community relations.

The Albanian government sees TAP as a key pillar of energy diversification. Gas could serve as a transition fuel, complementing the growth of intermittent renewables like wind and solar. It also strengthens Albania's role as a regional energy hub.

In 2022, the government-initiated dialogue with international partners to assess options for domestic gas network development. This includes potential connections to Fier, Ballsh, and Tirana, in line with Albania's long-term energy strategy.

While TAP's revenue streams are not yet disaggregated in EITI reports, the legal and institutional foundation exists to enable such reporting. As Albania enhances its transparency frameworks, project-level revenue data from TAP could be included in future disclosures.

Overall, TAP exemplifies the intersection of regional cooperation, infrastructure investment, and long-term energy planning. With stronger data transparency and stakeholder engagement, TAP can play an even greater role in Albania's sustainable energy future.

Summary Table: Case Learnings from Albania's Energy Transition

Project	What It Demonstrates	Key Transparency Strength
Karavasta	Innovative CfD auction pricing and financing	Clear contract terms, competitive financing, and tariff data
Spitalla	Renewable scale-up and auction replication	Consistent use of CfD model with transparent bidding
TAP	Strategic diversification opportunity	Robust regulatory oversight, with room to improve public fee disclosure

9. Conclusion: Albania's Energy Future through a Transparent Lens

1. Albania today stands at a defining moment in its energy development journey. As the country moves forward with its transition from hydropower dominance to a diversified energy mix that includes solar, wind, and natural gas, the need for transparency, good governance, and data-driven planning has never been more essential.
2. This transformation is not happening in a vacuum. It is supported by a growing national and international consensus that the energy transition must be inclusive, participatory, and grounded in strong institutional mechanisms. Albania's alignment with frameworks like the Paris Agreement, the Energy Community Treaty, and the EITI Standard places it in a strong position to lead by example.
3. Through solar auctions such as Karavasta and Spitalla, Albania has demonstrated that it can attract competitive, international investment under clear and transparent rules. These case studies offer lessons not just in pricing and design, but also in how to build trust among citizens and investors.
4. At the same time, the strategic potential of gas infrastructure, particularly through TAP, allows Albania to bridge the intermittency challenges of renewables. If managed transparently, gas can serve as a transition fuel that enables flexibility and resilience in the energy system.
5. Legal and institutional clarity remains a cornerstone of effective energy governance. Albania's legislative framework has evolved in recent years, with strong foundational laws in renewable energy, electricity, energy efficiency, and concessions. The challenge now is to ensure consistent application, minimize overlaps, and update procedures to reflect rapid market developments.
6. Institutional coordination between MIE, AKBN, ERE, and other stakeholders is improving. However, fragmentation still exists, especially in licensing workflows and data repositories. These inefficiencies can be addressed through digitalization, inter-agency protocols, and a unified renewable energy portal.
7. Albania has made strong progress in disclosing licensing and tariff information through the ERE portal. However, a central registry of all energy projects—including solar, wind, gas, and hybrid—would enhance transparency and assist both oversight bodies and investors in making informed decisions.
8. EITI implementation has provided Albania with a tested platform for promoting transparency in extractive industries. Including these sectors in EITI reports reflect the evolving realities of Albania's energy landscape.
9. Public financial data, such as tariffs, state revenues, and project-level contributions, should be made updated regularly. The EITI framework provides a strong model for how to achieve this while building public trust.
10. Beneficial ownership transparency is another area where Albania is advancing. The QKB registry is a perfect foundation that would further reduce governance risks.
11. Capacity building remains critical. Local government units, civil society actors, and small developers all need tools, training, and knowledge to engage with renewable energy governance effectively. These efforts should be inclusive and tailored to Albania's unique institutional and geographic realities.
12. International cooperation with IRENA, the Energy Community, EBRD, and other development partners has added value to Albania's energy sector. Continuing and deepening this technical collaboration can help accelerate reforms, particularly around open data, emissions reporting, and monitoring tools.
13. Public participation is a central principle of both EITI and EU integration frameworks. By creating spaces for community dialogue—especially around large-scale renewable projects—Albania can build more inclusive and resilient policy frameworks.

14. In this context, municipalities should be empowered to host hearings and distribute user-friendly summaries of projects in planning. This will improve local buy-in and avoid conflicts during implementation stages.
15. Going forward, the development of clear indicators and dashboards—covering installed capacity, auction outcomes, and fiscal revenues—will help Albania better monitor its energy transition.
16. The EITI 2023 Standard provides a timely opportunity for Albania to integrate renewable energy reporting more formally. This would enhance cross-sectoral learning and demonstrate Albania's leadership in transparency-driven energy reform.
17. Looking ahead, further improvements in data quality, user accessibility, and real-time monitoring will help build a national energy system that is not only greener, but also more accountable to its citizens.
18. Albania's energy ambitions are closely tied to its broader development goals, including climate resilience, job creation, rural development, and EU integration. These goals can be mutually reinforced through transparent, inclusive, and evidence-based policymaking.
19. Above all, Albania's energy transition is a collective journey. It requires coordination between government, industry, civil society, and communities. Transparency, fairness, and long-term vision must be the guiding values.
20. In conclusion, Albania has taken important and commendable steps toward a transparent, inclusive, and sustainable energy future. With the right institutional focus and international partnerships, the country is well positioned to fulfil the full potential of its renewable and gas sectors—anchored in EITI principles and committed to leaving no one behind.

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4. Energy Efficiency Agency (Agjencia për Eficiencën e Energjisë) – https://www.eea.gov.al
5. Operator of Transmission System (OST) – https://www.ost.al
6. Albanian Power Corporation (KESH) – https://www.kesh.al
7. Distribution System Operator (OSHEE) – https://www.oshee.al
8. EITI Albania Official Website – https://www.albeiti.org
9. European Bank for Reconstruction and Development (EBRD) – https://www.ebrd.com
10. International Renewable Energy Agency (IRENA) – https://www.irena.org
11. Energy Community Secretariat – https://www.energy-community.org
12. TAP AG Official Website – https://www.tap-ag.com
13. Open Data Albania – https://ndiqparate.al
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15. National Concession Register (Ministry of Finance and Economy) – https://www.financa.gov.al
16. Digital Agenda Albania 2022–2026 – https://akshi.gov.al/dokumenta-strategjik/
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24. European Union Green Agenda for the Western Balkans – https://neighbourhood-enlargement.ec.europa.eu
25. Open Government Partnership (OGP) Albania – https://www.opengovpartnership.org/members/albania

Annexes

Anex 1- Summary of Legal Provisions – Albania's Energy Sector

Legal Instrument	Year / Citation	Purpose and Scope	Relevance to EITI & Energy Transition
Law No. 138/2013 on Renewable Energy	Amended 2017	Promotes the use of renewable sources (solar, wind, biomass, etc.) and feed-in mechanisms	Establishes investment rules and auction mechanisms for RES, ensuring open access
Law No. 124/2015 on Energy Efficiency	In force	Mandates energy audits, national targets, and public sector energy savings	Provides data for transition monitoring (EITI 7.4), complements EU Green Agenda
Law No. 43/2015 on the Power Sector	In force	Organizes electricity generation, transmission, and distribution markets	Basis for ERE operations, licensing, tariff setting – key to EITI 2, 4, and 6
Law No. 102/2015 on the Natural Gas Sector	In force	Regulates gas transmission, distribution, and	Aligns with TAP, enables reporting of gas flows, tariffs, and fiscal terms

		supply; ensures third-party access	
Law No. 125/2013 on Concessions & PPPs	Consolidated with DCMs	Governs PPP frameworks including energy projects; introduces transparency requirements	Legal basis for renewable tenders and licensing transparency (EITI 2.5)
Law No. 25/2018 on the National Business Center (QKB)	In force	Provides for company registration and beneficial ownership disclosure	Supports BO transparency across licensed energy operators (EITI 2.5)
Digital Agenda 2022–2026	Council of Ministers Decision	Framework for digitizing public services and data transparency across institutions	Enables interoperability of energy licensing and reporting databases
Decision No. 867/2016 on Competitive Procedures for Renewable Projects	Implementing act for Law 138/2013	Introduces public auctions and selection criteria for solar and wind projects	Foundation for CfD-based auctions (Karavasta, Spitalla); transparency in licensing
National Energy and Climate Plan (NECP) – Draft	2021–2030	Sets renewable targets, energy mix diversification, and decarbonization strategies	Aligns national energy policies with EITI energy transition guidance

Annex 2 – Sample EITI Renewable Energy Reporting Template

This template is intended for use by the EITI Albania Secretariat and MSG to report relevant data on renewable and gas infrastructure projects. It is structured to capture licensing, production, financial contributions, and beneficial ownership (BO) information in a consistent and transparent format.

Field	Description	Example Entry
Project Name	Name of the licensed or operational project	Karavasta Solar Park
Technology Type	Type of energy source used: Solar, Wind, Gas	Solar
Capacity (MW)	Installed or planned capacity in megawatts	140
Location (Region/Municipality)	Geographic location of the project	Fier Municipality
Developer / Operator	Legal name of the implementing company	Voltalia Albania
License ID	Reference number of the generation license issued by ERE or MIE	License No. 03-2020-ERE
License Date	Date of issuance of the license	15 April 2020
Tariff / PPA Value	Contracted tariff (€/MWh) or terms of Power Purchase Agreement	€29.89/MWh – CfD Contract
Type of Award	Competitive Auction, Concession, or Direct Negotiation	Competitive Auction
Revenue to State	VAT, land lease fees, concession fees, or other fiscal contributions	€3.2M (estimated annually)
Production (Annual)	Reported or estimated annual energy generation (MWh)	210,000 MWh
BO Disclosed	Yes/No – whether the project developer's beneficial ownership	Yes

	has been published in QKB	
BO Registry Link	Hyperlink to BO profile (QKB or EITI disclosure)	https://www.qkb.gov.al/VoltaliaProfile
Environmental Permit	Date and issuer of Environmental Impact Assessment or approval	Approved – Ministry of Environment, 2020
Status	Operational, Under Construction, Planned	Operational

ANEX 3- Institutional Mandate Matrix – Albania's Energy Sector

Institution	Legal Basis	Primary Functions	Role in EITI Context
Ministry of Infrastructure and Energy (MIE)	Law No. 43/2015; Law No. 138/2013; NECP	Policy-making, strategy coordination, oversight of concessions and auctions	Coordinates inter-agency EITI implementation; aligns with EITI Standard 2 & 5
Energy Regulatory Authority (ERE)	Law No. 43/2015; Law No. 102/2015	Licensing, tariff setting, regulatory oversight of electricity and gas markets	Publishes licensing decisions and tariff data (EITI Standard 6)
National Agency of Natural Resources (AKBN)	Council of Ministers Decision No. 547/2006	Project licensing, exploration monitoring, technical supervision of renewable and hydro resources	Hosts the project register, contributes to contract/licensing transparency

Energy Efficiency Agency (EEA)	Law No. 124/2015	Promotes energy efficiency, oversees audits and implementation of EE measures in buildings/industry	Supports energy transition metrics and impact indicators (EITI 7.4)
OST (Transmission System Operator)	Law No. 43/2015; Licensed by ERE	Ensures security of transmission network, manages grid connection for RES and imports/exports	Publishes data on generation, transmission volumes (EITI 6.3, 7.1)
KESH (Albanian Power Corporation)	Law on Public Enterprises; Company Statute	Generation from large HPPs, energy trading, state-owned enterprise	Discloses revenue and performance data as SOE (EITI Standard 2.6)
OSHEE Group (Distribution Operator)	Law No. 43/2015	Distribution and retail supply, smart metering, customer services	Provides consumption, revenue, and tariff-related data
QKB (National Business Center)	Law No. 25/2018	Company registration, beneficial ownership disclosure	Hosts the BO register (EITI Requirement 2.5)
AKSHI (National Agency for Information Society)	Decision of CoM 2007, Digital Agenda 2022–2026	Interoperability, e-governance support, digital infrastructure for open data	Supports the digital interface of transparency platforms (EITI 7.2)

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