

More than 150 non-governmental organizations (NGO) have sent a joint letter to Albanian Prime Minister Edi Rama, seeking the cancellation of projects for the construction of hydropower plants on the Vjosa river.

According to the letter, the Vjosa river is a hotspot for biodiversity and home to many endangered species in Europe, but there are currently 45 projects for the construction of HPPs - eight at the river's main course and 37 at her tributaries. Therefore, NGOs urge the Government to immediately suspend all ongoing hydropower developments in the Vjosa catchment until a strategic environmental impact assessment and an integrated river basin management plan, which takes into account social aspects, particularly the potential of ecotourism, has been elaborated.

The NGOs are particularly concerned about the ongoing implementation process for the HPP Kalivac since the environmental impact assessment (EIA) study for the project is scheduled to be conducted within approximately three months, an unrealistic timespan to prepare a study for a project of such size.

Last year, Albanian Ministry of Energy signed a concession agreement for the construction of hydropower plant Kalivac on the Vjosa river in southern Albania with Turkish-Albanian consortium consisting of Ayen Enerji and Fusha. The consortium won a 35-year concession contract for the construction of this 120 MW HPP at the international tender concluded in October last year. Estimated cost of the project is 125,3 million euros and it is expected to be completed in two and a half years. Annual electricity production of HPP Kalivac will amount to 366.6 GWh.

In January 2018, the International Court of Arbitration in Paris has ruled in favor of the Albanian state in a case against Italian company Hydro over the construction of HPP Kalivac. According to court's ruling, Hydro has to pay the compensation, the interest and additional 1.25 million euros of court expenses, which all amounts to around 172 million euros. Initially, Hydro sued Albania in October 2014 for the breach of agreement on the construction of HPP Kalivac and demanded compensation in the amount of 137 million euros. The Albanian Government filed a countersuit against Hydro, demanding 158 million euros in compensation plus interest for the company's inability to implement the project for the plant's construction.