

Albania: Parliament approved the second tranche of loan for Albania-Macedonia transmission line

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Date : February 6, 2017

Albanian Parliament has approved the agreement between the Governments of Albania and Germany on the second tranche of 50 million euros worth loan provided by German KfW Bank for the construction of 400 kV transmission line between Albania and Macedonia.

The agreement on the second tranche in the amount of 20 million euros was signed in November 2016. German State Secretary Hans Joachim Fuchtel said on the occasion that his country is ready to support Albania in its path toward EU integration and supports the implementation of the necessary reforms which serve this goal. Albanian Prime Minister Edi Rama praised German support to Albania, stating that Germany is the main contributor for this energy project as well as to the project for the construction of 400 kV interconnection with Kosovo, which will lower the costs of importing electricity and create a common power market. The agreement for the first tranche of 30 million euros was signed in July 2016.

The total cost of the project for the construction of 126 kilometers long transmission line between Elbasan in Albania and Bitola in Macedonia is about 70 million euros. Besides the loan, the EU approved 15 million euros grant for the project, while the remaining amount will be financed by the Albanian electricity transmission system operator OST.

It is expected that the construction of transmission line will start in the first half of 2017 and the project should be completed in 2020.