

# **KESH**



**ALBANIAN  
POWER CORPORATION  
GENERAL MANAGER**

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No: \_\_\_\_\_Prot.

Tirana, on 30.05.2007

Mr. Enery Quinones  
Chief Compliance Officer  
European Bank for Reconstruction and Development

## **Answer to your letter of 19 April 2007**

Dear Mr. Quinones,

I would like to thank you for letting us know about the Complaint of a group of Albanian Citizens on the construction of the Thermo Power Plant (TPP) of Vlore, and giving us the chance to comment on it. On behalf of the entire corporation, I would like to ensure you about the sensitivity of KESH sh.a., on any issue that does concern any citizen. We carefully consider each one of our projects, to avoid affecting any group in any way.

In fact, several times, almost the same citizens recognised in the letter addressed to you as "the affected group", have written letters to World Bank and EIB, and now to EBRD. In respect to the opinion you will express on the complaint, I have to underline that right answers have been given also to them from both the abovementioned institutions, as well as that the facts remain the same.

I will, hereby, present a brief history of the process of the decision-making for the TPP of Vlore.

After receiving a grant from the United States Trade and Development Agency (USTDA), the Albanian Ministry of Industry and Energy retained Montgomery Watson Harza (MWH) to assist the Albanian Government in the development of a new thermal power generation facility. MWH is an experienced consultancy company with representation in 36 countries. The conclusions of the study of MWH have been

confirmed by a consortium of very well known European companies. According to the EIA (Environmental Impact Assessment) document, the EIA for the proposed Vlora facility was prepared in accordance with the requirements of all three financing institutions (WB, BEI, and EBRD) as well as the relevant European Union standards.

Since there have been no reliable existing air quality data for the Vlora area, following the EIA recommendations, KESH have installed over 1 year before, a modern station for collecting meteorological and environmental data near the site of the TPP.

Also, an allegation about the lack of public participation in the decision-making process has already been transmitted to the Aarhus Convention Compliance Committee (ACCC) by the same group of citizens. Anyway, their complaint to the Aarhus Convention Compliance Committee (ACCC) is on a much larger scale than only the TPP, referring to a possible larger Energetic-Industrial Park (EIP). It has to be clarified that some facts may show that the previous Albanian Government may have under evaluated somehow a good public discussion process before the decision making to project this Energetic-Industrial Park (EIP) in the Vlora area, on 19 February 2003. But, the new Albanian Government have already cancelled last year the previous decision for the location of the EIP in Vlora.

As far as TPP is concerned, the process of EIA (Environmental Impact Assessment) and the public participation have been completed in accordance with the requirement of domestic legislation and the Aarhus Convention rules. This is also the opinion expressed by our international and financial partners. All projects financed by WB, EIB, or EBRD, have to follow all the appraisal procedures before a loan can be signed.

As regards the environmental procedures set up by the Ministry of Environment of Republic of Albania, they have been successfully implemented and as a result, the environmental permission for the TPP has been given by this institution.

Anyway, in full respect to the citizens and their opinions, we reserve the right to make some comments on some problems addressed on the complaint letter of the called "affected group". Please see the annex I for further details.

Please, Sir, accept the assurances of my consideration.

Sincerely,

Gjergji Bojaxhi