

Factsheet 12:

Kalivaç HPP an entrenched conflict of a failed governance system

Description	<p>In 1997 the Government of Albania signed a Built-Operate-Transfer concession with Becchetti Energy Group (BEG SPA) for the construction of Kalivaç Hydro Power Plant over Vjosa River for a period of 30 years. The HPP Kalivac was supposed to have a 100 MW capacity and would generate 350 GWh. The project was supposed to be finalised in 2000 and has been inaugurated and at the same time delayed government after government. The concessionary agreement was changed in 2000 and in 2007 when Deutsche Bank AG bought 45% of the project shares. However, few years later the GoA and Deutsche Bank opened a court case against the Becchetti Group for contract infringements. Currently, construction works are on hold once again (which they have been for the past 4 years), and the level of completion is still only at 30%. However according to the plans of the Ministry of Energy, HPP Kalivaç is only one out of 8 large dams (Ministry of Trade and Energy of Albania, 2008) to be built along the Vjosa River.</p> <p>The works needed a long precautionary study about the morphological features of the area and an environmental impact assessment executed by ERM Italia according to the World Bank standards. ERM carefully analysed the flora, the wildlife and the ichthyic situation of the area and conducted surveys and interviews in order to bring the least possible impact on the local population.</p> <p>The HPP Kalivaç has established several payment problems with local sub-contractors and the local employees who have staggered several street protests. Three protests on 4 October, on 9 October and 13 November 2013 have been organized and 4 citizens were arrested by local police.</p>
Basic data	<p>Becchetti Energy Group (BEG SPA) The project is 100 MW and is supposed to generate 350 GWh of electricity. Kalivaç is a dam lake style, two turbines and will flood a considerable plot of land in the vicinity of the villages along the Vjosa valley. This is an all-Italian operation, which will involve the entire productive system and some of the most important national companies in this field. To date, 40% of the works have been completed.</p>
Source of conflict	<p>Environmental impact -1st level of conflict</p> <p>Water management - 2nd level conflict</p>
Project details and actors Project area Level of investment The conflict and mobilization	<p>235 Million EUR.</p> <p>Local residents, local workers</p> <p>-On 8 May 2014 press conference/protest organized by NGO-s (Save the Blue Heart of Europe). media articles Street protest, road blockage, petitions, requests.</p>
Conflict impact	<p>Documented Environmental impact: landscape loss, biodiversity loss, water management.</p> <p>Potential Social -economic impact: Flooding of lands,</p>
Conflict outcome	<p>Stopped No institutional changes Not sure. The project is halted due to company lack of financial resources.</p>
Sources and materials/References	<ul style="list-style-type: none"> - Historical extract of the company at the National Registration Centre. - http://shqiptarja.com/mobile/artikull_old.php?IDNotizia=189821&NomeCategoria=&Titolo=hec-i-kaliva-it-pun-tor-t-n--protest--se-s--39-u-paguan-4-n--arrest&IDCategoria=1&reply=372295