

Environmentalists warn Vlora airport will irreparably damage a key Mediterranean wetland. Questions are also being raised about the politically connected consortium behind the lucrative airport deal.

More than a century ago, the city of Vlora raised the Albanian flag for the first time in a proclamation of independence from the Ottoman Empire. Prime Minister Edi Rama might have appreciated the irony when, in 2021, he chose independence day to break ground on a new Turkish-backed airport that will be built just outside the city on the Adriatic coast. The deal was a political coup for Rama, who had first pledged to build an airport on Albania's southern coast while campaigning six years earlier. To much fanfare, a 104-million-euro (\$116.5 million) contract to build and operate the airport was signed just days before his party swept national polls in April last year, in a move the opposition said had violated election laws.

At the opening ceremony, held on November 28 on the site of the new airport, Rama praised the international cooperation that would get it off the ground.

"Airports are like family clans, in a way," he said. "It is not enough to build beautiful infrastructure or a ... runway ... you must also have alliances and synergies with other airports."

Vlora International Airport will certainly cement international alliances for Rama.

The consortium building it includes the Turkish conglomerate YDA Construction Industry and Trade, whose chairman has ties to Turkey's ruling AKP Party, and a subsidiary of Mabetex Group, owned by Rama's friend, the wealthy and controversial Kosovar businessman Behgjet Pacolli. The third company involved, 2A Group sh.p.k, belongs to Valon Ademi, who was Albania's Honorary Consul in Kosovo until July 2019.

Vlora International Airport will also be the base for a new national airline, Air Albania, which is part-owned by Turkey's national carrier. Rama claims the airport could create 27,000 jobs, and there are plans to build two major tourist resorts nearby.

But not everyone is celebrating. Environmentalists warn the developments will irreparably damage one of the largest wetlands on the Mediterranean, home to hundreds of species of birds. A few months after the winners of the airport tender were announced, authorities removed protection for part of the nature reserve where the airport will be built, a decision that the European Commission said was illegal.

Now an investigation by OCCRP raises more questions about how the politically connected consortium won the tender to build and operate Vlora International Airport for 35 years.

A civil suit filed by a rival, U.K.-based bidder alleges Albania's government manipulated the tender to favor the Turkish-Kosovar consortium with the help of another company that never

even bid for the contract. The rival has also lodged a case with Albanian anti-corruption prosecutors, accusing the government of fabricating documents.

It's unclear whether the airport is even viable; the government's own documents warn it may not attract enough visitors to turn a profit anytime soon. Nonetheless, the terms of the deal mean that if the project doesn't hit its financial targets, the Albanian state will have to pay the consortium up to 138.2 million euros (\$145.4 million), around a third more than the cost of construction.

Zef Preçi, executive director of the Albanian Center for Economic Research, said the agreement gives the consortium "a slice of the Albanian budget for the decade to come." "They will have the Albanian taxpayer's money as a source of easy money ... secured through political lobbying," he said.

Valon Lluka, a representative of the winning consortium, dismissed OCCRP's findings as "gossip and speculation." "You do not possess real information and facts about the Vlora Airport project," he wrote in response to emailed questions.

Pacolli also denied the consortium received any preferential treatment. "My investment in Vlora was made out of a great desire to contribute to the nation and to implement one of the many requests from people and institutions that want the best for Albania," he said.

Neither Rama's office nor the office of Turkish President Recep Tayyip Erdoğan responded to requests for comment.

A Lonely Fight

On a hot day in late July, biology professor Niko Dumani stood sweating in a makeshift tent in the Narta forest, in southwestern Albania. Dumani had come to explain to the locals why conservationists are opposing Vlora International Airport, but as soon as he stood up the crowd started shouting insults at him.

"What do you want here? We live here and it's our choice," barked the chairman of the district. "You want us to take care of sparrows? Get out of Vlora!"

Speaking to OCCRP after he was forced out of the meeting, Dumani said that while the airport and the tourist resorts planned for nearby are "in flagrant violation of the law," he expects they will be built anyway.

The airport will sit a few kilometers from the Vjosa-Narta lagoon, part of a coastal delta at the mouth of one of the last wild rivers in Europe. The wetlands are home to some 200 species of bird, including flamingos and the endangered Dalmatian pelican, and form part of a key migration corridor for many more on their annual journey from Central Europe to North Africa.

The lagoon, already protected by several international conventions, has been nominated to join the Council of Europe's Emerald Network of special conservation sites. The European Commission said Tirana's approval of Vlora International Airport violated both national laws and international conventions.

The development "is in contradiction with existing national laws for protected areas and with international conventions on biodiversity protection that Albania has ratified," the European Union's delegation to Albania said in a statement.

Environmentalists say the airport will have a "devastating" impact on local biodiversity, with the loss of habitat, along with air, water, and noise pollution, causing irreversible harm to the many birds that live there. The airport's close proximity to the lagoon means planes are more likely to collide with birds as they land and take off, particularly during the busy migration seasons.

Despite this, OCCRP's reporting found that Albania's government has almost literally moved mountains to ensure the airport will be built.

When Rama first proposed building Vlora airport, after talks with Erdoğan, Albania's government started discussing making changes to the country's nature reserves. A few months after the winners of the tender to build it were announced, a council chaired by Rama approved redrawing the borders of more than a quarter of the country's coastal ecosystems – including the area near the Vjosa-Narta lagoon where the airport will be built. Lawyer Irena Dule said the changes to the protected areas were illegal. "The start of the construction of this airport is contested based on the law," she said, adding that the start of the work had been announced without the proper building and environmental permits. Others have taken issue with the environmental impact assessment for the airport, which was commissioned by companies that own land in the area, including consortium members YDA Group and Mabetex Group. The academic who carried out the study raised few concerns about the airport's impact, and said any problems could be solved with simple mitigation methods.

Twenty environmental groups denounced the study as "unprofessional, unscientific," and a "clearly clientelistic analysis."

Albania's tourism ministry told OCCRP the boundaries of the nature reserve had been changed as part of a national review of protected areas "to reflect observed inaccuracies and propose new areas, based on data and recent studies," and because of a new legal framework set out by the government.

In a statement, the ministry said it plans to study the airport's impact using an environmental management plan, including scientific monitoring and habitat preservation

funded by the consortium. It also recommended other measures, such as banning work near sensitive areas during the breeding season and rerouting flights during periods of migration.

Lluka said the consortium had carried out a “thorough” study on what environmental and social harm the airport could cause, and concluded it would have no negative effects.

“We are extremely happy to confirm that the results of the study bring to light, without any doubt, that the construction and operation of Vlora International Airport will not present any environmental degradation or other harmful impact,” he said.

Friends with Benefits

On January 11, 2021, YDA Group’s chairman, Hüseyin Arslan, touched down in Albania. Though largely unknown in the country, he quickly made headlines when he announced that his company would build a hospital not far from Vlora.

“We ... were ordered by our president, Mr Recep Tayyip Erdoğan, last week during the visit of [Albania’s] honorable prime minister to Turkey,” Arslan said in a video posted on Rama’s Facebook page. “We were instructed that we have to finalize, deliver the hospital in three months. There is a big bet on this.”

Building work kicked off soon after, with Rama publishing regular updates on the hospital’s progress on his Facebook page. Throughout, his office described the hospital as “charity” from Erdoğan’s government, with no hint that YDA Group is one of the largest conglomerates in Turkey.

At home, YDA Group is well known for its relationship with Erdoğan’s government. Arslan has longstanding ties to the AKP Party through his sister, who is married to the uncle of the man who co-founded the party with Erdoğan in 2001.

Arslan publicly praised Erdoğan after an attempted coup in 2016, describing him and Turkey’s then-prime minister as caretakers of “our democracy, our future, and our national will.” Erdoğan, in turn, awarded Arslan a plaque of appreciation two years later.

It was not until after the new hospital had been inaugurated, with Erdoğan in virtual attendance, that Rama announced the consortium led by Paccoli, which included YDA, had won the tender to build Vlora International Airport.

YDA Group and Erdoğan’s office did not respond to requests for comment.

Mabetex Group’s owner, Pacolli, was a more familiar face in Albania than Arslan. The construction magnate is one of the wealthiest people in neighboring Kosovo, with a fortune of close to 800 million euros. Over the years he has been Kosovo’s deputy prime minister, foreign minister, and even -- for four hours -- its president.

Mabetex became embroiled in a major corruption scandal in the late 1990s over accusations that company executives had paid bribes to win a contract to work on the Kremlin. A Russian probe was later dropped after the lead investigator was fired over a bizarre sex-tape scandal. A related investigation for money laundering and bribery was also dismissed in Switzerland, where Pacolli is now a citizen.

Pacolli is known to have ties to alleged organized crime figures, including Milan Radoičić, a powerful figure in Kosovo's largest Serbian party, and Jose Enrique Rais, an accused fraudster and cocaine trafficker from El Salvador.

Rais holds the dubious accolade of being on his country's "most wanted" list, being a "priority target" of the U.S. Drug Enforcement Agency, and was at one point reportedly on Interpol's red list. His company, Rais Group International NC, LLC, is cited in U.S. court files as "subject to international investigation for its links to organized crime groups, ghost companies, cartels and corrupt politicians."

Corporate records show Pacolli was a manager of Rais Group as of late 2011, while the company was being investigated.

Pacolli denied any involvement in corruption, pointing out that he had "never been the subject of any kind of indictment or trial" in either Russia or Switzerland.

Pacolli admitted that he knew Rais, but denied he had been a manager of Rais Group. "I know Jose Enrique Rais as a businessman who has operated in the world of aviation and as a Swiss citizen," he said. "I rented a plane from the company he owned for a few months, but I had no knowledge that he was a drug trafficker."

Despite Pacolli's murky associations, Rama counts him as a close friend. The prime minister has spoken publicly of his "love and respect" for Pacolli, whom he refers to as "Baca" Behgjet, an affectionate term often used for older male family members in northern Albania. A year after a major earthquake hit Albania in November 2019, killing 51 people and causing widespread destruction, the Behgjet Pacolli Foundation signed an agreement to rebuild an entire neighborhood in the city of Fushë-Krujë for an estimated 1 million euros. A few months later, in January 2021, the government opened the tender for Vlora International Airport.

Pacolli said when he made the donation he had no knowledge that the tender would take place so soon, or his company would bid for the contract.

The winning consortium's representative, Lluca, is also an associate of Pacolli. Kosovo's Serious Crimes Prosecution Section has investigated him twice, for abuse of office and fraud, both related to his role as an executive of the Economic Bank in Pristina, which is managed by the Pacolli family.

The first case, for abuse of an official position, was dropped in 2019 after a judge ruled it had exceeded the statute of limitations. Lluka was acquitted in the second case last year due to lack of evidence.

Lluka said he had never been found guilty of any crime. "In my life I have never been convicted by any court. I do not even have sentences for violating traffic rules, not to mention any other criminal offense," he said in a statement sent to OCCRP.

And the Winner Is...

Today, legal troubles continue to swirl around the Vlora International Airport consortium. The decision to award the concession to the YDA-Mabetex-2A consortium is being challenged by a U.K.-based rival bidder, AL-DE Corporation Ltd, which was disqualified from the tender for not submitting the proper paperwork. AL-DE is suing Albania's minister of Infrastructure and Energy for defamation, saying the paperwork claim was just an excuse to favor the rival consortium.

AL-DE has also lodged a complaint with the Special Prosecution Office of Anticorruption and Organized Crime, accusing the Public Procurement Agency of illegal decision-making and fabricating documents. The Special Prosecution Office confirmed it had opened an investigation, but declined to comment further.

Tender documents seen by OCCRP show that, after repeated delays, the Ministry of Infrastructure and Energy suddenly changed the criteria for bids just four days before the December 2020 deadline. The changes reduced the amount of experience and technical expertise required, allowing the Turkish-Kosovar consortium to qualify.

Initially, companies needed to show they had designed, built, and operated an airport with an annual capacity of more than 10 million passengers, including two control towers, in the previous decade. They were also required to prove they had designed, constructed, and managed another with a capacity of more than 5 million in the past five years.

The amended criteria lowered the threshold to proving the bidder had experience building and managing one airport with a capacity for 2 million passengers and one control tower. Instead of needing to be certified by both the European Aviation Safety Agency and the International Civil Aviation Organization, the new rules also only required bidders to be certified by their national Civil Aviation Authority.

The Albanian Center for Economic Research's Preçi said the last-minute changes show the government had "tailored the terms of reference" to allow the favored companies to "win the bidding even before it had taken place."

"The public announcement of the bid was only a formality," he said after reviewing the

changes to the tender documents.

Rama's office and the Ministry of Infrastructure and Energy did not respond to requests for comment. Lluca, the consortium's representative, denied it had won the contract to build and manage Vlora airport through manipulating the tender process.

"Our company has nothing to do with the tender conditions and has accepted them from the beginning," he said. "We have respected, without any interference, all the conditions."

Pacolli also dismissed the allegations, claiming that there was "no evidence of any deviation, change of tender conditions or other aspects [of the process] that would put the consortium of winning companies led by Mabco Construction SA in a favorable position."

Eleven days after the new criteria were announced, another rival bidder, Albanian company Global Technical Mechanics, requested clarification on the new details. The government accepted, delaying the deadline for submissions until February 2021. The Turkish-Kosovar consortium entered the race, and AL-DE was disqualified.

AL-DE claimed in its submission to the Special Prosecution Office that Global Technical Mechanics was a Trojan horse used to manipulate the tender process, pointing out that the company never submitted a bid for the airport.

"The Public Procurement Commission should have refused to review the 'request for clarification,'" AL-DE said in a legal document filed with the Special Prosecution Office. Government records show the Turkish-Kosovar consortium submitted their bid on March 1, 2021. They were announced as the winners four days later. Rama attended the signing ceremony of the contract with the consortium the following month.

Despite the fact that a court ruling said the signed contract should be made public, the government has refused to do so, saying it was a trade secret. OCCRP has challenged this decision in court.

A 'High-Risk' Investment

In the months since the opening ceremony, there seems to have been little progress on building Vlora International Airport. When OCCRP visited the site in May 2022, a reporter saw little activity.

Building is projected to take several years, but after two years of operating, the airport is expected to have an annual capacity of 600,000 passengers. Eventually, the government expects it to handle close to 1.2 million travelers a year.

Yet even the government admits its figures are unreliable. The procurement documents describe the project as "high risk," noting that it is being built in a "green zone" with little data to indicate how many passengers to expect. It "is impossible to foresee the traffic,"

they say.

Despite the uncertainty, Albania's government has guaranteed the consortium's revenue. If, by the fourth year of operation it has not made 9.6 million euros in profit, the government will pay the difference. This increases annually to 18.7 million euros by year 13. In total, the guarantee could reach up to 138.2 million euros, around a third more than the cost of construction.

Sinan Idrizi, an Albanian businessman who was part of Rama's original negotiations to build Vlora International Airport in 2017, said the first Turkish consortium to be awarded the contract backed out because it would have been too expensive to build the runway.

"Their surveys showed that the area was a swamp, which created a lot of technical problems for the construction of the airport," he told OCCRP. "The number of passengers must reach one million, otherwise the airport will have a difficult journey."

A study by environmental NGO Build Green Group came to the same conclusion, saying the environmental costs of Vlora airport outweigh the potential economic benefits. "This airport will bring more social and environmental damage than economic revenue," said the report. Taulant Bino, the head of the Albanian Ornithological Society, said the airport's opponents will continue to fight against the development, through the courts if necessary.

"We still believe that justice works in this country, and we will follow the legal road till the end," he said, OCCRP writes.