

Common and Counter Balance reveals how the preparations for the construction of the Albanian section of the Trans Adriatic Pipeline are not on schedule and are putting private interests way out in front of the public interest in one of Europe's poorest countries.

In the context of the current rush for gas in Europe, and based on recent field research in Albania, the report describes how the TAP project has been sold by politicians and entrepreneurs as an opportunity for the country that will bring major benefits for the future. However, cataloguing a range of alarming questions that hang over the project, the report finds that TAP is on course to benefit only a few while placing the burden of potential risks on the shoulders of the disadvantaged Albanian population.

TAP is the western section of the Southern Gas Corridor, a mega inter-connected gas export project with estimated overall costs of \$45 billion. The project promoters, including the European Union, hope to deliver Caspian gas to Europe via pipelines spanning Turkey, Greece and Albania, reaching final destination in southern Italy via a sub-Adriatic pipeline crossing.

Although labelled a 'private sector' project, TAP will only be possible with the support of public finance. Currently the project is being considered for major public loan support by the European Bank for Reconstruction and Development and the European Investment Bank. In addition, a project guarantee would also have to be provided by the Albanian state itself, as spelled out in the Host

Government Agreement which sets conditions for the pipeline to cross the country - and this despite Albania facing considerable budgetary constraints.

Compounding matters is evidence uncovered, during a field trip to Albania in May this year, which points to the pipeline construction lagging behind schedule and highly complex land expropriation and compensation negotiations with local communities in Albania still pending.

Elena Gerebizza of Re:Common, commented:

"TAP's entry into the already highly murky world of Albanian energy politics appears to be aggravating a situation which has become progressively more complex over the last 20 years. As the report documents, there is a worrying overlap between the public and private interests involved in the pipeline, particularly when the personal interests of high level Albania officials may well be mixing with the interests of private investors, rather than safeguarding the broader interests of the Albanian people and future generations.

"The onus now is on the EIB and the EBRD, before they make final funding decisions, to conduct rigorous due diligence on the companies and individuals involved in the TAP project in Albania to ensure that the project does bring benefits for the country as a whole, and not



The Trans Adriatic Pipeline, an opportunity or scam in the making of Albania

simply for energy tycoons and politicians.
source: counter-balance.org