



World Bank Negotiates \$150 million Energy Sector Recovery Program for Albania

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The World Bank and the Government of Albania successfully completed negotiations for a \$150 million Power Reform and Recovery Project. The proposed World Bank-assisted program will support Albanias power sector reforms, particularly efforts to improve the reliability of the electricity supply and the financial viability of the sector. Critical infrastructure investments under the project will include sizeable financing earmarked for electricity distribution and upgrading of the transmission system. Increased reliability and financial sustainability of the energy sector are among the most important reforms needed to stimulate economic growth and restore fiscal balance in Albania, said Ellen Goldstein, World Bank Country Director for Southeast Europe. "A quick and fair resolution of the commercial dispute over the distribution company allows Albania to move ahead with these crucial reforms and much-needed investments in the system. The recent settlement agreement between the Albanian Government and the Czech Utility CEZ creates a clear ownership structure in the energy sector, which will facilitate further reform and investment. The Government reform program will bring about important improvements in electricity services for Albanian customers, many of whom pay their bills while others use electricity illicitly without payment. The Bank assisted program is a first necessary step to support Government efforts to improve quality of service to consumers, reduce distribution losses from current levels of 42% to around 20% by year 2018 and implement priority sector reforms in alignment with EU legislation said Salvador Rivera, Team Leader for the Energy Sector Recovery Program. "It will also provide short term support for financing of power imports during periods of dry weather". The World Bank-assisted project will also support reforms in sector management, institutional restructuring, and implementation of a short- to medium-term plan for the financial sustainability of the sector.
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