



DRIN RIVER CASCADE REHABILITATION PROJECT (DRCRP)

Duration of the Current Phase

1994-2007

Swiss Grant Contribution

CHF 11'800'000.–

Location

Hydro power Plant Fierza (Drin River)

Project Partners and Beneficiaries

- Albanian Power Corporation (KESH)
- Ministry of Finance, Albania
- VA TECH Hydro, Switzerland (Contractor)
- Colenco Power Engineering (Consultant)

Other Donors

- European Bank for Reconstruction and Development (EBRD)
- Cooperazione Italiana
- Japan Bank for International Cooperation (JBIC)
- Austrian Development Agency (ADA)

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1. Context

- Albania's energy generation capacities are 95% dependent on hydro power, mainly from five important hydro power plants located at the Drin and Mat River in Northern Albania. One of the most important among them is the hydro power plant in Fierza, with an installed capacity of 4x125MW, built from 1971-1978 with Chinese assistance. Although being the backbone of Albania's power sector, during the following years these hydro power plants were poorly maintained, and suffered from antiquated sector policies and inefficient management.
- In 1994-1995, the Government of Albania, the national electricity company KESH, and different international financing institutions under the leadership of the EBRD, designed the DRCRP. The project was launched in late 1996.
- From 1997-2000, most project activities were suspended due to the public unrest after the break down of the pyramid saving schemes in Albania, and the pending electricity sector reforms.





2. Objectives

- The aim of the DRCRP is to rehabilitate the Albanian power generation system and to ensure its sustainability in order to enable the country to cover its home demand and to export any excess power.
- In a liberalised European power market, Albania could have an interesting position as supplier of “green” power, and peak load capacity.
- Within the support by the donors and lenders, the Swiss grant contribution is focused on the delivery of mechanical equipment for the Fierza hydro power plant.



3. Activities

- The supplier for this equipment has been selected through public tendering and is VA TECH Hydro, Switzerland.
- SECO has mandated the specialised Swiss consultancy firm Colenco Power Engineering to supervise the project and support its implementation. This includes the negotiation of claims between VA TECH and KESH, and the technical evaluation of site inspection reports.
- In 2001, two new runners have been exported to Fierza. The heavy transport across the Lake Koman was a logistical masterpiece. All the four turbine units and generators are now completely rehabilitated.
- Opening and inspecting each unit was a challenge. Only then could the volume of necessary rehabilitation works be exactly defined and agreed. Often, the old Chinese technology requires new, innovative solutions.
- Periodic meetings between KESH, EBRD, SECO and suppliers helped to manage the budget, time schedule and the delicate interfaces between the project components.