

# The long shadow of an oil legacy

Fact finding mission report from the Bankers Petroleum  
oil fields at Patos Marinza, Albania



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# Introduction

The Patos-Marinza oilfield in Albania is continental Europe's largest onshore oilfield. Bankers Petroleum (Bankers), the Toronto and London-listed company that has a 25-year license agreement with the Albanian National Agency for Natural Resources and the state oil and gas company, Albpetrol, estimates that Patos Parinza contains approximately 5.4 billion barrels of original oil. Bankers also holds full rights to the Kuçova oilfield 20 kilometres east of Patos-Marinza, which has 297 million barrels of original oil-in-place, and as well a seven-year exploration license on the 185,000-acre Block F, which is contiguous to the Patos-Marinza field and is prospective for natural gas.

In early 2008 Bankers started vertical and horizontal infill drilling and initiated waterflood development and thermal programmes in order to substantially increase oil production and reserves. In 2009 the company received joint financing from the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). The mirror facilities include each USD 50 million long-term borrowing based debt, a USD 5 million environmental remediation loan, and an equity stake of up to USD 10.4 million.<sup>1</sup> In 2013 the USD 50 million borrowing based debts were increased to USD 100 million by each institution,<sup>2,3</sup> bringing the total investment up to USD 230.8 million.

Representatives from CEE Bankwatch Network and EDEN Center in Albania visited the area around Patos-Marinza during 3-7 February 2013. Since Bankers explained that it did not

have senior staff available to meet the team during this time, the only very limited contact with the company was at its information centre in the project area. Furthermore the team was only able to visit three villages<sup>4</sup> – Kallmi i Madh, Jagodina and Zhares – before security escorted the team out of the area and suggested that we should not be seen on Bankers' property until appropriate authorisation and a company guide were provided by the decision of a Bankers' vice president. The boundaries were ill-defined as the 'white gravel roads', but considering that residential and industrial areas are mixed and no road signs exist, observing such borders is difficult.

During a meeting with the EBRD,<sup>5</sup> the bank said that Bankers is worried that, because of increased interest in their operations from NGOs, more people will visit their premises eg to take pollution samples, so security risks are increasing. The bank was disappointed however to learn that the team was not allowed on the premises and about the overall unaccommodating atmosphere encountered during the visit.

The team met also with the Prefect of Fier and seven local mayors<sup>6</sup> and with representatives of the Ministries of Environment and Energy, which to some extent provided a fuller picture in spite of the limited access to Patos Marinza. A number of questions remain, including unresolved grievances from local communities and Bankers' communication and consultation practices with impacted stakeholders about infrastructure developments like the expansion to Block F and the Kucova field.



*This Kallmi i Madh resident lives just metres from the road and believes that the cracks in his walls and roof are caused by passing trucks.*

## Summary

Pollution goes hand in hand with extractive industries, and the Patos-Marinza area has been exploited for decades, so the team was prepared for the unpleasant smell in the air, sludge pits, rusty scrap heaps, dusty roads and heavy lorry traffic. What the team was unprepared for was the level of poverty and abject squalor of the local villages. Poverty of this scale in communities living in the shadows of extractive industries is not typical, at least not based on our observations over more than a decade and half across eastern Europe. This is even more unexpected given the financial support for Bankers from two well-known public financial institutions with explicit mandates related to development: in the case of the IFC, the alleviation of poverty; and the promotion of environmentally-sound, sustainable development, in the case of the EBRD.

Given the abysmal economic situation in the communities neighbouring Bankers, the issue of greatest concern among local people unsurprisingly is unemployment. While there is a great deal of economic activity in the area, the local communities receive significant pollution but do not get compensated for example with increased opportunities for jobs. Bankers reports that 85 per cent of its workforce is Albanian but does not specify how many of these employees are local. Furthermore most jobs are subcontractors who rely on their own workforce, and reportedly there has been no effort to persuade subcontractors to consider hiring qualified workers locally.

While Bankers has made efforts to develop the community through social investments, some locals and authorities find these projects and initiatives inadequate or ill-advised. For instance, although Bankers advertises its local Agricultural Support Initiative,<sup>7</sup> the team did not find any evidence of its effectiveness, and on the contrary, heard several accounts that dust and air pollution cause regular damage to agriculture in the area. More transparent and participatory decision-making about social investments may help to better assess the needs and priorities of the communities, which may be the task of 'a working group that shall seek for better allocation of funds from Bankers,' as suggested by the Ministry of Energy.

As the retort "Corporate Social Responsibility is not philanthropy" was repeated several

times during the visit to Albania, we enquired about the amount of taxes Bankers pays in Albania. Bankers enjoys a tax holiday on its income, and the Ministry of Energy explained that at Bankers, "a profit was still not realised, because Bankers keep investing in exploration technologies." The new Albanian government has introduced some fiscal changes for 2014, however these are expected "to have minimal impact on [Bankers] ongoing business," according to its Operational Update for the Fourth Quarter of 2013. These measures include the removal of the VAT exemption, for which the company will be fully reimbursed on a timely basis by the government. Similarly, the potential implementation of an Excise Tax on imported petroleum products from April will likely be bypassed, considering the government is currently consulting it with industry members<sup>8</sup> and has just signed a Foreign Investment Promotion and Protection Agreement with Canada.<sup>9</sup>

A related issue is the domiciling of Bankers entities for tax purposes. The oil fields at Kucova are operated by Sherwood International Petroleum Ltd, a Cayman Islands-registered, wholly-owned subsidiary of Bankers<sup>10</sup> that the company acquired in 2008. The EBRD has a policy on offshore jurisdictions that requires justification in cases where clients register entities in a tax haven, which the Cayman Islands is, by the definition used by the EBRD. When asked about the status of Bankers Cayman, the EBRD said it was unaware of any incompatibility with EBRD policy and that in any event it would not be applicable since operations are not yet underway at Kucova. Yet the Chief Inspectorate at the Ministry of Environment negated these claims, alluding to problematic levels of pollution documented in the quarterly monitoring reports of Sherwood operations at Kucova.

On the local level, we were told that the company pays regularly, however the amounts are 'ridiculously low,' and the company has requested that the payments should decrease because of the environmental improvements it has implemented.<sup>11</sup> At the same time, local authorities are not receiving their 25 per cent of the ten per cent royalty collected by the state, and the Ministry of Energy added that the company is not even paying the full ten per cent,<sup>12</sup> as the company claims to use some of the money for environmental measures.

It is not uncommon for foreign investors to get tax cuts or concession fee reductions

for having to deal with historic pollution of decades-long underground resources extraction. In the case, however, Bankers claims that is not contractually obliged to carry out environmental remediation, and thus presents it as some kind of a charitable activity. Then the questions arise as to what are the conditions for the above mentioned tax cuts, and what indicators are used to measure progress with regards to environmental improvements. In a situation when there are subjective and widely contradictory assessments about Bankers' achievements in cleaning up the area, some objective criteria must be used to assess the positive impacts.

During the visit it was particularly hard to establish what environmental remediation measures have been made. From the point of view of local communities, the environmental clean-up has been limited, for example by concentrating pollution into open air sludge pits and increased transportation of oil tank trucks and other heavy machinery. While water and air quality are also a concern for locals, the EBRD assured the team that the new sludge treatment plant to be constructed this year and the installation of vaporisers next year will successfully address the pollution problems.

The company has neither managed expectations well nor communicated and consulted impacted households about the

siting of sludge pits or traffic routings. To make matters worse, when locals organised protests against the construction of the pits, police was sent in to forcefully disperse the villagers. After the last bout of protests in March 2013, village leaders recounted being summoned to the police on several occasions for interrogation, and although no official proceedings were initiated, the locals consider such dealings with the police intimidating. As a result there is fear among the community and a lack of hope that solutions will be found in a participatory way, through consultations and the type of engagement expected of projects financed by the IFIs. Villagers mentioned having requested meetings with Bankers on several occasions but the company did not reply any of the requests.

These issues are compounded by the fact that local authorities lack the necessary capacity, and supposedly sometimes the integrity, to act in the interests of impacted villages. The question of how effectively grievances are being addressed needs to be studied further, as the number of grievances reported by the company appear significantly lower than that claimed by local authorities. It is not clear how systemically complaints that land with local authorities are processed, since we could not establish any such process during the trip. The Bankers Information Centre at the project site did not provide clear information about the



Gymnasium at the school in Kallmi

company's grievance mechanism, although information from the EBRD suggests that such a mechanism is in place.

In spite of the persistent environmental and social problems in the area, the only issue to receive attention by the government, local authorities and the media is the impact of earthquakes on roads and houses in the village of Zharez. Locals claim that the 'tremors' are caused, or at least intensified, by the new vertical drilling technologies employed by Bankers for stimulating oil production, an opinion echoed by some government officials. According to investigations by the IFC's Compliance Advisor Ombudsman, experts in seismology are for the most part uncertain about the cause of the seismic activity and have requested more equipment and funding to research the issue further. Additionally a committee has been formed and meets weekly to discuss the question.

## Detailed findings

The team met six mayors from the Patos-Marinza area at the Prefect's office in Fier. According to the mayor in Patos, Bankers regularly pays taxes and has been responsible in terms of its social spending. The mayors informed the team that the company pays three types of local taxes: an environmental or pollution tax, assets tax and business tax. Apparently the company has argued that the taxes it pays to the local communities should be decreased due to its environmental improvements and the lower levels of pollution.

The mayor of Patos described Bankers social investment programmes, including the construction of two parks, refitting seats in the local football stadium and funding the development of a regional development plan. She believes that privatisation has led to more unemployment and increased levels of pollution, though she is unaware of the acceptable limits of air pollution for the area. Her community has expected to receive more benefits from the project.

The mayor of Zharez Taulant Grepj believes that Banker's pays a "ridiculously low" amount of money in taxes and is in fact embarrassed to tell his constituencies how much for fear that they will demand his resignation eg on suspicions of embezzlement. There is also little transparency, he claims, from Bankers about how much money they pay for

environmental improvements. He said that the regional government has been forced to use its limited funds instead of money that comes from Bankers to improve the roads and for schools, while Bankers' heavy trucks continue to destroy the roads. More transparency, he says, is needed among Bankers and the local governments, citing two or three cases where investments by the company have ended up in the wrong hands. He also believes Bankers' social investments are inconsistent and lack a strategy.

In the commune of Mbrostar, Gezim Dhima explained that a small sports facility was constructed, but locals were apprehensive when Bankers subcontracted a company of dubious reputation, explained the mayor. As a result, more than USD 70 000 was spent on what many consider to be an ill-advised investment, while Banker's maintains that in all more than USD 200 000 has been spent. He explained that the villages of this Commune including Kallmi i Madh, are among those receiving the lowest investments from Bankers even though they are among the most affected ones; at the same time, the communication with the company is good. He concluded that there are also problems in the village with the sludge pits, which villagers say have impacted the irrigation channels and subsequently agriculture in the area.

From the Kuman commune (which sits on the Marinza field), the mayor stressed that formerly good relationships with Bankers have soured, and the area deserves more of the benefits from extraction. He believes that Bankers is responsible for 75-80 percent of the pollution in the area, and though the area doesn't look as polluted as it once was, he thinks that Bankers has literally paved over the much of the problems in constructing roads around the commune. He concluded by thanking Bankers for investments made to date, stressing that the investments in water and irrigation are a good start but that locals have additional needs.

The Patos mayor responded that they have received little investments, but that they have received an awful lot of pollution. She points also to problems with the tax levels being paid by Bankers. Any kind of social investment, she argues, required a good deal of negotiation ie if Bankers says it has USD 4000 to spend, then the programme can only be worth USD 4000.

On the question of grievances, the mayors dispute the one hundred-odd complaints

registered by Bankers, saying for example that they have over 3100 plots of land in the Zharrez commune alone, and each and every one has problems with the company and its operations. In the summertime, the pollution caused by infrastructure, like dust, destroys the crops and impacts crops so that only the winter wheat is able to grow.

The mayor of Roskovec Gezim Caushi said that the village of Jagodina in his commune has received between USD 30-40 000 in investments from Banker's. Mainly his citizens ask for more infrastructure investments like roads, but the mayor has no idea whom to contact in order to work out the details of development. Similarly with employment, details about how to secure such investments are scarce.

Also in attendance at the meeting was the emergency specialist of the prefecture, who expressed his concerns with the health impacts in the community. He believes that Bankers should also speak to the host community about what its needs are in the region, saying that it is a paradox that such industrial development can happen and not have the local communities as partners. He concluded by stressing that the company should publish its figures from self-monitoring on the level of emissions.

Finally none of the communes have any environmental expertise, but the regional offices are supposed to assist, even though these will have different competencies after the internal reorganisation of the environmental ministry, according to the chief Environmental Inspectorate in Tirana.

The Fier prefect added that Bankers are perceived in local communities as "not a good thing", and he recommends that the company be transparent in all operations in the area.

### Unemployment

In Kallmi i Madh village the team heard that many men trained at the petrol technical high school could not get a job with Bankers. Also construction projects like the health centre, road works and the like, involved a workforce brought from either Fier or other parts of Albania. The company reports that 85% of its workforce is Albanian but does not provide information on the number of locals employed, nor info on subcontractors.

On the question of employment, one man who had previously worked for Albpetrol and had a degree from the technical?? remarked that 'hundreds' of people have sent their CVs not only to Banker's but also different subcontractors. Of the approximately 50 people in the village with a technical degree, he explained, not one is employed by Bankers, even though many had previous experience working for Albpetrol. When it was noted that Bankers has a hiring policy in place to give preference to former Albpetrol employees, the man dismissed this, reiterating that he knew not one of his former colleagues employed by Bankers. Roughly 15 people attended this informal meeting, and not one of the men was employed. We discovered a similar situation in Jagodina, where locals explained that none of their neighbours were employed by Bankers,

At the meeting with the EBRD, Dr. Yildiz said that CVs with Albpetrol experience are prioritised, however tracking was not done well, and Bankers should collect statistics on this in future. Paul Shapiro said that the workforce depends on the qualifications required for the particular task and it is not reasonable to expect that subcontractors from outside of the local area can hire people locally for temporary jobs, as they have their own qualified employees. Dr. Yildiz agreed, but Shapiro was not persuaded that if local communities bear the burden of the negative impacts, it would be beneficial to the company to ensure some benefits from employment, to decrease animosity and improve community relations. Shapiro added that a twenty-year-old technical degree might not be appropriate for the type of engineering work required today.

### Social investments

It is not clear how Bankers assesses the needs of the communities and how it decides on priorities for social investment. Local people repeatedly mentioned "meaningless" trainings, like how to grow tomatoes and make jam, and promises for USD 100 credits never materialised. Additionally one younger man in Kallmi said that Bankers had promised loans to villagers in order to construct greenhouses, and as well offered study tours to adjacent villages to learn different agricultural techniques. About 50 to 60 local farmers went on such study trips to the nearby village of Lushina to view their greenhouses, but in the end the programme did not take off. One man stressed it was important for Banker's to plan social and outreach programmes 'that made sense.'

By this he was referring to an arrangement whereby he rents land to Banker's for oil extraction, and they in turn teach him about care for tomatoes. The programme is of little use however, since the man already knows how to care for tomatoes, and he no longer has any land on which to grow the tomatoes.

Needs assessments and decision-making about social programmes are not transparent, with examples highlighted of corrupt or politically motivated decisions. One example was given during the meeting of mayors about one mayor who sold Banker's his own land and then left for the US, and in another case, larger municipalities receive more investment even though they are further away from the production areas and thus the most adverse impacts.

On returning from Greece, one migrant worker in Kallmi mentioned that he had nowhere to send his children because the school was in disrepair. In terms of social investments, the recently-constructed health centre and the programme for pruning trees were not identified as priorities by the villagers, who instead repeatedly referred to the more important question of road construction and the quality of drinking water.

On the issue of employment for women, a company from Fier built a shop for women to work as tailors and some received training, but then the shop went bust.

### Roads

The local roads were in a state of disrepair caused in part by heavy traffic and company trucks, especially ones that passed through residential areas. Locals were not consulted about those that pass near to houses, which are now affected by the vibrations and failing ceilings.

Road safety is another problem, as oil production fields are intertwined with residential areas, and heavy machinery and oil tanks pass sometimes within meters of people's property. People do not have information about emergency measures or procedures in case of accidents.

At the meeting with the EBRD, Paul Shapiro said that roads had been significantly improved, because there is now less traffic than there used to be and because there is one centralised collection point and pipeline. When asked why

less transport should result from increased production (with the number of wells rising from 300 to more than 1000<sup>13</sup>), Shapiro insisted that all truck routes were there previously and traffic decreased as a whole, meaning that no consultations with impacted households were needed. Dr. Yildiz agreed that improvements are needed in signage about speed limits and the proximity of roads to houses, thus causing vibrations.

### Water pollution and lack of water infrastructure

The water in Patos Marinza is polluted, much of it is unsuitable even for washing, and very few households have piped or pumped water in their houses. This is a burden on households, particularly women, who must carry water to wash and clean and a major obstacle for developing any business. For example running a cafe or a restaurant or providing high-standard hygienic conditions for breeding animals cannot be done without an adequate supply of quality water. In Kallmi there is only one well that can be used for drinking, but locals do not believe it is really potable, so most go with donkeys to the nearest stream to get drinkable water.

One Kallmi resident mentioned that children in the community suffer from chronic stomach problems, which he attributed to the poor air quality but could also potentially be related to poor water quality. The local nurse confirmed this, and the fact that no health monitoring or epidemiological studies on locals have been done.

In Kallmi people say that the emergency spill response plans are a bit like a shrugging of the shoulders and 'poor you' should something go wrong.

### Air pollution

In Kallmi locals complained that there is high air pollution, especially early in the morning, and in Jagodina residents confirmed that the air is heavy in the mornings, leading to problems with breathing. We were told that the pipeline leaks methane and that the sludge pits evaporate in the summer, deteriorating air quality at the expense of people's health. On the condition of the sludge dumps, one man alluded to an Albanian saying, that in the summer 'there is no god that could live there'. Locals attribute the conditions near the sludge pits to the combination of high temperatures and winds. An expert at the meeting with the prefect



mentioned high levels of CO<sub>2</sub> in the blood of locals, but without epidemiological studies, as mentioned by a nurse in Kalmit, this cannot be confirmed. It is also unclear which air pollutants are present, as methane, CO<sub>2</sub> and SO<sub>2</sub> were mentioned by different residents.

On a few occasions, locals suggested that in the past Alpetrol used to pollute the water, but now pollutants are no longer pumped into the water but rather the air. The mayor of the Seman commune confirmed that in the last two to three years, the quality of the river has improved but is still far from clean, and he was not aware of any facilities that treat discharge before it enters the river at the oil fields upstream.

In discussions with the EBRD, the bank described a pilot project for installing vaporisers, which will gradually be rolled out as per the updated project summary document. Also the sludge pits will be emptied and the sludge treated at a new treatment plant beginning in 2014, which should solve the problem for households living near the pits. However it is unclear if the siting of the sludge treatment plant will have an impact on households and if yes, whether or not they have been adequately informed, consulted and compensated?

Traffic of heavy machinery, in particular oil tanks, has led to dust pollution, which is exacerbated in the summer. In Kallmi villagers believe that between 30 and 40 tankers pass through the settlement each day and that the condition of the roads was in a better state under Alpetrol, as they were maintained and the potholes filled.

The mayor of Zharez said that dust from traffic causes decreased agricultural yields and only the wheat grown in winter is not terribly affected. People in Jagodina near a sludge pit mentioned their bees and watermelons are dying because of the gas and dust pollution.

### Earthquakes

Xhevit Bushaj, the Fier prefect, said that considerable damages have been caused to local resident's homes and property, most notably by the vibrations caused by injections at the oil wells. He said that after sixty years of exploration in the region, only in the last few years have such earthquakes occurred (54 instance in 2013 alone). Bankers has a poor reputation in the eyes of the community, according to Bushaj, which he attributes to

the technology used for extraction and its potential connection to the vibrations.

Bushaj referred to the recently initiated weekly meetings among Bankers, the Alpetrol supervisory authority, community representatives and the Ministry of Energy and Institute of Geoscience to ensure transparency and keep the dialogue among the different stakeholders flowing. These meetings are well attended, and according to Bushaj, transparency will lead to the development of the area without especially encroaching on the local communities. Representatives at the Ministry of Energy added that two new seismometers were installed, and now altogether there are five seismometers in the area.

### Lack of consultations with impacted households and violent police intervention at protests

Bushaj continued by saying that problems with pollution and extraction technologies have led to exacerbated social tensions, particularly evident in the case of attacks on the company's assets as well as hunger strikes.

Local people allege that they were neither informed about the environmental remediation plans nor consulted about siting of sludge pits. Households in Jagodina recounted that the village organised three protests of about 70 people, but police forcefully ended the demonstrations and since then, people are afraid to protest.

In Kallmi residents organised road blockades in March 2013. At the end of the day, police asked demonstrators down to the station, questioning them about who was in charge of organising the demonstrations, and about what rights the community thought it had to organise protests and demand meetings with the company. Two months after this initial demonstration, the community organised a similar intervention – this time with the necessary permissions – and still the police responded with detentions and interrogations, calling organisers and participants up to five times, without clarity on the formality of these police actions. The elder views these types of investigations as a form of intimidation.

The Kallmi elder also explained that in terms of engagement, they have asked for meetings with Banker's repeatedly but the company has never responded. The elder said that there is

one information centre for the region that he knows of, but it is not close to the village, so it is difficult for him to get there. However he has visited several times and complained but to no avail. The last meeting with Bankers was held in March 2013 after the road blockade.

The coordinator of the Bankers information centre Nikollaq Rista explained that he is the first point of contact when members of the surrounding communities have a complaint to file against Bankers. He explained that often many of these deal with the blocked drainage channels, and as well the community investments made by Bankers. He did stress however, that the health centre that Bankers financed was not the only such community programme. The information centre also regularly provides information about employment opportunities at the company, posting these in a visible place among the centre's records.

## Recommendations

Based on the field visit, we offer the following recommendations to both Bankers and the EBRD

**Employment:** Bankers should prioritise hiring qualified, local workers – not just Albanians – as part of its employment policy, and it should work with its subcontractors to find ways of including the local labour force in developing infrastructure in the Patos-Marinza area, in order to ensure more direct economic benefits and better acceptance of its operations among the local communities.

**Roads:** Bankers should ensure that roads used by local communities are maintained well; that there are clearly signposted speed limits so that trucks slow down when passing through residential areas. Bankers should also account for future road developments by considering all other alternatives before using existing roads that in most instances pass near homes.

**Air quality:** Bankers should prioritise the implementation of measures to address air pollution like the aforementioned vaporisers. Bankers should also publish summaries of its self-monitoring data for interested stakeholders, and the data on its emissions should be comprehensible and communicated appropriately for the intended audience, with clear progress indicators for baseline and current pollution levels. At the same time,

Albanian monitoring institutions should take a more active role and communicate with locals about air quality issues and as well as possible measures being undertaken at the institutional level.

**Consultations on infrastructure development:** Bankers should communicate more clearly with project-impacted people and should consult with villages, households and other interested stakeholders about its operations when these are likely to involve adverse impacts, mitigation measures and/or compensations.

**Transparency on community investments:** Bankers should establish a transparent and inclusive mechanism for deciding on its community investments. For example, the working group on earthquake issues is a good model that can be used as a basis for other issues of concern.

**Benefit sharing:** The Albanian government should ensure that the 25 per cent of collected royalties from Bankers operations reaches the communities that bear the burden of pollution from oil extraction. Additionally, local communities should receive adequate levels of local taxes.

**Monitoring and reporting on impacts:** The EBRD and IFC should ensure that environmental remediation will progress better than during the first loan, and that Environmental and Social Action Plan activities and mitigation measures are consulted adequately with impacted communities and households. The IFIs should provide technical assistance to the company to assess better the needs for community investments, so that these make sense and address the problems as prioritized by the project-impacted people. Furthermore, the banks should demonstrate and report on the positive impacts with respect to poverty alleviation and the promotion of environmentally-sound sustainable development through regular updates on their investments.

**Grievance mechanism:** Bankers should make clear how its grievance mechanism works and how it be used, particularly for an audience of local communities representatives and local authorities. While a mechanism is currently in working order, it seems there is quite a bit of confusion of what constitutes an official complaint.

# Foot notes

1. See the IFC Summary of Proposed Investment, Bankers I: <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/DocsByUNIDForPrint/AB64A1D43461214D852576BA000E2D1A?opendocument>
2. See the IFC's Summary of Proposed Investment, Bankers II: <http://ifcext.ifc.org/ifcext/spiwebsite1.nsf/DocsByUNIDForPrint/1570B2D8CFFD40DE85257B0A005D04A1?opendocument>
3. See EBRD Project Summary Document: <http://www.ebrd.com/english/pages/project/psd/2009/39368.shtml>
4. Meetings: 1) Kallmi i Madh village, meeting with village elder and a group of app. 15 men and the village nurse. Short visit to the school and a chat with the school director; 2) Visit to 1 household in Kallmt on the road who are impacted by the traffic, want speed limits and trucks slowing down; 3) Visit to the Bankers Information Centre: met the only representative of the company there; 4) Visit to 2 households in Jagodina, near sludge pit #7; 5) Visit to Zharez village.
5. Paul Shapiro, natural resources; Fabio Serri, head of office, Dr. Erbu Yildiz, Environment and Sustainability Department
6. Meeting first with Prefect; then with mayors from two municipalities, Patos and Roskovec, and three communes: Zharez, Kuman and Mbrostar; then separate meeting with mayor of Seman. These were followed by meetings with Mr, Ergys Agazi, Director, Inspectorate of Environment; Mr. Dritan Spahiu, Director, Directory of politics and hydrocarbons
7. OSCE Presence in Albania & Embassy of Canada to Albania, March 2013, Situation Analysis of Corporate Social Responsibility on Albania, Current Practices and Challenges of Extractive Industries
8. See Bankers' Operational Update for the Fourth Quarter of 2013
9. See McPherson, T., 28 Nov. 2013, Albania Strengthens Focus on Canadian Investment with Signing of Investment Agreement <http://ceo.ca/2013/11/28/albania-strengthens-focus-on-canadian-foreign-investment-with-signing-of-investment-treaty/>
10. According to Bankers Annual Information Form "Both Bankers Albania's and Sherwood's operations in Albania are conducted through an Albanian branch office registered to conduct business in Albania." [http://www.bankerspetroleum.com/en/components/investor/bankers\\_2013\\_aif\\_-\\_final.pdf](http://www.bankerspetroleum.com/en/components/investor/bankers_2013_aif_-_final.pdf)
11. Environmental or pollution tax is the biggest tax paid on local level, additional to the business tax and the assets tax.
12. There is talk currently of increasing the royalty from 10 to 15 per cent.
13. Increases in production: Since Banker's took control of the Patos-Marinza oilfield in 2004, they have grown production from 400 bopd to over 19,000bopd today: <http://ceo.ca/2013/12/12/bnk-bankers-bets-big-in-albanian-oil-fields-set-to-spend-313-million-in-2014/>



*Referring to an  
old Albanian  
adage, one man  
said that in the  
summer, 'There is  
no god that could  
live here.'*



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