

Antea Cement, Kruja, Albania

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CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

Background

In July 2007¹ the Government of Albania approved the construction of a cement factory in the municipality of Kruja, 30 kilometres north of the capital Tirana. The investor, Antea cement, a subsidiary of Greece's TITAN Cement Group, completed the construction of the plant and started production in January 2010.²

The project, with total costs of EUR 210 million in total, was financed partially by the European Bank for Reconstruction and Development (EBRD) with EUR 29.4 million (EUR 12.6 million of equity and EUR 16.8 million in subordinated debt) and partially by the International Finance Corporation with EUR 29.4 million, comprising a loan and a 20 percent stake in the company.

The plant is the second one in the close vicinity and the third in the municipality of Kruja, together with the Cementos Aguila and Fushe-Kruja Cement plants. The project features Chinese technology with equipment from the manufacturer and contractor CBMI Construction Co. Ltd., which required bringing up to 700 Chinese workers to the site.³

The plant has a capacity of 1.5 million tonnes annually which is intended to be primarily exported to Kosovo and Montenegro and to be partially used domestically.

Problematic issues related to the project

Even though the construction of Antea cement was considered one of the largest greenfield investments in Albania, and was accompanied by the promise of creating 300 jobs⁴ directly, there have in practice been few benefits for the people from the villages of Thumana and Burizana. Local people do not have the proper background and skills to work in the factory other than a few being

¹ Decision of date 25/07/07. Council of ministers approves the agreement between the Ministry of Economy, Trade and Energy and "Antea" Cement.

² Albania Titan Project contracted by CBMI ignited <http://www.cementchina.net/project/showpro.asp?id=735>

³ Antea Cement, Environmental and Social Impact Assessment, Non technical summary, Pg.11

⁴ IFC Invests in Antea to Create Jobs and Promote Infrastructure and Housing Development. <http://web.worldbank.org/>

employed as drivers or loaders, and they complain that the plant employs mostly foreigners or people from Tirana.

Before the construction of the plant, many local women earned a living through collecting herbs or grazing animals in the area. The Social Compensation Framework recognised that this partly included the area where a quarry now stands, and set out a framework for eligibility for compensation. While it is unknown how many people have been compensated as intended in the plan, a further issue has arisen related to the quality of the herbs and plants that the animals graze on in the areas which are still accessible to the public but, being adjacent to the quarry and near to the cement plant, are subject to dust and other pollutants. People now have to go further afield, thus consuming more time and effort.

In spite of the hopes expressed in the Social Compensation Framework, there is no real likelihood that women from the area will ever be employed in the cement plant. A school has been constructed in the village of Thumana, but this is a technical mechanical one, which is in reality no real help to the female population.

Water supply in the village of Thumana is also problematic. Although the village never had water flowing 24 hours a day in the houses, the construction of the plant has aggravated the situation further. The construction of the plant involved digging the land, which has damaged the underground sources of water. It is not clear what has happened to the water but it leaves the downstream villages facing a serious lack of water during the winter as well as fears about the approaching dry summer.⁵ For the moment no measures have been taken to improve this situation since the investor and the commune have not agreed on financial terms.

Now the plan is to construct another water supply plant, which would pump water from a lower level up to Thumana village. This new plant will need financial capacity to be built and financial and human capacity for maintenance after it is built (previously, the water moved downstream because of gravity, so a person in the commune had only to turn on and off the water tap to furnish the village with water). According to the head of the commune, Antea wants to finance only the digging needed for the construction of the new water supply, while the commune does not have the capacity to finance the remaining part of the construction of the new water supply plant.

As well as a lack of water and employment, during site visits local people have complained that as the Antea Cement plant is the third one in the area, the pollution and noise caused by these investments are unbearable for the local population. No data has yet been accessed to assess whether the air quality and noise levels are within legal limits, however it is clear that the local people feel that the pollution is above acceptable levels.

⁵ Interview with the head of Thumana Commune, Mr. Gezim Keqi and local population on March 5th, 2010

Conclusions and recommendations

Antea cement must, monitored by the EBRD, take serious action to prioritise the employment of local people and to develop their skills, taking into consideration gender differences.

The EBRD also needs to look into the damage that the project has caused for the water supply system in the village of Thumana and ensure that the investor builds and operates a new water supply system that will provide the local communities with unlimited water.

The investor, monitored by the EBRD, also needs to make further investments in the infrastructure of the affected villages in order to compensate for the impacts that the plant has on the air quality, landscape and everyday activities of the local communities.

The investor and national authorities need to measure and disclose emissions and ambient air quality data.

In future the EBRD must make a more thorough analysis to ensure that people are not exposed to the cumulative impacts of multiple polluting industries.

For more information

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