



# SITUATION ANALYSIS ON CORPORATE SOCIAL RESPONSIBILITY

in Albania

Current Practices and Challenges of Extractive Industries

Situation Analysis on Corporate Social Responsibility in Albania  
*Current Practices and Challenges of Extractive Industries*

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## FORWARD

The forward-looking vision embodied in this document must be commended as well as all of those who were involved in its landmark production: authors, consultants, institutional underwriters, corporate and governmental participants and editors alike.

This effort to take a very useful snap-shot of the current state of Corporate Social Responsibility in Albania does not, however, constitute an end unto itself. It is merely a first step, a cornerstone to a much longer process. It will help inform the next steps.

In fact, the process is so much longer that it should be permanent. Such a process should aim at using the principles of Social Responsibility, its values, its standards, its frameworks and tools, in other words, a socially responsible framework, to transform the development of Albania's natural resources into durable outcomes and benefits for all.

A socially responsible framework entails that all the stakeholders in the socio-economic equation or in major economic projects (i.e., governments, investors and communities) share specific and common responsibilities in the functioning of the system. Such a socially responsible system is meant to establish a balance between the benefits that should correspond to the different categories of stakeholders through a myriad of interactions between them. Balance can only be the result of such interactions.

A socially responsible system is not one based on a zero-sum game. It is one that creates opportunities through the synergies it creates or helps identify.

The ultimate finality being sought is sustainability or durable outcomes and benefits for all.

Social Responsibility is to sustainability or durability what exercising is to most if not all sports: an inescapable and integral feature of performance.

A socially responsible system is one whereby a multitude of interactions occur between the various categories of stakeholders (governments, investors and communities) thus creating, amongst other results, effective partnerships. Effective partnerships of all kinds (formal, informal, vertical, horizontal, temporary, permanent, for profit, not-for-profit, etc.) between the different categories of stakeholders are a precondition for sustainable or durable results to be drawn.

The report deals generously with that aspect of Social Responsibility. It offers an overview of the institutionalization process (e.g., creation of A UN Global Compact Network and of a Multi-Stakeholder Forum on CSR as well as a list of several activities such institutions engendered or from which they themselves were born) as a relevant indicator of progress on the CSR front in Albania.

This report is a successful high-resolution and wide-angle snap shot of a situation which is as full of opportunities as of worthy challenges. Albania could serve as a model to emulate.

A parting advice: Maintain constancy in your interest and regularity in your efforts!

*Louis Guay  
Senior Fellow, Saint Paul University, Ottawa  
March 2013*



## EXECUTIVE SUMMARY

Corporate Social Responsibility (CSR) has become a global phenomenon and the CSR report database *Corporate Register* has recorded 5,736 sustainability or CSR reports published in over 100 countries in 2010. CSR is becoming more and more important in today's business world and the same holds true for Albania, especially for extractive industries.

As a continuation of the previous round table discussions initiative on CSR organized by the Canadian Embassy to Albania and in the frame of the OSCE Presence's work on good governance issues, promoting participatory approaches to local planning mechanism, promoting public participation under the Aarhus Convention and working in promoting transparency and anticorruption issues, both organizations organized a high level joint workshop in 19 February 2013. The event brought Canadian best experience to implement socially and environmentally responsible practices as well as to provide government, NGOs and community members with a better understanding of CSR through the Canadian experience and see what types of programs could be transferable to the Albanian context.

However, in order to get a clear and encompassing view of the current situation of CSR practices in Albania, both the OSCE Presence in Tirana and the Canadian Embassy to Albania considered as fundamental to carry out research in regards to the existing practices of CSR in the extractive industries.

The research was carried out by two national experts during November – December 2012 and was focused on eight main international and native companies operating in four essential extractive sectors: oil & gas, mining, cement production and hydropower plants. The experts have closely collaborated with the selected companies from the relevant extractive industries, ministries of line, respective local government units, appropriate NGOs as well as donor projects in the country.

The assigned tasks were accomplished by following the methodology of work as described below: conducting desk research, drafting questionnaires, preparing a sample of the interviewees, holding one-on-one meetings and interviews, collecting data and reporting.

The research showed that it is obvious that Albania has taken the first steps towards embracing initial CSR practices. Since Albania is part of the processes related to globalization and EU Integration, CSR becomes of paramount importance. Furthermore, the implementation of CSR standards serves as a means to create competitive advantage for Albanian businesses both regionally and in the wider European market, in addition to better company image, risk management and increased value. Still, the findings brought some positive experiences such as Titan Group *Professional School of Thumana* and Bankers Petroleum Albania Ltd. *Agricultural Support Initiative*.

In spite of the current challenges on implementing CSR legislation, the Ministry of Economy, Trade and Energy (METE) is committed to promoting social and environmental standards as an added source of competitiveness and sustainable growth for Albanian companies in the local and the global market. UNDP is also promoting the CSR agenda among local actors in Albania.

The most prominent achievements to date are: the establishment of a local United Nations Global Compact Network, development of the Policy Paper on CSR, adoption of Corporate Governance Code for the unlisted companies, drafting of the National Action Plan on CSR and the relevant indicators, establishment of the Multi-Stakeholders Forum on CSR, adaptation of the ISO 260000 standards, training of journalists from local media and CSR prize award projects.

The experts conducted a number of site visits and held meetings with business representatives from the targeted sectors of extractive industries as well as the relevant stakeholders and NGOs. The main issues covered during the interviews involved: 1) Brief history and activity of the company, 2) CSR impact and achievements in relation to staff, community and environment, 3) Cooperation with Local Governance Units, Central Government and NGOs, 4) Problems faced, and 5) Future Plans.

The findings showed that almost all companies are responsible to three main pillars of the CSR policy and actions such as staff/employees, community/society and environment. Some of the companies are more responsive to some specific areas compared to the rest, but in general all of them deal with CSR issues. Usually Canadian companies operating in Albania have well-established CSR practices in their development strategy based on the best practice from their mother companies as well as business enabling environment in our country. Almost all companies are members of different business associations active in the country. One of the gaps noticed was the fact that the companies usually do not draft and publish any annual report related to their operations and CSR policy.

Highlighting the importance of CSR application and its promotion by companies in Albania, extractive industries themselves must continue to share their experiences and work for visibility of their good practices inherited from the respective mother companies toward a positive spill-over effect in the areas where they are operating in Albania. A set of recommendations is provided at the very end of the report addressed to the businesses in the targeted extractive industries and covering their relations with the relevant stakeholders and the environment where they operate.

**TABLE OF CONTENTS**

FORWARD .....	1
EXECUTIVE SUMMARY.....	3
1. INTRODUCTION & TERMS OF REFERENCE.....	7
2. METHODOLOGY OF WORK.....	9
3. FACTS AND GENERAL OVERVIEW OF CSR IN ALBANIA.....	11
4. SITE VISITS SUMMARY.....	15
5. FINDINGS AND ISSUES FROM MEETINGS AND INTERVIEWS.....	17
5.1 Business sectors.....	17
5.1.1 Mining sector.....	17
5.1.2 Oil and gas sector.....	20
5.1.3 Cement sector.....	23
5.1.4 HPP sector.....	27
5.2 Stakeholders.....	31
5.2.1 Central Government.....	31
5.2.2 Local Government Units.....	37
5.2.3 Non-Governmental Organizations.....	40
5.2.4 Donor Projects.....	42
6. CONCLUSIONS.....	43
7. RECOMMENDATIONS.....	47
8. ANNEXES.....	49
8.1 BEST PRACTICE IN ALBANIA-CASE STUDY.....	49
8.1.1 Titan Group.....	49
8.1.2 Bankers Petroleum.....	50
8.2 Questionnaire Template for Businesses.....	52
8.3 Guide template with Central Government and Local Government Units.....	55
8.4 Photos from the Interviewed Companies.....	56
8.5 Bibliography.....	58





## 1. INTRODUCTION & TERMS OF REFERENCE

In today's world all the international companies strive for success through being committed to operate safely and responsibly. The management of health, safety, environment and community matters is considered as an integral part of business operations. This is all related to the so-called Corporate Social Responsibility (CSR) therefore companies worldwide set up policies defining the responsibilities, standards and the framework for managing all the related issues efficiently.

CSR is becoming more and more important in today's business world. This explains the fact that several definitions are linked to CSR such as the following: "The responsibility of enterprises for their impacts on society"; "Company's verifiable commitment to operating in an economically, socially and environmentally sustainable manner, that is transparent and increasingly satisfying to its stakeholders"; "The way companies manage the business processes to produce an overall positive impact on society"; "A process to achieve sustainable development in societies" and so on.

CSR in the extractive industries is of particular interest in Albania as there are many oil and mining projects, many of which are Canadian owned and operated - possibly 70% of petroleum industry. Given that Canadian companies do not have a long history operating in Albania, and that CSR is relatively a new concept in Albania, companies have expressed various challenges in implementing socially and environmentally responsible practices. Identification of these challenges will help to steer the discussion towards designing of the type of support that the private sector needs to overcome the challenges and further their implementation of CSR.

The Canadian Embassy to Albania presented an inaugural initiative on 7 – 8 March 2011 on CSR in Albania. The initiative consisted of a roundtable discussion with Canadian companies, the Government and other relevant international institutions, followed by a workshop. The workshop findings showed the areas where more actions were needed such as: promoting transparency across operations and institutions, enabling greater community participation and involvement, ensuring environmental protection as well as addressing legal issues related to oil production.

As a continuation of the above mentioned initiative and in the frame of the OSCE Presence in Albania work in good governance issues, promoting participatory approaches to local planning mechanism, promoting public participation under Aarhus Convention and working in promoting transparency and anticorruption issues through the Extractive Industry Transparency Initiative (EITI), the Canadian Embassy to Albania and the OSCE Presence in Albania organized a high level joint workshop on 19 February 2013. The event brought Canadian best experience to implement socially and environmentally responsible practices as well as to provide government, NGOs and community members with a better understanding of CSR through the Canadian experience and see what types of programs could be transferable to the Albanian context. The Multi Stakeholder Forum on CSR would be a good platform to share these best practices with the Albanian companies as well during the event.

However, in order to get a clear and encompassing view of the current situation of CSR practices in Albania both the OSCE Presence in Albania and the Canadian Embassy to Albania considered as fundamental to carry out a research in regards to the existing

practices of CSR in the extractive industries in Albania. The research was focused on eight main international and native companies operating in four essential extractive sectors: oil & gas, mining, cement production and hydropower plants. In addition a couple of Local Government Units, where the extractive companies are operating, were met to get their perspective too.

Therefore, during the period November – December 2012, the OSCE Presence in Albania contracted two consultants to conduct a preliminary research and provide an overall picture through developing a situation analysis on CSR practices and challenges of the extractive sectors (as mentioned above) in Albania with the aim to point out the main issues, findings and promote few best practices. The findings of the research were presented during the higher level workshop on 19 February 2013.

The main tasks of the consultants included, but were not limited to, as follows:

- On site meeting with 8 main extractive international and foreign companies to check their existing practices in CSR and discuss their challenges in implementing CSR in Albania;
- On site meeting with 3 Local Government Units (communes & municipalities) to get their perspective in regard to CSR practices of the companies in their territories;
- On site meeting with civil society organization and various community members in the extractive industry locations;
- Meetings with 4 representatives (in charge of CSR policies) from the central government including Ministry of Economy, Trade and Energy, Ministry of Labor, Social Affairs and Equal Opportunities, Ministry of Environment, Forests and Water Administration and National Agency for Natural Resources;
- Meeting with representatives from UNDP program;
- Checking all the CSR policies and existing codes in the field of extractive industries and cross-checking to avoid overlapping such as IFC/UNDP projects;
- Preparation of an inception report and a final report regarding the status and challenges of CSR in the extractive industries covering major oil and gas companies, mining companies, hydropower plants and cement factories in Albania.

## 2. METHODOLOGY OF WORK

Experts have closely collaborated with the selected companies from the relevant extractive industries, ministries of line, respective local government units, appropriate NGOs as well as donor projects in the country. During the study development the main priority has been given to the identification of the current situation of the CSR status and its relevant application in the extractive industries through discussions with the groups involved. The OSCE Presence in Albania and the Canadian Embassy to Albania have both played a significant role in providing support to the consultants to establish contacts and relationships with the relevant stakeholders such as business community, governmental agencies and civil society. Community representatives were not contacted during this phase as it might be the focus for an additional research.

As part of the scope of work, most of the meetings were carried out independently by the consultants; however representative of the OSCE Presence in Albania has also joined several meetings as per the availability.

All the data and information provided in this report are solely based on the feedback the interviewees considered should be shared with the consultants and made public to third parties.

The consultants have applied a combination of quantitative and qualitative methods for this study with the aim to combine the use of available data, statistics and information from secondary sources with direct interviews with the involved groups.

The consultants have carried out the assigned tasks by following the methodology of work as described below:

- Conducting desk research on current situation regarding CRS practices in Albania especially in the selected sectors of extractive industries;
- Drafting questionnaire templates for different stakeholders;
- Defining the sample of companies, line Ministries' representatives, local government representatives, environmental NGOs involved in the sector to be interviewed;
- Holding in-depth one to one meetings and interviews with each of the above mentioned stakeholders;
- Collecting information and analysing the relevant data;
- Drafting the report based on general overall findings.



### 3. FACTS AND GENERAL OVERVIEW OF CSR IN ALBANIA

CSR has advanced as a concept around the world in a similar timeframe to Albania's economic transformation<sup>1</sup>. CSR has become a global phenomenon and the CSR report database *Corporate Register* has recorded 5,736 sustainability or CSR reports published in over 100 countries in 2010<sup>2</sup>.

The global experience over the past 10 to 15 years has clearly demonstrated that the adoption, integration and implementation of CSR principles and performance standards into regular business practices creates multiple, long term benefits including: 1) perpetuation of companies' social licenses to operate, 2) effective corporate risk management, 3) increased investor or shareholder confidence, 4) reputational benefits, 5) protection of the welfare of promotion of benefits to people and environments potentially affected by corporate activities.

In the last two decades, as processes of both globalization and European Integration have continued apace, Albania as well as many other countries in the region have set out an ambitious path of combining political pluralism, open and competitive markets and a vibrant civil society. This led to an increased emphasis on CSR through which businesses seek to adapt their actions in the light of their social and environmental impacts.

Moreover, the implementation of CSR standards serves as a means to create competitive advantage to Albanian businesses both regionally and at the wider European market.

The Government of Albania and the Ministry of Economy, Trade and Energy (METE) as lead Ministry, are committed to promoting CSR as a key element of sustainable competitiveness for companies in Albania and for the Albanian economy as a whole. As Albania continues on its path to European Union (EU) membership, the integration of economic, environmental and social concerns is a major task for all sections of society including the business community. Thus, there is a need to establish clear code of conducts, standards of ethical behaviour and clear indicators and benchmarks for CSR in Albania.

A baseline study of CSR conducted in the Western Balkan context<sup>3</sup> found that CSR was a relatively a new concept in the region mainly promoted by multinational corporations and international development agencies. Stakeholders' understanding and companies' engagements were seen to be at the early stages, with a focus on philanthropy and environmental issues. Mainly international companies have integrated standards into their operations in the fields of energy, construction, telecommunications and banking.

However, it is obvious that Albania has taken the first steps towards embracing initial CSR practices. The most prominent achievements to date are briefly summarized below.

Albania established a local United Nations Global Compact Network (UNGCN) in 2005 for which United Nations Development Program (UNDP) acts as the Secretariat and works closely with METE to facilitate the network. In the beginning the company participation was quite high – in 2008, 36 organizations have expressed their commitment

<sup>1</sup> CSR in Albania, a policy paper for the GoA/METE by Dr. Paul Stubbs, the Institute of Economics, Zagreb, Croatia, May 2011

<sup>2</sup> Database from <http://www.corporateregister.com.stats>

<sup>3</sup> UNDP Baseline Study Concept on CSR Practices in the Western Balkans, 2008

to the United Nations Global Compact (UNGC) principles. Since then the local network commissioned a Policy Paper and started developing strategic plans. UNGC has contributed to implementation of the CSR practices by further developing the concept and organizing many related activities and forums in close collaboration with METE.

The Global Report on Accountability/Responsible Competitiveness Index (including 21 indicators to provide a snapshot as to how likely a country was to produce responsible companies) published in 2007, scored 108 countries accordingly, of which Albania ranked 74<sup>th</sup> sitting just passed the half way mark (compared to 53<sup>th</sup> position Croatia and 65<sup>th</sup> Macedonia).

During 2007-2008, there was implemented a Regional project of InWentGmbH Germany regarding CSR in Albania. This project was presented to 250 Albanian companies. This was the first time in Albania to award CSR prizes to large enterprises and small and medium enterprises (SMEs).<sup>4</sup> Companies had the chance to be familiarized with CSR approach and core areas where CSR could be applied. In addition, businesses, stakeholders and other beneficiaries had the opportunity to learn more on how CSR can contribute to raise business performance of companies and create positive impact for stakeholders (staff, society, environment etc.).

In the Global Competitiveness Index for 2010-2011<sup>5</sup>, Albania has improved its ranking from the 96<sup>th</sup> position to the 88<sup>th</sup> one, out of 139 surveyed companies. While in 2010 Environmental Performance Index<sup>6</sup> Report Albania was ranked 23<sup>rd</sup> out of 163 countries and in 2012 ranked 15<sup>th</sup> with 65.85 points considered among the strong performers.<sup>7</sup>

According to European Commission renewed strategy on CSR published in October 2011, top priority has been given to the development of national strategies on CSR and to multi-stakeholder approaches. It is expected that all member states will have national CSRs by 2014<sup>8</sup>. Thus, this is of immediate relevance for Albania who aspires to join EU.

In the framework of the UNGC, a Policy Paper on CSR was produced in May 2011. This paper describes the perception and uptake of CSR as relatively mixed.<sup>9</sup> On the one hand, many companies have made CSR commitments and there is increasing uptake of standards such as ISO 9000 series. On the other hand interest and uptake by the private sector remains small, and company representation is predominantly from larger to multinational companies. There appears to be little pressure from consumers, government, or businesses themselves to drive change. As such the notion of CSR in Albania is largely about philanthropy, as opposed to some other countries where CSR is closely linked to core business functions.

In spite of the present challenges on implementing CSR legislation, METE is committed to promote social and environmental standards as an added source of competitiveness and sustainable growth for Albanian companies in the local and the global market. UNDP is contributing in promoting among local actors the CSR agenda in Albania.

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4 CSR award ceremony organized by Tirana RDA, Tirana March 2008

5 World Economic Forum, 2010

6 Environmental Performance Index Report I 2010

7 <http://epi.yale.edu/epi2012/rankings>

8 A renewed EU strategy 2011-2014 for CSR, Brussels, 25.11.2011

9 Dr. Paul Stubbs (May 2011) CSR in Albania: A policy paper for METE, University of Zagreb, Croatia

In this framework, it was felt by UNDP and METE that the network would benefit from broadening participation to other stakeholder groups, particularly in the context of the priority given by the EU to multi-stakeholders approaches. As a result, UNDP and METE jointly facilitated the launch of the Multi-stakeholders Forum (MSF) on CSR in December 2011 in Tirana. This forum is already active and has organized several meetings on different themes: a) measuring of CSR performance in national level in Albania in April 2012 and b) CSR in Albania in December, 2012. The last meeting came as a follow-up to the recommendations of the previous meeting of the Forum held in April. There were introduced the key concepts of ISO 26000 and other international standards (such as ISO 14001, OHSAS 18001 and SA 8000). The forum has clarified the concepts of social responsibility (SR) and corporate social responsibility (CSR) both theoretically and through actual experiences of private sector companies. Its ultimate aim was to assist the private sector as well as other stakeholders translate principles into effective actions.

As a result of joint actions between METE and UNDP, a National Action Plan (NAP) on CSR was drafted to be implemented in Albania. This NAP serves as a roadmap guiding stakeholder efforts in the field and stresses the importance of measuring CSR performance and progress. A set of 22 national indicators across multiple areas were identified. These indicators will be the basis for measuring the performance once the baselines have been established. The Forum has already started planning of measurement of the CSR performance in the key economic sectors. The main CSR issues covered by the National Action Plan include: labour, environment, community and supply chain, corruption and transparency, corporate governance and consumers.

In December 2011, METE supported by IFC Advisory Services adopted the Corporate Governance Code for unlisted companies<sup>10</sup> in Albania. This code highlights the main principles governing a business and is very useful for the companies to embed it in their own practices despite the fact it is non-compulsory.

In addition, UNDP in collaboration with the Directorate of Standardizations, have been working on the adaptation of the ISO 260000. The standard will serve as the basis for the development of products on raising awareness and subsequent trainings on CSR.

In June 12, the knowledge of 14 journalists from local media was enhanced through a one day media training on accurate CSR reporting. This was conducted in collaboration with the UNDP regional Bratislava Centre for Europe and the CIS.

As Albanian companies and multinational companies operating in Albania compete in globalised markets, the degree of commitment to integrate CSR into all aspects of a company's strategic vision and practice will be an increasingly important factor in terms of creating competitive advantage, increasing market shares and ultimately raising profits.

There is an increasing awareness of the importance of CSR commitments in terms of managing risks, building and protecting reputation, increasing transparency, and ensuring improved Corporate Governance. Companies which invest in environmental protection, in recruiting, training and maintaining a skilled workforce and in building meaningful community partnerships are more likely to survive and prosper in the medium to longer term.

<sup>10</sup> Corporate Governance Code was adopted for unlisted companies since Tirana Stock Exchange is not operational and therefore there is no company listed.





#### 4. SITE VISITS SUMMARY

The experts conducted a number of site visits and held meetings with the business representatives from the aimed sectors of extractive industries as well as the relevant stakeholders and NGOs. A detailed list of the meetings conducted and the contact details are provided in the table below.

No.	Company/ Institution	Representative	Position	Telephone	Email
1	TIREX Explorations Ltd	Prof. Perparim Alikaj	Coordinator	068 2020101	<a href="mailto:alikaip@albmail.com">alikaip@albmail.com</a>
2	Albanian Chrome - ACR	Ms. Laura Xhaxho	Office Manager	04 2242938	<a href="mailto:laura.xhaxho@albanianchrome.com">laura.xhaxho@albanianchrome.com</a>
3	Stream Oil& Gas Ltd	Mr. Fatbardh Ademi	Deputy General Manager	069 6046433	<a href="mailto:fademi@streamoilandgas.com">fademi@streamoilandgas.com</a>
4	Bankers Petroleum Albania Ltd	Ms. Barbara Lamb	Community Relations Manager	034 22 08 45/6/7	<a href="mailto:blamb@bankerspetroleum.com">blamb@bankerspetroleum.com</a>
		Mr. Omer Dashi	Communication Manager		
5	Titan Group - Antea Cementsha	Mr. Dritan Nako	Administration and External Relations Manager	069 4075019	<a href="mailto:dnako@anteacement.al">dnako@anteacement.al</a>
		Ms. Edlira Nasi	CRS Manager		<a href="mailto:enasi@anteacement.al">enasi@anteacement.al</a>
6	FusheKruja Cement	Mr. Alexander Bouri	Administrator	069 40 08 866	<a href="mailto:Charles.bouri@fkcementfactory.com">Charles.bouri@fkcementfactory.com</a>
7	Energy Ashtashpk	Mr. Dietmar Reiner	Managing Director	044 50 42 37	<a href="mailto:Dietmar.reiner@energji-ashta.al">Dietmar.reiner@energji-ashta.al</a>
		Ms. Peter Stelzer	Managing Director		
8	Devolli Hydropower	Ms. Viola Puci	Public Relation/ Communication Manager	069 4082705	<a href="mailto:viola.puci@devollhydropower.al">viola.puci@devollhydropower.al</a>
9	Ministry of Labor, Social Affairs and Equal Opportunities	Mr. Vasil Dodi	Director of Labor Relations Policy	044 504 950	<a href="mailto:Vasil.dodi@mpes.gov.al">Vasil.dodi@mpes.gov.al</a>

<b>10</b>	Ministry of Environment, Forests and Water Administration	Mr. Alfred Deshatai	Director of Environment Control	067 20 21 000	<a href="mailto:alfred.deshatai@moe.gov.al">alfred.deshatai@moe.gov.al</a>
<b>11</b>	Ministry of Economy, Trade and Energy	Mr. Bashkim Sykja	Director of Competitiveness and Economy Support	067 20 80 026	<a href="mailto:Bashkim.sykja@mete.gov.al">Bashkim.sykja@mete.gov.al</a>
<b>12</b>	National Agency for Natural Resources	Mr. Muhamet Curri Mr. Edmond Gskolli Mr. Kleves Janku Mr. Artan Leskoviku Ms. Blerina Kazafieri	Director of Mines Technical Advisor Director of Law Sector Head of Energy Sector Head of Foreign Relations Sector	04 22 46 195	<a href="mailto:m.curri@akbn.gov.al">m.curri@akbn.gov.al</a> <a href="mailto:e.gskolli@akbn.gov.al">e.gskolli@akbn.gov.al</a> <a href="mailto:k.janku@akbn.gov.al">k.janku@akbn.gov.al</a> <a href="mailto:a.leskoviku@akbn.gov.al">a.leskoviku@akbn.gov.al</a> <a href="mailto:b.kazafieri@akbn.gov.al">b.kazafieri@akbn.gov.al</a>
<b>13</b>	Patos Municipality	Ms. Rajmonda Ballilaj	Mayor	069 54 51 562	<a href="mailto:r.ballilaj@bashkiapatos.gov.al">r.ballilaj@bashkiapatos.gov.al</a>
<b>14</b>	FushëKruja Municipality	Mr. Gjon Bardhi	Mayor	068 20 82 888	<a href="mailto:gjonbardhi@live.com">gjonbardhi@live.com</a>
<b>15</b>	Bulqiza Municipality	Mr. Roland Keta	Mayor	068 2334952	n/a
<b>16</b>	Center for Development and Democratization of Institutions	Mr. Ilir Aliaj	Executive Director	069 2095284	<a href="mailto:ilir.aliaj@qzhdi-al.org">ilir.aliaj@qzhdi-al.org</a>
<b>17</b>	Extractive Industries Transparency Initiative Secretariat	Mr. Shkelqim Hysaj	Director	069 2066775	<a href="mailto:hysaj_sh@yahoo.com">hysaj_sh@yahoo.com</a>
<b>18</b>	UNDP Project	Ms. Jorina Kadare	National Project Officer	069 40 94 678	<a href="mailto:Jorina.kadare@undp.org">Jorina.kadare@undp.org</a>

## 5. FINDINGS AND ISSUES FROM MEETINGS AND INTERVIEWS

### 5.1 BUSINESS SECTORS

In order to get a clear picture of the Corporate Social Responsibility situation in Albania related to the extractive industries, four respective business sectors were taken into consideration. These sectors include: mining, oil and gas, cement and hydropower plants. Eight companies have been visited and based on the interviews and discussions with their representatives several issues were identified and analysed for the aim of this research.

Below there are provided the main findings and highlights as drawn from the direct conversations with the companies' representatives.

#### 5.1.1 Mining sector

##### **TIREX Explorations Ltd.**

###### *1. Brief history and activity*

Tirex Explorations Ltd. has started the Research and Development activity in Albania in 2006. The research has been mainly carried out on mineral resources in the areas of Qafe Mali in Puka and Perlats in Rreshen at a length of 44 km and width of 5-6 Km. A helicopter aerial photography has been taken to verify up to 200 m deep in the ground in the area of mineral seal.

The Company has applied and received the permission for research and development in 2007, when it also began the drilling exploration. The exploitation license has not been granted yet. The areas where the company is focused are not considered the richest in copper, zinc, silver and gold.

###### *2. CSR impact and achievements*

It is part of the company strategy to develop best practices related to company staff and employees, environment and society as far as the CSR is concerned. Tirex Explorations Ltd. has included CSR within its strategy as one of its pillars, despite the fact this is not a prerequisite or compulsory in Albania.

###### a. Staff/People

Tirex Explorations Ltd. employs about 40 employees and technicians as well as 6 subcontracted guardians. The company often instructs its employees in the field and the respective managers in municipalities about the forest situation and takes care in order not to cause damage to the trees. The company has created jobs during years of its operation and has signed with its workers in the field individual contracts.

###### b. Community

Tirex Explorations Ltd. is very responsible towards the neighbouring community and often provides support in different ways. The company has restructured the local roads in Munella with a length of 20 km. Quite often, the company helps farmers during the snow time on top of providing to local authorities a bulldozer to clean the road from snow in Gjegjan. Currently, the company is working on opening the road connecting municipalities of Gjegjan – Qafe Mali.

During the period 2009 to 2012 the company has contracted a bus to take the children to school in the village of Reps. In addition, the company has funded scholarships for three excelling students by about 4,500 Euro.

### c. Environment

The company has contracted a local environmental agency to carry out a study in the area to identify the level of pollution and develop the respective intervention plan. Due to the over exploitation of the area, a lot of waste is visible on the ground in the form of copper waste piles, etc. In this aspect, the company has developed an intervention program for cleaning the land and water from the chemical pollution thus creating a direct positive impact to the local community.

### 3. Cooperation with LGUs, Central Government and NGOs

The Deputy Chair of the Company Mr. Perparim Aliko is a member of the Extractive Industry Transparency Initiative (EITI) which is a large international forum where the Albanian government adheres to be invited. Mr. Aliko is invited at FIAS on behalf of Tirex Explorations Ltd. as one of the experts to build a closer dialogue with the government.

### 4. Problem faced

N/A

### 5. Future plans

One direct aspect where CSR elements intertwine is that of hiring local staff. In this respect the company is planning to recruit more than 200 new local employees with the start of operation and exploitation of the mineral area. For more detailed information please refer to [www.tirexresources.com](http://www.tirexresources.com)

## Albanian Chrome - ACR

### 1. Brief history and activity

Albanian Chrome has been operating in the mining sector in Albania since 2000. Its mother company is based in Austria. The company has signed a 35 year concession agreement with Government of Albania. Besides the mine in Bulqiza the company is also operating the ferro-chrome plant in Elbasan. Albanian Chrome - ACR deals with mineral extracting, processing and exporting of its products.

### 2. CSR impact and achievements

CSR concept seems new for the office manager.

#### a. Staff/People

Company has signed with its workers in the field contracts as per the labour code of Albania. The employees in headquarter have signed open ended contracts. In addition, there are signed collective contracts in Bulqiza chrome mine, Elbasan ferro-chrome plant and Burrel ferro-chrome plant. The later has not been operational since 2008; however there are still 92 employees who are actually benefiting by being paid at 50% of the salary.

There are no scheduled trainings for career development unless there is a specific case. Usually only induction training for new staff is provided. The company pays better salaries to its employees compared to the salaries paid by state institutions to university

graduated people. Employees are motivated by being given a 13<sup>th</sup> salary at the end of the year.

Also, the company has provided very good working conditions to its staff such as wardrobe, showers, per diem (either cash paid or milk provided).

#### b. Community

Albanian Chrome has provided several sponsorships in the area where it operates. It is worth mentioning the reconstruction of Bulqiza hospital, organization of New Year Party for kids of miners in Bulqiza, up to 3 advance salaries in case of emergencies and needs (these are paid off slowly by the employee each month) and 1 bonus salary in case of a family disaster.

In addition, it has already become a tradition that at the end of the year, the shareholder of the company provides clothes (brand Benetton) to the families of miners in Bulqiza. This has been a practice for the last two years.

#### c. Environment

Transportation of products is made through a third party that is responsible for the relevant standards required and environmental impacts. Company has neither implemented any ISO standards nor has been certified. Actually, it has reapplied for environmental permit to the Ministry of Environment, but the permit is not issued yet due to bureaucratic procedures. Ministry of Environment performs monitoring of the situation of the business operations and the company reports for the relevant data required.

### 3. Cooperation with LGUs, Central Government and NGOs

Albanian Chrome is a member of Foreign Investors Association of Albania, Austria-Albania Friendship Association and Chamber of Commerce. The company has been involved in round tables together with other similar businesses to discuss different issues, plans, etc. Albanian Chrome does not prepare or publish any annual report, but it is very much willing to provide relevant information to stakeholders when asked to do so. Recently, the company has started publication of a monthly newsletter. The company is considering opening of a new well in Bulqiza which means new job vacancies available for the community. Also, Klos Plant will become operational. These projects will be discussed in the municipal council of Klos as well as with the community who has been supportive so far.

### 4. Problems faced

Albanian Chrome has faced many problems in terms of protests, strikes, accidents (including death of miners) which have been made public through the media<sup>11</sup>. The main reasons the miners go on strikes is related to their requests for higher salaries and better working conditions. However, it should be mentioned (both company representative and AKBN representative stressed this fact) that sometimes the miners' demands are set very high and almost unrealistic.

### 5. Future plans

N/A

<sup>11</sup> According to media sources Albanian Chrome employees organized a protest during the last days of December due to the fact that the 13<sup>th</sup> salary was not paid. A miner's representative announced that for the coming days they were going to block the pit of the company and would not allow the extraction of chromium.

## 5.1.2 Oil and gas sector

### **Stream Oil & Gas Ltd**

#### *1. Brief history and activity*

Stream Oil & Gas Ltd. is a Canadian based emerging oil & gas production, development, and Exploration Company operating in Albania since 2007. Stream Oil & Gas Ltd. led by a technically experienced management team, is implementing a modern and enhanced recovery technique for carbonate reservoirs. Stream is currently focused on the re-activation and re-development of its currently producing Albanian projects: three onshore heavy oil fields, Cakran-Mollaj, Ballsh-Hekal and Gorisht-Kocul and one onshore producing gas field, Delvina being at the same time an under research area. Stream Oil & Gas Ltd. is entitled to take over wells in the four oil fields as well as to benefit a share of the current baseline production and 100% of all incremental production, based on the Petroleum Agreement with Albpetrol sh.a and the 25-year license agreement with National Agency for Natural Resources.

#### *2. CSR impact and achievements*

Stream is an international company which implements its economic activity based on the Canadian standards in addition to those required in Albania where it operates. The company applies the same standards for environment, labor and ethical principles as in Canada since it is listed in stock exchange market.

##### **a. Staff/People**

The company has sponsored employees for any health problem or other activities in the area. As a matter of fact the company applies individual contracts with its personnel. In addition, the company closely cooperates with the workers syndicate based on good will and understanding its role.

##### **b. Community**

The relation of the company with community is considered to be very important. Based on the law, an exploiting company is not responsible for the pollution or damage caused in the past by former exploiting companies. However, in order to be community and environment friendly, Stream Oil & Gas Ltd. has contributed in different ways by intervening to repair different damages in infrastructure, pipelines and so on.

The company has set up its own communication strategy through which all community and other related actors are informed for every investment, action or plan which finally must bring benefits to the whole area such as company responsibility for restructuring new roads, planting trees, fire control etc.

##### **c. Environment**

Environment issues remain very sensitive for the company and the community as well. The company has implemented the so called closed gas systems in place. Gas exploited in these sources is poisonous, therefore flowing in atmosphere might pollute the air. The company has renewed the links between pipelines in order to control and secure gas flow and minimized in maximum the flow in atmosphere. The company has been issued the relevant environment permit which should be renewed every year. The company has been monitored by the respective authorities in every aspect and the fact that the environmental permit has been reissued shows that all the necessary prerequisites

are met thus no barrier faced so far. The company has contracted a local environment agency, which monitors its activity in terms of meeting the environment standards. This agency reports periodically to both company leadership and external authorities obliged to verify fulfillment of above mentioned standards.

### *3. Cooperation with LGUs, Central Government and NGOs*

The company is very careful in building a continuous dialogue to better collaborate with local government units. The company was asked to determine its sources of exploitation by the administrative divisions in the covered areas and the company has done so in a neutral way. The aim was to fix exactly what mineral royalty value belongs to each commune or municipality. In this case, Stream Oil & Gas Ltd. has secured the Government, Ministry of Finance and confirmed the right divisions between LGUs regarding the weight of the mineral rent for every LGU. As a matter of fact, the mineral royalty is to be shared by law for the administrative units by the government.

### *4. Problems faced*

The company used to exploit existing oil resources being in operation for a long time (about 30/40 years) in Albania. When the company was awarded the concession of these resources, the overall infrastructure there was very weak and damaged, too. In addition, being exploited by state owned enterprises for a long time the environmental aspects of these resources were completely neglected. Therefore, it was impossible for the company to replace the damaged infrastructure with new one in a short period of time.

Besides this, the company faces problems with scrap collectors who often destroy the pipeline in order to steal metal scrap from the oil field structures.

### *5. Future plans*

The first intention of the company is that Stream Oil & Gas Ltd. definitely should not cause pollution in the areas as it has been the case with the predecessor. In this respect the company is taking measures so that the oil pipelines do not spill oil in land or put out of use those pipes releasing gas into the atmosphere thus avoiding the pollution.

The company has projected a long term investment plan which will be implemented in phases.

## **Bankers Petroleum Albania Ltd**

### *1. Brief history and activity*

Bankers Petroleum Albania Ltd. is a Canadian based company focused on oil & gas exploration, development and production with the goal to maximize the value of its heavy oil assets in Albania. The Company is targeting growth in production and reserves through application of new and proven technologies by the support of a strong experienced technical team. Bankers Petroleum Albania Ltd. operates and has the full rights to develop the Patos-Marinzha and Kucova heavy oilfields pursuant to a 25 year license agreement with the National Agency for Natural Resources and a Petroleum Agreement with Albpetrol sh.a.

The Patos-Marinzha oil field is the largest onshore oilfield in the continental Europe, holding approximately 7.7 billion barrels of original oil in place. The Kucova oilfield has 297 million barrels of original-oil-in-place.

In addition, Bankers Petroleum Albania Ltd. holds a 7 year exploration license on a 185,000 acre block named “Block F”, which is both contiguous to the Patos – Marinza oilfield and is also prospective for natural gas.

## *2. CSR impact and achievements*

CSR is a concept whereby Bankers Petroleum Albania Ltd. integrates social and environmental concerns into its business operation. Regarding CSR the company has contracted a number of community relation experts. The company is responsible to the community and its intention is to stimulate the local economy in the area, take actions for job creation and improve the quality of life. Through its external and internal driven mechanism the company strives to raise awareness regarding CSR.

### *a. Staff/People*

The company takes care of its employees regarding their health issues, training and further qualification through various seminars and different workshops.

### *b. Community*

The company aspires to work closely with community members and workers, providing advice, knowledge, and where appropriate, funding for community welfare, cultural, education, and infrastructure projects. The company is implementing an investment program for a sustainable development within the area. The program aims to provide a long-term benefit to the community. The company is engaged in several activities such as: construction of local roads and drainage channels both on the company’s and local farmers’ lands, sponsoring of local athletic clubs, donation of supplies and equipment to neighbouring schools, sponsoring and donating to cancer research charities, supporting families in need that live with assistance, undertaking different pilot projects as best practices to connect with the community.

### *c. Environment*

The company has initiated considerable effort to complete the Environmental and Social Baseline Assessment of the Patos-Marinza oil field in 2011. Meanwhile, it was initiated the public consultation and the disclosure process with the relevant communities.

## *3. Cooperation with LGUs, Central Government and NGOs*

The cooperation of Bankers Petroleum Albania Ltd. with the respective LGUs and other stakeholders in the area has been positive so far. Many actions taken in the area for the community were discussed in advance with LGUs and other beneficiaries.

## *4. Problem faced*

Poverty in the area and high unemployment rate of citizens has oriented the company to undertake specific projects with the focus to women and people in need. Normally people should distinguish between philanthropy and CSR initiatives.

## *5. Future plans*

Patos-Marinza is an agriculture area. As such the only activity for households to survive is dealing with agriculture and livestock. 80% of population lives and takes care of their families through agriculture. Knowing this fact, Bankers Petroleum Albania Ltd. is in the process of designing a special program to make the farming agriculture sustainable.



### 5.1.3 Cement sector

#### **Antea Cement Sha - Titan Group**

##### *1. Brief history and activity*

Titan is the largest private foreign investment in the country to date and one of the biggest investments by Titan Group during the recent years in Albania, worth 200 Mio Euro. The company has started the process of constructing the Cement factory in Albania since 2005. The company's CSR vision aims to identify, assess, manage and improve the related areas. The company has been awarded a "Social Accountability Management System Certificate" by European Inspection and Certification Company S.A in 2009.

At the end of 2005 the company management took the decision to look for a site, close to the resources of the necessary raw materials, for the construction of a cement production facility in Albania in order to meet the country's rapidly growing demand for construction materials. Titan had been exporting bagged cement to the Albanian market from 1994 until 2006, when it constructed a bulk cement distribution centre in Vlore (still operating today).

A contract was signed between the Albanian company Antea Cement sh.a., a subsidiary of the Titan Group and the Chinese CBMI Construction Co. Ltd. to build the new cement production plant in 25 July 2007 in Tirana. Between 23 July and 1 October 2007, the Albanian Parliament ratifies an agreement between Titan Group and the national authorities on the construction of a cement production facility at the location of Boka e Kuge in the Kruja region (50 km north of Tirana). In this way, Titan secured land use and mining rights for 99 years.

The construction work began in February 2008. Few months later by November 2008, it was announced that IFC and EBRD would be taking a stake in Antea Cement sh.a. The production of the first clinker dates back to January 2010 while the first sales of cement for both the local market and export were recorded in April 2010.

##### *2. CSR impact and achievements*

The principles of corporate social responsibility and sustainable development are incorporated in Titan Group's strategy and business practices placing the utmost emphasis on safety at work, mitigating and reducing the impact of its operations on the environment, contributing to the wellbeing of its employees and the neighbouring local communities.

In this context transparent communication and honest dialogue are essential to foster mutual trust and cooperation with all stakeholders (employees, local communities, customers, suppliers, shareholders, non-governmental organizations etc.).

Titan Group's commitment to CSR and Sustainable Development can be best demonstrated by the decisions and actions taken in the construction and start-up of the company operations in Albania. The implementation plan for the entire project (installation and development of production and trade activities in the region) was accompanied by a special social and environmental impact study, as that was the first time that such activities were undertaken in this area.

Principally three components where the company mainly focuses involve: labor

practices, standard SA 8000 for Human Resources and International Standards. During December 2012, Antea Cement sh.a company informed via media that it was certified with SA 8000. The company has passed successfully the auditing process and now it has become the first company in Albania certified with such a standard.

#### a. Staff/People

Construction was also not marred by a single accident. More than 4 million man-hours of work – carried out in absolute safety. The company works hard to safety at work. There is a 24 hour ambulance service as well as a doctor on duty for any event of any accident or diseases of the staff.

The company implements a correct labor code of conduct both for employment and for dismissal if any cases. Also, there is established a trade union with internal representation of the employers and employees in the ratio 50% to 50%. Trade union has a collective agreement with Titan Group.

Since the beginning of its activity, the company leadership identified who were the stakeholders and set up accordingly the internal committee employee recruitment. Currently, there are employed more than 210 employees. In addition, the company has subcontracted several times more people. There is developed a continuous training program for employees during their hiring in addition to the on job trainings provided to staff.

#### b. Community

A three-year Social Plan was also adopted to steer the proactive application of procedures and systems to limit and control the impact of the plant on local communities and the environment.

Work on the plant has proceeded in tandem with a range of CSR initiatives to fund and support the work of Albania's second Technical Vocational Training Accreditation Centre, providing it with specially equipped workshops. The Company promotes dialogue with the community and municipalities in the area to exchange options for the development of the area. It has also paid compensation to the owners for land space occupied by this investment.

The company has set up a vocational school in Thumana commune. The professional staff educated there may become future potential personnel of Titan Group. The company has performed investment route for the transportation of its products.

#### c. Environment

One of the most important aspects of the new plant, if not the most important, is that it offers an example of best practice in terms of environmental protection, health and safety, and sustainable development. From the very start of the project Titan Group set up a committee of senior executives to coordinate and cooperate with contractors and suppliers and ensure that the construction was completed in line with the Group's high standards. Special management systems are set up for health and safety, responsible supply side operations and environmental protection. It is worth mentioning the following:

- A comprehensive Environmental Management System, in line with the ISO 14001 series of standards

- A Social Responsibility Management System, following standard SA8000
- A Health and Safety Management System, covering construction of the new plant and road safety.

The new plant is one of the most technologically advanced in the world, with three vertical Loesche mills to grind raw materials, solid fuel and cement, a 5-stage pre-heater with calciner, the new Claudius Peters clinker cooler and large-capacity Ventomatic packing and paleting facilities. The plant's production capacity is forecasted 1.5 million tons of cement a year. Despite the fact that this was a green-field project, constructed in an area with no basic infrastructure (access roads, power, water, etc.), in very difficult conditions and where the surrounding community had no industrial experience, the construction work was nevertheless completed on time and within budget.

### *3. Cooperation with LGUs, Central Government and NGOs*

According to the administrative division the company operates in Thumane and Borizana communes. The company closely collaborates with these communes.

### *4. Problem faced*

No any big problem to be reported was faced by the company.

### *5. Future plans*

The company has already conducted an environmental study of the area and aims at creating a positive history in the area by clearly defining the respective space to intervene in the future. This will positively affect the community. The environmental aspect and greenery are in the focus of the enterprise. By law the company must develop 250 ha forests which is on the verge of full realization. A recent initiatives the company is dealing with, concerns the establishment of a network for CSR involving SME stakeholders, media, etc. This network will be a voluntary body, where all members should contribute in kind.

## **Fushe-Kruja Cement Factory**

### *1. Brief history and activity*

The company aimed cement trading in Albania since 1994, but it became operational only in 1996 with the establishment of Seament Albania Company in Durres. The company expanded its operations in Elbasan in 1997 and later in Fushe-Kruja. Fushe-Kruja Cement Factory was established in 2000 when Lebanon-based Company Seament Holding acquired the assets of Cement Manufacturing Enterprise of Fushe-Kruja from the Albanian Government. In 2004 the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) signed a USD 60 million loan contract to finance the implementation of new cement production line with 1.3 million tons annual capacity.

Some of the values of the Fushe-Kruja Cement company are: discipline, transparency and equality.

### *2. CSR impact and achievements*

Since the company has been granted a credit line by IFC and EBRD, it goes without saying that measures regarding CSR are already taken into consideration. There have been developed several tools like: establishment of Cedar Foundation - an NGO aiming at helping poor, sick and old people by a monthly financial aid of about 50 Euros per person based on the needs and requests of the people, sponsoring education of the people

from community both bachelor and master's degrees, building of a gymnasium for the police department in Tirana, contribution to forestry and green areas.

#### a. Staff/People

The group encounters around 650 employees in total (out of which 380 are hired in Fushe-Kruja) in addition to about 200 people subcontracted for different services.

The company has established its code of conduct and this is part of the contract package provided to its staff. At the same time, this is also agreed with the union. The same holds true for the payments which are negotiated and agreed with the union. For example, the minimum salary of a non-skilled worker accounts for about 35,000 ALL.

The company has signed collective contract with the syndicate and also has set up an office for the syndicate representative inside the factory to ensure that the company is complying and behaving according to the law and rules. In addition, it pays bonuses to its employees at the end of the year. Annual programs are set up including trainings and specialized courses for technical staff as per the company needs.

In addition, there is flexibility in hiring part time people who attend also the university and once graduated become full time staff in better positions for example as engineers.

#### b. Community

In general the company has established good relations with the community besides the cases with some typical individuals. There have been no attempts to negotiate or discuss with the community in the cases where problems were faced (such as blasting or road blocking). The administrator of the company states that there is no clear distinction and transparency who is the community in reality. However, the company has repaired the damages (caused by troublemakers) inside the territory of the factory but not those occurred at the railway for example as it is considered public space and the company is not entitled to intervene there.

Despite this, the company is encouraging employment from the local community meaning that about 250 people from the surrounding community are hired at the factory.

In addition, other subcontracts have been also applied with the community such as security and transportation. The later has been a good experience on contrary to the former.

#### c. Environment

The factory in Elbasan was just privatized and the company has already invested in cleaning and packaging filters which shows its commitment to protect the environment as well as the health of the community. Fushe-Kruja factory also has been broken down and rebuilt from the very beginning with the support of credit line provided by International Financing Institutions. The same filtering system was provided to Fushe-Kruja Cement Factory as that in Elbasan. This can be considered as a best practice example.

Also, the company has applied a modern technology with regards to monitoring of the exhausting fumes through installation of machinery showing the necessary parameters.

Cement product produced at Fushe-Kruja Factory is a non-dangerous product and complies with the respective European standards for building materials. The product is

certified with CE and ISO standards. A safety committee is present at the syndication office in the factory to review and audit the factory performance.

There also exists an energy committee that is very active and applies brainstorming frequently in order to save energy, prioritize ideas and put them into action.

Company is also considering using waste management as an energy source in the future, considering that waste management is a hot issue for the country. Cement factories are the best incinerators in the world as the temperature in which they operate is 1400 degrees Celsius while the temperature of usual incinerators go to 1000 degrees Celsius.

### *3. Cooperation with LGUs, Central Government and NGOs*

Fushe-Kruja Cement company pays all its financial dues annually which totals at about 200,000 Euro. Already the company has applied to get a license for incinerator, but it has not been issued yet. The company is complying with the reporting guidelines and it submits annually an emission monitoring report to the Ministry of Environment.

In addition, the community manager has approached the mayor of Fushe-Kruja and asked his permission to clean the garbage at the cemetery. However, such a request was declined by the mayor.

### *4. Problems faced*

In Durres the company operates inside the port therefore there are no issues faced with the community. Fushe-Kruja remains the problematic area as there are a few individuals (even employed in the factory) that are against it and commit different assaults time after time like bombing the factory walls the railroad or block the road. These actions have been quite frequent since 2001. Contracting local community as a Private Security has resulted in a bad experience for the company.

Transportation is currently being performed through the clients' trucks as the company faced several issues (bombing) when used the railway. Treating man and woman equally as advised by an IFC expert has been difficult due to the mentality of the community, but the company is getting through it.

### *5. Future plans*

The company plans to upgrade its emission monitoring system through a robot to analyze the air as well as to incinerate the waste once the permission is granted.

#### 5.1.4 HPP sector

### **Energy Ashta shpk**

#### *1. Brief history and activity*

In 2008 has started the planning phase of Ashta Hydropower Plant in Bushat Shkoder to get the concession agreement. It has taken roughly 15 months.

#### *2. CSR impact and achievements*

##### **a. Staff/People**

For recruiting of the staff the company has used the internal employment contract template. There were employed 25 direct staff so far, however more indirect employees were hired because the company subcontracted local vendors for the construction works of the plant. In regard to health and safety of Ashta employees the company deals based on

European standards and all the employees are informed for health and safety plan. Each employee has his health treatment, protective working clothes and equipment's. No. of accidents is very low: eight out of 1 million working hours (comparing to construction where the ratio is 60 accidents out of 1 million working hours). The company provides social insurance according to the law and labor code to its employees and on voluntary basis accident and health insurance. In addition it provides food compensation.

### b. Community

In January 2009 the company has conducted public hearings in the project area where they invited local commune representatives, citizens and other important people. The aim was to have a stakeholder's consultation and introduce the project for the local stakeholders. The Ministry of Economy itself has done some advanced consultations early 2007.

There were organized 3 meetings to inform the public. An urban study of the area was made as well when the environmental permit was taken from the authorities. The Project has been developed under the clean development mechanism of UNFCCC. In March 2013 it is foreseen to start the operation of the Plant.

In spring 2009, the company has advertised a phone number for the community to provide information related to this project and its impact. Additionally the company has made campaign in daily newspapers for the plant and is available with a homepage for contacts.

The long term intention of the company is to create a good neighbourhood climate (atmosphere) in the area since the concession agreement is for 35 years and the company wants to keep the promises they made.

### c. Environment

The construction has started in 2010 and since then the company has closely monitored every aspect of environmental impact and for this it has involved a local environmental agency.

The company has organized, through international experts 6 months training programs for its employees including basic ones as well as technology related (on job trainings) for experts, high level positions within company.

### 3. Cooperation with LGUs, Central Government and NGOs

The company has acted as a moderator between government and the community. Also, the company has connected with environmental experts to get indirect feedback from the community on various related issues during the construction phase.

Furthermore in regard to developing contacts and dialogue with local authorities the company has developed regular meetings with the mayors of Bushat and Vau i Dejes. Their attitude towards Hydropower Plant Ashta is very positive.

The company involved independent experts to analyse the environment and have suggested how many trees should be planted in the areas as part of its rehabilitation obligation as stipulated by law.

#### 4. Problem faced

Property ownership remains problematic. There were organized meetings with citizens in order to respond their complaints and deal and resolve these problems.

#### 5. Future plans

Three key advantages of the company will be:

- Payment of a good tax value to communes
- Reforestation of the area
- Good impact on production of green energy for the country.

### **Devoll Hydropower sh.a**

#### 1. Brief history and activity

Devoll Hydropower sh.a was established as an Albanian Joint Venture company between the Austrian company EVN AG and the Norwegian company Statkraft AS. In March 2013, EVN AG sold its shares to Statkraft AS, thus making the latter the only shareholder of the project. The company was awarded a Concession Agreement by the Government of Albania to Build Own Operate and Transfer three hydropower plants on the Devoll River. This agreement was ratified by the Albanian Parliament and entered in force on 01 April 2009. The Devoll Hydropower Project will have a total installed capacity of approx. 280 MW. The project will consist of three hydropower plants and reservoirs, Banje, Kukel and Moglice. The project consists of three phases: pre-construction research and studies, construction and operation. The company is still under the first phase. Construction is expected to start in 2013 and planned construction time will be approximately 6 years.

#### 2. CSR impact and achievements

##### a. Staff/People

So far the company has hired 23 employees and is planning to hire up to 60 employees in the long run. The company has employed mostly local qualified staff in Gramsh. For the constructing of the hydropower plant, the company is going to subcontract both foreign and local companies therefore indirectly it will employ more work force. Also, the community manager hired is from the local area. All the new vacancies to fill the company needs are made public and advertised on the newspapers and at the company's website: [www.devollhydropower.al](http://www.devollhydropower.al)

The company has organized free English courses for medium qualified staff.

##### b. Community

Devoll Hydropower sh.a strives to provide timely and up to date information to all stakeholders and other interested parties through different mechanisms that the company has set up. The company also regularly updates its website to provide up to date information to all stakeholders and to be as much transparent as possible.

The company has drafted, published and disseminated different information leaflets on project activities, resettlement and expropriation issues as well as grievance redress mechanism in order to completely inform all the related stakeholders.

The company has changed the project regarding the initially planned 100 m high clay core dam to 80 m high in order to avoid over-flooding of more areas surrounding Devolli riverside.

The list of expropriation of affected families is prepared and made public.

In order to inform and get the opinion of citizens for future project development, the company has set up a grievance redress mechanism. This is to ensure that anyone with a complaint or concern about the project activities to let the company know his or her opinion so that the company addresses the concern appropriately. All the stakeholders can submit their opinion through completion of feedback form, over the phone or in person. All the complaints are addressed in a week. This mechanism is established recognizing the importance of transparency and accountability. That is why this mechanism is used not only with citizens but with local authorities and other local stakeholders too.

Three public hearings were held during 2011-12 in Gramsh, Moglice and Kutallare. Public hearings are performed in accordance with the best practices provided by international organizations.

The company has opened two centers for public information in Gramsh and Nikollare. Citizens have been frequently invited by the company and buses have been used to bring them in round tables organized for informing them on the project, its impact in the area and the affect it will have after removal of the families. There are going to be roughly 2,000 families that should move from their own land or houses due to the water flooding caused by three hydropower plants that will operate after their construction in a 5-7 years period of time.

The company organizes regular Mobile Information Sessions in the project area in order to inform affected communities.

The company has already prepared the resettlement plan for all the affected families according to international best practices. This plan will be made available to the public by the end of 2013. In addition, the company has distributed a questionnaire to all affected families to survey their opinion and respective needs in relation to expropriation benefits.

As a part of the internal policy of the company, it has also set up legal office to check, assist citizens in all matters concerning their resettlement.

In addition, the company is considering agricultural compensation packages as an important element for restoring livelihoods of project affected people.

### c. Environment

The Devoll Project is developed under the Clean Development Mechanism under the Kyoto Protocol. The company has applied for and has been issued the relevant licenses and permits such as water usage permit, archaeological non objection declaration and technical idea approval of Banje, Kokel and Moglice dams. Devoll Hydropower sh.a has developed implementation plans for environment and social activities including: Environmental Management Plan, Social Development Plan and Resettlement Action Plan. These plans including a socio-economic inventory of the area are conducted by a group of qualified independent experts.

Also, an agriculture study has been carried out in Banje Hydropower Plant by independent specialist to assess the project impact in the area and identify opportunities of increasing efficiency and effectiveness of existing resources.



Since the company is equity funded by its two shareholders (no loans received), its management is concerned to comply with the relevant standards and monitor to the best degree possible all issues related to environmental and social impact.

### *3. Cooperation with LGUs, Central Government and NGOs*

Local government always is considered a strong partner for the company besides being a beneficiary body in the view of Devoll Hydropower sh.a. The company organizes regular informative round table meetings with the local authorities. In addition, once in two – three months there are held regular meetings among top management (FEO, CTA) of the company and local government unit, community, social society and environmental NGOs.

### *4. Problems faced*

*N/A*

### *5. Future plans*

Main project activities for the next period include:

- Devoll Hydropower sh.a will fully update its Environment and Social Management Plan as well as its Resettlement Action Plan by the end of 2013. In addition, following the socio-economic inventory of the area, during public consultations the company will present an Entitlement Matrix defining the criteria for eligibility and benefits alternatives in the Devolli Hydropower sh.a compensation (in kind) and resettlement process. Land access (after a respective Decision of Council of Ministers) will be executed and the compensation fees will be paid to the owners. Planning and reconstruction of replacement infrastructure will be implemented by the Government of Albania's Institutional Working Group. The existing infrastructure affected by the Banje reservoir (such as Drize 9 year school) will not be inundated before the replacement infrastructure is in place.
- The company will undertake execution of Banje preparatory works including construction of a 35 kV power electricity supply line, communication facilities and upgrade of access roads such as the bypass of the existing road connecting Gramsh to Cerrik. Also, the company will continue to recruit qualified staff from surrounding local areas.

## 5.2 STAKEHOLDERS

### 5.2.1 Central Government

#### **Ministry of Labour, Social Affairs and Equal Opportunities**

MolSAEO has 3 policy making directorates and 3 executing directorates. This information has been provided from the Directorate of Inspection Policies and Labour Relations.

It has to be noted that there are no special policies related to CSR practices within the Ministry of Labour, however the Ministry prepares enterprise studies and annual analysis.

The main documents and regulations related to CSR are: Labour Code, Labour Health and Safety, relevant legislation (laws and by laws). Compliance with the labour law and relevant Albanian legislation implies social responsibilities. Information and statistical data can be found under labour inspectorate website: [www.sli.gov.al](http://www.sli.gov.al) as well as national employing service.

Sometimes the Ministry performs an intermediary role for different issues and cases in collaboration with relevant syndicates, worth mentioning the case of Albanian Chrome – ACR or Fushe-Kruja Cement Companies.

Syndicates are playing a big role to support companies' employees. They sign collective contracts with companies in order to raise the voice on behalf of employees and represent them in different occasions. Syndicates are important for the so called social peace since the very beginning when the collective contract is signed. Therefore it is important that employees of different companies be organized in syndicates.

Based on the information received from the Ministry according to the statistical data about 80-90% of the work accidents occur in the mines (underground) and construction. Labour inspectorate is entitled to perform control only on the ground, while the Mine Inspection and Saving Department (RISHMI) is responsible for the underground control to check working conditions.

In addition, the consultants were informed at the Ministry about the role of the National Employment Service (NES). Based on the relevant annual statistics and study<sup>12</sup> provided by the Ministry, it was found out that NES based on article 6/1 of the labour law in order to promote employment provides regular information on job. During 2011 this agency announced 16,074 job vacancies. Besides this, it is reported that there were hired 12,749 people out of which 11,556 through the intervention of the agency.

Also NES provides professional advice and job orientation. During 2011 there were met and registered 42,633 job seekers out of which 54.3% new clients and the rest repeated ones. 62% of them or 88,727 people were served and advised accordingly and 202 people were helped to get assistance through job clubs. During 2012, some 3,249 job seekers were orientated for professional trainings (2,923 in public centers and 326 in private ones).

Also, there are several employment programs such as: employment promotion program, unemployment payment program, and professional education program.

Based on the decision of Council of Ministers no. 47 dated 16.01.2008 on the employment promotion program through on job training sessions, there was offered a training program with duration 2-6 months. 26 subjects have trained through on job training 553 job seekers (unemployed). After the training was completed, 50% of the participants equal to 277 were kept at work at least for a period of 6 months as defined in DCM. The state is obliged to subsidize the cost of the training program at the level of 70% for small and medium enterprises and 50% for large businesses. Also, it funds 50% of the minimum wage in national scale (10.000 ALL) and 0.3% of the insurance regarding accidents at work for each participant in the program.

Based on DCM 48 dated 16.01.2008 on the employment promotion program through

12 Annual Study prepared by NES and Ministry of Labor, 2011

unemployed jobseekers in difficulties, there was offered a program with duration 12 months. Under this program 33 subjects have employed 485 unemployed job seekers in difficulties for a period of 12 months as defined in the DCM as well as the contract between labour office and applicant subject. The program finances four minimum wages in national scale (20.000 All) during the 5th-6th and 11th-12th months of the program as well as 16.7% of the social security for each participant. Based on DCM 873 dated 27.12.2006 on the extent of funding, criteria and procedures of the implementation of the professional practice programs for the unemployed jobseekers holding a university degree (either graduated in country or abroad), there was a program with duration 6 months. 43 subjects offered practice in both public and private facilities for 132 jobseekers (graduated during the last 24 months). The program finances a monthly salary in the amount of 6,850 All and 0.3% of the insurance accidents at work for each participant in the program.

Also, through the public professional program there are trained about 8,700 people in 2011 in the public centers of unemployed jobseekers registered near the employment offices in 10 regional directories. According to the private professional education, until October 2011 there were licensed 243 companies (121 in Tirana) to provide professional courses. So far, there were 2,101 certified people in professional courses and 3,385 people certified in non-professional courses.

### **Ministry of Environment, Forestry and Water Administration**

The information was provided by the Directorate of Environmental Control, whose tasks deal with control, inspection and monitoring of the environment. This directory has the following departments under its supervision: forestry police, fishery inspectorate as well as environmental inspectorate which monitors the activities of business operators. Ministry of Environment provides information about all companies regarding CSR issues. The Environment Protection Directorate is responsible to provide environmental permits to business operators. This permit is issued only after public consultation occurs.

Companies are responsible to protect environment and in case of adverse impact they have the obligation to rehabilitate it according to a predefined program. National Licensing Center is the authorized body responsible to issue the license for business operations and oversees all the relevant procedures. Ministry of Environment has gone through some reforming process and currently there exists a special directory dealing with CSR. Information for companies is provided by the Regional Environmental Agencies which depend on National Environmental Agency.

The Environmental Inspectorate consisting of 12 regional offices in case of observation of non-compliance of rules and conditions from the companies is entitled to propose the Minister to cancel the issued environmental permit.

Donor projects like SELEA are contributing in different areas one of which is setting the parameters for apparatuses and equipment in order to better monitor the companies' environmental performance. One of the companies distinguished for its best compliance with CSR is Titan Group. It can be considered as a model investment.

### **Ministry of Economy, Trade and Energy (METE)**

METE is playing a coordinative role, like drafting policies and legislation for CSR such

as the case of Company Governance Code adoption for unlisted companies in December 2011 with the support of IFC.

METE (through its Business Competitiveness Department), jointly with UNDP have provided a specialized support since two years ago in relation to CSR issues by:

- a. Making aware the companies for the necessary steps to be taken in regards to CSR;
- b. Drafting and facilitating the implementation of the national action plan;
- c. Establishing a CSR stakeholders group (including public institutions, METE, AIDA, AKBN, Ministry of Environment, Chamber of Commerce, Business Organizations, RDAs and civil society).

METE has played a significant role to institutionalize a continuous dialogue with the relevant stakeholders especially during the multi-stakeholders forum meetings.

At the same time there have been made attempts to set measurable sector based CSR indicators at the national level. Further action should be taken in order to get this information by companies. In this respect, Institute of Statistics will be involved as data collection & processing entity.

The national level indicators take into consideration size of the company, turnover amount, number of employees, etc. The goal is to determine the first indicators to be measured and later on to add others phase after phase.

During the forum meeting there were discussions and there were made divisions of indicators by sector. The indicators may not be unique and differ from one sector to the other. Joint Ventures companies or daughter companies of world well-known companies operating in Albania which apply CSR will be invited to share their concept and best practices. In this regards, METE considers that Bankers Petroleum Albania Ltd. and Titan Group – Antea Cement sh.a may be interested.

Competitiveness Department under METE acts as a coordinating body for the implementation of the recently drafted National Plan. The plan includes an action plan and is still in the process to be approved by the Government of Albania. Public Relation activities envisioned should be funded by donor projects in order to implement the plan.

The national action plan on CSR underpins a clear vision in which Albania promotes CSR. It covers six broad dimensions as described below:

1. Awareness raising as a key element of sustainable business in a modern economy
2. Establish a national consensus on the measurement of CSR, including concise indicators and benchmarks
3. Create an enabling environment with appropriate incentives for the incorporation of CSR practices in business behavior
4. Strengthen the adoption of CSR skills and competencies throughout the business community
5. Strengthen the culture of disclosure and support the transparent, timely and accurate reporting by companies
6. Reward excellence and progress in CSR.

Below it is described what it has been completed so far in each of the six areas of the National Plan and what is forecasted to be done during 2013.

*Awareness raising*

Under this initiative an awareness raising campaign is undertaken and a multi-party forum is set up. In 2013 there are forecasted several meetings to discuss CSR related issues, all inclusive discussion awareness campaign as well as approval of the CSR Action Plan by the Business Advisory Council.

*CSR measurement*

- A CSR indicator study on national, sector and company levels is carried out
- There are established working groups inside Multi party forum
- CRS studies in several key economic sectors are developed.

In 2013 there are forecasted the following activities:

- Drafting of a study based on basic data of CSR national indicators
- Regional coordination of the national performance measurement systems
- Identification of the key sectors to perform sector studies/activities.

*Enabling environment*

- Identification of incentives for companies active in CSR issues from inter-ministerial working group
- Incentives promoting companies donations to NGOs or communities as well as set up of social businesses
- CSR criteria integrated in public procurement procedures
- Establishment of a grant system for SMEs undertaking CSR practices.

In 2013 there are planned these activities:

- Inter-ministerial working group frequent meetings
- Organizing all inclusive discussions on public procurement law to integrate CSR criteria.

*CSR abilities and competencies*

- Several training sessions and support on CSR issues for companies
- Cooperation with universities and other stakeholders to include the CSR as a component of the CG trainings
- Cooperation with regional and European programs to build up capacities and share experiences and best practices
- Set up a pool of CSR consultants/database.

In 2013 there are planned these activities:

- Trainings for representative organizations of private sector
- Development of training modules and curricula on CSR
- Networking with CSR regional platforms.

*Publication and reporting*

- Translation and promotion of GRI G3 reporting standard
- Continuous discussions held with large companies to set up the minimum reporting standards in relation to the economic, social and environmental impacts
- Annual progress report on National action plan implementation.

In 2013 there are planned these activities:

- Forum discussion to set up a minimum reporting standard on economic, social and environment impacts

- Drafting of Annual Report.

### *Excellence and progress prizes*

In collaboration with stakeholders, there will be established the criteria and rules for CSR annual prizes for SMEs, large companies as well as business with innovative approach.

In 2013 there are planned these activities:

- Drafting of the guidelines for CSR prizes
- Organization of the first prize award ceremony.

### **New Initiatives of the plan include:**

- Idea, experience sharing and partnerships set up
- Philanthropy promotion
- Business Network
- CSR in extractive industries
- Regional level initiatives
- Incentives for 2013 to be included in 2013 Strategy are under discussion but nothing is made concrete yet (perhaps CSR prize awards).

### **National Agency for Natural Resources (AKBN)**

National Agency for Natural Resources duty is to provide a clear picture of the business in relations to CSR. By law the agency is in charge to perform a strict control to the companies, while the rest (cooperation with municipalities and the community) depends completely to the companies will.

The information provided by AKBN is divided in four relevant extractive industry sectors. As far as the mining sector is concerned, the companies need to be issued respective licenses in order to operate. The foreign companies are the most correct ones: they pay all their dues and comply with all the rules and laws. While the Albanian owned companies are considered as a problem.

AKBN has direct contact with the line Ministry. In this respect there are drafted annual development plans which are negotiated at the agency and further approved and signed by the Ministry.

Employees have signed individual contract with the companies as per the labor code. The minimum salary of a miner by law must be at least 40,000 ALL. Foreign companies pay higher salaries.

It is stated that the companies have a moral obligation to cooperate with local government authorities. There does not exist any statistic regarding initiatives undertaken by the companies, however some best examples from the mining companies can be mentioned:

- Tirex Explorations Ltd. has invested in schools, roads, hospitals, camping; Beralb (copper) invested in schools, hospital and municipality in Puka; Albit Oil (bitumen) has invested in a road in Vlora; Stone Production (mine) has invested in a road and bridges.

- AKBN has carried out several promotional activities in different cities and these activities were sponsored by the companies.
- Albanian Chrome Company has been serious in relation to wages payment and the relevant agreements. It is still paying former employees since 2008 when the plant was made non-functional. The issue lies in the fact that the company has more employees than necessary, incurring huge costs and investment.

The agency does not have any experience with syndicates regarding CSR issues besides the case of the Albanian Chrome company last year. AKBN considers the current situation in Bulqiza as very serious.

Oil sector is related to oil fields and exploration of oil. There are several hydrocarbon agreements with Bankers Petroleum Albania Ltd. Stream Oil&Gas Ltd. Sherwood, Petromanas.

AKBN is responsible to check the agreements and monitor the development plan including environmental side. Environmental plan is approved by the Ministry of Environment. Oil companies accomplish their plans in addition to the rehabilitation after the concession phase. Concession agreements are approved by law. They define also the rehabilitation and require environmental guarantee (frozen cash) in bank. Each year a certain amount is withdrawn automatically from the guarantee for the environment rehabilitation.

Bankers Petroleum Albania Ltd. is a good example to be followed. The company is more active in the Social Responsibility area. It provides sponsorships in several areas such as people health, road construction, power cabin, employees' awards as well as trainings and travel costs for AKBN staff.

The company has improved considerably the working conditions and oil extracting technology (advanced technology). The same goes for other foreign companies operating in Albania.

Also the oil companies pay attention to the health and accidents insurance for their workers. In case of accidents the foreign companies indemnify the injured. Prime insurance covering health and accident by law is 6 Mio ALL (which is the amount taken by the injured in the case of an accident).

Private cement producing companies do not depend on AKBN. They bind agreements with the respective commune or municipality where they operate. Regional Environmental Agency controls the environmental related issues in this regard.

As a general conclusion, AKBN believes that there exists a very positive social climate put in practice by the companies operating in the extractive industry sectors. Attitude toward the environment has changed a lot in a positive way.

AKBN requires the companies to perform only according to the standards. In most cases the companies have accomplished more than required including rehabilitation of the previous related conditions of the facilities. One example is the monitoring of Fani River (with SVEKO). The situation once considered to be very bad and problematic, while now it has completely changed as Beralb Company rehabilitated it.

## 5.2.2 Local Government Units

### **Patos Municipality**

Patos municipality has nearly 35,000 inhabitants. Bankers Petroleum Albania Ltd. operates in the area where, based on the administrative division there are included Patos Municipality and two other communes those of Marinza and Zharreza. The company has prepared the Sector Integration Plan for Patos Marinza area. Trans Oil is another company operating in the territory of the Municipality of Patos. This company is currently putting some oil-bearing wells at work.

In the view of the Mayor of Patos, municipal relations with Bankers Petroleum Albania Ltd. are generally good. The Company has sponsored the creation of a green park worth 17 Mio ALL. Also, it has designed a project for drinking water. This project will be very useful since Patos Municipality gets drinking water 20 km away and only electricity to bring the water costs roughly 100 Mio ALL per annum. Thus the investment will have a direct impact to the civic community.

Patos actually has become part of a recent phenomenon implying the earth trembling or so called earthquakes. Due to those frequent shakings there are caused cracks and gaps in the buildings. These are more visible in Zharrez area. The area is remarkably not seen as a zone of high seismic impact, but current trembling phenomenon is a fact. In order to assess the situation, there was set up a committee with representatives from the community, impartial local experts and AKBN representatives. According to specialists, some drillings to take out oil were made with outbreaks in the “so-called oil pockets” (this was used as a low cost method instead of the modern one).

Unions for the protection of citizens’ interests are not at all active. The Mayor of Patos thinks that the community should dialogue with representatives of the company in order to resolve the situation for example to ask for compensation for the damage caused.

Mayor says: “According to the law, a share of royalty Bankers Petroleum Albania Ltd. pays to the Ministry of Finance should go back (25% of the royalty value 10%) to the municipalities and communes where the company operates its business. The municipality has taken this bulk of money for 2011 and the amount was pretty good about 125 Mio ALL. After verifications carried out by the Ministry of Finance (because it was received from the customs tax), Patos municipality was under the pressure not to get the part of the unconditional grant for municipality due to the reason that it was taken in advance as part of the Bankers royalty”.

Later the mayor added: *“I know that very recently it is set up a Secretariat for “Extractive Industry Transparency Initiative” and its members are from private companies, academic people and environmental NGOs, but none representatives from the community or the local authorities. A strong voice of local government in this secretariat should be initiated”.*

So far, the community has neither been informed on the process of privatization of the state owned enterprises by private companies nor about any positive or negative impacts the new investment undertaken might have for both the environment and the community.



The mayor shared the information that Bankers Petroleum Albania Ltd. have initiated a program for the training of unemployed women and have conducted a study about the conditions of women and families in need. She stated that these initiatives have a positive impact to the community, but the company must demonstrate the project continuity and concrete steps to be taken such as employment or investment in agriculture (because unemployment is very high in Patos Municipality and women are almost jobless).

### **Fushe-Kruja Municipality**

Based on the feedback provided by Fushe-Kruja Mayor, it looks like the relations and communication have not been very good with the cement factory of Fushe-Kruja for two reasons: a) tax obligations compliance and b) environmental pollution.

The company does not accomplish its obligations in the institutional level, but only in the personal one. Municipality has imposed a fine for power station at cement factory.

The mayor quotes that until 1.5 years ago the factory was operating without a permit, while now they have been issued one (even though he doubts that may be falsified).

According to the mayor's opinion there is neither communication nor dialogue between the company and the community or the municipality as the company is reluctant to cooperate with the municipality.

There have been several social conflicts with the inhabitants. Several attempts have been made by people to revenge against the factory (including breaking down of the walls, blasts) for different reasons one of which concerns the firing of employees etc.

There exist a syndicate, but it serves the interests of a group of people especially owners of the factory, not of 300 employees. Even one of the syndicate members was fired.

The mayor stated that about 3000 t/day of cement are transported through 125 trucks which pass through Fushe-Kruja streets causing environmental pollution, road damages, breakage of manholes, etc. To this end the company does not hold any responsibility and it remains to the municipality to take care of.

The factory causes air pollution every day as it is only 2-3 km away from the town.

Another issue is the non-functional bypass road (new investment 1.2 Mio Euro) as there lacks a roundabout to link the ring road with the bypass road. This is under the competencies of the General Directorate of Roads and Ministry of Public Works and Transportation.

However, the municipality benefits 20-25% of the taxes paid by the company revenues.

### **Bulqiza Municipality**

As far as the mayor's observations are concerned the companies operating in this area claim to have code of conduct, but that is not shared with the municipality, stakeholders or the community.

The municipality often requests relevant information from the companies, Albanian Chrome in this case. However, there is no legal background to force the companies to provide all the required data. The company provides some information from time to

time as per the municipality. The only way to get the required information is through the union or syndicate. The trade union is active according to municipality opinion.

This is considered as a good change however the municipality is not fully satisfied yet.

Several requirements from municipality including improving working conditions and prolonging mine life has not been fulfilled by the company. However the company has already invested in deep well recently and it is expected to organize a launching event to celebrate the start of investment operations.

According to the municipality opinion the company should put more efforts in order to become more transparent. There is neither enough information available nor there are held public hearings with the community regarding CSR issues as well as other relevant actions they take which may affect the environment, community and employers.

At the end of 2011, the 13th salary was not paid to the workers of the company which caused some protests from workers side.

ACR has contributed financially to reconstruct the first floor of the pathologic pavilion of kids hospital in Bulqiza. In addition it has organized several recreational activities for orphan children of deceased miners.

### 5.2.3 Non-Governmental Organizations

#### **Center for Development and Democratization of Institutions**

In the framework of a project in 2010, there was created a network of associates in the area with chromium-copper-carrying mineral and petroleum resources.

According to the law dated in 2010 “On mining” companies must apply within their mining development strategy: CSR and environmental policies which are not currently part of their work pay and undertake the rehabilitation of the area of exploitation.

Also, 25% of royalty tax that companies pay in the customs office or tax office (royalty tax for hydrocarbons is 10% while for mining is 6%) by law should go to the local governments in the area where these companies operate (for example Bulqiza Municipality must benefit about 300,000 Euros/year, but actually it doesn't).

In regard to hydrocarbon laws there is no contract transparency therefore the board of EITI has requested to the Government of Albania to amend the existing hydrocarbon law 7746 dated 28.07.1993.

Bankers Petroleum Albania Ltd. in sporadic resources of oil or the so-called “pockets of oil” undertakes oil extraction through the explosion as this operation is low cost to the company than the advanced modern technology. This turns out to be problematic for the area and as a result there have been cracks and gaps in buildings caused by false earthquakes. The community in Zharreza has already protested but in a spontaneous way. Extraction of oil by explosion, in addition destroys the resource as 30% of oil is lost and the source of oil dies forever.

#### **Albanian Extractive Industries Transparency Initiative (AlBEITI)**

AlBEITI is a public entity depending on the Ministry of Economy, but it is not related to

the policies of the Ministry. It is co-funded by the state as well as the donors (majority of funding comes from WB and Canada).

Main objectives of AlBEITI are: a) transparency, b) publications and advertising and c) contacts with community and local government units.

This entity is responsible to draft the payments' report in relation to those payments that companies of the extractive industry declare to the state and reconcile with the state on the status of actual payments. AlBEITI publishes such a report. Its performance indicator is increasing the level of understanding of the initiative from the community side. Currently, Albania is in the evaluation process as a candidate for membership and will become an EITI compliant member by May 2013. Monitoring and Evaluation of the entity is performed by licensed experts who draft the evaluation report.

AlBEITI drafts its own working plan as well as a communication and advertising strategy.

Community and the civil society are entitled to request information to the local government in regards to the way the funds received from the companies are spent.

For example, Bankers Petroleum Albania Ltd. is operating in a large area covering 7 communes. By law the company should pay to the local government about 25% of its income tax (10%). Through the payments report both state and the community are informed on how much money is paid for their benefit which also show the social impact. So far the 2009 and 2010 reports are already published and made available for the public on AlBEITI website: [www.albeiti.gov.al](http://www.albeiti.gov.al) or [www.albeiti.org](http://www.albeiti.org)

According to the existing law the company contracts cannot be published, hence the public can not have access to its content.

AlBEITI has been supported by the OSCE Presence in Albania to organize some awareness meeting in Burrel, Bulqize, Pogradec, Fier where representatives from community, media, civil society, businesses and local government have been present their issues and concerns in regard to environmental and social impact of the community.

Key highlights from ALBEITI 2010 validation report:

- In the mining sector, significantly more companies have reported in 2010 as against 2009 (60 against 37). This speaks in favour for an increased uptake of EITI rules within the sector. Also, mining companies now reported on 'other significant payments' as well as payments to local governments. This will bring additional value to people in the producer regions, as they now have the data and means to follow up on these types of funds.
- In the 2009 report it was mentioned that state revenues lack behind what the sector is actually producing in terms of output, which still holds true for the 2010 report. Revenue from the oil sector has increased as against 2009, but this is largely due to higher overall production and higher average oil prices.
- Also, it still looks as if the value of the share of production that flows to AlbPetrol does not find its way into the official budget. This is why we have the substantive gap between companies reported figures vis-a-vis that of the state.
- As a way forward, the Albanian EITI Secretariat has now asked the International EITI Secretariat to conclude the evaluation exercise which could result in Albania being declared EITI compliant during the Global EITI Conference in Australia in May 2013.

#### 5.0.4 Donor Projects

UNDP has been very active since 2008 regarding CSR as part of the Global Compact in Albania. The third forum regarding CSR in Albania was organized on December 17<sup>th</sup>, 2012. During the forum, there was presented an update on the implementation of the National Action Plan on CSR and planned activities for 2013. In particular, drafting an awareness raising campaign, building private sector capacities on CSR, establishing baselines on national performance and rewarding responsible enterprises were listed as some of the main activities UNDP will support during 2013. In addition, UNDP representative informed on other CSR related initiatives being undertaken by different actors both nationally and at the regional level. All the participants were invited to express their feedback on the planned activities to UNDP or METE.

## 6. CONCLUSIONS

It is observed that almost all companies are responsible to three main pillars of the CSR policy and actions such as staff/employees, community/society and environment. Some of the companies are more responsive to some specific areas compared to the rest, but in general all of them deal with CSR issues.

Usually Canadian companies operating in Albania have well established the CSR practices in their development strategy based on the best practice from their mother companies as well as business enabling environment in our country. This is true even in the cases when the companies have not been granted license of exploitation yet such as Tirex Explorations Ltd.

Almost all companies are members of different business' associations active in the country while several of them (such as Titan, Bankers, Devoll) are active members of the CSR forum in Albania.

One of the gaps found from the interviewed companies relates to the fact that usually the companies do not draft and publish any annual report related to their operations and CSR policy.

Also, the companies do not have enough information on Government Initiatives such as the National Action Plan referring to CRS indicators set.

Below there are provided some key conclusions derived from the meetings with various business representatives broken down into several areas:

### a) Staff/Employees

All the interviewed companies comply with the requirements of the Albanian labour code. They usually sign individual contracts with their employees as per the labour code in addition signing of the collective contracts with the respective trade unions or syndicates.

Trade unions or syndicates play a significant role and serve as moderator between companies' top management, government, community and employees.

There are noticed few cases where the companies besides complying with the required labour standards, have also established their own internal codes of conduct.

Some of the companies have set up internal committees for employees' recruitment.

Almost all companies have their own internal policy to provide satisfactory working conditions to their staff such as wardrobe, showers, per diem. In addition, the companies take care in regards to employees' health by sponsoring them for any health problem.

Only one (Titan Group) out of eight interviewed companies provided 24 hours health support for its staff in case of accident or health issues at work by having contracted a doctor at company's premises.

Almost all interviewed companies take care about the continuous teaching of their employees by providing different levels of training sessions and further necessary work qualifications. It is worth mentioning the case of Titan Group that has established Vocational Training Accreditation Centre.

## b) Community

In order to facilitate dialogue as well as to establish and promote good relations with the community, several companies have set up the position of the community liaison manager.

Several companies implement their own communication strategy and as result of it all community actors are usually informed about companies' activities and new actions they plan to take.

Companies often undertake meetings with community to raise their awareness for CSR. Related examples are announcements in daily newspapers or phone number for the community to get information related to the projects.

All the interviewed companies from all sectors have contributed to the welfare of the community in different ways by:

- a. Providing sponsorship such as reconstruction of hospitals, bridges, roads, drainage channels, schools, sport clubs, tree planting and fire control
- b. Organizing leisure activities such as New Year Party for kids
- c. Supporting financially families in need or in case of emergencies
- d. Undertaking project studies to support project implementation for their communities such water supply or street lightning, and cleaning
- e. Facilitating transportation of kids from home to school in the remote areas where the appropriate infrastructure is missing
- f. Subsidizing fuel costs or providing their own bulldozers to open up the now blocked roads
- g. Funding and donating to cancer research charities
- h. Intervening to repair damaged infrastructure such as pipelines.

## c) Environment

Based on environmental legislation, all the extractive industries are obliged to apply for and be issued an environment permit upon meeting the respective standards and requirements. The permit should be renewed in a couple of years. In order to comply with the respective environment criteria the companies undertake studies on the area they operate to identify the level of pollution and develop the intervention plan.

Companies are frequently monitored on every aspect of environmental impact by the governmental agencies such as the Regional Environmental Agency (REA) or AKBN. They report annually to the Ministry of Environment a minimum set of data.

In several cases it was noticed that the companies lack environmental permit and other applicable standards. In one case the company has set up a safety committee at the syndication office in the factory to review and audit the factory performance.

Few companies have undertaken further investment to protect the environment by investing in air filters and modern technology.

## d) Cooperation with LGUs

It is observed that companies in most cases put efforts into building and maintaining continuous relations with the respective government units where they operate. This helps them become more transparent in their initiatives. However, there are cases when

the communication with local government is missing and a lot of effort is needed to further strengthen the communication with the local government.

#### e) Problems faced

Several companies expressed their concern in regards to the double costs they face to repair the damages caused in the past (*even before these companies have been issued the license or started operations in the country*).

In addition, in several cases companies have to face damages caused by mean people in the extractive and operational premises of the companies (bombing factory walls railway or road blocking).

Property ownership remains problematic in some cases. Therefore the companies try to organize meetings with citizens in order to respond their complaints and deal with or resolve the problem.

Due to difficult financial situations companies sometime are not able to pay the 13<sup>th</sup> wage to the workers which results in dissatisfaction and interruption of work.

Time after time especially in the mining sector there are strikes as workers request salary raise and better working conditions.

#### f) Future plans

Almost all the interviewed were positive in relation to their future plans especially concerning environment protection as well as developing programs for the communities such as sustainable farming agriculture. The companies pay attention especially to re-forestation, green energy and resource protection and efficiency such is the case of waste management.





## 7. RECOMMENDATIONS

Highlighting the importance of CSR application and its promotion by companies in Albania, extractive industries themselves must continue to share their experiences and work for visibility of their good practices inherited from the respective mother companies toward a positive spill-over effect in the areas where they are operating in Albania. There is a general set of recommendations addressed to the businesses in the relevant extractive industries as follows:

- Companies should develop their code of conducts in regards to CSR as well as Corporate Governance Code
- They should embrace the principles and guidelines of UN for responsible investments as well as those of OECD on multinational enterprises
- Businesses in the extractive industries should make present to the community and areas where they are working their good CSR practices and play an active role among other actors at the National Forum for CSR in Albania
- They should publish and/or update on regular basis annual reports and practices in regard to CSR if they have such projects or initiatives to share with the public
- Companies should implement relevant CSR standards such SA 8000.

Competitive companies are the only major source of real wealth generation in a society. They create wealth by competing and winning good business from rewarding customers. In this context extractive companies should be more responsible to the main pillars of the CSR policy and actions such are: staff/employees, community/society and environment. Therefore the following relevant recommendations go for each of the above mentioned category:

### *Staff*

- Companies should continue to improve their labor practices as important CSR element
- They should take care and provide continuous training and qualification programs for their employees as one of the most valuable assets
- Further enhance working conditions and allow for flexible working schedules or work-life balance schemes.

### *Community*

- Companies should stimulate and improve the building of a permanent dialogue with community
- They should make aware the community about their projects using various means including media
- Businesses should be more proactive and get the opinion of the community for their needs
- Companies should continue good practices related to sponsoring or financing of community projects.

### *Environment*

- Companies should implement the environmental related standards
- Businesses should be opened for frequent control and monitoring in regards to environment complying requirements
- They should carry out more initiatives in relation to environment and resources protection.

### *Cooperation with LGUs*

- Companies should be proactive and continue to cooperate with the respective LGUs and provide response and/or give solutions to community needs on timely manner as citizens come first
- Businesses should facilitate better and close collaboration between syndicates/ trade unions, companies and LGUs.

The Government of Albania in close collaboration with donor programs such as UNDP should try to make the utmost to support companies (including extractive ones) by:

- Making known the National Action Plan and CSR indicators set
- Stimulating of CSR development policies
- strengthening of the infrastructure services delivery to facilitate CSR practices and reduce the cost of doing business
- Promoting of CSR practices with extractive industries and disseminate best practices with other partners
- Promoting and assisting the businesses to apply EU CSR standards and create other opportunities to compete
- Promoting of the new CSR projects on building a clear framework for the qualification and institutionalized support of extractive companies
- Providing transparency of the hydrocarbons contracts
- Holding the private sector accountable for creating wealth and distributing it equitably among owners and employees.

## 8. ANNEXES

### 8.1. BEST PRACTICE IN ALBANIA – CASE STUDY

#### 8.1.1 Titan Group

<b>Title: Technical Professional School of Thumana (Mechanics)</b>	
<b>Idea</b> <i>What was the idea of your CSR commitment?</i>	Provide training and skills for young people of the area, in order for them to be better equipped for the job market.
<b>Purpose</b> <i>Which goals do you follow?</i>	Allow men to be better equipped for the tough job market. Allow men to be schooled without having to have the financial burden of moving to another place. Improve economic situation of young men. Improve standard of living in the community.
<b>Motivation</b> <i>Why did you take action?</i>	To improve the lives of the people/stakeholders of the community where we operate.
<b>Involved people / partners</b> <i>Who was involved?</i>	Commune of Thumana. Professionals/Teachers. Antea Cement sh.a.
<b>Actions</b> <i>What actions were taken?</i>	Establishment of school. Invitation of students. Donation of laboratory equipment. Coverage of costs.
<b>Results</b> <i>What was the outcome of your actions?</i>	Students with diplomas and having graduated. Training is on-going.
<b>Benefits</b> <i>What benefits did you gain?</i>	Trained students able and willing to work. Empowerment of students coming from specific vulnerable groups. Improving relationship with the community. Skilled potential plant workers for the future .

<p><b>Communication</b></p> <p><i>Who did you tell about your actions? In which way?</i></p>	<p>Commune of Thumana.</p> <p>Community of Thumana and area in total.</p> <p>Employees and partners.</p> <p>Investors.</p> <p>Government and NGOs through presentations of actions at various workshops/events.</p>
<p><b>Timeline</b></p> <p><i>How long did it take?</i></p>	<p>The project started in 2010 and is on-going.</p>
<p><b>Resources</b></p> <p><i>Which resources were provided?</i></p>	<p>Monetary support.</p> <p>In-kind support for laboratory equipment.</p> <p>Support for organization of school.</p>

### 8.1.2 Bankers Petroleum

<p><b>Title: Bankers' Agriculture Support Program</b></p>	
<p><b>Idea</b></p> <p><i>What was the idea of your CSR commitment?</i></p>	<p>To increase the incomes of an estimated 80% of our affected stakeholders' families by undertaking a multi-year programme to improve farming practices, production, access to markets and overall commercialization of farming.</p>
<p><b>Purpose</b></p> <p><i>Which goals do you follow?</i></p>	<p>Be responsive to the stated needs of farmers through on-going stakeholder engagement.</p> <p>Through training, provide farmers with the knowledge and tools necessary to make changes.</p> <p>Through on-farm mentoring by some of Albania's best agriculture experts, support farmers to modernize, build business plans and access credit.</p>
<p><b>Motivation</b></p> <p><i>Why did you take action?</i></p>	<p>To improve the incomes of 80% of our affected population.</p> <p>To improve our corporate relationship with our stakeholders.</p> <p>To improve our "social license to operate".</p>

<p><b>Involved people / partners</b></p> <p><i>Who was involved?</i></p>	<p>RDA Fier.</p> <p>Department of Agriculture.</p> <p>Commune leaders and specialists.</p> <p>Albanian agriculture experts involved in USAID's Albania Agriculture Competitiveness Project.</p> <p>Guest speakers.</p> <p>Traders with access to international markets.</p>
<p><b>Actions</b></p> <p><i>What actions were taken?</i></p>	<p>Economic baseline study to understand stakeholder needs and circumstances.</p> <p>Implementation of a 4 month training and mentoring programme for farmers including field trips to nearby success stories; trainings conducted by experts and on-farm mentoring.</p> <p>Irrigation and Drainage feasibility study, including mobilization of farmers to take responsibility for clearing their canals and paying operating costs of pumps that Bankers will fund.</p> <p>Support of farmers to access credit to implement needed changes.</p> <p>Clear identification of (export) markets and linking of these markets with our farmers, based on a "cluster" approach.</p>
<p><b>Results</b></p> <p><i>What was the outcome of your actions?</i></p>	<p>Results will be clearer in 2013. However, there has been very good farmer participation in the trainings and a great willingness expressed by farmers to participate in irrigation and drainage and development of crops for export based on a "cluster" model, either as open field or greenhouse crops.</p>
<p><b>Benefits</b></p> <p><i>What benefits did you gain?</i></p>	<p>No response from the company.</p>
<p><b>Communication</b></p> <p><i>Who did you tell about your actions? In which way?</i></p>	<p>We have advertised trainings on local TV, with Commune agronomists, with farmers (via telephone/texting) and posters.</p> <p>We are planning a more formalized communication and promotion process but it is not yet formalized.</p>
<p><b>Timeline</b></p> <p><i>How long did it take?</i></p>	<p>All aspects starting from the baseline has taken 1 year and will continue for many years.</p>
<p><b>Resources</b></p> <p><i>Which resources were provided?</i></p>	<p>Bankers have provided significant financial and human resources to undertake this project.</p>

## 8.2 QUESTIONNAIRE TEMPLATE FOR BUSINESSES

<b>CSR area: People (I)</b>			
1	Does your company have set an internal code of conduct which is well-known by all employees and stakeholders of our company?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
2	Are the corporate values well defined and continuously communicated to employees and other stakeholders?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
3	Do you ensure that your products and services do not cause any danger for your customers and clients?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
4	Are the payments processed to your employees fair and transparent?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
5	Do you take care of personnel development (e.g. with training, appraisal interviews)?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
6	Do you offer solutions to your employees to support them with work-life-balance (e.g. flexible working time hours, working from home)?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
7	Do you practice a continuous dialogue with your staff and involve your employees into important decisions?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
8	Does your company cooperate with workers 'committees and trade unions?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
9	Does your company work with partners (NGOs, municipalities etc.) in order to find solutions for specific problems?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No

<b>CSR area: Environment (III) / Section A</b>			
10	Is Solving environmental problems part of your company's strategy?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No

11	While designing and launching a product, do you consider environmental aspects, such as energy consumption, waste disposal, waste prevention and recycling?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
12	Do you have any environmental management system established, which fulfils recognised standards (e.g. ISO 14001, EMAS)?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
13	Do you take measures for energy conservation?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
14	Does your company implement measures for waste avoidance?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
15	Do you use recycling materials and/or recycling techniques?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
16	Do you take measures for the protection of nature?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
18	Do you use reasonable routes and means for transportation (e.g. with less CO2 expulsion)?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
18	Are the environmental risks caused by the company treated in a transparent manner?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
19	Do you cooperate with public authorities, scientific institutions and NGOs towards environmental protection?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	

## Section B

20	Are there any quality management systems applied in your company?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
21	Do your products have quality labels and/or safety certificates?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
22	Is the feedback and complaint management system established for your customers and business partners?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	No

23	Do you pay attention to ethical advertising?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
24	Do you cooperate with other companies and organisations in order to make CSR a subject of discussion?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No

**CSR area: Community / Society (IV) / Section A**

25	Are you involved in creation of better general conditions and legal frame in your community and/or country (e.g. education, quality of life, infrastructure, sports, culture)?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
26	Do you practice continuous dialogue with local municipalities and NGOs related to the most important problems and issues of the community?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
27	Do your employees, customers and stakeholders know why you are committed to a specific CSR project and what benefits they expect from your involvement?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
28	Are you sure that a CSR project you develop will bring benefit for your enterprise?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
29	Can a CSR project improve the individual situation of the targeted people?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No

**CSR area: Community / Society (Disclosure of Information to Public) Section B**

32	Do you practice ethical book-keeping corresponding to international standards?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/>
33	Are the wages and extra payments (including salaries of our top management) transparent?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No
34	Does your company deal with crucial topics (e.g. risks, pollution caused by your company)?	<input type="checkbox"/> Yes <input type="checkbox"/> w/restrictions	<input type="checkbox"/> No



35	Do you practise an open dialogue with all stakeholders?	<input type="checkbox"/> Yes w/restrictions	<input type="checkbox"/> No
36	Are your corporate values clearly defined and well-known by your employees, customers and other stakeholders?	<input type="checkbox"/> Yes w/restrictions	<input type="checkbox"/> No

### 8.3 GUIDE TEMPLATE WITH CENTRAL GOVERNMENT AND LOCAL GOVERNMENT UNITS

1. How has the government worked to create the best possible enabling environment for corporate social responsibility to become embedded in the practices of companies?
2. Have there been consultations with and, wherever possible, consensus building with businesses and other stakeholders in relation to CSR and corporate values?
3. If yes, in what way do you practice dialogue with businesses and other stakeholders?
4. Is the Government working to establish indicators in order to assess the level of CSR within companies, within sectors and, indeed, within the country as a whole?
5. If yes, has the government included the extractive industries such as oil & gas sector, mining sector, cement production sector and hydropower plants in regard to CSR?
6. Do you think that a deeper focus on the CSR aspects on above mentioned sectors might be valuable for Albania to build competitive advantages?
7. Does the government consider workers` committees and trade unions as important actors for CSR?
8. There is a National Action Plan on CSR in Albania to promote corporate social responsibility. What is its status and/or what progress is made so far for its implementation?
9. Are there developed any incentives for the companies that employ members of disadvantaged groups in the workforce?
10. Is there any system in place planned for grants for SMEs that introduce CSR programs either individually or through networks and clusters?
11. What is the relation between your Ministry/LGU and relevant businesses in regards to CSR?

## 8.4 PHOTOS FROM THE INTERVIEWED COMPANIES

### *Tirex Explorations Ltd*



### *Albanian Chrome*



### *Stream Oil & Gas Ltd*





*Antea Cement sh.a – Titan Group*



*Energy Ashtashpk*



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