

## **Interview/Austrian Engineer, Hannes Posch, expert in the energy sector shows the benefits that Albania has from the construction of HEC**

### **Posch: HEC's privatisation, Albanian Government is on track**

#### **Teuta Shamku**

If an Albanian businessman would be in dilemma to invest its capital, Austrian engineer and expert in the energy sector, Manager Hannes Posch, "Ces Clean Energy Solutions" (branch of "iC consulenten" company) suggests building a small hydro plant. According to Posch, investment in small hydropower plants is long, but certainly a gain for sufficient incomes.

In an interview given to "standart" newspaper, Posch has shown the importance of the development and construction of small plants, from the Albanian private businesses, as well as the country's economy. According Posch, Albania has hydro carrying capacities for building 2000 small hydropower plants, which would make enough electricity for export to the Balkan countries. Posch shows that from the engineering point of view, the building of these HEC is possible thanks to the geographical construction of Albania and suitable water sources for building these HECs. He praises the privatization process and giving the concession to small hydropower plants, but on the other hand states that great job has to be done for preparing the correct documentation for the projects of these HECs.

He positively evaluates the work done by the Albanian government in this regard, while adding that his company is here to provide the necessary assistance for the development of small HECs.

He has stressed that the government has taken the necessary policies to build more small HECs. "iC consulenten Zt. GsmbH", a consultancy company in the fields of engineering services, has begun working in Albania in mid-'90 years, being part of the activities of research, design and supervision with international financing institutions in Albania. As a result of new developments in Albanian Market, "iC consulenten" from Vienna, recently, established two daughter companies directly related with service market in Albania. As a result of new developments in Albania market, iC recently established to new daughter companies directly related to Albanian market.

The first daughter company "iC consulenten" shpk will performe engineering consultancy for local market whereas the second one CES shpk will focus on dynamics of energetic market in Albania.

**Recent years the government has given priority to privatization of small HECs. There have existed about 85 small HECs, and most of them were given the concession**

**How did your company help the Albanian investors to develop the HECs tecnology?**

-Our company has made the first study in 1994 and at that time we analyzed about 80 existing small hydro plants, about 20 of them were in working conditions.

At that time we recommended that all of these hydropower plants should be rehabilitated from the private sector but KESH did not agree. Its representatives said that they will make any appropriate step but nothing happened, meanwhile the Government is pressing for the privatization of small HECs.

**Now, 15 years later, how do you see the government's policy, its development, are there steps forward done in this direction?**

-We should understand that time is needed to change the systems in every country. On my private opinion, I think that the Albanian government is in the right direction.

They have understood that private businesses should be included for achieving results in this sector. Of course, they have problems in organization and administration. People should understand what a small hydro plant is.

There is not a large plant reduced. Before 3 years it was started with the process of concession and it was very difficult for private businesses to conceive it, but now I see that things get better every year

**Mr. Posch, is Albanian business matured enough to invest in HECs?**

-It is a question that can not answer this simply. The primary thing is that private sector has money. But in countries with transition period the money go to investments that provide rapid return and no on long-term investments. But this is very natural, because people need to see how the political system is, how stable it is. We should understand that when we talk about small HECs we have a 10 years period, so the real profit can be realized after 10 years. When I came here I was telling my friends that Albanians in Austria have a stable social system, and these things in your country will want some time but if you want to do something good for your family just have a small hydro plant and after 10 years you will not have any more debts and in the morning you will see in your mobile phone how much money you earned while you were sleeping because hydropower works for you. It's the same in Austria, many people who want to ensure their families, do exactly this business; small hydropower plants. Perhaps I gave you a good example for Albania. In 1936, several Austrian installed a small plant in the area of Korca (HEC in Vithkuq) and is still producing electricity with the same equipments of 1936 and now the company that I work for, is expanding the capacity of the hydropower production. So, this plant has more than 70 years and continues to work and produce energy.

**You have stated that Albania has the capacity to build about 2000 small HECs. What is needed to do this, political will, investment capacities, what should be coordinated to achieve this?**

-First of all i see the political will to move foreward. What happened, they started the privatisation process? Most of people thought to take a HEC in concession and i will sell it in the market, and each of them thought that foreigners would come to buy it for more money. The problem is that all the documents were not accurate and foreigners coming to invest understand their business and if they do not see the appropriate documents, they do not come. These are things which happened in the beginning.

Now as you know there some Austrian companies who have come here and are looking for large hydropower plants, "Ferbund", EVN etc. I think this movement of these large companies for large hydropower plants will create a movement for small hydropower plants. I think that Albanians investors should share things with foreign partners, making "joint venture" and when they will understand that you should invest the proper preparation of projects, it has to function. Current tendering procedures are not in the correct level, especially with regard to documentation. But I see that every year there are changes done and there are people really interested in the development of small hydropower plants. So now there are serious people in this sector, I am optimistic and this is why we are here