

## Legal Framework

The Government of Albania is in process of undertaking measures for the development of this sector, based also on the foreign assistance and expertise, in order to make this an attractive area of operation for the interested parties. In such context, it is worthwhile mentioning the initiatives towards the improvement of the relevant legal frame.

The **Law No. 9963, "On Concessions,"** dated 18.12.2006, as well as the Decision of the Council of Ministers No.27, dated 19.01.2007, "**On Endorsement of Evaluation and Concession Rules**", amended, constitute important steps toward the establishment of a legal frame, which would guarantee transparency and fair competition to interested investors, so that the latter invested in the public services and infrastructure sectors, including the power generation field.

The Law No.8987, dated 24.12.2002, "**On Creation of Facilitated Construction Conditions for New Power Production Reserves,**" constitutes an important element of the investing environment in the power-generation sector. According to the law in question, any local or foreign legal person, who will build power-generation establishments with an installed capacity higher than 5 MW and who uses resources utilizing liquid or solid combustible substances for other renewable energy resources, shall be exempt from customs dues on machinery and equipment, which are part of the power-generation object.

The Law "**On Power Sector**", Article 38, provides that hydropower plants with a capacity up to 10 MW, power generators with a capacity up to 100 MW and auto producers for the remaining power offset, in the cases where they make use of renewable energy resources with a capacity up to 10 MW, are defined as privileged power producers and shall enjoy preferential treatment from the transmission operator. Likewise, based on the law, simple and quick rules of procedures have been set out for plants with 5 MW or less.