Final Report

on

the Governance Partnership Facility (GPF)
Funded Study on Small-scale Mining
Operations in Albania:

Improving Transparency, Economic and
Financial Issues, and Health and Safety
Impacts

Part I: Industrial Minerals in the Kruja Zone

Tirana, November 2009
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1. FOREWORD

In Albania, the needs of the domestic market, and mainly, of the foreign market, have started to be met, and they are being met on a constant basis. To that effect, they are studying the most effective potential of our minerals, the possibility of opening a regional market, and particularly, a European market. In this aspect, it is noted that investments by local companies, however modest, have kept increasing on a yearly basis, with the companies registering consolidated production of and finances for their extracting and processing units basically coming to the fore.

Albania is rich both in basic metals, including chromium, copper, nickel, zinc, coal, and bituminous sand, and industrial minerals, including sand, gravel, limestone, gypsum, kaolin and quartz.

However, both the metallic mineral sector and the industrial mineral sector include a considerable number of small-scale mining operations, and operations run by small groups of private entrepreneurs.

The Kruja zone, on which this study is focussed, registers concentration of limestone exploitation activities. Between 1995 and 2009, 60 exploitation permits and 3 prospecting-discovery permits for a licensed surface area of 340,708 km², were issued for this area.

Between 1995 and 2005, half of the exploitation permits were issued, and the rest over a four-year long period.

Increase in infrastructure investments led to increase in the number of companies applying for exploitation permits. Hence, this period saw the establishment of new companies, with old companies being strengthened through investments in technology.

2. LIMESTONE RESERVES AT DEPOSITS IN THE KRUJA ZONE

The geologic deposits of limestone minerals in the Kruja zone are estimated at 500 million tons, and clays at 30 million tons. Limestone found in this area is of good quality:

CaO 50-55 %; MgO – 0.25-4 %; SiO₂ – 0.1 – 3%; Fe₂O₃ – 0.1 – 0.8%

Clays found in this area register the following quality:

SiO₂ – 52 – 78%;  Al₂O₃ - 8.5-27%; Fe₂O₃ - 0.67 – 11.97%; CaO – 0.2-3.33%;

MgO – 0.5 – 6.14%

Indicative of the very good quality of limestone and clay in the Kruja zone is the large number of exploitation permits issued. Permits issued for this area comprise nearly 30 per cent of all the limestone exploitation permits issued at a national level. Three
other cement plants have also been designed and licensed for three other subjects, including Gener 2 Sh.p.k, Aquila Sh.p.k and Antea Cement Sh.a.

The Antea Cement Sh.a. has started investment for building a cement plant for preparing limestone and clay quarry.

This company is planning to ensure that the cement plant becomes operational towards the end of the first six months of 2010.

3. NUMBER AND SIZE OF EACH AND EVERY SMALL-SCALE MINING OPERATION ACTIVE IN LIMESTONE EXTRACTION, PROCESSING AND TRADING, AND THEIR PRODUCTION

As pointed out in the Terms of Reference that, despite difficulties for the Government to control the mining sector, limestone exploitation by small-scale operations is already registered, and is being administered relatively well. In the Kruja zone, under consideration in this study, 60 private subjects (companies) holding mining exploitation permits, are involved in underground mining. These companies altogether register around 600 employees (workers, technicians, engineers, administrators and owners).

3.1 Limestone production and processing in 2006, 2007 and 2008

The beginnings of private mining activity in the District of Kruja go back to 1995. By 17 March 2009, 63 subjects were registered, of which 60 were holding mining exploitation permits and 3 were holding prospecting-discovery permits. The largest number of permits was issued between 2005 and 2006.

In the District of Kruja, exploitation permits do not cover the territory in a uniform manner (drawing no. 1, district map). As seen, 70-75 per cent of them, all of which being limestone exploitation permits, have been issued for the areas lying on both sides flanking the Fushë Kruja-Kruja road.

In the District of Kruja, exploitation permits have been issued for areas falling under four main zones:

- Makaresh-Hasmuçaj zone: limestone exploitation
- Derven zone: clay exploitation
- Zone around Përroi i Zezës: limestone exploitation
- Burizana-Picraga zone: limestone exploitation

Of the 60 mining exploitation permits, 31 are issued for the Fushë Kruja-Kruja zone.

Some of the subjects operating in the Fushë Kruja-Kruja zone run limestone crushing plants. They include the following: BABASI-2 with license no. 622, BABASI COO with license no. 782, SANTARA with license no. 872, PRISKA with license no. 874, VOGLI with license no. 631, SHKODRA with license no. 851, KASTRIOTI with license no. 936, LOTI with license no. 894, GËZIMI XX with license no. 841, KARAJ with license no. 708, and NADI with license no. 616.
MAP OF ALBANIA SHOWING DISTRIBUTION OF MINING PERMITS BY DISTRICT (DISTRICT OF KRUJA)
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<th>No.</th>
<th>Name of subject</th>
<th>License No.</th>
<th>Year issued</th>
<th>Mineral</th>
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Production by year in the Kruja zone for subjects registering an activity

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<th>Name of subject</th>
<th>Licence No.</th>
<th>Year</th>
<th>Mineral</th>
<th>Production in 2006, m$^3$</th>
<th>Production in 2007, m$^3$</th>
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1 Production data 2006 – 2008 is from METE; partly confirmed by the field trips
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Surface area covered by licenses: 75,035 km²

Production in 2006
- Clay: 33,832 tons
- Limestone: 348,572 m³

Production in 2007
- Clay: 20,000 tons
- Limestone: 520,000 m³

Production in 2008
- Clay: 267,927 tons
- Limestone: 1,254,835 m³

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3.2 Government’s effective control of production-processing workings, and selling and reporting activities, as well as revenue collection

This duty until now is carried out from the National Agency of Natural Resources as well from the Tax Offices.

The calculation of the taxes such as Royalty and the profit tax of other taxes (local authority taxes Green Tax, Advertisement Tax, Cleaning Tax, Property Tax; Income tax from employment, Withholding tax, Withholding tax of dividends and shareholders, bonuses) is realised from the tax offices and they go to the state budget.
The distribution of the budget is done by law in general and there is not any selected distribution of the revenues coming from the mining activities. To the local authorities the budget goes in the form of grants but it is in percentage and the reason why some areas of mining activity raise more revenues from taxes is not taken in consideration. The distribution is based on the priorities of the government expressed in the government programme.

The disproportion of the payment in taxes should be realised through the monitoring of reserves movements from the mining institutions. Another approximation will be realised through the use of minerals from the construction companies. In the moment it is hard to get these data from the construction companies may be in the near future such a task will be realised with the cooperation of the governmental institutions. The better way is to compare the data taken from the NANR and the tax offices, one of the results which will come out from the EIT Initiative report.

4. ENVIRONMENTAL IMPACT OF INDUSTRIAL MINERAL EXPLOITATION AND PROCESSING IN THE KRUJA ZONE, AND SAFETY ASPECTS SURROUNDING MINING WORKINGS, WORKPLACE AND HEALTH

4.1 Designing and implementing projects

Addressing workplace safety issues is high on the agenda of the private companies. This is the responsibility of the technical supervisor(s), including the mining engineer, and the respective mining technicians, geologists and surveyors. While following the project for the opening and exploitation of a quarry, they handle the implementation of the project and its adjustment to the concrete conditions. This is preliminary reflected in the business orders and the respective instructions issued by a company’s technical supervisors (of the mine), under their responsibility, and is enforced by the brigade leader and the quarry workers.

In this framework, for all the sectors foreseen to be involved in work at the new facilities where no exploitation has been registered in the past, technical passports for the exploitation of the limestone blocks are drafted. Technical passports for the exploitation of limestone blocks are drafted by the technical supervisor pursuant to the [mining] exploitation project to be submitted in applying for a mining exploitation permit.
What is a problem in this zone is that many mining exploitation permits have been issues [for areas] very close to one another. Many of the first mining exploitation permits’ holders were allocated as much as 5 hectares. It is not that they wished it to be that way, but they were conditioned by the limits set by the local government.

Closeness of companies involved in limestone exploitation is a hindrance, attributable to lack of coordination among them in regard to timing of mine explosion.

Regarding the above, what is required is not merely good understanding and cooperation among the private operating companies, but also legal responsibility, materialised through verification work by state bodies, and in this case, by the Albanian National Agency of Natural Resources (AKBN), the Mining Department, and the Mining Inspection and Rescue Department (RISHM), so as to technically and responsibly administer these companies – around 60 – in the Kruja zone alone, with both an existing considerable potential of limestone (see the deposits shown above), and an open perspective to go wider and deeper in these deposits.

Likewise, the limestone exploitation companies should be required to show preliminary relative accuracy (truthfulness) in producing the technical passports for the limestone blocks to be exploited. This would call for close technical and economic-financial cooperation among state bodies, the Albanian National Agency of Natural Resources, the Mining Department, and the supervision of these passports in the course of their designing and their application by the afore-mentioned mining authorities (the Albanian National Agency of Natural Resources – the Mining Inspection and Rescue Department)

4.2 Technical safety and training for health, safety and mining techniques

During on-site meetings with the administrators and technical supervisors of the companies involved in mining exploitation, debates were focussed on issues, including health and safety at workplace, the working conditions, equipment, outfits, food treatment, life insurance, guarding of mining facilities, pensions, suggestions for retirement age, workplace environment, environment-friendly mining sites, fiscal issues, loaning, mining royalty rate, local and central government taxes, grounding of the mining expert workers, and training of technical-engineering staff.

Meetings held in the Kruja zone

Meetings were initially held with small-scale mining operations active in the Kruja area. Members of the study group attending the meetings included Eng,
Martin Cukalla, Eng. Nikolla Seferaj and Eng. Jani Bakallbashi, as well as Eng. Ismail Mema, the study group contact person at the Mining Department under the Albanian National Agency of Natural Resources.

In these meetings, the study group submitted the platform of study conducted by the World Bank. It helped out the participants in the picture regarding the main issues facing small-scale mines in Albania. These issues basically concern increased transparency, reporting and selling of products, health, normal working and safety conditions, and maximum plausible prevention of hazards and accidents of any type.

Special focus was put on the above issues given that the majority of the companies involved in limestone extraction register surface mining workings. Very small companies only have not invested in purchasing well drilling rigs for drilling holes for mine explosion, and still do break up the limestone in small galleries containing mine chambers.

The following is a report on the activities of a number of small-scale mining operations involved in limestone exploitation workings in the limestone-carrying area, the Kruja zone.

Here is an account of their specific problems and concerns addressed in two aspects:

- Obligations to be met by private companies so as to ensure smooth running of things;
- Obligations to be met by the Albanian Government through its administrative, tax and supervisory-technical bodies.

FUSHË KRUJA CEMENT PLANT, no. 795

No. 796 CLAY

Administrator Mark Bauri, Said Dal

This company has privatised the old cement plant, the limestone quarry and the clay quarry in Fushë-Kruja.

It has reconstructed the cement plant in Fushë-Kruja, which employed an outdated technology.

It has modernised and automated the cement plant by applying up-to-date technology.

It has invested in the limestone quarry and the clay quarry, with investments being made in up-to-date drilling machinery, rock-moving machinery, loading and transport machinery shuttling to and from the quarry and the cement plant.

The three facilities are run by a qualified staff inclusive of experts in all areas. They employ around 250 individuals, with all of them being insured. Those doing hazardous jobs in the quarries are also insured against accidents at work.
Minimum salary ranges from 20,000 lekë/month to 50,000 lekë/month. Workers are entitled to partial treatment, according to the job they do. Production cost amounts to around 230 lekë/m³ per quarry. They have put in place an environment protection project, which has not been carried out, given that the area, which has reached ultimate limits of exploitation, is impacted by mines.

There is need for rehabilitating the clay quarry environment, given that they are not making use of mines during the exploitation process. It is quite easy to rehabilitate the area, which has reached ultimate limits of exploitation. Limestone production is estimated at 719,235m³, and clay production at 107,527 tons. They processed the whole production, and employed it in the cement plant.
Company’s administrator is Gjovalin Shtjefni.

In the vicinity of the quarry, this company has built a brick factory, which was finished in February 2008.

The brick factory was constructed on top of clay formations. The construction of the factory created a reserve, which was used in 2008. Preparations for the clay quarry to be operational got started in 2009. The brick factory and clay quarry employ around 50 people, who are insured.

Treatment is offered to workers exposed to dusty environment.

The quarry workers are insured against accidents at work.

In 2008, they turned out 120,200 tons. The whole production was processed and used in the factory. They are left with a reserve of around 40,000 tons.

The company should first put in place measures to ensure the rehabilitation of territory near the brick factory.

View of site +45 at the clay quarry
Company’s administrator is Lefter Babaj.

In 2008, clay production was estimated at 15,200 tons. The whole production was transported to the brick factory in Tirana, where it was mixed with the clay taken from Rubjeka deposits, in Durrës, and used for the production of tiles and bricks. It is around five years now that this quarry is being exploited and is supplying the brick factory in Tirana.

This quarry operates one excavator and a bulldozer only.

The quarry workers have both social insurance and insurance against accidents at work.

Average salary varies from 30,000 to 40,000 lekë/month.

The company should put in place measures to ensure rehabilitation of the area where mining exploitation is over, which they have not done so far.
Administrator Shpëtim Lamçë. 
In 2008, clay production was estimated at 25,000 tons.
Production cost is 150 lekë/ton.
The clay produced in this quarry has been processed in the brick factory run by this company, where bricks have been manufactured. It registers 56 employees, with all of them being insured.
Two workers, one excavator driver and one bulldozer driver, work at the quarry. Both of them are insured against accidents at work.
The factory territory and a part of the quarry, that has reached ultimate limits of exploitation, should be subject to rehabilitation.
Company’s administrator is Dilaver Selimi.

In 2008, production is estimated at 3,600 m³. Production cost is 310 lekë/m³. This is a small quarry, with a surface area of 50,00m². Three persons are working there. Quarry workings are not mechanised. They manufacture mainly limestone and rock employed in house building. A part of it is crushed in the plant. Workers are insured. All workings are manually operated. The company has invested in a small plant, one excavator, one vehicle, one motocompresor, as well as equipment and materials.

They do not work on the basis of a mining exploitation project. They do not comply with the technical conditions. They make use of high stopes, in a very steep terrain. The territory, where they work, has not been rehabilitated and tidied up.

View of quarry

View of former quarry and monitoring of plant
Company’s administrator is Qani Selimi.

In 2008, production was estimated at 2,800 m³. Production cost is 320 lekë/m³. They manufacture limestone for building purposes, and limestone for private limestone furnaces. Three workers, with all of them also being insured against accidents at work, are working at the quarry.

Average salary varies from 25,000 and 40,000 lekë/month.

The quarry surface area, for which a license has been issued, is estimated at 0.005 km².

This is a small quarry, but they make use of stopes, and work in very steep terrain, with the risk for accidents being very much present. During its seven years of life, this company has not put in place any measures to ensure rehabilitation of the area being exploited.

*High scarp without a stope
Company’s administrator is Lokas Cogas.

The company has invested in connecting the quarry to the main road, and has built a limestone crushing and fractionation plant.

This company obtained a mining exploitation permit on 19 January 2006. Aside from the above-mentioned investment, not a single cubic metre of limestone has been manufactured.

Company’s administrator is Pëllumb Babasi.

In 2008, production was estimated at 89,900 m³. Production cost is 300 lekë/m³. It registers seven employees. Quarry workings are fully mechanised, including drilling, loading and transport processes. Employees’ average salary ranges from 30,000 to 50,000 lekë/month. Employees are insured. Employees are offered protective working equipment and transportation. Those exposed to dusts receive antidotes.

Limestone manufacture in this quarry is processed in the plant for which this company has made the investments.

The processed material is used for building constructions in the Kruja, Tirana and Durrës area.

As is the case with all the other companies, this company, too, has not put in place measures to ensure rehabilitation of the area already exploited where no exploitation workings will take place any longer.
Company’s administrator is Halil Shehu.

In 2008, production was estimated at 2,000m³. Production cost is 3,200 lekë/m³. They have employed three workers, whose salary is in the range of 20,000–35,000 lekë/m³. They produce limestone for building and lime manufacture. The whole production is traded in the Kruja zone. The employees are insured. They do not comply with any technical conditions, and have no technical passport for the block under exploitation. No measure has been put in place to ensure rehabilitation of the area already exploited.
Company’s administrator is Pëllumb Doku.

In 2008, production was estimated at 2,000 m³. Production cost is 325 lekë/m³. They have employed three workers with a salary varying from 20,000 to 35,000 lekë/m³. They produce limestone for building, and lime manufacture. The whole production is traded in the Kruja zone. The workers are insured. They do not comply with any technical conditions, and have no technical passport for the block under exploitation. No measure has been put in place to ensure rehabilitation of the area already exploited.
Company’s administrator is Haki Shala.

In 2008, production was estimated at 2,500 m³. Production cost is 320 lekë/m³. They have employed three workers, with their salary being in the range of 20,000–35,000 lekë/m³. They produce limestone for building and lime manufacture. The whole production is traded in the Kruja zone. The workers are insured. They do not comply with any technical conditions, and have no technical passport for the block under exploitation. No measure has been put in place to ensure rehabilitation of the area already exploited.
Company’s administrator is Asllan Sula.

In 2008, production was estimated at 56,500 m³. Production cost is 310 lekë/m³. The company and the plant, together, register 18 employees. The salary varies from 25,000 to 50,000 lekë/month.

All the employees are insured. The quarry employees are also insured against accidents at work. The company has made a solid investment in the quarry for the purpose of extracting limestone, by spending on up-to-date machinery, including a well drilling rig, an excavator, heavy machinery and transportation vehicles. The company has built a plant in the vicinity of the quarry, and one in the city of Vora. The plants are intended to manufacture limestone. The processed material is largely used by the company itself, and a part is sold to other companies operating in the same area. This company has been in business for many years now, and has not put in place any measures to ensure rehabilitation of the area already exploited, which has reached ultimate limits of exploitation.

Upper stopes of quarry

Lower stopes of quarry

View of quarry

*Work front
*Landing in front of the last step

Company’s administrator is Asllan Vogli.
In 2008, production was estimated at 25,600 m³. Production cost is 320 lekë/m³. They have employed 4 persons. The employees are insured. The employees’ salary ranges from 20,000 to 40,000 lekë/month.

In the quarry, the company has committed investments to extract limestone, and to buy machinery, including well drilling rigs, and loading and transportation machinery. The plant the company has built is an investment in limestone processing business.

The processed limestone is traded in the Kruja, Tirana and Durrës area.

At the quarry, they do not comply with the technical conditions, and work in the presence of very steep stopes, scarp, and gradient.

No measures have been put in place to ensure rehabilitation of the area already exploited, which has reached ultimate limits of exploitation at the quarry.

*Scarp at a height over 20 m

Company’s administrator is Sabri Priska.

In 2008, production was estimated at 12,600 m³. Production cost is 310 lekë/m³. They have employed 12 persons, with all of them also being insured against accidents at work.

In the quarry, the company has committed investments to extract limestone, and to buy drilling, loading and transportation machinery for limestone. It has also committed investments to buy a crushing and fractionation plant.

The company manufactures processed materials, including grit, sand and rock for building, and for manufacturing lime.

It has been for many years now in the limestone manufacturing and processing business. However, it has put in place no measures to ensure rehabilitation of the area already exploited.
The company’s products are traded in the Kruja, Tirana and Durrës area. The company does not use them, because it is not a building company.

South-eastern wing of quarry and plant

North-eastern wing of quarry
Company’s administrator is Vesel Kulla.

In 2008, production was estimated at 20,100 m³. Production cost is 305 lekë/m³. They have employed 14 people. Employees are also insured against accidents at work.

This company has for many years now been in business in the Kruja zone, and has committed investments both to extract limestone from the quarry, and process it at the crushing and fractionation plant. Part of the products is sold by the company, with the largest part of them being sold to building companies in the Kruja, Durrës and Tirana area. They do not meet the technical exploitation conditions, as the height of stope is greater [than necessary], and the stope scarp gradient very big. No measures have been put in place to ensure rehabilitation of the already exploited area, even though a part of the quarry has reached ultimate limits of exploitation.

Quarry and plant
Company’s administrator is Alfred Meraj.

In 2008, production was estimated at 5,600 m³. Production cost is 340 lekë/m³. They have employed 3 persons. Employees are also insured against accidents at work.

In the quarry, the company has committed investments to extract and manufacture limestone, and purchase drilling, breaking-up, loading and transportation machinery. The company has committed investments to build a crushing and fractionation plant for limestone processing. Overall, the quarry features regular stopes. They hold no permit for civil use explosives.

This company is selling its own products to building companies operating in the Kruja, Tirana and Durrës area.

The company has not put in place any measures to ensure rehabilitation of the already exploited area, even though a part of the said area has reached ultimate limits of exploitation.

**Overall view of quarry**

**Crushing plant**

**View of quarry**
Company’s administrator is Pëllumb Salillari.

In 2008, production was estimated at 66,900 m³. Production cost is 320 lekë/m³. They have employed 15 people. Employees are insured, and partly insured against accidents at work.

In the quarry, the company has committed investments to extract and manufacture limestone. Investments have been made to purchase drilling, breaking-up, loading and transportation machinery. At the quarry, they are working well. However, they should make sure to maintain the stope parameters. This company is employing the largest part of the quarry production to meet its own needs, and is selling a very small part of that to other companies.

The company has not put in place any measures to ensure environmental rehabilitation.

View of discovered surface area where mining exploitation will start

View of quarry

Company’s administrator is Aleksandër Govaci.

This company holds two permits for activities taking place in two adjacent locations, permit no. 851 and permit no. 971.
In 2008, production from both activities was estimated at 110,600 m³. Production cost is 300 lekë/m³. They have employed a total of 19 people. Employees’ salary varies from 25,000 to 50,000 lekë/month.

The employees are insured, and are partly insured against accidents at work.

The company has committed solid investments to buy machinery for the quarry, and build a modern limestone processing plant.

The company is employing the largest part of the processed products for its own [building] company, and is selling a part of them to [other] building companies.

In the quarry, they are working well. However, they should make sure to maintain the technical parameters, including height and gradient of stope.

The company has not put in place any measures to ensure rehabilitation of the already rehabilitated area, even though it has reached ultimate limits of exploitation.
Company’s administrator is Adrian Gjura.

In 2008, production was estimated at 71,000 m³. Production cost is 305 lekë/m³. They register 13 employees. The monthly salary ranges from 25,000 to 50,000 lekë/month.

All the employees are insured. The quarry workers are partly insured against accidents at work.

The company has been running this quarry for over ten years now. It has committed solid investments in the drilling, breaking-up, and loading processes, as well as the transportation process to take limestone from the manufacturing area to the processing plant constructed near the quarry. The constructed plant processes limestone, converting it into sand and variable size grit.

This company sells the limestone and processed products to building companies operating in the Kruja, Tirana and Durrës area.

Even though a part of the already exploited area has reached ultimate limits of exploitation, no measures have been put in place to ensure environmental rehabilitation.
Company’s administrator is Halil Karaj.

In 2008, production was estimated at 7,900 m³. Production cost is 320 lekë/m³. The company registers 12 employees, with all of them being insured. The quarry workers are partly insured against accidents at work.

In the quarry, the company has committed modest investments in the drilling, breaking up, and loading processes, as well as the transportation process, so as to take limestone from the quarry to the crushing and fractionation plant. In the vicinity of the quarry, the company has built a limestone processing plant. Plant products are sold to building companies operating in the surrounding areas. This company used to employ a part of limestone in its lime manufacturing. At the quarry, this company had constructed a primitive lime furnace, creating pollution that was highly detrimental.

In the quarry, they fell short of meeting the technical exploitation parameters, including height of stope and scarp gradient.

The company had not put in place any measures to ensure environmental rehabilitation.
Company’s administrator is Ibrahim Lami.

In 2008, production was estimated at 7,000m³. Production cost is 320 lekë/m³. They have employed 7 persons, with all of them being insured. The quarry workers are not insured against accidents at work.

The company has committed investments to buy machinery for the quarry, and in its vicinity, it has built a crushing and fractionation plant.

In the quarry, they are delivering a poor performance, failing to comply with the elements contained in the exploitation passport, including distance among pits, height of stope, and stope scarp gradient.

This company’s products have been sold to building companies operating in the Kruja, Tirana and Durrës area.

No measures have been put in place to ensure rehabilitation of this exploitation area, even though a part of the already exploited area has reached ultimate limits of exploitation.
Company’s administrator is Besnik Babasi. In 2008, production was estimated at 31,600 m$^3$. Production cost is 310 lekë/m$^3$. A total of 17 people are employed with the plant. All the employees are insured. The quarry workers are partly insured against accidents at work.

The company has committed solid investments in the quarry and the plant, by making sure that all the processes are mechanised. This company’s products are sold to the building companies operating in the Kruja, Tirana and Durrës area.

In the quarry, they are putting on a poor performance, falling short of regular technical supervision, and failing to meet any technical parameters. The company had built the processing plant in the vicinity of the quarry. The company has transferred this plant to environs near the Babasi COO Sh.p.k. Company, close to the Kruja-Fushë Kruja road. Both these plants, located in this area, create major pollution, which is a bad sight for tourists on visit to Kruja. No measures have been put in place.
to ensure environmental rehabilitation, even though a part of the already exploited area has reached ultimate limits of exploitation.

Rock production volume reported in 2007 was estimated at 22,242 m³.

Company’s administrator is Besnik Babasi.

The same company holds mining exploitation permits no. 622 and no. 899, issued one after the other.

In 2008, production was estimated at 32,900 m³. Production cost is 300 lekë/m³. They register a total of 13 employees, with all of them being insured. The quarry workers are partly insured against accidents at work.

Average salary varies from 25,000 to 50,000 lekë/month.

The company has committed solid investments in the quarry and the limestone processing plant. In the quarry, they are delivering a poor performance, failing to meet the technical exploitation parameters, including height of stope, gradient of stope, and safety lines. The plant constructed along the Kruja-Fushë Kruja road segment creates major pollution, detrimental to local inhabitants.
This company sells its products to the building companies operating in the Kruja, Tirana and Durrës area.

No measures have been put in place to ensure rehabilitation of the already exploited area.

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**View of quarry at a distance**

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**View of facilities, Babasi 2 at the centre.**

*Kurti HY   * Makaresh   * Without permit   *Babasi 21166   * Babasi 2622

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Company’s administrator is Ylli Kurti.

In 2008, production was estimated at 9,200m³. Production cost is 320 lekë/m³. They have employed 4 persons. The salary ranges from 20,000 to 30,000 lekë/month.

All of the employees are insured. The quarry workers are partly insured against accidents at work.

The company runs a small quarry, and has committed investments to extract limestone from the quarry, and process it, for the purpose of using it as building rock and lime rock.

This company’s products are traded in the Kruja zone.

The company has put in place no measures to ensure environmental rehabilitation.

In the quarry, the company has to make sure to maintain the technical parameters, including height and gradient of stope.
Company’s administrator is Nazmi Shima.

In 2008, production was estimated at 12,000 m³. Production cost is 310 lekë/m³. It has employed a total of 14 people.

All the employees are insured. The quarry workers are partly insured against accidents at work.

In the quarry, the company has committed solid investments to manufacture and process limestone, building to this effect a plant in the vicinity of the quarry.

In the quarry, the company and its staff are trying to deliver a good performance, making efforts to meet the technical exploitation parameters. However, they have overdone the height and gradient of stope.

The plant built by this company is located very near the residential area in the Burizana village. Hence, concerns have been raised regarding environmental pollution, detrimental both to residents and farming crops.

This company has sold its products to building companies operating in the Kruja, Tirana, and Durrës area.

No rehabilitation of the already exploited area has been carried out.
PICTURES OF PLANTS PERTAINING TO SUBJECTS BABASI COO AND BABASI 2

*Scarp without a stope

View of quarry

View of site. Pollution caused by the burning of tyres used in producing limestone.
ISSUES IDENTIFIED DURING MEETINGS HELD AT LIMESTONE QUARRIES IN THE KRUJA ZONE

In the Kruja zone, limestone is being exploited in open quarries. The big companies employ the same technology for extracting limestone. For the drilling of holes, they employ well drilling rigs designed to mark limestone, excavators and heavy machinery. For the transportation of limestone, they employ vehicles of different tonnage.

Unable to commit investments to purchase well drilling rigs, small-scale operations employ motocompressor to drill holes and open galleries to be charged with explosives for the blasting.

The following issues were identified during meetings with the limestone manufacturing and processing companies in the Kruja zone.

- Procrastination on the part of the local and central government bodies in issuing mining exploitation permits.
- Procrastination surrounds issuance of permits for civil use explosives.
- The Mining Law provides for renewal once in 10 years rather than on a yearly basis. The Ministry of Economy, Trade and Energy requests yearly renewal. The companies submit documents for yearly renewal. They are working in default of such renewal, because the Ministry is delaying such renewal.
- Obtaining authorisation from police bodies to allow mine explosion is very problematic.
- Many subjects are manufacturing limestone without a permit, and they refrain from discharging their fiscal obligations.
- The Ministry of the Economy, Trade and Energy has issued many mining exploitation permits for the Kruja zone alone, and the sites for which they are granted are so close to one another that problems are unavoidable.
- Mining exploitation permits should be retrieved from the companies that do not work for a period of 180 days, as provided for under the Mining Law of Albania.
- Business should be encouraged where investment payment is effectuated at the branch.
- The banks should assist the business with loans.
- The Ministry of Economy, Trade and Energy has drawn a red line within which no mining exploitation permits are any longer issued. This should be observed, and less and less companies should operate within this red line.
5. CONCLUSIONS AND RECOMMENDATIONS

1. Proceeding from the problems raised by the limestone manufacturing companies, we jump to the conclusion that a large number of licensed subjects are operating in the Kruja–Fushë Kruja zone. The sites allocated to them under their permits, are found very close to one another. Mining exploitation permits have been issued to 60 companies, of which 22 have not started work at all.

2. Exploitation workings are not carried out on the basis of a written project, or a tripartite agreement (company-Government-company). The reason behind this concerns lack of a specialised technical supervisor, even though he is required to be present on a daily basis. A technical supervisor is only hired to prepare documentation to be submitted to the Ministry, and later on, is allowed to go. In this case, the respective state bodies, including the Ministry, the Albanian National Agency of Natural Resources, and the Mining Inspection and Rescue Department, should step in and exercise continuous checks so as to make sure that companies come up with an exploitation project implemented by technical supervisors.

3. In default of normally mechanised work processes, many small-scale operations involved in breaking up limestone, instead, make use of small holes and galleries housing mine chambers. Improving the working conditions through possibly effective mechanisation of the main work processes, including drilling, loading, and transportation.

4. A total of 60 limestone manufacturers are operating in the Kruja zone, of which 12 have built limestone processing plants. Running a plant registering an annual output of up to 10,000 m³/yearly, is not justifiable. This should be reviewed by the government bodies, which should make sure to put an end to fictitious reporting that leads to informality.

5. No organised support-consultation (paid mainly by the private operations and partly by the Government, and international institutions) is in place to open and foster the perspective for private companies’ mining facilities so as to ensure increase in mineral production, and grounding and training of workers, technicians, administrators, and engineers.

The Albanian Government and the international institutions, including the World Bank, should in a rational way support and design plans intended to foster
increased limestone production through reviewing deposits’ geological-mining stuff, arranging workers’ training, and easing fiscal imposition during the investment period, in particular.

6. There is almost total lack of trust in banks’ willingness to give out loans designed to commit investment in order to compare technologies, or install limestone processing plants, with a view to eliminating environmental pollution.

Provision of loans with normal easy terms to subjects involved in limestone extraction and processing, will help create conditions for those plants to continue activity, and meet standards for environmental pollution control.

7. The new workers’ training system, according to the main specialties in open-pit mining (quarries), is not regulated. So far, such jobs have been filled by workers, who had acquired their skills in the past, and have been trained by experienced technicians and engineers coming from this area where limestone is manufactured and processed.

The current advanced age of all engineers, technicians and workers is a prevailing feature that needs to be addressed on the basis of a clear grounding and training programme.

Care should be taken to regulate a common grounding and training system for new workers, by opening schools-courses of variable duration for the required specialties, by creating conditions to retain them at work, as well as normal working and living conditions, by offering them higher salaries, with the financial contribution by the companies themselves.

Different alternatives should be considered, starting from simple, short-term and cost-effective training, and equipment, to the opportunities for comprehensive and in-depth training, depending on the existing possibilities for funding such other services. The highly educated engineering-technical staff (mine geologists, accountants, surveyors, mechanics, and electricians), the administrator-manager, brigade leaders, shift supervisors, skilled workers, including drilling operators, blast men, drivers, and machinery operators in the breaking-up-fractionation units.

8. The licensed surface areas are situated very close to one another, and there is lack of coordination among companies in terms of schedule for mine explosion.
The respective state bodies, including the Ministry, the Albanian National Agency of Natural Resources, and the Mining Inspection and Rescue Department, should step in and exercise continuous checks, so as to establish, endorse and ensure implementation of the business schedule.

9. As well as giving rise to informality, unauthorised, uncontrolled and undocumented exploitation of limestone by approximately 20 informal groups for the purpose of manufacturing lime, allows many primitive lime manufacturing furnaces, which cause environmental pollution, to be in business. The state bodies should step in to put a final stop to primitive lime manufacturing furnaces, and ensure that the lime manufacturing plant, registering an up-to-date technology, becomes operational.

10. Technical disciplining in managing limestone opening, preparation and exploitation workings, is not observed.

Upon issuing mining exploitation permits for facilities focussed on limestone exploitation, the Government and its relevant institutions should require technical disciplining of mining workings. This should start as early as the preliminary stage of drafting the documentation required to apply for a mining exploitation permit, and particularly, during the designing of the yearly draft programmes for the limestone opening, preparation and exploitation workings.

11. The workers involved in limestone manufacturing are only offered transportation, and partly, protective means, including gloves and helmets, which are not used, or wear out very easily.

The supervisory bodies should make sure that workers in open-pit mines should be offered all the protective means, which they should use. The quarry workers should be insured against accidents at work, as provided under the Decision by the Council of Ministers.

12. For over ten years now, the companies in the Kruja zone have been manufacturing and processing stuff, and none of them has put in place measures to ensure environmental rehabilitation, even though many of the already exploited areas have reached ultimate limits of exploitation. The Government should make sure that, starting from the first year, the to-be-licensed companies should deposit a fund earmarked for environmental rehabilitation.
13. Accurately determining the amount of mining royalties is still a problem, because the private companies report their mining royalties at their discretion.

The Government should make sure that, through its technical and fiscal instruments, continuous check is conducted whether reporting reflects the current situation.

14. The large number of mining exploitation permits, with the respective allocated surface areas being very close to one another, remains a problem in the Kruja zone. Mining exploitation permits are issued for individual projects, which are not coordinated among them. This creates great difficulty in handling the rehabilitation of this area.

The Government and specialised bodies should see to it that a study has to be undertaken to ensure coordination of individual projects. Our recommendation is that the Government should make sure that, in the future, limestone exploitation activities to be transferred step-by-step to the limestone massifs behind the town of Kruja, always based on very rigorous project studied, designed and applied in due time.

15. On the experience gained in the ICMM-Independent Commission for Mines and Minerals in Prishtina-Kosovo:

This Commission is managing about 271 private companies operating in the field of geology and mining in Kosovo and its job is operating through the decisions of ICMM Board.

The licenses for building materials are issued for 25 years period with the right to be prolonged, meanwhile for the minerals and those energetic for 40 years period.

A splendid work the Base Map of Captured Construction Raw Materials of Kosovo, that has been carried out by the German private company Beak-Consultants in Freiberg. Such a thing has to be done in Albania.

It was interesting the experience of reports of companies once per three months and annual. Meanwhile where it was necessary was planned and applied particular checkings of verification of truthness of such reports, this accompanied of course by the geodetic-topographic team of ICMM.

Something that must applied step-by-step (not to frighten the weak mining business in Albania) is the bank guarantee (sum of money) left by the private company for future rehabilitation of mining site (an idea which will be
implemented in the new mining law of Albania for the realisation of the closing activities).

Most important experience applied in Kosovo was the functioning of such entity-ICMM, totally directed only for minerals exploration and mining units management, not mixed with other branches of industry as HPPs, hydrocarbons, etc., like in Albania.

So, our conclusion is that such a thing must be applied also for Albania, i.e. to separate the AKBN-National Agency for Natural Resources from other things (is a useless overload mainly for management efficiency) except the geologic-mining units management, monitoring, increasing so the degree of transparency in the production and sales reporting and efficiency of all chains connected with such item. This idea begins to implemented with the National Center of Licensing (one stop shop), which is still in the first steps of its work.

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Kruja-Tirana, 15 November 2009