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REPUBLIKA E SHQIPËRIË

MINISTRY OF INFRASTRUCTURE AND ENERGY

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## **SECTORIAL STRATEGY OF TRANSPORT & ACTION PLAN**

**2016 – 2020**

### **2019 MONITORING REPORT**

*June 2020*

*Tirana, Albania*

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## ABBREVIATIONS

<b>AADT</b>	Annual Average Daily Traffic
<b>ACAA</b>	Albanian Civil Aviation Authority
<b>ADF</b>	Albanian Development Fund
<b>AGFIS</b>	Albanian Government Financial Information System
<b>AL</b>	Republic of Albania
<b>ALBCONTROL</b>	Air Navigation Services of Albania
<b>ANALTIR</b>	Albanian International Road Transport Association and Training Institute
<b>ANS</b>	Air Navigation Services
<b>ANTP</b>	Albanian National Transport Plan
<b>ARA</b>	Albanian Road Authority
<b>ARTS</b>	Albanian Road Tolling Strategy
<b>ATM</b>	Air Traffic Management
<b>BCA</b>	Border Crossing Agreement
<b>BCP</b>	Border Crossing Point
<b>CEF</b>	Connecting Europe Facility
<b>CEFTA</b>	Central European Free Trade Agreement
<b>CCS</b>	Control-Command and Signalling Systems
<b>CRM</b>	Country Reform Measures
<b>DLI</b>	Disbursement Linked Indicator
<b>EASA</b>	European Aviation Safety Agency
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ECAA</b>	European Common Aviation Agreement
<b>EEAS</b>	European External Action Services
<b>EIB</b>	European Investment Bank
<b>EMSA</b>	European Maritime Safety Agency
<b>ERTMS</b>	European Rail Traffic Management System
<b>EUD</b>	European Union– Delegation to Albania
<b>Eurocontrol</b>	European Organization for Air Navigation Security
<b>GDRTS</b>	General Directorate of Road Transport Services
<b>GMD</b>	General Maritime Directorate
<b>HSH</b>	Albanian Railways
<b>IALA</b>	International Association of Marine Aids to Navigation and Light house Authorities
<b>IAPH</b>	International Association of Ports and Harbours
<b>ICAO</b>	International Civil Aviation Organization
<b>IFI</b>	International Financial Institutions

<b>ILO</b>	International Labour Organization
<b>IMO</b>	International Maritime Organization
<b>IoT</b>	Albanian Institute of Transport
<b>INSTAT</b>	Albanian Institute of Statistics
<b>IPA</b>	Instrument for (EU) Pre-Accession Assistance
<b>IRBD</b>	International Bank for Reconstruction and Development
<b>IRI</b>	International Roughness Index
<b>ISPS</b>	International Ship and Port Security (Code)
<b>ITF</b>	International Transport Forum
<b>ITS</b>	Intelligent Transport Systems
<b>IWW</b>	Inland Waterways
<b>JSPA</b>	Joint Service Provision Area
<b>KPIs</b>	Key Performance Indicators
<b>LPI</b>	Logistics Performance Index
<b>LRIT</b>	Long Range Identification and Tracking System
<b>LSCI</b>	Liner Shipping Connectivity Index
<b>MARPOL</b>	Maritime Pollution (Int. Convention for the Prevention of Pollution from Ships)
<b>MSC</b>	Maritime Safety Committee (of IMO)
<b>MTBP</b>	Medium-Term Budget Program
<b>MIE</b>	Ministry of Infrastructure and Energy
<b>MoU</b>	Memorandum of Understanding
<b>NCTS</b>	New Computerized Transit System
<b>NSDI-II</b>	National Strategy for Development and Integration 2015-2020
<b>NEEAP</b>	National Energy Efficiency Action Plan
<b>OKIIA</b>	National Investigation Body of Air Accident/Incidents in Civil Aviation
<b>PBC</b>	Performance-Based Contracts
<b>PFM</b>	Public Financial Management Strategy
<b>PKIE</b>	National Plan for European Integration
<b>PSSA</b>	Particularly Sensitive Sea Area
<b>REBIS</b>	Updating the Regional Balkan Infrastructure Study
<b>RCC</b>	Regional Cooperation Council
<b>RFC</b>	Rail Freight Corridor
<b>RNE</b>	Railway Network Europe
<b>RSA</b>	Railway Safety Authority
<b>RSC</b>	Regional Steering Committee TCT
<b>SAR-A</b>	Air Search and Rescue

<b>SAR-M</b>	Maritime Search and Rescue
<b>SARPs</b>	Standards and Recommended Practices of ICAO annexes
<b>SBS</b>	Sector Budget Support
<b>SEA</b>	Strategic Environmental Assessment
<b>SES</b>	Single European Sky
<b>SEETO</b>	South-East Europe Transport Observatory
<b>SSPP</b>	Single Sector Project Pipeline
<b>STCW</b>	Standards for Training Certification and Watch Keeping
<b>TA</b>	Technical Assistance
<b>TCT</b>	Transport Community Treaty
<b>TEN-T</b>	Trans-European Transport Network
<b>TEU</b>	Twenty-Foot Equivalent Unit
<b>ToR</b>	Terms of Reference
<b>TSTS</b>	Maritime and Industrial Training Centre
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNECE</b>	United Nations Economic Commission for Europe
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>USCG</b>	United States Coast Guard
<b>USOAP</b>	Universal Safety Oversight Audit Program of ICAO
<b>VTMIS</b>	Vessel Traffic Management and Information System
<b>WB</b>	World Bank
<b>WEF</b>	World Economic Forum
<b>WTO</b>	World Trade Organization

## EXECUTIVE SUMMARY

The Government of Albania adopted the Sectorial Strategy of Transport (SST) and Action Plan 2016-2020 through the Decision of the Council of Ministers, No. 811, dated 16<sup>th</sup> of November 2016, “For the approval of the Transport Strategy and Action Plan 2016-2020”.

The main goal of the Strategy is to have an efficient transport system, integrated in the region and in the EU network, which promotes economic development and upgrades the citizens’ quality of life.

The overall objective of the Sectorial Strategy of Transport and Action Plan 2016-2020 is to (i) further develop Albania’s national transport system, and in addition (ii) to significantly improve its sustainability, interconnectivity, interoperability and integration with the international and European wider transport system and region.

The SST is being implemented under the leadership of the Ministry of Infrastructure and Energy, in close cooperation with other line ministries and institutions and with the support and technical assistance provided by many international development partners.

In 2016, the European Union (EU) committed support to the strategy by selecting it to receive EUR 21 million budget support and EUR 3 million complimentary supports through a Sector Reform Contract (SRC). The first monitoring report of SST highlighted the successful implementation of transport strategy and fulfilled the obligations under SRC to receive this budget support. The progress made in transport sector reforms were acknowledged by the EU and the fixed tranche of EUR 6 million was granted and payment done to the State Treasury by the end of 2018. The second monitoring report presented in June 2019 showed satisfactory progress in the relevant fields of transport sector. Based on these achievements, we received the first variable tranche of EUR 4,062,500 for 2019, out of the EUR 5 million allowable maximum.

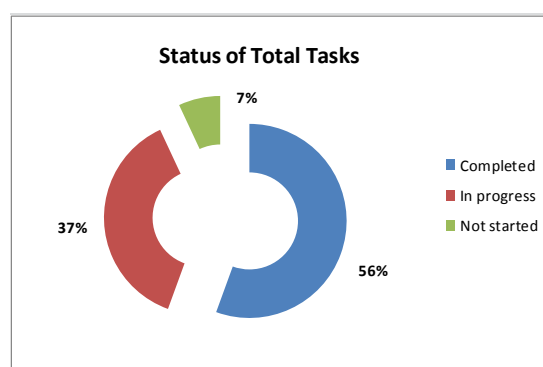
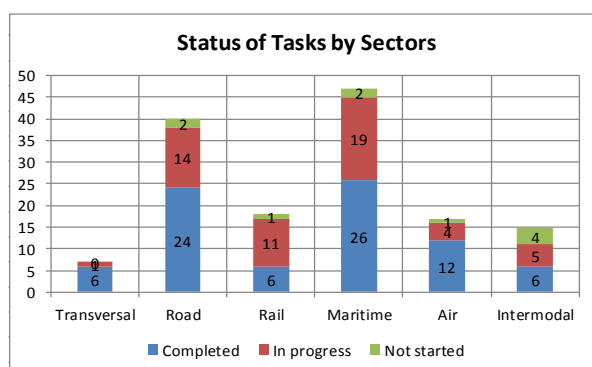
This is the 3<sup>rd</sup> Monitoring Report of the Strategy. Its aim is to measure the progress achieved so far in the implementation of the action plan of the strategy, as well as to identify the challenges and the issues that need to be reviewed in the action plan. This monitoring report covers the progress achieved during 2019. The methodology used is based on information gathered from different institutions which are involved in the implementation of this Strategy.

The strategy identified **43 Policies (Priority Actions)** for the 5-year period which are deeply interlinked, and strike a balance between soft measures and investments. Each priority action is detailed in specific tasks required for its attainment.

The previous monitoring report showed that in 2018, out of 57 tasks planned, 9 were completed, 41 were in progress, 7 not started. The following table gives a status on the implementation of the tasks **planned for 2019** across the different modes of transport. Out of 49 tasks planned for 2019, 19 tasks were completed, 28 in progress and 2 not started.

SECTOR	PRIORITY ACTIONS	TOTAL TASKS 2016-2020	STATUS OF TASKS 2018		TASKS 2019		STATUS OF TASKS 2019	
			2018	2018 -2020	2019	2019-2020	2019	2019 -2020
<i>Transversal</i>	2	7	4 completed 2 not started	1 completed 11 in progress	-	4	-	1 in progress 3 completed
<i>Road</i>	15	40	2 not started	6 in progress	4	11	1 in progress 3 completed	8 in progress 3 completed
<i>Rail</i>	7	18	1 not started 2 in progress	3 in progress	-	4	-	4 in progress
<i>Maritime</i>	13	47	2 not started 6 in progress 3 completed	4 in progress	9	3	2 in progress 7 completed	3 in progress
<i>Air</i>	7	17	1 in progress 1 completed	6 in progress	4	5	1 not started 1 in progress 2 completed	5 in progress
<i>Intermodal</i>	4	15	0	2 in progress	2	3	1 not started 1 completed	3 in progress
<b>TOTAL</b>	43	144	7 not started 9 in progress 8 completed	32 in progress 1 completed	19	30	2 not started 4 in progress 13 completed	24 in progress 6 completed

SECTOR	PRIORITY ACTIONS	TOTAL TASKS	STATUS OF TASKS 2020		
		2016 – 2020	Completed	In progress	Not started
<i>Transversal</i>	2	7	6	1	0
<i>Road</i>	15	40	24	14	2
<i>Rail</i>	7	18	6	11	1
<i>Maritime</i>	13	47	26	19	2
<i>Air</i>	7	17	12	4	1
<i>Intermodal</i>	4	15	6	5	4
<b>TOTAL</b>	43	144	80	54	10



Detailed information on the status of these tasks is provided under item 1 transport progress 2019 for each mode of transport. Resource implications are provided under item 2 of the monitoring report which summarizes the distribution of the resources across the policies planned for 2019. Item 3 comprise a detailed analysis of the monitoring indicators including eight SRC indicators for the transport sector as Annex 1.

Following that under item 4 is the way forward to the extension of the SST in coming years. The Action Plan of the Strategy giving status for the attainment of each task is included as Annex 2 of the Monitoring Report.

## 1. TRANSPORT PROGRESS 2019

The development and modernization of Albania's transport infrastructure has been and remains one of the top priorities of the GoA. Having in mind the key priorities set out in the Strategy, MIE has focused its work on the acceleration and the integration of Albania's transport system and the establishment of an integrated market comprised of transport infrastructure by land (road and rail), by sea and by inland waterways and in air transport.

Albania has already identified and approved the national and regional short and medium-term goals and sub-measures on transport sector. Investments in the core transport network and corridors are being prioritized through the single sector project pipeline **SSPP/SPP**.

Albania is focused on the development of the WB6 transport networks aiming to improve connectivity throughout the region. Albania is a committed supporter of the 'Western Balkans 6 process' and is fully engaged to achieve its goals, particularly the Connectivity agenda.

The law no 8/2018, dated 26.02.2018 "On the ratification of the **Treaty Establishing the Transport Community**", was approved by the Albanian Parliament, which has entered into force on 1 May 2019. Under Transport Community Treaty umbrella, several Technical Committees were established in 2019, composed by experts of WB countries, which have held several meetings.

Albania participated actively in all the meetings of the TCT Regional Steering Committees (RSC), held in 2019. As it was agreed on the 3rd RSC meeting, held on 14 November 2018 in Belgrade, Albania have had the RSC Presidency for one year. On 16 January 2019, with the Decision No 2019/1, the RSC decided on the adoption of the budget of the Transport Community for the year 2019. In general, the main activities happening during 2019, in the framework of Regional Cooperation are:

- Appointment of the Interim Director took place in January 2019;
- Two Regional Steering Committee Meetings;
- Three Railway Technical Committee Meetings;
- Three Transport Facilitation Technical Committee Meetings;
- Two Road Safety Technical Committee Meetings.

The Minister of Infrastructure and Energy has approved the Order "On approval of **Regulation on the Union guidelines for the development of the trans-European transport network**", No. 196, date 9.7.2020, aiming to fully transpose the EU Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network.

After its preparation, the **Second Review of the Albanian National Transport Plan (ANTP3)**, funded by the EU, was approved by the Order of the Minister of Infrastructure and Energy No. 40, dated 21.01.2020, which contains a consistent framework and master plan for the project selection through the preliminary results corresponding to transport data collection, development of database and analysis and forecast of economic and traffic development.



Investments in roads sector during this reporting period are mainly concentrated on the Albanian Core Network. Among the most priority projects of the Government of Albania is the **Adriatic – Ionian Corridor** for which the Feasibility Study financed by WBIF, started in November 2017 and lately, it was submitted for approval within September 2020.

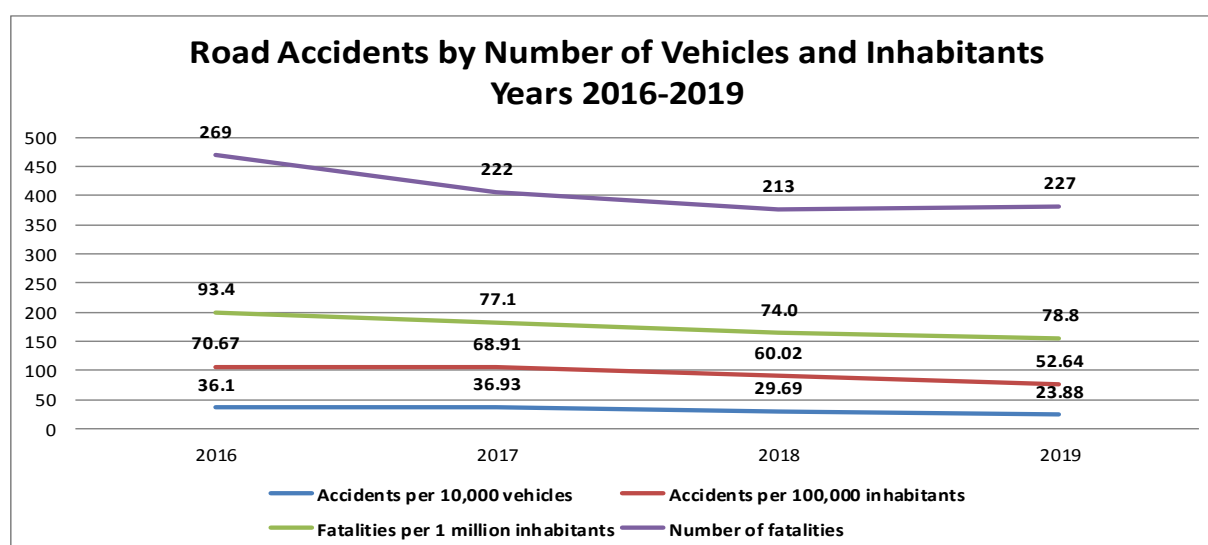
**Tirana – Elbasan road segment** planned in the strategy to be completed in 2016, after delays in its construction, it was completed in June 2019.

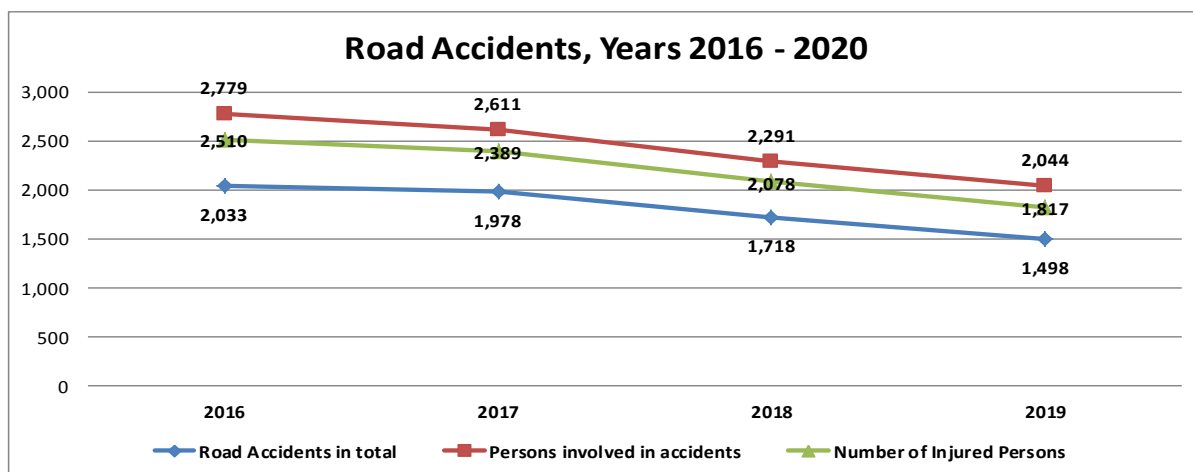
The works for the construction of **the Arber Road**, one of the country's largest infrastructure works, started in July 2018 and are progressing well, to be completed in April 2022.

**Construction of Fier by-pass** opened for traffic in June 2020.

**Road Safety strategy** reforms are being implemented. Consequently, fatalities caused by road accidents have had a pronounced downward trend in recent years as provided in the table and graphic below. Total number of accidents has been reduced in 2019 compared to 2018. However, the number of fatalities is higher in 2019 compared to 2018 due to the increase of number of vehicles.

No	Item Description	YEARS			
		2016	2017	2018	2019
I	<b>Accidents in total</b>	<b>2,033</b>	<b>1,978</b>	<b>1,718</b>	<b>1,498</b>
	per 10,000 vehicles	36.1	36.93	29.69	23.88
	per 100,000 inhabitants	70.67	68.91	60.02	52.64
II	<b>Persons involved in accidents</b>	<b>2,779</b>	<b>2,611</b>	<b>2,291</b>	<b>2,044</b>
	Number of fatalities	269	222	213	227
	<i>Fatalities per 1 million inhabitants</i>	93.4	77.1	74.0	78.8
	Number of Injured persons	2,510	2,389	2,078	1,817





The IPA 2013 Project “On improvement of standards of road safety”, a TA project on vehicle inspections and identification of black spots was completed. The reports produced as deliverable of the project have given recommendations for the approximation of the EU legislation related to the technical inspection of road vehicles and the roadside control of professional vehicles based on the legal gap analyses. Following the recommendations, the Instruction of the Minister of Infrastructure and Energy for compliance with EU directive 2014/47/EC on the technical roadside inspection of the roadworthiness of commercial vehicles circulating in the Union is prepared and signed jointly by the Minister of infrastructure and Minister of Internal.

In this respect, the Task Force for the improvement of level of checking of motor vehicles and their trailers set up in 2018, continued its work during 2019 on the enforcement of the legislation on professional road transport. The activity of this Task Force is regulated based on Order No. 3677 dated 29.03.2019 of the Minister of Infrastructure and Energy "On the approval of the regulation on procedures to be followed by the Task Force to improve the level of control of motor vehicles and their trailers". Task Force started its activity in April 2019. The acts of findings held by the authorized employees are reviewed by the Commission for Review of Administrative Measures at the Task Force. During the period April 2019-May 2020, a total of 4300 Acts of Findings were kept.

The Task Force in cooperation with the State Police, the General Directorate of Road Transport and the Albanian Road Authority have drafted and implemented a joint action plan for technical control and weights of road vehicles with mobile equipment on the side of the road.

The establishment of the VTMS in Albania will be financed according to the Loan Agreement between the Republic of Albania and IBRD for the **Project on Facilitation of Trade and Transport in Western Balkan**. The Loan Agreement was ratified with the Law No 62/2019 of 19.09.2019 “On the ratification of the loan agreement between the Republic of Albania and the International Bank for Reconstruction and Development for the Western Balkans Trade and Transport Facilitation Project Using the Multiphase Programmatic Approach”. According to the procedures, the project implementation unit (PIU) is expected to be established in the beginning of 2020, by the Albanian Ministry of Finance and Economy.

One of the priorities, presented in 2019 Western Balkan Summit held in Poznan, which is the development of Qafë Thana / Kjafasan BCP is also in line with the Transport and Trade Facilitation

Project, financed by the World Bank. In this priority list is included the Qafë Thana / Kjafasan BCP to be developed as a One stop shop (joint controls), for which the political will exist between two countries and also a financial support is committed under the ongoing Transport and Trade Facilitation World Bank Project / phase 1 (3 million USD for Qafë Thane and 1.4 million USD for Kjafasan). It is expected that in the beginning of 2020 the PIU of the project will be established.

The expected outcomes of this project are:

- Positive impact on logistic costs, attracting more international road users, and increasing economic opportunities for long distance truck drivers;
- Reduction of delays, queue lengths and queuing times (estimated truck time savings up to 10 minutes per vehicles);

Upon the request of the Albanian Railways and Ministry of Infrastructure and Energy, a grant of 1.75 million EUR was accorded by the European Investment Bank (EIB) in August 2019 for the project: ***Corridor VIII Rail – Preparation of the Preliminary Design and ESIA for section Rrogozhinë to Pogradec.***

With the CoM Decision no. 146, dated 20.03.2019, it was approved the concessionary contract/PPP between the Republic of Albania represented by the Ministry of Infrastructure and Energy and the Joint Economic Operator “Global Technical Mechanics” Ltd and “Bami” Ltd as concessionary and the concessionary company **Kukes International Airport** Ltd, for the rehabilitation, operation, transfer of Kukes Airport, for a period of 35 years.

The Albanian company “**Air Albania**” Ltd, licensed by the Albanian Civil Aviation Authority, has performed its first flight on April 19<sup>th</sup>, 2019 to Istanbul, and then to other destinations such as Rome, Milan, Frankfurt, Memmingen, Geneva, London, Paris.

The “Feasibility Study of an airport in the south of the country” was finalized in March 2018, yielding Vlora as the most favourable location. On the 19<sup>th</sup> of December 2019, was launched the procedure for granting into concession the construction of **Vlora International Airport**. It will be a Design, Build, Operate, Transfer concession. The PPP procedure has been delayed because Covid 19 pandemic situation.

## **1.1 The transport sector as a whole**

**Priority Action TRANSVERSAL 1:** *Creation and operation of an Integrated Policy Management Group (IPMG) for transport sector*

**Specific tasks: 2017 -2020:** The IPMG to support transport sector programs that contain the elements of the National Strategy and Action Plan 2016-2020 the IPMG to secure the annual payments from IPA’s Sector Budget Support from IPA approved under the Albania Road Transport Sector Reform Contract.

Based on the PM’s order no 157, dated 22.10.2018, on taking measures for the implementation of the sectorial/intersectorial broad approach as well as the establishment and the functioning of the integrated sectorial/intersectorial mechanism, the IPMG role is played by the Connectivity Sectorial

Steering Committee (KDS), which also plays the role of the Sectorial Committee on Monitoring IPA for Connectivity.

In addition, with the **Minister Order no. 77 dated 19.02.2019** is established the Technical Secretariat of the Connectivity Sectorial Steering Committee and of the Technical Secretariats of the Thematic Groups on Transport, Energy and Telecommunication and Broadband. Also, with the **Minister Order no. 78, dated 19.02.2019**, it is set the composition of the Thematic Groups on Transport, Energy and Telecommunication and Broadband. Since its establishment, the Thematic Group on Transport and its secretariat held several meetings during which the preparation of monitoring report of the strategy was discussed.

The said group monitored and prepared the first monitoring report of NTS which was presented and approved in June 2018 as well the second monitoring report in June 2019.

The Thematic Group of Transport plays also the role of the Sectorial Committee on Monitoring IPA for Transport.

During 2019, the Technical Secretariats of KDS and GT have coordinated the activities of the groups. GT Transport has organized 2 KDS meetings in the role of IPA Sector Monitoring Committee, and 2 GT meetings have been held. The second meeting of the KDS of Transport took place on 15.11.2019 in its role as the IPA Sector Monitoring Committee in the field of Transport.

During these meetings the Group discussed the progress of the SRC indicators for 2019, which status is provided in Annex 1.

**Priority Action TRANSVERSAL 2:** *Implement the transport strategy reforms and adopt PFM and contract management practices in the transport sector*

**2016 – 2020:** Promote the following activities: i) political and policy dialogue with the GoA in the area of transport policy and particularly road; ii) continued effort to reinforce GoA's institutional capacities to implement the transport strategy reforms; iii) continued effort to reinforce GoA's capacities in the area of PFM; and iv) continued donor coordination in view of further aligning development cooperation and relieving the GoA from multiple reporting duties;

**2016 – 2020:** International technical assistance to align MoTI's PFM (Public Financial Management) practice with the Albanian Public Financial Management Strategy 2014-2020 and with international best-practice

**2016 – 2020:** Promote and extend the use of state-of-the-art AFMIS in all the Budgetary Institutions depending on the MoTI

Ministry of Finance and Economy is the leader of the Albanian Public Financial Management Strategy 2014-2020.

In the IPMG role in the PFM Management of public finances, and deployment of monetary and integrated public service for the transport modes in ITS framework of digital infrastructure endured the strengthening of the e-service system and modernization of the public administration critical infrastructure. Through the integrated services and state-of-art which in compliance with the

principles of good governance have also noted progress via the development of three management information systems: IPSIS, AFMIS and EAMIS. With the aim at the integrated planning/monitoring of strategic transport policies the financial of foreign assistance management done through an improved digital network and critical infrastructure network rose up and integrated online system for the good governance.

## 1.2 Road transport

The main challenges in the road sector for the 2016-2020 planning period are:

1. Harmonize the national legislation with the EU acquis for road transport of goods and passengers;
2. Complete the construction of the national road network, including strategic arteries;
3. Complete the feasibility study for the Adriatic-Ionian Highway North-South,
4. Reform the intercity passenger road transport network;
5. Accelerate the amelioration of Albania's road safety performance (maintenance of road transport infrastructures according to EU technical standards, regular implementation of Road Safety Audits & Inspections, elimination of Black Spots, deployment of ITS systems).

**Priority Action ROAD 1** *Implement the roadmap for transport legislation alignment defined by the EU-funded Technical Assistance EuropeAid/134513/C/SER/AL, based on PKIE 2016-2020*

**Task 2018 – 2020:** Proceed with further approximation of the Albanian legislation to the *acquis communautaire*, according to the long-term actions described in the EU-funded Technical Assistance report called “Draft road map for alignment of legislation”. *In progress – on track*

MIE is working on the implementation of the roadmap for transport legislation alignment with EU *acquis*. Some developments in the approximation of the legislations during 2019, are as follows:

- DCoM no. 53, date 6.2.2019 “On some addenda and amendments to Decision of Council of Ministers no. 325 of 19.3.2008 ‘On the approval of rules of acceptance in the activity of the operator of road transportation of goods and passengers as well as the recognition of official documents issued to these operators”, as amended, aiming to approximate the Regulation (EC) No 1071/2009, (Article 7(1) – regarding financial obligations of the undertakings, capital and reserves, (OJ of the Republic of Albania no 15/2019).
- Guideline of Minister of Infrastructure and Energy no. 8 of 19.12.2019 “On the criteria, rules and procedures for the documentation for the issuance of licenses, authorisations and certificates for the operation of international transport of passengers by road”, (OJ of the Republic of Albania no 185 of 6.01.2020), which partially approximates Regulation (EC) No 1071/2009; Regulation (EC) No 1073/2009 and Commission Regulation (EU) No 361/2014.

**Priority Action ROAD 2** *Adopt Public Financial Management (PFM) and contract management practices at ARA, increase staff assigned to the MoTI and its subordinated structures in charge of road transport, and in addition undertake new training and capacity-building programmes.*

Task **2016 – 2020**: Follow recommendations from the arrears clearance audit for ARA, *completed*

Task **2019**: Undertake the following 2-day capacity-building programmes: “Road infrastructure charging and taxation issues in road transport in the framework of the EU”, “Sustainable Roads”, and “Intelligent Transport Systems for Road Transport”. *Completed*

**Priority Action Road 3** *Complete ongoing construction projects and implements a structured pipeline of road projects over the period 2016-2020, in line with the SSPP for transport.*

To achieve the results expected under Priority Action Road 3, concerning the completion of the ongoing construction projects and implementing the SSPP road projects in the core transport network and corridors, investments have been prioritized through the Single Sector Project Pipeline. For 2019, remain 30 transport infrastructure projects, mainly part of Core and Comprehensive Network were prioritized and included in the priority list.

All the investments in roads sector (Foreign Financing and Albanian Budget), during the period 2016-2019, are mainly concentrated on the Albanian Core Network.

Regarding the task for the period **2016 – 2020**: *Complete the ongoing construction projects according to the information provided by MIE-ARA, is as follows:*

- Construction of **Tirana-Elbasan road** (2016) - *Completed in June 2019*;  
In the **Tirana – Elbasan** road (Segment 1), it is required the postponement of the completion deadline, extra financing and deferment of the loan. The physical realization is 98.8%. Closing date of the project: 13 December 2019 and DLP.
- Construction of **Plepa – Kavajë - Rrogozhinë by-pass** (2016-2017)- *Completed, May 2018*
- **Tirana Ring** (2016 – 2018) (South – West side to be completed in 2020), *in progress-delayed*  
Lot 1 (4.14 km) of East Section (TEG Roundabout to Roundabout of Shkoza) of Tirana Ring is finished in June 2018 with 21.4 million of euros in total.  
Lot 2 (2.2 km) and Lot 3 (3.3 km) are ongoing. Until now for Lot 3 are invested 19.8 million of Euros. For Lot 2, 11.8 million euros are invested until now.  
Lot 2 from military bases (Farkë) to Uzina Autotraktorëve - Shkoza bridge end of Lot 3 for the remaining section the preliminary design (Sauk-Farkë-Shkoza-Rrapi Trishit) is under tender procurement procedure.
- **Reconstruction of Elbasan-Banjë segment** (2016-2018). *Completed 30.06.2020*  
Lot 1 and 2 of the works are finished. Lot 3 is about 100 % of construction works done are ongoing. Disbursed until now for this segment are approximately 6.32 mln Euro. Lot 3 is 8.85 km and has various engineering works (bridges, retaining walls etc.)
- **Construction of Fieri by-pass** (2016 – 2019). New Contract. *In progress, opened for traffic in June 2020.*  
Fieri By-pass (Part of the North – South Corridor) is under construction. Actually, the Main Road (both carriageway) is opened for the traffic for all the types of users since 15/06/2020. The physical progress of the works of the project is approximately 90% and financial realization is 63.3% and the project implementation time is approx. 90%. The project was re-tendered for the remaining part of the works. The new contract was signed in October 2018 and the project is

foreseen to be completed by the end of August 2020 (21.5 months), after the Supervisor's Determination for extension of time (6.5 months).

Some expropriation problems are not solved yet, waiting for confirmation from the Property Registration Office of Fieri and the Decision of Council of Ministers on expropriation;

- **Construction of Qukës - Qafë Pllaçë road.** (2016 – 2019). *In progress*

In Qukës – Qafë Pllaçë road segment Lot 1 (km 02+900 – km 18+000). Cumulative Works Done (%) of 86.65%. The Employer has solved the issues that caused Contractor's Suspension of Works (Payment of the remaining part of IPC No. 7 & IPC No. 8, and instruction to proceed with VO2). The Engineer has determined EoT till 23/09/2021. Submission of the VO2 under the constrained budget is near finishing. The Additional Budget of approx. 20.5 mln USD is needed for the whole Project Completion. The Slope Protection & Stabilization Design part of the Contract' documents are not efficient & not buildable. To be completed on September 2021.

Lot 2 (km 18+000 – km 32+800). Cumulative Works Done (%) of 78.92%. The Works has been Suspended by the Contractor since February 2020 for the Engineer's failure to act according the GCC SC 14.6. This situation is solved on May 2020, and the Works actually are in progress. The VO4 is under process, and the Engineer's submission to ARA is expecting to be within 19/06/2020. The Additional Budget of approx. 24.5 mln USD is needed for the whole Project Completion. The Slope Protection & Stabilization Design part of the Contract' documents are not efficient and buildable. To be completed on September 2021.

Lot 3- The works has been suspended till august 2019. (51 % of civil works completed until now). Additional budget needed.

- **Reconstruction of Qafë Thane-Lin-Pogradec segment** (2016 – 2019): *Completed, October 2019.*

- **Construction of Vlora by-pass** (2016 – 2019). *In progress*

Vlora By-pass is under construction with a physical realisation of approximately 32% and financial realisation is 19.9% (there is in process an IPC with a proximate value of 10% of value of the contract). The project was re-tendered for the remaining part of the works. The new contract was signed in October 2018 and the project is foreseen to be completed in February 2021. There are some problems with expropriations and design reviews in some sections of the project despite a huge improvement of the situation. ARA has prepared the expropriation documents; however, the expropriations are far from being finalized. Expropriations are crucial for the progress of works and for the completion of works within deadline;

- **Reconstruction & Repairing/Paving** (total others) (2016 – 2019). *In progress*

This works is ongoing. ARA has the allocated budget for each year for repairing when needed. There is an ongoing process of creating the Road Asset Management System that will give information about the most damaged road segments that need immediate repairing.

- **Reconstruction of the road Korçë- Ersekë- Leskovik** (2017 – 2019). *In progress*

On 2016, for road section Korçë - Ersekë, is financed the value 4.44 mln Euro

On 2017, is funded the value 5.12 million of EUR

On 2018, is funded around 3.43 million EUR and the road for Lot 1 of Korçë - Ersekë is finished.

- **Construction of Shkodër by-pass** (2018 – 2020). *In progress – on track.*

The works for Lot 1 have started but are slow because of expropriation process. For Lot 1 civil works are 60 % (approx. 7.1/13.2 million of euros). For Lot 2 from 0-1.300 km the works are in process, from 1.300-1.700 km works are temporarily stopped (still negotiating with Shkodra Municipality for the proper solution of Lot 2). *Expected to be completed on December 2020.*

**Regarding the task for the period 2016 – 2020:** Implement the SSPP for transport (road mode) and other projects included in the TEN-T Core Network: *Completed for 2019*

- **Reconstruction of the Vlorë River Road** (2016 – 2020). *In progress – on track.*

Total cost 97.4 million USD, 2017 – 2022, funded by Kuwait Fund with 40 million USD, Saudi Fund with 30 million USD and Albanian Government with 27.4 million USD.

The project is implemented by the Albanian Development Fund.

Construction works for Lot I, By Pass Vlorë – Peshkëpi – Gjorm, 23.2 km long were completed in 29 June 2019. For Lot II\_Gjorm – Brataj – Ura e Laskos the construction works have started in 13 May 2019. Lot III\_Ura e Laskos – Kuç dhe Ura e Laskos – Qafa e Mbretës the tender winner is announced and contract will be signed once the funds are secured. Lot IV, is under tender procedures

- **Construction of Skrapar – Permet road** (2017 – 2019). *Completed, April 2019.*

The civil works have finished for Lot 1 for 4.9 km with approx of 11.2 million of Euros of investment. For the remaining section of about 15 km, about 24 mln Euro is to be financed.

- **Construction of the segment Fushë Krujë - Thumanë (doubling) road**, 2017 – 2020, *not started yet.*

- **Construction of the Thumanë – Kashar / Vorë road-** (2017 – 2020) - *not started yet.*

Upgrade of Thumanë – Kashar, 20.4 km. Feasibility Study and Preliminary Design are completed, estimated cost is 169.3 million euro;

- **Construction of Elbasan By-pass** (2017 – 2020). *In progress*

- **Construction of Tepelena By-pass** (2017 – 2020). *In progress – on track.*

Construction of Tepelena Bypass, 3.5 km. Technical status: The works started in July 2018, financed by the Albanian state budget and the contract duration is 22 months. Until now, the contractor has performed 88% of works foreseen. The total of contract amount is 23 mln Euro.

- Construction of **Lezha by-pass** (2018 – 2020), *project suspended and included in the Milot-Balldren highway PPP Concession.*

The project for the construction of Lezha By-pass, 4 km, estimated cost is 24.6 million euro. The ToRs for the Feasibility Study for the construction of the Lezha By-pass in Albania and Environmental and Social Impact Assessment (ESIA), funded under WBIF, with a grant of 350,000 euro, is suspended and included in the Milot – Balldren highway given in PPP contract.

- Completion of **bridge and tunnel Morinë – Kukës**. (2018 – 2020), *completed*. For the bridges are completed 2 contract for 7 bridges with the total value of 16 Mln euro

- Construction of **Milot – Rrëshen (doubling)** road (2018 – 2020). *Not started yet*

**Regarding the task for the period 2016 – 2020:** *Do the preparation of the SSPP for transport projects (only Feasibility, Preliminary Design and Detailed Design Studies): Completed for 2019*

- **Feasibility Study of the Adriatic-Ionian Highway**. (2016-2019). *In progress*

The Feasibility Study for Adriatic – Ionian Highway/Expressway (Route 2b/Corridor VIII/ Route 2c), 305 km long, financed by WBIF, started in November 2017 and lately, it was submitted for approval within June 2020.



- **Detailed design for the construction of the Arbri Road section (2018-2020) - completed.**

Detailed design of Arbri Road is prepared by concession company (Gjoka 87 Ltd.) and approved by Employer / Contract Authority MIE on May 2018. The construction works have started in July 2018. Until now 35% of civil works is completed. 25% were completed until December 2018. Civil works finish in April 2022, and after completion of civil works the concessionary company will maintain for 111 months the segment.

In addition, the following projects *have been completed*:

- Project for **Detailed Design of the Tirana Bypass** (Core Network WB6 TCT) started recently with a grant of €1.4 million financed by WBIF. After DD we will apply to WBIF for a grant to 20% of the investment needed for the construction of Tirana Bypass motorway. Total investment is estimated EUR 146 million. Construction of Tirana By-pass, 22 km, estimated cost is 109 million euro. Currently, the Preliminary Design is completed and the ToRs for the Detail Design are approved. Kick off meeting for the preparation of the Detailed Design was held on 5 February 2019;
- **Feasibility Study, Detailed Design** and Environment Impact Assessment of **Gjirokastra By-pass** are completed (8.7 km, estimated cost is 14 million euro)

**Priority Action Road 4** - *Implement a Road Maintenance & Black Spot Elimination Plan and a detailed roadmap updating planning processes, standards in design and construction, operation and maintenance practices, and works supervision.*

Task **2016-2020** - *Implement a National Road Maintenance & Black Spot Elimination Plan aligned with the current National Road Safety Strategy and aiming at decreasing i) the number of fatalities by 30%, and ii) the number of black spots from 240 to 185 in 2020. – in progress-on track*

## **Maintenance Plans**

The WB Project “**Results-based Road Maintenance and Safety Project**” entered in its third year of its implementation. The project supports routine and periodic maintenance of about 1,333 km of Albania’s main roads through the Output and Performance-based Maintenance and Rehabilitation (OPRCs) works that are implemented through four contracts with a cumulative value of Euro 79.8 million. The original contracts were amended and adjusted to reflect significant changes in the road/pavement conditions from the time of project preparation until the works started, and increase the amount of rehabilitation in the way of designing and carrying out these works. These adjustments are reflected in consecutive Change Orders (41 CHOs in all four contracts) and an 11% average increase of original contract values. The progress of OPRCs is satisfactory in terms of execution of works - value of paid IPCs as of end of December 2019 is about Euro 45.8 million. The project is 20 months from the Closing Date (December 31, 2022)

During 2019, the ARA budget, for routine maintenance and rehabilitation works was executed in a value of 20.6 million Euros, for approximately 2,200 km of roads.

## **Road Safety Inspections and Road Safety Audits**

During 2019, 150 km of national roads network were inspected and Road Safety Inspection (RSI) reports were completed.

The Road Safety Audits were completed for 400 km of the primary network where rehabilitation interventions projects were carried out. Meanwhile, in the secondary network, audits were carried out for 600 km of road safety improvement projects of the Northern, Central and Southern Region. For all of these, the project designers have taken into account most of the finding reports.

## **Functioning of ARA internal audit**

The Internal Audit Department of the Albanian Road Authority (ARA) is continuing the “Compliance Audit” in the Northern Region and the Central Region Directorates.

ARA Internal Audit Department submitted the 2018 annual report to ARA, Ministry of Infrastructure and Energy and Ministry of Finance and Economy covering systemic weaknesses on public procurement, contract management, arrears, control standards, quality assurance and implementation of previous audit recommendations.

The Twinning Project “Strengthening the capacity of the Albanian Road Authority in applying good governance practices for planning, managing, procuring, implementing and maintaining Road investments” (which started in October 2019) is part of the package of SRC of Transport under IPA 2016 with the Polish Road Organisation. The duration of the project is 24 months, until 18.10.2021. The main objective of this twinning project is to improve the overall performance of ARA.

## **Accidents analyses and investments in Road Safety**

The analysis of accidents for 2019 shows that, in 2019, the number of victims dropped compared to 2009 (first year of the decade of road safety strategy), from 378 to 227 in 2019 and expressed as a percentage there is a 40% reduction in fatalities.

The vision for improving road safety in the future will be based on the vision of the European Road Safety Strategy 2030. Albania is an active Member of the TCT Road Safety Technical Committee and is following the recommendations and conclusions of recent meetings on a Road Safety Action Plan.

Investments in road safety continued throughout 2019, focusing on:

- Improvement and updating horizontal and vertical signs as well as improving road safety on the axes of the northern region for about 160.1 km;
- Improvement and updating horizontal and vertical signs as well as improving road safety on the axes of the southern region for about 160 km;
- Improvement and updating horizontal and vertical signs as well as improving road safety on the axes of the southern region for about for about 91 km;
- Implementing the traffic management system and the installation of weight sensors per axle project completed and in exploitation;
- Placement of 10 pedestrian overpasses from which seven in the segment Thumana – Miloti and three in the segment Kukës – Morinë.

In close cooperation with the IPA project “On the improvement of road safety standards”, the tendering process for the elimination of 10 black spots was completed by the end of 2019. These projects currently are under implementation (foreseen to be completed in the first half of 2020).

During 2020, the road safety improvement project will be implemented through the installation of metal side guards / guardrails in dangerous turns, in road segments: Skuraj – Peshkopi; Përmeti – Çarshovë; Bajram Curri – Valbona; Qafë Mali – Fierzë.

The new CONNECTA project, which foresees to draft the detail design for the improvement of road safety, based on the RSI in the road segments: Shkodër – Koplik – 13.5 km; Fushë Krujë - Lezha – 35.9 km has started. This project has determined critical points in these two segments, where geometric interventions, improvements of vertical and horizontal signalisation as well as installation of metal side protectors will be made. ConnectA is preparing the designs for improvements.

The **Road Crash Database** is administered by the Albanian Traffic Police, under the General Directorate of State Police. The technical assistance for road safety provided by the WB project “Maintenance and road safety focused on result” has carried out an initial analysis focused on identifying the main needs of all the Albanian stakeholders involved in the Road Traffic Crash (RTC) data collection, management and analysis. The main sources of information on RTC in Albania are the Albanian Traffic Police (for data collection in the field) and Ministry of Health (for collection of information on injured persons). Currently, most RTC information and data are collected and maintained by the Traffic Police. The Traffic Police utilizes a standalone MS Office Access database. Database seems very limited in its capability to expand. It also lacks a data linking capability with other databases existing in Albania. The TA Consultancy of WB project recommends a new TRC information system. The new national database should be hosted at the Internal Ministry since other important databases used by Traffic Police are hosted there as well.

Traffic Police is the main entity dealing with data collection and can be supported by health services (especially emergency centers) to complete the information about injury severity. The form to be used by Traffic Police will especially be compliant with the minimum set of standardized data elements of the Common Accident Data Set (CADaS) recommended by European Commission.

The Joint Guideline of Minister of Infrastructure and Energy and Minister of Interior “On technical roadside inspection of roadworthiness of commercial vehicles”, is approved at the beginning of 2020. This Guideline is fully aligned with the Directive 2014/47/EU of the European Parliament and of the Council of 3 April 2014 on the technical roadside inspection of the roadworthiness of commercial vehicles circulating in the Union and repealing Directive 2000/30/EC.

**Task 2016 – 2020:** *Implement a minimum of 2 new road-based ITS projects optimizing the use and safety conditions of the existing road network, in alignment with the Multimodal National ITS Strategy to be developed under Priority Action INTERMODAL 4. In progress – on track*

**Regarding the ITS deployment,** the Steering Committee of the WB Project “Maintenance and Road Safety Focused on Results” is preparing a request to secure funding for the preparation of the Pilot Project Study for the Establishment of the Road Traffic Monitoring Center at approximately 200 km

of national road within June 2019, with the possibility to be extended at another stage to about 1,500 km of the national network.

Albania is in the early stages of introducing ITS to its transport network, often lacking interconnection and coherence between its different transport modes. As regard to the legal framework MIE has issued the Guideline of Minister of Transport and Infrastructure No 3616/3 of 20.07.2017 “On rules for implementation of the intelligent systems in field of road transport and connection with other modes of transport”, which further approximated the Directive 2010/40/EU. The development of ITS in Albania will contribute significantly to the creation of an integrated, safe and efficient transport system. MIE is in the discussion with the World Bank for support for the drafting of the ITS Strategy and its Action Plan 2021-2026, and the establishment of a Traffic Management Centre.

In this Strategy is foreseen creation of a **Traffic Monitoring and Control Center for primary road network in Albania**. The main objectives of this project is to optimise traffic flow in the primary roads eliminating traffic congestions and reducing road accidents, ensuring traveller online information on traffic and weather conditions, and departing/arriving timetables, reducing travel time and travel cost while increasing travel commodity for the road users, reducing traffic pollution coming from exhausting gas emissions and acoustic noises as well.

This traffic management center will coverage also traffic data across the entire national road network, so that the Albanian Road Authority can administer this data through its Traffic Management System that will be able to offer reports and statistics on traffic at any time.

In the framework of application of ITS and developing of innovation systems in road transport, GDRTS financed the implementation of **e-Transport platform**, an electronic platform in which will be incorporated the whole information on road transport operators/companies/entities, intercity lines, e-ticket system, public transport terminal management, interaction with third party systems QKB, e-DPSHTRR, e-DM, e-Monitoring, REK, e-Tachograph.

**Task 2017–2020:** Promote and generalize the use of output and performance – based concessions (PPPs) for road operations and maintenance, not only for the national network (RRMSP programme) but also for the regional and local networks. *In progress- on track*

This task is being implemented under the ongoing RRMSP WB Project.

**Task 2017–2020:** Undertake a twinning with other Road Authorities of the EU countries (including Technical Assistance) and ensure the supply of equipment for ARA road works quality laboratory through indirect management with the Central Finance and Contracting Unit (CFCU) within the Ministry of Finance of Albania. (both actions financed by IPA II Programme). *In progress- on track*

**Priority Action Road 5** *Establish joint road BCPs following the principle of “single window” applied to the Muriqan – Sukobin BCP. In progress- on track*

**Regarding task (2018 – 2020):** Implement the “single window” principle (border control is jointly performed by officials of both countries in one location, carrying out all procedures related to

border control at the same time, including passport, customs, veterinary and phytosanitary control) to all existing and planned road BCP, at a progress rate of two BCPs per year: *In progress-on track*

Under Connectivity Reform Measures Plan, the measure: “Following the signed agreement on the road border crossings, prepare and agree the joint action plan with Montenegrin counterparts taking into account the recommendations of ConnecTA” is being implemented.

The Inter-Institutional Working Group is established. Representatives of the Inter-Institutional Working Group between the Republic of Albania and Montenegro, met in Podgorica, on the 15th of March 2019, with the aim to discuss on the development of the Joint Action Plan for the border crossing points between the Republic of Albania and Montenegro, in accordance with the Connectivity Reform Measures Plan, developed within the framework of the Berlin Process.

During the meeting, it was discussed on possibility for establishment of a joint BCP Božaj/Hani Hotit, the functioning of joint BCP Sukobin/Murriqani, as well as the functioning of as joint cross-border railway station in Tuzi.

Both Sides have agreed to establish an Inter-State Working Group with a view to developing a one-stop-shop/single window concept and related practical issues. Both Sides have agreed to examine all current bilateral Agreements for this Border Point as well as of the draft agreement proposed by CONNECTA assistance. The two Sides will continue working with agreements/protocols between relevant institutions or the drafting of new agreements.

In March 2020, it was foreseen a meeting of the Inter-Institutional Working Group between Republic of Albania and Montenegro, in order to discuss the joint Action Plan for the Border Crossing points between Republic of Albania and Montenegro, in accordance with the Connectivity Reform Measures Plan, developed within the framework of the Berlin Process / Connectivity Agenda, but due to the Covid-19 pandemic, it was postponed for another date.

**Priority Action Road 6** *Build dedicated parking infrastructure in BCPs in order to speed up border crossing procedures for trucks and buses*

**Regarding task (2018-2020):** Build the parking space infrastructure, the project of the improvement of BCP Hani Hotit (Malësi e Madhe, AL) - Bozaj (Podgorica, MNE), *is completed*.

**Priority Action Road 7** *Prepare a Convention between the SEETO participants and the EU member states/the EU with respect to harmonized axle load taxation in order to avoid discrimination*

This task was completed in the first year of the implementation of this Strategy.

**Priority Action Road 8** Promote the establishment of road hauliers' cooperatives and unions, and in addition taxation incentives for modernising the freight and passenger vehicle fleet

**Task 2019:** *Launch taxation incentives for (i) the setting-up of road operators' cooperatives and unions; and for (ii) acquiring new-generation road transport vehicles, i.e. through the reduction/exemption of vehicle registration and/or vehicle circulation taxes). In progress*

The realization of this task encounters difficulties in uniting/creating cooperatives of road transporters, passengers and goods.

In terms of incentives, there is a development for electric vehicles, for which, GDRTS will reimburse any registration fee for the first time for electric vehicles & plug-in, so the fees will be zeroed. This initiative is based on DCM no. 412, dated 19.06.2019 "On the National Plan for Air Quality Management", which addresses air quality as one of the most critical environmental issues. As for motor vehicles (oil, gasoline), a package is needed to be initiated by the Ministry of Finance and Economy and assessment of the financial effects on the state budget.

**Priority Action Road 9** Increase the frequency of vehicle road checks, and in addition toughen the license issuing procedure for road transport operators

**Task 2019:** Increase the number of vehicle roadside checks by 50% in comparison to 2015 figures, in order to secure the enforcement of vehicle legislation. *Completed*

The Task Force continues daily inspections on all road axes, focusing on the discipline of passenger and freight transport. The new technological devices, which are already part of this body, make it possible to quickly verify the tools, through the technical control device and portable scale, but also provide a very transparent process and monitored through the cameras of inspectors.

The controls are mainly focused on those road axes where there is a high circulation of vehicles but also of passengers as well as axes which have had the most significant problems. In addition to the controls on the main axes in the country, the focus of the groups of the Task Force of the Road Transport is also the terminals of the cities where the controls have been exercised periodically.

During the period April 2019-May 2020, a total of 4300 Acts of Findings were kept, which are reflected in the following tables.

YEAR	REVENUES / ALL	ACTS OF FINDINGS
2019	29,910,650	2642
2020	17,317,000	1658

**Priority Action Road 10** Create a Road Transport National Innovation Programme, in cooperation with academic institutions and private businesses

**Task 2019:** Launch of a 2-year National Programme offering a mix of grants and loans to road innovation projects led by Albanian organisations. *In progress*

After the consultations and continuous discussions among experts of MIE, Faculty of Civil Engineering, Faculty of Architecture and Urban Planning and Faculty of Geology – Mining, are identified the relevant fields of Cooperation.

### 1.3 Rail Transport

The main challenges in the rail sector for the 2016-2020 planning period are:

1. Reform the rail system to set up an open market for public and private investors whether in terms of market regulation, infrastructure management or rail operations;
2. Strengthen human capacities and resources at all levels, in particular to effectively build up the legal and institutional structure that are necessary to ensure a smooth operation of an open market;
3. Create favourable legal and institutional conditions for attracting foreign investment; and
4. Create a level playing field with other modes of transport.

**Priority Action Rail 1:** Adoption and effective implementation of the new railway code in line with the respective EU Directives, especially EU Directive 2012/34/EU RECAST.

**Task 2017-2018:** Preparation and implementation of other relevant sub-legal acts (implementation acts/directives) in the realm of licensing, safety, accident and incidence investigation, interoperability and market regulation required by the new Railway Code. *In progress - delayed*

The Railway Code of the Republic of Albania / law No 142/2016/ was adopted on 22.12.2016 and entered into force after January 12th 2018. It is partly aligned with:

- Directive 2012/34 / EU of the European Parliament and the Council dated 21 November 2012, "Establishing a single European rail area";
- Directive (EU) 2016/798 of the European Parliament and the Council dated 11 May 2016, "On railway safety";
- Directive (EU) 2016/797 of the European Parliament and the Council dated 11 May 2016, "On the interoperability of the rail system within European Union";
- Directive 2007/59 / EC / of the European Parliament and the Council, dated 23 October 2007, "On the certification of train drivers of locomotives and operating trains on the railway system in the Community";
- Regulation (EU) 2016/976 of the European Parliament and the Council dated 11 May 2016, "For the European Union Agency for Railways and repealing Regulation (EC) no. 881/2004" ;
- Regulation (EC) 1370/2007 of the European Parliament and the Council, dated 23 October 2007, "On public transport services passengers by rail and road and repealing Council Regulations (EEC) No. 1191/69 and 1107/70";
- Regulation (EC) 1371/2007 of the European Parliament and the Council, dated 23 October 2007, "On the rights and obligations of rail passengers"

A technical assistance was received during 2019 for the preparation of the new legal basis including the law for the restructuring of the Albanian Railway, based on the new Railway Code.

The four laws deriving from the new railway code are still in preparation. These are:

- Law on the Railway Administrator and the Law on Infrastructure Manager were merged into a single legal act titled Law “On the separation of Albanian Railway, S.A.”;
- Law for establishing National Safety Authority;
- Law for establishing Nation Investigation Body for railway and maritime incidents/accidents;
- Law for establishing Regulatory Body and Law on separation national HSH Company on infrastructure and operations.

Regulatory Impact Assessments were also prepared for these draft Laws. They were also published in the Electronic Register of Public Consultations. Following the remarks received by the line ministries and because of *the force majeure* (Earthquake of 26 November 2019) the drafts were not finalized within the set deadlines. During this period work has continued on the revision of the draft laws according to the comments received. These draft laws are foreseen to be adopted by the Government during 2020.

**Priority Action Rail 2** Separation of HSH into infrastructure manager, freight and passenger operator, operator of rail services

Task **2017-2018**: Total separation of the different entities –*In progress, delayed*

The draft of Law on separation of the national rail company (HSH) on infrastructure and operations is revised and recently sent for opinion to the line ministries and the Competition Authority and we are working to include in the draft the comments and suggestions received so far. The separation will take place within 2020.

Network statement for the Railway infrastructure was published by the HSH (national rail company) for the 2019.

**Priority Action Rail 3** Setting up the railway safety bodies (safety, licensing and accident investigation) and market regulatory bodies (incorporation of the Railway Regulatory Body within the Competition Authority) and training of staff

Task **2017 – 2018**: Setting up railway bodies –*In progress - delayed*

This action was postponed to 2019-2020 after the adoption of the sublegal acts deriving from the Railway Code.

Organization structure, Job profiles/functional description, Budget of the new bodies will be defined after the laws are approved.

Railway staff actively participated in the trainings/workshops organized by ERA during 2020.



**Priority Action Rail 4** Clarify situation at the ports concerning port and railway law (clarify tasks and requirements of concessionaires, rail infrastructure manager and port authority)

Task **2016-2018:** Clarify/solve the legal and institutional issues with respect to ownership, management, operation and maintenance of rail infrastructure in the port: *In progress delayed*

This action is postponed to 2020-2021 after the adoption of bylaws deriving from the Railway Code for the establishment of the Infrastructure Manager and investment planning and for the efficient implementation of the connection with the Port of Durres.

This planning will also provide legal solutions for ownership problems on railway lines connecting the port with the main railway line. ***This problem is solved by the local government.***

Following the contractual relationship between the Infrastructure Manager and private freight operators who will be eligible to operate the port points may have contracts to participate in the investment in the port connection.

Task **2016 – 2018:** Feasibility study for a Port Community System for improvement of the electronic communication and interchange between port operators, port authorities, rail operators and other stakeholders involved in the transfer of goods- *in progress, delayed*

This action is postponed to 2020 after the adoption of the sublegal acts deriving from the Railway Code.

**Priority Action Rail 5** Integrate SEETO Flagship Axes into the Rail Network Europe (RNE) corridor system and implement respective RNE procedures and RFCs

Task **2016-2017:** Join RNE and join RNE international Working Groups, *not started*

Task **2016-2020:** Integrate SEETO Flagship Axes into the RNE corridor, *in progress*

Task **2016-2020:** Extension of RFCs in Albania (Action No. 2 of SEETO Strategic Working Program: “Establish corridor management on selected flagship corridor that have a Sub-group on a pilot basis by using the model of the corridor management for the European Corridors”). Reference/Best practice: Rail Freight Corridor management in the EU according to EU Regulation 913/2010 as in force, Reference Corridor: Corridor 1 North – Sea Ports – Italy. *In progress*

MIE has expressed its consent for its participation in the implementation of RFC-s in the Albanian territory, through an official letter sent to the Montenegrin counter partner.

Montenegro is the only international railway link in Albania, through the joint railway station of Tuzi.

<b>Priority Action Rail 6</b>	Build up attractive and competitive hinterland rail corridors for the Port of Durres in line with the SSPP for transport and actively involve the ports for promotion and marketing
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*Task 2016-2020 Planning & investment (pipeline projects from SSPP for Transport) 2018-2020: in progress on track*

The Government of Albania has already identified the railway development projects and included these in the Single Sector Project Pipeline (SSPP) for transport sector. The projects for the improvement of the railway infrastructure include:

- Rehabilitation of **railway Durrës – Tiranë** and construction of the new railway branch to Mother Teresa (Rinas) International Airport (total cost is 90.45 million euro): The award of contract and start of works are foreseen by end of year 2020. The project is foreseen to be completed in a period of 30 months;
- Rehabilitation of the railway line **Vorë – Hani Hotit**: The preparation of the detailed design for rehabilitation works started in December 2018 and is foreseen to be accomplished within December 2020. The preparation of the detailed design is financed by WBIF through a 4.5 million euro grant approved in December 2016. The project is ongoing and assisted by the EU TA;
- Construction for a new railway **Pogradec – Korçë border to Greece**: The pre-feasibility study for the rail link Albania – Greece by Kapshtica is a joint application of the Greek Railways and the Albanian Ministry of Infrastructure and Energy, under the INTERREG Program regional cooperation Albania – Greece, estimated to cost 900,000 euro. The pre-feasibility study started in September 2018, with a duration of 24 months;
- The rehabilitation of **Durrës – Pogradec – Lin railway and the construction of a new railway link Lin – border to North Macedonia** (part of rail Corridor VIII): The feasibility study for this project was finished in January 2018 and the preliminary design of the Durrës – Rrogozhinë railway line, 34 km, (part of this project) was completed in September 2018. Based on the results of this project, there were initiated the projects shown below for the segments Durrës – Rrogozhinë and Rrogozhinë – Pogradec;
- For the preparation of the detailed design of **Durrës – Rrogozhinë Railway** segment (including ESIA and TD), the GAF application was submitted at the 21<sup>st</sup> Round of WBIF and it was approved for a total of 1.7 million EURO. The Detailed Design of this project started officially in February 2020 through IPF8 – COWI Consortium (WBIF/EIB) and it is foreseen to be completed within June 2021;
- The Detailed Design, Environmental and Social Impact Assessment (ESIA) and Tender Documents for the **Durrës – Rrogozhinë Railway segment**: for the preparation of Terms of References, the Ministry of Infrastructure and Energy is assisted by the European Investment Bank Technical Assistance (EIB TA) of JASPERS;
- Corridor VIII Rail – Preparation of the Preliminary Design and ESIA for section **Rrogozhinë to Pogradec**: Upon the request of the Albanian Railways and Ministry of Infrastructure and Energy, a grant of 1.75 million euro was accorded by the European Investment Bank (EIB) in August 2019. This grant is sufficient to undertake PD and ESIA for 115 km of existing line, excluding the link to North Macedonia border, which would need to be addressed separately and at later stage in coordination with the respective institutions of the Republic of North Macedonia. For this study, after the final confirmation, EIB has finalised and endorsed a contract (Agreement of Cooperation) in February 2020 with the Albanian Railways and

Ministry of Infrastructure and Energy, under an existing framework consulting contract, commissioned by EIB for conducting TA activities through the Economic Resilience Initiative (ERI). The Project started with the introductory meeting held and a site visit carried out on 6 February 2020 (kick off) under the ERI initiative.

**Priority Action Rail 7**     *Ensure a high level of maintenance with a preventive maintenance system on core and comprehensive rail networks*

*Task 2016 – 2020: Improvement of the present state of the Core and Comprehensive rail lines taking part of the TEN-T Indicative Extension to Neighbouring Countries Comprehensive/Core network to Western Balkans Region, in progress on track*

This is a regional measure included in the Connectivity Reform Measures Management Plan, the ConnectTA has drafted the Rail Maintenance Plan (to cover the period 2019 – 2023) for the Railway Comprehensive / Core Networks, to be taken into consideration during the rail maintenance budget planning.

#### 1.4     Maritime Transport

In the maritime sector the main strategic objectives are:

1. Improvement of technical capacities of maritime administration and the institutions involved;
2. The development of maritime legislation to achieve EU standards;
3. Development of port infrastructure;

**Priority Action Maritime 1:**     Ratify and endorse IMO regulations and EC rules on maritime safety, security, environmental protection, and coastal management.

- The negotiations and the procedures for ratification of MARPOL Annex VI and SOLAS Convention Protocol of 1988 have started– *Completed*
- Fully approximated the Regulation (EC) 336/2006 of European Parliament and of the Council of 15 February 2006 on the implementation of the International Safety Management Code – *Completed*;
- Fully approximated the DIRECTIVE 2009/16/EC of European Parliament and of the Council of 23 April 2009 on port state control; - *Completed*

**Task 2019-2020:** Review ratification process and outcome including any EU rules and IMO regulations that might be proposed or introduced during 2016-2020, *In progress – on track*

MIE is working on the adoption of IMO and EU rules and regulation. Examples of regulated activities in the maritime sector include, but are not limited to, flag and port state control, maritime safety and security, environmental protection, maritime training and labour, and port health and safety. Several regulatory standards have been developed to ensure the safety, security, and environmental sustainability of maritime and port operations. Many of these regulations are set by international

organizations such as the IMO, the ILO and the EU. The international conventions and regulations adopted during the reporting period are:

- Ratification of the Annex VI to the International Convention for the Prevention of Pollution from Ships 1973 (MARPOL) with the national law no 9/2020 dated 03.02.2020;
- Ratification of the final act of the 2010 STCW Conference to International Convention on Standard of Training, Certification and Watch keeping for Seafarers (STCW) 1978;
- Council Directive 92/29/EEC of 31 March 1992 on the minimum safety and health requirements for improved medical treatment on board vessels is fully approximated by the Council of Ministers' Decision no 862, dated 24.12.2019 "For minimal requirements for health protection and medical treatment on board of the vessels"
- Directive 2009/21/EC of the European Parliament and of the Council of 23 April 2009 on compliance with flag State requirements. These Directive is fully approximated by the Minister's Decision No 271, date 09.07.2019 "For the approval of regulation on Flag State Control in Republic of Albania".
- Fully approximated the Directive (EU) 2016/802 of the European parliament and of the council of 11 May 2016 relating to a reduction in the Sulphur content of certain liquid fuels – completed

Currently the Administration is working on:

1. Ratification of the Protocol of 1988 of the International Convention for the Safety of Life at Sea (SOLAS), 1974;
2. Ratification of the Protocol of 1988 relating to the International Convention on Load Lines, 1966;
3. Ratification of the International Convention on the Control of Harmful Anti-Fouling Systems on Ships.

**Priority Action Maritime 2:** Establish roadmap and action plan to approximate and accompany IMO and EC regulations in line with the recommendations of the EuropeAid/134513/C/SER/AL (E0397C)

**Task 2018 – 2019:** Start and implement new TA. *Completed*

**Task 2019 – 2020:** Conclude TA including approval of action plan. *In progress– on track*

Under the consultancy service provided for the project "Enhancing the Development of Albanian Maritime Sector through Technical Assistance and Increased Partnership" which is an assistance given by Kingdom of Norway for Maritime Administration in Republic of Albania managed from UNDP Albania it is completed the "Update of the latest legislative GAP analysis for the Maritime Sector in line with the EU and Maritime and Barcelona Conventions requirements".

This document is based in the previous technical assistance provided to Ministry of Transport and Infrastructure IPA 2012 – EuropeAid/134513/C/SER/AL. The previous Technical Assistance in 2014 produced the Gap Analysis (Annex III – Maritime Transport) delivered to the administration with the document title "Gap analysis of existing legislation in road, rail and maritime sectors".

The previous Gap Analysis Report 2014 contains the detailed gap analysis of the Albanian legislation with regard to waterborne transport in light of the respective EU acquis and relevant international conventions and agreements up to 2014. From 2014 up to now there are many changes happened

to the legislation in maritime transport which are reported in the analysis provided by the consultancy in the assistance given by Kingdom of Norway for Maritime Administration.

**Priority Action Maritime 3:** *Strengthen the GMD institutional, governance, financial and human capacity*

Task **2019:** Implementation of institutional and regulatory reform of GMD, including possible changes in legal and financial status of GMD. *“Completed”*

- The TA (IPA 2012 – EuropeAid/134513/C/SER/AL), produced a Gap Analysis report for the number of employees necessary in maritime administration in order to well perform the obligation on the implementation of legislation in the field of Maritime Transport. Following the first phase of these recommendations the total number of the maritime administration was increased with 20 employees more enforcing the sensitive sectors like Port State Control, Flag State Control, Maritime Safety and Security, protection of marine environment etc.
- According to the contract between the European Maritime Safety Agency (EMSA), REMPEC and the EC for providing assistance to the candidate and potential candidate countries in maritime transport, Albanian Maritime Administration is frequently invited to attend trainings.
- On 25 – 26 November 2019, in Durrës, Albania, it was organised the National Workshop on Ratification and Effective Implementation of MARPOL Annex VI. This Workshop was organized with the assistance of REMPEC.
- Ministry of Infrastructure and Energy has applied for a TAIEX Technical Assistance Expert Mission “Management of Recognised Organisations (Maritime Sector) in Albania”. The expert mission will be focused on the monitoring of the functioning of the ship inspection and certification and measures to improve the quality of Albanian flagged ships. This TAIEX was planned to be carried out on 9.12.2019 – 13.12.2019, but due to the situation with the earthquake and Covid-19 it was postponed.
- On 28 – 30 April 2020, Albania had planned to host the Sub-Regional Workshop on the use of the RETOS™ for the assessment of the level of oil spill response planning and readiness management with 40 participants from Monaco, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Albania, Greece, Cyprus, Turkey, Syrian Arab Republic, Lebanon, Israel, Egypt and Libya. The participants of the three-day sub-regional workshop were to be trained on oil spill preparedness and contingency planning, as well as on developing hands-on working knowledge of the use, and advantages of the ARPEL Manual and Readiness Evaluation Tool for Oil Spills (RETOS™) in analysing and identifying gaps in national oil spill preparedness and planning programs. Due to the situation with Covid-19, the workshop is postponed.
- With the assistance of IMO TA, it was planned to organize in Albania, a national workshop on AFS Convention and the Biofouling Guidelines on 30 June – 1 July 2020. Due to the situation with Covid-19 the workshop is postponed.
- In the framework of the project financed by the Croatian Government regarding the preparedness and response to the marine pollution, on 27 Maj is organized the online

training “For preparedness and response to marine pollution from oil and HNS in Republic of Albania”. The participants in this training were from General Maritime Directory, IMOC, Prefectures, and all maritime ports in Republic of Albania.

**Priority Action Maritime 4:** Reform the institutional structure of Vlora, Shëngjin and Saranda ports towards landlord port structures

Task **2017-2018** started the discussions for the reformation of the institutional structure of Shëngjin and Saranda ports towards landlord port structures – *completed*

Task **2019 – 2020** – *in progress – on track*

**Priority Action Maritime 5:** Establish and implement the Albanian Vessel Traffic Monitoring and Information System (VTMIS)

Task **2019:** VTMIS operational tests. *“In process”*

The establishment of the VTMIS, is a top priority for the Ministry of Infrastructure and Energy and is included in SEETO MAP and in the SSPP list for the Transport Sector. MIE send the official request to World Bank for the possibility of the financing of this project. This request was approved by WB and the implementation of the project for the establishment of VTMIS in Albania will start soon and will end within 2020.

The full approximation of the Directive 2002/59/EC of the European Parliament and of the Council of 27 June 2002 establishing a Community vessel traffic monitoring and information system and repealing Council Directive 93/75/EEC, is foreseen to be carried out within 2021.

The establishment of the VTMIS in Albania will be financed according to the Loan Agreement between the Republic of Albania and IBRD for the Project on Facilitation of Trade and Transport in Western Balkan. The Loan Agreement was ratified with the Law No 62/2019 of 19.09.2019 “On the ratification of the loan agreement between the Republic of Albania and the International Bank for Reconstruction and Development for the Western Balkans Trade and Transport Facilitation Project Using the Multiphase Programmatic Approach”. The project implementation unit (PIU) is in the process of being set up at the Ministry of Finance and Economy.

**Priority Action Maritime 6 “Completed”**

*Establish and implement the Long Range Identification and Tracking System (LRIT)*

The LRIT system is established and already operable by the GMD

**Priority Action Maritime 7 “Completed”**

*Assess port capacity planning and performance against future traffic growth and market trends*

The study is completed by the Institute of Transport with the object “The strategy of maritime port development in Albania”

**Priority Action Maritime 8:** *Develop quantified and integrated operational and strategic action plan for port growth and modernization*

Task **2018– 2019:** Dredging of the Saranda Port Basin. - *In progress*

The funds for the dredging of the Saranda Port Basin are approved from the State budget. Now waiting for the approval of the construction permits from the KKRT

Task **2018 – 2020:** Implement modernization and rehabilitation port investment plan.– *In progress*

The detailed design for the extension of quay for cruises has been approved and we are looking for the financial resources. The project for the reconstruction of the Ro-Ro quay in Port of Saranda with finances of the state budget has started. The project is in the stage of taking necessary permissions from the Government before starting the construction works.

**Priority Action Maritime 9:** Complete ongoing construction projects and implement new concession and preparation projects over the period 2016-2020

Task foreseen for 2016-2017, under *Priority Action 9* is in progress. Up to now Rehabilitation of Port of Vlora with the financing from Italian Cooperation has started, and has been completed almost 90% of constructional works, currently the construction work is paused from Italian Cooperation side because of some disputes with the construction company.

The expanding of Passenger Terminal in Port of Vlora has already started and finished.

Reconstruction of Passenger Terminal (berths 7 & 8) and Processing square in Durres Port Authority – This project is already finished.

Dredging of Durres Port basin feasibility study is finished. The tender procedures are finished and the contract is signed between Durres Port Authority and Vega Construction Company, with the funds of DPA and is planning to finish the implementation of this project within 2020.

The rehabilitation and expansion of port infrastructure and superstructure (the ports of Durrësi and Vlora) is being carried out in order to increase capacity and standards of operation, service effectiveness and tourism development.

The first multimodal terminal in Albania at the port of Durrësi is operational. Our priority for the coming years is to increase the standards in the Port of Vlora and probably even Port of Saranda so that they can meet the requirements for their inclusion in the Core TEN-T Network. Regarding the railway infrastructure, the rehabilitation of the sector is intended, initially through some internal



measures, aiming to increase the transport volumes, mainly from the Port of Durrësi railway connection.

**Task 2016 – 2019:** Implement the new concessions according to the information provided by MoTI, “*completed*”

One of the priorities of the Government in the field of development of port infrastructure is the construction with PPP of the new ports (touristic and commercial). During the reporting period the status of concession is as follows:

- Giving in Concession with BOT contract of the touristic port in Spille, Turre's Castle, Kavaje – The concession project is finished and the contract was signed. The operator finished with all the government licences and permissions, the construction works have started and planned to finish in 2020.
- Giving in Concession with BOT contract of a MBM (Multy Buoy Mooring) Port in Porto Romano - The concession project is finished and the contract was signed. The operator finished with all the government licenses and permissions, the construction works of the first phase have finished and this port is approved to be open for international shipping. Now the port is operable. This port now is processing ships with draft up to -11.00 meters and tonnage more than 20.000 GT. Processing larger ships will reduce the transport costs and will affect the price of the oil in Republic of Albania
- Giving in Concession with BOT contract of the touristic port in Durres - The concession project is finished and the contract was signed. The operator is in the process of collecting all the government licenses and permissions, the construction works expected to start after the permissions.
- Giving in Concession with BOT contract of the touristic port in Shengjin - The concession project is finished and the contract was signed. The operator is in the process of collecting all the government licenses and permissions, the construction works expected to start after the collection of all permissions. This concession will be used for accommodation of the touristic and pleasure vessels up to 25ml.

**Priority Action Maritime 10:** Prepare and elaborate national policy statement and cross-sector strategy for nautical tourism - *completed*

Task foreseen in 2016 - Initiate discussion/ preparation for national strategy for nautical tourism – *completed*

Task foreseen in 2017 – prepare and submit proposal for TA completed. Ministry of Tourism requested and was approved the TA for the preparation of nautical tourism. – *Completed*

Task foreseen for 2018 under *Priority Action Maritime 10* is *completed*. In cooperation with the Ministry of Tourism and Environment, the draft National Strategy on the Sustainable development of Tourism 2019 – 2023 is prepared including the nautical tourism. The draft is approved by the CoMD no 413 date 19 June 2019.



Ministry of Tourism and Environment and Ministry of Infrastructure and Energy have drafted the law on “Nautical Tourism Activities” which is approved by the Parliament.

**Priority Action Maritime 11:** *Develop incentive schemes for attracting and promoting nautical tourism and cruise shipping in Albania*

Task **2019:** Based on results of 2.2.1, develop incentive schemes programme for nautical tourism. Explore feasibility of a mix of government incentives (such as a reduction of port dues on nautical and cruise ships and tax exemption from, or a pro-rata reduction of tax on, shipping tonnage for those types of ships) and tourism industry’s incentives (such as agreed discounts on prices of room nights for passengers of cruise ships). *-completed*

Government has drafted and sends for approval the law on some amendments on the law on VAT in Republic of Albania. This law will attract more yacht owners to register ships in Republic of Albania. This law is approved by the Parliament.

**Priority Actions Maritime 12:** *Develop strategy and action plan for maritime labour markets, including increasing the number of seafarers and other related jobs in maritime professions*

Task **2019:** TA results and derived strategy approved and endorsed by MoTI/GoA. *In progress*

**Priority Actions Maritime 13** - Develop, promote and monitor MET programmes across maritime modes and enlarge them to other fields such as offshore, marine services, and ship agency - *completed*

Task **2017 – 2018:** Full review and assessment of MET sector and performance in Albania - *Completed*

With the TA assistance of Kingdom of Norway approved in 2018. A consultancy is appointed for “Full review and assessment of Maritime Education Training Sector and performance in Albania”. This TA prepared the full review and assessment of MET sector in Albania and the development of the draft strategy for maritime labour market.

Task **2019:** Link results from above with those of 2.3.1. - *completed*

Task**2019:** Start implementing an MET strategy as an offshoot of the maritime labour strategy (of 2.3.1). *Completed*

## 1.5 Air Transport

The main challenges in the aviation sector for the 2016-2020 planning period are:

1. The development and construction of new airport infrastructure;
2. The creation of suitable conditions for a more competitive market with liberalized air services which will bring the possibility to reduce travel costs for passengers;
3. The implementation and unification of international standards for air safety.

**Priority Action Air 1-** Preparation of a National Airport Master Plan study for Albania for next 20 years, with emphasis on airport in Southern Albania, Tirana airport expansion beyond 2025, and Kukes operational infrastructure upgrade

**Task 2019:** Decide works for Kukes. Complete works for upgrading Kukes to operational readiness. Award an entity to operate Kukes through public bidding. *“Completed”*

With the CoM Decision no. 146, dated 20.03.2019, it was approved the concessionary contract/PPP between the Republic of Albania represented by the Ministry of Infrastructure and Energy and the Joint Economic Operator “Global Technical Mechanics” Ltd and “Bami” Ltd as concessionary and the concessionary company **Kukes International Airport** Ltd, for the rehabilitation, operation, transfer of Kukes Airport, for a period of 35 years.

**Task 2019:** MoTI to decide airport developments in country further to Master Plan conclusions. Seek consultancy for assisting MoTI in preparation of Design Bids from bidders, and Calls for Tenders. *“Not started”*

The preparation of a study of the National Master Plan of the Airport for Albania for the next 20 years is expected to be undertaken in the near future.

**Priority Action Air 2,** -Upgrade of Kukes airport and development of southern airport for enhancing air transport operations in Albania and for promoting tourism growth

The task foreseen under *Priority Action Air 2*, is completed.

**Priority Action Air 3** - Transpose and implement EC regulations and directives in respect of market access, insurance requirements for carriers, and competition rules to enable mix of scheduled and low cost flights, and possible investments for air operators by Albanians and others,

The transpose and implement EC regulation in accordance with Annex I of ECAA *is progressing on track*. The following were undertaken:

- Albania has prepared the draft Law “The Air Code of the Republic of Albania”, according to recommendations of the experts of the European Commission, in the framework of the Multilateral Agreement, in particular its updated Annex I. The draft law is being considered by Parliamentary Committees;

- Albanian air transport legislation is largely aligned with the EU *acquis*. Albania has met the conditions for completing the first phase of the Multilateral Agreement on the Establishment of the European Common Aviation Area (ECAA), thus including in the national legislation, the EU legal framework set out in Annex I of the ECAA. This process is ongoing due to the dynamics of changes in the relevant EU legislation.

The following acts were approved during 2019:

- Order of Minister of Infrastructure and Energy No.326 dated 29.08.2019 “On the approval of the regulation for determining the applicable rules for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production organisations, transposing Commission Regulation (EU) No 748/2012. Published in Official Gazette no. 126, of 2019;
- Order of Minister of Infrastructure and Energy No.327 dated 29.08.2019 “For the adoption of the regulation on laying down the common rules of the air and operational provisions regarding services and procedures in air navigation”, transposing Commission Regulation (EU) No 923/2012. Published in Official Gazette no. 126, of 2019;
- Order of Minister of Infrastructure and Energy No.262 dated 29.06.2019 “For the approval of the regulation on technical requirements and administrative procedures related to civil aviation aircrew” transposing Commission Regulations (EU) No.290/2012, No 70/2014, No 245/2014, No 2015/445, No 2016/539, No 2018/1065, No 2018/1139, No 2018/1974, No 2019/27, amending Commission Regulation (EU) No 1178/2011 pursuant to Regulation (EC) No 216/2008 of the European Parliament and of the Council. Published in Official Gazette no. 106, of 2019;
- Order of Minister of Infrastructure and Energy No.122 dated 12.03. 2019 “On the approval of the regulation for determining requirements and administrative procedures related to the aerodromes in the Republic of Albania”, transpose Commission Regulation (EU) No139/2014. Published in Official Gazette no. 37, of 2019;
- Order of Minister of Infrastructure and Energy No.173 dated 12.04. 2019 “For the approval of the regulation for reporting and following the events in the Civil Aviation in the Republic of Albania”, transposing Commission Regulation (EU) No.376/2014 of the European Parliament and of the Council. Published in Official Gazette no. 55, of 2019;
- Order of Minister of Infrastructure and Energy No. 91 dated 21.02.2019 “On the adoption of regulation on laying down technical requirements and administrative procedures regarding licenses and certificates of air traffic controllers”, transposing Commission Regulation (EU) No.2015/340. Published in Official Gazette no. 25, of 2019.

**Priority Action Air 4-** Strengthen capacity building of policy, operational and oversight bodies involved in air transportation policies and decisions for assisting in the implementation of EU regulations

**Task 2019:** ACAA to organise review of airport charges/AVSEC fees towards best practices for competitive charges. “*In progress*”

Aviation security charge is currently collected by TIA, established as of 2004, on a per-departing passenger basis to the international flights since there is not any domestic flights in Albania This

charge is provided for under Concession Agreement signed between Government of Albania and TIA LTd. The objective of the Review is to ensure aviation security funding framework continues to be effective and efficient. Aviation security mission is to protect civil aviation. It is focused on delivering required security outcomes; enhancing the passenger experience and increasing operational efficiency whilst striving to achieve value for money. International experience suggests that aviation remains an attractive target for terrorists. Threats to aviation security are ever changing and thus aviation security must remain flexible in its ability to respond, and respond appropriately. Since the airlines and their passengers are the primary beneficiaries of aviation security services they also remain the ones who should pay the aviation security fees.

**Priority Action Air 5-** Transpose all outstanding EC regulations and directives within an adopted timescale and work on USOAP corrective action plan to further reduce the lack of Effective Implementation (EI),

**Task 2016-2020:** ACAA to accelerate efforts for transposing remaining SARPs and EC rules into Albanian aviation regulations. *“In progress – on track”*

Good progress has been made in implementing the rules through competent staff (who have been undergoing the appropriate trainings) to handle documented procedures and guidance materials. In this process, Audits have produced Corrective Action Plans and are followed until closure. It is foreseen that in case of noncompliance with Regulations and Law dispositions and appropriate actions are undertaken. Good progress has been made referring to USOAP Program, Albania has an ICAO National Coordinator and during this time has been making progress updating through the online platform even though the current percentage of Effective Implementation is 57.73% but we are confident the percentage will change in the next evaluation. Good progress has been made as referenced before in each category updates about Corrective Action Plans and Electronic Filing of Differences related to Annexes have been updated.

**Priority Action Air 6,** -Strengthen the ACAA capacity towards staff and inspector requirements, competency, and guidance materials for certification, approval, and for oversight/monitoring of the aviation industry in all areas of safety, security, and work towards the Albanian National Safety Programme and towards ‘One Stop’ Security procedures,

**2016 – 2020:** Continuously ensure that: guidance materials and procedures, inspectors’ manuals, specific documentation for approvals and certification, are all kept up to date in line with changes to any rules as amended, ensuring quality in all documentation and procedures for certification and approval systems, and the surveillance of operators. *“In progress – on track”*

ACAA’s technical staff is trained continuously and progressively, while expertise needs are complemented by Recruitment system for public administration, where CAA defines specific qualification criteria, according to Community standards for oversight functions and subcontracting of aviation experts from the Community. Specifically, CAA has a Memorandum of Understanding with ENAC-Italy, and in this framework specific expertise is provided on a case-by-case basis as needed.

**2016 – 2020:** Training systems shall continue to ensure competency of inspectors and that *initial, advanced and recurrent* training are essential components for inspector competency in their jobs, *“In progress – on track”*

Each Directorate has been making Yearly Training Plans approved by ED to be followed during the year in order to be up to date with Regulations etc.

The human Resources Directorate ensures that these training plans are up to date and followed through thought the year.

**Task 2016 – 2020:** ACAA shall continue to ensure that the critical elements for the safety oversight system are always maintained. ACAA shall ensure that sanctions and penalties are applied in cases of offenses against aviation regulations.

ACAA ensure that the critical elements for the safety oversight system are always maintained through approved Oversight Plans on a yearly bases an annual- based plan encompassing all specific areas that fall within the scope, in order to ensure compliance with national standards. Inspectors on duty conduct planned inspections/audits related to all critical elements and follow up with all the corrective actions until the findings from the inspectors are addressed and concluded by the operator. On regular bases, the inspectors assess the level of effective implementation of State’s safety oversight system in order to ensure satisfactory safety level.

Regarding sanctions and penalties, ACAA has in place a dedicated procedure, PRC. 19 ED Decision No 10, date 07.04.2020, which describes all the steps that ACAA follows in this case, based on Art 142 of Albania Air Code, in case of offenses against aviation regulations.

**Task 2016 – 2020:** Albania shall work on implementing procedures for a ‘One Stop’ security for all flights from Albania as per EU regulation 2015/2426, on recognition of third countries applying security standards equivalent to EU common basic ones when Albania is added to the same regulation.

ACAA has finished the process of reviewing the three security programs (NCASP, NCASTP and NCAQCP), complying with the recommendation of the ECAC Audit, which is also the main action of faze 1 of the One Stop Security application.

At the end of this year (December) ACAA will welcome an ECAC Security Audit for National Level, in order to certify the improvements made in the security system (upgrade of legislation and implementation of international security standards).

After receiving the final Report of this audit (approximately January 2021) , ACAA will send to ECAC the request for the ONE STOP SECURITY, faze 1 to begin .

**Priority Action Air 7**, - Review of airport and air navigation charges with possibility of lowering these component charges as well as reduction in government taxes and aviation security surcharges, which will influence lower airfare pricing while more flights and increased economic activities leading to more government revenues,

Regarding the task foreseen for 2017-2018, under *Priority Action Air 7*, in accordance with Clause 19.4(c) of the Concession Agreement an independent review of the economic position of the Concession was consequently prepared by BDO Consulting in January 2019 (the Independent Review). The Independent Review has concluded that an economic imbalance has arisen between the financial model regarding the operation of Tirana International Airport presented by TIA as a part of the tender process for the Concession and the actual results which TIA achieved between 2005 and 2017.

## 1.6 Intermodal and combined Transport

**Priority Actions Intermodal 1** – Coordinate national policy measures to promote intermodal and combined transport - *completed*

Task **2017 – 2018**: Apply the recommendations of the Albanian Sustainable Transport Plan (ASTP) financed by the European Bank for Reconstruction and Development (EBRD) to all policies promoted by the MoTI review and assessment of MET sector and performance in Albania - *In progress - on track*

**Priority Actions Intermodal 2** – Create intermodal logistics centres to facilitate multimodal transport coordinate national policy measures to promote intermodal and combined transport - *completed*

**2017–2020**: Integrate existing logistics centres in the corridor management.

**2017 – 2018**: Feasibility study for potential logistics centres in Elbasan and Milot.

**2018 – 2020**: Construction of two logistics centres (intermodal dry port, storage 1000 TEU in the first phase) in the Elbasan and Milot areas in respect to the rehabilitation of the railway line. In line with the EU Strategy and SEETO strategy to improve multimodal transport between Port of Durres to the hinterland region (via Corridor VIII and Route 2). In line with national development objectives e.g. establishment of a multimodal transport network. Supports the attractiveness of the railway line, *in progress*

The Albanian Institute of Transport (IoT) completed, “The study on regional areas in Albania for the construction of logistic terminals of freight transport”. This study identifies the need for a minimum of two potential locations for construction of intermodal freight terminals – in central/north Albania and southeast Albania, in line with railway network and connected to the main Albanian ports.

The Ministry of Infrastructure and Energy and its partners, the Institute of Transport and Albanian Railway, prepared an application to the Western Balkans Investment Framework (WBIF). The application was filed as WB18-ALB-TRA-04)/(EIB) Feasibility Study, ESIA and Preliminary design for the construction of two logistics centres in Albania.

The application was rejected by WBIF considering such project must be carried out by the private sector.

One logistic center is under construction in Tirana –Durres region by private sector.

**2019:** Invest or participate (via joint ventures) in hinterland bi-modal logistics centres alongside the corridors, with the aim of establishing seamless supply chains to their ports (hinterland logistics centres should be built up in line with the “Durana” region project). In line with the EU Strategy and SEETO strategy to improve multimodal transport between Port of Durres to the hinterland region (via Corridor VIII and Route 2). This is in line with the EU Regulation 1315/2013 on multimodal transport with dimension (Rail – Maritime). In line with national development objectives e.g. establishment of a multimodal transport network

**Priority Actions Intermodal 3** – Construction of the missing link from the western terminal in Durres to the national railway network

Regarding the *Priority Action Intermodal 3*, it was not realized. The Municipality does not give the construction permit, as according to the study plan, the railway passes to the new road and the Municipality does not give the permit for its passing to this road.

**Priority Actions Intermodal 4** –Define a Multimodal National ITS (Intelligent Transport Systems) Strategy

**Task 2019:** Drafting of Strategy by an international Consultant, in alignment with Directive 2010/40/EU of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the fields of road, rail and maritime transport modes, including interfaces between modes. A stakeholder dialogue involving the MoTI and the traffic enforcement authorities should accompany the action. The ITS Strategy will take into account the strategic needs, budget commitments and systems already in place with regard to ITS for roads, ERTMS for railways and VTMS for the maritime transport mode. The Strategy will also include the implementation of two ITS pilots in the road core network. *Completed*

By the Order of Minister of Infrastructure and Energy No.185 dated 18.06.2020, it was approved the strategy for the Application of Intelligent Road Transport Systems.

The National Strategy for the Deployment of Intelligent Transport Systems ITS, was drafted by the Albanian Road Authority for the Road Transport Sector according to the Order of Minister of Infrastructure and Energy No. 143 dated 22.04.2020 "On Drafting the Strategy National for Intelligent Transport Systems, in order to integrate ITS in Albania for this sector.

## 2. RESOURCE IMPLICATIONS

The total cost for the implementation of the Action Plan of the strategy 2016-2020 is **1,001.06 million Euro**. The cost for the infrastructure investment for the implementation of the Action Plan proposed 2016-2020, foreseen by budget funds is **793.34 million EUR**.

*The proposed plan of total investments 2016-2020 according to the basic and optimistic scenario of the Strategy is provided in the table below:*

Transport mode	Base Scenario Investment mln EUR	%	Optimistic Scenario Investment mln EUR	Increase Million EUR
Transport sector as a whole	-	0	-	0
Roads	750.35	79.89	1,084.00	333.65
Railways	123.18	9.08	123.18	0
Maritime-Ports	74.33	7.11	96.44	22.11
Civil aviation	9.9	0.73	9.90	0
Intermodal-Combined Transport	43.3	3.19	43.30	0
Total investment 2016-2020	1,001.06	100	1,356.83	355.76

The Ministry of Infrastructure and Energy has in its function the development of transport infrastructure and consequently the promotion of construction of new axes and the rehabilitation of existing axes, which is reflected in the real budget expenditures for the period 2016-2020 (tables 2 and 3) from which it results that they are in the amount of 87.2% of the investment planning according to the basic scenario of this Strategy.

*Table 1: Real Expenditures across transport modes 2016 – 2020*

(EUR\* million. Source: Directorate of Budget, MIE)

Transport mode	Base Scenario Investment	2016	2017	2018	2019	2020 indicative	Total Expenditure
Roads	750.35	103.24	173.82	182.61	189.93	182.37	831.96
Railways	123.18	3.62	3.22	3.6	5.08	4.77	16.37
Maritime-Ports	74.33	7.34	0.99	1.26	1.14	0.37	15.02
Civil aviation	9.90	0.11	0.12	0.03	0.08	10.15	10.49
Intermodal-Combined Transport	43.30	0	0	0	0	0	0
<b>Total investment 2016-2020</b>	<b>1,001.06</b>	<b>114.31</b>	<b>178.15</b>	<b>187.49</b>	<b>196.23</b>	<b>197.66</b>	<b>873.84</b>



Table 2: Detailed Real expenditures for transport sector 2016-2020

(EUR\* million. Source: Directorate of Budget, MIE)

PROGRAMME	2016		2017		2018		2019		2020		2016-2020
	Budget (EUR)		Budget (EUR)		Budget (EUR)		Budget (EUR)		Budget (EUR)		Totals
Transport Sector	Recurrent exp	Capital exp.*	Recurrent exp.	Capital exp.	Recurrent exp.	Capital exp.	Recurrent exp.	Capital exp.	Recurrent exp.	Capital exp.	Rec. +Capital exp.
Roads	14.07	89.17	14.76	159.13	15.06	167.55	14.09	175.84	12.15	170.22	665.01
Railway	2.95	0.67	3.11	0.11	3.24	0.36	3.36	1.72	3.43	1.34	19.95
Maritime	0.53	6.81	0.73	0.26	0.73	0.53	0.76	0.38	0.01	0.36	10.92
Air	0.96	0.02	0.11	0.01	0.01	0.02	0.08	0	0.16	9.99	178.89
Overall Total Budget	17.65	96.66	18.68	159.47	19.03	168.46	18.29	177.94	15.75	181.91	
TOTAL	114.31		178.15		187.49		196.23		197.66		873.84

\*Exchange rate is from Bank of Albania (yearly average)

\*\*Capital expenditures include domestic and foreign financing.

Table 3: Distribution of resources across the Priority Actions

		By strategy the Investment Plan 2016-2020 (Milion EUR)							Fact (Milion EUR)			
Priority Action No.	Transport mode	Investments to 2015	Total Investment 2016-2020	2016	2017	2018	2019	2020 - indicative	Fact 2016-2018	Fact 2019	Indicative 2020	Real/Fact 2019 %
	<b>ROAD</b>											
	<b>PAYMENT OF CREATED DEBTS OF ARA 2013-Q1 2016 IMPLEMENTATION (ONGOING PROJECTS)</b>		<b>8.17</b>	<b>8.17</b>								
ROAD 3	Construction of Tirana-Elbasan road	276.00	25.00	25.00					70.02	8.29	3.56	100
	Construction of Plepa-Kavaje-Rrogozhina by-pass	33.00	5.00	1.00	4.00				3.94	0	0	100
	Construction of Tirana Ring (Southwest Section)	26.00	14.00	1.00	6.00	7.00			22.65	0	6.88	100
	Reconstruction of Elbasan-Banje segment	6.60	20.00	2.00	14.00	4.00			20.76	1.45	0.79	100
	Construction of Fieri by-pass	21.1	24.80	13.00	9.74	2.06			0.56	14.80	25.00	100
	Construction of Qukes-Qaf Plloce road (Lot1 dhe Lot 2)	8.80	129.20	31.54	38.20	34.10	25.36		54.78	17.78	38.98	70.10
	Reconstruction of Qafe Thane-Lin-Pogradec segment	16.00	13.90	0.50	1.40	3.00	9.00		18.91	3.69	0	41.10
	Construction of Vlora by-pass	5.93	36.43	10.10	11.57	13.00	1.76		0.37	12.90	17.70	100
	Reconstruction & Repairing/Paving (total others)	54.60	15.20	1.00	6.30	5.00	2.90		24.76	13.60	15.00	100
	Construction of Tirana Ring (Northeast Section)	6.90	8.53		1.43	7.10			32.48	15.46	9.05	100
	Reconstruction of the road Korça-Erseka-Ileskovik	8.40	4.70		0.30	1.00	3.40		13.26	0	0	0.0
	Construction of Shkodra by-pass	5.00	23.50			6.00	6.00	11.50	2.71	0.43	1.89	7.16
	<b>Sub-total</b>	<b>471.93</b>	<b>320.26</b>	<b>85.14</b>	<b>92.94</b>	<b>82.26</b>	<b>48.42</b>	<b>11.50</b>	<b>265.20</b>	<b>88.4</b>	<b>25.94</b>	<b>76.53</b>

Priority Action No.	Transport mode	By strategy 2016-2020 (Mln EUR)							Fact (Mln EUR)				International donors
		Investments to 2015	Total Investment 2016-2020	2016	2017	2018	2019	2020 indicative	Fact 2016 - 2018	Fact 2019	Indicative 2020	Real/Fact 2019 %	
	<b>ROAD</b>												
	<b>IMPLEMENTATION (NEW PROJECTS)</b>												
ROAD 3	Construction of Fushe Kruja-Thumana (doubling) segment		90.00		10.00	20.00	30.00	30.00	1.20	0	0.26	0	ADF: 70.20 97.4 million USD
	Construction of Skrapar-Permet road		28.00		2.00	7.00	19.00		9.88	1.62	0.00	8.5	
	Reconstruction of Vlora River Road		70.20	10.00	15.00	15.00	15.00	15.20	ADF	15.00		100	
	<b>Sub-total</b>	<b>0.00</b>	<b>188.20</b>	<b>10.00</b>	<b>27.00</b>	<b>42.00</b>	<b>64.00</b>	<b>45.20</b>		<b>16.62</b>		<b>25.96</b>	
ROAD 3	Feasibility study of the Adriatic-Ionian Highway		2.50	0.70	0.60	0.60	0.60						WBIF: 2.5
	Detailed design for the construction of Arbri Road section		18.00			6.00	6.00	6.00		6.00		100	
	<b>Sub-total</b>	<b>0.00</b>	<b>20.50</b>	<b>0.70</b>	<b>0.60</b>	<b>6.60</b>	<b>6.60</b>	<b>6.00</b>					

Priority Action No.	Transport mode	By strategy 2016-2020 (Mln EUR)							Fact (Mln EUR)				International donors
		Investments to 2015	Total Investment 2016-2020	2016	2017	2018	2019	2020 indicative	Fact 2016 - 2018	Fact 2019	Indicative 2020	Real/Fact 2019 %	
	<b>ROAD</b>												
	<b>ROAD MAINTENANCE &amp; BLACK SPOT ELIMINATION PLAN</b>												
ROAD 4	Implement the RRMSP (Maintenance Works & Monitoring) in Primary and Primary-Secondary roads		128.47	33.24	24.64	32.36	24.64	13.59	27.47	18.50	23.54	75	WB: 56.39
	Implement additional maintenance programme to Secondary and ADF roads, plus 114 km of Primary roads		55.00	5.29	8.81	12.33	15.86	19.38					
	Albania Road Transport Sector Reform Contract – Sector Budget Support		21.00		5.25	5.25	5.25	5.25	6.00	4.01	5.00	76.4	IPA: 24.00
	Albania Road Transport Sector Reform Contract – Complementary Support		3.00			2.60	0.40		0.00	1.30	1.70	100	
	<b>Sub-total</b>	<b>0.00</b>	<b>207.47</b>	<b>38.87</b>	<b>38.21</b>	<b>51.21</b>	<b>43.98</b>	<b>35.21</b>					
	<b>Total Investment in Road Infrastructure</b>	<b>471.93</b>	<b>744.60</b>	<b>142.87</b>	<b>158.75</b>	<b>182.07</b>	<b>163.00</b>	<b>97.91</b>					

		By strategy 2016-2020 (Million EUR)							Fact (Million EUR)				
Priority Action No.	Transport mode	Investments to 2015	Total Investment 2016-2020	2016	2017	2018	2019	2020 indicative	Fact 2016-2018	Fact 2019	Indicative 2020	Real/Fact 2019 %	International donors
	<b>RAIL + INTERMODAL-COMBINED TRANSPORT IMPLEMENTATION (NEW / REHABILITATION PROJECTS)</b>												
RAIL 6	Rehabilitation of railway Durres-Tirana and construction of Rinas branch		74.37		20.00	20.00	20.00	14.37	0	0	6.85	0	EBRD: 37.185 WBIF: 37.185
INTERMODAL 2	Construction of a logistics centre in Elbasan		20.50		0.50	10.00	10.00					0	
INTERMODAL 3	Construction of a logistics centre in Milot		20.50			0.50	10.00	10.00				0	
	Construction of missing link from western terminal in Durres to the national railway network		1.50		1.50								
	<b>Sub-total</b>	<b>0.00</b>	<b>116.87</b>	<b>0.00</b>	<b>22.00</b>	<b>30.50</b>	<b>40.00</b>	<b>24.37</b>	<b>0.00</b>	<b>0</b>	<b>6.85</b>	<b>0</b>	
	<b>PREPARATION (NEW / REHABILITATION PROJECTS)</b>												
RAIL 6	Detailed design for rehabilitation of railway Vora-Hani Hotit		4.68		3.50	1.18			0.00	0.80	1.80		WBIF: 0.80
	Rehabilitation of railway Durres-Pogradec-Lin and construction of new railway link to Macedonian border:		0.72	0.10	0.62				0.00				WBIF: 0.72
	- Feasibility study		5.20		4.00	1.20			0.00	0.00	0.45		
	- Detailed design												
	Feasibility study for construction of railway Pogradec-Korça-border to Greece		0.65		0.65				0.00	0.00	0.15		EBRD: 1.10
	<b>Sub-total</b>	<b>0.00</b>	<b>11.25</b>	<b>0.10</b>	<b>8.77</b>	<b>2.38</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.80</b>	<b>2.40</b>		
	<b>PREVENTIVE MAINTENANCE</b>												
RAIL 7	Core rail network (Tirana-Durres & Vora-Hani Hotit)		9.10	1.23	1.53	1.82	2.11	2.41	0		0	0	
	Comprehensive rail network (Durres-Pogradec & Rrogozhina-Fier)		13.77	1.87	2.31	2.75	3.20	3.64	0	0	0	0	
	<b>Sub-total</b>		<b>22.87</b>	<b>3.10</b>	<b>3.84</b>	<b>4.57</b>	<b>5.31</b>	<b>6.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
	<b>Total Investment in Rail + Intermodal-Combined Transport Infrastructure</b>		<b>150.99</b>	<b>3.20</b>	<b>34.61</b>	<b>37.45</b>	<b>45.31</b>	<b>30.42</b>	<b>0.00</b>	<b>0.60</b>	<b>9.25</b>		

		By strategy 2016-2020 (Million EUR)							Fact (Million EUR)				
Priorit Y Action No.	Transport mode	Invest ments to 2015	Total Invest ment 2016- 2020	2016	2017	2018	2019	2020 indicativ e	Fact 2016- 2018	Fact 2019	Indic ative 2020	Real/ Fact 2019 %	Internat ional donors
	<b>MARITIME TRANSPORT</b>												
	<b>IMPLEMENTATION (NEW PROJECTS)</b>												
MARITIME 9	Giving in Concession with BOT contract of the touristic port in Spille, Turre's Castle, Kavaje		32.50	10.00	10.00	12.50			10.00	0.50	30.00	100	Concessioner own (private) funds
	Giving in Concession with BOT contract of a MBM (Multy Buoy Mooring) Port in Porto Romano		9.20		3.00	4.00	2.20		12.60	4.80	3.00	100	Concessioner own (private) funds
	Concession contract BOT of the tourist in Durres port		10.00		4.00	4.00	2.00		0.00	0.00	10.00	100	Concessioner own (private) funds
	Concession contract BOT of the tourist in Shengjin port		5.30			3.00	2.30		0.00	0.00	5.30	100	Concessioner own (private) funds
	<b>Sub-total</b>	<b>0.00</b>	<b>57.00</b>	<b>10.00</b>	<b>17.00</b>	<b>23.50</b>	<b>6.50</b>	<b>0.00</b>	<b>22.60</b>	<b>5.30</b>	<b>48.30</b>		
	<b>PREPARATION (NEW PROJECTS)</b>												
MARITIME 9	Dredging of Durres Port basin		4.00		4.00				0.00	4.00	4.00	100	Durres Port Budget
	Passenger Terminal in Port of Vlora		1.50		1.00	0.50			0.00	1.50	0.00	100	Vlora Port Budget
	<b>Sub-total</b>	<b>0.00</b>	<b>5.50</b>	<b>0.00</b>	<b>5.00</b>	<b>0.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.50</b>	<b>4.00</b>		
	<b>Total Investment in Maritime Transport Infrastructure</b>	<b>00.00</b>	<b>62.50</b>	<b>10.00</b>	<b>22.00</b>	<b>24.00</b>	<b>6.50</b>	<b>0.00</b>	<b>22.60</b>	<b>10.80</b>	<b>52.30</b>	<b>100</b>	
	<b>GRAND TOTAL INVESTMENT IN TRANSPORT INFRASTRUCTURE</b>	<b>491.53</b>	<b>958.09</b>	<b>156.07</b>	<b>215.36</b>	<b>243.52</b>	<b>214.81</b>	<b>128.33</b>					

### 3. MONITORING INDICATORS

As stated in Priority Action TRANSVERSAL 1, the Thematic Group for the Transport as part of the Integrated Policy Management Group (IPMG) for the competition and innovation has been set up, by: - Ministerial Order no 77, of 19.02.2019 “For setting up the technical secretariat of the communication sectorial steering committee and technical secretariats of thematic groups of transport, energy, telecommunication and broadband, following the order of prime minister no 157, of 22.10.2018”; - Ministerial Order no 78, of 19.02.2019 “For the composition of thematic groups of transport, energy, telecommunication and broadband, following the order of prime minister no 157, of 22.10.2018”; upon adoption of the strategy and will manage on systematic basis the development, implementation and monitoring of transport sector reforms in Albania.

The Transport Thematic Group has held several meetings to prepare this monitoring report.

Indicators to evaluate the achievement of the overall objective (Impact) of the National Transport Sector Strategy are provided in the Table 5. Comparison of 2019 data is done with baseline 2014 data.

In addition, status on the implementation of SRC list of indicators is provided in Annex 1.

Table 4: Status of Indicators for 2018, 2019

	Indicator	Type of indicator	Baseline - 2014	Target – 2017		2018	2019		Target – 2020	
				Target number	%	Real Numbers	Real number	%	Target number	%
ROAD	Budget allocated to road maintenance -in total- (EUR)	Input	8,847,684	32,955,287	272.47	12,621,442 Euro for maintenance from National Budget RRMSP 3,121,657 Euro (Investment excl. VAT)- World Bank) 3,046,201 Euro National budget (VAT and local costs).	17,651,162 Euro  11,329,695 Euro		29,959,798	238.62
	Budget allocated to road maintenance -per km- (EUR/km)		2,914	10,416	257.44	17,627 Euro/km/year RRMSPS for 1330 km  15,526 Euro/km/year from National Budget for 2699 km	13,272 Euro/km/year for 1330 km  4,198 Euro/km/year for 2699 km		9,469	224.95
	Number of km of the road network as a whole (km)	Output	13,848	16,964	22.50	3975 are in administration of ARA	3715(ARA)		20,079	45.00
	Length (km) of roads (National roads network) yearly surveyed, including inventory and status of the relevant components		0	1,500	100%	works has been started, every maintenance contractor surveys the road so approx. 3975 km is yearly surveyed from ARA	2,000	25	3,850	100%
	Number of registered road vehicles		490,899	480,485	-2.10	584,419	627,355	27.79	470,786	-4.10
	Number of fatalities	Outcome	264	203	-23.20	213	227	-14.01	185	-29.92
	Number of injured		2,353	1,994	-15.30	2078	1817	-22.77	1,587	-32.60
	Number of 'black spots'		240	208	-13.30	208 (191 on National Road Network)	163	-32.00	185	-23.00
	Average Roughness index (IRI) for road network as a whole		5.5	5.1	-7.27	This process has been delayed			4.5	-18.18
	Share of tenders for design or works awarded		0%	50%	100.00	100% 95÷100%	100%		100%	100.00
	Share of contracts where supervision progress report confirms adherence to technical specifications and contains laboratory and topography tests		0%	50%	100.00	100%	100%		100%	100.00



	Indicator	Type of indicator	Baseline - 2014	Target – 2017		2018	2019		Target – 2020	
				Target number	%	Real Number	Real number	%	Target number	%
RAIL	Budget allocated to routine maintenance - in total- (EUR)	Input	2,360,000	3,100,000	31.27	406,505	2,015,267	-15.00	6,050,000	156.36
	Budget allocated to routine maintenance - per km- (EUR/km)	Input	1,950	8,896	356.21	2,369 EUR/km in 380 km operating kilometer of railway network both core and comprehensive 1,070 EUR/km in 2018	6,717	244.46	14,031	619.52
	Goods rail transport volume (million ton-km)	Outcome	39.8	70.5	77.10	18,568.161 ton-km 7743.2 ton-km in 9/2018 198.900 ton-km in 12/2018	42.94	7.88	105.4	164.80
	Passenger rail transport volume (million passenger-km)		7.7	16.6	115.60	2,200.000 pass-km 1.19 P-km in 9/2018 2.721023 P-km in 12/2018	2.06	1.80	32.2	318.00
MARITIME	Number of ships/ferries/yachts/boats entering Albanian ports	Outcome	4,538	5,864	29.20	5,622 of which Number of ships/ferries: 2,005	2,031		6,894	51.90
	Number of ships/ferries/yachts/boats leaving Albanian ports		4,439	5,642	27.10	5,630 of which Number of ships/ferries: 1,817	435		6,472	45.80
	Passenger ferry transport (number of passengers)		1,094,786	1,458,654	33.20	1,336,282	1,574,095	43.78	1,878,116	71.50
	Passenger ferry transport (ton) -Freight physical loading/unloading (000 ton)		806,013	1,218,614	51.20	2,057,627	4,455.04	9.60	1,548,139	92.10
	Containers traffic – Port of Durres (TEU)		99,350	118,548	19.32	106.400	145,762	46.71	142,688	43.60
AIR TRANSPORT	International Passenger traffic (thousand passengers)	Outcome	1,810	2,185	20.70	2,947	3,338.15	84.42	2,893	59.80
	International air cargo (ton)		1,844	2,246	21.80	2,217	1,900.60	3.04	2,948	59.90

#### 4. THE WAY FORWARD

The Ministry of Infrastructure and Energy is going to work hard to accelerate the integration of the transport system, and to establish an integrated market, consisting of infrastructure and transport by land, sea and inland waterways, in order to efficiently support the transport development. Considering that, the transport infrastructure is fundamental to the economic and social development of the country, as a direct contributor to the economic growth and employment, the public-private partnership model has proven to be an effective collaborator, aiding the governance of a country.

Albania will continue to be a very important actor in the framework of Regional Cooperation and Berlin Process. Investments in the core transport network and corridors will continue to be prioritized through the Single Sector Project Pipeline SSPP/SPP.

Infrastructure will again be the key to success in supporting key strategies. In the context of tourism development policy, as one of the strongest strategies for economic growth, the major infrastructure projects that support the economy with a direct impact on the development of tourism and economic growth of Albania will be:

1. **Vlora Airport, as an international airport;**
2. **Milot – Thumanë – Kashar – Rrogozhinë – Fier axis**, as the backbone of the Adriatic - Ionian road corridor;
3. **Llogara Tunnel.**
4. **Rehabilitation of railway Durrës – Tirana and construction of the new railway branch to Mother Teresa (Rinas) International Airport ;** and
5. **Traffic Monitoring and Control Center** for the primary road network in Albania and the Implementation of **e-Transport platform**, an electronic platform in which will be incorporated the whole information on road transport.

Some of the priorities that we will support with funding during 2020 and that are expected to be completed within the period 2020-2022 are the construction of the Great Ring of Tirana, the rehabilitation of axes and the completion of bypasses, Tepelena bypass, which is near completion and Shkodra bypass. Also, the completion of the works of Arbri Road will be financed and investments will be made for the improvement of the road safety, through the works for the elimination of the black spots, as well as for the addition of the signalization.

Given the fact that the present strategy ends in 2020 and the developments are very dynamic, a new strategy needs to be developed for the coming years which will serve as the basis for the further development and integration of the Albanian transport infrastructure networks into the European ones.

Regarding the Drafting the new Transport Sectoral Strategy and its Action Plan 2021 - 2026, after consultation with EUD in Tirana, it was decided to be drafted with a working group, including representatives from the MEI, Institute of Transport and other institutions, involved in Transport sector. Following the drafting of the Strategy, HILL International, which is implementing the EU-funded Project "On Capacity Building for Project Preparation and Implementation in All Sectors of the Economy, including Transport and infrastructure " will review and finalise it;

## Annex 1: Progress on the SRC indicators for 2019

<p><b>Indicator – 1: Number of legislations approximated and adapted to EU</b></p> <p><b>Baseline:</b> 13 legislations in road transport adopted and published (2014).</p> <p><b>Target 2019:</b> 17 legislation published</p>
<ul style="list-style-type: none"> <li>- DCoM no. 53, date 6.2.2019 “On some addenda and amendments to Decision of Council of Ministers no. 325 of 19.3.2008 ‘On the approval of rules of acceptance in the activity of the operator of road transportation of goods and passengers as well as the recognition of official documents issued to these operators”, as amended, aiming to approximate the Regulation (EC) No 1071/2009, (Article 7(1) – regarding financial obligations of the undertakings, capital and reserves, (OJ of the Republic of Albania no 15/2019).</li> <li>- The Minister of Infrastructure and Energy has approved the Guideline no. 8, date 19/ 12/ 2019 “On the criteria, rules and procedures for the documentation for the issuance of licenses, authorisations and certificates for the operation of international transport of passengers by road”, which partially approximates: <ul style="list-style-type: none"> <li>• Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC;</li> <li>• Regulation (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006;</li> <li>• Commission Regulation (EU) No 361/2014 of 9 April 2014 laying down detailed rules for the application of Regulation (EC) No 1073/2009 as regards documents for the international carriage of passengers by coach and bus and repealing Commission Regulation (EC) No 2121/98.</li> </ul> </li> </ul>
<p><b>Indicator – 2: Share of works supervision contracts which include the requirement for providing confirmation on adherence to technical specifications quality and quantity control records into the supervision reports and are time based (instead of lump sum):</b></p> <p><b>Target 2019:</b> 100% of the supervision contracts published in 2019 include quality and quantity control reporting requirements and time based payment conditions</p>
<p>The 2018 data assessment for this indicator required that a new procurement law be in force providing work supervision time based payment condition (instead of lump sum) and supervision progress report to confirm adherence to technical specifications and contains quality and quantity controls record. Although the supervision contract that ARA enters into, considers time based payment (the time sheets for each of supervisor's staff are submitted together with IPCs) and the supervision progress report includes all records on quality and quantity checking record, attached to IPCs, in order for this indicator to be meet a change in the procurement law is required.</p> <p>The tariffs for the supervision service are regulated by specific legislation, namely DCM no. 354, date 11.05.2015 “On approving the tariffs of the manual for territorial planning services, design, supervision and certification of acceptance”. The amendments made to the provisions of this DCM will have the same effect as the amendments that would be made to the procurement law itself. To this end, an ad hoc working group with experts from MEI and ARA has been set up in MEI with the order no. 351, dated 01.10.2019 “On the establishment of the working group for the revision of the Decision No. 354, dated 11.05.2015”. The Working group concluded that some amendments is needed to this DCM and will</p>

continue to work in the matter.

The target required that all supervision contracts entered into during 2019 and 2020 must be time-based in order to consider achieved, this target is almost certain to be missed next year also. The secondary requirement of the indicator for better reporting of works progress, could be complied with, but in any case, this would not be enough to consider the target achieved, given that the contracts are not yet time-based.

**Indicator – 3: ARA Internal Audit**

**Baseline:** ARA Internal Audit is operational

**Target 2019:** ARA Internal Audit submits 2018 Annual report & recommendations are considered

The Internal Audit Department of the Albanian Road Authority (ARA) is continuing the “Compliance Audit” in the Northern Region and the Central Region Directorates.

ARA Internal Audit Department submitted the 2018 annual report to ARA, Ministry of Infrastructure and Energy and Ministry of Finance and Economy covering systemic weaknesses on public procurement, contract management, arrears, control standards, quality assurance and implementation of previous audit recommendations.

The Twinning Project “Strengthening the capacity of the Albanian Road Authority in applying good governance practices for planning, managing, procuring, implementing and maintaining Road investments” (which started in October 2019) is part of the package of SRC of Transport under IPA 2016 with the Polish Road Organisation. The duration of the project is 24 months, until 18.10.2021. The main objective of this twinning project is to improve the overall performance of ARA.

**Indicator – 4: Number of Black spots in the National Road Network**

**Baseline:** There are 191 black spots in National Road Network for the year 2014.

**Target:** The 2019 data assessment for this indicator requires the eliminations of 12 black spots on the National Road Network and the number of blackspots to be reduced to 163 on National Road Network.

During 2019, the Albanian Road Authority has carried out a number of safety improvement works and successfully eliminated 12 black spots along the national road network. In that, a large volume of Improvement works involving preparation of the design and the intervention on simple intersections have been executed through Work Order along the road network covered by the RRMSP. Some of this intervention count towards this target hence this indicator is considered satisfactory despite some confusion concerning the actual definition of the black-spot.

Black Spots Year 2019								
End of year 2019								
No.	Location	Ref:		Road Section	Current Status			Notes
					Status	% Complete	Completion Date/Year	
1	Shkozet - Plepa	BS no. 82	As part of the rehab. Works	Shkozet - Plepa	Approved	100%	2019	CHO-D14
2	Shkozet - Plepa	BS no. 83	As part of the rehab. Works	Shkozet - Plepa	Approved	100%	2019	CHO-D14
3	Rrogozhine - Fier	BS no. 90	Simple Intersection	Gjocaj	Approved	100%	2019	WOC01-03
4	Rrogozhine - Kolonje	BS no. 95	As part of the rehab. Works	Rrogozhine - Luzhnje	Approved	100%	2019	CHOC13-17
5	Rrogozhine - Kolonje	BS no. 96	As part of the rehab. Works	Rrogozhine - Luzhnje	Approved	100%	2019	CHOC13-17
6	Rrogozhine - Kolonje	BS no. 97	As part of the rehab. Works	Rrogozhine - Luzhnje	Approved	100%	2019	CHOC13-17
7	Lushnje - Fier	BS no. 100	As part of the rehab. Works	Lushnje - Fier	Approved	100%	2019	CHOC13-17
8	Lushnje - Fier	BS no. 103	As part of the rehab. Works	Lushnje - Fier	Approved	100%	2019	CHOC07
9	Lushnje - Fier	BS no. 104	As part of the rehab. Works	Lushnje - Fier	Approved	100%	2019	CHOC08
10	Fier - Levan	BS no. 106	As part of the rehab. Works	Fier - Levan	Approved	100%	2019	CHOD05
11	Fier - Vlore	BS no. 109	As part of the rehab. Works	Fier - Levan	Approved	100%	2019	CHOD05
12	Fier - Vlore	BS no. 110	As part of the rehab. Works	Fier - Levan	Approved	100%	2019	CHOD08
Total		12						

The source of data is Transport Institute (<http://ital.gov.al/>), World Bank Road Maintenance Project and ARA (<http://www.rrsh.gov.al/>).

<p><b>Indicator – 5: Length (Kilometres) of national roads covered by ITS systems in operation</b></p> <p><b>Baseline:</b> 0 km covered by ITS systems in operation.</p> <p><b>Target 2019:</b> Works and supervision contracts including 200 km of roads under ITS are signed</p>
<p>Some delays have been experienced in relation to the achievement of this indicator. The MoE and ARA have already prepared the ITS strategy and are in the process of procuring a consultancy contract to assist in establishment of a Traffic Monitoring Center, piloted for 200 km of the national roads. ARA and PMT plan to submit respective ToRs. The Design and Development Project for Road Traffic Monitoring and Control Center (the Project) is expected to be financed by a World Bank loan. In this regard, the project is to enhance the capacity of ARA to establish modern ITS-supported road infrastructure, which includes planning of ITS, constant expansion of its implementation toward covering the entire national roads network, and improving institutional capacity to implement and administer ITS concepts. It aims to improve road safety and reduce travel time by eliminating traffic congestions and other traffic problems. More specifically, the Project will focus on equipping initial part of highway network in Albania (i.e. Tirana - Durrës and Tirana – Elbasan sections, approx. 200 km) with ITS and centralized monitoring and control center. The Project will take into consideration possibility for extension on other highway sections and road networks covered under future mid-term plans.</p>

**Indicator – 6: Length (km) of national roads updated as a result of Road Safety Inspections (RSIs)**

**Baseline:** 0 km of national road network is improved through RSI for the year 2015.

**Target:** The 2019 data assessment for this indicator requires 150 km of national roads inspected and the Road Safety Inspections(RSI)report completed.

The road safety auditors throughout 2019 carried out a number of inspections along the national roads. Accordingly, the report was prepared and issued for each road section that was inspected as follows:

*Length of the roads inspected during the year 2019*

No.	Road segment	Length (km)
1	Lezhë – Hani Hotit	70
2	Damas – Tepelenë - Gjirokastër	67
3	Elbasan – Kryqëzimi Fshatit Lin	13
<b>Total</b>		<b>150</b>

*Source of verification: Road safety reports prepared by the RSIs.*

<b>Indicator – 7: Length (km) of the National roads network with status in good condition.</b>
<b>Baseline:</b> 1200 km of roads in good condition for the year 2015. <b>Target:</b> The 2019 data assessment for this indicator requires: 1382 km of national road network to be in good condition.
Based on the World Bank's Project "Results and Safety - Based Road Maintenance" (RRMSP), contractors have carried out measurements for calculating IRI and FWD for all segments covered by Output Performance Road Contracts. Based on the confirmation submitted by the monitoring consultant of the project "Maintenance and performance-based road safety", the length of road segments classified with "in good condition" status is 810 km. The Albanian Road Authority, through its the Directorate of Construction and Maintenance with its own budget performs inspection on the road classification. The length of the inspected the Albanian road network by ARA classified in "good condition" status is 572 km.
<i>Source of verification:</i> 1-List of road segments classified "in good condition" by the World Bank Maintenance Project (RRMSP); 2-List of road segments classified "in good condition" by the maintenance contracts supervisors. <i>The source of data: The supervisor of the World Bank Maintenance Project and the supervisors of maintenance contracts of the three Regional Directorates.</i>

<b>Indicator – 8: Length (km) of roads (National roads network) yearly surveyed, including inventory and status of the relevant components</b>
<b>Baseline:</b> 0 km of road network inspected for the year 2015. <b>Target:</b> The 2019 data assessment for this indicator requires 2000 km of national road network surveyed and included in inventory by the end of the year 2019.
1. Under the four OPRC contract co-financed between the The World Bank's Maintenance Project (RRMSP) project includes in its contract ongoing field investigations to provide all the information needed to update the data on road assets throughout the lifespan of the project. Based on this, the contractors compile annually an inventory of the condition of the road assets and submit it to the monitoring consultant, who, after the necessary verifications, submits it to ARA. Under this project, about 1332 km of roads have been inventoried.

The GIS system has been installed for the inventory of the national road network including all the road elements. So far in this system has been upload, the lengths of the axes of the national road network, as well as the widths of the roads have been laid. After collecting these data, they will be uploaded into the GIS system, in order to create a data log for the entire National Road Network and its elements.

*The source for the verification of data is the monitoring consultant "IRD Engineering", which is also the monitoring company of four OPRC contracts.*

2. The Albanian Road Authority, through its the Directorate of Construction and Maintenance performs inspection with its own budget regarding the inventory of the road and its components. The length of the inspected roads by ARA on the inventories and the status of the respective components, is 824 km.

*Source of verification:*

*1- Asset Inventory Report (AIR) RRMSP;*

*2- Inventory Tables compiled by three Regional Directorates*

## Annex 2: Status of Priority actions – ACTION PLAN 2016 – 2020

### THE TRANSPORT SECTOR AS A WHOLE

Strategic Priority 1	Create the adequate coordination and governance conditions for an efficient implementation of the National Strategy and Action Plan 2016 – 2020	IMPLEMENTATION STATUS
Goal 1.1	Expected Result	
Ensure the implementation and monitoring of the National Transport Strategy and Action Plan 2016 – 2020	The accomplishment of the goals of the National Transport Strategy 2016 – 2020 by an efficient execution of its Action Plan The correct securitization of Sector Budget Support from IPA	
Priority Action TRANSVERSAL 1	Specific tasks	
Creation and operation of an Integrated Policy Management Group (IPMG) for transport sector	Institutional & organizational – <b>2016:</b> Establishment of an Integrated Policy Management Group (IPMG), depending on MIE, which shall serve to develop, coordinate and monitor the implementation of the National Strategy and Action Plan 2016-2020, prepare the annual report and organize consultation with non-state actors, and which will gradually replace the Sector Working Group.	Completed
	– <b>2016:</b> Set up a full-time Technical Secretariat to serve IPMG by providing the managerial, communication, coordination and administrative support as well as, access to technical assistance to the IPMG and any thematic work groups.	Completed
	– <b>2017 -2020:</b> The IPMG develop, by IPMG, transport sector support programs that contain the elements of the National Strategy and Action Plan 2016-2020 national program supported by EU and other development partners with financing instruments such as Technical Assistance, loans, grants, budget support etc.	Completed
	– <b>2017 – 2020:</b> In particular, the IPMG to secure the annual payments from IPA's Sector Budget Support from IPA approved under the Albania Road Transport Sector Reform Contract (IPA 2016, Annex to Action Document) by ensuring activities of Priority Action TRANSVERSAL 2 and a regular monitoring of budget support eligibility criteria.	In progress See Annex 1 of this document
Strategic Priority 1	Create the adequate coordination and governance conditions for an efficient implementation of the National Strategy and Action Plan 2016 – 2020	
Goal 1.2	Expected Result	
Implement transport strategy reforms and align Transport sector with PFM Reform and other practices	Ameliorate procurement process, contract management, monitoring of works, clearance of arrears and medium-term budget planning Extend the use of Government Financial Information System (AGFIS)	
Priority Action TRANSVERSAL 2	Specific tasks	
Implement the transport strategy reforms and adopt PFM and contract management practices in the transport sector	Institutional & organizational – <b>2016-2020:</b> Promote the following activities: i) political and policy dialogue with the GoA in the area of transport policy and particularly in road; ii) continued effort to reinforce GoA's institutional capacities to implement the transport strategy reforms; iii) continued effort to reinforce GoA's capacities in the area of PFM; and iv) continued donor coordination in view of further aligning development cooperation and relieving the GoA from multiple reporting duties;	Completed
	– <b>2016-2020:</b> International technical assistance to align Ministry responsible for Infrastructure and Energy (MIE)'s PFM (Public Financial Management) practice with the Albanian Public Financial Management Strategy 2014-2020 and with international best-practice in terms of: i) project and procurement management and audit; ii) contracts management; iii) ITC management; iv) safeguards management; and v) financial management, in line with recommendations from international organizations such as WB and IMF. The technical assistance will also include technical and analytical support for medium-term budget planning.	Completed
	– <b>2016-2020:</b> Promote and extend the use of state-of-the-art AGFIS in all the Budgetary Institutions depending on the Ministry responsible for Infrastructure and Energy (MIE).	Completed



## ROAD TRANSPORT

<b>Strategic Priority 1</b>	Create the adequate legal and governance conditions for an efficient transport system	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Finalise the alignment of the Albanian transport legislation to the EU <i>acquis</i>	A national transport legislation body sustaining the achievement of a highly developed transport sector	
<b>Priority Action ROAD 1</b>	<b>Specific tasks</b>	
<b>Implement the roadmap for transport legislation alignment defined by the EU-funded Technical Assistance EuropeAid/134513/C/SER/AL, based on PKIE 2016-2020</b>	Operational, regulatory & licensing <ul style="list-style-type: none"> <li>– <b>2016 – 2017</b>: Proceed with further approximation of the Albanian legislation to the <i>acquis communautaire</i>, according to the short and medium-term actions described in the EU-funded Technical Assistance report called “Draft road map for alignment of legislation” (EuropeAid/134513/C/SER/AL).</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2018 – 2020</b>: Proceed with further approximation of the Albanian legislation to the <i>acquis communautaire</i>, according to the long-term actions described in the EU-funded Technical Assistance report called “Draft road map for alignment of legislation” (EuropeAid/134513/C/SER/AL).</li> </ul> <p><i>Note: It is highly recommended to prioritise the approximation of every piece of legislation connected to road safety and road security.</i></p>	In progress – on track
<b>Strategic Priority 1</b>	Create the adequate legal and governance conditions for an efficient transport system	
<b>Goal 1.2</b>	<b>Expected Result</b>	
Ameliorate the existing governance structure	The operation of efficient public structures supporting the deployment of the transport strategy defined by the Government of Albania.	
<b>Priority Action ROAD 2</b>	<b>Specific tasks</b>	

Adopt PFM and contract management practices at ARA and increase number of staff assigned to the MoTI and its subordinated structures in charge of road transport, and in addition undertake new training and capacity-building programmes	Institutional & organizational	
	<ul style="list-style-type: none"> <li>i) <b>2016 – 2020</b>: Follow recommendations from the arrears clearance audit for ARA, the main ones being:</li> <li>ii) <u>Procurement process</u>: ensure that, in all instances, the minutes for procurement procedures (evaluation minutes) are signed by all members of the procurement committee, and, that all members of the evaluation committee sign a declaration of independence and impartiality;</li> <li>iii) Contract management and use of contingencies: amendments to a contract must be signed before the expiration date of the initial contract and by all relevant parties; all invoices should be signed by the contracting authority; the designer should be included and retain responsibility until the completion of the execution of the project; the reporting on the reserve fund should be separated from the reporting on the use of the rest of the budget of the works contract; and, the contracting authority to ensure that all pages of a works contract are signed by all parties;</li> <li>iv) Monitoring and work contracts: The supervisor should provide to ARA interim work progress reports, together with quality reports of materials used; and, all interim work progress reports should also be signed by the topographer and the supervisor;</li> <li>v) Allocations of engineers to project: ARA should implement a clear delegation of projects to each of its engineers;</li> <li>vi) Final Handover Protocol for completed contracts: The Handover Committee is to make sure that, in all instances, the final measurements, such as, the layer thickness and carrying capacity for the completed project are always documented and to make sure the necessary comparisons and quality evaluations as required by the contract are made;</li> <li>vii) Government Financial Information System (FIS): to be used by all Budgetary Institutions to capture their invoices and solve potential unknown and unreliable arrears record; to be integrated with the Public Procurement Agency System to provide a strong control over contractual commitments made by Budgetary Institutions;</li> </ul>	Completed
	– <b>2017</b> : Increase the budget line allocated to the staff assigned to the MoTI and its subordinated structures in charge of road transport, with a special focus on the General Directorate of Road Transport Services (GDRTS) and the Albanian Road Authority (ARA).	Completed
	– <b>2017</b> : Undertake the following 2-day capacity-building programmes: “Effective Asset Management & Performance-Based Maintenance Contracts”, “Road Infrastructure Safety Management: Training for Road Safety Auditors and Inspectors”, and “Access to the road transport operator profession in the framework of the EU”	Completed
	– <b>2018</b> : Undertake the following 2-day capacity-building programmes: “Safety issues in road transport in the framework of the EU”, “Social issues in road transport in the framework of the EU”, “Pavement Construction and Maintenance”.	Completed
	– <b>2018</b> : Undertake the following 2-day capacity-building programmes: “Vehicle issues in road transport in the framework of the EU”, “Driving licences and safety issues in road transport in the framework of the EU”, and “Access to the road transport market in the framework of EU”.	Completed
	– <b>2019</b> : Undertake the following 2-day capacity-building programmes: “Road infrastructure charging and taxation issues in road transport in the framework of the EU”, “Sustainable Roads”, and “Intelligent Transport Systems for Road Transport”.	Completed
	– <b>2020</b> : Undertake a 2-day capacity-building programme on “Public-Private Partnerships”.	
Strategic Priority 2	Complete and modernise Albania’s primary and secondary road network	
Goal 2.1	Expected Result	

Complete the “missing links” and upgrade the standards of the existing road infrastructures	A comprehensive road network in alignment with SEETO commitments and securing the connectivity of the primary and secondary network	
<b>Priority Action ROAD 3</b>	<b>Specific tasks</b>	
<b>Complete ongoing construction projects and implement a structured pipeline of road projects over the period 2016-2020, in line with the SSPP for transport</b>	<b>Planning &amp; investment</b> <ul style="list-style-type: none"> <li>– <b>2016:</b> Payment of the created debts of ARA from 2013 until Q1 2016, according to the information provided by MoTI-ARA, dealing with Road Constructions and Repairing/Paving, Supervising, Studies and Designs, Court Decisions, VAT and Local Costs.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2016 – 2020:</b> Complete the ongoing construction projects according to the information provided by MoTI-ARA, namely:</li> </ul>	In progress – on track
	<ol style="list-style-type: none"> <li><b>2016:</b> Construction of Tirana-Elbasan road</li> </ol>	Completed
	<ol style="list-style-type: none"> <li><b>2016–2017:</b> Construction of Plepa-Kavaje-Rrogozhina by-pass</li> </ol>	Completed
	<ol style="list-style-type: none"> <li><b>2016 – 2018:</b> Construction of Tirana Ring (South-west Section</li> </ol>	In progress – delayed
	<ol style="list-style-type: none"> <li><b>2016 – 2018:</b> Reconstruction of Elbasan-Banje segment</li> </ol>	Completed
	<ol style="list-style-type: none"> <li><b>2016 – 2019:</b> Construction of Fieri by-pass</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2016 – 2019:</b> Construction of Qukes-Qaf Plloce road</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2016 – 2019:</b> Reconstruction of Qafe Thane-Lin-Pogradec segment</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2016 – 2019:</b> Construction of Vlora by-pass</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2016 –2019:</b> Reconstruction &amp; Repairing/Paving (total others)</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2017 – 2018:</b> Construction of Tirana Ring (Northeast Section K.Sauk-Bregu Lumit)</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2017 – 2019:</b> Reconstruction of the road Korça-Erseka-Ieskovic</li> </ol>	In progress
	<ol style="list-style-type: none"> <li><b>2018 – 2020:</b> Construction of Shkodra by-pass</li> </ol>	In progress – on track
	<ul style="list-style-type: none"> <li>– <b>2016 – 2020:</b> Implement the SSPP for transport (road mode) and other projects included in the TEN-T Core Network:</li> </ul>	Completed for 2019
	<ol style="list-style-type: none"> <li><b>2016 – 2020:</b> Reconstruction of the Vlora River Road</li> </ol>	In progress – on track
	<ol style="list-style-type: none"> <li><b>2017 – 2019:</b> Construction of Skrapar-Permet road</li> </ol>	Completed
	<ol style="list-style-type: none"> <li><b>2017 – 2020:</b> Construction of the segment Fushe Kruja - Thumana (doubling) road</li> </ol>	Not started yet
	<ol style="list-style-type: none"> <li><b>2017 – 2020:</b> Construction of the Thumana – Kashar / Vora road</li> </ol>	Not started yet
	<ol style="list-style-type: none"> <li><b>2017 – 2020:</b> Construction of Elbasan By-pass</li> </ol>	In progress - on track
	<ol style="list-style-type: none"> <li><b>2017 – 2020:</b> Construction of Tepelena By-pass</li> </ol>	In progress – on track
	<ol style="list-style-type: none"> <li><b>2018 – 2020:</b> Construction of Lezha by-pass</li> </ol>	Included in Milot-Balldren highway (PPP) in progress
	<ol style="list-style-type: none"> <li><b>2018 – 2020:</b> Completion of bridge and tunnel Morine-Kukes</li> </ol>	Completed
	<ol style="list-style-type: none"> <li><b>2018 – 2020:</b> Construction of Milot-Rreshen (doubling) road</li> </ol>	Not started yet

	<ul style="list-style-type: none"> <li>– <b>2016 – 2020:</b> Do the preparation of the SSPP for transport projects (only Feasibility, Preliminary Design and Detailed Design Studies): <ol style="list-style-type: none"> <li>1. <b>2016 – 2019:</b> Feasibility Study of the Adriatic-Ionian Highway</li> <li>2. <b>2018 – 2020:</b> Detailed design for the construction of the Arbri Road section.</li> </ol> </li> </ul>	<div>In progress</div> <div>Completed</div>
	<ul style="list-style-type: none"> <li>– <b>2016 – 2020:</b> Prepare an annual report monitoring the increase in AADT (annual average daily traffic) in the road sections with a high potential for tolling identified by the Albanian Road Tolling Strategy (ARTS).</li> </ul>	In progress – on track
<b>Strategic Priority 2</b>	Complete and modernise Albania's primary and secondary road network	
<b>Goal 2.2</b>	<b>Expected Result</b>	
Secure a good maintenance of the existing road infrastructures and a good governance structure across the whole life cycle of a road infrastructure project	Operation and maintenance of a national road network satisfying the mobility needs of Albania in a safe, sustainable and competitive manner	
<b>Priority Action ROAD 4</b>	<b>Specific tasks</b>	
<b>Implement a Road Maintenance &amp; Black Spot Elimination Plan and a detailed roadmap updating planning processes, standards in design and construction, operation and maintenance practices, and works supervision</b>	Planning & investment <ul style="list-style-type: none"> <li>– <b>2016 – 2020:</b> Implement a National Road Maintenance &amp; Black Spot Elimination Plan aligned with the current National Road Safety Strategy and aiming at decreasing i) the number of fatalities by 30%, and ii) the number of black spots from 240 to 185 in 2020. The Plan will comprise two main pillars of action: <ol style="list-style-type: none"> <li>i) The Results-Based Road Maintenance and Safety Project (RRMSP) funded by the WB's International Bank for Reconstruction and Development (IBRD). The Highway Development and Management Model (HDM-4) will be used to optimize the work programme of preservation works for the Project's budget scenario and network coverage.</li> <li>ii) An additional road maintenance programme to preserve the average network roughness of at least 25% of the national road network not covered by the RRMSP Programme at the same level as in 2014 for P and PS roads (4.5 IRI, m/km), co-financed by the IPA budget (high-priority investment as per the Vienna Western Balkans Summit). The objective is to gradually increase the current expenditure of EUR 3,000 per km to EUR 11,000 per year by 2020 (re-balance spending from capital investments toward maintenance and rehabilitation, in order to preserve past road investments).</li> </ol> </li> </ul>	<div>In progress – on track</div>
	<ul style="list-style-type: none"> <li>– <b>2016 – 2020:</b> Implement a minimum of 2 new road-based ITS projects optimizing the use and safety conditions of the existing road network, in alignment with the Multimodal National ITS Strategy to be developed under Priority Action INTERMODAL 4.</li> </ul>	In progress – on track
	<ul style="list-style-type: none"> <li>– <b>2016:</b> Alignment of road operation and maintenance practices with the recommendations of the Results-Based Road Maintenance and Safety Project (RRMSP) funded by the WB's International Bank for Reconstruction and Development (IBRD). In particular, the alignment should include i) the adoption of Road Safety Audits &amp; Inspections practices, including adoption of guidelines and curriculum and delivery of trainings, and ii) a detailed roadmap for black spot elimination.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2016:</b> Review the functional classification of the road network and reclassify roads in line with their functional requirements and the jurisdiction responsible for their preservation.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2016:</b> Undertake a 3-day capacity-building programme on the "Road Construction and Maintenance Standards" Manuals recently adopted (August 2015) by the ARA, to secure their widespread outreach amongst MoTI and ARA staff.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2017:</b> Set up – and update regularly – a GIS-based road asset management system as a basis for a more efficient and professional management of national road assets.</li> </ul>	Completed

	<ul style="list-style-type: none"> <li>– <b>2017 – 2020:</b> Promote and generalize the use of output and performance – based concessions (PPPs) for road operations and maintenance, not only for the national network (RRMSP programme) but also for the regional and local networks.</li> </ul>	In progress – on track Under ongoing RRMSP WB Project
	<ul style="list-style-type: none"> <li>– <b>2017 – 2020:</b> Undertake a twinning with other Road Authorities of the EU countries (including Technical Assistance) and ensure the supply of equipment for ARA road works quality laboratory through indirect management with the Central Finance and Contracting Unit (CFCU) within the Ministry of Finance of Albania. (both actions financed by IPA II Programme)</li> </ul>	In progress – on track
	<ul style="list-style-type: none"> <li>– <b>2018:</b> Study – via an international consultant - the possibility of earmarking a defined percentage of road user charges to the operations and maintenance of the road network (recommendation not aligned with the WB recommendation).</li> </ul>	In progress – delayed
	<ul style="list-style-type: none"> <li>– <b>2018:</b> Undertake a new edition of the 3-day capacity-building programme on the “Road Construction and Maintenance Standards” Manuals recently adopted (August 2015) by the ARA, to secure their widespread outreach amongst MoTI and ARA staff.</li> </ul>	Not started yet
<b>Strategic Priority 3</b>	Strengthen the regional cooperation via road connections	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Reduce border crossing times and procedures	Improvement of connectivity, safety and security on Border Crossing Points (BCPs) Increasing the average annual volume of goods with Kosovo, NM(ex NM),,,) Greece and Montenegro by 10% and that of passengers by about 15% by 2020	Representatives of Montenegro and the Republic of Albania to consider the draft of ConnectA bilateral agreement in order to assess whether this agreement would be a good basis for further cooperation of the two sides and the signing of a framework agreement;
<b>Priority Action ROAD 5</b>	<b>Specific tasks</b>	
<b>Establish joint road BCPs following the principle of “single window” applied to the Muriqan – Sukobin BCP</b>	<b>Operational, regulatory &amp; licensing</b> <ul style="list-style-type: none"> <li>– <b>2016:</b> Open a dialogue with the Montenegro, Kosovo, NM and Greece authorities (bilaterally or in the framework of SEETO) to propose ‘joint’ road BCPs where police and custom control can be performed as a “single window” (one stopping) based on already established agreements and protocols on the Muriqan-Sukobin BCP between Albania and Montenegro.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2016:</b> Open a dialogue with the Montenegro, Kosovo, NM and Greece authorities (bilaterally or in the framework of SEETO) to review the possibility of division of labor between geographically close road BCPs in order to reduce queuing and procedure times at the borders based on the Presevo-Tabnovce BCP between Serbia and NM.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2017:</b> Draft an action plan for the implementation of the “single window” principle to Albanian road BCPs, including recommendations to enhance the implementation of the TIR agreement, overcoming custom brokers imposing a double guarantee to Albanian truck operators.</li> </ul>	Completed

	<ul style="list-style-type: none"> <li>– <b>2018 – 2020:</b> Implement the “single window” principle (border control is jointly performed by officials of both countries in one location, carrying out all procedures related to border control at the same time, including passport, customs, veterinary and phytosanitary control) to all existing and planned road BCP, at a progress rate of two BCPs per year:  <i>Albania - Montenegro</i>  Existing BCPs: (i) Muriqan (Shkodra, AL) - Sukobin (Ulcinj, MNE), (ii) Hani Hotit (Malesi Madhe, AL) - Bozaj (Podgorica, MNE) – The main BCP, (iii) Bashkim (Malesi Madhe, AL) - Gusninje (Plav, MNE).  Previously-planned BCPs: (iv) Zogaj (Shkodra, AL) - Ckla (Bar, MNE), (v) Grabom (Malesi Madhe, AL) - Cijevna (Podgorica, MNE), (vi) Qafe Vranica (Tropoja, AL) - Plav (MNE).  <i>Albania - Kosovo:</i>  (i) Qafe Morine (Tropoja, AL) - Gjakova (Kosovo), (ii) Qafe Prush (Has, AL) - Gjakova (Kosovo),  (iii) Morine (Kukes, AL) - Vernica (Prizren, Kosovo) – The main BCP, (iv) Orgjost (Kukes, AL) - Orgusha (pedestrian only, Kosovo),  (v) Shishtavec (Kukes, AL) - Dragash (opened on 10 May 2013, Kosovo)  <i>Albania –North Macedonia (NM)</i>  (i) Bllata (Dibra, AL) - Spas (Debar, NM), (ii) Qafe Thana (Pogradec, AL) - Kafasan (Struga, NM) – The main BCP,  (iii) Tushemisht (Pogradec, AL) - Sveti Naum (Ohrid, NM), (iv) Gorica (Pustec, AL)- Stenje (Resen, NM).  <i>Albania – Greece</i>  (i) Kapstica (Devoll, Korça, AL) - Krystallopigi (Prespes, Greece) – Very relevant BCP,  (ii) Tre Urat (Permet, AL) - Melissopetra (Konitsa, Greece), (iii) Sopic (Dropull, AL) - Drymades (Pogoni, pedestrian only, Greece),  (iv) Kakvija (AL) - Ktismata (Pogoni, Greece) – The main BCP, (v) Rips (Finik, AL) - Sagiada (Filiates, Greece).</li> </ul>	In progress – on track
<b>Strategic Priority 3</b>	Strengthen the regional cooperation via road connections	
<b>Goal 3.1</b>	<b>Expected Result</b>	
Reduce border crossing times and procedures	Improvement of connectivity, safety and security on Border Crossing Points (BCPs) Increasing the average annual volume of goods with Kosovo, NM, Greece and Montenegro by 10% and that of passengers by about 15% by 2020	The dialogues are open with neighbor countries and the process is ongoing;
<b>Priority Action ROAD 6</b>	<b>Specific tasks</b>	
<b>Build dedicated parking infrastructure in BCPs in order to speed up border crossing procedures for trucks and buses</b>	<b>Planning &amp; investment</b> <ul style="list-style-type: none"> <li>– <b>2017:</b> Open a dialogue with the Montenegro, Kosovo, NM and Greece authorities (bilaterally or in the framework of SEETO) to propose the ‘joint’ development of new parking space for trucks and buses to avoid blocking the highway in the main road BCPs.</li> </ul>	In progress  The dialogues are open with neighbor countries and the process is ongoing.
	<ul style="list-style-type: none"> <li>– <b>2017:</b> Draft a Feasibility Study and a Design Project for building new parking space in at least the main road BCPs:  Hani Hotit (Malesi Madhe, AL) - Bozaj (Podgorica, MNE)  Morine (Kukes, AL) - Vernica (Prizren, Kosovo)  Qafe Thana (Pogradec, AL) – Kafasan (Struga, NM)  Kakvija (AL) – Ktismata (Pogoni, Greece)</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2018-2020:</b> Build the parking space infrastructure.</li> </ul>	In progress – on track
<b>Strategic Priority 3</b>	Strengthen the regional cooperation via road connections	
<b>Goal 3.2</b>	<b>Expected Result</b>	
Avoid the discrimination exerted to Albanian road transport operators	Harmonised or, at least, non-discriminatory axle load taxes between all SEETO countries (including Albania) and the EU member states	This issues does not exist. The axle load taxes that we apply in our country are almost the same as those in Italy and other EU countries
<b>Priority Action ROAD 7</b>	<b>Specific tasks</b>	

Prepare a Convention between the SEETO participants and the EU member states/the EU with respect to harmonised axle load taxation in order to avoid discrimination	Pricing, taxation & subsidies <ul style="list-style-type: none"> <li>– <b>2017:</b> Promote a Convention between the SEETO participants and the EU member states/the EU with respect to harmonised axle load taxation in order to avoid discrimination.</li> </ul>	Completed
<b>Strategic Priority 4</b>	Ensure the functioning of the road transport market in line with EU standards	
<b>Goal 4.1</b>	<b>Expected Result</b>	
Completion of an efficient operational and institutional framework for road freight and passenger transport	The provision of efficient road transport services to Albania's citizens and businesses	
<b>Priority Action ROAD 8</b>	<b>Specific tasks</b>	
Promote the establishment of road hauliers' cooperatives and unions, and in addition taxation incentives for modernising the freight and passenger vehicle fleet	Pricing, taxation & subsidies <ul style="list-style-type: none"> <li>– <b>2018:</b> Develop a joint dialogue with ANALTIR in order to promote the establishment of road operators' cooperatives and unions creating economies of scale in the sector and overcoming the current sector atomisation.</li> <li>– <b>2019:</b> Launch taxation incentives for (i) the setting-up of road operators' cooperatives and unions, and for (ii) acquiring new-generation road transport vehicles (i.e. through the reduction/exemption of vehicle registration and/or vehicle circulation taxes).</li> </ul>	Completed
		In progress
<b>Strategic Priority 4</b>	Ensure the functioning of the road transport market in line with EU standards	
<b>Goal 4.1</b>	<b>Expected Result</b>	
Completion of an efficient operational and institutional framework for road freight and passenger transport	The provision of efficient road transport services to Albania's citizens and businesses	Regarding these services, continuing to work intensively
<b>Priority Action ROAD 9</b>	<b>Specific tasks</b>	
Increase the frequency of vehicle road checks, and in addition toughen the license issuing procedure for road transport operators	Operational, regulatory & licensing <ul style="list-style-type: none"> <li>– <b>2016 – 2017:</b> Increase the number of vehicle roadside checks by 25%, in order to secure the enforcement of vehicle legislation.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2016 – 2017:</b> Reinforce the enforcement of the national legislation related to the license issuing for road transport operators, in line with Directive 2003/59/EC (Legislation on initial qualification and periodic training of drivers engaged in road transport) and Regulation 1071/2009 (Legislation on access to the profession of road transport operator).</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2019:</b> Increase the number of vehicle roadside checks by 50% in comparison to 2015 figures, in order to secure the enforcement of vehicle legislation.</li> </ul>	Completed
<b>Strategic Priority 4</b>	Ensure the functioning of the road transport market in line with EU standards	
<b>Goal 4.1</b>	<b>Expected Result</b>	
Completion of an efficient operational and institutional framework for road freight and passenger transport	The provision of efficient road transport services to Albania's citizens and businesses	
<b>Priority Action ROAD 10</b>	<b>Specific tasks</b>	
Create a Road Transport National Innovation Programme, in cooperation with academic institutions and private businesses	Institutional & organisational <ul style="list-style-type: none"> <li>– <b>2018:</b> Mapping of relevant scientific and technological priorities for enhancing Albania's innovation capacity in the field of road transport. A stakeholder dialogue involving the Ministry of Education and Sports, Universities and private business actors should accompany the action.</li> <li>– <b>2019:</b> Launch of a 2-year National Programme offering a mix of grants and loans to road innovation projects led by Albanian organisations.</li> </ul>	Completed



	– <b>2020:</b> Undertake a 3-day seminar to stimulate the involvement of Albanian organisations in transport-related Calls funded by the EC's R&D Framework Programme (Horizon 2020).	

## RAIL TRANSPORT

<b>Strategic Priority 1</b>	Reform the rail sector to set up an open market for public and private investors	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Establish an open legislation for a fair, non-discriminatory and transparent railway market and strengthen the capacities of all levels.	Open up the railway sector in line with the European Directives and the European framework. Establish an attractive framework for the entrance of new railway undertakings. Better control over the use of public funds in respect to HSH. Opening up the market also in the field of technical acceptance of EU standards (acceptance of EU notified bodies, cross border acceptance, etc., and ensure open and non-discriminatory access to the rail network and serviced- facility providers). Establish a fair, non-discriminatory and transparent rail market	
<b>Priority Action RAIL 1</b>	<b>Specific tasks</b>	
<b>Adoption and effective implementation of the new railway code in line with the respective EU Directives, especially EU Directive 2012/34/EU RECAST.</b>	Operational, regulatory & licensing – <b>2016:</b> Effective implementation of the new Railway Code.	Completed
	– <b>2017 - 2018:</b> Preparation and implementation of other relevant sub-legal acts (implementation acts/directives) in the realm of licensing, safety, accident and incidence investigation, interoperability and market regulation required by the new Railway Code.	In progress - delayed
<b>Strategic Priority 1</b>	Reform the rail sector to set up an open market for public and private investors.	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Establish an open legislation for a fair, non-discriminatory and transparent railway market and strengthen the capacities of all levels	Open up the railway sector in line with the European Directives and the European framework. Establish an attractive framework for the entrance of new railway undertakings. Better control over the use of public funds in respect to HSH. Opening up the market also in the field of technical acceptance of EU standards (acceptance of EU notified bodies, cross border acceptance, etc., and ensure open and non-discriminatory access to the rail network and serviced- facility providers) Establish a fair, non-discriminatory and transparent rail market	
<b>Priority Action RAIL 2</b>	<b>Specific tasks</b>	
<b>Separation of HSH into: infrastructure manager, freight and passenger operator operator of rail services</b>	Institutional & organizational – <b>2016 - 2018:</b> Total separation of the different entities: ○ Set-up of new organization structure (i.e. Infrastructure manager is independent from operations – freight/passenger services -) be it complete separation or vertically integrated organization. ○ Separation of accounts of infrastructure manager and railway undertaking(s) in case of a horizontally integrated organization structure (no legal separation of infrastructure and operations). ○ Definition of tasks ○ Contract between rail infrastructure manager and Government (budget, investment...) Note this agreement will include all proposed priority actions, their financing, performance and monitoring, in particular the implementation of a preventive maintenance plan for	In progress - delayed



	<p>improving the present state of maintenance of the rail infrastructure (permanent way, fixed installations – stations etc.) to support Priority Action RAIL 7.</p> <ul style="list-style-type: none"> <li>○ Contracts between government entities (central government, provinces, municipalities) and service providers of public service obligations (PSO).</li> <li>○ Publication of the first network statement by the infrastructure manager.</li> <li>○ Training of staff on the new challenges of restructuring the HSH to accomplish the above-mentioned specific tasks.</li> </ul>	
<b>Strategic Priority 1</b>	<b>Reform the rail sector to set up an open market for public and private investors</b>	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Establish an open legislation for a fair, non-discriminatory and transparent railway market and strengthen the capacities of all levels	<p>Open up the railway sector in line with the European Directives and the European framework</p> <p>Establish an attractive framework for the entrance of new railway undertakings</p> <p>Better control over the use of public funds in respect to HSH</p> <p>Opening up the market also in the field of technical acceptance of EU standards (acceptance of EU notified bodies, cross border acceptance, etc., and ensure open and non-discriminatory access to the rail network and serviced- facility providers)</p> <p>Establish a fair, non-discriminatory and transparent rail market</p>	
<b>Priority Action RAIL 3</b>	<b>Specific tasks</b>	
<b>Setting up the railway safety bodies (safety, licensing and accident investigation) and market regulatory bodies (incorporation of the Railway Regulatory Body within the Competition Authority), and Training of staff</b>	<p>Institutional &amp; organizational</p> <p><b>2017 – 2018:</b> Setting up railway bodies (in order of priority: Infrastructure managers; Charging body; Railway safety body; Rail accident and incident investigation body; Rail market regulatory body; Licensing body; Interoperability body):</p> <ul style="list-style-type: none"> <li>○ Organization structure</li> <li>○ Job profiles/functional description</li> <li>○ Budget</li> <li>○ Training of staff at respective educational institutions in EU member states and European Railway Agency (ERA) for periods of one to three months (approximately, Ministry responsible for Infrastructure and Energy (MoIE): 4 persons, Rail market regulatory body :2 persons, Safety / Interoperability /Licensing / Accident bodies: 20 persons, Infrastructure / Charging: 20 persons)</li> </ul>	In progress - delayed
<b>Strategic Priority 1</b>	<b>Reform the rail sector to set up an open market for public and private investors</b>	
<b>Goal 1.2</b>	<b>Expected Result</b>	
Create favorable legal and institutional conditions for attracting foreign investment to the Albanian ports	<p>Attract new investments and new volumes</p> <p>Increase the attractiveness of Albanian ports</p>	
<b>Priority Action RAIL 4</b>	<b>Specific tasks</b>	
<b>Clarify situation at the ports concerning port and railway law (clarify tasks and requirements of concessionaires, rail infrastructure manager and port authority)</b>	<p>Institutional &amp; organizational</p> <p>– <b>2016 - 2018:</b> Clarify/solve the legal and institutional issues with respect to ownership, management, operation and maintenance of rail infrastructure in the port:</p> <ul style="list-style-type: none"> <li>○ Clarify/solve the legal and institutional issues with respect to rail operations, in light of the forthcoming updating of the Albanian Railway Law.</li> <li>○ Assess the market opportunities for commercial port operators or port authorities to establish their own rail operations inside and outside the ports. (Action No. 25, SEETO Strategic Working Program: “Find out the legal, operational and technical demands of the market</li> </ul>	In progress - delayed

	<p>participants that shall act on the Corridor VIII to ensure an increasing competitiveness and attractiveness of Corridor VIII to and from the port of Durres”).</p> <ul style="list-style-type: none"> <li>Study for the improvement the efficiency of loading and unloading of goods/ transfer of containers between ship and rail/road in the ports (organisational and technical barriers and possible solutions incl. action plan)</li> </ul>	
	<ul style="list-style-type: none"> <li>- Planning &amp; investment</li> <li>- <b>2016 – 2018:</b> Feasibility study for a Port Community System for improvement of the electronic communication and interchange between port operators, port authorities, rail operators and other stakeholders involved in the transfer of goods.</li> </ul>	In progress - delayed
<b>Strategic Priority 2</b>	<b>Positioning of Albania within the European railway market as a player in South-East Europe transport corridors and Rail Freight Corridors RFCs</b>	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Increase the competitiveness and visibility of extensions of TEN-T Corridors and SEETO Corridors	<p>Attract investments</p> <p>Reduce rail transit times and transport costs (less delays, competitive transport times)</p> <p>Establish joint border crossings</p> <p>Reduce logistics costs</p>	
<b>Priority Action RAIL 5</b>	Specific tasks	
<b>Integrate SEETO Flagship Axes into the Rail Network Europe (RNE) corridor system and implement respective RNE procedures and RFCs</b>	<p>Institutional &amp; organizational</p> <ul style="list-style-type: none"> <li>- <b>2016-2017:</b> Join RNE and join RNE international Working Groups.</li> </ul>	Not started
	<ul style="list-style-type: none"> <li>- <b>2016 – 2017:</b> Find out the legal, operational and technical demands of the market participants that shall act on the Corridor VIII to ensure an increasing competitiveness and attractiveness of Corridor VIII to and from the Port of Durres. (interviews and talks with shippers, market study).</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>- <b>2016 – 2020:</b> Integrate SEETO Flagship Axes into the RNE corridor.</li> </ul>	In progress – on track
	<ul style="list-style-type: none"> <li>- <b>2016 – 2020:</b> Extension of RFCs in Albania (Action No. 2 of SEETO Strategic Working Program: “Establish corridor management on selected flagship corridor that have a Sub-group on a pilot basis by using the model of the corridor management for the European Corridors”). Reference/Best practice: Rail Freight Corridor management in the EU according to EU Regulation 913/2010 as in force, Reference Corridor: Corridor 1 North – SeaPorts – Italy.</li> </ul>	In progress – on track
<b>Strategic Priority 2</b>	<b>Positioning of Albania within the European railway market as a player in South-East Europe transport corridors and Rail Freight Corridors RFCs</b>	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Increase the competitiveness and visibility of extensions of TEN-T Corridors and SEETO Corridors	<p>Attract investments</p> <p>Reduce rail transit times and transport costs (35 % time saving through electronic transmission system)</p> <p>Establish joint border crossings</p> <p>Reduce logistics costs</p>	
<b>Priority Action RAIL 6</b>	<b>Specific tasks</b>	
<b>Build up attractive and competitive hinterland rail corridors for the Port of Durres in line with the SSPP for transport and actively involve the ports for promotion and marketing</b>	<p>Institutional &amp; organizational</p> <ul style="list-style-type: none"> <li>- <b>2016:</b> Establish joint railway border crossings according to the existing BCA signed with the Republic of Montenegro by signing the subsequent protocols for border police, customs, phyto-sanitary and sanitary checking.</li> </ul>	Completed
	<p>Planning &amp; investment (approved by SEETO and the EU)</p> <ul style="list-style-type: none"> <li>- <b>2016-2020</b></li> </ul>	
	<ol style="list-style-type: none"> <li><b>2016:</b> Establish the respective border crossing facilities for the Albanian border authorities (office, parking and other facilities) at the joint border station Tuzi.</li> </ol>	Completed

	<p>2. <b>2017:</b> Establish the electronic transmission system of the road sector (SEED or NCTS) or rail specific systems (RAILDATA, RNE systems). (Action No. 4 of SEETO Strategic Working Programme)</p> <p><i>Note: With respect to the sustainability and international integration in the TEN-T corridors and considering in particular the future position of the Port of Durres – see also the Strategic Priorities of intermodality -, the above priorities 1 to 2 are established based on the SEETO Strategic Working Program. They have the approval of the EU.</i></p>	Completed
	<p>Planning &amp; investment (pipeline projects from SSPP for Transport)</p> <p>3. <b>2016 - 2018:</b> Feasibility study and detailed design for the rehabilitation of railway line Durres – Rrogozhina – Elbasan – Pogradec – Linand construction of new railway link to Macedonian border</p>	Completed
	<p>4. <b>2017:</b> Feasibility study for the Construction for the new railway Pogradec – Korça – border to Greece.</p>	In progress
	<p>5. <b>2017-2018:</b> Detailed design for the rehabilitation of the railway Vora – Hani Hotit frontier to Montenegro and signaling and communication system of the Albanian railway connection.</p>	In progress
	<p>6. <b>2017-2020:</b> Construction and modernization of the railway lines Durres – Tirana Public Transport Terminal and the new railway missing connection to Tirana Rinas International Airport TIA.</p>	In progress – on track
<b>Strategic Priority 2</b>	Positioning of Albania within the European railway market as a player in South-East Europe transport corridors and Rail Freight Corridors RFCs	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Increase the competitiveness and visibility of extensions of TEN-T Corridors and SEETO Corridors	<p>Attract investments</p> <p>Reduce rail transit times and transport costs (35 % time saving through electronic transmission system)</p> <p>Establish joint border crossings</p> <p>Reduce logistics costs</p>	
<b>Priority Action RAIL 7</b>	<b>Specific tasks</b>	
<b>Ensure a high level of maintenance with a preventive maintenance system on core and comprehensive rail networks</b>	<p>Planning &amp; investment</p> <p>– <b>2016 – 2020:</b> Improvement of the present state of the Core and Comprehensive rail lines taking part of the TEN-T Indicative Extension to Neighbouring Countries Comprehensive/Core network to Western Balkans Region:</p> <p><u>Core network:</u></p> <ul style="list-style-type: none"> <li>▪ Tirana – Durres: 37 km</li> <li>▪ Vorë – Hani Hotit: 119 km</li> </ul> <p><u>Comprehensive network:</u></p> <ul style="list-style-type: none"> <li>▪ Durres – Lin – Pogradec: 152 km</li> <li>▪ Rrogozhinë – Fier: 84 km</li> </ul> <p>In all cases the distance will be extended by 10% of extra track in stations and yards. The improvement actions will include:</p> <ul style="list-style-type: none"> <li>▪ Introduction of a preventive maintenance system (2017) in the organization of the Infrastructure Manager (IM) – see Priority Action RAIL 2 –;</li> <li>▪ Inclusion of the preventive maintenance plan in the (medium-term) Contract between rail infrastructure manager and Government (budget, investment...) required by the new rail code – see Priority Action RAIL 2 –; and</li> <li>▪ Implementation of the rail maintenance, for permanent way (including bridges and tunnels), fixed installations (including stations, yards and signalling and communication system).</li> </ul>	In progress - on track

## MARITIME TRANSPORT

<b>Strategic Priority 1</b>	Efficient and responsive maritime and port systems	<b>Implementation status</b>
<b>Goal 1.1</b>	<b>Expected Result</b>	
Enhanced maritime regulatory system in line with IMO and EU standards and regulations.	Align Albania maritime legislation to that of the IMO and the EU. Improve maritime regulatory performance and standards	
<b>Priority Action MARITIME 1</b>	<b>Specific tasks</b>	
<b>Ratify and endorse IMO regulations and EC rules on maritime safety, security, environmental protection, and coastal management.</b>	Operational, regulatory & licensing – <b>2017</b> : Ratify missing major annexes of MARPOL and SOLAS.	In progress
	– <b>2017</b> : Initiate discussions on steps to ratify recent amendments to MARPOL and SOLAS, including GHG amendments (MARPOL) and Container Weight Verification Requirement (SOLAS).	In progress
	– <b>2017</b> : Initiate discussions on steps to ratify ICZM, IMO EU MRV regulation, and other related rules.	In progress
	– <b>2017 – 2018</b> : Ratify the above.	In progress
	<b>2019 – 2020</b> : Review ratification process and outcome including any EU rules and IMO regulations that might be proposed or introduced during 2016-2020.	In progress - on track
<b>Strategic Priority 1</b>	Efficient and responsive maritime and port systems	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Enhanced maritime regulatory system in line with IMO and EU standards and regulations	Align Albania maritime legislation to that of the IMO and the EU Improve maritime regulatory performance and standards	
<b>Priority Action MARITIME 2</b>	<b>Specific tasks</b>	
<b>Establish roadmap and action plan to approximate and accompany IMO and EC regulations in line with the recommendations of the EuropeAid/134513/C/SER/AL (E0397C)</b>	Operational, regulatory & licensing – <b>2016</b> : Continue work on existing TAs with a view to identify main regulatory gaps and recommendations.	Completed
	– <b>2018</b> : Initiate a new TA tasked with developing a roadmap and action plan, and monitoring progress and achievement.	Completed
	– <b>2018 – 2019</b> : Start and implement new TA.	Completed
	– <b>2019 – 2020</b> : Conclude TA including approval of action plan.	In progress - on track
	– <b>2020</b> : System and process in place for implementation, review and monitoring.	
<b>Strategic Priority 1</b>	Efficient and responsive maritime and port systems	
<b>Goal 1.2</b>	<b>Expected Result</b>	
Enhanced institutional and governance capability of the maritime and port sectors	Improve Institutional and human capacity of maritime administration Enhance institutional port structures in line with modern port systems Ensure regulatory independence and sustained financing for public maritime and port agencies	
<b>Priority Action MARITIME 3</b>	<b>Specific tasks</b>	
<b>Strengthen the GMD institutional, governance, financial and human capacity</b>	Institutional & organisational – <b>2017</b> : Initiation of TA on developing institutional / regulatory structure and capacity of GMD towards establishing self-sustained.	Completed
	– <b>2017</b> : TA implementation and support.	In progress
	– <b>2018</b> : TA outcomes and results approved and endorsed by the GoA.	In progress
	– <b>2019</b> : Implementation of institutional and regulatory reform of GMD, including possible changes in legal and financial status of GMD.	Completed
	– <b>2020</b> : New GMD status and structure fully operational.	
<b>Strategic Priority 1</b>	Efficient and responsive maritime and port systems	

<b>Goal 1.2</b>	<b>Expected Result</b>	
Enhanced institutional and governance capability of the maritime and port sectors.	Improve Institutional and human capacity of maritime administration. Enhance institutional port structures in line with modern port. systems. Ensure regulatory independence and sustained financing for public maritime and port agencies.	
<b>Priority Action MARITIME 4</b>	<b>Specific tasks</b>	
<b>Reform the institutional structure of Vlora, Shengjin and Saranda ports towards landlord port structures</b>	Institutional & organisational	Completed
	– <b>2017:</b> Initiation of discussion/procedures for undertaking port reform in Vlora, Shengjin, and Saranda.	
	– <b>2017:</b> Start implementing port reform.	In progress
	– <b>2018:</b> Full port reform undertaken.	In progress
<b>Strategic Priority 1</b>	Efficient and responsive maritime and port systems	
<b>Goal 1.2</b>	<b>Expected Result</b>	
Enhanced institutional and governance capability of the maritime and port sectors	Improve Institutional and human capacity of maritime administration Enhance institutional port structures in line with modern port systems Ensure regulatory independence and sustained financing for public maritime and port agencies	
<b>Priority Action MARITIME 5</b>	<b>Specific tasks</b>	
<b>Establish and implement the Albanian Vessel Traffic Monitoring and Information System (VTMIS)</b>	Institutional & organisational	In progress
	– <b>2017:</b> Initiation of VTMIS development strategy: institutional, technical, legal and operational arrangements.	
	– <b>2017:</b> Set up the VTMIS Centre institutional set up, ideally within or closely related to GMD.	Not started yet
	Planning and Investment	Not started yet
	– <b>2018:</b> Equipment procurement and personnel recruitment, twinning programmes	
	– <b>2019:</b> VTMIS operational tests	In progress
	– <b>2020:</b> Further tests and operationalisation	
<b>Strategic Priority 1</b>	Efficient and responsive maritime and port systems	
<b>Goal 1.2</b>	<b>Expected Result</b>	
Enhanced institutional and governance capability of the maritime and port sectors	Improve Institutional and human capacity of maritime administration. Enhance institutional port structures in line with modern port systems. Ensure regulatory independence and sustained financing for public maritime and port agencies.	
<b>Priority Action MARITIME 6</b>	<b>Specific tasks</b>	
<b>Establish and implement the Long Range Identification and Tracking System (LRIT)</b>	Institutional & organisational	Completed
	– <b>2017:</b> Initiation of LRIT development strategy: institutional, technical, legal and operational arrangements.	
	– <b>2017:</b> Set up the LRIT Centre institutional set up, ideally within or closely related to GMD.	Completed
	Planning and Investment	
	– <b>2017:</b> Equipment procurement and personnel recruitment, twinning programmes	Completed
<b>Strategic Priority 2</b>	Sustained growth for maritime and port markets	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Rehabilitation and modernisation of port infrastructure and services	Assess existing port capacity and performance and service offerings. Assess traffic growth and future port markets. Review/update port strategic and long-term master plans. Develop action plan for port modernisation and growth. Implement ongoing and new maritime projects.	

<b>Priority Action MARITIME 7</b>	<b>Specific tasks</b>	
<b>Assess port capacity planning and performance against future traffic growth and market trends</b>	<b>Planning &amp; investment</b>	Completed
	– <b>2016:</b> Initiate TA study to review and update Albania ports' traffic forecasts, capacity planning, and operational performance; leading to a scientific, detailed and strategic master plan for the port sector in Albania.	
	– <b>2017:</b> Implement TA study.	Completed
	- <b>2017:</b> Conclude TA and endorse its results as input for port action plan.	Completed
<b>Strategic Priority 2</b>	Sustained growth for maritime and port markets	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Rehabilitation and modernisation of port infrastructure and services	Assess existing port capacity and performance and service offerings. Assess traffic growth and future port markets. Review/update port strategic and long-term master plans. Develop action plan for port modernisation and growth. Implement ongoing and new maritime projects.	
<b>Priority Action MARITIME 8</b>	<b>Specific tasks</b>	
<b>Develop quantified and integrated operational and strategic action plan for port growth and modernization</b>	<b>Planning &amp; investment</b>	
	– <b>2017:</b> Purchase of the Crane of the Port of Saranda.	Completed
	– <b>2018:</b> Initiate and develop action plan based on results of 2.2.1.	Completed
	– <b>2018– 2019:</b> Dredging of the Saranda Port Basin.	In progress
	– <b>2018 – 2020:</b> Implement modernisation and rehabilitation port investment plan.	In progress
<b>Strategic Priority 2</b>	Sustained growth for maritime and port markets	
<b>Goal 2.1</b>	<b>Expected Result</b>	
Rehabilitation and modernisation of port infrastructure and services	Assess existing port capacity and performance and service offerings. Assess traffic growth and future port markets. Review/update port strategic and long-term master plans. Develop action plan for port modernisation and growth. Implement ongoing and new maritime projects.	
<b>Priority Action MARITIME 9</b>	<b>Specific tasks</b>	
<b>Complete ongoing construction projects and implement new concession and preparation projects over the period 2016-2020</b>	<b>Planning &amp; investment</b>	
	– <b>2016 – 2017:</b> Complete the ongoing implementation projects according to the information provided by MoTI, namely: 1. <b>2016:</b> Rehabilitation of Port of Vlora	In progress – delayed
	2. <b>2017:</b> Reconstruction of Passenger Terminal (berths 7 & 8) and Processing square in Durres Port Authority	Completed
	– <b>2016 – 2019:</b> Implement the new concessions according to the information provided by MoTI, namely: 3. <b>2016 – 2018:</b> Giving in Concession with BOT contract of the touristic port in Spille, Turre's Castle, Kavaje	Completed
	4. <b>2017 – 2019:</b> Giving in Concession with BOT contract of a MBM (Multy Buoy Mooring) Port in Porto Romano	Completed
	5. <b>2017 – 2019:</b> Giving in Concession with BOT contract of the touristic port in Durres	Completed
	6. <b>2018 – 2019:</b> Giving in Concession with BOT contract of the touristic port in Shengjin	Completed
	– <b>2017 – 2018:</b> Do the preparation of the following projects (only Feasibility, Preliminary Design and Detailed Design Studies), according to to the information provided by MoTI: 7. <b>2017:</b> Dredging of Durres Port basin	In progress
	8. <b>2017 – 2018:</b> Passenger Terminal in Port of Vlora	Completed

<b>Strategic Priority 2</b>	Sustained growth for maritime and port markets.	
<b>Goal 2.2</b>	<b>Expected Result</b>	
Support and promote nautical tourism	Develop integrated and multi-sector strategy for nautical tourism. Create favourable growth potential for nautical tourism.	
<b>Priority Action MARITIME 10</b>	<b>Specific tasks</b>	
<b>Prepare and elaborate national policy statement and cross-sector strategy for nautical tourism</b>	<b>Institutional &amp; organisational</b>	Completed
	– <b>2016:</b> Initiate discussion / preparation for national strategy for nautical tourism.	
	– <b>2017:</b> Prepare and submit proposal for TA, TA approved, started and implemented.	Completed
	– <b>2018:</b> Nautical tourism strategy approved and endorsed by the GoA.	Completed
<b>Priority Action MARITIME 11</b>	<b>Specific tasks</b>	
<b>Develop incentive schemes for attracting and promoting nautical tourism and cruise shipping in Albania</b>	Pricing, cost recovery, taxation & subsidy – <b>2019:</b> Based on results of 2.2.1, develop incentive schemes programme for nautical tourism. Explore feasibility of a mix of government incentives (such as a reduction of port dues on nautical and cruise ships and tax exemption from, or a pro-rata reduction of tax on, shipping tonnage for those types of ships) and tourism industry's incentives (such as agreed discounts on prices of room nights for passengers of cruise ships). – <b>2020:</b> Start implementing nautical tourism strategy and incentive programme.	Completed
<b>Strategic Priority 2</b>	Sustained growth for maritime and port markets	
<b>Goal 2.3</b>	<b>Expected Result</b>	
Develop and promote maritime labour markets	Develop maritime labour markets Introduce MET programmes and strategies compatible with maritime labour market strategy Create favourable growth potential for maritime labour markets	
<b>Priority Action MARITIME 12</b>	<b>Specific tasks</b>	
<b>Develop strategy and action plan for maritime labour markets, including increasing the number of seafarers and other related jobs in maritime professions</b>	<b>Institutional &amp; organisational</b>	
	– <b>2018:</b> Initiate and prepare TA proposal for maritime labour markets in Albania. TA approved.	Completed
	– <b>2018:</b> TA implemented and results published. – <b>2019:</b> TA results and derived strategy approved and endorsed by MoTI/GoA.	In progress
<b>Strategic Priority 2</b>	<b>Sustained growth for maritime and port markets</b>	
<b>Goal 2.3</b>	<b>Expected Result</b>	
Develop and promote maritime labour markets	Develop maritime labour markets Introduce MET programmes and strategies compatible with maritime labour market strategy Create favourable growth potential for maritime labour markets	
<b>Priority Action MARITIME 13</b>	<b>Specific tasks</b>	
<b>Develop, promote and monitor MET programmes</b>	Operational, regulatory & licensing	
	– <b>2017 – 2018:</b> Full review and assessment of MET sector and performance in	In progress



across maritime modes and enlarge them to other fields such as offshore, marine services, and ship agency	Albania (from existing and other TAs). – <b>2019</b> : Link results from above with those of 2.3.1. – <b>2019</b> : Start implementing an MET strategy as an offshoot of the maritime labour strategy (of 2.3.1).	Completed Completed

## AIR TRANSPORT

Strategic Priority 1	Development of new airports	Implementation status
Goal 1.1	Expected Result	
Increase economic and tourism activity in the North and South, and competition between Tirana, Kukes and a “Southern” airport for more air carriers to serve the region	Develop a National Airport Master Plan. Start operations at Kukes Airport. Initiate development of Southern airport into a hub for Intra-European and Mediterranean flights.	
Priority Action AIR 1	Specific tasks	
<b>MoTI to seek Consultancy for preparation of a National Airport Master Plan study for Albania for next 20 years with emphasis on airport in Southern Albania, Tirana airport expansion beyond 2025, and Kukes operational infrastructure upgrade</b>	Planning & investment – <b>2016 – 2017</b> : MoTI and ACAA to prepare tender documents for initiating calls for tenders from bidders for a National Airport Master Plan studies for next 20 years for Albania. Study shall evaluate needs for any airport in south, expansion of Tirana airport beyond 2025, and degree of development for making Kukes airport operational and for type of operations. Study to also look at possibilities of low cost carrier options for the airports.	Completed
	– <b>2017</b> : ACAA to carry out in parallel and finalise technical studies for making Kukes operational as general aviation airport for flying club activities, aviation training and unscheduled flights with specific aircraft types of category B. Take policy decision for scope of civil works implementation and services equipment or no decision on any development of Kukes pending Master Plan.	Completed
	– <b>2018</b> : Review Airport Master Plan bids received and decide on starting a Master Plan Study by successful bidder.	In progress
	– <b>2019</b> : Decide works for Kukes. Complete works for upgrading Kukes to operational readiness. Award an entity to operate Kukes through public bidding. – <b>2019</b> : MoTI to decide airport developments in country further to Master Plan conclusions. Seek consultancy for assisting MoTI in preparation of Design Bids from bidders, and Calls for Tenders.	Completed Not started yet
	– <b>2020</b> : Review Tenders for design of airport in south: and select Design Consultancy.	
Strategic Priority 1	Development of new airports	
Goal 1.2	Expected Results	
– Increase economic and tourism activity in the North and South, and competition between Tirana, Kukes and a “Southern” airport for more air carriers to	Develop a National Airport Master Plan Start operations at Kukes Airport Initiate development of Southern airport into a hub for Intra-European and Mediterranean flights	



serve the region		
<b>Priority Action AIR 2</b>	<b>Specific Tasks</b>	
<b>Upgrade of Kukes airport and development of southern airport for enhancing air transport operations in Albania and for promoting tourism growth</b>	Planning & investment <ul style="list-style-type: none"> <li>– <b>2017:</b> MoTI to organize cross cutting initiatives with Tourism Ministry to develop and attract tourism services and enable appropriate measures to actively engage tourism service operators for air travellers visiting Albania and south of country.</li> </ul>	In progress
<b>Strategic Priority 2</b>	Creation of a more competitive market with liberalized air services	
<b>Goal 2.1</b>	<b>Expected Results</b>	
More choices for passengers, cargo, flights, and destinations possible with competitive services in quality and fares	Consumers, including the Albanese diaspora, have wider range of fares and types of services, and more routes and frequency	
<b>Priority Action AIR 3</b>	<b>Specific tasks</b>	
<b>Transpose and implement EC regulations and directives in respect of market access, insurance requirements for carriers, and competition rules to enable mix of scheduled and low cost flights, and possible investments for air operators by Albanians and others</b>	Operational, regulatory & licensing <ul style="list-style-type: none"> <li>– <b>2016:</b> MoTI and ACAA to do the transposition of remaining EC regulations and directives, and to develop documentation and expertise on market access and competition rules;</li> <li>– <b>2017:</b> ACAA to implement the rules for the industry;</li> <li>– <b>2018- 2019:</b> transposition of remaining EC regulations and directives.</li> </ul>	Completed  Completed  Completed
<b>Strategic Priority 2</b>	Creation of a more competitive market with liberalized air services	
<b>Goal 2.1</b>	<b>Expected Result</b>	
More choices for passengers, cargo, flights, and destinations possible with competitive services in quality and fares	Consumers, including the Albanese diaspora, have wider range of fares and types of services, and more routes and frequency.	
<b>Priority Action AIR 4</b>	<b>Specific tasks</b>	
Strengthen capacity building of policy, operational and oversight bodies involved in air transportation policies and decisions for assisting in the implementation of EU regulations	Institutional & organizational <ul style="list-style-type: none"> <li>– <b>2017:</b> ACAA to develop job profiles/functional description of these officers, and markets, competition issues, social aspects as per the transposed rules (so that policy decisions are formulated in full understanding of the rules).</li> <li>– <b>2018:</b> ACAA to induct specialist in air transport economics and markets, competition issues, social aspects as per the transposed rules, so that policy decisions are formulated in full understanding of the rules.</li> <li>– <b>2019:</b> ACAA to organise review of airport charges/AVSEC fees towards best practices for competitive charges.</li> </ul>	Completed  In progress
<b>Strategic Priority 3</b>	Implementation and unification of international standards for air safety	
<b>Goal 3.1</b>	<b>Expected Result</b>	
Complete the transposition of EU regulations and Directives as per the latest version of the Annex to the ECAA agreement and ensure	Albania to complete the Phase I and II of the ECAA agreement in respect of rules listed in Annex I to ECAA agreement including air safety, security, market access and competition, and social and environmental rules.	

compliance with ICAO SARPs		
<b>Priority Action AIR 5</b>	<b>Specific tasks</b>	
Transpose all outstanding EC regulations and directives within an adopted timescale and work on USOAP corrective action plan to further reduce the <i>lack of Effective Implementation</i> (EI)	<p><i>Operational, regulatory &amp; licensing</i></p> <ul style="list-style-type: none"> <li>- <b>2016 – 2020: ACAA to accelerate efforts for transposing remaining SARPs and EC rules into Albanian aviation regulations.</b> <ul style="list-style-type: none"> <li>o Ensure that ACAA implements the rules through competent staff using documented procedures and guidance materials, audits are followed till closure, and sanctions taken against operators or aviation personnel for non-compliance or at worst authorizations/approvals are removed.</li> <li>o ACAA to Work on the Corrective Action Plan established by Albania towards its response on USOAP audits to reduce non-compliance with SARPs. To ensure that ICAO Continuous Monitoring Approach (CMA) office is apprised of all positive actions taken on responding to Protocol Questions of the USOAP audit such that lack of Effective Implementation is continuously being reduced.</li> <li>o ACAA puts efforts to improve areas where Albania is below the world average legislation, licensing, operations, airworthiness, accident investigation and aerodromes. In organisation and air navigation services, Albania has a good score above the world average but must continue the efforts further.</li> <li>o ACAA must improve all the areas and by 2016 must be seen to have gone beyond the world average of 62.69% from its present average of 55.48%. Albania shall envision an effective implementation of 70% by end of 2017 or the second quarter of 2017. Aerodrome Certification must be completed by second quarter of 2016 while the exercise of ANSP certification must be re-activated and the ANSP certified again.</li> <li>o ACAA shall initiate preparation of the State Safety Programme as part of the ICAO Global Aviation safety Plan. A draft shall be made ready by end of 2017. ACAA shall work with MoTI for developing a National FAL Committee responsible for the implementation of the FAL programme (to complete by 2017).</li> <li>o Albania shall implement the Performance Based Navigation (PBN) in respect of instrument approaches at the Tirana Airport in accordance with ICAO Global Air Navigation Plan and with EC Regulations (Albania is member of ECAA agreement).</li> <li>o In cooperation with Eurocontrol, ACAA to develop its five-year Strategic Business Plan for Albania for 2016 to 2020 in respect of SES and ATM with 7 strategic objectives of i) safety and ATM security; ii) optimisation of airspace capacity; iii) optimisation of cost services; iv) SES implementation and adoption of legislation; v) meet environmental standards, vi) excellence objective in national and international standards; and vii) enhancement of human resources management.</li> <li>o ACAA shall put in place a working website for dissemination of information to the public in respect of aviation matters, and for the public to communicate with the ACAA. The latter shall also arrange for its guidance materials, procedures and AIP/AIC to be made available on line.</li> </ul> </li> </ul>	In progress – on track
<b>Strategic Priority 3</b>	<b>Implementation and unification of international standards for air safety</b>	
<b>Goal 3.1</b>	<b>Expected Result</b>	
Complete the transposition of EU regulations and Directives as per the latest version of the Annex to the ECAA agreement and ensure compliance with ICAO SARPs	Albania to complete the Phase 1 and II of the ECAA agreement in respect of rules listed in Annex I to ECAA agreement including air safety, security, market access and competition, and social and environmental rules.	
<b>Priority Action AIR 6</b>	<b>Specific tasks</b>	
<b>Strengthen the ACAA capacity towards staff and inspector requirements, competency, and guidance materials for certification,</b>	<p><i>Institutional &amp; organizational</i></p> <ul style="list-style-type: none"> <li>- <b>2016 – 2020:</b> Continuously ensure that: guidance materials and procedures, inspectors' manuals, specific documentation for approvals and certification, are all kept up to date in line with changes to any rules as amended, ensuring quality in all documentation and procedures for certification and approval</li> </ul>	In progress – on track

approval, and for oversight/monitoring of the aviation industry in all areas of safety, security, and work towards the Albanian National Safety Programme and towards 'One Stop' Security procedures	systems, and the surveillance of operators	
	- <b>2016 – 2020</b> : Training systems shall continue to ensure competency of inspectors and that <i>initial, advanced</i> and <i>recurrent</i> training are essential components for inspector competency in their jobs	In progress – on track
	- <b>2016 – 2020</b> : ACAA shall continue to ensure that the critical elements for the safety oversight system are always maintained. ACAA shall ensure that sanctions and penalties are applied in cases of offenses against aviation regulations.	In progress – on track
	- <b>2016 – 2020</b> : Albania shall work on implementing procedures for a 'One Stop' security for all flights from Albania as per EU regulation 2015/2426, on recognition of third countries applying security standards equivalent to EU common basic ones when Albania is added to the same regulation.	In progress – on track
<b>Strategic Priority 4</b>	<b>Reduction in travel costs for passengers</b>	
<b>Goal 4.1</b>	<b>Expected Result</b>	
To make air travel more accessible to the citizens of Albania and to increase growth in air traffic, cargo and destinations	Affordable and easy air travel for Albanians (including diaspora), visitors and tourists, and businesses and have wider choices for air travel in respect of destinations, fares and airlines	
<b>Priority Action AIR 7</b>	<b>Specific tasks</b>	
<b>Review of airport and air navigation charges with possibility of lowering these component charges as well as reduction in government taxes and aviation security surcharges, which will influence lower airfare pricing while more flights and increased economic activities leading to more government revenues</b>	Pricing, taxation & subsidies - <b>2017 - 2018</b> : ACAA shall carry out such a methodology to validate the charges imposed by Tirana airport and the other surcharges such as aviation security and government taxes. <ul style="list-style-type: none"> <li>It is expected that such reduction can only be achieved when more airlines provide the service and low cost carriers can enter the market at some stage, for example, when an airport is operational in the south of the country.</li> <li>The increase in tourists entering the country through other gateways like airport in the south and Kukes will certainly see traffic volume increase and possible load factor increase in flights through better tourism development in the south and the coastal areas, and the roads link up to the archaeological sites in the South.</li> <li>Tourism development and an airport in the South will assist for more air passenger traffic and more opportunities for movement of people for tourism or tourist travel thus spreading the extent of the busy traffic season, more load factor and possible fare reduction.</li> </ul>	In progress

## INTERMODAL AND COMBINED TRANSPORT

<b>Strategic Priority 1</b>	Promote intermodal and combined transport	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Reinforce the creation of an efficient and integrated transport system through intermodality	An efficient transport system, integrated in the region and in the EU network, which promotes economic development and the citizens quality of life Create favourable conditions for the intermodal and combined transport and logistics	

	Attract investments Reduce rail transit times and transport costs Establish joint border crossings Reduce logistics costs	
<b>Priority Action INTERMODAL 1</b>	<b>Specific tasks</b>	
<b>Coordinate national policy measures to promote intermodal and combined transport</b>	Institutional & organisational <ul style="list-style-type: none"> <li>– <b>2016:</b> Increase the budget line allocated to Institute of Transport (IoT), to further its role as a public body acting as a research and analytical centre to assist and support the MoTI and other governmental entities. Hire new staff and undertake capacity-building programmes for the team. Additionally, promote IoT's role as GoA/MoTI coordinator in order to comply with UNECE's national policy measures to promote intermodal and combined transport.</li> <li>– <b>2017 – 2020:</b> Apply the recommendations of the Albanian Sustainable Transport Plan (ASTP) financed by the European Bank for Reconstruction and Development (EBRD) to all policies promoted by the MoTI.</li> <li>– <b>2018:</b> Drafting of a National Strategy for the Promotion of Intermodality and Combined Transport in Albania by an international Consultant. A stakeholder dialogue involving the MoTI, local authorities and businesses should accompany the action.</li> </ul>	Completed  In progress - on track  Not started yet

<b>Strategic Priority 1</b>	Promote intermodal and combined transport	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Reinforce the creation of an efficient and integrated transport system through intermodality	An efficient transport system, integrated in the region and in the EU network, which promotes economic development and the citizens quality of life Create favourable conditions for the intermodal and combined transport and logistics Attract investments Reduce rail transit times and transport costs Establish joint border crossings Reduce logistics costs	
<b>Priority Action INTERMODAL 2</b>	<b>Specific tasks</b>	
<b>Create intermodal logistics centres to facilitate multimodal transport</b>	Institutional & organisational <ul style="list-style-type: none"> <li>– <b>2017:</b> Develop a level playing field for all modes of transport (strengthening the position of multimodal and rail transport).</li> </ul>	
	<ul style="list-style-type: none"> <li>– <b>2017:</b> Carry out feasibility studies for logistics centres for the facilitation of multimodal transport.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2018:</b> Decide on needed logistics centres and definition of financing (increase in budget, PPP models).</li> </ul>	In progress
	<ul style="list-style-type: none"> <li>– <b>2017 – 2020:</b> Integrate existing logistics centres in the corridor management</li> </ul>	In progress

	<p>Planning &amp; investment (in reference to the priority action under rail transport):</p> <ul style="list-style-type: none"> <li>– <b>2017:</b> Review of potential logistics centres (Milot and Elbasan) in the region of Port of Durres and provision of rail access for various projects (less than 5km from Port of Durres and very close to industrial areas on the Durres-Tirana highway), in line with i) the EU Strategy and SEETO strategy to improve multimodal transport between the Port of Durres to the hinterland region (via Corridor VIII and Route 2 – see Actions No. 11 and 25 SEETO Strategic Working Programme in Priority Action 15 -), ii) EU Regulation 1315/2013 on multimodal transport with dimension (Rail – Maritime), and iii) national development objectives e.g. establishment of a multimodal transport network.</li> </ul>	Completed
	<ul style="list-style-type: none"> <li>– <b>2017 – 2018:</b> Feasibility study for potential logistics centres in Elbasan and Milot.</li> </ul>	In progress
	<ul style="list-style-type: none"> <li>– <b>2018 – 2020:</b> Construction of two logistics centres (intermodal dry port, storage 1000 TEU in the first phase) in the Elbasan and Milot areas in respect to the rehabilitation of the railway line. In line with the EU Strategy and SEETO strategy to improve multimodal transport between Port of Durres to the hinterland region (via Corridor VIII and Route 2). In line with national development objectives e.g. establishment of a multimodal transport network. Supports the attractiveness of the railway line.</li> </ul>	In progress  One logistic center is under construction in Tirana – Durres region by private sector.
	<ul style="list-style-type: none"> <li>– <b>2019:</b> Invest or participate (via joint ventures) in hinterland bi-modal logistics centres alongside the corridors, with the aim of establishing seamless supply chains to their ports (hinterland logistics centres should be built up in line with the “Durana” region project). In line with the EU Strategy and SEETO strategy to improve multimodal transport between Port of Durres to the hinterland region (via Corridor VIII and Route 2). In line with the EU Regulation 1315/2013 on multimodal transport with dimension (Rail – Maritime). In line with national development objectives e.g. establishment of a multimodal transport network.</li> </ul>	

<b>Strategic Priority 1</b>	Promote intermodal and combined transport	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Reinforce the creation of an efficient and integrated transport system through intermodality	<p>An efficient transport system, integrated in the region and in the EU network, which promotes economic development and the citizens quality of life</p> <p>Create favourable conditions for the intermodal and combined transport and logistics</p> <p>Attract investments</p> <p>Reduce rail transit times and transport costs</p> <p>Establish joint border crossings</p> <p>Reduce logistics costs</p>	
<b>Priority Action INTERMODAL 3</b>	<b>Specific tasks</b>	
<b>Construction of the missing link from the</b>	<p>Planning &amp; investment</p> <ul style="list-style-type: none"> <li>– <b>2016:</b> Feasibility study</li> </ul>	Completed

<b>western terminal in Durres to the national railway network</b>	– <b>2016:</b> Carry out the public tendering (Durres Port Authority).	
	– <b>2017:</b> Invest or participate (via joint ventures) in the railway link of the western terminal in Durres to the Albanian national rail network with the aim to increase the attractiveness of the port and the hinterland transport by rail.	Not started

<b>Strategic Priority 1</b>	Promote intermodal and combined transport	
<b>Goal 1.1</b>	<b>Expected Result</b>	
Reinforce the creation of an efficient and integrated transport system through intermodality	<p>An efficient transport system, integrated in the region and in the EU network, which promotes economic development and the citizens quality of life</p> <p>Create favourable conditions for the intermodal and combined transport and logistics</p> <p>Attract investments</p> <p>Reduce rail transit times and transport costs</p> <p>Establish joint border crossings</p> <p>Reduce logistics costs</p>	
<b>Priority Action INTERMODAL 4</b>	<b>Specific tasks</b>	
<b>Define a Multimodal National ITS (Intelligent Transport Systems) Strategy</b>	<p>Institutional &amp; organisational</p> <p>– <b>2019:</b> Drafting of Strategy by an international Consultant, in alignment with Directive 2010/40/EU of 7 July 2010 on the framework for the deployment of Intelligent Transport Systems in the fields of road, rail and maritime transport modes, including interfaces between modes. A stakeholder dialogue involving the MoTI and the traffic enforcement authorities should accompany the action. The ITS Strategy will take into account the strategic needs, budget commitments and systems already in place with regard to ITS for roads, ERTMS for railways and VTMS for the maritime transport mode. The Strategy will also include the implementation of two ITS pilots in the road core network.</p>	Completed