



REPUBLIKA E SHQIPËRIË

MINISTRY OF INFRASTRUCTURE AND ENERGY

SECTORIAL STRATEGY OF TRANSPORT & ACTION PLAN

2016 – 2020

YEAR 2020 PROGRESS MONITORING REPORT

May 2021

Tirana, Albania

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ABBREVIATIONS

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

INSTAT	Albanian Institute of Statistics
IPA	Instrument for (EU) Pre-Accession Assistance
IRBD	International Bank for Reconstruction and Development
IRI	International Roughness Index
ISPS	International Ship and Port Security (Code)
ITF	International Transport Forum
ITS	Intelligent Transport Systems
IWW	Inland Waterways
JSPA	Joint Service Provision Area
KPIs	Key Performance Indicators
LPI	Logistics Performance Index
LRIT	Long Range Identification and Tracking System
LSCI	Liner Shipping Connectivity Index
MARPOL	Maritime Pollution (Int. Convention for the Prevention of Pollution from Ships)
MSC	Maritime Safety Committee (of IMO)
MTBP	Medium-Term Budget Program
MIE	Ministry of Infrastructure and Energy
MoU	Memorandum of Understanding
NCTS	New Computerized Transit System
NSDI-II	National Strategy for Development and Integration 2015-2020
NEEAP	National Energy Efficiency Action Plan
OKIIA	National Investigation Body of Air Accident/Incidents in Civil Aviation
PBC	Performance-Based Contracts
PFM	Public Financial Management Strategy
NPEI	National Plan for European Integration
PSSA	Particularly Sensitive Sea Area
REBIS	Updating the Regional Balkan Infrastructure Study
RCC	Regional Cooperation Council
RFC	Rail Freight Corridor
RNE	Railway Network Europe
RSA	Railway Safety Authority
SAR-A	Air Search and Rescue
SAR-M	Maritime Search and Rescue
SARPs	Standards and Recommended Practices of ICAO annexes
SBS	Sector Budget Support
SEA	Strategic Environmental Assessment
SES	Single European Sky
SEETO	South-East Europe Transport Observatory
SSPP	Single Sector Project Pipeline
STCW	Standards for Training Certification and Watch Keeping

TA	Technical Assistance
TEN-T	Trans-European Transport Network
TEU	Twenty-Foot Equivalent Unit
ToR	Terms of Reference
TSTS	Maritime and Industrial Training Centre
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change
USCG	United States Coast Guard
USOAP	Universal Safety Oversight Audit Program of ICAO
VTMIS	Vessel Traffic Management and Information System
WB	World Bank
WEF	World Economic Forum
WTO	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 16th 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.

Under IPA 2016, the European Union (EU) committed support to the strategy by selecting it to receive a EUR 21 million budget support programme and EUR 3 million complimentary support through a Sector Reform Contract (SRC) with focus on roads. The first monitoring report of SST highlighted the successful implementation of transport strategy and fulfilled the general 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. The third monitoring report was presented in July 2020.

Based on the Financing Agreement for IPA 2016 Action Programme for Albania, “Sector Reform Contract for Transport Sector with focus on road”, the Ministry of Infrastructure and Energy (MIE) submitted on June 2020 the request for disbursement of the second variable tranche for the year 2019 through the Ministry of Finance and Economy/MFE, for 3,750,000 EUR out of 5,000,000 EUR following the achievement of 6 out of 8 indicators for 2019. The good progress of the reform and the eligibility criteria for disbursement are reflected in the positive development in the transport sector. Following the request of MFE for the disbursement of the second variable tranche of the IPA 2016 Transport SRC, the EC approved payment of 3,437,500 euro and disbursed to the national budget in December 2020.

This is the 4th Monitoring Report of the Strategy implementation. 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 year 2020. 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 2019, out of 49 tasks planned, 19 were completed, 28 were in progress, 2 not started. The following table gives a status on the implementation of the tasks **planned for 2020** across the different modes of transport. Out of 38 tasks planned for this year, 18 tasks were completed, 18 in progress and 2 not started.

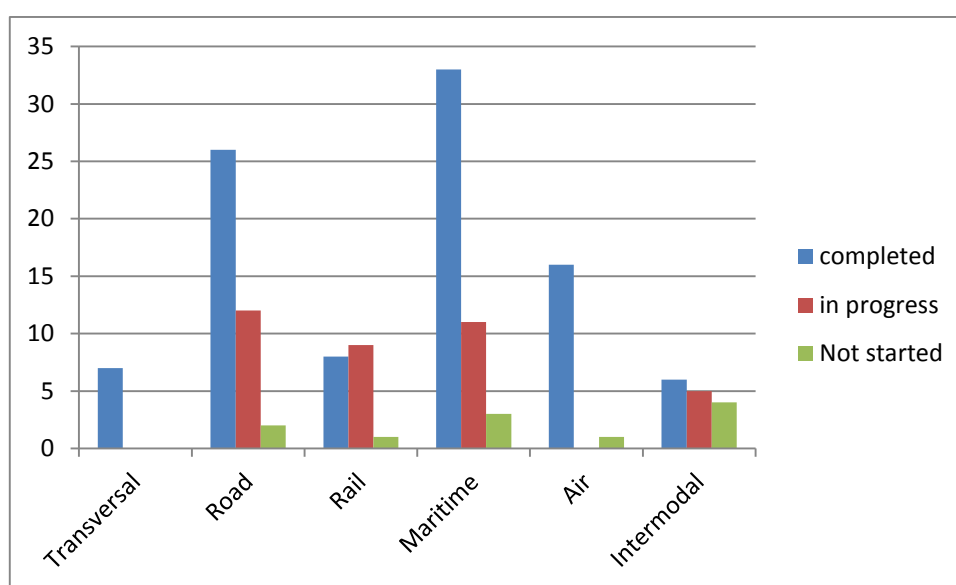
SECTOR	PRIORITY ACTIONS	TOTAL TASKS 2016 – 2020	STATUS OF TASKS 2018		STATUS OF TASKS 2019		STATUS OF TASKS 2020	
			2018	2018 -2020	2019	2019 -2020	2020	in progress up to 2020
<i>Transversal</i>	2	7	4 completed 2 not started	1 completed 11 in progress	-	1 in progress 3 completed	0	5 completed
<i>Road</i>	10	40	2 not started	6 in progress	1 in progress 3 completed	8 in progress 3 completed	1 completed 1 not started	4 completed 8 in progress
<i>Rail</i>	7	18	1 not started 2 in progress	3 in progress	-	4 in progress	0	4 in progress
<i>Maritime</i>	13	47	2 not started 6 in progress 3 completed	4 in progress	2 in progress 7 completed	3 in progress	2 completed 1 in progress 1 not started	2 in progress 1 completed
<i>Air</i>	7	17	1 in progress 1 completed	6 in progress	1 not started 1 in progress 2 completed	5 in progress	2 completed	3 completed
<i>Intermodal</i>	4	15	0	2 in progress	1 not started 1 completed	3 in progress	0	3 in progress
<i>TOTAL</i>	43	144	7 not started 9 in progress 8 completed	32 in progress 1 completed	2 not started 4 in progress 13 completed	24 in progress 6 completed	5 completed 1 in progress 2 not started	13 completed 17 in progress

Detailed information on the status of these tasks is provided under item 1 transport progress 2020 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 2020. Item 3 comprises 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.

The following table gives an overall overview of the status of task foreseen in the strategy for the period 2016 – 2020.

SECTOR	PRIORITY ACTIONS	TOTAL TASKS 2016 – 2020	STATUS OF TASKS 2016- 2020		
			completed	in progress	Not started
<i>Transversal</i>	2	7	7	0	0
<i>Road</i>	10	40	26	12	2
<i>Rail</i>	7	18	8	9	1
<i>Maritime</i>	13	47	33	11	3
<i>Air</i>	7	17	16	0	1
<i>Intermodal</i>	4	15	6	5	4
TOTAL	43	144	96	37	11



1. TRANSPORT PROGRESS 2020

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, four Technical Committees were established in 2019, composed by experts of WB countries, which have held several meetings.

The Transport Community Permanent Secretariat in close cooperation with the WB6 experts of the four Technical Committees, prepared four Action Plans (Road, Road Safety, Rail and Transport Facilitation), which were unanimously endorsed at the Ministerial Council, held online on 26 October 2020. The aim of these Action Plans are safer roads; reduced waiting time at border crossings points; reliable and modern rail; and roads of the future with integrated green and digital elements. These Action Plans can be considered as instruction guidelines for all WB6 countries with concrete measures and timelines to be accomplished.

It is worth mentioning that these documents endorsed by all Ministers responsible for Transport of the WB6 countries are fully aligned with the European Commission's Economic and Investment Plan for the Western Balkans, which envisions EU investments in transport and connectivity projects that will contribute to further integration in the region and further with the EU.

In the Western Balkans Summit in Sofia 10.11.2020 Albania got a total grant investment of 41.3 million euro (the biggest in the Region) and 2.1 million euro grant for Technical Assistance for projects preparation/maturing. In total, 83 million Euro grants for technical assistance and investments were received during 2016 – 2020.

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.

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 09.07.2020, 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.

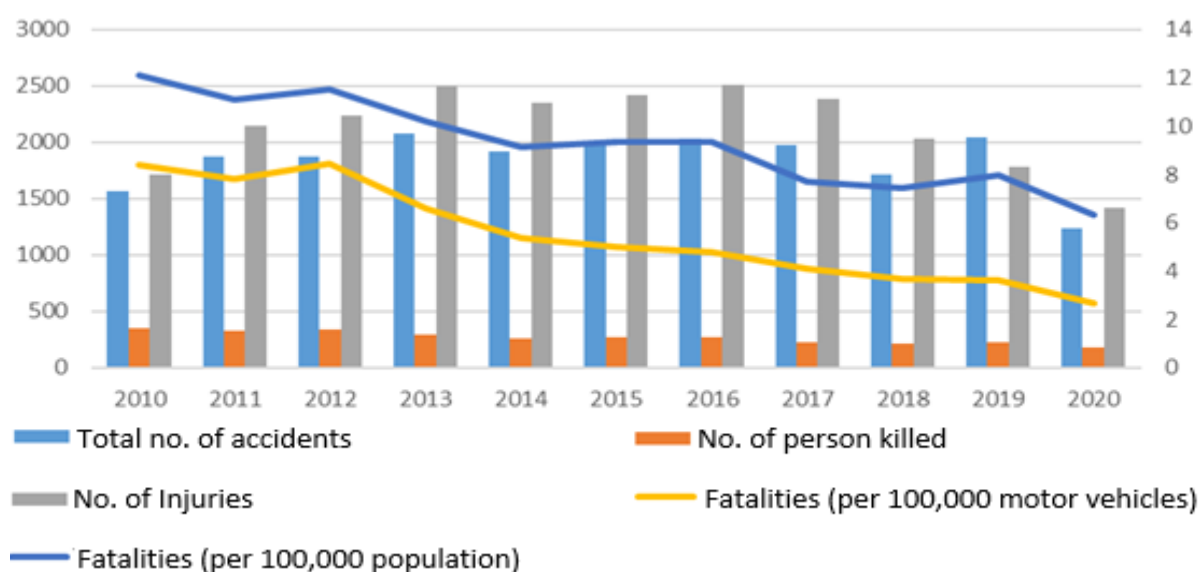
Investments in roads sector during this reporting period are mainly concentrated on the Albanian Core Network. Among the most priority projects of the Government of Albania is the **Adriatic – Ionian Corridor** for which the Feasibility Study financed by WBIF, started in November 2017 and lately, it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

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

Construction of Fier by-pass was 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 June 2020. The physical progress of the works of the project is approximately 98,7% and financial realization is 92% and the project implementation time is approx. 92%. 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 June 2021 (29.5 months).

Road Safety strategy 2011-2020 has been completed. Fatalities caused by road accidents have had a pronounced downward trend in recent years as provided in the table and graphic below. The analysis shows that in 2020, the number of victims has decreased compared to 2010, from 352 to 181 in 2020, expressed in percentage a decrease of 48.5% and compared to last year -20.2%.

ACCIDENTS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	1,564	1,876	1,870	2,075	1,914	1,992	2,033	1,978	1,718	1,498	1,234
Fatalities	352	322	334	295	264	270	269	222	213	227	181
Injured	1,716	2,150	2,235	2,503	2,353	2,422	2,510	2,389	2,030	1,817	1,417
Fatalities per 10,000 vehicles	8.38	7.84	8.46	6.61	5.38	5	4.78	4.1	3.68	3.62	2.67
Fatalities per 100,000 inhabitants	12.1	11.09	11.52	10.18	9.15	9.38	9.35	7.73	7.44	7.97	6.35



The IPA 2013 Project “On improvement of standards of road safety”, a TA project on vehicle inspections and identification of black spots was completed in 2019. 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 in May 2020 by the Minister of Infrastructure and Energy and Minister of Internal.

The amendments in the Road Code of the Republic of Albania has been prepared in cooperation with the Ministry of Interior and approved by the Albanian Parliament. These amendments are fully based on Article 5 of the European Directive 2014/45 / EC of the European Parliament and of the Council 3 April 2014 "On the periodic technical control of road vehicles and their trailers" and Article 5 of the Implementing Regulation of the European Commission 2019/621 of 17 April 2019. The other provisions of the Directive and the Implementing Regulation will continue to comply with bylaws, provided for approval in the National Program for European Integration 2020-2022.

With the Decision No 1 dated 14.10.2020 of the National Council for the Territory is approved the **“National Sectorial Plan for Maritime Transport and Port Infrastructure”**. The aim of this plan is the sectorial and territorial analysis of maritime transport, the vision and strategic objectives of the development of this sector.

The project implementation unit (PIU) for the establishment of the **VTMIS in Albania** under the Loan Agreement between the Republic of Albania and IBRD for the Project on Facilitation of Trade and Transport in Western Balkan ratified with the Law No 62/2019 of 19.09.2019, was established in 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 Kjafovan). The PIU was established on 16th of January, 2020 and this was the day of the WB loan effectiveness. This unit, subordinate to the Ministry of Finance and Economy, has completed the procedure for selecting an international consultant who will carry out a physical and technical assessment of the Qafë Thane Custom condition and will draft the ToRs for the Detail Design and Supervision.

There are some additional components that are requested by the Albanian Customs Administration, which will be included in the Customs component of the project such as:

- a dedicated line for trucks; and
- a Terminal for Passenger Buses.

These comments/requests are included by PIU in ToRs for this component.

On 22nd of January 2020, a meeting was held with the Macedonian side at the Qafë-Thane border crossing point, aiming to discuss the draft government agreement for conducting **joint border controls at the Qafë-Thane border crossing point**. The draft of this agreement was approved by the inter-institutional working group, set up by Prime Minister's Order no. 145, dated 25.10.2019, reflecting the relevant suggestions of the members of the working group. This draft agreement is under approval in principle procedure.

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);

Regarding the **BCPs with Montenegro**, together with the Montenegrin partners, the MIE organized the 2nd *online* meeting, which was held on the 10th of July 2020. During this meeting, it was discussed in general the situation in two road BCP (Including even the rail Joint Station of Tuzi). MIE representatives expressed their willingness to support every new initiative of the Montenegrin side to apply for the improvement for the existing infrastructure in these BCPs. Discussions are still ongoing.

The project for the **Rehabilitation of railway Durrës – Tirana and construction of the new railway branch to Mother Teresa (Rinas) International Airport** (total cost is 90.45 million euro), the procurement procedures were completed, and contract has been awarded to the Italian Company INC S.P.A. The project is foreseen to be completed in September 2023.

The rehabilitation of **Durrësi – Pogradeci – Lini railway** and the construction of a new railway link Lini – border to Republic of North Macedonia (part of rail Corridor VIII): The feasibility study for this project was finished in January 2018 and the preliminary design of the Durrësi – Rrogozhina 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 Durrësi – Rrogozhina and Rrogozhina – Pogradeci.

The project **Detailed Design of Durrës – Rrogozhinë Railway** segment started officially in February 2020 through IPF8 – COWI Consortium funded by WBIF for a total of 1.7 million euro and it is foreseen to be completed within July 2021.

For the Preparation of the Preliminary Design and ESIA for section **Rrogozhina to Pogradeci**, a grant of 1.75 million euro was accorded by the European Investment Bank (EIB) in August 2019. 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.

The railway project for **the reconstruction of Vora – Hani i Hotit** is part of Flagship 3 of the Economic and Investment Plan for the Western Balkans COM(2020)64. The preparation of the detailed design for rehabilitation is financed by WBIF through a 4.5 million euro grant approved in December 2016. It started in December 2018 but it has been delayed due to covid-19 and is foreseen to be accomplished within June 2021.

In parallel with the developments in rail infrastructure, the **legal package deriving from the new Railway Code** has been prepared and is submitted for approval to the parliament.

The work has continued to make operational the **Kukes International Airport** in accordance with 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 Opening Ceremony was held on April 18th, 2021.

Following the reopening of the procedure in November 2020 for granting into concession the construction of **Vlora International Airport**, the winner of the concession company for the design, construction, operation, maintenance and transfer of Vlora International Airport (VIA) has been announced and the contract was signed on the 20th of March 2021.

During 2021, the TIA concession contract was amended (law no. 16/2021 “On the ratification of the amendment of the concession agreement between the Council of Ministers of the Republic of Albania and the concession company Tirana International Airport” shpk, “On the construction, operation and maintenance of the international airport 'Mother Teresa', Tirana”) aiming at the development and modernization of the airport, replacing the airport category, from Code 4C to Code 4E, as well as the increase of service quality, reduce the airport passengers tariffs, increase the investments plan foreseen to the amount of 99 million EUR, etc.

The revised agreement brings changes in the term of the concession agreement, replacing the term of 22 years with that of 35 years.

In addition, the **new Air Code** of the Republic of Albania was approved with the Law no. 96/2020 on 23.07.2020.

The earthquake of November 26, 2019 in Albania with its severe consequences and the Covid Pandemic 19 have tested the Albanian economy to a very high degree, but thanks to the very good management of the situation by the Albanian Government and the collection of a large amount of aid and Development funds at the donors' conference for the reconstruction of the country from the consequences of the earthquake, as well as aid for overcoming the Covid Pandemic 19, made GDP growth for 2020 to be only 3.5% and for 2021, by international financial institutions, to forecast an economic growth of about 5%.

Flight traffic and passenger traffic in TIA has steadily increased until 2019, but in 2020, passenger traffic has decreased significantly due to the COVID-19 pandemic situation.

Due to **the Covid-19 pandemic**, the Albanian Government approved the Decision of Council of Ministers No 269 of 1.04.2020 "On the approval of the joint proposal prepared by the Permanent Secretariat of the Transport Community and the CEFTA Secretariat to facilitate the transport and trade of essential goods within the Western Balkans". The Decision of Council of Ministers entered immediately in force and it was published in the Official Gazette No 59 of 1.04.2020. According to it, all the green corridors are opened for freight traffic in Albanian territory and there are no restrictions for all HGV irrespective of the destination heading to. Albania has adopted only AETR rules and the respective rules of EU concerning the break and rest time for drivers working in the international road transport of freight. Albania has not introduced new rules/changes in the documentation for international transport. All the procedures for essential goods are in place. In these BCPs, the customs operations are non-stop (24/7). The ministries, institutions and agencies included in this process have prepared an Action Plan with concrete measures and a Reporting Model for monitoring the implementation of the above-mentioned Decision of Council of Ministers.

The Coordination Body was setup in early April 2020, with representatives from the Ministry of Finance and Economy and the General Directorate of Customs aiming the inter-institutional cooperation/coordination during the Covid-19 pandemic and communication with CEFTA and TCT Secretariats. This structure reports on daily basis to the Permanent Secretariat of the Transport Community on border procedures at the Kakavija, Durrësi, Morina, Qafë Thana and Hani i Hotit Border Crossing Points, and on weekly basis to the Office of Prime Minister, on the implementation of the abovementioned Action Plan.

In addition to that, the Minister of Infrastructure and Energy issued the Order no. 169, dated 5.6.2020, for the implementation of operation protocols in air, road and sea transport, in the frame of preventing and controlling the Covid-19 pandemic, amended lately by the order of the Minister of MIE no. 218, dated 4.06.2021.

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. - *completed*

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 (SSC), 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 (GTT) and its secretariat held several meetings during which the preparation of monitoring report of the strategy was discussed.

The abovementioned groups monitored and prepared the first monitoring report of this strategy, which was presented and approved in June 2018 as well the second monitoring report in June 2019. The third

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

During 2020, the Technical Secretariats of SSC and GT Transport have coordinated the activities of the groups. The GT Transport has organized 2 SSC meetings in the role of IPA Sector Monitoring Committee. The first was held in April 2020 through written procedure and the second meeting of the KDS of Transport took place in October 2020 through written procedure 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 2020, which status is provided in Annex 1.

Based on the Financing Agreement for IPA 2016 Action Programme for Albania, "Sector Reform Contract for Transport Sector with focus on road", the Ministry of Infrastructure and Energy (MIE) submitted on June 2020 the request for disbursement of the second variable tranche for the year 2019 through the Ministry of Finance and Economy/MFE, for 3,750,000 EUR out of 5,000,000 EUR following the achievement of 6 out of 8 indicators for 2019. The good progress of the reform and

the eligibility criteria for disbursement are reflected in the positive development in the transport sector. Following the request of MFE for the reimbursement of the second variable tranche of the SRC, the EUD granted 3,437,500 euro and disbursed to the national budget in December 2020.

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; *completed*

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; *completed*

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

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*

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 2020 are as follows:

- Guideline of Minister of Infrastructure and Energy no. 8 of 31.12.2020 “On the criteria, rules and procedures for the documentation for the issuance of licenses, authorizations and certificates for the operation of international transport of goods 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 1072/2009 and Commission Directive (EU) No 361/2006/1/CE;
- Order no. 185, of 18.06.2020 "On the implementation of the Strategy for the application of Intelligent Systems in road transport".

The Ministry of Infrastructure and Energy is closely working with TCT Secretariat on further approximation of legislation based on the Annex of the TCT.

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 (Order nr. 185 of 18.06.2020)*

Task **2020**: Undertake a two day capacity building programme on PPPs - *completed*

The contract “EuropeAid/ 138806/DH/SER/AL, "Capacity Building for Public Private Partnership (PPP) Management Skills Development in the Albanian Transport sector” funded under complementary support of the IPA 2016 Sector Reform Contract, started the implementation on 19 November 2018 and was completed on April 2020. The objective was to improve the capacities of the Ministry of Infrastructure and Energy and of the Albanian Roads Authority (ARA) on developing skills and legislative framework concerning Private Public Partnership financing methods in the road transport infrastructure construction, operation and maintenance.

A group of about 30 experts were established with the participation of institutions involved in PPP contracts: MEI; Albanian Road Authority; Ministry of Finance and Economy; Concession Treatment Agency; Public Procurement Agency. Following the terms of contract, this group of experts had received: in-class training modules; 2 study visits and on the job training.

Priority Action Road 3 *Complete ongoing construction projects and implement 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 2020, remain 30 transport infrastructure projects, mainly part of Core and Comprehensive Network were prioritized and included in the priority list. A new priority list of SSPP will be finalized during 2021.

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 – Elbasani** road (Segment 1), it is required the postponement of the completion deadline, extra financing and deferment of the loan. The physical realization is 100%.
- Construction of **Plepa-Kavaje-Rrogozhina by-pass** (2016-2017)- *Completed, May 2018*
- **Tirana Ring** (2016 – 2018) (South – West side section), *in progress*
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 (total cost 40.7 million Euro) physical realization 76 %. For Lot 2 (total cost 33.8 million euros) physical realization 80%.
Lot 2 is foreseen to be completed in September 2021 and Lot 3, too.
- **Reconstruction of Elbasan-Banje 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 approx. 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. *Completed, 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 98,7% and financial realization is 92% and the project implementation time is approx. 92%. 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 June 2021 (29.5 months).

The main axes are finished, yet secondary roads from by-pass towards Apollonia are in progress as part of the contract.

Some expropriation problems are not solved yet, even after the confirmation from the Property Registration Office of Fieri and the Decision of Council of Ministers on expropriation there are areas with problems.

- **Construction of Qukes - Qaf Plloce road.** (2016 – 2019). *In progress*

In Qukësi – Qafë Pllaçë road segment Lot 1 (km 02+900 – km 18+000). Cumulative Works Done (%) of 91%. Works in process according to the schedule of VO2 works, determined by the Supervision, where it specifies the completion of works until 23/09/2021 (of VO2 according to the available budget).

Lot 2 (km 18+000 – km 33+800). Cumulative Works Done (%) of 92%. ARA on 22.02.2021 and then on 10.03.2021 has submitted to the Islamic Development Bank (IsDB) the application for project changes according to VO4, but in the conditions when VO4 consists of additional funds of 10 billion USD, the Bank has verbally expressed its position that it cannot proceed. We are waiting for the official statement of IsDB regarding VO4.

In the conditions when VO4 is not being processed by IsDB, the Contractor, on 09.02.2021 has announced the suspension of works with the argument that there are no works other than those provided in VO4.

The Supervisor has instructed the Contractor with official letters, to lift the suspension and complete the remaining works from VO3, which are not affected by VO4.

Even PMU with official letters has invited the contractor to carry out the works according to the instructions of the Supervisor.

Under the terms of the financing plan, according to the Loan Agreement (Financial Plan of the Financing Agreement), the disbursements of the works contracts are in the amount of 80% and half of the remaining undisbursed part is Retention Money, 10% of the approved value of the contracts.

MEI / ARA has started the process of postponing the last disbursement date until March 31, 2023.

Additional costs required for the full implementation of the project:

For civil works segment 1: 20.5 mln USD

For civil works segment 2: 24.6 mln USD

Consulting services: approximately USD 1.5 million

Contingency Fund: 5.1 million USD

About 5 million USD are estimated for the completion of the works of segment 0.

- **Reconstruction of Qafe 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 realization of approximately 71,5% and financial realization is 51.7%. The project was re-tendered for the remaining part of the works. The new contract was signed in October 2018 and was expected to be completed in February 2021. The Engineer is evaluating the request of the Contractor for time extension which might be early September. There were some problems with expropriations and design reviews in some sections of the project despite a huge improvement of the situation. The expropriations

are mostly resolved and the Contractor is mostly free to work everywhere. New landslide has been occurred and are under evaluation from the Contractor and the Engineer.

- **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 Korça- Erseka- Leskovik** (2017 – 2019). *In progress*

On 2016, for road section Korce - Erseke, 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 Korce Erseke is finished.

Total cost of Lot 2 is 22.8 million Euro, it started implementing in October 2020 and it is foreseen to be finished in October 2022. Physical realization for this lot is approx. 43.5 %.

- **Construction of Shkodra by-pass** (2018 – 2020). *In progress.*

The works for Lot 1 have started but are slow because of expropriation process. For Lot 1 civil works are 75 % (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), civil works are on 53% of progress.

Lot 1 – 4.8 KM, is foreseen to be finished in June 2021. Lot 2 with a length of 1.8 KM, foreseen to be finished by the end of 2021.

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: *in progress*

- **Reconstruction of the Vlora River Road** (2016 – 2020). *In progress*

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 on the 13th of May 2019. Works continue normally.

Lot III_Ura e Laskos – Kuç dhe Ura e Laskos – Qafa e Mbretës the tender winner is announced and contract was signed on 8th of May 2020 and works have started on the 8th of May 2020.

- **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 Fushe Kruja - Thumana (doubling) road**, 2017 – 2020, *not started yet. Part of Adriatic Ionian Corridor.*

- **Construction of the Thumana – Kashar / Vora road-** (2017 – 2020) - *not started Part of Adriatic Ionian Corridor*

Upgrade of Thumana – Kashari, 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, to be proceeded in the next period 2021-2025*

- **Construction of Tepelena By-pass (2017 – 2020).** *Completed.*

Construction of Tepelena Bypass, 2,3 km. Technical status: The works started in July 2018, financed by the Albanian state budget and the contract duration is 22 months. In November 2020, the works were completed. The total of contract amount is 23 mln Euro.

- Construction of **Lezha by-pass (2018 – 2020)** *not started, part of AIC*
- Completion of **bridge and tunnel Morine – Kukes.** (2018 – 2020), *completed.* For the bridges are completed 2 contract for 7 bridges with the total value of 16 Mln euro
- Construction of **Milot – Rreshen (doubling)** road (2018 – 2020). *Not started yet, to be proceeded in the next strategy.*

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*

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

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. It is under approval procedures.

- **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 72% of civil works is completed. 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. DD, tender documents and ESIA are expected to be completed by the end of July 2021, in delay due to pandemic. We have received 20% investments grant for civil works and supplies and applied for another 20% in January 2021. GAF of 40% is assessed positively and on April 7th 2021, was sent the final version with comments of screening conclusions reflected in it. In June 2021, it is expected the final approval. The road is to be completed in 2025.
- **Feasibility Study, Detailed Design** and Environment Impact Assessment of **Gjirokastra By-pass** are completed (8.7 km, estimated cost is 18million euro)

Task for the period 2016 – 2020: Prepare an annual report monitoring the increase of AADT in road sections with a high potential for tolling identified by the Albanian Road Tolling Strategy. In progress

The “Albanian Road Tolling Strategy (ARTS)” funded by EBRD is completed in 2017. In the framework of the twinning project “Strengthening the capacities of the Albanian Road Authority”, funded by EU Delegation, ARA is preparing the data for the AADT for the entire national road network. Part of this network is also the segment Milot – Morine, granted into concession. In the tunnel of Thirra (part of this road segment), a stationary point for the traffic measurement has been installed in the framework of the project “Implementation of the Traffic Management System”. The data gathered from this point will be also included in the report.

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*

Maintenance Plans

ARA is the beneficiary of a loan from the World Bank (Loan Number 8489-AL signed on April 10, 2015) which is used to fund close to 50% of the cost of the Results-based Road Maintenance and Safety Project (RRMSP), with the Albanian State Budget funding the remaining part. Since early 2017, ARA has managed and maintained close to 1,333 km of Albania's main roads through four-multiyear Output- and Performance-based Road Contracts (OPRCs). The WB Project “**Results-based Road Maintenance and Safety Project**” entered in its fourth 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. These contracts have allowed ARA to carry out not only the maintenance of those roads (including winter maintenance) but also a large volume of much-needed Rehabilitation and Emergency works.

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 (69 CHOs in all four contracts) and an 13.1% 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 2020 is about Euro 56.9 million. The project Closing Date as it stands is December 31, 2022.

During 2020, the ARA budget, for routine maintenance and rehabilitation works was executed in a value of 7.63 million Euros, for approximately 2,200 km of roads.

Road Safety Inspections and Road Safety Audits

The Government of Albania declared the Covid-19 pandemic crisis as a National Disaster throughout the year 2020. This has severely affected the planned Road Safety Inspection as well as Road Safety Audits to take place as scheduled during the subject year. As the result of the restriction imposed, none the scheduled inspections were carried out by the RSI along the national roads during the year 2020.

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 2019 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. Also the report covers the question of arrears.

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 Organization. The duration of the project is 24 months, until 18.12.2021. 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 2020 shows that, the number of victims dropped compared to 2010, from 352 to 181 in 2020, expressed in percentage a decrease of 48.5% and compared to last year - 20.2% and -32,7% compared to 2016.

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 2020, focusing on:

- Improvement and updating horizontal and vertical signs as well as improving road safety on the axes of the northern region totaling about 155.8 km;
 - o Leskovik – Sarandopor (Length 13.5 km) –
 - o Ersek Leskovik (Length 43.6 km)
 - o Leskovik – Palac (Length 12.2 km)
 - o Levan – Vlore (Length 25.2) –
 - o Jeta e Re – Kosove (Length 6.2km)
 - o Koder Pojan – Apolloni (Length 3.6km) –
 - o Berat – Corovod (Length 49.3)
 - o Patos – Ballsh (Length 2.2 km)
- Improvement and updating horizontal and vertical signs as well as improving road safety on the axes of the southern region totaling 149.8 km;
 - o Lac – Patok
 - o Balldren Barbullush – Bushat –

- Koplik- Dedaj- Boge
- Dedaj – Ramez
- Kukes – Krume – Golaj – Qafe Prush
- Fierz – Bujan-Sopot – Qafe Morine
- Bujan – Bajram Curri
- Improvement and updating horizontal and vertical signs as well as improving road safety on the axes of the central region totaling 97.5 km;
 - Tirane – Q/ Molle (Length 18.7km)
 - Unaza Re – Q/Krrabe (Length 15.3 km) –
 - Q/Krabbe – Elbasan (Length 25.8) –
 - Vlore – Maminas – Shijak (length 13 km) –
 - Kavaje – Spille (Length 14.5 km) –
 - Z/herr – Boville (10.2 Km)
- Implementing the traffic management system and the installation of weight sensors per axle project completed and in exploitation;

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 2020. These projects are now considered completed i.e. the execution of works is completed.

During 2020, the road safety improvement project implemented 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: Shkodra – Kopliku – 13.5 km; Fushë Kruja – Lezha – 35.9 km has started. This project has determined critical points in these two segments, where geometric interventions, improvements of vertical and horizontal signalization as well as installation of metal side protectors will be made. Connecta has already prepared and submitted the up-mentioned projects to ARA. ARA, after reviewing the projects with road safety staff, has confirmed to CONNECTA the approval for the submitted projects. The total cost is 2,906,009 Euro.

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. The final version of the Terms of Reference (ToR) is now ready and has been transmitted to the World Bank for its review/clearance. The procurement process is accepted to commence upon obtaining the Banks no objection.

Traffic Police is the main entity dealing with data collection and can be supported by health services (especially emergency centres) 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.

Regarding a new accident system according to the European model CADAS, through the WB project the terms of reference have been prepared and the police as the body responsible for the establishment of this system has given its final comments for implementation and integration in Police IT systems. The program is ready for procurement.

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.

The project for amendments in the Road Code of the Republic of Albania has been prepared in cooperation with the Ministry of Interior and approved by the Albanian Parliament. The amendments are fully based on Article 5 of the European Directive 2014/45 / EC of the European Parliament and of the Council 3 April 2014 "On the periodic technical control of road vehicles and their trailers" and Article 5 of the Implementing Regulation of the European Commission 2019/621 of 17 April 2019. The other provisions of the Directive and the Implementing Regulation will continue to comply with other bylaws, provided for approval in the NPEI 2020-2022.

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. (completed)

Regarding the ITS deployment, within the context of the Results-based Road Maintenance and Safety Project (RRMSP) co-funded by the World Bank and the Government of Albania, ARA has signed a consultant contract with the firm Tecnic TML Infraplan JV under which Tecnic TML Infraplan JV is required to assist ARA with preparation of the detailed study for the establishment of the Road Traffic Monitoring Center for approximately 200 km of national road, with the possibility to be extended at another stage to about 1,500 km of the national network. contract between ARA and Tecnic TML Infraplan JV was signed on 20th of April 2021. The kick of meeting was held on 10 May 2021. The consultant has submitted the draft Inception Report which is currently under review.

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*

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*

The Twinning Project for Strengthening ARA is on good progress now, giving deliverables for 2 out of 3 of the components. The contract is foreseen to be completed by December 2021, and the main focus of the project, the Reform and capacity building of the Albanian Road Authority is on good track.

Priority Action Road 5 *Establish joint road BCPs following the principle of “single window” applied to the Muriqan – Sukobin BCP*

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*

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 ConnectTA” is being implemented.

Representatives of the Inter-Institutional Working Group between the Republic of Albania and Montenegro, organized an online meeting in July 2020, to further 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. The discussions are still ongoing on the possibility for establishment of a joint BCP Božaj/Hani Hotit, and the functioning of joint BCP Sukobin/Muriqani for freight operations.

Both Sides have agreed to examine all current bilateral Agreements for these Border Points as well as of the draft agreement proposed by CONNECTA assistance.

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 *completed*

The project of the improvement of BCP Hani Hotit (Malesi 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 harmonised axle load taxation in order to avoid discrimination (completed)*

Status of this priority action is reported in the previous monitoring reports.

Priority Action Road 8 Promote the establishment of road haulers' cooperatives and unions, and in addition taxation incentives for modernizing 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 (completed)

Status of this priority action is reported in the previous monitoring reports.

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 organizations. *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.

Task 2020: undertake a 3 day seminar to stimulate the involvement of Albanian organizations in transport related calls funded by the EC's R&D Framework programme horizon2020 – *not started*

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 favorable 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*

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"

After an intensive work during 2020, the four drafts laws deriving from the new Railway Code are recently finalized and approved by the government with their respective DoCM as follows:

- DoCM no 1011, dated 16.12.2020, "On the proposal for the draftlaw on the separation the Albanian Railway company";
- DoCM no. 1012, dated 16.12.2020, On the proposal for the draftlaw on the establishment of the Railway Regulatory Authority;
- DoCM no. 989, dated 09.12.2020, On the proposal for the draftlaw on the establishment of the Railway Safety Authority;
- DoCM no. 1050, dated 16.12.2020, On the proposal for the draftlaw on the establishment, organization and functioning of the Railway and Maritime Accidents and Incidents Investigation National Authority;

These legal acts have been submitted to the parliament and are being discussed in the parliamentary committees.

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*

The draft of Law on separation of the national HSH company on infrastructure and operations is revised and approved by the government with DoCM no 1011, dated 16.12.2020, “On the proposal for the draftlaw on the separation the Albanian Railway company”. The separation is foreseen to take place after the approval of the draft law within 2021.

The **Network statement 2020** was published in the official website of the Albanian Railway.

In addition, the **Network Statement 2021**, in Albanian language, was published in the official website of the Albanian Railway. Soon the Network statement will be available in English and Italian also. <https://hsh.com.al/wp-content/uploads/2021/02/Deklarata-e-Rrjetit-te-HSH-Viti-2021.pdf>

Priority Action Rail 3 Setting up the railway safety bodies (safety, 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*

Organization structure, Job profiles/functional description, Budget of the new bodies will be defined after the draft laws mentioned above 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: *completed*

This action is postponed 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, taking into consideration the new master plan of the Port of Durres.

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- *completed*

The IPA Adrion Agreement - ADRIPASS project prepared the FINAL PRE-INVESTMENT STUDY FOR THE “DURRËS PORT COMMUNITY INFORMATION SYSTEM”.

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.

Priority Action Rail 6 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

Task **2016-2020**: Planning & investment (pipeline projects from SSPP for Transport)- *in progress*

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 Durrësi – Tirana** and construction of the new railway branch to Mother Teresa (Rinas) International Airport (total cost is 90.45 million euro): the procurement procedures were completed, and contract has been awarded to the Italian Company INC S.P.A. The construction work is signed on 3rd of February, 2021 and the project is foreseen to be completed in September 2023.
- The railway project for the reconstruction of **Vora – Hani i Hotit** is part of Flagship 3 of the Economic and Investment Plan for the Western Balkans COM(2020)64. The preparation of the detailed design for rehabilitation is financed by WBIF through a 4.5 million euro grant

approved in December 2016. It started in December 2018 and is foreseen to be accomplished within June 2021. Delayed due to Covid- 19.

- Construction for a new railway **Pogradeci – Korça 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 2019 and was completed in March 2021. The investment cost it was estimated around 100 million euro for the construction of the new railway link from Pogradec to Kapshtica/Kristalopigi Albania/Greece border;
- The rehabilitation of **Durrësi – Pogradeci – Lini railway and the construction of a new railway link Lini – border to Republic of North Macedonia** (part of rail Corridor VIII): The feasibility study for this project was finished in January 2018 and the preliminary design of the Durrësi – Rrogozhina 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 Durrësi – Rrogozhina and Rrogozhina – Pogradeci;
 - The preparation of the detailed design of **Durrësi – Rrogozhina Railway** segment (including ESIA and TD), started officially in February 2020 through IPF8 – COWI Consortium (funded by WBIF for a total of 1.7 million euro) and it is foreseen to be completed within July 2021;
 - Corridor VIII Rail – Preparation of the Preliminary Design and ESIA for section **Rrogozhina to Pogradeci**: 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 finalized 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*

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.

The ANTP3 for 2019-2020 approved a basic scenario of railway maintenance as ConnectTA recommended.

Figures reported in the table 3 below.

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*

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. This 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 **2019 – 2020:** Conclude TA including approval of action plan. *In progress*

Task **2020 –** system and process in place for implementation, review and monitoring; *in progress*

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.

The deadline for finalization of the roadmap is in 2021. But due to Covid19 the expected deadline is postponed up to 2023.

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 organized 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 Recognized Organization (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 analyzing 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 May 2020 was 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.

Task 2020: new GMD status and structure operational. *Completed*

With Prime Minister’s order no 135, dated 29.10.2020, is approved the new organizational structure of the GMD. It was operational in January 2021.

The main benefit of this change was the enforcement of the Flag State Control Department, in order to increase inspection capacities and further improve the performance of the Albanian Flagged Fleet.

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

- 2017: Initiation of discussion/procedures for undertaking port reform in Vlora, Shengjin, and Saranda, - *completed*
- 2017: Start implementing port reform. – *completed*
- 2018: Full port reform undertaken.– *completed*

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

Task **2019:** VTMIS operational tests. *In progress*

Task **2020:** Further tests and operationalization - *not started yet*

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.

The project implementation unit (PIU) for the establishment of the VTMIS in Albania under the Loan Agreement between the Republic of Albania and IBRD for the Project on Facilitation of Trade and Transport in Western Balkan ratified with the Law No 62/2019 of 19.09.2019, was established in 2020, by the Albanian Ministry of Finance and Economy.

The consultant has prepared the feasibility Study for the technical specification for VTMIS, which was approved by PIU in April 2021.

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.

Priority Action Maritime 6: 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: 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. - *Completed in 2020*

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

The Ro-Ro birth in port of Saranda is rehabilitated and now is operable. The cruise quay is modernized and equipped with necessary facilities for loading and unloading of the tourists, like tents for protection from the sun/rain, rest rooms, washing rooms, etc.

In 2020, With the Decision No 1 dated 14.10.2020 of the National Council for the Territory is approved the “National Sectorial Plan for Maritime Transport and Port Infrastructure”.

The aim of this plan is the sectoral and territorial analysis of maritime transport, the vision and strategic objectives of the development of this sector.

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* are completed:

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.

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. The financial agreement with the Italian Cooperation has been terminated in 2020. Following the decision of the National Council of Territory this port is given into concession agreement for the construction of the touristic port, while the services will be transferred in the Port of Triport Vlore.

The expanding of Passenger Terminal in Port of Vlora has 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 2021. Following the decision of the National Council of Territory this port will be transformed into a touristic port, while the services will be transferred in the new port of Porto Romano Durres.

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)*

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.

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*

1. The law on some amendments on the law on VAT in Republic of Albania is approved by the Parliament in 2020. This law will attract more yacht owners to register ships in Republic of Albania.
2. Law no 43/2020 for "the Activities of the nautical tourism". This law will facilitate the operation of yachts in Albanian waters attracting more tourist coming with yachts in Albania;
3. Law no 127/2020 for "The Registration, Usage and the control of touristic and pleasure ships", this law will facilitate the registration of the touristic yachts in Albania and attract more people to pay taxes;
4. CMD no 845 dated 28.10.2020 for the approval of the detailed rules for the development of nautical touristic activities, implemented from the vessels for touristic and pleasure purposes"

Task 2020: Start implementing nautical tourism strategy and incentive programme. *Completed*

Priority Action 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*

In order to broaden the maritime labour market and increase the number of seafarers, it is established a working group for the completing of the legal framework on implementation of STCW (Standard, Training and Watchkeeping of Seafarers Convention). This WG is now drafting legislation on minimum standards for the training of seafarers.

Priority Action 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

Status of this priority action is provided in the Action Plan.

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: 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*

Task 2020: Review Tenders for design of airport in south: and select Design Consultancy. *Completed*

The “Feasibility Study of an airport in the south of the country” was finalized in March 2018, yielding Vlora as the most favorable location. After conducting this feasibility study of the airport in the south of the country, the latest developments related to the operation of Kukes Airport and the extension of the Tirana Airport concession agreement, it can be judged that the completion of an Airport Master Plan is exhausted.

The Ministry of Infrastructure and Energy has completed the competitive procedure for awarding a concession / public-private partnership for the design, construction, operation, maintenance and transfer of Vlora International Airport (VIA).

With the announcement of the winner of this procedure, respectively: the temporary merger of the companies "Mabco Constructions SA of Matebex Group", "YDA Insaat Sanayi Ve Ticaret Anonim Sirketi" and "2A Group" Sh.pk, the concession contract "Design, construction, operation, maintenance and transfer of Vlora International Airport (VIA)" was signed on the 20th of March 2021.

The contract defines the rights and obligations of the Contracting Authority and the Concessionaire in accordance with the legislation in force of the Republic of Albania.

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

Task 2019 - 2020:

1. Complete selection of Consultant for design of Southern Airport; *completed*
2. MoTI/ACAA to look for handing over of airport to potential operator (PPP or otherwise); *completed*
3. Design completed. Start bidding process for selection of contractor for airport infrastructure works; *completed*
4. Complete selection of Contractor for Southern airport. Start works for Southern airport (construction and infrastructure); *completed*

The work has continued to make operational the Kukes International Airport in accordance with 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 Opening Ceremony was held on April 18th , 2021.

The Ministry of Infrastructure and Energy has completed the competitive procedure for awarding a concession / public-private partnership for the design, construction, operation, maintenance and transfer of **Vlora International Airport** (VIA).

With the announcement of the winner of this procedure, respectively: the temporary merger of the companies "Mabco Constructions SA of Matebex Group", "YDA Insaat Sanayi Ve Ticaret Anonim Sirketi" and "2A Group" Sh.pk, the concession contract "Design, construction, operation, maintenance and transfer of Vlora International Airport (VIA)" was signed on the 20th of March 2021. The contract defines the rights and obligations of the Contracting Authority and the Concessionaire in accordance with the legislation in force of the Republic of Albania.

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 - completed

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.

- Albania has approved the Law “The Air Code of the Republic of Albania”, No. 96/2020, dated 23.07.2020, according to recommendations of the experts of the European Commission, in the framework of the Multilateral Agreement, in particular its updated Annex I.
- The Council of Minister has approved the DoCM No 1095, dated 24.12.2020, “On the approval the Essential Requirements in the field of Civil Aviation”, which fully approximates the Regulation (EU) 2018/1139.

In addition, the following acts are approved during 2020:

- The Decision of the Council of Minister No. 1115, dated 24.12.2020 “On the approval of the National Civil Aviation Security Program”;
- Order of Minister of Infrastructure and Energy no. 59, dated 31.01.2020 “On the approval of the regulation on laying down technical requirements and administrative procedures for air operations. transposing Commission Regulation (EU) No 965/2012;
- Order of Minister of Infrastructure and Energy No. 141 of 16.04.2020 “On the approval of the regulation laying down airspace usage requirements and operating procedures concerning performance-based navigation”, fully aligned with the Commission Implementing Regulation (EU) 2018/1048;
- Order of Minister of Infrastructure and Energy No. 167 dated 4.06.2020 “On the approval of the regulation for the continuing airworthiness of aircraft and aeronautical products, parts and appliances, and on the approval of organizations and personnel involved in these tasks transposing Commission Regulation (EU) No 1321/2014.

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. *completed*

ACAA, considering very important the fact that the security tariff should be used fully and efficiently within the purposes for which it is collected (investments in tools / equipment and people, closely related to the increase of aviation safety standards), has monitored throughout 2020 use of this fee by the concessionaire TIA.LTd. Obtaining detailed information, based on the division of financial accounts and the analysis of items (income and expenses) conducted during 2020, has served this purpose.

As the security fee is collected by TIA on a flight basis for the flight, provided in the Concession Agreement signed between the Government of Albania and TIA LTd, the supervision for its use at the destination exercised by the CAA, has increased the liability for the use of revenues collected from the security fee, within and only the specified destination.

Regarding the review of tariffs, with the opening and start of flights at the new airport of Kukës, it is estimated that among other things it will serve to expand the competitive base in the field of aviation for Albania, thus ensuring one more opportunity to review the tariff system. ACAA is preparing an analytical plan on how to work on their review.

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. *“completed”*

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.

The ICAO audit planned for 2020 due to the conditions caused by Covid 19 has not been carried out, and is expected to be carried out during 2021.

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,

Task 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. *completed*

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.

Covid 19, made 2020 an extremely difficult and challenging year for the aviation industry worldwide. A considerable number of technical guidelines and manuals developed by EASA and ICAO were implemented by the countries to meet the difficulties. The ACAA has updated all changes in a timely manner based on material guidance and has implemented any specific exceptions regarding supervision, certification based on ICAO and EASA guidelines.

ACAA technical staff has continued to train online continuously and progressively throughout 2020. In specific cases, when deemed necessary, action was taken to obtain expertise from outside. Specifically, the CAA has a Memorandum of Understanding with ENAC-Italy, and in this context specific case-by-case expertise is provided, as needed.

Based on the Instruction of the Minister No. 2 dated 08.05.2020 "On some additions and amendments to the Instruction 3/2011 "On common rules in the field of civil aviation", as amended, came the Decision of the Executive Director of ACAA, No. 17 dated 14.05.2020 "On the approval of policies and procedures for granting exemptions", which aims to define the criteria and arguments for granting exemptions, using equality for all those who submit a request, guaranteeing the protection of interests public, as well as fulfilling the obligation of notification by ACAA to the Minister, the European Commission, EASA for the given exemption, its duration, and the reason for granting.

Task 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; *completed*

Even in a difficult situation caused by Covid-19 pandemic, a part of trainings and courses approved by the Executive Director for 2020, got pursued online by the proper staff. The priority, in following these trainings and courses, has been given specifically to the findings suggested by EASA in the last auditing process. Those trainings covered almost all the units of AAC, as operations, licensing, airworthiness, auditing, security etc and were initial, advanced and recurrent. At the end of the year, each Directory in close collaboration with Human Resources Unit prepared the Training Plan for 2021, based on the internal Procedures of ACAA on trainings/courses/workshops by taking into the consideration the assessment of skills/abilities/performance of the staff and further duties and objectives identified to get realized.

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. *"Completed"*

ACAA ensure that the critical elements for the safety oversight system are always maintained through approved Oversight Plans on 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. *In progress*

- 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 phase 1 of the One Stop Security application.
- NCASP has been approved "The Decision of the Council of Minister No. 1115, dated 24.12.2020 "On the approval of the National Civil Aviation Security Program" and NCASTP and NCAQCP has been drafted and is in the process of approval,
- The ECAC audit planned for 2020 due to the conditions caused by Covid 19 has not been carried out, and is expected to be carried out during 2021.

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.

During 2021, the TIA concession contract was amended (law no. 16/2021 Law no. 16/2021 "On the ratification of the amendment of the concession agreement between the Council of Ministers of the Republic of Albania and the concession company Tirana International Airport" shpk, "On the construction, commissioning, operation and maintenance of the international airport 'Mother Teresa', Tirana") aiming at the development and modernization of the airport, replacing the airport category, from Code 4C to Code 4E, as well as the increase of service quality, reduce the airport passengers tariffs, increase the investments plan foreseen to the amount of 99 million EUR, etc.

The revised agreement brings changes in the term of the concession agreement, replacing the term of 22 years with that of 35 years.

1.6 Intermodal and combined Transport

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

Task **2017 – 2020**: 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 a - *In progress* -

The Albanian Sustainable Transport Plan will be taken into consideration in the drafting of the new Transport sector Strategy 2021 – 2025.

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

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

2017 – 2018: Feasibility study for potential logistics centres in Elbasan and Milot. *Not started*

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 centers 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.

Construction of these logistic centers will follow under the new transport strategy.

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). 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 *in progress*

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. This project shall be transferred to the new location of the Durres port Authority in Romano port (APD2) for freight and a new rail link. The project included in the ANTP3 for the Intermodal project to the Energy Park and adjacent by rail.

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*

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.

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.

2. RESOURCE IMPLICATIONS

The total cost for the implementation of the Action Plan of the strategy 2016-2020 is **1001.06 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 91.5% 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	Total Expenditure
Roads	750.35	103.24	173.82	182.61	189.93	233.91	883.51
Railways	123.18	3.62	3.22	3.6	5.08	3.81	19.33
Maritime-Ports	74.33	7.34	0.99	1.26	1.14	1.07	11.80
Civil aviation	9.90	0.11	0.12	0.03	0.08	1.01	1.35
Intermodal-Combined Transport	43.30	0	0	0	0	0	0
Total investment 2016-2020	1,001.06	114.31	178.15	187.49	196.23	239.80	915.98

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
	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	10.36	223.55	883.58
Railway	2.95	0.67	3.11	0.11	3.24	0.36	3.36	1.72	3.34	0.47	19.33
Maritime	0.53	6.81	0.73	0.26	0.73	0.53	0.76	0.38	0.77	0.30	11.8
Air	0.96	0.02	0.11	0.01	0.01	0.02	0.08	0	0.73	0.28	1.35
Overall Total Budget	17.65	96.66	18.68	159.47	19.03	168.46	18.29	177.94	15.20	224.60	915.98
TOTAL	114.31		178.15		187.49		196.23		239.80		915.98

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

**Capital expenditure include domestic and foreign financing.

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 3. Comparison of 2019 and 2020 data is done with baseline 2014 data.

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

Table 3: Status of Indicators for 2018, 2019, 2020

	Indicator	Type of indicator	Baseline - 2014	Target – 2017		2018	2019	2020
				Target number	%	Real Numbers	Real number	Real 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	7,636,942 Euro (GoA) 11,004,155 Euro (WB Project RRMSP) 18,641,097 Euro (WB+GoA)
	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 1,330 km 4,198 Euro/km/year for 2699 km	8,273 Euro/km/year for 1330 km 2,829 Euro/km/year for 2699 km
	Number of km of the road network as a whole (km) national roads network in administration of ARA	Out put	13,848	16,964	22.50	3702 are in administration of ARA	3715(ARA)	3715
	Length (km) of roads (National roads network) yearly surveyed, including inventory and status of the relevant components							3000 km (1668 km inspected under ARA and 1332 km under RRMSP project)
	Number of registered road vehicles		490,899	480,485	-2.10	578,638	627,355	670,120
	Number of fatalities	Out come	264	203	-23.20	213	227	181
	Number of injured		2,353	1,994	-15.30	2078	1817	1,417
	Number of 'black spots'		240	208	-13.30	208 (191 on National Road Network)	163	153
	Average Roughness index (IRI) for road network as a whole		5.5	5.1	-7.27	This process has been delayed		5.5
	Share of tenders for design or works awarded		0%	50%	100.00	100% 95÷100%	100%	100%
	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%

	Indicator	Type of indicator	Baseline - 2014	Target – 2017		2018	2019	2020
				Target number	%	Real Number	Real number	Real number
RAIL	Budget allocated to routine maintenance -in total- (EUR)	Input	2,360,000	3,100,000	31.27	406,505	918,699	500,032
	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	2,417	1,316
	Goods rail transport volume (million ton-km)	Outcome	39.8	70.5	77.10	27.98	42.94	26.03
	Passenger rail transport volume (million passenger-km)		7.7	16.6	115.60	2.72	2.06	0.593
MARITIME	Number of ships/ferries/yachts/boats entering Albanian ports	Outcome	4,538	5,864	29.20	5,622 of which		676
						Number of ships/ferries: 2,005	2,031	
	Number of		4,439	5,642	27.10	5,630 of which		85

	ships/ferries/yachts/boats leaving Albanian ports							
						Number of ships/ferries: 1,817	435	
	Passenger ferry transport (number of passengers)		1,094,786	1,458,654	33.20	1,522,896	1,574,095	379,084
	Freight physical loading/unloading (000 ton)		806,013	1,218,614	51.20	3,889.52	4,455.04	4276.65
	Containers traffic – Port of Durres (TEU)		99,350	118,548	19.32	134,526	145,762	138,477
AIR TRANSPORT	International Passenger traffic (thousand passengers)	Outcome	1,810	2,185	20.7	2,947.17	3,338.15	1310.6
	International air cargo (ton)		1,844	2,246	21.80	1774.1	1,900.60	1512.3

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. Saranda Touristic Airport;
3. New Freight Port in Porto Romano, Durrës;
4. Touristic Port and Waterfront in Durrës;
5. Touristic Port in Limjon Saranda;
6. Adriatic-Ionian Road Corridor;
 - 3.1 *Murriqan – Lezhë;*
 - 3.2 *Motorway Milot – Lezhë (Balldren) PPP/Concessionary Contract;*
 - 3.3 *Motorway Milot – Thumanë – Kashar – Lekaj (Rrogozhine) – Fier, PPP/Concessionary Contract*
 - 3.4 *Gjirokastra Bypass;*
7. Tunnel of Llogara;
8. Motorway Orikum - Saint Elena Bridge
9. Rehabilitation of railway Durrësi – Tirana and construction of the new railway branch to Mother Teresa (Rinasi) International Airport.
10. Rehabilitation of the railway line Vorë – Hani Hotit.
11. Rehabilitation of the railway line Durrës – Rrogozhinë.
12. Rehabilitation of the railway line Rrogozhinë – Pogradec and the new line to Lin / Northern Macedonian Cross Border
13. New Railway line Pogradec – Korçë – Kapshtica / Ieropigi Greek Cross border
14. General Directorate of Road Transport Services (DPSHTRR) has invested in the digitalization of services, as one of the main points to increase the level of service by creating and improving some electronic systems as follows:
 - 14.1 *e-DPSHTRR;*
 - 14.2 *e-DM;*
 - 14.3 *e-Monitorimi;*
 - 14.4 *e-Transport.*

Some of the priorities that we 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 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, with order of the Minister of Infrastructure and Energy no. 136, dated 09.03.2021, a working group, including representatives from the MEI, Institute of Transport and other institutions, involved in Transport sector, has been established for its drafting.

The new Strategy of Transport will be an update of the existing one, taking into consideration the weakest and strongest points of the old one, new transport priorities according to the Connectivity Agenda, Green European Deal and Green Agenda of WB6, EU Sustainable & Smart Mobility Strategy, Economic and Investment Plan for Western Balkans as well as the new priority projects.

Annex 1: Progress on the SRC indicators for 2020

<p>Indicator – 1: Number of legislations approximated and adapted to EU</p> <p>Baseline: 13 legislations in road transport adopted and published (2014).</p> <p>Target 2020: 18 legislation published</p>
<p>Order of Minister of Infrastructure and Energy no. 196 of 09.07.2020 “On implementation of Regulation on the Union guidelines for the development of the trans-European transport network”. (OJ of the Republic of Albania no. 136 of 21.07.2020).</p> <p>This Order is partially aligned with the 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 and repealing Decision No 661/2010/EU, as amended by the Commission Delegated Regulation (EU) No 473/2014 of 17 January 2014 amending Regulation (EU) No 1315/2013 of the European Parliament and of the Council as regards supplementing Annex III thereto with new indicative maps, Commission Delegated Regulation (EU) 2016/758 of 4 February 2016 amending Regulation (EU) No 1315/2013 of the European Parliament and of the Council as regards adapting Annex III thereto, Commission Delegated Regulation (EU) 2017/849 of 7 December 2016 amending Regulation (EU) No 1315/2013 of the European Parliament and of the Council as regards the maps in Annex I and the list in Annex II to that Regulation, Commission Delegated Regulation (EU) 2019/254 of 9 November 2018 on the adaptation of Annex III to Regulation (EU) No 1315/2013 of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network}</p>
<p>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):</p> <p>Target 2020: assessment in Q2 and disbursement by Q3 2021 100% of the supervision contracts published in 2020 include quality and quantity control reporting requirements and time based payment conditions</p>
<p>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>In regards to the possible amendments to the procurement law, MIE has consulted with the Public Procurement Agency, requesting changes in the procurement legislation in order to provide payment for supervision works on the basis of hours worked (instead of fixed-term contracts). After discussion it was defined that the tariffs for the supervision service are not defined in public procurement legislation, but 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”.</p> <p>A change in the law may not be needed. An amendment to Council of Ministers decision DCM 354 of 11 May 2015 would be sufficient. No such amendment has yet been made but a special ad hoc working group, established in 2019, continues to work on the matter.</p>

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 2020 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-base.

Indicator – 3: ARA Internal Audit

Baseline: ARA Internal Audit is operational

Target for end - 2020: ARA Internal Audit submits its 2019 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 2019 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. Also the report covers the question of arrears.

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 for end - 2020: The 2020 data assessment for this indicator requires the eliminations of 13 black spots on the National Road Network and the number of blackspots to be reduced to 150 or fewer 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 FY2020							
End of year 2020							
No.	Location	Ref:	Road Section	Current Status			Notes
				Status	% Complete	Completion Date/Year	
1	Berat	BS - BR 02	Safety Improvements	(pranë fshatit Otlak)	Approved	100%	2020

2	4 Rrugët e Shijakut	BS – DR7	Safety Improvements	4 Rrugët e Shijakut	Approved	100%	2020	
3	Nikël	BS – DR9	Safety	Nikël	Approved	100%	2020	
4	Fier –Levan	BS – FR02	Safety Improvements	Fier –Levan	Approved	100%	2020	
5	Vlore – Fier	BS – FR06	Safety Improvements	Vlore – Fier	Approved	100%	2020	
6	Tepelenë	BS – GJ01	Safety Improvements	Tepelenë	Approved	100%	2020	
7	Leshnicë	BS – Korc01	Safety Improvements	Leshnicë	Approved	100%	2020	
8	Shkodër – Koplik	BS – SH01	Safety Improvements	Shkodër – Koplik	Approved	100%	2020	
9	Tirane	BS – TR01	Safety Improvements	Kryqëzimi i Bubq dhe Ura e Gjoles	Approved	100%	2020	
10	Kavaje	BS – TR09	Safety Improvements	mbikalimi i Spillesë	Approved	100%	2020	
	Total	10						

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

Indicator – 5: Length (Kilometres) of national roads covered by ITS systems in operation

Baseline: 0 km covered by ITS systems in operation.

Target for end - 2020: 200 km of the national network are covered by operational ITS

Several delays have continued in relation to the achievement of this indicator. The MoIE 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 have begun the procurement process for the selection of the consultant for the Design and Development Project for Road Traffic Monitoring and Control Center (the Project) which is financed by a World Bank loan. The contract was signed in the beginning of 2021. 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 - Durres 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.

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 for end - 2020: The 2020 data assessment for this indicator requires 600 km of national roads inspected and the Road Safety Inspections (RSI) report completed.

The Government of Albania declared the Covid-19 pandemic crisis as a National Disaster throughout the year 2020 have severely affected the planned inspection to take place as scheduled during the subject year. As the result of the restriction imposed, the inspection was not carried out by the RSI along the

national roads during 2020.

<p>Indicator – 7: Length (km) of the National roads network with status in good condition.</p> <p>Baseline: 1200 km of roads in good condition for the year 2015.</p> <p>Target for end - 2020: The 2020 data assessment for this indicator requires: 1420 km of national road network to be in good condition.</p>
<p>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 790 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 630 km.</p> <p><i>Source of verification:</i></p> <p>1-List of road segments classified "in good condition" by the World Bank Maintenance Project (RRMSP);</p> <p>2-List of road segments classified "in good condition" by the maintenance contracts supervisors.</p> <p><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></p>

<p>Indicator – 8: Length (km) of roads (National roads network) yearly surveyed, including inventory and status of the relevant components</p> <p>Baseline: 0 km of road network inspected for the year 2015.</p> <p>Target for end - 2020: The 2020 data assessment for this indicator requires 3000 km of national road network surveyed and included in inventory by the end of the year 2020.</p>
<p>1. Under the four OPRC contract co-financed between 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.</p> <p>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.</p> <p><i>The source for the verification of data is the monitoring consultant "IRD Engineering", which is also the monitoring company of four OPRC contracts.</i></p> <p>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</p>

inspected roads by ARA on the inventories and the status of the respective components, is 1668 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 – 2016: 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
	– 2016: 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
	– 2017 -2020: 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
	– 2017 – 2020: 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.	completed 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 – 2016-2020: 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
	– 2016-2020: 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
	– 2016-2020: 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

Strategic Priority 1	Create the adequate legal and governance conditions for an efficient transport system	
Goal 1.1	Expected Result	
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	
Priority Action ROAD 1	Specific tasks	
Implement the roadmap for transport legislation alignment defined by the EU-funded Technical Assistance EuropeAid/134513/C/SER/AL, based on PKIE 2016-2020	Operational, regulatory & licensing <ul style="list-style-type: none"> – 2016 – 2017: 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). 	Completed
	<ul style="list-style-type: none"> – 2018 – 2020: 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). <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 There is foreseen further approximation on road safety in PNIE 2021-2023.
Strategic Priority 1	Create the adequate legal and governance conditions for an efficient transport system	
Goal 1.2	Expected Result	
Ameliorate the existing governance structure	The operation of efficient public structures supporting the deployment of the transport strategy defined by the Government of Albania.	
Priority Action ROAD 2	Specific tasks	

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"> i) 2016 – 2020: Follow recommendations from the arrears clearance audit for ARA, the main ones being; 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; 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; 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; v) Allocations of engineers to project: ARA should implement a clear delegation of projects to each of its engineers; 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; 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; 	Completed
	– 2017 : 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
	– 2017 : 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
	– 2018 : 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
	– 2018 : 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
	– 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
	– 2020 : Undertake a 2-day capacity-building programme on “Public-Private Partnerships”.	completed
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	
Priority Action ROAD 3	Specific tasks	
Complete ongoing construction projects and implement a structured pipeline of road projects over the period 2016-2020, in line with the SSPP for transport	Planning & investment <ul style="list-style-type: none"> – 2016: 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. 	Completed
	<ul style="list-style-type: none"> – 2016 – 2020: Complete the ongoing construction projects according to the information provided by MoTI-ARA, namely: 	In progress
	<ol style="list-style-type: none"> 2016: Construction of Tirana-Elbasan road 	Completed
	<ol style="list-style-type: none"> 2016–2017: Construction of Plepa-Kavaje-Rrogozhina by-pass 	Completed
	<ol style="list-style-type: none"> 2016 – 2018: Construction of Tirana Ring (South-west Section 	In progress
	<ol style="list-style-type: none"> 2016 – 2018: Reconstruction of Elbasan-Banje segment 	Completed
	<ol style="list-style-type: none"> 2016 – 2019: Construction of Fieri by-pass 	Completed
	<ol style="list-style-type: none"> 2016 – 2019: Construction of Qukes-Qaf Plloce road 	In progress
	<ol style="list-style-type: none"> 2016 – 2019: Reconstruction of Qafe Thane-Lin-Pogradec segment 	Completed
	<ol style="list-style-type: none"> 2016 – 2019: Construction of Vlora by-pass 	In progress
	<ol style="list-style-type: none"> 2016 –2019: Reconstruction & Repairing/Paving (total others) 	completed
	<ol style="list-style-type: none"> 2017 – 2018: Construction of Tirana Ring (Northeast Section K.Sauk-Bregu Lumit) 	In progress
	<ol style="list-style-type: none"> 2017 – 2019: Reconstruction of the road Korça-Erseka-Ileskovik 	In progress
	<ol style="list-style-type: none"> 2018 – 2020: Construction of Shkodra by-pass 	In progress
	<ul style="list-style-type: none"> – 2016 – 2020: Implement the SSPP for transport (road mode) and other projects included in the TEN-T Core Network: 	In progress
	<ol style="list-style-type: none"> 2016 – 2020: Reconstruction of the Vlora River Road 	In progress
	<ol style="list-style-type: none"> 2017 – 2019: Construction of Skrapar-Permet road 	Completed
	<ol style="list-style-type: none"> 2017 – 2020: Construction of the segment Fushe Kruja - Thumana (doubling) road 	Not started
	<ol style="list-style-type: none"> 2017 – 2020: Construction of the Thumana – Kashar / Vora road 	Not started
	<ol style="list-style-type: none"> 2017 – 2020: Construction of Elbasan By-pass 	In progress
	<ol style="list-style-type: none"> 2017 – 2020: Construction of Tepelena By-pass 	Completed
	<ol style="list-style-type: none"> 2018 – 2020: Construction of Lezha by-pass 	Not started- included in the AIC
	<ol style="list-style-type: none"> 2018 – 2020: Completion of bridge and tunnel Morine-Kukes 	Completed
	<ol style="list-style-type: none"> 2018 – 2020: Construction of Milot-Rreshen (doubling) road 	Not started
	<ul style="list-style-type: none"> – 2016 – 2020: Do the preparation of the SSPP for transport projects (only Feasibility, Preliminary Design and Detailed Design Studies): 	Completed
	<ol style="list-style-type: none"> 2016 – 2019: Feasibility Study of the Adriatic-Ionian Highway 	
	<ol style="list-style-type: none"> 2018 – 2020: Detailed design for the construction of the Arbri Road section. 	

	– 2016 – 2020 : 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).	In progress
Strategic Priority 2	Complete and modernise Albania's primary and secondary road network	
Goal 2.2	Expected Result	
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	
Priority Action ROAD 4	Specific tasks	
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	Planning & investment <ul style="list-style-type: none"> – 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. The Plan will comprise two main pillars of action: <ul style="list-style-type: none"> 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. 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). 	In progress
	– 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.	completed
	– 2016 : 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 & Inspections practices, including adoption of guidelines and curriculum and delivery of trainings, and ii) a detailed roadmap for black spot elimination.	Completed
	– 2016 : Review the functional classification of the road network and reclassify roads in line with their functional requirements and the jurisdiction responsible for their preservation.	Completed
	– 2016 : 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.	Completed
	– 2017 : 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.	Completed
	– 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 Under ongoing RRMSP WB Project
	– 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

	<ul style="list-style-type: none"> – 2018: 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). 	In progress
	<ul style="list-style-type: none"> – 2018: 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. 	Not started
Strategic Priority 3	Strengthen the regional cooperation via road connections	
Goal 2.1	Expected Result	
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;
Priority Action ROAD 5	Specific tasks	
Establish joint road BCPs following the principle of “single window” applied to the Muriqan – Sukobin BCP	Operational, regulatory & licensing	
	<ul style="list-style-type: none"> – 2016: 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. 	Completed
	<ul style="list-style-type: none"> – 2016: 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. 	Completed
	<ul style="list-style-type: none"> – 2017: 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. 	Completed

	<ul style="list-style-type: none"> – 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: <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) - Gusninja (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) Sopik (Dropull, AL) - Drymades (Pogoni, pedestrian only, Greece), (iv) Kakvija (AL) - Ktismata (Pogoni, Greece) – The main BCP, (v) Rips (Finik, AL) - Sagiada (Filiates, Greece). 	In progress
Strategic Priority 3	Strengthen the regional cooperation via road connections	
Goal 3.1	Expected Result	
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;
Priority Action ROAD 6	Specific tasks	
Build dedicated parking infrastructure in BCPs in order to speed up border crossing procedures for trucks and buses	Planning & investment <ul style="list-style-type: none"> – 2017: 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. 	In progress
	<ul style="list-style-type: none"> – 2017: 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) 	Completed
	<ul style="list-style-type: none"> – 2018-2020: Build the parking space infrastructure. 	Completed
Strategic Priority 3	Strengthen the regional cooperation via road connections	
Goal 3.2	Expected Result	
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
Priority Action ROAD 7	Specific tasks	

	– 2020: 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).	Not started

RAIL TRANSPORT

Strategic Priority 1	Reform the rail sector to set up an open market for public and private investors	
Goal 1.1	Expected Result	
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	
Priority Action RAIL 1	Specific tasks	
Adoption and effective implementation of the new railway code in line with the respective EU Directives, especially EU Directive 2012/34/EU RECAST.	Operational, regulatory & licensing – 2016: Effective implementation of the new Railway Code.	Completed
	– 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
Strategic Priority 1	Reform the rail sector to set up an open market for public and private investors.	
Goal 1.1	Expected Result	
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	
Priority Action RAIL 2	Specific tasks	
Separation of HSH into: infrastructure manager, freight and passenger operator operator of rail services	Institutional & organizational – 2016 - 2018: Total separation of the different entities: o 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. o 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). o Definition of tasks o 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

	<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"> ○ Contracts between government entities (central government, provinces, municipalities) and service providers of public service obligations (PSO). ○ Publication of the first network statement by the infrastructure manager. ○ Training of staff on the new challenges of restructuring the HSH to accomplish the above-mentioned specific tasks. 	
Strategic Priority 1	Reform the rail sector to set up an open market for public and private investors	
Goal 1.1	Expected Result	
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>	
Priority Action RAIL 3	Specific tasks	
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	<p>Institutional & organizational</p> <p>2017 – 2018: 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"> ○ Organization structure ○ Job profiles/functional description ○ Budget ○ 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) 	In progress
Strategic Priority 1	Reform the rail sector to set up an open market for public and private investors	
Goal 1.2	Expected Result	
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>	
Priority Action RAIL 4	Specific tasks	
Clarify situation at the ports concerning port and railway law (clarify tasks and requirements of concessionaires, rail infrastructure manager and port authority)	<p>Institutional & organizational</p> <p>– 2016 - 2018: 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"> ○ Clarify/solve the legal and institutional issues with respect to rail operations, in light of the forthcoming updating of the Albanian Railway Law. ○ 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 	completed

	<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"> 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) 	
	<p>- Planning & investment</p> <ul style="list-style-type: none"> 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. 	completed
Strategic Priority 2	Positioning of Albania within the European railway market as a player in South-East Europe transport corridors and Rail Freight Corridors RFCs	
Goal 2.1	Expected Result	
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>	
Priority Action RAIL 5	Specific tasks	
Integrate SEETO Flagship Axes into the Rail Network Europe (RNE) corridor system and implement respective RNE procedures and RFCs	<p>Institutional & organizational</p> <ul style="list-style-type: none"> 2016-2017: Join RNE and join RNE international Working Groups. 	Not started
	<ul style="list-style-type: none"> 2016 – 2017: 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). 	Completed
	<ul style="list-style-type: none"> 2016 – 2020: Integrate SEETO Flagship Axes into the RNE corridor. 	In progress
	<ul style="list-style-type: none"> 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 – SeaPorts – Italy. 	In progress
Strategic Priority 2	Positioning of Albania within the European railway market as a player in South-East Europe transport corridors and Rail Freight Corridors RFCs	
Goal 2.1	Expected Result	
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>	
Priority Action RAIL 6	Specific tasks	
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	<p>Institutional & organizational</p> <ul style="list-style-type: none"> 2016: 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. 	Completed
	<p>Planning & investment (approved by SEETO and the EU)</p> <ul style="list-style-type: none"> 2016-2020 	
	<ol style="list-style-type: none"> 2016: Establish the respective border crossing facilities for the Albanian border authorities (office, parking and other facilities) at the joint border station Tuzi. 	Completed

	<p>2. 2017: 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 & investment (pipeline projects from SSPP for Transport)</p> <p>3. 2016 - 2018: 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. 2017: Feasibility study for the Construction for the new railway Pogradec – Korça – border to Greece.</p>	In progress
	<p>5. 2017-2018: 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. 2017-2020: 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
Strategic Priority 2	Positioning of Albania within the European railway market as a player in South-East Europe transport corridors and Rail Freight Corridors RFCs	
Goal 2.1	Expected Result	
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>	
Priority Action RAIL 7	Specific tasks	
Ensure a high level of maintenance with a preventive maintenance system on core and comprehensive rail networks	<p>Planning & investment</p> <p>– 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:</p> <p><u>Core network:</u></p> <ul style="list-style-type: none"> ▪ Tirana – Durres: 37 km ▪ Vora – Hani Hotit: 119 km <p><u>Comprehensive network:</u></p> <ul style="list-style-type: none"> ▪ Durres – Lin – Pogradec: 152 km ▪ Rrogozhina – Fier: 84 km <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"> ▪ Introduction of a preventive maintenance system (2017) in the organization of the Infrastructure Manager (IM) – see Priority Action RAIL 2 –; ▪ 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 ▪ Implementation of the rail maintenance, for permanent way (including bridges and tunnels), fixed installations (including stations, yards and signaling and communication system). 	In progress

MARITIME TRANSPORT

Strategic Priority 1	Efficient and responsive maritime and port systems	Implementation status
Goal 1.1	Expected Result	
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	
Priority Action MARITIME 1	Specific tasks	
Ratify and endorse IMO regulations and EC rules on maritime safety, security, environmental protection, and coastal management.	Operational, regulatory & licensing – 2017 : Ratify missing major annexes of MARPOL and SOLAS.	In progress
	– 2017 : Initiate discussions on steps to ratify recent amendments to MARPOL and SOLAS, including GHG amendments (MARPOL) and Container Weight Verification Requirement (SOLAS).	In progress
	– 2017 : Initiate discussions on steps to ratify ICZM, IMO EU MRV regulation, and other related rules.	In progress
	– 2017 – 2018 : Ratify the above.	In progress
	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
Strategic Priority 1	Efficient and responsive maritime and port systems	
Goal 1.1	Expected Result	
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	
Priority Action MARITIME 2	Specific tasks	
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)	Operational, regulatory & licensing – 2016 : Continue work on existing TAs with a view to identify main regulatory gaps and recommendations.	Completed
	– 2018 : Initiate a new TA tasked with developing a roadmap and action plan, and monitoring progress and achievement.	Completed
	– 2018 – 2019 : Start and implement new TA.	Completed
	– 2019 – 2020 : Conclude TA including approval of action plan.	In progress
	– 2020 : System and process in place for implementation, review and monitoring.	In progress
Strategic Priority 1	Efficient and responsive maritime and port systems	
Goal 1.2	Expected Result	
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	
Priority Action MARITIME 3	Specific tasks	
Strengthen the GMD institutional, governance, financial and human capacity	Institutional & organisational – 2017 : Initiation of TA on developing institutional / regulatory structure and capacity of GMD towards establishing self- sustained.	Completed
	– 2017 : TA implementation and support.	Completed
	– 2018 : TA outcomes and results approved and endorsed by the GoA.	Completed
	– 2019 : Implementation of institutional and regulatory reform of GMD, including possible changes in legal and financial status of GMD.	Completed
	– 2020 : New GMD status and structure fully operational.	Completed
Strategic Priority 1	Efficient and responsive maritime and port systems	
Goal 1.2	Expected Result	

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.	
Priority Action MARITIME 4	Specific tasks	
Reform the institutional structure of Vlora, Shengjin and Saranda ports towards landlord port structures	Institutional & organisational	
	– 2017: Initiation of discussion/procedures for undertaking port reform in Vlora, Shengjin, and Saranda.	Completed
	– 2017: Start implementing port reform.	Completed
	– 2018: Full port reform undertaken.	Completed
Strategic Priority 1	Efficient and responsive maritime and port systems	
Goal 1.2	Expected Result	
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	
Priority Action MARITIME 5	Specific tasks	
Establish and implement the Albanian Vessel Traffic Monitoring and Information System (VTMIS)	Institutional & organisational	In progress
	– 2017: Initiation of VTMIS development strategy: institutional, technical, legal and operational arrangements.	
	– 2017: Set up the VTMIS Centre institutional set up, ideally within or closely related to GMD.	Not started
	Planning and Investment	Not started
	– 2018: Equipment procurement and personnel recruitment, twinning programmes	
	– 2019: VTMIS operational tests	In progress
	– 2020: Further tests and operationalisation	Not started
Strategic Priority 1	Efficient and responsive maritime and port systems	
Goal 1.2	Expected Result	
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.	
Priority Action MARITIME 6	Specific tasks	
Establish and implement the Long Range Identification and Tracking System (LRIT)	Institutional & organisational	Completed
	– 2017: Initiation of LRIT development strategy: institutional, technical, legal and operational arrangements.	
	– 2017: Set up the LRIT Centre institutional set up, ideally within or closely related to GMD.	Completed
	Planning and Investment	
	– 2017: Equipment procurement and personnel recruitment, twinning programmes	Completed
Strategic Priority 2	Sustained growth for maritime and port markets	
Goal 2.1	Expected Result	
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.	
Priority Action MARITIME 7	Specific tasks	
Assess port capacity planning and performance	Planning & investment – 2016: Initiate TA study to review and update Albania ports' traffic forecasts,	Completed

against future traffic growth and market trends	capacity planning, and operational performance; leading to a scientific, detailed and strategic master plan for the port sector in Albania.	
	– 2017 : Implement TA study.	Completed
	- 2017 : Conclude TA and endorse its results as input for port action plan.	Completed
Strategic Priority 2	Sustained growth for maritime and port markets	
Goal 2.1	Expected Result	
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.	
Priority Action MARITIME 8	Specific tasks	
Develop quantified and integrated operational and strategic action plan for port growth and modernization	Planning & investment	
	– 2017 : Purchase of the Crane of the Port of Saranda.	Completed
	– 2018 : Initiate and develop action plan based on results of 2.2.1.	Completed
	– 2018– 2019 : Dredging of the Saranda Port Basin.	Completed
	– 2018 – 2020 : Implement modernisation and rehabilitation port investment plan.	Completed
Strategic Priority 2	Sustained growth for maritime and port markets	
Goal 2.1	Expected Result	
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.	
Priority Action MARITIME 9	Specific tasks	
Complete ongoing construction projects and implement new concession and preparation projects over the period 2016-2020	Planning & investment	
	– 2016 – 2017 : Complete the ongoing implementation projects according to the information provided by MoTI, namely: 1. 2016 : Rehabilitation of Port of Vlora	Completed up to 90%, contract interrupted
	2. 2017 : Reconstruction of Passenger Terminal (berths 7 & 8) and Processing square in Durres Port Authority	Completed
	– 2016 – 2019 : Implement the new concessions according to the information provided by MoTI, namely: 3. 2016 – 2018 : Giving in Concession with BOT contract of the touristic port in Spille, Turre's Castle, Kavaje	Completed
	4. 2017 – 2019 : Giving in Concession with BOT contract of a MBM (Multy Buoy Mooring) Port in Porto Romano	Completed
	5. 2017 – 2019 : Giving in Concession with BOT contract of the touristic port in Durres	Completed
	6. 2018 – 2019 : Giving in Concession with BOT contract of the touristic port in Shengjin	Completed
	– 2017 – 2018 : Do the preparation of the following projects (only Feasibility, Preliminary Design and Detailed Design Studies), according to the information provided by MoTI: 7. 2017 : Dredging of Durres Port basin	Completed
	8. 2017 – 2018 : Passenger Terminal in Port of Vlora	Completed
Strategic Priority 2	Sustained growth for maritime and port markets.	
Goal 2.2	Expected Result	

Support and promote nautical tourism	Develop integrated and multi-sector strategy for nautical tourism. Create favourable growth potential for nautical tourism.	
Priority Action MARITIME 10	Specific tasks	
Prepare and elaborate national policy statement and cross-sector strategy for nautical tourism	Institutional & organisational	Completed
	– 2016: Initiate discussion / preparation for national strategy for nautical tourism.	
	– 2017: Prepare and submit proposal for TA, TA approved, started and implemented.	Completed
	– 2018: Nautical tourism strategy approved and endorsed by the GoA.	Completed
Priority Action MARITIME 11	Specific tasks	
Develop incentive schemes for attracting and promoting nautical tourism and cruise shipping in Albania	Pricing, cost recovery, taxation & subsidy	Completed
	– 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).	
	– 2020: Start implementing nautical tourism strategy and incentive programme.	Completed
Strategic Priority 2	Sustained growth for maritime and port markets	
Goal 2.3	Expected Result	
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	
Priority Action MARITIME 12	Specific tasks	
Develop strategy and action plan for maritime labour markets, including increasing the number of seafarers and other related jobs in maritime professions	Institutional & organisational	
	– 2018: Initiate and prepare TA proposal for maritime labour markets in Albania. TA approved.	Completed
	– 2018: TA implemented and results published.	
	– 2019: TA results and derived strategy approved and endorsed by MoTI/GoA.	In progress
Strategic Priority 2	Sustained growth for maritime and port markets	
Goal 2.3	Expected Result	
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	
Priority Action MARITIME 13	Specific tasks	
Develop, promote and monitor MET programmes across maritime modes and enlarge them to other fields such as offshore,	Operational, regulatory & licensing	
	– 2017 – 2018: Full review and assessment of MET sector and performance in Albania (from existing and other TAs).	In progress
	– 2019: Link results from above with those of 2.3.1.	
	– 2019: Start implementing an MET strategy as an offshoot of the maritime	Completed

marine services, and ship agency	labour strategy (of 2.3.1).	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	
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	Planning & investment <ul style="list-style-type: none"> – 2016 – 2017: 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
	<ul style="list-style-type: none"> – 2017: ACAA to carry out in parallel and finalize 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
	<ul style="list-style-type: none"> – 2018: Review Airport Master Plan bids received and decide on starting a Master Plan Study by successful bidder. 	No started The preparation of a study of the National Master Plan of the Airport for Albania is expected to be undertaken in the near future.
	<ul style="list-style-type: none"> – 2019: Decide works for Kukes. Complete works for upgrading Kukes to operational readiness. Award an entity to operate Kukes through public bidding. 	Completed
	<ul style="list-style-type: none"> – 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. 	Completed Based on the FS for the Southern Airport
	<ul style="list-style-type: none"> – 2020: Review Tenders for design of airport in south: and select Design Consultancy. 	Completed
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	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	

more air carriers to serve the region		
Priority Action AIR 2	Specific Tasks	
Upgrade of Kukes airport and development of southern airport for enhancing air transport operations in Albania and for promoting tourism growth	Planning & investment <ul style="list-style-type: none"> – 2017 - 2019: <ol style="list-style-type: none"> 1. 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. 2. MoTI and Tourism Ministry to study tourism development strategies for tourism air links for whole of Albania - Tirana, the South and the north (Kukes), and adjacent countries. 3. Continue efforts of MoTI/Tourism Ministry to prepare airlines, tourism operators like hotels, leisure services providers, for opening of airport. – 2019 - 2020: <ol style="list-style-type: none"> 1. Complete selection of Consultant for design of Southern airport. 2. MoTI/ACAA to look for handing over of airport to potential operator (PPP or otherwise). 3. Design completed. Start bidding process for selection of contractor for airport infrastructure works. 4. Complete selection of Contractor for Southern airport. Start works for Southern airport (construction and infrastructure). 	<p>completed</p> <p>Completed</p>
Strategic Priority 2	Creation of a more competitive market with liberalized air services	
Goal 2.1	Expected Results	
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	
Priority Action AIR 3	Specific tasks	
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	Operational, regulatory & licensing <ul style="list-style-type: none"> – 2016 - 2017: 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; ACAA to implement the rules for the industry; – 2018- 2019: <ol style="list-style-type: none"> 1. transposition of remaining EC regulations and directives. 2. ACAA to prepare and disseminate literature to industry and the public on these rules. 3. MoTI/ACAA to encourage air operators from Europe to provide flight services to Albania through Tirana and in future direct services to the southern airport and Kukes. – 2020: ACAA to develop documentation on these rules for the guidance of operators and the public. 	<p>Completed</p> <p>Completed</p> <p>Completed</p>
Strategic Priority 2	Creation of a more competitive market with liberalized air services	
Goal 2.1	Expected Result	
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.	
Priority Action AIR 4	Specific tasks	
Strengthen capacity building of policy, operational and	Institutional & organizational <ul style="list-style-type: none"> – 2017: ACAA to develop job profiles/functional description of these 	Completed

oversight bodies involved in air transportation policies and decisions for assisting in the implementation of EU regulations	<p>officers, and markets, competition issues, social aspects as per the transposed rules (so that policy decisions are formulated in full understanding of the rules).</p> <ul style="list-style-type: none"> – 2018: 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. – 2019: ACAA to organise review of airport charges/AVSEC fees towards best practices for competitive charges. 	<p>completed</p> <p>Completed</p>
Strategic Priority 3	Implementation and unification of international standards for air safety	
Goal 3.1	Expected Result	
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 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.	
Priority Action AIR 5	Specific tasks	
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 & licensing</i></p> <ul style="list-style-type: none"> - 2016 – 2020: ACAA to accelerate efforts for transposing remaining SARPs and EC rules into Albanian aviation regulations. <ul style="list-style-type: none"> 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. 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. 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. 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. 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). 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). 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. o ACAA shall put in place a working website for dissemination of information 	Completed

	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.	
Strategic Priority 3	Implementation and unification of international standards for air safety	
Goal 3.1	Expected Result	
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.	
Priority Action AIR 6	Specific tasks	
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	<p>Institutional & organizational</p> <p>- 2016 – 2020:</p> <ol style="list-style-type: none"> 1. 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 2. 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 3. 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. 4. 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. 	completed
Strategic Priority 4	Reduction in travel costs for passengers	
Goal 4.1	Expected Result	
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	
Priority Action AIR 7	Specific tasks	
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	<p>Pricing, taxation & subsidies</p> <p>- 2017 - 2018: 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.</p> <ul style="list-style-type: none"> ○ 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. ○ 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. ○ 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. 	Completed

INTERMODAL AND COMBINED TRANSPORT

Strategic Priority 1	Promote intermodal and combined transport	
Goal 1.1	Expected Result	
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>	
Priority Action INTERMODAL 1	Specific tasks	
Coordinate national policy measures to promote intermodal and combined transport	<p>Institutional & organisational</p> <ul style="list-style-type: none"> – 2016: 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. – 2017 – 2020: 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. – 2018: 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. 	<p>Completed</p> <p>In progress</p> <p>Not started</p> <p>To be included in the new transport strategy</p>

Strategic Priority 1	Promote intermodal and combined transport	
Goal 1.1	Expected Result	
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>	
Priority Action INTERMODAL 2	Specific tasks	
Create intermodal logistics centres to facilitate multimodal transport	<p>Institutional & organisational</p> <ul style="list-style-type: none"> – 2017: Develop a level playing field for all modes of transport (strengthening the position of multimodal and rail transport). 	<p>Completed</p> <p>Included in the Strategy for the performance of the Combined transport and its action plan 2021-2026, prepared during 2020, under</p>

		a regional project where Institute of transport was part.
	– 2017: Carry out feasibility studies for logistics centres for the facilitation of multimodal transport.	Completed
	– 2018: Decide on needed logistics centres and definition of financing (increase in budget, PPP models).	In progress
	– 2017 – 2020: Integrate existing logistics centres in the corridor management	In progress
	Planning & investment (in reference to the priority action under rail transport):	
	– 2017: 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.	Completed
	– 2017 – 2018: Feasibility study for potential logistics centres in Elbasan and Milot.	Not started WBIF recommended FS to be completed by private companies.
	– 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 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). 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.	In progress

Strategic Priority 1	Promote intermodal and combined transport	
Goal 1.1	Expected Result	

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>	
Priority Action INTERMODAL 3	Specific tasks	
Construction of the missing link from the western terminal in Durres to the national railway network	Planning & investment	
	– 2016: Feasibility study	Completed
	– 2016: Carry out the public tendering (Durres Port Authority).	Not started
	– 2017: 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

Strategic Priority 1	Promote intermodal and combined transport	
Goal 1.1	Expected Result	
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>	
Priority Action INTERMODAL 4	Specific tasks	
Define a Multimodal National ITS (Intelligent Transport Systems) Strategy	<p>Institutional & organisational</p> <p>– 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.</p>	Completed

