IPA National Programme 2010 for Albania
Project Fiche No. 6
"Improvement of rural roads in Albania"

1. Basic information

1.1 CRIS Number: 2010/022-530

1.2 Title: Improvement of rural roads in Albania

1.3 ELARG Statistical code: 02.11 Economic Criteria/Agriculture and rural development

1.4 Location: Albania

Implementing arrangements:

1.5 Contracting Authority: The European Union represented by the European Commission on behalf of the beneficiary country.

1.6 Implementing Agency: European Bank for Reconstruction and Development (EBRD)

1.7 Beneficiary: The Albanian Development Fund (ADF)

Project Manager
Mr. Benet Beci, Executive Director of ADF
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Web: www.albaniandf.org

Financing:

1.8 Overall cost (VAT excluded)¹: EUR 124 000 000

1.9 EU contribution: EUR 20 000 000

1.10 Final date for contracting: Two years following the date of the conclusion of the Financing Agreement

1.11 Final date for execution of contracts: Four years following the end date of contracting

1.12 Final date for disbursements: One year following the end date for the execution of contracts

2. Overall Objective and Project Purpose

2.1 Overall Objective

Improve living conditions in the rural areas in order to contribute to social and economic cohesion of Albania.

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated.
2.2 Project purpose

Improvement of secondary and local roads along the secondary network in rural areas of Albania as to facilitate access to essential services and economic markets, in the form of reduced user costs, for the resident population in rural areas in Albania.

2.3 Link with AP/NPAA / EP/ SAA

The project complies with the priorities identified in the revised European Partnership for Albania based on the findings of 2009 Annual Progress Reports.

The 2009 Progress Report for Albania states that: "There was some progress as regards road transport; however sustained efforts are still needed in order to improve the quality of road maintenance".

The revised Action Plan for the implementation of the Transport Sector Strategy was adopted in March 2009. The Institute for Transport was restructured to allow centralisation of transport data and updating of the National Transport Plan, including investment programmes and policies. It started the establishment and maintenance of a central transport database. However, overall institutional capacities still require strengthening and sustained efforts should be done in order to improve road maintenance.

The Stabilisation and Association Agreement (SAA) between the Government of Albania and the European Community which has been signed on 12 June 2006 and which entered in force during the year 2009, provides in Article 106 that the parties should co-operate together in the field of road transport acquis, especially with the aim of modernising the Albanian transport modes, improving the free movement of passengers and goods, enhancing the access to the transport market and facilities, supporting the development of multi-modal infrastructures in connection with the main Trans-European networks, notably to reinforce regional links, achieving operating standards comparable to those in the Community, developing a transport system in Albania compatible and aligned with the Community system and improving the protection of environment in transport.

2.4 Link with MIPD

The project relates to the objectives and choices of the MIPD 2009-2011 under the "Economic Criteria", in particular to "Regional development: Support for regional development activities, notably regarding strategic sector planning, as well as investments in necessary infrastructure, focusing on less-developed areas of Albania." Furthermore, this project is linked under the area of “Ability to assume the obligations of membership to "Agriculture and rural development: Assistance with the aim to support the alignment to the agricultural acquis, to increase economic growth by developing agriculture and rural development sector and institution and capacity building with the aim to prepare the sector to absorb pre-accession funds as well as support to increase the competitiveness of agriculture and agro-food chain; improve availability of statistics."

2.5 Link with National Development Plan

- The National Strategy for Development and Integration

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2 The European Partnership Document for Albania adopted by Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Albania and repealing Decision 2006/54EC.
The improvement of the rural roads is a specific strategic goal of the NSDI under the strategic priority of a quick, balanced social, human and economic development

- The strategy of Rural Development

The project contributes especially to axe 3 of the rural development strategy, namely the improvement of the living conditions of the inhabitants of the rural area.

2.6 Link with national/sectoral investment plans

- The Albanian National Transport Plan

The investments and maintenance of the rural roads is an important part of the ANTP.

3. Description of project

The project will be implemented in joint management with the European Bank for Reconstruction and Development (EBRD) through a contribution agreement following Article 53 (d) of the Financing Regulation and the corresponding provisions of the Implementing Rules. This project intends rehabilitation of about 600 km of rural roads along the secondary network which have been identified by the Albanian Government with the assistance of the World Bank. About 100 km of rural roads are expected to be reconstructed from the financial contribution of IPA 2010 programme contribution and about 500 km are expected to be reconstructed by the financial contribution of the EBRD (and the European Investment Bank (EIB)). The design, works supervision, technical assistance and project monitoring activities will be covered by the Western Balkan Investment Framework (WBIF) contribution. The respective financial contributions are presented under item 3.4 Project Activities.

It has to be noted that during the period December 2009 – January 2010 the rural area between Velipoja and Shkodra was flooded causing damages to municipal and road infrastructures. A part of this project will regards the refurbishment of sections of rural roads located in the flooded areas.

For this purpose an additional amount of 1.5 million € has been added to the Albania IPA national programme 2010 in order to provide aid to this region where the economy has been seriously affected by the floods.

3.1 Background and justification

The overall length of the road network in Albania is about 15,000 km.

The network comprises 3,412 km of national, or primary, roads administered by the Ministry of Public Works, Transport and Telecommunications (MPWTT) and directly managed by the General Roads Directorate (GRD), and about 12,000 km of secondary and local roads. The secondary and local road network consists of: (i) 4,411 km of district (or secondary) roads, which provide rural links of district importance and are maintained by district road departments on behalf of the Ministry of Interior (MoI); (ii) 4,980 km of communal roads, including private access roads, which provide rural links of communal importance and are maintained by commune road departments on behalf of the Ministry of Interior (MoI); and
(iii) 2,500 km of urban or municipal roads, which are maintained by the Municipal road departments on behalf of the Ministry of Territorial Planning and Tourism (MTPT)\(^3\).

The priority given to the expansion of the national road network in recent years has resulted in inadequate emphasis on maintenance and the neglect of the local road network. Little of the local road network is paved, and about 75-80% is reported to be in a poor or very poor condition – with a number of sections impassable for much of the year. The decentralisation to local governments of the responsibility for managing local and municipal roads has contributed to increase the problems of inadequate maintenance. Indeed, local revenue sources, such as vehicle registration charges, are insufficient to finance rehabilitation and reconstruction of roads. In the area between Shkodra nad Velipoja the following rural roads have been submerged with serious damages to the embankments of the infrastructures as following:

In Shkodra Municipality: - Molo Road (along Buna river), and main road and sidewalks in the Shiroka village,

In Dajci Commune: - road to Samrisht i Ri village,

In Ana Malit Commune: - road Alimetaj-Velinaj,

In Berdice Commune: - Xhureta road in the village of Trush,

In Gir I ZI Commune: - the road of Kuc village and the road of Vukatane village. The total length of the above mentioned road section is approximately 6km.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

**Project impact:** Improved secondary and local roads will contribute to economic development and poverty alleviation of rural areas in Albania.

**Sustainability:** Operations and Maintenance Agreement (OMA) will be signed in advance with the local government beneficiary of the project. The OMA includes: (i) general principles for procuring and managing multi-annual maintenance contracts; (ii) confirmation that the costs of the multi-annual maintenance contract will be included in the Local Government Units budget for the next five (5) years; (iii) a draft multi-annual contract for routine maintenance for a five year period, to a standard consistent with the functional categorisation of the road. ADF will provide training to officials within the LGU who will be working on maintenance.

**Catalytic effect:** An efficient and effective local road network is interlinked to economic development and poverty alleviation. Over half of the Albanian population lives in rural areas, and around 25% of the rural population is estimated to live in poverty. Recent poverty assessments in the region shows that poor infrastructure and low market access contributed significantly to the decline of in agricultural productivity, with farmers living in the mountainous areas being affected the most. More recent studies elsewhere have supported these findings and also report positive differences in school enrolment and frequency in use of health services, between areas with and without all-weather roads.

3.3 Results and measurable indicators

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\(^3\) The proposed project will only consider the first two categories of local roads, the district/secondary roads and the commune roads, reflecting the significant differences in the problems facing roads in urban areas.
Result 1: Secondary and local roads are improved in line with EU Standards;

Indicators:
- Around 600 km-s with an average width of 6ml of Rural Roads reconstructed according to the new engineering standards
- Detailed designs for roads to be reconstructed are prepared. Works contract signed and executed
- Supervision of works carried out
- Final acceptance delivered
- Reduction in travel time on project road sections in free flowing conditions
- Reduction in vehicle operating costs
- Proportional increase in traffic volumes one year after project road sections are improved or rehabilitated

3.4 Activities

This project is part of a multi donors programme to support the rehabilitation of 1,500 km of secondary and rural roads in Albania.

The project for improvement of rural roads under IPA 2010 programme for Albania will be implemented in joint management with the European Bank for Reconstruction Development (EBRD) through one contribution agreement with EBRD.

The civil works related to this project will be financially covered as follows: IPA 2010 National Programme for Albania EUR 20 Million, EBRD EUR 50 Million and EIB EUR 50 Million.

The Western Balkan Investment Framework (WBIF) will contribute with a grant of EUR 4 Million that will cover the designs preparation, supervision of works, technical assistance to the beneficiary and the project monitoring.

The priority sections to be financed under framework of this project will be decided after completion by ADF of the prioritisation exercise for the core network of regional and local roads at the second Quarter of year 2010.

Activity 1 Construction and/or rehabilitation of secondary and rural roads

Contract 1.1 Contribution Agreement

The IPA contribution of EUR 20 000 000 will be provided through one contribution agreement with European Bank for Reconstruction and Development (EBRD).

Out of this amount 1,5 mln Euros will be used exclusively for the reconstruction of roads in the flooded areas in the Region of Shkodra. The ADF, in cooperation with the local government units of this area (Region of Shkodra, Municipality of Shkodra, communes Dajc, Ana e Malit, Gur i zi, Berdice and Velipoje) has proposed the road sections to be financed.

These contribution agreements will allow for execution of civil works contracts related to the improvement of the selected road sections.

Contract 1.2 Construction and/or rehabilitation of secondary and local roads.

A contribution of EUR 100,000,000 will be provided by EIB and EBRD.
**Contract 1.3** A grant of EUR 4,000,000 provided by the WBIF to cover the consultancy services related to the project. The consultancy services will include preparation of detailed designs, supervision, project monitoring and project implementation support as per the forecast below:

- Design EUR 1m
- Supervision EUR 1.5m
- Lenders’ Monitor EUR 0.25m
- Technical Assistance EUR 0.75m
- Transition / Sustainability EUR 0.5m

**3.5 Conditionality and sequencing**

- ADF will complete the selection of the road sections to be improved by the project. ADF will arrange to complete in due time the related designs of the road sections selected to be improved by this project. Depending on the road sections to be financed some designs might be ready and the rest will be financed in the framework of WBIF contract.
- ADF in cooperation with the Local Government Units will make sure to complete before the contract signature of all the land ownership issues, expropriation and construction permits needed.
- The maintenance of these roads will be done by the Local Government Units that will be trained by ADF in the framework of the program for this purpose.
- The Albanian Government and the Beneficiary will assure adequate financial and human resources in order to allow proper maintenance of the roads reconstructed in the context of the present project”

**3.6 Linked activities**

EU through Cards 2001, 2002, 2003 and 2004 LCDP programs was focused on investing on local priority infrastructure, most of which rural roads.

World Bank through ADF community Works project I and II also were focused on local priorities mainly rural roads.

The Government of Albania spends each year at least 20 million USD on urban and rural roads through the competitive grants scheme. Since 2005, the Government of Albania distributes grants for road projects on a competitive basis. Each year 20 million USD are spent on the investments of local roads, around half of them are spent on projects of rehabilitation of rural roads.

Local Governments spend most of the investments on improvement of rural roads.

Under IPA 2008 Programme financial contribution 8 million Euros will go for reconstruction of the secondary road in Albania. The Supervision contract and the works contract for reconstruction the concerned roads sections were signed in December 2009 and are foreseen to be completed by the end of February 2011.

This programme includes the following road sections:

Reconstruction of the rural road Asim Zeneli - Antigone, Gjirokaster
Reconstruction of the rural road connecting Xhafezotaj – Sea Coast, Durres
Reconstruction of the rural road connection Vermosh - Dogana, Shkoder
Reconstruction of the road rural connecting Ishull Lezhe – Rrile, Lezhe

Total length of the road sections covered under IPA 2008 Programme is 31 km.
Under IPA 2009 Programme for Albania an amount of EUR 9,000,000 will go for construction of rural roads. This project includes a contribution agreement with Council of Europe Development Bank (CEB) in partnership with KFW that will be signed on September 2010.

In order to optimise the use of financial resources available and targeted in the Balkan Areas the European Commission has set up in collaboration with several financing institutions operation in the Balkan area (EIB, CEB, EBRD, KFW) the instrument "Municipality Window". The Municipal Window of the Infrastructure Project Facility (IPF) under the Multi-Beneficiary Programme for support to cooperation with International Financial Institutions (IFIs) allows the financing of a wide range of infrastructure projects to contribute to sustainable development in the Beneficiary country. The purpose is to support financially infrastructure investments of municipalities in the field of environment, transport, energy and social sectors by providing grant co-financing mechanisms with loans extended by IFIs to increase the affordability and accelerate the implementation of such investments for municipalities.

This instrument has now been integrated in the "Western Balkans Investment Framework". It has two main objectives: i) to pool grants, loans and expertise together to prepare financing for a common pipeline of priority investment projects; ii) to strengthen coherence and synergies in donors’ support to improve the positive impact and visibility of these priority investments in the beneficiary countries of the region.

Adequate investments in municipal infrastructure are essential to ensure that many services such as roads transport sector are established in order to improve the living conditions of people and to comply with the EU acquis in the environmental field.

3.7 Lessons learned

There is a need for more systemic approach in investing in to the rural road network. Often the investments resulted in sections of rehabilitated roads not linked to each-other, therefore diminishing substantially the profitability in the transport conditions.

Maintenance is a key issue related to the sustainability of the investments which need to be addressed properly. Therefore the institutional responsibilities related to the maintenance operation funding should be clearly defined before starting the investment. The local government units as described under the project article 3.2 of this project fiche should create the necessary capacities for the maintenance of their roads.

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4 http://www.wbif.eu/
### 4. Indicative Budget (amounts in EUR)

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>TOTAL EXP.RE</th>
<th>IPA EU CONTRIBUTION</th>
<th>NATIONAL CONTRIBUTION</th>
<th>PRIVATE CONTRIBUTION</th>
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<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
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<td>(a)=(b)+(c)+(d)</td>
<td>(b)</td>
<td>(c)=(x)+(y)+(z)</td>
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<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>INV (1)</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
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<tr>
<td></td>
<td>% (2)</td>
<td>Total</td>
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<td>Regional/</td>
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<td>EUR</td>
<td>Local</td>
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<td>EUR</td>
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<tr>
<td>% (2)</td>
<td></td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
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</tbody>
</table>

#### Activity 1

- **Contract 1.1**
  - **Contribution Agreement with EBRD**
  - Amount: 20 000 000
  - National: 20 000 000
  - %: 16.1

- **Contract 1.2**
  - **EIB & EBRD Contribution**
  - Amount: 100 000 000
  - National: 100 000 000
  - %: 80.6

- **Contract 1.3**
  - **WBIF Contribution**
  - Amount: 4 000 000
  - National: 4 000 000
  - %: 3.2

#### TOTAL IB
- Amount: 1 500 000
- National: 1 500 000
- %: 1.21

#### TOTAL INV
- Amount: 122 500 000
- National: 102 500 000
- %: 82.66

#### TOTAL PROJECT
- Amount: 124 000 000
- National: 104 000 000
- %: 83.87

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Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV
Expressed in % of the Total Expenditure (column (a))
5. Indicative Implementation Schedule (periods broken down per quarter)

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Start of Tendering</th>
<th>Signature of contract</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1.1</td>
<td>N/A</td>
<td>2nd Quarter 2011</td>
<td>2nd Quarter 2015</td>
</tr>
</tbody>
</table>

Contribution Agreement with EBRD

All projects should in principle be ready for tendering in the 1st Quarter following the signature of the Financing Agreement.

6. Cross cutting issues

6.1 Equal Opportunity

The principle of equal opportunities between women and men will not be affected by the construction of these roads.

There is a huge community that will get benefit from these interventions.

6.2 Environment

An environment impact assessment will be carried out for each road as part of the design preparation consultancy. The EIA will be carried out in accordance with the frameworks of the EBRD and EIB as stipulated in the corresponding agreements.

6.3 Minorities

The principle of minorities will not be affected by the construction of these roads.

ANNEXES

I Log frame in Standard Format

II Amounts contracted and Disbursed per Quarter over the full duration of Programme

III Description of Institutional Framework

IV Reference to laws, regulations and strategic documents

V Details per EU funded contract:
# ANNEX I: Logical framework matrix

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project Fiche</th>
<th>Programme name: IPA 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Improvement of rural roads in Albania</strong></td>
<td>Contracting period expires: Two years following the date of the conclusion of the Financing Agreement</td>
</tr>
<tr>
<td><strong>CRIS Number:</strong></td>
<td>Disbursement period expires: One year following the end date for the execution of contracts</td>
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<tr>
<td><strong>Total budget : EUR 124 000 000</strong></td>
<td><strong>IPA budget: EUR 20 000 000</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve living conditions in the rural areas in order to contribute to social and economic cohesion of Albania</td>
<td>The decrease of transport costs, increase of access in the markets and social and economic service improved. The increase of the traffic.</td>
<td>Beneficiary assessment Impact evaluation studies INSTAT reports</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of secondary and local roads, to facilitate access to essential services and economic markets, in the form of reduced user costs, for the resident population in rural areas in Albania</td>
<td>Reconstructed infrastructure for the pre-selected roads Increase of tourists and traffic flow Technical quality of completed subprojects</td>
<td>ADF internal technical assessment Independent technical assessment Beneficiary assessment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Result 1: Secondary and local roads are improved in line with EU Standards</strong></td>
<td>By the end of the project: Around 590km-s with an average width of 6ml of Rural Roads reconstructed according to the new engineering standards Reduction in travel time on project road sections in free flowing conditions Reduction in vehicle operating costs</td>
<td>ADF program report MIS Data; Feasibility studies Traffic assessment from ADF Evaluation report, Feasibility studies Baseline Study, Beneficiary assessment LGU economic and employment office data</td>
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<table>
<thead>
<tr>
<th>Assumptions</th>
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<tbody>
<tr>
<td>Good co-operation with the Albanian Development Fund and other interested institutions, devotion of the partners to the final goal -Financial Agreement signed -Compilation on time</td>
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</tbody>
</table>

ADF experience in project selection, project design excellent expertise in supervision of public works. ADF experience in project selection. ADF long cooperation with Local
Proportional increase in traffic volumes one year after project road sections are improved or rehabilitated

Final acceptance delivered

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| The following activities will be implemented under EIB/EBRD responsibility | One contribution agreement of 20 million EUR will be signed with EBRD and | Total cost of the project : **€ 124 000 000**
- **€ 20 000 000** EU/IPA Contribution – Civil works contract
- **€ 100 000 000** EBRD and EIB Contribution (loan) – Civil Works Contracts
- **€ 4 000 000** WBIF Grant Contribution – Supervision EUR 1.5m, Lenders' Monitor EUR 0.25m, Technical Assistance EUR 0.75m, Transition / Sustainability EUR 0.5m. | Government units in infrastructure projects.

**Activity 1:** Construction and/or rehabilitation of secondary and local roads

The ADF has already selected the roads to be constructed in cooperation with the Regions

Technical design is delivered on time

Environmental safe guards prepared and delivered on time

Procurement process finished on time

Selection of a competent consultant to prepare design and supervise the works.
ANNEX II: Amounts (in million EUR) Contracted and disbursed by quarter for the project

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
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<tr>
<td>Cumulated</td>
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<tr>
<td>Disbursed</td>
<td>13.9</td>
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<td></td>
<td>18.1</td>
<td>20.0</td>
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<td></td>
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<tr>
<td>Contract 1.1</td>
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<td>18.1</td>
<td></td>
<td>20.0</td>
<td></td>
</tr>
<tr>
<td>Cumulated</td>
<td>13.9</td>
<td></td>
<td></td>
<td>18.1</td>
<td>20.0</td>
</tr>
</tbody>
</table>
ANNEX 3: Institutional framework

The Albanian Development Fund is an autonomous agency established in 1993 based on the agreement between the Government of Albania and the World Bank to implement the project “Alleviation of the poverty in rural areas”. Until 1999, the ADF activity included three main components: Civil works in urban and rural infrastructure, the small urban credit system and the small rural credit system.

Since 1999, ADF is specialized only in infrastructure works. ADF is leaded by a Board of Trustees, chaired by the Minister of State for Reforms, composed from some members of the Central Government and representatives of Local Government associations. The Albanian Government through its board has supported ADF, including its activities in the implementation of the national policies and strategies. The activity of ADF is regulated through the law nr. 10130, ratified by the Albanian Parliament on 11.05.2009.

The project is in a cross-cutting line between the transport sector and the local government services. Although the primary objective of the project will be to improve the transport through improving the secondary and local roads, currently these roads are under the ownership of the Local Government Units, the Regions own the secondary roads, while the communes own the local roads. The Albanian Development Fund will work with the Qark Councils in a consultative and participatory manner to agree their priorities for investment on local and secondary roads.

The investment list of the road sections will be carefully planned to cover the core rural network of transport. The sections improved will have a linkage with each-other and will be selected based on their impact.

It is a covenant on the loan agreement between the Albanian Government and the EBRD that all the regional roads will be passed to the Albanian Road Authority (ex-General Road Directorate) for appropriate maintenance. In this agreement the government also committed to increase with at least 10 % the budget for the maintenance of roads to the ARA during the lifetime of the project. The details of the handover of the regional roads from the regional council to the ARA are being discussed and will be sanctioned through a Decision of the Council of Ministers. It is expected that most of the roads to be financed through this project will be in this category. The ARA carries out the maintenance services through contracting them to the private sector.

Regarding the local roads, ADF has already established a contractual arrangement with the benefiting Local Government Unit (LGU) whereby the LGU commits to maintain the road sectionm before starting the investment.. The project has a strong component of capacity building for the communal administration to improve the management of the road network. Some training is already being organized through the World Bank financing in all the regions where all the LGU-s are participants. Also part of WBIF financing will further strengthen the capacity building component.
ANNEX 4: Reference to laws, regulations and strategic documents:

Reference to main laws:

The Law No Nr. 8308, date 18.03.1998: “On the road transports”

The law Nr.8652, date 31.07.2000: “On the organisation and functioning of the Local Government”

Link with AP/NPAA / EP/ SAA

European Partnership

Upgrade the country's infrastructure, in particular in energy and transport, in order to strengthen the competitiveness of the economy at large

*SAA: Art 106 Transports*

The cooperation between the parts will focus in priority fields related to the transport field of the Community.

The cooperation may focus, especially in the reconstruction and modernisation of the Albanian transport methods, improving the free movement of goods and passengers, by increasing, the access to the markets and transport means, including ports, airports, backing the development multi-modal infrastructure regarding the main trans-European main networks, especially to enhance the regional connections, achieving the operative standards comparative with the European ones, by developing a transport system in Albania in accordance with the Community system.

The Implementation of the Albanian National Transport Plan

Link with MIPD

The project relates to the objectives and choices of the MIPD 2009-2011 under the "Economic Criteria", in particular to "Regional development: Support for regional development activities, notably regarding strategic sector planning, as well as investments in necessary infrastructure, focusing on less-developed areas of Albania." Furthermore, this project is linked under the area of “Ability to assume the obligations of membership to "Agriculture and rural development: Assistance with the aim to support the alignment to the agricultural acquis, to increase economic growth by developing agriculture and rural development sector and institution and capacity building with the aim to prepare the sector to absorb pre-accession
funds as well as support to increase the competitiveness of agriculture and agro-food chain; improve availability of statistics."

**Link with National Development Plan (where applicable)**

- The National Strategy for Development and Integration 2007-2013
- The strategy for Regional Development
- The strategy of Rural Development

**Link with National/ Sector investment plans**

- The Albanian National Transport Plan

The investments and maintenance of the rural roads is an important part of the ANTP.
ANNEX 5- Details per EU funded contract (*) where applicable:

**Project implementation:**

The project will be implemented in joint management by the European Bank for Reconstruction and Development (EBRD) in cooperation with the European Investment Bank (EIB) through one contribution agreement with the EU Delegation to Albania, following Article 53 d (1) c of the Financial Regulation and the corresponding provisions of the Implementing Rules.

**Execution of contracts:**

The execution of contracts is in principle at the latest two years following the date of contracting. However, the date of execution of works contracts, contracts for the assistance for the supervision of the works may end beyond this period. As this project foresees relatively large infrastructure projects with several sub-components, it is considered as justified to prolong the execution period to four years.