

**IPA 2008 National Programme for Albania**  
**Technical Assistance to Ministry of Public Works, Transport and Telecommunications**

**1. Basic information**

**1.1 CRIS Number:** 2008/020-116

**1.2 Title:** Technical Assistance to Ministry of Public Works, Transport and Telecommunications

**1.3 Sector:** 01.14

**1.4 Location:** Albania

**Implementing arrangements:**

**1.5 Contracting Authority (EC):**

Delegation of the European Commission in Tirana on behalf of the Government to Albania

**1.6 Implementing Agency:**

Delegation of the European Commission to Albania on behalf of the Albanian Government

**1.7 Beneficiary** (including details of Project Manager): Ministry of Public Works, Transport and Telecommunications; Ministry of Transport Executing Agencies; Project Manager:

Mr. Ervin MINAROLLI

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Ministry of Public Works, Transport and Telecommunications.

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**Financing:**

**1.8 Overall cost** (VAT excluded)<sup>1</sup> 1 million Euro

**1.9 EU contribution:** 1 million Euro

**1.10 Final date for contracting:**

Three years following the date of conclusion of the Financing Agreement

**1.11 Final date for execution of contracts:**

Two years following the end date of contracting. These dates apply also to national co-financing

**1.12 Final date for disbursements:**

One year following the end date for the execution of contracts.

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<sup>1</sup> 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 (see Section 7.6)

## 2. Overall Objective and Project Purpose

### 2.1 Overall Objective:

The overall objective of the project is to strengthen local institutional capacity in effective management and implementation of EU and EU co-funded Programmes and to consolidate the co-operation process with the EU, to achieve effective planning, management and implementation of EU and EU co-funded Programmes in the Transport Sector in Albania and in the continuing implementation of the Albanian National Transport Plan (ANTP).

### 2.2 Project purpose:

The purpose of this project is to enhance the capacity of the MPWTT, Directorates and the Institute of Transport to plan and manage the implementation of transport related projects in the framework of the ANTP.

### 2.3 Link with AP/NPAA / EP/ SAA

The **Stabilisation and Association Agreement (SAA)** between the Government of Albania and the European Community was signed in June 2006. According to Article 106 of the SAA the parties should co-operate together in the field of air transport acquis, especially with the aim of modernizing the Albanian air transport mode, improving the free movement of passengers and goods, enhancing the access to the air transport market and facilities, including airports, achieving operating standards comparable to those in the Community, developing an air transport system in Albania compatible and aligned with the Community system and improving the protection of environment in air transport. Besides, this project is in line with Article 70 of the SAA, where the approximation of Albania's existing legislation to that of the Community and of its effective implementation is a requirement. Albania shall endeavour to ensure that its existing laws and future legislation shall be gradually made compatible with the Community acquis. Albania shall ensure that existing and future legislation shall be properly implemented and enforced. The same provisions have been foreseen under Article 59 of the SAA, where Albanian obligation to adapt its legislation, including administrative, technical and other rules, to that of the Community existing at any time in the field of air, maritime and inland transport insofar as it serves liberalisation purposes and mutual access to markets of the Parties and facilitates the movement of passengers and of goods, is cited.

The project does comply with the priorities identified in the renewed **European Partnership** for Albania based on the findings of the 2007 Progress Report for Albania. Under the transport policy, significant short and mid term priorities have been listed, such as the implementation of the Albanian National Transport Plan including the planning and budgeting of transport asset maintenance, completion of the necessary institutional reforms to improve the transport asset management, prioritisation of investments, policy-making and involvement of the private sector, etc.

In response to the EP, and the SAA, the Government's **National Plan for the Implementation of the SAA (NPISAA)**, as adopted in September 2007, identifies short and medium term general priorities and their resultant legislative and

implementation activities. Significant part of this document is comprised by the areas covered by the Ministry of Public Works, Transport and Telecommunication, such as road safety, road transport, road infrastructure, as well as rail, maritime and air transport. The legislative initiatives and implementing activities should be fulfilled by the staff of the MPWTT.

#### **2.4 Link with MIPD**

The proposed project is in line with section 2.2.3.1 of the MIPD “Main Priorities” under which – support to the establishment and capacity building of agencies and institutions required for the implementation and enforcement of the sectoral policies, including mechanisms for the verification of EU compatibility of government policies and draft laws – is stated. In addition, under section 2.2.3.3 “Programmes to be implemented” where assistance to continue with the implementation of the National Transport Plan and developing institution and capacity of relevant authorities in the transport sector (road, rail, air, and maritime) to align with the acquis, including infrastructure is foreseen.

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

The abovementioned documents are part of the Albanian Government’s National Strategy of Development and Integration.

#### **2.6 Link with national/sectoral investment plans (where applicable)**

N/A

### **3. Description of project**

#### **3.1 Background and justification:**

The Government of Albania is implementing a major programme reform of the Transport Sector and investment in upgrading and expanding the country's transport infrastructure.

The EU together with other donors, including the EIB and the EBRD supports the Government’s investment programme, including important road construction on the East - West and North - South Corridors, vital branches to secure regional access to the major transport Corridors and restoration and modernisation of the basic facilities of the Port of Durres.

The EU also funded Technical Assistance to support planning, technical and administrative functions of the Directorates of the MPWTT and its Executing Agencies and this has been progressively focused on institutional/organisation support.

The Albanian National Transport Plan (ANTP) formulates several important recommendations to increase the capability of the MWPTT, Directorates and Executing Agencies and these continue to be an important task for the new Technical Assistance team.

In general, the TA shall cover assistance to the planning, technical and administrative functions of the MPWTT, Directorates, Institute of Transport and Transport Executing Agencies.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable):**

The immediate impact of the proposed project is to strengthen the GDT in its short and medium term priorities and is in line with the implementation of the national transport plan

### **3.3 Results and measurable indicators:**

**Result 1:** Projects to be submitted for future EU financing are technically correct and according to EU Practical Guidelines and internationally engineering practices.

**Indicator:** Projects submitted on time and according to EU Practical Guidelines

**Result 2:** Progress in the capability of the MPWTT to implement the ANTP recommendations.

**Indicator:** Update of the ANTP by MPWTT

**Result 3:** Support sustainable institutional strengthening within the MPWTT, its Directorates, the Institute of Transport and Transport Executing Agencies.

**Indicator:** Increase in the institutional capacity of MPWTT and its Executing Agencies.

**Result 4:** Increased administrative capacity at the Ministry's to manage transport infrastructure project cycle and to properly monitor contractual and technical matters.

**Indicator:** Increase in the institutional capacity of MPWTT and its Executing Agencies

### **3.4 Activities:**

Activity 1: Provision of Technical Assistance to MPWTT

Contract for TA to the MPWTT

### **3.5 Conditionality and sequencing:**

Preparation of Terms of Reference in time and before launching the Tender(s) and award of Contract(s)

### **3.6 Linked activities**

We have had previous Technical Assistance provided under PHARE Country Operational Programme and Cross Border Co-operation Programme 1994 to 2000 for Transport PMU and General Road Directorate aiming at strengthening local institutional capacity in effective management and implementation of EU and EU co-funded Programmes and to consolidate the co-operation process with the EU. EU funded design, supervision and works contracts are focused on East-West and North-South Corridors.

Technical Assistance services continued under CARDS 2002 and 2004 aiming at strengthening local institutional capacity of the Ministry of Public Works, Transport and Telecommunications and the Institute of Transport in the continuing implementation of the Albanian National Transport Plan (ANTP) and in effective planning, management and implementation of EU co-funded Programmes in the Transport Sector in Albania. Albanian National Transport Plan (ANTP) was financed under PHARE Programme, AL 9909-04-01 aimed at reviewing transport sector in Albania (Roads, Aviation, Railways, Waterways, Ports and Pipelines, but primarily Roads) and make recommendations for strategic planning of the future development of the sector.

### **3.7 Lessons learned**

From previous PHARE and CARDS programmes MPWTT realise the importance of proper coordination between the various agencies involved, and in this case MPWTT Road Planning Department, General Road Directorates, Consultants and Contractors.

### **4. Indicative Budget (amounts in €million)**

See Table in **Annex 3**

### **5. Indicative Implementation Schedule (periods broken down per quarter)**

| Contracts                     | Start of Tendering           | Signature of Contract        | Project Completion           |
|-------------------------------|------------------------------|------------------------------|------------------------------|
| Technical Assistance to MPWTT | 1 <sup>st</sup> Quarter 2009 | 2 <sup>nd</sup> Quarter 2009 | 3 <sup>rd</sup> Quarter 2011 |

All projects should in principle be ready for tendering in the 1<sup>st</sup> Quarter 2009 following the signature of the FA (November/December 2008)

### **6. Cross cutting issues (where applicable)**

#### **6.1 Equal Opportunity**

While an objective assessment of the personnel's qualifications and experience is central to the performance of the Ministry of Public Works, Transport and Telecommunication administration, equal opportunities are satisfactorily taken into account.

#### **6.2 Environment**

N/A

#### **6.3 Minorities**

N/A

## ANNEXES

- 1- Log frame in Standard Format
  - 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
  - 3- Indicative Budget
  - 4- Description of Institutional Framework
  - 5- Reference to laws, regulations and strategic documents:
    - Reference list of relevant laws and regulations
    - Reference to AP /NPAA / EP / SAA
    - Reference to MIPD
    - Reference to National Development Plan
    - Reference to national / sectoral investment plans
  - 6- Details per EU funded contract (\*) where applicable:
    - For *TA contracts*: account of tasks expected from the contractor
    - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
    - For *grants schemes*: account of components of the schemes
      - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (\*\*)
      - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (\*\*); account of services to be carried out for the *service part* of the contract
- (\*) non standard aspects (in case of derogation to PRAG) also to be specified
- (\*\*) section on investment criteria (applicable to all infrastructure contracts and constructing works):
- Rate of return
  - Co financing
  - compliance with state aids provisions
  - Ownership of assets (current and after project completion)

**ANNEX 1**  
**Log frame in Standard Format**

|  |   |  |  |
|--|---|--|--|
| <b>LOGFRAME PLANNING MATRIX FOR</b><br>Project title:  |   | Programme name and number:<br><b>IPA 2008</b>  |  |
| <b>Technical Assistance to Ministry of Public Works, Transport and Telecommunications</b>  |   | Contracting period expires:<br>three years following the date<br>of conclusion of the Financing<br>Agreement | Disbursement period expires: one year<br>following the end date for the execution<br>of contracts  |
|  |   | Total budget:<br><b>1.00 million Euro</b>  | IPA / pre-accession budget<br><b>1.00 million Euro</b>   |
| <b>Overall objective</b>   | <b>Objectively verifiable indicators</b>  | <b>Sources of Verification</b>   |  |
| <p>To strengthen local institutional capacity in effective management and implementation of EU and EU co-funded Programmes and to consolidate the co-operation process with the EU.</p> <p>To strengthen local institutional capacity of the Ministry of Public Works, Transport and Telecommunications and the Institute of Transport in the continuing implementation of the Albanian National Transport Plan (ANTP) and in effective planning, management and implementation of EU co-funded Programmes in the Transport Sector in Albania.</p> <p>To strengthen local institutional capacity at the Transport Executing Agencies' level.</p> | <p>MPWTT and its Executing Agencies capable of managing CARDS and EU funded projects.</p> <p>Executing Agencies restructured and work within the framework of new functions</p> | <p>Contracting Authority Annual Reports</p> <p>MPWTT Progress Report</p>                                     | <p>No fundamental change of the political situation within Albania, as stable country, and continued cooperation between Albania and neighbouring countries continues to grow.</p> <p>Political context and economical conditions allowing to take forward reforms in the management structure and legal framework of key areas in the transport sector.</p> |
| <b>Project purpose</b>   | <b>Objectively verifiable indicators</b>  | <b>Sources of Verification</b>   | <b>Assumptions</b>   |
| <p>To enhance the capacity of the MPWTT and its Directorates to manage the implementation of transport related projects in the framework of the ANTP.</p> <p>To enhance the capacity of the MPWTT, Directorates and the Institute of Transport to plan and manage the</p>  | <p>MPWTT and its Executing Agencies capable of managing CARDS and EU funded projects.</p> <p>Executing Agencies restructured and work within the framework of new</p>           | <p>Contracting Authority Annual Reports</p> <p>MPWTT Progress Report</p> <p>Consultant Interim Reports</p>   | <p>IPA funds secured.</p> <p>Continued support from the Government to the process of reform.</p> <p>Continued support of IFI's in the</p>  |

|  |  |  |   |
|--|--|--|---|
| <p>implementation of transport related projects in the framework of the ANTP.</p> <p>To realise efficient transfer of know-how to the staff of the MPWTT, Directorates, the Institute of Transport and of the Executing Agencies.</p>  | <p>functions</p>   |  | <p>country and in the region.</p> <p>The relevant transport agencies will remain capable and will increase that capability in order to develop and manage the transport project on an overall sustainable basis and from a financial, technical and economical viewpoint.</p>   |
| <b>Results</b>   | <b>Objectively verifiable indicators</b>   | <b>Sources of Verification</b>   | <b>Assumptions</b>  |
| <p><b>Result 1:</b> Projects to be submitted for future EU financing are technically correct and according to EU Practical Guidelines and internationally engineering practices.</p> <p><b>Result 2:</b> Progress in the capability of the MPWTT to implement the ANTP recommendations.</p> <p><b>Result 3:</b> Support sustainable institutional strengthening within the MPWTT, its Directorates, the Institute of Transport and Transport Executing Agencies.</p> <p><b>Result 4:</b> Increased administrative capacity at the Ministry's to manage transport infrastructure project cycle and to properly monitor contractual and technical matters.</p> | <p><b>Indicator:</b> Projects submitted on time and according to EU Practical Guidelines</p> <p><b>Indicator:</b> Update of the ANTP by MPWTT</p> <p><b>Indicator:</b> Increase in the institutional capacity of MPWTT and its Executing Agencies.</p> <p><b>Indicator:</b> Increase in the institutional capacity of MPWTT and its Executing Agencies</p> | <p>Contracting Authority Reports<br/>Consultant Interim Reports<br/>MPWTT and its Executing Agencies Annual Reports.</p> | <p>Continued support from the Government to the process of reform.</p> <p>The MPWTT makes available sufficient qualified personnel to act as counterparts to the Consultant and ensures continuity of employment of such personnel during and after the assignment.</p> <p>Proper response of the market and of potential private investors</p> |
| <b>Activities</b>  | <b>Means</b>   | <b>Cost (EUR)</b>  | <b>Assumptions</b>  |
| <p><b>Activity 1:</b> Preparation of Terms of Reference and Tender Documents</p> <p><b>Activity 2</b> Contract award</p> <p><b>Activity 1:</b> Provision of Technical Assistance services</p>  | <p>ECD<br/>MPWTT</p> <p>ECD, MPWTT</p> <p>ECD, MPWTT<br/>Consultant</p>  | <p>Contract amount, 1M Euro</p>  | <p>The MPWTT makes available sufficient qualified personnel to act as counterparts to the Consultant and ensures continuity of employment of such personnel during and after the assignment.</p>  |

## ANNEX 2

### Amounts (in €million) Contracted and Disbursed per Quarter over the full duration of Programme

| <b>Contracted</b>                     | 1 <sup>st</sup><br>Quarter<br>2009 | 2 <sup>nd</sup><br>Quarter<br>2009 | 3 <sup>rd</sup><br>Quarter<br>2009 | 4 <sup>th</sup><br>Quarter<br>2009 | 1 <sup>st</sup><br>Quarter<br>2010 | 2 <sup>nd</sup><br>Quarter<br>2010 | 3 <sup>rd</sup><br>Quarter<br>2010 | 4 <sup>th</sup><br>Quarter<br>2010 | 1 <sup>st</sup><br>Quarter<br>2011 | 2 <sup>nd</sup><br>Quarter<br>2011 | 3 <sup>rd</sup><br>Quarter<br>2011 | 4 <sup>th</sup><br>Quarter<br>2011 |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Contract 1.1                          |                                    |                                    | 1.00                               |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
|                                       |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
|                                       |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| <b>Cumulated</b>                      |                                    |                                    | <b>1.00</b>                        |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| <b>Disbursed<br/>(Tbc by<br/>ECD)</b> | 1 <sup>st</sup><br>Quarter<br>2009 | 2 <sup>nd</sup><br>Quarter<br>2009 | 3 <sup>rd</sup><br>Quarter<br>2009 | 4 <sup>th</sup><br>Quarter<br>2009 | 1 <sup>st</sup><br>Quarter<br>2010 | 2 <sup>nd</sup><br>Quarter<br>2010 | 3 <sup>rd</sup><br>Quarter<br>2010 | 4 <sup>th</sup><br>Quarter<br>2010 | 1 <sup>st</sup><br>Quarter<br>2011 | 2 <sup>nd</sup><br>Quarter<br>2011 | 3 <sup>rd</sup><br>Quarter<br>2011 | 4 <sup>th</sup><br>Quarter<br>2011 |
| Contract 1.1                          |                                    |                                    | 0.2                                |                                    | 0.2                                |                                    | 0.25                               |                                    | 0.25                               |                                    | <b>0.1</b>                         |                                    |
|                                       |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
|                                       |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| <b>Cumulated</b>                      |                                    |                                    | <b>0.2</b>                         |                                    | <b>0.4</b>                         |                                    | <b>0.65</b>                        |                                    | <b>0.9</b>                         |                                    | <b>1.0</b>                         |                                    |

### ANNEX 3

Indicative Budget (amounts in €million)

|                      |        |         | TOTAL EXPENDITURE   | SOURCES OF FUNDING         |             |                           |           |                 |                         |              |                      |            |
|----------------------|--------|---------|---------------------|----------------------------|-------------|---------------------------|-----------|-----------------|-------------------------|--------------|----------------------|------------|
|                      |        |         |                     | IPA COMMUNITY CONTRIBUTION |             | NATIONAL CONTRIBUTION     |           |                 |                         |              | PRIVATE CONTRIBUTION |            |
| ACTIVITIES           | IB (1) | INV (1) | EUR (a)=(b)+(c)+(d) | EUR (b)                    | % (2)       | Total EUR (c)=(x)+(y)+(z) | % (2)     | Central EUR (x) | Regional/ Local EUR (y) | IFIs EUR (z) | EUR (d)              | % (2)      |
| <b>ACTIVITY 1</b>    |        |         |                     |                            |             |                           |           |                 |                         |              |                      |            |
| Contract 1.1         | X      | –       | 1.0                 | 1.0                        | 100%        | 0.0                       | 0%        | 0.0             | 0.0                     | 0.0          | 0.0                  | 0%         |
| Contract 1.2         | –      | –       |                     |                            |             | 0.0                       | 0%        | 0.0             | 0.0                     | 0.0          | 0.0                  | 0%         |
| <b>ACTIVITY 2</b>    |        |         |                     |                            |             | 0.0                       | 0%        | 0.0             | 0.0                     | 0.0          | 0.0                  | 0%         |
| Contract 2.1         | –      | –       |                     |                            |             |                           |           |                 |                         |              |                      |            |
| Contract 2.2         | –      | –       |                     |                            |             |                           |           |                 |                         |              |                      | –          |
| .....                |        |         |                     |                            |             |                           |           |                 |                         |              |                      | –          |
| TOTAL IB             |        |         | 1.0                 |                            |             |                           |           |                 |                         |              |                      |            |
| TOTAL INV            |        |         |                     |                            |             |                           |           |                 |                         |              |                      |            |
| <b>TOTAL PROJECT</b> |        |         | <b>1.0</b>          | <b>1.0</b>                 | <b>100%</b> | <b>0.0</b>                | <b>0%</b> | <b>0.0</b>      | <b>0.0</b>              | <b>0.0</b>   | <b>0.0</b>           | <b>0.0</b> |

## ANNEX 4

### Description of Institutional Framework

Albanian government priority objectives in the Transport Sector are the development of Pan European Corridor 8, the East-West road Corridor, the North-South road Corridor ( connecting Greece to Montenegro), as well as the Durres - Kukes - Morine axis, linking Kosovo with Durres and the Adriatic and developing the Durres port which is essentially the hub of the Albanian transport system. The Government has adopted the Albanian National Transport Plan (ANTP) which was produced with the assistance of the EU and within which the broad development objectives of the transport sector are defined. The Government of Albania is currently receiving considerable support from several donors, in particular from the European Union, for upgrading and expanding the transport infrastructure the country. The management of activities in these sectors requires good coordination within the Directorates of the Ministries and with the Ministry of Economic Cooperation and Trade and the Ministry of European Integration.

The MPWTT is responsible for the policy and regulatory framework, together with the technical standards for the road, railway, civil aviation and maritime transport sub-sectors. By incorporating the Albanian National Transport Plan (ANTP) into law, the MPWTT has created a legal framework to implement the recommendations made for the improvement of the functioning of the Transport Sector.

At regional level, to ensure its proper connection to the trans-European transport network, Albania is participating actively as vice-chair of the Steering Committee in implementing the June 2004 Memorandum of Understanding on the South East Europe Core Regional Transport Network including the Transport Observatory (SEETO). Albania also participated in the High Level Group on the extension of the major trans-European transport axes to the neighbouring countries and regions established in 2004.

The Contracting Authority responsible for managing this contract is the European Community represented by the European Commission Delegation in Tirana. A Project Manager will be appointed on behalf of the Contracting Authority.

The Consultant shall liaise with an appointed senior official within the MoPWTT. Although the three Key Experts shall each liaise with a senior member of the establishment where they are to be based, in order to ensure that the requirements/needs of the establishments are communicated to the Key Expert for action or assistance.

The Contracting Authority will appoint a Steering Committee comprising representatives for the MPWTT, the Executing Agencies and other responsible stakeholders involved with the overall monitoring of the project.

This Steering Committee will be important for guiding project implementation. It will review project progress and give guidance at key junctures. The Steering Committee will include representatives of the Contracting Authority, of the Beneficiary, of the Consultant and relevant project stakeholders. The Consultant will agree on the exact composition of the Steering Committee with the Beneficiary and the Contracting Authority. The representative of the Beneficiary will chair the meetings. The Consultant will ensure the proper functioning of the Committee meetings, such as writing minutes, preparing agendas, etc...

The emphasis of the work of this Technical Assistance will be on aspects concerning institutional strengthening and reorganization, strategic planning, etc.

## ANNEX 5

### Reference to laws, regulations and strategic documents

#### Reference list of relevant laws and regulations

- Law No. 8378 dated 22.7.1998 “The Road Code of the Republic of Albania”;
- Law No. 8402 dated 10.09.1998 “On the Supervision of and Discipline during Construction Work”, amended;
- Law No. 9511 dated 10.04.2006 “On Adherence of the Republic of Albania to the European Agreement on ‘The main arteries of International Traffic AGR’”;
- Memorandum of Understanding, South-East Europe (11.06.2004)
- DCM No. 270 dated 10.05.06 “On Approval of the National Transport Plan”
- DCM No.405 dated 08.01.1996 “On Administration of the National Road Network and the Rural Network of the Republic of Albania””, amended
- DCM No. 68 dated 15.02.2001 “On Approval of Technical Conditions for the Design and Implementation of Construction Works”, amended (Attachment No. 2 on motorways).

#### Reference to SAA

### ARTICLE 59

With regard to supply of transport services between the Community and Albania, the following provisions shall apply:

1. With regard to inland transport, Protocol 5 lays down the rules applicable to the relationship between the Parties in order to ensure, particularly, unrestricted road transit traffic across Albania and the Community as a whole, the effective application of the principle of non-discrimination and progressive harmonisation of the Albanian transport legislation with that of the Community.

2. With regard to international maritime transport, the Parties undertake to apply effectively the principle of unrestricted access to the market and traffic on a commercial basis, and to respect international and European obligations in the field of safety, security and environmental standards.

The Parties affirm their commitment to a freely competitive environment as an essential feature of international maritime transport.

3. In applying the principles of paragraph 2:

(a) the Parties shall not introduce cargo-sharing clauses in future bilateral Agreements with third countries;

(b) the Parties shall abolish, upon the date of entry into force of this Agreement, all unilateral measures and administrative, technical and other obstacles that could have restrictive or discriminatory effects on the free supply of services in international maritime transport.

(c) each Party shall grant, inter alia, no less favourable treatment for the ships operated by nationals or companies of the other Party than that accorded to a Party's own ships with regard to access to ports open to international trade, the use of infrastructure and auxiliary maritime services of the ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

4. With a view to ensuring a coordinated development and progressive

liberalisation of transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in air transport shall be dealt with by special Agreements to be negotiated between the Parties.

5. Prior to the conclusion of the Agreements referred to in paragraph 4, the Parties shall not take any measures or actions which are more restrictive or discriminatory as compared with the situation existing prior to the date of entry into force of this Agreement.

6. Albania shall adapt its legislation, including administrative, technical and other rules, to that of the Community existing at any time in the field of air, maritime and inland transport insofar as it serves liberalisation purposes and mutual access to markets of the Parties and facilitates the movement of passengers and of goods.

7. In step with the common progress in the achievement of the objectives of this Chapter, the Stabilisation and Association Council shall examine ways of creating the conditions necessary for improving freedom to provide air and inland transport services.

## **ARTICLE 70**

1. The Parties recognise the importance of the approximation of Albania's existing legislation to that of the Community and of its effective implementation. Albania shall endeavour to ensure that its existing laws and future legislation shall be gradually made compatible with the Community acquis. Albania shall ensure that existing and future legislation shall be properly implemented and enforced.

2. This approximation shall start on the date of signing of this Agreement, and shall gradually extend to all the elements of the Community acquis referred to in this Agreement by the end of the transitional period as defined in Article 6.

3. During the first stage as defined in Article 6, approximation shall focus on fundamental elements of the Internal Market acquis as well as on other important areas such as competition, intellectual, industrial and commercial property rights, public procurement, standards and certification, financial services, land and maritime transport – with special emphasis on safety and environmental standards as well as social aspects – company law, accounting, consumer protection, data protection, health and safety at work and equal opportunities. During the second stage, Albania shall focus on the remaining parts of the acquis.

Approximation will be carried out on the basis of a programme to be agreed between the Commission of the European Communities and Albania.

4. Albania shall also define, in agreement with the Commission of the European Communities, the modalities for the monitoring of the implementation of approximation of legislation and law enforcement actions to be taken.

## **ARTICLE 106**

### **Transport**

1. Cooperation between the Parties shall focus on priority areas related to the Community acquis in the field of transport.

2. Cooperation may notably aim at restructuring and modernising the Albanian transport modes, improving the free movement of passengers and goods, enhancing the access to the transport market and facilities, including ports and airports, 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.

#### Reference to European Partnership

The project does comply with the priorities identified in the renewed **European Partnership** for Albania based on the findings of the 2007 Progress Report for Albania. Under the transport policy, significant short and mid term priorities have been listed:

##### *Short-term priorities*

- Implement the national transport plan, including the planning and budgeting of transport asset maintenance, and adopt and implement the national transport strategy, including the strategy for the railway sector;
- Continue implementation of the memorandum of understanding on the development of the South East Europe (SEE) core regional transport network and strengthen cooperation with the South East Europe Transport Observatory;
- Take measures to improve road safety conditions, including approximation to the EU *acquis* on weights and dimensions, roadworthiness tests, technical roadside inspections, driving licences, tachographs and vehicle registration documents;
- Take measures to prevent illegal construction along new roads, in particular dangerous privately constructed access roads;
- Prepare railway network statement for open access to infrastructure use and adopt and implement a railway business plan;
- Implement Albania's commitments under the first transitional phase of the European Common Aviation Area Agreement, including the implementation of the relevant aviation Legislation;
- Implement the action plan to address the deficiencies identified within the civil aviation authority as regards safety oversight of the country's airlines;
- Improve maritime safety conditions, particularly the detention rate of Albanian ships under the Paris Memorandum of Understanding;

##### *Medium-term priorities*

- Continue implementation of the Albanian transport master plan
- Complete the necessary institutional reforms to improve transport asset management, prioritisation of investments, policy-making and involvement of the private sector.
- Make substantial progress on rehabilitation of the ports of Durrës and Vlora and consolidate port operations there.
- Achieve improved results in terms of road safety (including the implementation of the digital tachograph) and take additional steps towards further approximation to the *acquis* on market access (occupation) and social rules.
- Continue implementation of the Memorandum of Understanding on the development of the south-east Europe (SEE) core regional transport network, and cooperation with the SEE transport observatory.
- Create conditions for competition in the rail transport sector, including the establishment of regulatory and safety bodies.
- Implement commitments taken on under the second transitional phase of the European Common Aviation Area Agreement.

- Achieve significant results in improving maritime safety conditions, including port state control facilities and performance of the register of shipping pursuant to the Paris memorandum of understanding.

#### Reference to the National Plan for the Implementation of the SAA

In response to the EP, and the SAA, the Government's the **National Plan for the Implementation of the SAA** (NPISAA), as adopted in September 2007, identifies short and medium term general priorities and their resultant legislative and implementation activities. Significant part of this document is comprised by the areas covered by the Ministry of Public Works, Transport and Telecommunication, such as road safety, road transport, road infrastructure, as well as rail, maritime and air transport. The legislative initiatives and implementing activities should be fulfilled by the staff of the MPWTT.

#### Reference to MIPD

The proposed project is in line with section 2.2.3.1 of the MIPD "Main Priorities" under which – support to the establishment and capacity building of agencies and institutions required for the implementation and enforcement of the sectoral policies, including mechanisms for the verification of EU compatibility of government policies and draft laws – is stated. In addition, under section 2.2.3.3 "Programmes to be implemented" where assistance to continue with the implementation of the National Transport Plan and developing institution and capacity of relevant authorities in the transport sector (road, rail, air, and maritime) to align with the acquis, including infrastructure is foreseen.

#### Reference to National Development Plan

The abovementioned documents are part of the Albanian Government's National Strategy of Development and Integration.

#### Reference to national / sectoral investment plans

N/A

## ANNEX 6

### Details per EU funded contract (\*) where applicable:

For *TA contracts*: account of tasks expected from the contractor

It is understood that the Technical Assistance will require a multi-disciplinary consulting company/Consortium having adequate experienced in transport projects and disposing of experts in the mentioned fields.

The selected Consultant will have to ensure support to the MPWTT on EU funded or co-funded project and programme implementation and may also be asked to assist the European Commission Delegation (ECD) when required.

The implementation of the EU funded and co-funded projects have to be carried out in accordance with the Practical Guide (PRAG) and to be guided by Financing Memoranda.

The Technical Assistance will support and assist the MPWTT and specifically the Port of Durres and the Albanian Railways (AR). Its role will also be related to advice and assist the Transport PMU and PIU-EIB or eventually a new structure for fulfilling their obligations.

The tasks of the Consultant will cover the following main specific activities:

- Follow up and provide support to the Ministry in carrying out the recommendations of studies which have been concluded or will be realised during the period of the assistance programme. Special reference will be made to the Albanian National Transport Plan and its adoption; to the Master plan for the port of Durres; to the business plan for the Albanian Railways (HSH) to the implementation of Cross-Border Programmes. Ensure the overall sustainability and dissemination of project results.
- Ensure that the MPWTT accepts a forward programme of restructuring policies and strategies and separate the functional roles of MPWTT from the ones of the Executing Agencies.
- Determine status of all ongoing EU Scheme and projects.
- Evaluate the level of products and services required by the Government in the road, ports and railways sectors for the next ten years.
- Determine the level of Private Sector Involvement (local/foreign) that will be required to supplement or address any possible weaknesses at the Ministry, at the GRD, at the Port or at the Railways Authority levels.
- Institutional and reorganization support to the Ministry, to the Directorates of the Ministry, to the Port of Durres, to the Albanian Railways (HSH), to the Civil Aviation.
- Assessment of (i) the institutional framework and main institutional bottlenecks under which transport activities take place including multimodal transport; of(ii) how transport infrastructure are provided; of (iii) coordination between different modes of transport; (iv) the interface between transport and the environment is taken into account;(v) the roles of the administration and of the private sector are distributed.
- Preparation of Strategic Plans and Work Programmes to be approved by the MPWTT and by the European Commission.
- Transport coordination and integration policy for Road Network, ports and railways with

assistance in defining a sound policy on safety and environment related to transport and to the different modes concerned (roads, ports, railways, airports).

- Assure the transfer of know-how after training needs assessment through training programmes, workshops and on the job training of counterparts and local personnel.
- Project identification and preparation of related Terms of Reference.
- Reviewing detailed design, specifications, bills of quantities and contract documents for work including quality assurance system-applications.
- Management of tenders (preparation of tender dossiers, drawing-up of short-lists, carrying out tendering procedures, evaluation of bids and contracting procedures).
- Monitoring of progress in the tendering and work contracting procedures (technical, financial, institutional, and environmental); of the recruitment and performance of the supervision Consultants and of the design Consultants; of land expropriation for EU funded projects.
- Financial, contractual and technical management of programmes and projects; preparation of budget analysis and of annual business plans, in cases where no FDIC engineer has been appointed for this work.
- Reporting on sustainable and integrated institutional development for strengthening of the MPWTT and of the Directorates.
- Assist and make recommendations on sustainable institutional strengthening in order to build general technical know-how and project management within the Ministry, its Directorates as well as within the Executing Agencies.