Technical Assistance to Connectivity in the Western Balkans EuropeAid/13785/IH/SER/MULTI

ALBANIA

Update of Cost Benefit Analysis for Tirana Bypass

This sub-project is still ongoing. The description that follows is for information purposes only and subject to the sub-project's completion.

Partners:
- European Bank for Reconstruction and Development (EBRD)
- European Investment Bank (EIB)
- Ministry of Infrastructure and Energy (MoIE)

Budget of Technical Assistance:
- Euro 153,000

EU contribution[1]:
- As above (100%)

Technical Assistance provided by:
- CONNECTA (Technical Assistance to Connectivity in the Western Balkans)

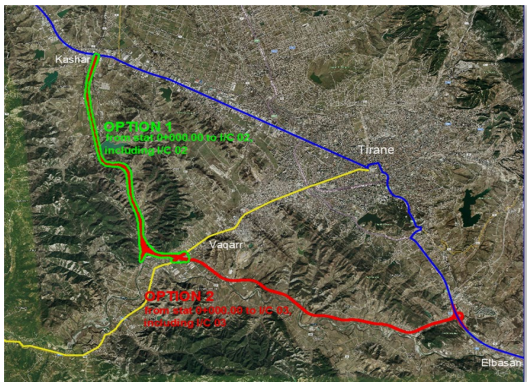
Transport

The European Bank for Reconstruction and Development is considering providing a loan to the Albanian government to undertake the construction of the Tirana Bypass (the 'Project').

The Tirana Bypass is part of the Adriatic – Ionian Highway, also referred to as the Blue Highway, which will create a seamless route from Trieste in Italy to Kalamata in Greece, while branching out to Slovenia, Croatia, Montenegro and Albania.

The 22 km long bypass will be constructed in the most populated area (with 1/3 of the entire population of Albania living in it), which is also the backbone of the country's road network. It will connect the already built Tirana – Durres and Tirana – Elbasan motorways.

CONNECTA provided services for the update of the Cost Benefit Analysis (CBA) of the planned bypass. The original CBA was carried out in 2013. The end beneficiaries for this sub-project were the Ministry of Infrastructure and Energy of Albania, the European Bank for Reconstruction and Development and the European Investment Bank. The lead International Financing Institution (IFI) interacting with CONNECTA was the EBRD.



Tirana Bypass Project – General map

The overall **objective** of CONNECTA's assignment was to provide the two IFIs with the information, analysis and recommendations they needed to comprehensively assess, structure and approve the Project from an economic viability perspective.

The specific **tasks** were:

i. Task 1 Inception;
ii. Task 2 Data collection and analysis;
iii. Task 3 Traffic surveys;
iv. Task 4 Update of existing and future traffic demand and forecast;
v. Task 5 Emission calculation and Paris Agreement assessment;
vi. Task 6 Technical assessment; and
vii. Task 7 Update of the cost-benefit analysis.

Results achieved by the TA:

- Updated macroeconomic assessment;
- Updated traffic demand and travel patterns;
- Quantified changes in project costs;
- Updated methodology for emission calculation for the economic assessment of the Project; and
- Updated cost-benefit analysis.

[1] EU contribution concerns only Technical Assistance services for project development

Tirana Bypass Project – Interchanges

Key conclusions:

(To be indicated at the end of the assignment)

Benefits expected due to Technical Assistance:

- The IFIs were provided with the information, analysis and recommendations they needed to comprehensively assess, structure and approve the Project; and
- The Project results will have a positive impact on the future shaping of the transport strategy in Albania.

Impacts anticipated:

- The construction of Tirana Bypass will, in particular, provide a missing link to key local, regional and European road infrastructure in the Western Balkans;
- It will enhance Albania's development of an efficient transport system, integrated into the regional and European road corridor networks. This will contribute to local and regional economic growth and development; and
- The Bypass will channel traffic away from the capital, and thus reduce traffic congestion, pollution and road accidents.

Key recommendations - further actions:

(To be indicated at the end of the assignment)

Transport