



# Technical Assistance to Connectivity in the Western Balkans - 2 NEAR/2022/EA-RP/0081

## ALBANIA

### Implementation Support to Establish Rail Passenger Operations in Albania

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

#### Partners:

- European Investment Bank (EIB)
- European Bank for Reconstruction and Development (EBRD)
- Ministry of Infrastructure and Energy (MIE)
- Albanian Railways (HSH)

#### Budget of Technical Assistance:

- Euro 542,000

#### EU contribution<sup>1</sup>:

- As above (100%)

#### Technical Assistance provided by:

- CONNECTA 2 (Technical Assistance to Connectivity in the Western Balkans - 2)

As part of the country's sustainable growth strategy and supported by the European Union, the Albanian Government is investing in modernisation of its rail network. The ambitious programme foresees for over 75% of Albanian rail network to be rebuilt, modernised and electrified over the course of the next decade. The joint efforts will help Albania's social and economic development and contribute to the green transition by promoting a modal shift from road to rail - a more efficient and climate-friendly mode of transport.

Investments for rehabilitation and modernisation are ongoing on the main parts of the network - Tirana-Durres (including a new link to Tirana's airport), Vorë-Hani i Hotit (close to the border with Montenegro) and Durres-Rrogozhine-Pogradec. Electrification of the network is largely taking place in parallel with the infrastructure projects.

To prepare for the operational phase and in line with the country's reform agenda, the Albanian Railways (HSH) needs to develop a framework Public-Service Contract, i.e. to establish Rail Passenger Operations in line with the EU standards by the beginning of 2026 and to subsequently expand as the network is modernised.

The **objective of CONNECTA 2's technical assistance** is to provide comprehensive and reliable inputs for establishment of the said Rail Passenger Operations. The assignment is being carried out in two phases:

- Phase 1: Definition of Preferred Solution
- Phase 2: Implementation of Preferred Solution



#### Results to be achieved:

##### Phase 1:

- Gap assessment of the current situation;
- Demand study and operations concept;
- Estimation of the compensation payments;
- Review of the preferred solution.

##### Phase 2:

- Develop financial model;
- Develop technical specifications for rolling stock;
- Prepare a fare strategy;
- Draft Public Service Contract;
- Support Public Service Contract (PSC) tendering procedure and develop final PSC.

Transport

<sup>1</sup>EU contribution concerns only Technical Assistance services for project development

**Start date:** October, 2024

**Duration:** 30 months



**Key recommendations - further actions:**

*(to be updated after the sub-project is completed)*

**Benefits expected due to Technical Assistance:**

- Public Service Contract awarded to a qualified firm in line with EU rules and standards;
- Meeting the latest know-how in planning, commissioning, monitoring, regulating and financing rail passenger services;
- Promotion of the overall financial and institutional sustainability of the rail sector in Albania;
- Promotion of multimodal transport solutions fully aligned with the Guidelines for the Implementation of the Green Agenda for the Western Balkans embedded in the Economic and Investment Plan.

**Impacts anticipated:**

- Operating rail passenger services in a safe and cost effective manner;
- Ensuring flexible expansion of services, encompassing also international services and thereby promoting regional integration;
- Contributing to a long-term goal of building green, sustainable and integrated economies in Albania and in the Western Balkans;
- Providing good practice for other Western Balkans countries to follow.