



## Results-based Road Maintenance and Safety Project (P132982)

EUROPE AND CENTRAL ASIA | Albania | Transport Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 17 | ARCHIVED on 24-Nov-2022 | ISR53958 |

Implementing Agencies: Albanian Road Authority, Ministry of Finance

### Key Dates

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Bank Approval Date: 27-Mar-2015

Effectiveness Date: 25-Sep-2015

Planned Mid Term Review Date: 09-Apr-2019

Actual Mid-Term Review Date: 09-Apr-2019

Original Closing Date: 31-Dec-2021

Revised Closing Date: 31-Dec-2022

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objectives are to: (a) maintain the condition and improve the safety of Borrower's Primary Road and Primary-Secondary Road networks, and (b) strengthen sustainable and efficient road asset management and safety practices, for the benefit of road-users.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Component 1 - Maintenance Works and Monitoring:(Cost \$52.71 M)

Component 2 - Institutional Reforms:(Cost \$6.60 M)

Component 3 - Sector Support:(Cost \$3.82 M)

Component 4 - Project Management and Audit:(Cost \$2.61 M)

Front-End Fee:(Cost \$0.16 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Unsatisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Unsatisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

### Implementation Status and Key Decisions

#### Team's Finding and Issues for the Management Attention

**The Output and Performance-based Road Maintenance Contracts** (OPRCs) were successfully completed in March 2022, covering 1,332 km of the Primary and Primary-Secondary National Roads Network. Under the contracts, ARA conducted routine and periodic maintenance, road improvements and safety measures, emergency, and winter maintenance, as well as rehabilitation of specific sections substantially deteriorated. Building upon good experience gained from RRMSP, MoE and ARA continued the OPRCs approach by funding them via Government allocations in the annual and medium-term budget for the entire network. The new OPRCs have been designed for a period of 4 years and using similar operational performance standards, merit and demerit system, technical specifications, etc. The multi-annual budget for the OPRCs is estimated at about US\$17 million, annually.



Other technical assistance (TA) activities have also been completed, including Road Safety support to MoIE and Inter-ministerial Road Safety Committee (IRSC), and designing of Traffic Management and Monitoring Center for the MoIE. The last remaining activities are related to: (i) institutionalizing the Road Asset Management System (RAMS) that is partially completed due to lack of the RAMS platform developer. Despite this shortcoming, ARA did complete staffing of the RAMS unit and launched training of the engineers, and (ii) preparing detailed designs and bidding document for first year 14 bridges (only two are completed so far) the upcoming BRBP.

**The DLI achievement** report was prepared by NTU consultant on October 18, 2022 and was reviewed by the Bank. It shows that ARA achieved the targets for routine and periodic maintenance, partially achieved the development and operationalization of a Social Transparency System, and did not achieve establishment of RAMS and signing of a service level agreement between MoIE and ARA.

**The establishment/operationalization of RAMS** to inform was not completed. The RAMS developer (downstream vendor) JV "Finnish Overseas Consultants (FinnOC)" Ltd & "R& T sh.p.k", according to ARA reporting, was not able to develop the IT/GIS-based system in full conformity with the technical specifications and contract requirements. ARA/PMT are planning the contract termination and evaluate and assess the partial completion and use of the platform, which would be strengthened and enhance during the implementation of follow up project.

**Procurement.** Several contract management issues were discussed with ARA/PMT during the mission. The Bank team reconfirmed that with regard to the contract "Supply and Installation of a Road Asset Management System (RAMS) in Albania" signed with JV. "Finnish Overseas Consultants (FinnOC)" Ltd & "R& T sh.p.k", ARA/PMT needs to take the formal step of terminating the contract. It was recommended that ARA/PMT should confirm the level of completion under each of the deliverables submitted by the Consultant and reach an agreement with the Consultant for the percentage of payments that are claimed.

Regarding the contract "Feasibility Study and Detailed Design of the Road Bridges Rehabilitation and Reconstruction in Albania" signed with Politecnica Ingegneria and Architettura, which will be completed within December 31, 2022, it was agreed that ARA/PMT should review and update the work program considering the level of work that can be accomplished within the project closing date and based on the above, negotiate and amend the contract accordingly. Considering that all procurement activities are completed, procurement rating of the project is confirmed to be Satisfactory.

**Financial Management.** The Bank reviewed the IFRs for the first semester of 2022 and the draft DLI Audit report and brought to the attention of ARA/PMT that pursuant to the loan agreement, the amount (for Category 1) that can be converted into disbursement is the lower value between the amount of corresponding value of the DLI achieved and the value of the allowed eligible expenses reported. Based on Bank analysis, when actual cumulative expense pertaining to the IBRD portion reach the level of Euro 48.1 million, ARA should prepare a forecast to include an estimate of the portion of expenses (until the end of the project) that would have been covered by IBRD and that are now to be taken over by GOA.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Substantial	☐ Moderate	☐ Moderate
Macroeconomic	☐ Substantial	☐ Moderate	☐ Moderate
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Moderate	☐ Moderate	☐ Moderate
Institutional Capacity for Implementation and Sustainability	☐ Moderate	☐ Substantial	☐ Moderate
Fiduciary	☐ Substantial	☐ Substantial	☐ Moderate
Environment and Social	☐ Moderate	☐ Moderate	☐ Moderate
Stakeholders	☐ Moderate	☐ Moderate	☐ Moderate
Other	--	☐ Moderate	☐ Moderate
Overall	☐ Moderate	☐ Moderate	☐ Moderate



**Results**

**PDO Indicators by Objectives / Outcomes**

Maintain the condition and improve the safety of the Primary Road and Secondary Road networks				
▶ Road Condition, as a function of the average IRI of the project road network, does not deteriorate (IRI measured as m/km) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.50	4.50	3.30	4.50
Date	01-Sep-2014	19-May-2022	17-Oct-2022	30-Dec-2022
▶ Fatalities on an annual basis across the National road network. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	295.00	227.00	227.00	250.00
Date	31-Dec-2013	19-May-2022	19-May-2022	30-Dec-2022

Strengthen sustainable and efficient road asset management and safety practices for road users				
▶ Preparation and implementation of fully-costed multi-year maintenance plans, on an annual basis (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2015	19-May-2022	19-May-2022	30-Dec-2022
Comments:	ARA has started the preparation of the multi annual plans, in anticipation of taking over project's performance based maintenance contracts and rolling over the same arrangements this time financed by government. These multi annual plans are prepared every year (as part of the Medium Term Budget Plans), starting from 2021 onward			

**Intermediate Results Indicators by Components**

Component 1 - Maintenance Works and Monitoring				
▶ Length of project roads under routine maintenance through Performance Based Contracts (Kilometers, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,335.00	1,335.00	1,335.00



Date	01-May-2015	25-Nov-2020	17-Oct-2022	30-Dec-2022
► Length of national road network for which condition survey data obtained and entered into RMS database. (Kilometers, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	100.00	3,400.00
Date	01-May-2015	25-Nov-2020	17-Oct-2022	30-Dec-2022
Comments:	Data have been collected by Monitoring Consultant, be entered in RAMS once the platform has been completed from the RAMS downstream vendor, and calibrated			
► iRAP surveys completed showing an improvement in Safety Star ratings across the project roads. (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Report on Star Rating from First Year Survey	Report Star Rating from October 2018 (better ratings)	Report Star Rating from October 2018 (better ratings)	A better value than the original Star Rating
Date	30-Dec-2015	25-Nov-2020	17-Oct-2022	30-Dec-2022

#### Component 2 - Institutional Reforms

► Road Safety Media Campaign developed and in use. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	Yes	Yes
Date	01-May-2015	25-Nov-2020	17-Oct-2022	30-Dec-2022
Comments:	The design of such activity is ready to start. Project Steering Committee in the Ministry of Infrastructure and Energy has already endorsed the TA program for the RS campaign			

#### Component 3 - Sector Support

► Preparation of Transport Sector Strategy (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-Jan-2015	25-Nov-2020	17-Oct-2022	31-Dec-2020
Comments:	The sector strategy is prepared and adopted by the Ministry of Infrastructure and Energy, as part of the multi-donor support, led by EU Delegation in Tirana. In addition, the project is supporting the preparation of National ITS strategy which is part of the WB6 regional ITS initiative/strategy.			

#### Component 4 - Project Management and Audit



<b>► Accident Information Database enhanced and in use by end of Year 2 (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2015	25-Nov-2020	17-Oct-2022	31-Dec-2021
Comments:	The accident database was not completed due to Covid 19 and inability of the consultant to travel to Albania			
<b>► Social Transparency System being used to monitor feedback trends, with issues being closed out and monthly reports being prepared. (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2015	25-Nov-2020	17-Oct-2022	30-Dec-2022
Comments:	Although being established, the 2019 DLI Audit report confirmed that the STS is not fully functional, and the current mission agreed that ARA should start implementing auditor's recommendation in order to consider the respective DLI as ACHIEVED. The alternative solution is to integrate ARA' STS into national platform "Bashkeqeverisja" (frequently used by citizens in general and also specific areas like road service levels), in order to receive from them the full range of complains and (dis) satisfaction of road users and interested individuals/communities. The latest audit report that STC is functional and confirmed the achievement of the respective DLI			
<b>► Finalize Beneficiary Impact Assessments and Completion Reports (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2015	25-Nov-2020	17-Oct-2022	31-Dec-2022

**Performance-Based Conditions**

**Data on Financial Performance**

**Disbursements (by loan)**

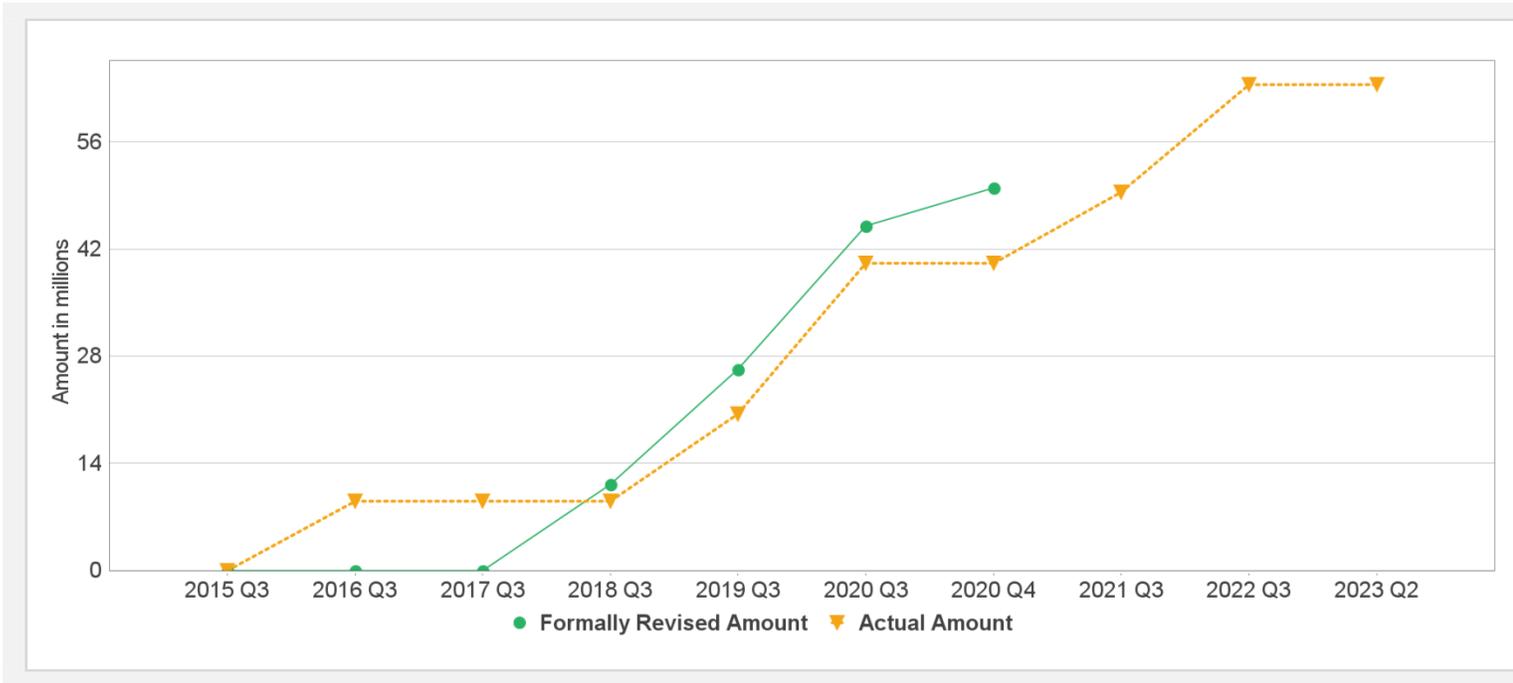
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P132982	IBRD-84890	Effective	USD	80.00	80.00	0.00	63.71	11.21	85%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P132982	IBRD-84890	Effective	27-Mar-2015	10-Apr-2015	25-Sep-2015	31-Dec-2021	31-Dec-2022



### Cumulative Disbursements



### Restructuring History

Level 2 Approved on 07-Apr-2021

### Related Project(s)

There are no related projects.