

Rehabilitation of Regional and Local Roads

Project Financing

EU IPA External Grant IPA 2011	€ 20,000,000
EU IPA External Grant IPA 2010	€ 14,500,000
EIB Loan	€ 50,000,000
EBRD Loan	€ 50,000,000
WBIF Grant WB1-ALB-TRA-01	€ 4,000,000
Total	€ 138,500,000
Total Grants	€ 4,000,000
Total Loans	€ 100,000,000

Project Description

The overall length of the road network in Albania totals about 15,500 km, comprising 3,400 km of national roads and about 12,000 km of secondary and local roads. The priority given to the expansion of the national road network in recent years has resulted in the inadequate maintenance of the majority of the local roads. Only a small number of sections are paved and about 75-80 % of the system is in poor or very poor condition. Moreover, a number of road sections are impassable for parts of the year and hence access to essential services, primarily health and education is restricted. The current road network status also hinders economic growth as difficult transport conditions act as a barrier to private sector development in rural areas, with a direct impact on agricultural competitiveness.

This project is part of a multi donor-programme* to support the rehabilitation of 1,500 km of secondary and rural roads in Albania. The aim of the programme is to improve the transport conditions in the rural areas of the country in order to facilitate the people's connections with markets, health and education services, and thus contribute to their economic development. The benefits of the programme include a reduction in travel time and vehicle operating costs, as well as an increase in traffic volumes. The primary beneficiaries of the investment will be the inhabitants and businesses in areas served by the rehabilitated sections. The programme is managed by the [Albanian Development Fund](#).

The investment works are funded by an EU grant (€34.5 million) and loans from the European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB). About 500 km of the regional and local network will be rehabilitated via the provision of quality road infrastructure. In addition, the WBIF contributed a further €4 million grant to assist with the management and supervision of the project.

*The WBIF has contributed towards the preparation and implementation of two other projects; please see PRJ-ALB-TRA-001 and PRJ-ALB-TRA-003.

Results and Benefits

- rehabilitation of roads on up to 500km of the regional and local network
- primary beneficiaries of the investment will be the inhabitants and businesses in areas served by the

rehabilitated sections

- improvement in road quality will substantially decrease road user costs, generating traffic and increasing the competitiveness of the rural economy
- the rehabilitated roads will improve access to key services (health, education), playing an important role in poverty alleviation

- **Countries:** Albania
- **Code:** PRJ-ALB-TRA-003
- **Sector:** Transport
- **Lead IFI:** EBRD
- **Status:** Completed
- **Beneficiary:** Albanian Development Fund