

DECISION

No. 887, dated 27.12.2022

ON PUBLIC INVESTMENT MANAGEMENT PROCEDURES (amended by Council

Decision no. 70, dated 14.2.2024; no. 180, dated 20.3.2025)

(updated)

In accordance with Article 100 of the Constitution and Articles 16 and 25 of Law No. 9936, dated 26.6.2008, "On the Management of the Budget System in the Republic of Albania", as amended, upon the proposal of the Minister of Finance and Economy, the Council of Ministers

DECIDED:

1. An investment project includes a series of works, activities or services aimed at achieving an indivisible objective, with clearly identified goals, *regardless of the source of financing*. The total cost of an investment project will include any expenditure related to achieving the intended results, *within a given time*, according to all its components.

2. The Minister responsible for finance, by instruction, determines the financial limit of the full value of the project in accordance with the specifics of the sector, on the basis of which the method and procedure for evaluating the public investment project are determined.

3. New public investment projects above the threshold value set by instruction from the minister responsible for finance are classified as investment projects of strategic importance and are subject to the evaluation process for their inclusion in the Single List of Projects of National Importance. These investment projects are included in the MTBP or the annual budget in accordance with the fiscal space, only after they have become part of the single list of projects of national importance, approved by decision of the Council of Ministers. *Exceptions to this rule are public investment projects related to the reconstruction of public buildings, the purchase of electronic equipment or office equipment, as well as projects in the military field.*

3/1. Strategic investment projects, which are proposed to be implemented as concession or public private partnership projects, are included in the Unique List of Projects of National Importance, after the feasibility study is prepared, following the rules provided for in the legislation in force for concessions and public private partnerships.

4. The Unique List of Projects of National Importance contains public investment projects that are of strategic importance for the economic and social development of the country, regardless of their source of financing. This list serves as an instrument to support the policies and priorities of the Albanian government, in line with the National Strategy for Development and Integration (NSDI), as well as sectoral and cross-sectoral strategies. The Unique List of Projects of National Importance serves as a reference for the ministry responsible for finance and central government units, in the context of the inclusion of public investment projects in the Medium-Term Budget Program (MTBP) or the annual budget.

5. The Unique List of Projects of National Importance is approved by decision of the Council of Ministers, no later than January 31. If deemed necessary, the Unique List of Projects of National Importance is reviewed *every 3 months*. The authority responsible for the administration, updating and monitoring of the procedures for the approval of the unique list of projects of national importance is the institution responsible for strategic programming.

6. Classification of capital expenditures for the purpose of project evaluation and programming public investment is as follows:

a) "Administrative capital expenditure" is defined as the replacement of obsolete equipment during the exercise of functions by the central government unit or the purchase of new equipment related to the current level of personnel or the increase in the number of staff. Central government units prepare proposals and submit them to the ministry responsible for finance accompanied by the required documentation, in accordance with the evaluation procedures according to Annex 1. Projects evaluated according to this classification will be presented as an integral part of the budget requests, within the framework of the preparation of the Medium-Term Budget Program (MTBP) or the annual budget. The ministry responsible for finance reviews the proposals, including them, as appropriate, in the MTBP process or the annual budget.

b) Capital expenditure for emergencies: are the expenditures made to respond to an immediate need for public investment, as a result of a humanitarian crisis and/or a major accident in a specific area or facility, a dangerous natural or man-made phenomenon, natural or ecological (environmental) disaster, epidemic, use of weapons that cause or may lead to human casualties, significant damage to human health and the environment. Central government units prepare proposals at any time and submit them accompanied by the required documentation, in

in accordance with the evaluation procedures, according to Annex 1, attached to this decision. The Ministry responsible for finance reviews and approves, including in the annual budget, only proposed emergency projects with a value of up to 200,000,000 (two hundred million) lekë. In cases where the value of the proposed emergency projects exceeds 200,000,000 (two hundred million) lekë, these proposals are forwarded for approval by decision of the Council of Ministers. After approval, the Ministry responsible for finance includes them in the annual budget. *c) Expenditures for investment projects: are expenditures made for a series of*

works, activities or services, with a clearly identified purpose, which are part of the cost of a specific budget program and are not administrative capital expenditures.

Expenditures for investment projects are classified

into: i. strategic projects, which are above the threshold value determined by instruction of the Minister of Finance. These projects, in order to be included in the Single List of Projects of National Importance, are subject to an evaluation process, according to Annex

1 of this decision; ii. projects, which are within the threshold values determined by instruction of the Minister of Finance. These projects, before the start of the budget process, must prepare the investment project concept form and the simplified feasibility study, according to the methodology approved by instruction of the Minister responsible for finance;

iii. other investment projects, for which an investment project concept form is prepared.

7. The financing of public investment projects shall be carried out in accordance with the budget preparation methodology approved by the ministry responsible for finance, in the standard and annual budget preparation guidelines. Public investment projects, which are financed as part of a program specified in the annual budget law, may be existing and new projects. *During the process of programming public investment projects, priority for financing shall be given to existing projects.*

Expenditures for existing public investment projects include: a) capital investment expenditures for projects that were financed in the current fiscal year and have not been completed; b) capital investment expenditures

for projects that have not yet started, but for which legal commitments have been undertaken and approved in the previous Medium-Term Budget Programming (MTBP) process.

All other public investments will be treated as new investments.

8. Proposals for new investment projects, *regardless of the source of financing*, which meet the criteria to be classified as projects of strategic importance, according to the criteria in Table 1, in Annex 1, attached to this decision, and the threshold value determined by instruction of the Minister responsible for finance, shall be prepared by central government units, according to the documentation and procedures set out for assessment in Annex 1, attached to this decision. Proposals shall be submitted simultaneously to the Ministry responsible for finance and to the institution responsible for strategic programming, at any time.

a) The ministry responsible for finance forwards it to the institution responsible for strategic programming its position on any proposal for new projects classified as projects of strategic importance;

b) The institution responsible for strategic programming evaluates the projects proposed by central government institutions, in the context of their inclusion in the Single List of Projects of National Importance. The institution responsible for strategic programming consults each project proposal, as well as projects that have prepared a feasibility study and meet the project maturity criteria, according to the methodology approved by the Minister of Finance, in the Strategic Planning Committee, on a case-by-case basis;

c) For public investment projects, which are included in the Unique List of Projects of National Importance, before maturity, the proposing institution presents the feasibility study, ensuring the quality of the conception and content, in accordance with the methodology determined by instruction of the Minister of Finance, for which: i. the ministry

responsible for finance assesses the budgetary affordability of the project and the fiscal risks related to the deficit budget and public debt;

ii. the institution responsible for strategic programming assesses the completion of the documentation according to the criteria of this decision and re-evaluating compliance with national, sectoral and cross-sectoral strategies;

iii. repealed. c/

1) *Exceptionally, for emergency needs or for the needs of providing vital services, when the time for preparing the feasibility study is impossible, strategic investment projects are matured in the Unique List of Projects of National Importance through the submission of the technical study. c) The project is*

considered mature with the approval of the Strategic Planning Committee. c/ 1) The institution responsible for strategic programming reflects the change in the maturity status of the projects that mature and reassesses the ranking of projects in the Unique List of Projects of National Importance.

d) Proposals for new investment projects that do not meet the criteria to be classified as projects of strategic importance, according to the criteria in Table 1, in Annex 1, attached to this decision, and the threshold value, approved by instruction of the Minister of Finance, will be prepared by central government units, according to the documentation and procedures set out for assessment in Annex 1, attached to this decision. *The proposals are presented as an integral part of the budget requests, within the framework of the preparation of the Medium-Term Budget Program (MTBP) or the annual budget.*

e) *For projects of strategic importance matured in the Unique List of Projects of National Importance, if at the time of budgeting there are changes in the full values of the project, the proposing institution presents a detailed report with the relevant argumentation of the change in value and the revised value of the project is reflected in the Unique List of Projects of National Importance. If the change in value over 20% of the full value of the project comes as a result of technical changes to the project, a revised feasibility study must be submitted;* ð) *Projects that have*

matured in the Unique List of Projects of National Importance and have not been budgeted within three years of conducting the feasibility study, in order to be budgeted, they must review the feasibility study;

f) *The Minister of Finance, by instruction, approves the methodology for preparing the full feasibility study and the study simplified feasibility studies;*

g) *For projects of strategic importance, for which the full value of the project is reassessed during implementation, the changed value is reflected in the Unique List of Projects of National*

Importance; gj) *Public investment projects approved in the Unique List of Projects of National Importance are included in list until the full value of the financing is secured.*

9. Based on the ranking of *mature* projects in the Single List of Projects of National Importance and in accordance with the fiscal space, the ministry responsible for finance prepares the MTBP document, including budget priorities, the approval of new policies and the established expenditure ceiling, which is submitted to the Council of Ministers for approval.

10. The main principles on which the central government units are based for the assessment, prioritization and proposal of investment projects; the institution responsible for strategic programming for the assessment of investment project proposals for their inclusion in the Single List of Projects of National Importance; as well as the ministry responsible for finance for the final assessment for their inclusion in the Medium-Term Budget Program (MTBP) or the annual budget, are: a) the principle of strategic importance assessment; b) the principle of economic and financial assessment; c) the principle of environmental and climate impact assessment; ç) the principle of sustainability assessment; d) the principle of gender assessment; dh) the principle of project management assessment.

11. *For multi-year budget commitments related to new public investment projects, during their implementation, it is not allowed to allocate less than 20% of the full value of the relevant project to the budget of the relevant unit of the central government unit during the first year. During the implementation of public investment projects, it is not allowed to allocate less than 30% of the full value of the relevant project to the budget of the relevant unit of the central government unit during the second year and not less than 30% of the full value of the relevant project during the third year, except in cases where otherwise specified in the feasibility study document and new projects approved in the MTBP 2023-2025. For public investment projects with foreign financing, the rules set out in the relevant agreements with the financial institution are followed.*

12. Monitoring and reporting on the progress of the implementation of investment projects are carried out, according to the specific deadlines and procedures provided in Annex 2, attached to this decision, and the relevant state budget monitoring instructions.

13. Exceptionally, for the year 2023, the Unique List of Projects of National Importance is approved, no longer later than February 28th.

13/1. *Investment projects with the status of "mature" in the Unique List of Projects of National Importance, approved by decision no. 447, dated 26.7.2023, of the Council of Ministers, "On the approval of the Priority Policy Document 2024–2026", are included in the MTBP or annual budget, as:*

a) the institution responsible for strategic programming to rank the projects; b) the ministry responsible for finance to assess the budgetary affordability of the project in accordance with the fiscal space.

14. Decision No. 185, dated 29.3.2018, of the Council of Ministers, "On the procedures for the management of public investments", is repealed.

15. All central government units are charged with the implementation of this decision.

This decision enters into force upon publication in the Official Gazette and takes effect on January 1, 2023.

premier

Edi Rama

ANNEX 1. PUBLIC INVESTMENT MANAGEMENT PROCEDURES

The following procedures will be applied in the public investment planning process.

"Investment project", as an integral part of the public expenditure program, is: "a series of works, activities or services, intended to fulfill an indivisible objective of a specific economic or technical nature, with clearly identified purposes *regardless of the source of financing*".

The Project Cycle is considered an integral part of the Public Expenditure Management (PEM) Cycle. It may happen that the cycle of a project may not coincide in time with the PEM cycle.

This is for the

following reasons: *i)* The MPS cycle must fully comply with the calendar of a fiscal year, while the phases of an individual project may be longer than the corresponding phases of the MPS;

ii) It may be the case that some projects are funded by donors and usually different donors may have different cycles and procedures than those of the MPS. In this context, these procedures aim to build a process that integrally links the investment project management process with the overall Public Expenditure Management process.

The following diagram describes the stages of the Public Investment Management Cycle.



The processes and procedures of each phase of the cycle are important because they ensure that the project to be managed effectively and achieve its purpose.

1. **Project identification** is the process of identifying and reviewing ideas for investment projects based on the analysis of public needs, government interventions, and alignment with national and sectoral strategies.

2. **Project appraisal and preparation** is the process of analyzing and assessing the economic and financial effectiveness, as well as the feasibility of the project; 3. **Project approval and**

financing is the phase in which the project is reviewed and approved for financing through the process of preparing and financing the MTBP or *annual budget* for the relevant central government units; 4. **Project implementation** is the phase in

which the project is implemented and its *outputs* are realized; 5. **Project implementation monitoring** is the process through which central government units and in particular the institutions responsible for project implementation ensure that the activities they are implementing are in line with the programmed activities.

6. **Evaluation and Audit** is the phase of the cycle in which the reporting on the physical and financial implementation of the project is audited against the financial rules and the achievement of the project performance indicators. The object of reporting and monitoring by the central government units implementing public investment projects will be all public investment projects financed within the state budget, regardless of the source and value of the financing.

The stages through which the process goes until the approval of the investment project are:

PHASE I – Identification of the project idea through problem analysis and investment argumentation (step 1, step 2, step 3);

PHASE II – Preparation and submission of the Investment Project proposal (step 4, step 5); **PHASE III** – Analysis, Approval and Financing of Public Investment Project Proposals (step 6, step 7, step 8, step 9).

The main steps followed according to the above phases schematically are:

| FAZA I | | | FAZA II | | | FAZA III | | |
|------------------------|---------------------------------|---------------------------------------|---|---|---|---|-------------------------------------|--|
| Hapi 1 | Hapi 2 | Hapi 3 | Hapi 4 | Hapi 5 | Hapi 6 | Hapi 7 | Hapi 8 | Hapi 9 |
| Identifikimi projektit | Rishikimi projekt idesë nga EMP | Rishikimi projekt - idesë nga SP, GMS | Përgatitja dhe vlerësimi i detajuar i projektit | Dërgimi i kërkesës të projektit të investimit | Analiza e Projekt-Propozimeve nga Ministria përgjegjëse për financat dhe Institucioni përgjegjës për programimin strategjik | Miratimi nga Ministri përgjegjës për financat | Rishikimi nga Keshilli i Ministrave | Miratimi përfundimtar i projektit dhe përfshirja në PBA/ buxhetin vjetor |

PHASE I: Identification

Step 1 – Identification of the project idea

Investment project ideas are presented by “Project Proponents” (or as they are otherwise called, “Project Managers”), who are responsible for the Program to which the investment project is part.

The three basic elements of the project idea identification phase are:

Priority analysis ----- is an analysis of sectoral and national priorities.

Problem analysis ----- is an analysis to identify existing problems by They are ranked according to their importance, identifying a possible cause-effect relationship.

Needs Analysis and definition of investment objectives ----- creating a picture of the situation, where negative aspects are converted into solutions, which later turn into objectives to be met.

Project ideas are presented in Form (F-1) according to Annex 1.

The Project Idea Identification Form should include the following information: i) Name of the Project Proposer - The official preparing the Project Idea Form and contact details; ii) Name of the Budgetary Institution -

e.g., Ministry of Education and Sports; iii) Location - The place where the investment will be carried out; iv) Project Idea - A brief description of the project idea; v) Problems to be addressed - A brief and clear explanation of the current situational issue that hinders the achievement of the program’s policy goals and objectives and how the proposed project helps overcome the current issue; vi) Program Name - This is the name of the program as it appears in the MTBP Document and the annual budget; vii) Preliminary Cost Estimates - A preliminary estimate of the estimated cost of the project.

Step 2 – Review of the project idea by the

DEMP Form (F-1) is submitted to the Project Management Team Leader (DEMP).

The PMT should discuss: (i) the idea of the investment project; (ii) the problems that will be addressed by the project; and (iii) the upfront cost of the investment in question.

The DEMP may accept or reject the project idea. In case of rejection, in the Form (F-1), a brief and clear explanation of the reasons for rejecting the project idea is provided.

If accepted, the DEMP must submit Form (F-1) to the Secretary General or to the head of the budgetary institution, if there is no Secretary General.

Step 3 – Review of the Draft Idea by the Secretary General (SG), Strategic Management Group (SMG)

The Secretary General must make a preliminary assessment of the necessity of a public investment intervention in the relevant area and at the same time assess whether the information provided in Form (F-1) ensures that the project is acceptable and feasible from a financial and technical point of view. Then, in case of acceptance, he forwards it for approval to the GMS.

The reasons for the Secretary General's acceptance or rejection of the draft idea are given in Form (F-1), in the relevant section.

PHASE II: Preparation and submission of the Investment Project application

Step 4 – Detailed Project Preparation and Evaluation - Completion of Forms A

description of the investment, along with the alternatives considered, should be presented in Form (F-2) for the category "**Administrative Capital Expenditures**", or in Form (F-3) for the categories "**Capital Expenditures for Emergencies**" and "**Expenditures for Investment Projects**".

For investment projects in the category "**Expenditures for investment projects**", which are classified as projects of strategic importance according to the criteria of *Table 1* and the threshold value determined by instruction of the responsible minister of finance, in order to become part of the Unique List of Ranked Projects of National Importance, in addition to Form (F-3), they must also complete the required information on the assessment of Strategic Relevance for the relevant sector.

Strategic Relevance Form (FRS) - the content of the document, the method of filling out and submitting this information is determined by order of the head of the institution responsible for strategic programming;

Projects included in the Unique List of Projects of National Importance, for the purpose of their ranking and prioritization, must also have a Feasibility Study. Having a Feasibility Study is not a condition for inclusion in the Unique List of Projects of National Importance, but it is a condition for the inclusion of the investment project in the MTBP. However, this condition does not deprive the project proponent of the right to request financing to carry out the Feasibility Study and any other financing to mature the investment project.

For projects in the category "Expenditures for investment projects", which have a full value within the threshold values determined by instruction of the Minister of Finance, before the start of the budget process, a simplified feasibility study must be prepared, in addition to the form (F-3), according to the methodology approved by instruction of the Minister of Finance.

Central government units should take measures to ensure that the information with which Forms (F-2) or (F-3), Strategic Relevance and/or Feasibility Study are completed, is complete and of high quality to increase the chances of acceptance and funding of the project proposal.

Step 5 – Submitting the investment project request

Before submitting the investment project request, central government units should ensure that: a) *The Investment*

Project Proposal is reviewed by the DEMP.

Upon receipt of the F-2 or F-3 Forms, the strategic relevance and/or feasibility study, the Project Management Team Leader (PMT) shall convene the Project Management Team (PMT) to discuss the investment project proposal, its costs and benefits, and forward the investment project proposal to the Finance Department and the Policy Department. b) *Review the Investment Project Proposal by the Finance and Budget Department and*

Department of Policy.

The DEMP should discuss with the institution's Budget/Finance Department the investment project proposal and especially the cost-benefit calculations.

of the investment project in question, including the social, gender, climate and environmental aspects of its implementation, as well as the budgetary capabilities of the institution to cope with this investment. c)

Review the Investment Project

Proposal by the Secretary General (SP). The Secretary General decides whether the project should be passed on to the Strategic Management Group (SMG).

If the SP accepts the investment project proposal, he/she then submits it to the relevant institution's Strategic Management Group (SMG) for

review. d) *Review the Investment Project Proposal by the Strategic Management Group (SMG).*

After approval by the GMS, each Program Management Team must prioritize the investment projects of each respective program for their inclusion in the MTBP or Annual Budget.

Project proposals for large investments may exceed the ceiling approved for the Budget Institution. e) *To compile a list of new investment*

projects according to priorities.

The main principles on which this assessment will be based will be:

- **The principle of strategic importance** – linking the project proposal to strategies and government priorities;

- **Economic and financial principle** – the total benefits of the project proposal must be justify the total financing costs;

- **The principle of environmental assessment and climate impact** - the project proposal must take into account the impact on the environment, taking into account climate change adaptation and mitigation;

- **Principle of sustainability assessment** - the project proposal must be effective long-term and sustainable over time;

- **Principle of gender assessment** - the project proposal must have a clear plan where men and women enjoy equal opportunity and access to rights and benefits of the same nature; - **Principle of project**

management - the project proposal must have a clear and comprehensive implementation and risk management plan to ensure its successful implementation.

Investment project proposals are forwarded to the Ministry responsible for finance, accompanied by the relevant documentation, through the normal submission of expenditure requests according to the MTBP/Annual Budget deadlines.

An exception to this rule will be made only by those investment project proposals that meet the following criteria: i) **They are**

classified according to point 6, letter b) of the Council of Ministers, “Capital expenditures for emergencies”.

Project proposals for this category can be submitted at any time to the responsible ministry. for finances associated with Form (F-3), according to Appendix 3;

ii) **Classified as investment projects of strategic importance** Project

proposals for new investment projects that meet the criteria to be classified as projects of strategic importance according to the criteria in *Table 1* and the threshold value determined by instruction of the responsible minister of finance, shall be submitted according to Form (F-3), simultaneously to the ministry responsible for finance and to the Institution responsible for strategic programming, at any time.

Table 1: Classification of Strategic Projects

| SECTOR | DESCRIPTION | SUBSECTOR | VALUE |
|--|---|---------------------------------|--|
| digital | Digital Infrastructure refers to digital technologies that provide the foundation for the information technology and operations of an organizational unit. All investment projects whose results are intended to have a primary impact on at least one of the sub-sectors of this sector will be considered as part of the Digital Infrastructure Sector. | Connection with the Base large | The threshold value will be determined by instruction of the Minister responsible for Finance. |
| | | e-GOV infrastructure | |
| | | Information systems | |
| | | Platforms innovation | |
| <small>COUNTRY DEVELOPMENT</small> -ECONOMIC | Economic Development refers to programs and policies, or economic activities, which aim to improve the economic well-being and quality of life of men and women of the community in the country. All investment projects, the results of which are intended to have a primary impact on at least one of the sub-sectors of this sector, will be considered as part of the Economic Development Sector. | Agriculture | |
| | | Business Development | |
| | | inFRAStructure | |
| | | Coastal and Marine | |
| | | Entrepreneurship | |
| | | iNduSTRy | |
| | | Regional Development | |
| POWER | Energy refers to economic activities with an impact on the production and sale of energy, including the extraction of fuels, their processing and distribution. All investment projects, the results of which are intended to have a primary impact on at least one of the sub-sectors of this sector, will be considered part of the Energy Sector. | Energy Efficiency | |
| | | Energy Production | |
| | | Energy Transmission | |
| | | gas | |
| | | Oil | |
| | | The energy of Renewable | |
| eNviroNmeNt | Environment refers to economic activities aimed at protecting the environment and managing natural resources. All Investment Projects, the results of which are intended to have a primary impact on at least one of the sub-sectors of this sector, will be considered part of the Environment Sector. | Management I | |
| | | ACCIDENTS | |
| | | Protection from flood | |
| | | Development I sustainable | |
| | | Waste Management, landfill | |
| Social | The Social Sector refers to programs and policies, or economic activities, which aim to reduce the extent of poverty and improve the quality of life of men and women in the country, as well as address gender inequalities in general. All investment projects, the results of which are intended to have a primary impact on at least one of the sub-sectors of this sector, will be considered part of the Social Sector. | Water Supply | |
| | | Culture | |
| | | Education and Sports | |
| | | GLOBAL HEALTH | |
| | | HOUSING | |
| | | Homeland Security | |
| | | Justice | |
| Social Protection | | | |
| Transportation | Transportation refers to economic activities that aim to develop or improve | Air Transport | |
| | | Transportation in the Waters of | |

| | | | |
|--|--|-------------------|--|
| | existing infrastructure for the transport of goods and/or citizens by land, water and air. All investment projects, the results of which are intended to have a primary impact on at least one of the sub-sectors of this sector, will be considered as part of Transport. | Interior, Ports | |
| | | Railway Transport | |
| | | Road Transport | |

PHASE III: Analysis, Approval and Financing of Investment Project Proposals
PUBLIC

Step 6 – Analysis of Draft Proposals by the Ministry responsible for finance and SASPAC

Ministry responsible for finance – after proposals arrive at the ministry responsible for finance, investment project requests are delegated to the Directorate of Public Investment Management (DPIM) for final review and assessment.

The ministry responsible for finance reviews:

- Accompanying forms **(F-2)** for new projects which are classified according to **point 6, letter a) “Administrative capital expenditures”** of the Council of Ministers;
- Accompanying forms **(F-3)** for new projects, for project proposals which are classified according to **point 6, letter b) “Capital expenditures for emergencies”** of the DCM;
- Accompanying forms **(F-3)** for new projects, for project proposals which are classified according to **point 6, letter c) “Expenditures for investment projects”** of the DCM.

The Ministry responsible for finance shall forward to the Institution responsible for strategic programming the position on each proposal for new projects classified as strategic projects, according to the criteria of *Table 1* and the threshold value determined by instruction of the Minister responsible for finance.

- Accompanying forms (F-3) for new projects and simplified feasibility studies, for project proposals, which are classified according to point 6, letter “c”, subdivision “ii”, expenditures for investment projects, which are within the financial limits determined by instruction of the Minister of Finance.

The institution responsible for strategic programming reviews the form (F-3) and the Strategic Relevance for project proposals classified as strategically important, on the basis of which it evaluates the proposals, conducts case-by-case consultation in the Strategic Planning Committee (SPC), as well as their scoring and inclusion in the Unique List of Projects of National Importance.

Central government institutions report to the institution responsible for strategic programming for projects on the Single List of Projects of National Importance only for project maturity effects. The form, deadlines and reported information are approved by order of the head of the institution responsible for strategic programming.

Step 7 – Approval by the Ministry responsible for finance

The Ministry responsible for finance, after reviewing and evaluating the investment project proposals, drafts the final list of public investment projects, which will be budgeted, ranked according to the strategic priorities of the country's economic development.

- The Ministry responsible for finance, after reviewing and evaluating the investment project proposals, classified according to **point 6, letter a) “Administrative capital expenditures”**,

approves the proposals by including them in the MTBP or Annual Budget.

- The Ministry responsible for finance, after reviewing and evaluating the project proposals for investments classified under **point 6, letter b) "Capital expenditures for emergencies"**, approves by including in the MTBP or the Annual Budget, proposals worth up to 200,000,000 lek. In cases where the value of the proposed emergency projects exceeds 200,000,000 lek, these proposals are forwarded for approval to the Council of Ministers. After approval, the Ministry responsible for finance includes them in the MTBP or the Annual Budget;
- The ministry responsible for finance, after reviewing and evaluating the investment project proposals, approves public investment projects by including them in the MTBP or Annual Budget, which are classified according to **point 6, letter c), subdivisions "ii" and "iii", "Expenditures for investment projects"** of the DCM, but which do not meet the criteria to be classified as strategic projects according to the criteria of *Table 1* of this Annex and the threshold value determined by instruction of the responsible minister of finance;
- The Ministry responsible for finance, after reviewing and evaluating the investment project proposals, approves public investment projects by including them in the MTBP or the Annual Budget, which are classified according to **point 6, letter c), subsection "i", "Expenditures for investment projects"** of the DCM and meet the criteria to be classified as strategic projects according to the criteria of *Table 1* of this Annex and the threshold value determined by instruction of the Minister responsible for finance, based on the ranking of projects ready for financing, in the Single List of Projects of National Importance approved by the Council of Ministers and in accordance with the fiscal space.

Step 8 – Review by the Council of Ministers After

being reviewed by the General Directorate of Budget in the Ministry of Finance and discussed with budgetary institutions, in the hearings organized within the framework of the MTBP, the draft MTBP, as well as the Annual Budget, is presented to the Council of Ministers for final review and approval.

Step 9 – Final approval of the project and inclusion in the MTBP/Annual Budget

After the approval of the investment projects within the MTBP/annual budget by the Council of Ministers, the list of investment projects is presented to the Assembly of Albania as a table accompanying the MTBP/Annual Budget package.

ANNEX 2: METHODOLOGY

“ON MONITORING AND REPORTING OF PUBLIC INVESTMENTS”

The following rules will be applied in the process of monitoring and reporting public investments.

1. General Monitoring Rules Monitoring is the

process through which central government units, responsible for the implementation of public investment projects, ensure that the financial implementation of projects and the activities they are implementing in this framework are in accordance with the annual plans approved at the project level and the performance indicators determined during its preparation.

Monitoring will be developed as a systematic process, which aims to compare, through performance indicators, the implementation of investments as a whole with the objectives for which they were programmed, as well as the timely taking of precautionary measures to avoid risks and problems during the implementation of investment projects.

Monitoring of public investment projects will be carried out taking into account the specifics and procedures followed in the implementation of projects according to the source of financing.

Purpose

The Public Investment Monitoring and Reporting Methodology aims to standardize the form and manner of reporting by central government units. This methodology is in accordance with the guidelines for budget preparation and implementation and regulates inter-institutional relations in the field of monitoring and reporting on public investments in accordance with the state responsibilities of central government units. This annex also defines the role of the Ministry responsible for finance in monitoring the implementation process of public investment projects, in monitoring the financial and non-financial performance of the relevant projects, as well as the deadlines for submitting reports to the sector responsible for monitoring public investment projects.

Objectives of monitoring public investment projects - To improve

the efficiency of the current public investment monitoring system: The monitoring system aims for efficient and realistic reporting that identifies problems in a timely manner and precedes their accumulation, informing decision-making structures with the aim of resolving them in a timely manner.

- Improve the annual and medium-term planning process at the program and project level: The findings and recommendations of the monitoring reports will help central government units improve the way they plan projects, enabling a better approach in relation to the achievement of sectoral objectives, policy review and program budgeting.

- Improve the institutional framework for monitoring and reporting, as well as responsibilities in the planning process

The ministry responsible for finance is responsible for preparing reporting standards and methodology as well as for the periodic evaluation of public investment projects and programs. Where appropriate, the ministry responsible for finance proposes possible solutions to project problems, in cooperation with central government units.

2. Public Investment Monitoring and Reporting Procedures Reporting Scope/ Object

The object of monitoring and reporting by central government units implementing public investment projects will be all public investment projects financed within the state budget, regardless of the source and value of the financing.

Source of monitoring data and reporting format The basic data for monitoring and evaluation of public investment projects are generated from reports of central government units implementing projects with domestic and foreign financing, from the Government Financial Information System (GFI) and the Financial Management Information System (FMIS). As appropriate, other data sources may also be used.

The form and manner of reporting public investments is determined by the Minister responsible for finances according to the bylaws in force.

Reporting Deadlines

Reporting on the progress of public investment implementation will be done periodically on a monthly basis. Reporting on a monthly basis aims to discipline investments, identify and avoid problems encountered in the implementation of projects in a timely manner. Reporting will be done according to the standard provided in the section above.

All central government units that implement investment projects must, by the 10th of each month, submit monitoring reports for the previous month to the structure responsible for monitoring public investment projects in the ministry responsible for finance. The structure responsible for monitoring public investment projects in the Ministry responsible for finance shall, by the 20th of each month, update the summary report on investment monitoring for the period. In accordance with the project budgeting cycle and the preparation and implementation of the budget, the report on the 6-month progress of investment implementation will serve as a basis for possible reallocations of investment expenditures within the framework of the state budget review. The 9-month report will be the main report for assessing the expected annual implementation of investments as well as preparing proposals for sectoral ceilings for public investments within the framework of drafting the draft budget for the following year. The annual report on monitoring public investments for the current period shall be drafted within the first quarter of the following year.

Institutional monitoring framework The

Ministry responsible for finance is the institution responsible for setting standards for monitoring and evaluating the progress of investment implementation in accordance with the priorities approved at the beginning of the budget year.

The ministry responsible for finance ensures that the management of the public investment budget by central government units is carried out in accordance with the initial forecasts and, when deviations from these forecasts are detected, proposes/recommends the undertaking of corrective actions by changing the allocation of resources, while also identifying the possible impact on the performance of the objectives related to them.

The ministry responsible for finance, through the structure responsible for monitoring public investment projects, assesses the requests of central government units for reallocation of financial resources in accordance with the provisions of Article 44 of Law 9936 "On the Management of the Budget System in the Republic of Albania", as amended, while also based on the monitoring reports prepared by central government institutions.

The structure responsible for monitoring public investment projects in the Ministry responsible for finance is responsible for following up and respecting reporting deadlines, guaranteeing the quality of reporting by central government units implementing investment projects.

The ministry responsible for finance prepares periodic and annual summary reports on the monitoring of public investments.

Central government units determine the structures responsible for reporting to the Ministry. responsible for finances / structure responsible for monitoring investment projects public, which report periodically, in writing and electronically, in accordance with the reporting formats specified in the sub-legal acts in force. The structures responsible for monitoring in central government units carry out verification, and where appropriate, corrections or necessary additions to the information sent by subordinate directorates or institutions, in accordance with the specifications set out in the approved formats. Each unit of government The central government, within its own system and in accordance with the programs it manages, builds the scheme internal reporting for all structures inside or outside it, which implement projects public investments.

Central government units, as institutions responsible for contracting and implementing projects, have a dual role: recording the contractual terms of the projects, following up on project implementation and reporting on the progress of project implementation in accordance with contracts linked to each project.

Central government units report to the structure responsible for monitoring public investment projects in the Ministry responsible for finance information on:

- a) General assessment of achievements and issues regarding the progress of projects Public Investments for the relevant period;
- b) Financial performance for each investment project;
- c) Discrepancies between the physical progress of the project and the financing plan, arguing discrepancies;
- d) Investment projects for which arrears may have been created and the reasons for their creation;
- e) Public procurement status for projects implemented through procurement;
- f) Project implementation start and completion deadlines;
- g) Expectations on the implementation of projects by the end of the budget year;
- h) Proposals for corrections/reallocations of budget funds;
- i) The progress of performance indicators for every 4 months;
- j) Comments on issues that have affected the progress of the project.

Central government units, in addition to the above information in the annual monitoring report report to the structure responsible for monitoring public investment projects in The Ministry responsible for finance also provides information on:

- a) Projects that were not implemented during the budget year, arguing reasons for non-implementation.
 - b) Projects that have been finally closed during the budget year as well as the recording of cases where the completion deadline, final project value and quality deviate from the deadline, initial value and anticipated quality, while also arguing deviations.
 - c) Projects finally closed, on achieving the intended results for the beneficiaries from project implementation.
 - d) The physical status of projects that are in process and continue into the next budget year as well as by separately identifying those projects that are behind schedule.
-

ANNEX 1 (F-1)

F – 1 Project Idea Presentation Form (PIPF)

1. Contact Persons

| | | | |
|---|--|---|--|
| Name of the project proponent | | Signature of the Project proponent | |
| Detailed information about the project proponent | | | |
| Budgetary Institution / Ministry/group/sector | | Project Location | |

2. Identification of the Investment Idea

| | |
|--|---|
| The project idea | |
| Program Name | |
| Problems to be addressed | <i>A description of the current situation, including climate change, gender analysis of the situation, and problems as perceived by men and women direct beneficiaries of the investment. It should be borne in mind that the description of current problems and future needs should contain as much quantitative and qualitative data as possible, disaggregated by gender and other possible disaggregations (demographics, age, ethnicity, etc.).</i> |
| Goals and objectives of Programs that the project will help achieve | <i>Argument the compatibility of the investment with the objectives of the program to which this project is part. Relation of the project proposal with: 1. National Strategy for Development and Integration and Sectoral Strategy 2. Declaration of Government Priorities (provide specific links to the above documents)</i> |

3. Investment Project Costs Total

| | |
|-------------------------------|--|
| Project Cost (000/lek) | |
|-------------------------------|--|

4. Authorizers / Steps for approving the draft idea Name Signature

| | | | | |
|---|----|--|------|---|
| | | | date | Purpose of the review <i>Project-Idea Status</i> |
| Head program institution Budgetary (IB) | IN | | | Approval/rejection for further consideration |
| Comments from the Program Director (if any) | | | | |
| Secretary General | | | | Confirmation/rejection of project idea approval |
| Comments from the Secretary General (if any) | | | | |

ANNEX 2 (F-2)**F2 - Investment Conception Form for Administrative Capital Expenditures (FKISHAK)**

The quality of the project design is the ultimate responsibility of the proposers. When a CAPEX is being prepared and before its submission for evaluation to the ministry responsible for finance, the proposer should take steps to ensure that the quality of the CAPEX is good enough to have the best possible chance of acceptance. The table below is the Capital Administrative Expenditure Investment Concept Form with instructions for proposers (*dark green*) and evaluators (quality control instructions). The project must receive a “pass” for all questions, otherwise the project will be returned for further development.

| 1. Contact details Budgetary | |
|---|--|
| institution | |
| Department | |
| Name and position of the project proponent | |
| Contact details of the project proponent <i>(phone, email)</i> | |
| Contact Person for Budget and Finance | |
| Budget and Finance Contact Details | |

| 2. Investment identification | |
|--|---|
| Ministry/group/sector (Budgetary institution) | |
| Program name | |
| Group code | |
| Project code | |
| Identification number from DPIM | |
| Project Title | <i>Make sure to use the correct Project title in full. Once a project has been accepted, the title shown in this box will become its official name.</i> |

| | | | |
|--|--|---|--|
| | | | |
| Project location | <i>Please specify the location of the project by providing the name of the region/ city and address, provide geospatial data or insert a map, if possible.</i> | | |
| Project status | Young <input type="checkbox"/> | Type of investment | Administrative Expenses <input type="checkbox"/> |
| | In continuation <input type="checkbox"/> | | emergencies <input type="checkbox"/> |
| | | | Project Expenses investment <input type="checkbox"/> |
| Estimated project start date <i>(month, year)</i> | | Project completion date <i>(month, year)</i> | |

| 3. Investment Justification | |
|---|--|
| <p>3.1. Current issues to be addressed/ Justification of the need for investment <i>Description of the current situation, including a gender analysis of the situation and the problems perceived by women and men who are direct beneficiaries of the investment. The description of current issues and future needs should contain as much quantitative and qualitative data as possible, disaggregated by gender, and other possible disaggregations (demographics, age, ethnicity, etc.). Indicate the main problem that the project should solve, the specific causes and effects of the main problem. Provide the rationale for the project and list the reasons for investing in the project.</i></p> | <p>Control of QUALITY</p> <p>Fails = Fails to describe the problem or the problem described is not considered important</p> <p>Unclear = There is no numerical and/ or qualitative information available. enough for the level of PROBLEM</p> <p>Passes = The problem and its causes</p> |

| | |
|--|---|
| | <p>are fully explained with some evidence of scale.</p> |
|--|---|

| | |
|---|---|
| <p>3.2. Project Objectives and Targets <i>The overall objective (impact) is the long-term benefits that the investment aims to achieve. These objectives are usually set at the Programme level. The objectives specify why the project is necessary for the direct beneficiaries of the investment. Clearly state the objectives that the proposer intends to achieve with this proposal. They should be a solution to the problem mentioned earlier. There should be a single primary objective expressed in no more than two or three sentences and further specific objectives. Note that objectives should be specific, measurable, realistic and time-bound.</i></p> | <p>Control of QUALITY</p> <p>Fails = Objectives do not solve the main problem</p> <p>Not clear = The objectives described partially solve the problem</p> <p>Passes = Clearly described objectives as a solution to the problem</p> |
| <p>3.3. Project Benefits and Costs <i>All projects have positive and/or negative impacts (costs and benefits) on the intended beneficiaries of the project, as well as creating positive and/or negative externalities.</i></p> <p><i>List the costs (negative impact) and benefits (positive impact) following successful implementation of the project along with their description. While in most cases the implementation of the Project will bring benefits (time savings, lives saved, CO2 reduction, improvement of the situation of gender inequalities as well as the health of women and men of all ages), many projects have some form of negative impact (cost), the most common of which are environmental costs and increased CO2 emissions.¹</i></p> | <p>Control of QUALITY</p> <p>Fails = no list any positive impacts of the project or the negative impacts are unacceptable</p> <p>Not clear = positive and negative impacts are listed but not clearly explained</p> |

¹Describing whether the project will contribute (directly or indirectly) to reducing or increasing GHG emissions and their impact on the lives of men and women of all ages is mandatory.

| | |
|--|--|
| | <p>Passes = impacts positive and negative are clearly explained and seem acceptable</p> |
|--|--|

| | |
|--|---|
| <p>3.4. General description of the project purpose <i>Please provide a detailed description of the chosen alternative and define the purpose of the Project (Information should be as qualitative and quantitative as possible, disaggregated by gender and other demographic disaggregations, age, ethnicity, etc., where possible), for example: 12 km of 2-lane road running between [city] and [city] or Construction of a new school for 500 students in [city]), indicate all components of the Project, e.g. preparation of documentation, construction works, etc.</i></p> <p><i>Underline the necessary climate change adaptation measures or indicate what steps will be taken to make the project resilient to the risks predicted by climate change in line with the risk analysis presented further in the FKPI. The benefit of more resilient infrastructure should be the reduction of asset life cycle costs and social/economic losses from service disruption.</i></p> <p><i>Indicate how the project's purpose took into account the need to mitigate the project's impact on climate change as well as to improve the livelihoods of men and women of all ages who are directly affected by its implementation.</i></p> | <p>Quality control</p> <p>Fails = it is unclear what the purpose of the project is or it appears to be a fragment of a larger project and independently will not bring the expected benefits</p> <p>Not clear = the project purpose is described, but the components included seem to be insufficient for successful project implementation, further explanation is needed.</p> <p>The risk of climate change and the consequences on the lives of women and men of all ages directly affected by the project have not been taken into account.</p> <p>Passes = Purpose of The project is well described and includes all</p> |
|--|---|

| | |
|--|--|
| | <p>project components necessary for the successful implementation of the project, taking into account climate change issues (in relation to the identified climate change risk) and the consequences on the lives of women and men of all ages directly affected by the project)</p> |
|--|--|

| 4. Value of the Investment Project (in ALL) | | | | | | | |
|--|----------------------------------|-------|-------|-------|--|---|--|
| Type of expense | cost they are paid already | 20 -- | 20 -- | 20 -- | Investment cost in the coming years | cost here is the total of invest TION | Control of QUALITY Fails = Evaluation of costs of project based IN unreliable information and not covers the entire scope of projects Not clear = Evaluation of costs of project based on resources maybe reliable, with the entire field included, but requires clarification Passes= Evaluation of the cost of projects based on information reliable and covers the entire field |
| (a) Preparatory documentation | | | | | | | |
| (b) Feasibility Study | | | | | | | |
| (c) Land purchase | | | | | | | |
| (d) Expropriations | | | | | | | |
| (e) Construction | | | | | | | |
| (f) Equipment | | | | | | | |
| (g) Supervision | | | | | | | |
| (h) Acceptance | | | | | | | |
| (i) Other costs | | | | | | | |
| (j) Total (a+b+c+d+e+f+g+h+i) | | | | | | | |
| (l) Donor funding (estimated donor contribution if assumed) | | | | | | | |
| (k) Net capital cost (j+l) (estimated state budget contribution to this investment) | | | | | | | |
| REVIEWS | | | | | | | |
| Specify on what basis the investment costs have been estimated. Do the costs include VAT? | | | | | | | |

| | | |
|---|--|--|
| What is the funding envisaged by donors (loans, subsidies) and whether any agreements have been signed with donors. | | |
| If the project is ongoing, describe what has been done so far. | | |

| 5. Estimated operating costs and revenues after project implementation (in ALL) | | | | |
|---|---|------------------------|-------------------------|--|
| 5.1. Estimated costs annual operating (in Lek) after the implementation of PROJECT | Specify the level of additional operating costs due to the implementation of the project after its completion. Note that the costs should be presented in addition to the "without project" scenario. If there are anticipated savings, please present them as minus costs (cost reductions). | | | Control of qQUALITY Fails = Evaluation of operating costs and revenues is not presented |
| First operational year | Second operational year | Third operational year | Fourth operational year | |
| | | | | |
| REVIEWS <i>Provide comments regarding costs.</i> | | | | |
| 5.2. Annual income (in Lekë) estimated after the implementation of project (if applicable) | Specify the level of additional revenue due to the implementation of the project after its completion. Note that costs should be presented in addition to the "without project" scenario. | | | Not clear = Evaluation of COSTS operating and revenue is presented but requires clarification Passes = Evaluation of COSTS operating and income presented and commented |
| First operational year | Second operational year | Third year OPErATIONAL | Fourth year OPErATIONAL | |
| | | | | |
| REVIEWS <i>Give comments about income</i> | | | | |



| 6. Project management, prerequisites and risks | |
|---|---|
| <p>6.1. Preconditions and risks of project implementation with planned actions to eliminate/minimize their impact</p> <p><i>Many things can and do go wrong during the preparation and implementation of projects. Usually, these result in either a delay in the completion of the Project or an increase in the estimated costs. It is therefore necessary to identify and describe here any potential risks that may prevent the successful implementation of the Project or hinder its operational performance (e.g. design risk, political risk, exchange rate fluctuations, climate change, social problems of men and women affected by the project, etc.)</i></p> <p><i>a. Identify external factors that may affect the achievement of the project objectives; for risks related to climate change, please answer the questions given in the climate risk assessment methodology and indicate the level of risk related to climate change and gender with a brief explanation;</i></p> <p><i>b. Specify the need for legal changes or regulatory measures, which must be taken as a prerequisite for starting the investment project;</i></p> | <p>Control of qQUALITY</p> <p>Fails = Risks appear incomplete or no serious effort has been made to manage the risk</p> <p>Not clear = Risks are listed, but risk management measures appear incomplete or lack credibility</p> <p>Pass = Hazards are listed and risk management measures appear credible</p> |

| 7. Decision makers for project approval | | | |
|---|------|------------|------|
| | Name | MEMORANDUM | date |
| Program Manager Budgetary Institution | | | |
| Manager of Finance/Budget Budgetary Institution | | | |
| Institution Management BUDGET | | | |

ANNEX 3 (F-3)**F3 - Investment Project Concept Form (IPCF)**

The quality of the project design is the ultimate responsibility of the proposers. When a PIAF is being prepared and before its submission for evaluation to the ministry responsible for finance and/or the institution responsible for strategic programming, the proposer should take measures to ensure that the quality of the PIAF is good enough to have the best possible chance of being accepted. The table below is the Investment Project Design Form with instructions for proposers (*dark green*) and evaluators (quality control instructions). For all questions the project must receive a “pass”, otherwise the project will be returned for further development.

| 1. Contact details | |
|--|--|
| Budgetary institution | |
| Department | |
| Name and position of the project proponent | |
| Contact details of the project proponent (<i>phone, email</i>) | |
| Contact Person for Budget and Finance | |
| Budget and Finance Contact Details | |

| 2. Investment identification | | | |
|---|--|--------------------|--|
| Ministry/group/sector (Budgetary institution) | | | |
| Program name | | | |
| Group code | | | |
| Project code | | | |
| Identification number from DPIM | | | |
| Project Title | <i>Make sure to use the correct Project title in full. Once a project has been accepted, the title shown in this box will become its official name.</i> | | |
| Project location | <i>Please specify the location of the project by providing the name of the region/ city and address, provide geospatial data or insert a map, if possible.</i> | | |
| Project status | Young <input type="checkbox"/> | Type of investment | Administrative Expenses <input type="checkbox"/> |
| | In continuation <input type="checkbox"/> | | emergencies <input type="checkbox"/> |
| | | | Project Expenses investment <input type="checkbox"/> |

| | | | |
|--|--|---|--|
| Estimated project start date (month, year) | | Estimated project completion date (month, year) | |
| 3. Investment Justification | | | |
| <p>3.1. Current issues to be addressed/ Justification of the need for investment <i>Description of the current situation including a gender analysis of the situation and problems perceived by women and men directly benefiting from the investment. The description of current issues and future needs should contain as much quantitative and qualitative data as possible disaggregated by gender (and other demographic disaggregations, age, ethnicity, etc., where possible). Indicate the main problem that the project should solve and the specific causes and effects of the main problem. Provide the rationale for the project and list the reasons for investing in the project.</i></p> | | <p>Control of qUALITY</p> <p>Fails = Fails to describe the problem or the problem described is not considered</p> <p>CruCiAI</p> <p>Unclear = There is insufficient numerical and/or qualitative information on the extent of the problem.</p> <p>Passes = The problem and its causes are fully explained by some evidence scale.</p> | |
| <p>3.2. Project Objectives and Targets <i>The overall objective (impact) is the long-term benefits that the investment aims to achieve. These objectives are usually set at the Programme level. The objectives specify why the project is necessary for the direct beneficiaries of the investment. Clearly state the objectives that the proposer intends to achieve with this proposal. They should be a solution to the problem mentioned earlier. There should be a single primary objective expressed in no more than two or three sentences and further specific objectives. Note that objectives should be specific, measurable, realistic and time-bound.</i></p> | | <p>Control of qUALITY</p> <p>Fails = Objectives do not solve the main problem</p> <p>Not clear = The objectives described partially solve the problem</p> <p>Passes = Objectives of</p> | |

| | |
|---|---|
| | <p>clearly described as a solution to the problem</p> |
| <p>3.3. If PPP is considered as a procurement option, please submit a clear reasoning behind such reasoning. <i>If the project proponent thinks that PPP is a good way to implement the project idea, it should be shown and explained here. The initial comparison between traditional procurement and PPPs (pros and cons) should be presented here, if applicable.</i></p> | <p>Quality control</p> <p>Fails = No serious attempt to address the question</p> <p>Not clear = The answer given addresses the question, but the reasoning for PPP is not enough</p> <p>Passes = It is clear why the public or private sector or both could be the implementers of this project proposal</p> |
| | |
| <p>3.4. Strategic relevance of the project <i>Please provide specific links to the above documents and prove that the implementation of this proposal will contribute to achieving the strategic goals of the Government of Albania, including at least: 1. National Strategy for Development and Integration and Sector Strategy 2. Statement of Government priorities</i></p> | <p>Quality control</p> <p>Fails = No connection was established between the project and The government's strategy/priorities/ project does not meet the strategic objectives/priorities</p> <p>Not clear = Reference is made to the relevant strategy/</p> |
| | |

| | |
|--|--|
| | <p>government priorities but no justification has been given</p> <p>Pass = Reference is made to the relevant Plan or Strategy and a clear explanation of the proposed project's connection is provided.</p> |
| <p>3.5. Project Benefits and Costs <i>All projects have positive and/or negative impacts (costs and benefits) on the intended beneficiaries of the project, as well as creating positive and/or negative externalities.</i></p> <p><i>List the costs (negative impact) and benefits (positive impact) following successful implementation of the project along with their description. While in most cases the implementation of the Project will bring benefits (time savings, lives saved, CO2 reduction), improving the situation of gender inequalities as well as the health of women and men of all ages), many projects have some form of negative impact (cost), the most common of which are environmental costs and increased CO2 emissions.</i>².</p> | <p>Quality control</p> <p>Fails = does not list any positive impacts of the project or the negative impacts are</p> |
| | <p>unacceptable</p> <p>Not clear = positive and negative impacts are listed but not clearly explained</p> <p>Passes = positive and negative impacts are clearly explained and appear acceptable</p> |
| <p>4. Project description including alternatives and indicators (to be completed only for projects of strategic importance)</p> | |
| <p>4.1. Description of options considered <i>List all alternatives that have been considered to achieve the project objectives and address the problem described in section 2.1. In addition to investment alternatives, if possible, it should include all relevant non-capital options that may include, for example, 'better public awareness'.</i></p> <p><i>Against each alternative, one or two sentences should explain why each option was rejected. The preferred option should be clearly identified with an explanation of why it is preferred.</i></p> | <p>Quality control fails</p> <p>= No options listed or considered</p> <p>Not clear = Options listed, but none</p> |

²Indicating whether the project will contribute (directly or indirectly) to reducing or increasing GHG emissions is mandatory as well as their impact on the lives of women and men of all ages affected by the project.

| | | |
|--|--|--|
| <i>The preferred option should contain at least basic evidence to support the view that it should be considered the best option.</i> | | <p>explanation of why the preferred option was chosen or others were rejected</p> <p>Passes =</p> <p>The options are listed and it is clear what the reason is behind the preferred option.</p> |
| Alternative 1 <i>(Short description)</i> | <i>Brief description of investment alternative 1 (if identified)</i> | |
| | | |
| Alternative 2 <i>(Short description)</i> | <i>Brief description of investment alternative 2 (if identified)</i> | |
| | | |
| Alternative 3 <i>(Short description)</i> | <i>Brief description of investment alternative 3 (if identified)</i> | |
| | | |
| Selected alternative <i>(Short description)</i> | <i>Reasons for choosing your preferred investment alternative</i> | |
| | | |
| <p>4.2. General description of the project purpose <i>Please provide a detailed description of the chosen alternative and define the purpose of the Project (Information should be as qualitative and quantitative as possible, disaggregated by gender and other demographic disaggregations, age, ethnicity, etc., where possible), for example: 12 km of 2-lane road running between [city] and [city] or Construction of a new school for 500 students in [city]), indicate all components of the Project, e.g. preparation of documentation, construction works, etc.</i></p> <p><i>Underline the necessary climate change adaptation measures or indicate what steps will be taken to make the project resilient to the risks predicted by climate change in line with the risk analysis presented further in the FKPI. The benefit of more resilient infrastructure should be the reduction of asset life cycle costs and social/economic losses from service disruption.</i></p> <p><i>Indicate how the project's purpose took into account the need to mitigate the project's impact on climate change as well as to improve the livelihoods of men and women of all ages who are directly affected by its implementation.</i></p> | | <p>Quality control</p> <p>Fails = it is unclear what the purpose of the project is or it appears to be a fragment of a larger project and independently will not bring the expected benefits</p> <p>Not clear = the project purpose is described, but the components included seem to be insufficient for successful project implementation, further explanation is needed.</p> |

| | |
|--|--|
| | <p>the risk of climate change and the consequences on the lives of women and men of all ages who are directly affected by the project have not been taken into account</p> <p>Passes = The Project Purpose is well described and includes all project components necessary for the successful implementation of the project, taking into account climate change issues (in relation to the identified climate change risk) and the consequences on the lives of women and men of all ages directly affected by the project.</p> |
|--|--|

| | | | | | |
|--|---|--|--------------|-------------|---|
| <p>4.3. Output Indicators Please mention up to three (3) output indicators of the National and/or Sectoral Strategy (title/description) to which the project will contribute to its achievement.</p> <p>Please specify the document e.g. NSDI or Sector Strategy and the specific objective and chapter of the Strategic Document.</p> | Indicator 1 | | | | <p>Quality control</p> <p>Fails = no product indication presented</p> <p>Not clear = Results listed but not in accordance with sSTRATEGIES National / sector</p> <p>Passes = Results sorted by sSTRATEGIES National or sector</p> |
| | Document reference | | | | |
| | | | Value | Unit | |
| | Current value of the indicator | | | | |
| | Target value of the project indicator | | | | |
| | Target value of the National and/or Sectoral Strategy indicator | | | | |
| | Indicator 2 | | | | |
| | Document reference | | | | |
| | | | Value | Unit | |
| | Current value of the indicator | | | | |
| | Target value of the project indicator | | | | |
| | Target value of the National and/or Sectoral Strategy indicator | | | | |
| | Indicator 3 | | | | |
| | Document reference | | | | |
| | | | Value | Unit | |
| Current value of the indicator | | | | | |
| Target value of the project indicator | | | | | |
| Target value of the National and/or Sectoral Strategy indicator | | | | | |

| | | | | |
|--|---|--------------|-------------|--|
| <p>4.4. Result indicators Please list up to two (2) National and/or Sectoral Strategy Result Indicators (title/description) to which the project will contribute towards its achievement.</p> <p>Please specify the document e.g. NSDI or Sector Strategy and the specific objective and chapter of the Strategic Document.</p> | Indicator 1 | | | <p>Quality control</p> <p>Fail = no result indicator presented</p> <p>Not clear = Results listed but not in line with Strategies</p> <p>National/Sectoral</p> <p>Passes = Results sorted according to Strategies</p> <p>National or sector</p> |
| | Document reference | | | |
| | | Value | Unit | |
| | Current value of the indicator | | | |
| | Target value of the project indicator | | | |
| | Target value of the Strategy indicator National and/or sector | | | |
| | Indicator 2 | | | |
| | Document reference | | | |
| | | Value | Unit | |
| | Current value of the indicator | | | |
| | Target value of the project indicator | | | |
| | Target value of the Strategy indicator National and/or sector | | | |

| | | | |
|---|---|--|---|
| <p>4.5. Number of Jobs Please specify the number of jobs (Full Time Equivalent - FTE) during the construction of the project (estimated total labor cost of the investment divided by the annual base salary). The total labor cost is estimated based on the average percentage of labor cost in the total investment cost of previous similar projects.</p> <p>Please specify the number of new jobs (Full Time Equivalent - FTE) during the full operation of the project (FTE for at least 5 years).</p> | Number of jobs during the construction of the project | | <p>Quality control</p> <p>Fails = no new jobs submitted</p> <p>Unclear = new work is presented, but there are strong doubts about the reliability of the data</p> <p>Kalom = new jobs introduced and the cost of</p> <p>Investment for new job position during the calculated operation</p> |
| | Full-time equivalent jobs - total | | |
| | Full-time equivalent work - Women | | |
| | Full-time equivalent work - Men | | |
| | Number of new jobs during the full operation of the project | | |
| | Full-time equivalent jobs - total | | |
| | Full-time equivalent work - Women | | |
| | Full-time equivalent work - Men | | |
| | Investment cost for a new work position during the operation | | |

*Please calculate the investment cost for one new job position (FTE) during the operation.
Formula: Project budget / new job positions during the operation (unit: lek)*

| 5. Value of the Investment Project (in lek) | | | | | | | |
|---|-----------------------------------|-------|-------|-------|---|--------------------------|--|
| Type of expense | The costs have already been paid. | 20 __ | 20 __ | 20 __ | The cost of investment in the coming years of | Total cost of investment | Quality control |
| (a) Preparatory documentation | | | | | | | Fails = Project cost estimation based on IN unreliable information and does not cover the entire scope of projects Not clear = Project cost estimates based on possibly reliable sources, with the entire scope included, but requiring clarification |
| (b) Feasibility Study | | | | | | | |
| (c) Land purchase | | | | | | | |
| (d) Expropriations | | | | | | | |
| (e) Construction | | | | | | | |
| (f) Equipment | | | | | | | |
| (g) Supervision | | | | | | | |
| (h) Acceptance | | | | | | | |
| (i) Other costs | | | | | | | |
| (j) Total (a+b+c+d+e+f+g+h+i) (l) Donor financing (estimated donor contribution if assumed) | | | | | | | |
| (k) Net capital cost (j+l) (estimated state budget contribution for this investment) | | | | | | | |
| | | | | | | | |
| REVIEWS | | | | | | | |
| Specify on what basis the investment costs have been estimated. Do the costs include VAT? | | | | | | | |
| What is the funding envisaged by donors (loans, subsidies) and whether any agreements have been signed with donors. | | | | | | | |
| If the project is ongoing, describe what has been done. | | | | | | | |

| | | |
|------------|--|--|
| <i>now</i> | | |
|------------|--|--|

| 6. Estimated operating costs and revenues after project implementation (in ALL) | | | | |
|---|--|------------------------|-------------------------|---|
| 6.1. Costs of EVALUATION annual operating (in Lek) after the implementation of PROJECT | <i>Specify the level of additional operating costs due to the implementation of the project after its completion. Note that the costs should be presented in addition to the "without project" scenario. If there are anticipated savings, please present them as minus costs (cost reductions).</i> | | | Quality control Fails = The estimate of operating costs and revenues is not presented. Not clear = Cost estimation operating and income statement is presented but requires clarification Passes = Cost estimation operating and income presented and commented |
| First operational year | Second operational year | Third operational year | Fourth operational year | |
| | | | | |
| REVIEWS <i>Provide comments regarding costs.</i> | | | | |
| 6.2. Income annual (in Lekë) estimated after the implementation of project (if applicable) | <i>Specify the level of additional revenue due to the implementation of the project after its completion. Note that costs should be presented in addition to the "without project" scenario.</i> | | | |
| First operational year | Second operational year | Third operational year | Fourth operational year | |
| | | | | |
| REVIEWS <i>Give comments about income</i> | | | | |

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| 7. Project management, prerequisites and risks |
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|---|---|
| <p>7.1. Preconditions and risks of project implementation with planned actions to eliminate/minimize their impact <i>Many things can and do go wrong during the preparation and implementation of projects. Usually, these result in either a delay in the completion of the Project or an increase in the estimated costs. It is therefore necessary to identify and describe here any potential risks that may prevent the successful implementation of the project or hinder its operational performance (e.g. design risk, political risk, exchange rate fluctuations, climate change, social problems of men and women affected by the project, etc.).</i></p> <p><i>a. Identify external factors that may affect the achievement of the project objectives; for risks related to climate change, please answer the questions given in the climate risk assessment methodology and indicate the level of risk related to climate change and gender with a brief explanation;</i></p> <p><i>b. Specify the need for legal changes or regulatory measures, which must be taken as a prerequisite for starting the investment project;</i></p> | <p>Quality control</p> <p>Fails = Risks appear incomplete or no serious effort has been made to manage the risk</p> <p>Not clear = Risks are listed, but risk management measures appear incomplete or lack credibility</p> <p>Pass = Hazards are listed and risk management measures appear credible</p> |
| <p>7.2. Summary of agreements and roles of institutions to be manage the project</p> <p><i>The response will indicate how the Project will be managed during implementation. Indicate the positions/ units responsible for the main tasks during implementation, providing basic information on their experience. Furthermore, the response will clarify the same issue regarding the operational phase, indicating the responsible institution/ department. a. Identify the intermediate stages/ deliverables, if any, and set out their deadlines that can be used to show progress in project implementation. b. Specify the name of the directorate and manager that will be responsible for the project or any other institution that will be established for project implementation/ management.</i></p> | <p>Quality control</p> <p>Fails = Lack of resources for implementation Project or/and indication of lack of responsibility in the operation phase</p> <p>Not clear = Insufficient resources for project implementation or/ and inadequate accountability indicators in the operation phase</p> |

| | |
|--|---|
| | <p>Pass = Resources for project implementation or/ and indicators of responsibility in the operation phase well described and sufficient</p> |
|--|---|

| 8. Available documentation regarding the project | | | | |
|--|--------------------|------------|--------------------|---|
| Document type | Ready and approved | IN process | It hasn't started. | remark |
| Required documents according to National Legislation | | | | <i>Please provide information regarding the completion date and source.</i> |
| Conceptual idea | | | | |
| Preliminary feasibility study | | | | |
| Conceptual design | | | | |
| Feasibility study + CBA | | | | |
| EIA study (if needed) | | | | |
| Valid spatial planning documents a) Special Purpose | | | | |
| Spatial Plan b) Detailed Spatial Plan c) State-level location study | | | | |
| d) Spatial-urban development plan of local self-government | | | | |
| e) Detailed urban development plan f) Urban development design g) Local level location study | | | | |
| Land ownership resolved | | | | |
| Preliminary design | | | | |
| Main design/detailed design | | | | |
| Tender documentation | | | | FIDIC Yellow Book FIDIC Red Book Other |
| Construction permits and others | | | | |

| 8. Available documentation regarding the project | | | | |
|--|--------------------|------------|--------------------|--------|
| Document type | Ready and approved | IN process | It hasn't started. | remark |
| The construction contract has been signed. | | | | |
| Other required documents Please specify: | | | | |
| Documents required by international stakeholders (Donors, IFIs) | | | | |
| ESIA | | | | |
| Other required documents <i>If other, please specify here</i> | | | | |

| 9. Decision makers for project approval | | | |
|---|------|------------|------|
| | Name | MEMORANDUM | date |
| Program Manager Budgetary Institution | | | |
| Manager of Finance/Budget Budgetary Institution | | | |
| Institution Management BUDGET | | | |

ANNEX 4

Feasibility Study

(repealed by Council of Ministers Decision no. 180, dated 20.3.2025)