Mid-term plan of priority actions

As mentioned in Chapter 1, this year the matrices of mid-term priority actions were developed in line with the medium-term budgeting process. This was decided in order to address a criticism made by various stakeholders, not least in the Joint Staff Assessment of last year’s Progress Report, that it is often not clear what the cost of priority policies is and whether they fit into the MTBP. According to the instructions issued by the Ministry of Finance, the preparation of the medium-term budget relies on the contribution of line ministries in 2 steps:

**Programme Policy Review** Ministries describe policy goals and objectives for each programme.

**Programme Expenditure and Investment Planning** Ministries identify target output levels for each of their programmes and allocate sufficient resources from their medium-term budget preparation ceiling to each programme for the delivery of those target outputs. Resource allocations include allocations for public investment.

Only 5 ministries have worked through these procedures this year: Education, Health, Labour and Social Affairs, Agriculture and Food, and Territorial Adjustment and Tourism. In addition, the Ministry of Transport and Telecommunications submitted a review of one of its programmes. Their Programme Policy Review matrices are presented below. A Programme Policy Review is not intended to be a full and comprehensive review of the sort that is required for an update of the NSSED. However, line ministries need to demonstrate that they have:

* identified and described each of their expenditure programmes;
* reviewed the policies relating to each expenditure programme to ensure that a programme policy statement can be written (or revised);
* reviewed the policies so that they are consistent with and reflect wider national policies (NSSED, European integration, NATO accession); and
* identified the status of each of their policy statements (for example, whether any particular policy statement has implicit or explicit Council of Ministers approval)

The NSSED Department took part in the process through the MTBP Secretariat and reviews of the line ministry inputs for consistency with the national strategy.

Of the remaining ministries, the 8 ministries with the largest shares in the budget were asked to prepare a sector expenditure strategy, a less comprehensive procedure to encourage a strategic approach to the planning of public expenditure. The sector strategies identify concisely target outputs, beneficiaries, the current situation, plans for reform and the budget implications for each programme to consolidate the link between budgets and policies. Of these ministries, the following submitted a sector expenditure strategy: Defence, Finance, Industry and Energy, and Local Government and Decentralisation. The NSSED Department was directly involved in assisting the Budget Department in the development of these strategies. The following ministries did not submit a strategy: Culture, Youth and Sport, Environment, Justice, and Public Order.

It must be stressed that the matrices do not yet indicate whether the proposed activities will receive budget funding, as the medium-term budget programme process had not yet been completed at the time of writing. However, their inclusion in the Progress Report is considered essential in showing the links between the NSSED and MTBP processes. This is a first small but significant step for the NSSED Department to assume an increasing role in the formulation of strategies at the sector level. In the context of the Integrated Planning System, the NSSED Department will assume increasing responsibilities over the coordination of sector and crosscutting strategies. The prioritisation process will need to be ever more strategic in linking long-term goals with medium-term policies that are embedded in medium-term budgeting.

* 1. Ministry of Transport and Telecommunications

Programme 1: Planning, management and administration

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Support achievement of objectives of transport and telecommunications system by creating optimal working conditions and providing financial support. |  |  |  |

Programme 2: National road system

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Rehabilitation and construction of national network, including road segments of East-West and North-South corridors, Durrës-Morinë road, Arbri road, tourist roads, cross-border roads as well as branches connecting above-mentioned corridors with other national roads. The programme includes also modern maintenance of road infrastructure and provision of road safety elements. | Create quality circulation conditions in principal national road axes with sufficient capacity to cope with growing traffic requirements. Stable maintenance accompanied by all appropriate signalling elements; reduction of risk points and creation of conditions of safety in circulation, reduction of number of accidents. | Year 1Continue construction on 19 km of Rrogozhina-Lushnja road (1 and 2), about 20km of Milot-Rrëshen and Kukës-Morina roads, Vlora-Orikum, Palase-Dhermi-Himara, Velipoja, Dardha, and Liqenas roads, systematise and asphalting of Fier ring, slides in different national axes, invest in road signalling etc.Year 2Year 3 |  |

Programme 3: Road transport management

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Medium and long-term development of Albanian road transport through harmonisation and increase of efficiency, implementation of advanced technologies, gradual expansion of transport information systems, determination of integration issues, as well as approximation of transport legislation to European standards. | Design transport development strategy, as well as medium and long-term strategic plans, harmonise all types of transport, prioritise development of low cost transportation. Adjust standards for approximation and improvement of transport laws and fiscal system for road transportation according to European standards. | Year 1Studies of medium and long-term transport strategic planning, including the national plan for road transportation.Year 2Studies of European Union standards for different types of transportation, especially for approximation and adjustment of transportation legal framework.Year 3Studies of transport information systems for orientation of transport users. Studies of financial resource schemes for transport investment based on private-public partnership | Development of transportation systems and efficiency, improvement of environmental impact in transport. Increase security in road transportation, involve Albania in regional and trans-European transport system, intensify measures to create conditions according to regional and European standards. |

Programme 4: Ports

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Improve processing capacities and service conditions in Albanian ports, through increased investment and quality of their implementation. Create optimal conditions for export-import, develop safe service system. | Design rules and regulations for the good operation of Durres port within 3 years according to the landlord model, complete investments in the port development master plans | Year 1After the necessary legal framework and regulations, establish the Albanian Sea Administration. Continue investments with budgetary and donor funds for improvement of port infrastructure in four ports. Continue negotiations with Italian cooperation in order to make effective the €12m credit.Year 2Budget and foreign-funded investment in order to complete the requirements of the Albanian Sea Administration. Continue investments with budgetary and donor funds to improve port infrastructure in four ports.Year 3Continue budget and foreign-funded investments to improve port infrastructure in four ports. Construct travellers terminal in Durres port. | Complete paving and draining of grounds in Durres port, complete east bulwark in Shengjin port, construct quays in Shengjin port, conclude phase 2 and 3 according to the master plan in Vlora port, rehabilitate quays in Lijmon port (Saranda). |

Programme 5: Railways

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Modernisation of railway infrastructure in the main railway axis, namely on the line Tirane-Durres-Rrogozhine and the line Shkoder-Bajze-Montenegro border. Construction of a new railway line for connection with Macedonia. Improvement of passenger railway transport by quick renewal of inventory of vehicles and premises of railway stations. Intensive maintenance and improvement of technical infrastructure and mobile means. | Improvement of the state of railway transport with the view of increasing competitive capacity and swift integration in regional and European network.  | Year 1Modernise the railway line Tirana-Durres and connect with Rinas Airport (project of GE Transportation Systems) at an investment value of €57.5 million and $12.2 million. Local cost has been estimated at about €10-15 million. The project will be implemented in 2006-2007. Construct the new railway line to connect with Macedonia. Based on the study carried out by IST, the project cost is about €5.2 million and the investment will be concluded in 2006-2007.Year 2Modernise the railway line Tirana-Durres and connect with Rinas Airport (project of GE Transportation Systems). Construct the new railway line to connect with Macedonia. Modernise the railway line Shkozet-Rrogozhina. The cost of this project is about $21.6 million.Year 3Modernise the railway line between Shkodra and the border with Montenegro. The cost of this project is about $17.5 million. |  |

Programme 6: Civil aviation

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| --- | --- | --- | --- |
| Policy description | Policy goals | Policy objectives | Policy standards |
| Support with necessary funds the accomplishment of the concessionary contract for the construction of passenger terminal at Mother Teresa airport, support for construction and operational costs of maintenance of the airport of Kukes, as well as support for the accomplishment of the master plan for modernisation of air traffic control. Opening of airports of Vlora and Saranda. Necessary legal improvements.  | Improvement of services, internal and external air infrastructure, modernisation of air traffic control. | Year 1Make the Vlora and Saranda airports operational through state budget contribution of about €25 million for each. Provide operational expenditures for Kukes airport. Prepare for signing up to conventions and international air agreements. Year 2Continue investments to make Vlora and Saranda airports operational. Provide operational expenditures for Kukes airport. Provide complementary legal package in accordance with Air Code.Year 3Provide operational expenditures for Kukes airport. |  |