



FONDI SHQIPTAR I ZHVILLIMIT
ALBANIAN DEVELOPMENT FUND

ALBANIA

REGIONAL AND LOCAL ROADS CONNECTIVITY PROJECT

OPERATIONAL MANUAL

August 30, 2018

Any provisions of this “Operation Manual” apply exclusively to the “Regional and Local Roads Connectivity Project”. It is an evolving document that can be updated by project counterparts.

ABBREVIATIONS AND ACRONYMS

ADF	Albanian Development Fund	MoET	Ministry of Environment and Tourism
ARAP	Abbreviated Resettlement Action Plan	MoARD	Ministry of Agriculture and Rural Development
BD	Bidding Document	MoP	Manual of Procedures
CE	Citizen Engagement	NAPA	National Agency for Protected Areas
DC	Direct contracting	NBP	National Bidding Procedures
DPM	Deputy Prime Minister	OM	Operational Manual
ED	Executive Director	OP	Operational Policy
EOI	Expression of Interest	PAP	Project Affected Persons
ESIA	Environmental and Social Impact Assessment	PDO	Project Development Objectives
ESMF	Environmental and Social Management Framework	PM	Prime Minister
ESMP	Environmental and Social Management Plan		
FA	Financing Agreement	PP	Procurement Plan
FM	Financial Management	PPL	Public Procurement Law
GoA	Government of Albania	PS	Procurement Specialist
GRM	Grievance Redress Mechanism	RAP	Resettlement Action Plan
IBRD	International Bank for Reconstruction and Development	RFP	Request for Proposal
IDA	International Development Association	RLRCP	Regional and Local Roads Connectivity Project
IFB	Invitation for Bid	RPF	Resettlement Policy Framework
IFR	Interim Financial Report	SOE	Statement of Expenditure
IPRO	Immovable Properties Registration Office	TOR	Terms of Reference
LGU	Local Government Unit	WA	Withdraw Application
M&E	Monitoring and Evaluation	WBG	World Bank Group
DS	Designated Staff	SPN	Specific Procurement Notice

GPN	General Procurement Notice	MIE	Ministry of Infrastructure and Energy
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A. Introduction

1. Project for Regional and Local Roads Connectivity

a) *Project Development Objectives*

The RLRCP will focus on the role that improved roads can play in enabling connectivity-driven economic gains, particularly in the agricultural and tourism sectors, both key drivers of growth and employment in Albania. More specifically, the proposed RLRCP will support the development of tourism through improving road access to existing and potential touristic destinations and through providing quality tourism-friendly amenities (for example, parking lots, viewpoints and signage) in the project areas. It will also support the integration of agricultural producers to agri-food value chains and market participation, particularly for women who constitute the majority of the workforce in agriculture.

More importantly, the RLRCP seeks to develop an overall investment framework and policy and implementation framework for the development, rehabilitation, and maintenance of regional and local roads.

Further, this project will provide support to municipalities in two new areas: 1) management and maintenance of their road networks and 2) maximizing the potential impacts from improved access on agricultural competitiveness and tourism potential.

The Project Development Objectives are to improve access to selected agricultural and tourism centers, and to strengthen the corresponding municipalities' capacity to manage their road assets.

Project Beneficiaries

The rehabilitation of regional and local roads will bring better and safer connectivity to areas that are home to approximately 80,000 inhabitants. The main project beneficiaries include road users who will benefit from improved and safer road connectivity to public amenities, markets, jobs, and services through reduced travel time and vehicle operating costs. Agriculture producers will be able to transport their products to markets, agro-processing centers, and tourism hubs on time, and traders will be able to increase the volume of their work. The tourism industry will grow and better serve a larger number of visitors. This will lead to positive outcomes for local communities which are expected to see increases in income, consumption, health, and education services resulting from the project. The mobility and accessibility gains of the project can become a powerful tool for promoting growth, alleviating poverty, boosting the incomes of the bottom 40 percent, and enhancing social inclusion.

Enhanced mobility, through planned and better public transport options, and bicycle lanes and sidewalks in some cases, and accessibility will ensure that the poor travel to work under more predictable conditions, enabling them to expand their income-generating opportunities beyond their villages and towns, thus contributing to better and more sustainable livelihoods. The enhanced mobility and accessibility will particularly benefit certain socioeconomic and demographic groups of population, such as women, who tend to be

more reliant on transport infrastructure and services due to gender differences in travel patterns, modes of transport used, and utilization of transport infrastructure and services. Women would also benefit from more job opportunities brought by TA components.

Enhancing climate resilience in the road network would help ensure a more sustained ability to provide the desired transport services. Because of affordable and safe roads, the poor and vulnerable groups will have better access to essential public facilities and services in education, health care, housing, and community life. If the project roads are not rehabilitated soon, road user costs will increase by as much as 40 percent, increasing road transport passenger fares and freight tariffs.

In addition, the ADF and municipalities will strengthen their capacity to manage construction projects, road assets, better prioritize investments, and maintenance activities. Society at large will benefit from the better use of resources resulting from improved prioritization of investments based on socioeconomic criteria.

PDO Level Results Indicators

Consideration will be given to the following results indicators, which can be refined during preparation:

- Number of agricultural and tourism centers connected by improved project roads
- Reduced travel time on project roads
- Improved municipalities' road asset management capacity as demonstrated through the adoption of Municipal Rehabilitation and Maintenance Plan.

b) Project Components

The Albania Local Roads Connectivity Project (LRCP) is expected to be financed by an IBRD loan at the total amount of US\$ 50 mln. The duration of the project is expected to be 48 months. It will build on the lessons and results from previous World Bank-financed transport projects, including the SLRP which was found to be "highly satisfactory" in post completion reviews. The RLRCF will focus on the role that improved roads can play in enabling connectivity-driven economic gains, particularly in the agricultural and tourism sectors, both key drivers of growth and employment in Albania.

More specifically, the proposed RLRCF will support tourism development through improving road access to existing and potential tourism destinations and providing quality tourism-friendly amenities (for example, parking lots for tourist buses and scenic viewpoints) and signage along the roads in the project areas. It will also support the integration of agricultural producers into agri-food value chains and market participation, particularly for women who constitute the majority of the workforce in agriculture.

The RLRCF seeks to develop an overall investment framework, and policy and implementation framework for the development, rehabilitation, and maintenance of regional and local roads, which will provide a platform not only for this project but also for domestic and international development partners for finance.

The investment framework priorities are developed based on a prioritization methodology focusing on key productive sectors and particularly agriculture and tourism. The prioritization of

roads has been done through a two-step prioritization process. In the first step, a long list of 1,400 km of candidate roads was developed based on consultations between the ADF and 61 municipalities, the second step involved the preparation of a short list of 200 km of candidate roads using multi-criteria analysis, considering tourism importance, agricultural potential, beneficiary population, and economic efficiency indicators. The prioritization process reflects the priorities of municipalities as well as the GoA's vision on rural roads investments that support tourism and agriculture. The roads will also serve some of the villages identified by the recently approved '100 villages' program.

Policy and implementation frameworks will be developed using TA financed by loan proceeds and grants funds. The TAs will focus on four to five municipalities that will receive road investment under the project. Lessons learned from implementation in these municipalities could be used in scaling up municipal development programs. The capacity-building TA includes support to the municipalities to improve management of road assets and strengthen links between roads, agricultural market access, and tourism development. Two complementary World Bank-executed Trust Fund TAs will help the project to promote climate resilience and women's economic opportunities in Albania respectively.

Climate-resilient road assets for Albania: Albania's vulnerability to climate change and natural disasters, for example, flooding, landslides, and earthquakes, within the road sector, is being analyzed under a separate TA and its outcomes will inform the prioritization of investment to provide more sustainable and resilient road assets. The TA outcomes will inform the RLRCP designs of specific road sections. Improved regional and local roads could provide an alternative to the national road network critical links during extreme weather events.

Promoting women's employment in the road sector in Albania. The capacity of the selected municipalities to reach out and increase women's participation in the road maintenance program will be analyzed under a separate TA, and capacity-building trainings will be provided to the municipalities to enhance their knowledge and understanding of the ways in which, the participation of both women and men in road maintenance can be enhanced and local ownership and sustainability of road maintenance activities promoted. The TA will also include work with several contractors to explore opportunities to promote women's employment in high-skilled jobs in their respective workforce. This will be done by reviewing their policies and practices regarding equal opportunities with a view to identifying specific actions that may be appropriate to improve gender balance and providing recommendations for their introduction and/or enhancement. Hence, the focus will be on more and better jobs. The gender component will be concluded by a national event that will bring together key stakeholders to showcase the results achieved with the selected stakeholders and more importantly, to produce a gender action plan reflecting concrete and measurable commitments made by the stakeholders to promote women's employment throughout the project with an ultimate end goal of increasing women's employment in the project.

Component 1: Civil Works

Component 1.1: Accessibility Improvement (Total cost US\$46.875 million; IBRD US\$46.875 million)

This component will finance the rehabilitation of regional and local roads; consultancy services for designs, civil works supervision, and technical and road safety audits; and road safety initiatives.

- *Subcomponent 1.1: Climate Resilient Road Rehabilitation Works (Total cost US\$45.68 million)*

This subcomponent will finance the rehabilitation of about 55 km of regional and local roads. The designs will incorporate climate resilience, such as resilience to flooding and landslides, considerations given the observed and anticipated vulnerability of the network. As a first-year program, three project roads (totaling 38 km) in three municipalities, have been proposed based on further surveys and a rigorous multicriteria analysis applied on the short-listed 200 km of roads. The remaining project roads will be identified and prioritized during implementation. Where roads serve tourism areas or pass through urban areas, attention will be given to safety improvements, orientation signage, bus stops, and aesthetic considerations. In addition, new bike lanes and sidewalks will be built, which will in turn lead to urban transport modal shift from passenger cars to bicycles or walking, thereby also leading to greenhouse gas emission reductions resulting from such shift. This subcomponent will also finance the second-year program designs (first-year program designs are already financed by the GoA), civil works supervision of all project roads, and their technical and road safety audits.

- *Subcomponent 1.2: Road Safety Initiatives (Total cost US\$1.2 million)*

This subcomponent will consist of identification of potential road safety interventions on regional and local roads that are not included in Subcomponent 1.1 but are within the project municipalities. Identification efforts shall include both road risk mapping using available crash data and a road safety inspection of sections linked to Subcomponent 1.1 roads. These interventions will enhance the safety of these roads and will include traffic calming measures, footpaths, crash barriers and junctions' design, as well as the supervision of implementation of selected interventions.

Component 2: Capacity Building for Municipalities (Total cost US\$1.0 million; IBRD: US\$1.0 million)

The significant administrative and territorial reforms which consolidated responsibilities at the municipal level have empowered municipalities with much greater ownership and decision-making powers over key development objectives. However, it has also highlighted financial and capacity constraints in the execution of these new responsibilities. This component will provide support to municipalities in two areas of their new responsibilities, which is the management and maintenance of their road networks, and in maximizing the potential impacts from improved access on agricultural competitiveness and tourism potential. The following activities are envisaged:

- *Subcomponent 2.1: Building Municipal Capacity to Manage and Maintain Road Networks (Total cost US\$0.5 million)*

This subcomponent will evaluate the current road investment, rehabilitation, and maintenance practices in project municipalities; support in the preparation of road investment, rehabilitation and maintenance plans and strategies for multiyear programming; and also assess the adequacy of maintenance finance. To support this objective, this subcomponent will (a) enhance existing asset management systems to improve the planning and prioritization of maintenance and rehabilitation activities, (b) development of a standard service-level agreement between the municipality and a

contractor to improve the efficiency of maintenance execution, (c) development of a framework for sustainable maintenance finance, and (d) build capacity in the selected municipalities to effectively implement road maintenance programs.

- *Subcomponent 2.2: Building New Economies (Total cost US\$0.5 million)*

This subcomponent will support selected municipalities’ implementation of rural development programs supported by the Government and other development partners, including the recently approved ‘100 villages’ program. It will provide TA to the project municipalities to (a) assess market potential at the village level to determine which productive activities would yield the highest return, (b) support the preparation of project proposals to leverage grant finance available under rural development programs to address market demands, and (c) provide TA for the implementation of these activities. The productive activities will be linked to agriculture and tourism. The focus will be on linking agricultural producers to local demand through local markets and tourism centers and promoting agro-tourism through steering public and private investments in tourism-related infrastructure and services at the local level.

Component 3. Implementation Management Support (Total cost US\$2.0 million; IBRD: US\$2.0 million)

This component includes incremental operational cost of the ADF, development and maintenance of a geographic information system (GIS) and prioritization database for regional and local roads, midterm evaluation, and capacity-building initiatives for the ADF. It will also include the implementation of a Project Impact Assessment to assess the project’s impacts on key social, transport, agriculture, and tourism indicators.

c) Project Cost and Financing

The total cost of the project is US\$50 million tax inclusive, and the World Bank will finance the project through an Investment Project Financing Loan with a total amount of US\$50 million. Table 1, below, presents the costs of the different components:

Table 1. Project Costs and Financing (including contingencies and VAT) in US\$, millions

Project Components	Project Cost	IBRD Financing
Component 1: Accessibility Improvement	46.875	46.88
Component 2: Capacity Building for Municipalities	1.00	1.00
Component 3: Implementation Management Support	2.00	2.00

Total Costs	49.875	49.88
Front-End Fees (0.25%)	0.125	0.125
Total Financing Required	50.00	50.00

Note: VAT = Value Added Tax (20 percent); and contingency (3 percent)

Purpose of the Operation Manual

The purpose of the OM is to provide the Board of Trustees and the management of ADF with the policies and procedures to be followed during implementation of RLRCF. The OM may be updated periodically, as required, upon formal agreement between the ADF and the World Bank Group.

d) Project Implementation Arrangements

Overall project implementation arrangements and key project partners

The project will be implemented over 48 months by the ADF, which has extensive experience and a very good track record as an implementing agency of road projects financed by the World Bank and other development partners since its inception in 1993. Dedicated Staff (DS), within the ADF, is nominated from its own personnel. The DS will manage project activities, such as procurement, social impact assessments, safeguard functions, monitoring and evaluation, disbursements and so on. When necessary, they will be supported by consultants. A budget for such operating costs has been allocated and is detailed in Component 3. ADF will also be responsible for coordinating project activities with representatives of the project municipalities and related line ministries including the Ministry of Agriculture and Rural Development (MoARD), the Ministry of Infrastructure and Energy (MoIE), and the Ministry of Environment and Tourism (MoET), and will report to the Prime Minister's Office.

In addition, the existing Board of Trustees of the ADF, which includes representatives of the abovementioned line ministries and the PM's Office, will provide an active steering function to the project. The board will specifically focus on:

- a) The coordination of project activities,
- b) Support and oversight for the implementation of safeguard policies,
- c) Coordination with municipalities on new developments at the ministerial level related to policy, design/construction standards, agricultural development, and tourism.

The mandate of newly formed municipalities has been extended to administering, managing and maintaining the regional road network – previously under the dissolved Regional Councils. In this context, the participation of municipalities was critical during project preparation and will continue to be relevant at the implementation stage. During project preparation, the ADF has worked very closely with municipalities during the prioritization exercise, and several consultations with municipalities and local communities have taken place during the preliminary designs of the project roads. When

designing, procuring, and implementing the capacity-building activities, municipalities will appoint focal point to a) coordinate with the ADF, b) provide the ADF with inputs to the terms of reference, c) review and comment on technical reports and deliverables, d) monitor and oversee overall implementation and e) sign off outputs.

Albanian Development Fund (ADF)

The ADF will have the primary responsibility of overseeing all aspects of project implementation, providing technical leadership and coordination with project partners (including fiduciary aspects, financial management, procurement of goods, works and services for the project) and ensuring that project-supported investments are planned and implemented in compliance with the RLRCP loan agreement provisions, social and environmental impact management included.

Some key roles and responsibilities for ADF include but are not limited to:

- (i) screening and ranking of potential investments to be supported by the project in coordination with key project partners,
- (ii) supporting municipalities in the prioritization of activities,
- (iii) reviewing consultant deliverables as relevant,
- (iv) periodic monitoring of implementation progress.

ADF will hire qualified consulting companies to support them in supervising the implementation of works.

For the purposes of the Project implementation, the ADF implementation unit will include a Project Manager, Engineers, a Financial Management specialist, a Procurement specialist, an Environmental specialist, a Citizen Engagement / Social specialist and Field Engineers. In addition, the ADF may hire or make available supporting staff and consultants who will work on an on-call basis, depending on the specific needs of project activities. These may include agricultural specialist and touristic sites management specialist.

In its position as the implementing agency for the Project, the ADF is responsible for ensuring project implementation in accordance with this POM. Key responsibilities include:

- (i) management of procurement (services, works and goods),
- (ii) financial management and accounting,
- (iii) ensuring compliance with RLRCP documents on social and environmental safeguards,
- (iv) pro-active management of grievances and implementation issues which may arise,
- (v) ensuring effective public communications for citizens' engagement and involvement.

The Infrastructure Department is responsible for the verification of Traffic Volumes and measurement of IRI. The regional coordinators will also support municipalities in clarification of any requirement within this process. They also reserve the right to propose projects in case they find appropriate it within the criteria set by the donor.

Local Government Units (Municipalities)

Relations between the ADF and municipalities, including the municipalities' role in the project cycle, will be formalized in an Investment Agreement, which includes responsibilities for the operation and maintenance of rehabilitated assets.

As the main beneficiaries of project activities, municipalities have been highly involved in project preparation and will continue to play a key role during project implementation. The municipalities will be responsible for applying for the necessary approvals and permits for each sub-project, as they will be the beneficiaries of the investments.

Municipalities shall also participate, when requested by ADF, on tender committees. They will be responsible for holding periodic citizen engagement meetings, with support from the ADF Citizen Engagement specialist, to provide information for citizens' campaigns which explain to all stakeholders the projects goals, benefits and implementation progress, disseminating and addressing feedback from community, as well as arrangements for management of grievances. Municipalities should also ensure equal participation of women in all community engagement processes. In regards of Component 3B, selected municipalities will be responsible for providing information regarding respective transport issues and plans on resolving them.

Technical Data to be provided from municipalities (in frame of Cost Benefit Analyses):

1. Road data base information (Name, start latitude, longitude, end latitude, end longitude, length, carriage, shoulder weight, carriage surface type, shoulder surface type, traffic volume, condition, year last resurfaced)
2. Traffic counts (current travel time, current total traffic, current small/large bus traffic, current small/medium truck traffic)

The project will support a structured public-private dialogue platform that will serve as a mechanism for citizen engagement, where the municipalities will take an active part. Regular public meetings will be held by the project team and partners to receive feedback on activities and promotions being planned.

Further, in implementing Parts 1 and 2 of the Project, the Project Implementing Entity will enter into a Cooperation Agreement with each Selected Municipality on terms and conditions approved by the Bank, which shall include the Selected Municipality's obligations to:

- (a) takeover, operate and maintain rehabilitated assets in accordance with agreed standards;
- (b) review and comment on technical reports and deliverable;
- (c) monitor, and support the Project Implementing Entity to actively oversee works undertaken in the municipality;
- (d) obtain any required approvals from the relevant municipal authorities;
- (e) hold periodic citizen engagement meetings and share information on project goals, benefits and implementation progress;

disseminate and address feedback from community as well as grievance redress mechanisms;

- (f) ensure participation of women in all community engagement processes;
- (g) provide its inputs and comments to terms of reference and deliverables in respect of consulting services for purposes of providing advice related to such Municipality under Part 2 of the Project. The Project Implementing Entity shall implement effective mechanisms to engage with Selected Municipalities and address their comments in a way acceptable to the Bank; and
- (h) participate as requested by the PIE on tender committees.

Ministries and Governmental Agencies

Beside cooperation with the central government, the signature party of the loan agreement, the following ministries will play a key role throughout project implementation:

MoARD and MoIE staff will participate in project meeting activities linked to their areas of influence and expertise especially given the connection between this project and the approved national priority program of “100 rural villages”, led by MoARD and supported by MoIE, MoET and the Ministry of Culture. The program has three main objectives: 1) improving public infrastructure, including roads, community infrastructure, and the revitalization of public spaces; 2) economic development through the diversification of economic activity including through improving tourism and agro-tourism potential in rural areas, and supporting local agricultural production and marketing and 3) the development of human and social capital by supporting rural networks, civil society, cultural heritage, and vocational training for women and youth. To achieve these objectives, the Government is aligning resources from Government programs, development partners including this project, and by providing grant financing to eligible municipalities to support the stated objectives.

Further, MoET and/or NAPA (National Agency for Protected Areas) will participate in project activities linked to protected areas and be consulted by ADF during the development of concept and design activities that support infrastructure rehabilitation within national environmental protected areas. In addition, as per the national legislation, MoET will review environmental assessments of all infrastructure activities which require an environmental permit.

ADF will coordinate its work with Ministries and necessary Governmental Agencies as needed throughout the duration of this project.

Complementary actions in the project area

Parallel financing from EBRD is under consideration. EBRD expressed interest in a separate support to the RLRCP and is considering matching the World Bank funding with a further US\$50 million loan, subject to internal approvals and conditional upon the GoA’s willingness and capacity to borrow. The Albanian Government formally requested a loan from EBRD of a matching amount which is currently being reviewed for approval by the EBRD’s Board of Directors. This project will also benefit from the ongoing support of development partners in three project municipalities which include (a) Shkoder. ADF with the support of the Council of Europe Development Bank (CEB) has

developed a master plan for the Albanian Alps area, (b) Fier. A tourism project with EUR 40 million grant from the EU is under preparation to Fier as one of the beneficiary municipalities, and (c) Pogradec: The Albanian American Development Fund is developing a feasibility study for the tourism development in the village of Tushemisht.

e) ADF’s Dedicated Staff

The ADF institutional set-up and governance system, including the role of the Board of Trustees and the organization’s organogram, is described in Annex 1. This section covers the responsibilities and description of ADF in regards to the implementation of the RLRCP project, with a particular focus on the Dedicated Staff (DS) for the project.

For the purpose of RLRCP project implementation, the ADF will appoint its DS. The DS of RLRCP will have primary responsibility for overseeing all aspects of project implementation, including fiduciary aspects with financial management of loan proceeds and procurement of goods, works and services for the project; compliance with social and environmental safeguards; assuring citizen communication and consultation, as well as routine communication with the Bank. The DS should also coordinate with the Selected Municipalities’ and Participating Central Government Agencies’ to receive timely technical inputs.

For the participating staff in this project it is needed continuous training and capacity building provided by World Bank on the Procurement Regulation for IPF Borrowers, Procurement Planning and Tracking System (STEP) and any other training that will be considered necessary.

In the following paragraphs are described the roles, responsibilities and required qualifications of the **Dedicated Staff (DS)**.

- **Project Manager (PM)**

The main role of the Project Manager is to manage the project with the aim of achieving the project development objectives which are defined in the respective legal agreement and assure that the project is carried out in accordance to the provisions in the Legal Agreement and Project Agreement. The Project Manager reports to the ADF Executive Director, will be the main liaison to the World Bank and is responsible for the following:

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - To manage the overall project coordination, procurement, financial management, disbursement, technical coordination, monitoring and evaluation and reporting of the RLRCP; - To maintain day to day communication with the Bank, prepare reports, minutes of meetings and represent the 	<ul style="list-style-type: none"> - University degree in Civil Engineering - More than 8 years of work experience as a manager of international projects; - Professional experience in

<p>ADF DS in all meetings with consultants, contractors, etc.;</p> <ul style="list-style-type: none"> - Oversee day-to-day implementation of the project, lead and manage staff in carrying out the day-to-day activities in support of the implementation of the project; - Report and coordinate with the selected municipalities and other project partners. - To monitor and control the progress of the project in all its components; - To report about the progress of the RLRCP to the ED of ADF and to the WB, in adherence with the frequency and format set out in the project loan agreement and described in the POM; - To prepare the work plan for the project/program activities by coordinating with other ADF structures and follow its progress throughout the whole project cycle by making the appropriate updating and reviewing in accordance with the project progress. - Regularly review and monitor RLRCP expenditures, through internal controls and external audits acceptable to the WB and the Government of Albania; - To prepare work plan and budget covering all activities proposed to be carried out under the project in the forthcoming Fiscal Year; - To ensure that all goods and services regarding the RLRCP are procured in accordance with the World Bank Guidelines; - Ensure that contract management and safeguard responsibilities are carried out. - All the abovementioned tasks shall be achieved in collaboration with the respective departments. 	<p>management of civil works contracts and consulting services contracts financed by foreign donors, working in WB financed project or other international financed projects is required;</p> <ul style="list-style-type: none"> - Extensive knowledge of the practices and guidelines of main international donor organizations and the World Bank; - Familiarity with the World Bank's standard bidding documents and conditions of contract, and/or FIDIC conditions of contract is essential; - Extensive knowledge of development processes in Albania. - Experience in interaction with state authorities; - Very good leadership, organizational and communication skills; - Computer literacy in MS Office; - Fluency in English and Albanian.
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• **Financial Management Director & Financial Specialist**

The Finance Director is the main responsible for maintaining the project's financial management system and preparing financial statements in accordance with consistently applied accounting standards acceptable to the Bank, in a manner adequate to reflect the operations and financial condition of the ADF, including the operations, resources and expenditures related to the Project. In

addition to the FM director, the project will count with a FM project specialist which will support the FM director as outlined below. The FM Director and FM project specialists will report to the PM and are responsible for the following assignments:

<i>Responsibilities of FM Director</i>	<i>Qualifications of FM Director</i>
<ul style="list-style-type: none"> - Implement a fully documented and operational accounting and financial management, satisfactory to the World Bank, which includes proper accounting procedures and internal controls to ensure that project assets are properly safeguarded. - Carry out financial performance review of project activities, in accordance and in connection to Bank requirements - Maintain and up-date the accounting system and accounts in accordance with the Manual of Procedures (MOP) as well as with the generally accepted accounting principles and practices and local legislation; - Ensure that all Project accounts are maintained in accordance with the WB's relevant guidelines and regulations; - Manage funds flow and disbursement; - Manage financial short and long term planning process of the project, assist the PM in the financial planning of the RLRCP - provides information necessary and prepares monthly, quarterly and annual cost accounting statements; - review and verify all requests for payments/invoices for sub-projects; - ensure that payments under the contracts are made on time and according to the contract terms and conditions, as well as the World Bank's relevant guidelines, regulations, legal agreements and other applicable documents; - prepare monthly, semi-annual and annual financial statements/reports; 	<p>Finance Manager</p> <ul style="list-style-type: none"> - Higher education in accounting, finance, economy and other relevant areas; - Minimum 10 years of work experience as an accountant in similar agencies, operations or project accounting; - professional experience in accounting, financial management /budget management in international projects required, preferable a WB financed project; - Sound and good knowledge of financial and accounting policies, rules and regulations pertaining to international organizations; WB preferably. - Knowledge of WB disbursement rules and systems is preferred. - Good knowledge of international standards of financial reporting and the Albanian accounting standards; public sector budgeting and financial management systems, and tax and legal requirements in Albania; - Excellent skills in preparation of reports in legible and comprehensive form; - Familiarity with the requirements of modern financial management systems; - Computer literacy in MS Office. - Fluency in English and Albanian.

<ul style="list-style-type: none"> - prepare annual plans and related budgets for project activities; - cooperate with the auditors; ensure that all Project accounts are maintained in accordance with the World Bank regulations for auditing by independent auditors acceptable to the World Bank and on the terms of reference acceptable to the World Bank; - Ensure the proper integration of financial information in the Management Information System; - Provide timely inputs to the project Procurement Specialist for the preparation of contract payments terms etc. and supervise their conformity with project requirements and budget. - Liaise with the MOFE - Ensure FM department is appropriately staffed to meet the demands of the ADF workload and maintains qualified staffed that meet the minimum criteria set out by the bank - Assign a focal point for project and financial reporting, disbursements, and financial management communication matters with the Bank that meet the minimum criteria set out by the Bank. - Provide timely inputs to PM on project financial management matters through the assigned focal points 	
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<i>Responsibilities of FM Project Specialist</i>	<i>Qualifications of FM Specialist</i>
<ul style="list-style-type: none"> - Maintaining the project records and accounts according to the World bank guidelines and Albanian legislation; - Assist in maintaining and updating written procedures (Financial Management Manual) for operation of the project accounting system; 	<p>FM focal point for Bank project requirements</p> <ul style="list-style-type: none"> - Higher education in accounting, finance, economy and other relevant areas; - Minimum 2 years of work experience

<ul style="list-style-type: none"> - Assisting in budget preparation and administration including expenditure and revenue calculations and projections; preparing financial information in a format agreed with the immediate supervisor; follow up compliance of budgetary information to accounting records; assisting departments in preparation and monitoring of their budgets; calculating and monitoring budget amendments; and budget variance analysis - Maintain procedures for collecting, checking and preparing documentation required for verifying Supplier's invoices. Record payment documentation and payments to Suppliers. Prepare invoices for payments by verifying the invoice against contract terms and conditions; ensure that all payments are made on a timely basis and according to contract terms and conditions as well as the WB relevant guidelines, regulations, legal agreements and other applicable documents; - Ensuring funds are received when due and allocated accurately by monitoring and analyzing bank/cash flows monthly, including revenues, expenditures, receivables and payables; - Managing day-to-day operations of the accounts payable and accounts receivable; - Ensuring timely and accurate processing of purchasing/payment documents such as purchase orders, travel reimbursements, payroll, remuneration of the contractors and etc; - Performing and maintaining bank transaction records, approving transactions within designated limits; - Constructing routine spreadsheet applications, preparing financial data for input into finance systems, and generating reports; performing calculations; - Maintain fixed assets' register for the equipment bought from the project funds; 	<p>as an accountant in similar agencies, operations or project accounting;</p> <ul style="list-style-type: none"> - professional experience in accounting, financial management /budget management in international projects required, preferable a WB financed project; - Sound and good knowledge of financial and accounting policies, rules and regulations pertaining to international organizations; WB preferably. - Knowledge of WB disbursement rules and systems is preferred. - Good knowledge of international standards of financial reporting and the Albanian accounting standards; public sector budgeting and financial management systems, and tax and legal requirements in Albania; - Excellent skills in preparation of reports in legible and comprehensive form; - Familiarity with the requirements of modern financial management systems; - Computer literacy in MS Office. - Fluency in English and Albanian.
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<ul style="list-style-type: none"> - Preparing and performing journal entries, maintaining ledgers, preparing detailed cost and reconciling, balancing, and maintaining accounting records; - Interpreting accounting data, analyzing reports and ledgers and recommending action to be taken; - Reviewing computer reports for errors or inconsistencies; investigating and correcting problem; - Preparing regularly scheduled costs reports, analyses, inventories, and financial statements; - Preparing regular reconciliations of the bank/treasury account balances to the project accounts, as well as to the World Bank Client Connection system; - Prepare all necessary documentation (WAs, SOEs, Summary Sheets, etc.) for submission to the World Bank to request for replenishment/recovery of the Designated Account(s) on timely basis; - Preparing for submission to the World Bank Semiannually IFRs in time and manner indicated in the legal agreements; - Coordinating and performing tax reporting for payments to individuals and contractor - Assist in auditing process and in preparing the project annual financial statements to be audited, and coordinate the audit arrangements of the project; - Interacting with internal and external auditors and participating in auditing projects or providing information and access to accounting records as required, preparing audit work papers; - Upon request providing all necessary documentation to the Internal Audit Service; - Providing the financial data during the World Bank missions; 	
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<ul style="list-style-type: none"> - Preparing special financial reports; - Performing other related tasks as required. 	
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- **Procurement Specialist**

The Procurement Specialist’s main role is to assist the PM and DS to carry out Project related procurement activities observing procurement procedures applicable to the RLRCP operation. The Procurement Specialist (PS) will assist the Project Manager (PM) to manage the flow of procurement activities scheduled for RLRCP.

The Procurement Specialist shall ensure that all Procurement processes under the Project are carried out in accordance with World Bank Procurement Regulation for IPF Borrowers, dated July 1, 2016, and the provisions stipulated in the Legal Agreement. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credit and Grants dated October 15, 2006 and revised on January 2011 and as of July 1, 2016, will also apply. The Bank Standard Procurement Documents will be used. He/she will, as necessary, work closely with the DS to help them understand the details of the procurement aspects of project implementation.

<i>Responsibilities</i>	<i>Qualifications</i>
<p><i>Principal functions of the Procurement Specialist will include the following:</i></p> <ul style="list-style-type: none"> - In cooperation with the ADF Procurement Unit to establish and maintain an information database on procurement services, technology services, suppliers of equipment, consultants, etc.; - Maintain reporting procurement system in accordance with the POM provisions; - Set up a monitoring capacity within the entities for overseeing project procurement actions and coordinating necessary approvals or correcting shortcomings in procedures or conclusions; - Procurement of goods, works and services conducted in accordance with the provisions of the Procurement Regulation for IPF Borrowers and POM; - Preparing Contracts and Contracts amendments for goods, works, and 	<ul style="list-style-type: none"> - University degree in economics, management, law or equivalent. Master degree is an advantage. - At least 8 years working experience in procurement of which at least 3 years of experience related to the implementation of the procurement activities of projects financed by international development Organizations. - Knowledge of the organizational and operational aspects of project management - Experience under World Bank-financed projects is an advantage. - Fluency in English and Albanian - Procurement training and practice. Training on World Bank Projects and procurement management is an advantage

<p>consultancy services;</p> <ul style="list-style-type: none"> - Conducting procurement activities on STEP system; - Updating regularly and maintaining detailed annual Procurement Plan for the Project; <p><i>The specific tasks to be undertaken by the Procurement Specialist should cover the complete procurement cycle. This will include but not be limited to:</i></p> <ul style="list-style-type: none"> - Check/prepare the Procurement Documents (PDs) using the World Bank respective formats; reviewing all PDs prior to submission to the World Bank in timely fashion and clearing them with the Bank; - In coordination with the PM, prepare notifications for advertising contracts – General Procurement Notices (GPN), Specific Procurement Notices (SPN) and Requests for Expressions of Interest (REI) and clear them with the Bank; - Ensure that the procurement process is conducted in accordance with the Procurement Plan and in line with provisions the World Bank Procurement Regulation for IPF Borrowers; - Ensure that contracts are prepared based on the draft contracts included in the PDs, using the World Bank formats; - Record the times of delivery of Bids and Proposals, and keep all necessary records; - Oversee the opening of Bids and Proposals in a timely manner and prepare of the minutes of bid (or proposals) opening; - Assist the evaluation committee in the terms described in the Provisions for the Evaluation Committee, on technical and commercial evaluation of bids/ technical and financial proposals and the preparation of Evaluation 	<ul style="list-style-type: none"> - Computer literate. Good knowledge of MS Office applications. Other relevant software is an advantage - Excellent Communication and team working skills
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<p>Reports in accordance with the POM provisions;</p> <ul style="list-style-type: none"> - Prepare the award recommendations on behalf of the evaluation committee, and submit the evaluation reports to the Bank for no objection, through PM. Assist the PM and negotiations committee to conduct contract negotiations with consulting firms and prepare the draft negotiated contract; contracts for award; - Ensure that all procurement documentation for which the Bank's prior No-Objection is required, is prepared and submitted, in accordance with World Bank Procurement Regulation for IPF Borrowers; - Provide guidance to PM on all procurement related issues; - Assist the PM on preparation of the correspondence with bidders during the bidding process, or during contract implementation; - Prepare maintain and keep updated, the Procurement Plan in close collaboration with the PM; and assist the PM on revising /adjusting the Procurement Plan as needed during the life of the Project (i.e. updating the procurement plan twice a year and whenever requested by the Bank); - - In coordination with the PM, conduct procurement activities related to contract management on STEP system, based on reports of Contract Manager. - Any other procurement-related duty as may be requested by the PM. 	
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- **Contract Manager(s).**

The Contract Manager (s) will be in charge to manage on a day to day basis the contracts. They will be responsible to ensure that the parties meet their contractual obligations with the aim of attaining the defined objectives in the contract. The final objective of the contract is the achievement of the contract goal within the defined time frame, cost and quality.

<i>Responsibilities</i>	<i>Qualifications</i>
<p><i>Responsibilities in work and work related contracts:</i></p> <ul style="list-style-type: none"> - Responsible for monitoring of Contracts realizations/implementation, in order to ensure the assignment is carried out in accordance with the terms and provisions of the signed contract; - Reports to Project Manager ; - Facilitates obtaining of approvals and permits from the respective authorities; - Gives the Contractor right of access to and possession of the Site; - Organize Kick-off meeting(s); - Verification of securities/bonds/guarantees; - Verification of insurance policies; - Use of adequate project management tools for time and cost control; - Check and verify the documents for payment and prepare the requests; - Review monitoring reports to check compliance with the contractor’s construction program and method statements, verifying that they are consistent with the implementation schedule for the contract; - Take actions to speed up progress and ensure compliance with contractual time for completion of the assignment; - Reports on Progress of works against planned; - Check the quality of works (do all works comply with the quality requirements in the technical specifications?); 	<p><i>Qualifications for work and work related contracts:</i></p> <ul style="list-style-type: none"> - University Degree in civil engineering or equivalent - Professional experience in management of civil works contracts (minimum 5 years) - Working experience in WB financed projects or other international organization is a plus - Sound and good knowledge of Government rules and legal requirements in Albania - Have a good understanding of technical problems related to the design and implementation of urban infrastructure projects

<ul style="list-style-type: none"> - Check deployment of staff / labor (is the number of people actually working on site sufficient to have the works completed on time?); - Check the contractor's mobilization of materials and equipment (does the Contractor have all necessary equipment and construction materials to complete the works according to the specifications and on time?); - Check health and safety with regard not only to the Contractor's personnel, but also to the public safety (have all necessary health and safety measures been implemented); - Manage the remedies against non-performing contractors; - Check as-built drawings with bill of quantities furnished by the contractor and certify their conformance with performed works; - Preparation the contract closure procedures and final reporting; - Reports to Project Manager and Procurement Specialist the Contract amendments and contract closure. - Liaise with the respective municipalities or the other authorities for handing over the work as per respective cooperation agreements. <p><i>Responsibilities in other contracts:</i></p> <ul style="list-style-type: none"> • Respective responsibilities as per contract object. 	<p><i>Qualifications for other contracts:</i></p> <ul style="list-style-type: none"> • Respective qualifications as per contract object.
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f) Supporting Staff (SS)

In addition, for the purpose of supporting project implementation, the ADF may mobilize technical verification staff, citizen engagement specialist, Environmental Specialists and Social & Resettlement Specialist as well as an M&E specialist and a Project Assistant.

ADF also has the agency to mobilize consultants of specific fields to provide support on an on-call basis and depending on the intensity of project activities. The ToRs for these consultants should be

cleared by the Bank and their selection should follow individual consultant procurement guidelines. Other ADF staff will provide backstopping support when needed.

- **Technical Verification Staff**

The main role of the Technical Verification Staff is to provide technical inputs to the PM for the development of RLRCP activities to assure that project activities are carried out in accordance to technical requirements and best practices. In particular he/she will support the PM in the management of design consultants. The Technical Verification Staff reports to the PM and has the following responsibilities:

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - Support selection of consultants, contractors and supervisor engineers as requested by PM. - Participate in the discussions and review of detailed design issues, including technical specifications, need for additional technical survey/assessment, and social and environmental assessment for the selected activities. - Draft ToRs for technical supervision of project activities, as needed. - Reviews technical documents as requested by PM - to assure they incorporate sustainability principles and practices and take into consideration future operation and maintenance constraints. - Review detailed design documents, including engineering drawings and technical specifications provided by consultants, check documents for compliance with applicable technical standards and requirements. Assess the reliability of cost estimates and scopes of work and feasibility of proposed work schedule. - Review the bid packages for works and supplies, prepared by the consultants. - Establish work relationship and liaison with local authorities and local government agencies responsible for technical, environmental, social and health supervision to work together for successful project implementation. - Provide timely assistance to the contractor in all matters related to interpretation of the contract documents, ground survey controls, planning, quality control testing and other matters relating to the contract packages. 	<ul style="list-style-type: none"> - University Degree in civil engineering or architecture. - Professional experience in management of consulting services (minimum 7 years) - Working experience in WB financed projects or other international organization is a plus - Sound and good knowledge of Government rules and legal requirements in Albania - Have a good understanding of technical problems related to the design and implementation of urban infrastructure projects. - Fluency in English and Albanian.

<ul style="list-style-type: none"> - Assist the PM to prepare progress reports and other project documents as requested. - Preparation of Completion Report for ADF and submission to the World Bank and other relevant organizations as and when the project activities are completed. - Liaise with Municipal Engineers in selected municipalities to assure that designs are in line with local needs, - Should provide and update inputs to PM and M&E specialist in regards to key indicators linked to municipal infrastructure. 	
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- **Citizen Engagement**

The CE specialist will be the main person in charge of engaging citizens and assuring that up to date communication on project activities reaches main beneficiaries, the public and key project partners. He/she will also be the main responsible for executing the project CE protocol.

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - Main responsible for executing the project’s Citizen Engagement Protocol as outlined in Annex 15. - This person should also be responsible for updating or reviewing the Citizen Engagement and communications strategy – if needed – during project implementation. - The CE specialist is responsible for ensuring and documenting a program of public consultations carried out and synchronized with each investment activity from the initial design phase through implementation. This would begin with ensuring and facilitating, as needed, initial meetings with stakeholders (including feedback on proposed designs and impacts of each investment activity.) Ensuring that public meetings inform stakeholders of the RPF/RAP (and environmental) conditionalities, the grievance redress mechanism, access to any information needs, 	<ul style="list-style-type: none"> - University degree in communication, social, public relations or equivalent - Minimum 5 years of demonstrated professional experience in the field of journalist, communications, external relations, public relations or corporate communications. - Experience in communication, print, social media, is a plus. - Experience in public hearings. - Fluency in English and Albanian. - Strong communication skills. - Qualifications to be completed.

<p>activity timing and implementation; etc.</p> <ul style="list-style-type: none"> - Responsible for clarifying the project boundaries and identifying any potential miss-communication issues on the ground in regards to project activities and those carried out by other parties (government, non-governmental, private sector and other development parties). - Engage electronic and print media. - Keep records / document and report salient inputs from consultations to management, especially those which may affect project design or implementation. - Document and ensure GRM is informed of grievances or issues as they may arise. Keep records and track grievances to conclusion / resolution. - Maintain the project website and use social media to ensure public awareness and participation. Ensure that up-to-date information on investment activities is provided in a timely way to municipal and participating ministries' websites. - Provide information on public outreach, grievances, and salient issues as needed for progress reports. - Performs other duties for the RLRCP as requested by the Project Manager. 	
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- **Environmental Specialist**

Prior to carrying out any works under the Project, the Environmental specialist should review and approve the Environmental and Social Impact Assessments (ESIA) /Environmental and Social Management Plans (ESMP) prepared by the design consultant, in accordance with the respective Environmental and Social Management Framework, including disclosure and public consultation, in form and substance satisfactory to the Bank, and ensure implementation of the Project activities in accordance with the respective ESIA/ESMPs. Reports to PM and is responsible for the following assignments:

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - Screening and review of subprojects for classification under World Bank categories B or other - Liaise with the Ministry of Environment and Tourism/ National Agency for Protected Areas for the approval of the design that involves restoration or upgrading of sites within protected areas. - Prepare the section of designer TORs dealing with preparation of Environmental and Social Impact Assessment Reports - Review/approve Environmental and Social Impact Assessments and/or Environmental and Social Management Plans for each subproject, prepared by the designer in order to fulfill national Albanian legislation and World Bank criteria, which must also describe measures for mitigation of negative impacts and strengthening of positive impacts under the project - During subproject implementation, conduct periodic site visits on project site and provide clearance or report defects to PM based on the check list format - Report as required on Environmental and Safety issues, to the WB - Participate in all citizen engagement processes and activities related to environmental and safety issues - Ensure that project stakeholders and community members are aware of and participate in project discussions, including discussions of mitigation measures proposed to address potential environmental impacts associated with priority investments; - Support the WB environmental experts during supervision missions and undertake follow-up actions as necessary. - Perform other duties for the RLRCP as requested by the Project Manager. 	<ul style="list-style-type: none"> - University degree is required. MS degree is advantageous. - Minimum 8 years of professional experience in fulfillment of tasks for environmental assessment and sound use of natural resources regarding different sectors; - Work experience in international projects - Knowledge of Albanian legislation in the field of environmental protection and safeguards policies of the WB; - Experience in development of documents related to environmental protection; - Experience in public hearings and meetings; - Experience and knowledge of the WB policy regarding environmental safety as well as cooperation with local communities - Knowledge of activities in Albania regarding environmental protection financed by donors will be an advantage; - Excellent skills in preparation of reports in legible and comprehensive form; - Strong facilitation skills and ability to keep discussions and respond to the feedback provided by communities regarding any matters. - Computer literacy in MS Office. - Fluency in English and Albanian.

- **Social and resettlement Specialist**

Prior to carrying out any works under the Project which entail Land Acquisition, the social and resettlement specialist will prepare a site specific RAP/ARAP in accordance with the RPF, including disclosure and meaningful consultation with Project Affected Persons, in form and substance satisfactory to the Bank, and ensure that such RAP/ARAP is implemented, including providing appropriate compensation consistent with the provisions of the RPF and site-specific RAP/ARAP , to the Project Affected Persons. The RAP/ARAP implementation will be closely monitored by the social/resettlement specialist within ADF.

The social/resettlement specialist reports to PM and is responsible for the following:

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - Supports the PM in conducting safeguard screening of proposed project activities; and supports consultancy firms in identifying safeguards risks through the design studies. - Conduct social screening evaluations; prepare social impact assessment reports that must also describe measures for mitigation of negative impacts and strengthening of positive impacts under the project; - Work on designer TORs on preparation of the Property Evaluation Report section of TOR's - Prepare Resettlement Action Plans or Abbreviated Resettlement Action Plans as needed for each subproject, based on the Property Evaluation Report prepared by the Designer/Municipality. - Follow up on RAP/ARAP budget approval and implementation prior to start of works. - Issue ADF clearance memo for start of works verifying that compensation and other actions to mitigate land acquisition have been provided. - Take measures to prevent or minimize land acquisition, involuntary resettlement, temporary or permanent loss of physical or economic assets that may result from infrastructure construction or rehabilitation works; - Ensure that project stakeholders are aware of Albanian laws and World Bank's land acquisition and resettlement policy. If there is any discrepancy between the Albanian law and World Bank's land 	<ul style="list-style-type: none"> - University degree is required. MS degree is advantageous. - Minimum 8 years of professional experience in fulfillment of tasks for social assessment and resettlement regarding different sectors; - Knowledge of Albanian legislation in the field of social protection and resettlement and safeguards policies of the WB in these areas; - Work experience in international projects; - Work experience in labor safety in civil works; - Experience in development of documents related to social protection and resettlement; - Experience in public hearings and meetings; - Experience and knowledge of the WB policy regarding social protection and resettlement as well as cooperation with local communities - Knowledge of social and economic environment of Albania and the activities in the corresponding

<p>acquisition and resettlement policy, assist local authorities in complying with the World Bank's policy requirements;</p> <ul style="list-style-type: none"> - Maintain regular contacts and communication with all stakeholders interested in project activities in general, including through meetings with local communities, local institutions and public organizations; - Participates in regular field visits to supervise safeguards compliance and timely highlights any issues observed on the ground that require correction. - Ensure that both general positive and negative impacts on the project affected communities (communities that live in areas adjacent to the project area) are identified in a timely manner and reported promptly in periodic monitoring reports submitted to the World Bank; - Ensure that project stakeholders and community members are aware of and participate in project discussions, including discussions of mitigation measures proposed to address potential social impacts associated with priority investments; - Cooperate with all local institutions to provide a successful implementation of the Resettlement Procedure (RAP/ARAP), including the Local Government Units - Report as required on resettlement and Social issues, to the WB - Participate in all citizen engagement processes and activities related to social and resettlement issues - Perform other duties for the RLRCPP as requested by the Project Manager - Prepares the RAP completion report 	<p>areas financed by donors will be an advantage;</p> <ul style="list-style-type: none"> - Excellent skills in preparation of reports in legible and comprehensive form; - Strong facilitation skills and ability to keep discussions and respond to the feedback provided by communities regarding any matters. - Computer literacy in MS Office. - Fluency in English and Albanian.
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- **M&E specialist**

The scope of work of the Monitoring & Evaluation specialist consists in the periodical monitoring of the main project components, financing of the priority subprojects. Some of the principal activities carried out are listed hereunder;

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - Plan and monitor project implementation progress and results - Work in close collaboration with the selected municipalities and key project partners to collect data; - Identify information needs of planning, monitoring and evaluation components; - Prepare and submit to the World Bank periodic reports to monitor project progress on the basis of performance indicators defined. The frequency and methodology for collection of project performance data is outlined in the Results Framework matrix. - In charge of preparation the TORs for the development of baseline and follow-up surveys during project implementation as outlined in the M&E section of the POM; and managing the contract with the selected firm. - In addition to the specific monitoring indicators required as part of the formal Results Framework for the project, will be required to monitor additional project implementation indicators as outlined in the POM. - Update and maintain the website for wider dissemination of the project results and progress. - On-site project visits to monitor the civil works implementation progress; - Monitoring of reports on technical evaluation and the procedures followed in the drafting and implementation of Environmental and Social Management Plans, as well as the public consultation on environmental issues; - General project data monitoring; - Periodic site visits for subprojects under guarantee period; - Coordinate work with participating local authorities to ensure a long-term approach to joint monitoring and evaluation. - Assess the need in trainings on monitoring and evaluation and information management systems and organize relevant trainings for stakeholders; - Perform other duties for the RLRCP as required by the Project Manager. 	<ul style="list-style-type: none"> - University degree in a relevant discipline. - Minimum 5 years of experience as a monitoring and evaluation specialist in international projects; - Experience in preparation of analytical reports; - Experience in surveys for data analysis (from baseline to impact assessment). - Excellent skills in preparation of reports in legible and comprehensive form; - Work experience in Excel and SPSS. - Fluency in English and Albanian.

- **Project Assistant**

The Project Assistant will assist the Project Manager to provide a professional Project Management service internally and externally, with the aim of achieving the objectives which are defined in the respective financing agreement. A description of the roles and qualification of the Project Assistant can be found below.

<i>Responsibilities</i>	<i>Qualifications</i>
<ul style="list-style-type: none"> - Coordinate the work and the staff of the project in cooperation with the PM, and assist the PM in his responsibilities. - Liaise, as requested by the PM, with all project partners of RLRCP - Prepare weekly, monthly, semi-annual and annual statements/reports for the project in accordance with the format required. - Also prepare financial statements/reports and prepare annual plans and related budgets for project activities - Kkeep and organize all required data, files and project documents - Manage and coordinate the work with the Procurement Department in ADF, regarding the needs, the procedures required to achieve the objectives. - Manage and coordinate the work with the Financial Department in ADF, regarding the required information about the funds flows, disbursements and budgeting. - Manage and coordinate the work with the Environmental Unit in ADF, in order to fulfill all the objectives and standards required from the donors. - Manage and coordinate the work with the Administration Unit in ADF, regarding the needs and requests of the RLRCP. - Manage and coordinate the work with the Unit of Monitoring and Evaluation in ADF regarding the information required from all project components. - Ensure accountability and transparency of 	<ul style="list-style-type: none"> - University degree in a relevant discipline - Minimum 5 years of experience as a project assistant - Experience in preparation of analytical reports; - Able to demonstrate the ability to undertake responsibilities - Resilient to coping with conflicting demands, able to prioritize duties and work under pressure - Able to work to tight deadlines - Excellent written and verbal communication skills – articulate and diplomatic manner - Able to demonstrate initiative and a proactive approach to daily tasks - Excellent interpersonal skills and able to work independently as well as part of an effective team - Methodical, accurate and consistent attention to detail - Excellent organizational skills - Able to manage sensitive and sometimes confidential information - Self-motivated and able to take responsibility - Flexible attitude - Able to build good relationships at all levels, internally and externally - Good knowledge of development processes in Albania.

<p>RLRCP operations, dissemination of project information, and public relations;</p> <ul style="list-style-type: none"> - Contribute to the development of the RLRCP documentation and methods - Manage and coordinate the work with the IT/PR in ADF regarding needs and issues for the equipment and for the Information Management System. - Keeps track and prepare the correspondence of the unit. - Assist in translation - Perform other tasks as requested by PM 	<ul style="list-style-type: none"> - Experience in interaction with state authorities; - Good leadership, organizational and communication skills. - Computer literacy in MS Office. <p>Fluency in English and Albanian.</p>
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g) Prioritization and Selection of Project Activities

Phases of the process of evaluation and prioritization of investment projects

The process of evaluation and prioritization procedure is coordinated and managed by the ADF’s internal staff. ADF has to ensure that the evaluation and selection of infrastructure projects comply with the principles of transparency, ownership and strategic prioritization. This process should, in the most expedient way, achieve the objectives of the Programme in respect of the criteria set out by the Government and the Donor, World Bank.

Basic evaluation and prioritization principals

The principle of equal treatment between all proposals must be strictly applied throughout all phases of the verification, assessment and selection process. Evaluations and scores given to each proposal must be as objective and equitable as possible. Each decision and score given must be clearly justified by reasoned comments.

For each proposal, the evaluators must complete the verification and assessment grids (as provided in attachment). Evaluators must ensure that all their comments are concise, complete and comprehensible and must always be directly relevant to both the proposal and the criterion applied. Evaluators must avoid vague or ambiguous assessments.

Phases of the programming and prioritization process

First Phase (11 April-30 May 2017) - Analyses and consultations with stakeholders

- Formal letter addressed to all 61 municipalities to first inform them on the programme, consultation schedule and process of prioritization. Through this letter ADF asks their official request on a list of potential rural road construction/rehabilitation and that fulfill the criteria for

being financed through this programme and deadline for the official answer. Template form to be filled by the municipalities is attached to the letter. The letter is sent as soon as the draft methodology of prioritization has been consulted with WB.

Process:

- 61 Municipalities officially informed on the request to propose 2 road sections and 20 km for small municipalities (low no.population) and 3 road sections and 40 km for large municipalities (high no.population), that fulfills the criteria of the programme will be provided.
- Contact points in each municipality and participants in the workshops were defined (i.e Director of Urban Planning)
- Deadlines for the official answer from each municipality set.
- Workshop/consultation with all the municipalities at regional level. The aim of these workshops is to explain to the municipalities (gathered in regional base) the criteria that are needed to be fulfilled for an investment in order to be financed, as well as their contribution in the preparation of analyses, such as cost-benefit analyses etc, and respective deadlines.
- 13 workshops are organized starting from 25th April to 5th to May 2017.

Second Phase (31 May- 30 June 2017) - Data collection and analyses

Following the consultations, ADF decided to conduct the prioritization process based on the following criteria:

Tourism importance	(40%)
Agriculture Potential	(20 %)
Traffic	(20%)
Population served	(20%)

The methodology outline provides the ranking of data collected from official sources, based on measurement scales. Sources include Municipalities, Ministry of Culture, Ministry of Environment and Tourism, ADF, National Agency of Protected Areas, National Strategies and planning documents, such as National Territorial Plan and Tourism Development Strategy (final draft), Municipalities and Territorial Local Plans.

Regarding the data on traffic, the following guidelines should be followed.

1-Road data base information (Name, start latitude, longitude, end latitude, end longitude, length, carriage, shoulder weight, carriage surface type, shoulder surface type, traffic volume, condition, year last resurfaced

2- Traffic counts (current travel time, current total traffic, current small/large bus traffic, current small/medium truck traffic.

Data provided from ADF

-IRI (ADF team conducting IRI for 2000 km)-to be completed within 19th of June open source RoadLab Pro software

- Project road work description and investment cost (internal ADF human resources)
- After project maintenance costs (winter, summer) (Table generated by Roughton project on road maintenance)
- After project indicators (length, carriageway width and surface, travel time). Source: internal ADF human resources.
- EIRR % and NPV to be calculated by ADF through RED software.

ADF generates the final list of priorities, based on findings from second phase analyses, final consultations and funds available.

2. Project Monitoring and Evaluation

Project monitoring will be carried out by the DS within the ADF, and supported, when necessary, by the related municipalities. In addition, the ADF is expected to report quarterly to their board of trustees and the World Bank on the progress made on project activities, and in particular on progress with municipal capacity building TA component.

The monitoring will take place both during and after project implementation. It will include:

- procurement reviews;
- monitoring of project physical progress (that is, lengths of rehabilitated roads);
- implementation progress reviews;
- the monitoring of all the defined project indicators for the duration of this project;
- evaluation of institutional capacity;
- evaluation of project socio-economic impacts (that is, benefits to local population and communities);

This project will enhance the GIS database currently being used by the ADF by adding road conditions, access to tourism and agriculture facilities, and socio economic data, which will be helpful for the ADF to collect information on project indicators.

All information for project indicators will be included in project progress reports that will be prepared by the ADF quarterly and submitted to the World Bank team for review.

Project impact evaluation will be carried out by the ADF as well. To identify the channels through which the project can accelerate real income growth of the poor and the bottom 40 percent and adequately measure the relevant transport-induced effect on their livelihoods, baseline data collection will take place on selected roads, which are to be rehabilitated under the project. End-of-project survey data will also be collected and compared against a proper comparison group to capture project-related impacts on selected welfare and accessibility indicators. The methodological framework of analysis, scope for the study, and data collection techniques will be further refined during project implementation. Independent quantitative assessments will also be conducted to measure road improvement impacts on a number of transport-related and socioeconomic variables through the use of household and community-level data to be collected at the beginning and end of the project.

3. Procurement

a) General Principles

Procurement will be conducted according to World Bank Procurement Regulation for IPF Borrowers, issued in July 2016, for the supply of goods, works, and non-consulting and consulting services, and the ‘Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016. Under the World Bank Procurement Regulation for IPF Borrowers, the Project Procurement Strategy for Development (PPSD) is used to analyze and determine the optimum

procurement approach to deliver the right procurement result. The PPSD provided a strategic assessment of the operating context and beneficiaries' capabilities, as well as the market, the different stakeholders, and the risks affecting the procurement processes and informed the Procurement Plan..

The **Procurement Plan** and the PPSD might be updated annually or as necessary to reflect the actual needs of the project. The Procurement Plan and all its updates shall be subject to the Bank's "Prior Review" and No Objection before implementation. The Procurement Plan and all subsequent updates will be published in the Bank's external website

The ADF will be directly responsible for all project-related procurement.

The selection methods for each of activities to be financed under the project are described in the PPSD and are defined considering their Total Contract amount (VAT included) and according to the maximum thresholds, based on the World Bank Guidance "Thresholds for procurement approaches and methods by country", Effective July 01, 2016.

Prior Review Thresholds: Procurement subject to "Prior Review" by the Bank are defined in accordance with World Bank Guidance "Thresholds for procurement approaches and methods by country", Effective July 01, 2016. Prior Review Thresholds are defined based on the understanding that the Project/AF falls under "Moderate" level for the Procurement Risk Ratings. **Concerning the "Post Review" procurement packages, in addition to the "Prior Review" packages, Bank's no objection will be required before rejection of all bids.**

The prior review thresholds will subject to risk assessment as periodically assessed by the Bank.

ADF will use Bank's new Procurement Planning and Tracking System (STEP) which will help the Bank and the Borrower to streamline the procurement processes.

b) Review by Bank of Procurement Decisions

Frequency of Procurement Supervision:

In addition to the prior review supervision to be carried out by the Bank team, the capacity assessment of the Implementing Agency recommends supervision missions every six months during first year of implementation, and once every subsequent year.

Post Reviews:

Post reviews will be carried out regularly with a minimum sampling of one into ten.

c) Procurement Methods and thresholds

The Loan Agreement will define the procurement methods available for use for various procurement actions.

Thresholds for procurement methods and prior review requirements are indicated below on the basis of the Bank's assessment of the capacities of the ADF agency responsible for procurement. The PP, despite that, will specify for each procurement action whether it will be subject to prior or post review. It has been agreed that if a particular invitation for bid (IFB) is comprised of several packages, lots or slices, and invited in the same invitation for bid, then the aggregate value of the whole package

determines the applicable threshold amount for procurement and also for the review by the Bank.

Table 3.1: Thresholds for Procurement and Prior Review

Expenditure Category	Contract Value (US\$)	Procurement Method	Bank Prior Review
Civil Works	≥5,000,000	RFB/International	All ≥US\$15 million contracts
	<5,000,000	RFB/National	
	≤200,000	RFQ/National	
	n.a.	DS	All
Goods, Non-consulting Services	≥1,000,000	RFB/International	All ≥US\$4 million contracts
	<1,000,000	RFB/National	First contract
	≤100,000	RFQ/National	First contract
	n.a.	DS	All
Consulting Services	n.a.	QCBS, QBS, FBS, LCS, and CQS ^a	All ≥US\$2 million contracts
	n.a.	IC	All ≥US\$400,000 contracts
	n.a.	DS	All

1. Note: a. CQS below US\$300,000 depending on the nature of assignment.

2. DS = Direct Selection; QCBS = Quality Cost Based Selection; FBS = Fixed Budget Selection; LCS = Least Cost Selection; QBS = Quality Based Selection; CQS = Consultant's Qualifications Based Selection.

All ToRs are subject to Bank's Prior Review.

d) Evaluation committee and bid evaluation

The Evaluation committee shall comprise the ADF's staff, usually 3-5 members. All members shall have voting rights. Prior to starting the evaluation process each member shall sign the declaration of no conflict of interest with bidders. The bidding process shall be confidential. Bidding will be conducted according to World Bank Procurement Regulation for IPF Borrowers.

The procurement will be organized by ADF, representatives of beneficiary and/or partner institutions maybe invited on a case by case basis.

e) Publication of contract awards

Publication of contract award information shall be in accordance with World Bank Procurement Regulation for IPF Borrowers

f) Filing and records keeping

ADF shall maintain the records of the entire procurement process separately for each contract

starting from advertisement till contract completion and also written records of all payments done under the contract. All valuable documents i.e. all kinds of securities, financial proposals, etc. shall be kept in safe.

g) Complaint handling

If ADF receives complaints submitted by interested parties in a timely manner and meeting the requirements set in World Bank Procurement Regulation for IPF Borrowers, it shall not proceed with the next stage/phase of the procurement process, including the contract award, until it has properly addressed and resolved any such Complaint.

For contracts subject to prior review, ADF shall promptly inform the Bank of any Complaints received, and shall provide for the Bank's review all relevant information and documentation, including a draft response to the complainant once this is available. The Borrower shall not proceed with the next stage/phase of the procurement process, including with awarding a contract without receiving from the Bank confirmation of satisfactory resolution of Complaint(s).

ADF should follow procedures for administration and handling of procurement-related complaints as set in World Bank Procurement Regulation for IPF Borrowers and should maintain complete records of all debriefings and Complaints and their resolution.

h) Monitoring of procurement plan

The PP will be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs

i) Quality assurance in procurement

It has been agreed with ADF that one procurement specialist will be assigned full time to the proposed project and other procurement specialist will provide back up and support as needed. ADF shall pay particular attention to better contract packaging and procurement planning, which will help to reduce the workload.

The latest version of the Standard Procurement Documents approved by the World Bank shall be used for every procurement procedure. In accordance with the table above, and in accordance with the PP and the selected method of procurement, respective Standard Bidding Documents shall be used without interfering with the Albanian Law of Procurement.

j) Procurement responsibility

Step by step procurement responsibility is provided in tables below:

Table 3.2: Procurement responsibilities in RFB Pre-qualification

	Steps in RFB, Pre-qualification, single stage process (works)	Responsibility
1	Prepare technical specifications and BoQ for works	ADF
2	Approve of the estimated cost and technical specifications, drafting of technical qualification criteria and the additional evaluation factors by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
3	Issue the Procurement Order and appoint the committee for evaluation of bids	ADF
4	Prepare Prequalification Procurement Documents	ADF
5	Obtain the WB “No Objection” on the Prequalification Procurement Documents (for prior review procedures)	ADF
6	Publish Specific Procurement Notice in ADF website and local newspaper(s)	ADF
7	Issue Prequalification Procurement Documents to interested Applicants	ADF
8	Document any requests for clarification by potential applicants and the respective answers. Respond to all potential applicants without identifying the name(s) of the applicant(s) requesting clarification	ADF
9	Receive applications until the deadline and file them properly. Return unopened any application received after the deadline	ADF
10	Open the applications publicly immediately after deadline for applications submission	ADF
11	Prepare the minutes of public opening of applications and promptly send it to the WB (for prior review procedures) and to all applicants who submitted applications in time, on their request	ADF
12	Evaluate applications using the standard form of evaluation report.	ADF
13	Prepare the Prequalification Evaluation Report with the recommendation for prequalified or conditionally prequalified applicants	ADF

14	Obtain the WB “No Objection” on the Prequalification Evaluation Report (for prior review procedures)	ADF
15	Issue the Request for Bids to prequalified or conditionally prequalified applicants Request for Bids using the Standard Procurement Documents (After Prequalification)	ADF
16	Receive bids until the deadline and file them properly. Return unopened any bid received after the deadline	ADF
17	Open the bids publicly immediately after deadline for bids submission	ADF
18	Prepare the minutes of public opening of bids and promptly send it to the WB (for prior review procedures) and to all bidders who submitted bids in time on their request	ADF
19	Evaluate bids using the standard form of evaluation report	ADF
20	Prepare the Evaluation Report with the recommendation for award	ADF
21	Obtain the WB “No Objection” on the Evaluation Report and the recommendation for award (for prior review procedures)	ADF
22	Issue the Notification of Intention to Award the Contract to each bidder and publish it in ADF website	ADF
23	Address any complaint that has been filed within the Standstill Period and provide debriefing to complainer on his request	ADF
24	Obtain the WB “No Objection” on the Contract Award Notice (for prior review procedures)	ADF
25	Issue the Notification of Award (Letter of Acceptance)	ADF
26	Publish the Contract Award Notice in ADF website and local newspaper(s)	ADF
27	Obtain performance security	ADF
28	Sign the Contract with the Contractor	ADF
29	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract.	ADF
30	Release bid securities.	ADF

31	Supervise the implementation of works and payments process	ADF
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Table 3.3: Procurement responsibilities in RFB without Prequalification

Steps in RFB, Without Prequalification, single stage process (works)		Responsibility
1	Prepare technical specifications and BoQ for works	ADF
2	Appoint the committee for approval of the estimated cost and technical specifications, drafting of technical qualification criteria and the additional evaluation factors	ADF
3	Issue the Procurement Order and appoint the committee for evaluation of bids	ADF
4	Prepare Procurement Documents	ADF
5	Obtain the WB “No Objection” on the Procurement Documents (for prior review procedures)	ADF
6	Publish Specific Procurement Notice in ADF website and local newspaper(s)	ADF
7	Issue Procurement Documents to interested Bidders	ADF
8	Document any requests for clarification by potential bidder and the respective answers. Respond to all potential applicants without identifying the name(s) of the applicant(s) requesting clarification	ADF
9	Receive bids until the deadline and file them properly. Return unopened any bid received after the deadline	ADF
10	Open the bids publicly immediately after deadline for bids submission	ADF
11	Prepare the minutes of public opening of bids and promptly send it to the WB (for prior review procedures) and to all applicants who submitted bids in time, on their request	ADF
12	Evaluate bids using the standard form of evaluation report.	ADF
13	Prepare the Evaluation Report with the recommendation for award	ADF
14	Obtain the WB “No Objection” on the Evaluation Report and the recommendation for award (for prior review procedures)	ADF

15	Issue the Notification of Intention to Award the Contract to each bidder and publish it in ADF website	ADF
16	Addressing any complaint that has been filed within the Standstill Period	ADF
17	Obtain the WB “No Objection” on the Contract Award Notice (for prior review procedures)	ADF
18	Issue the Notification of Award (Letter of Acceptance)	ADF
19	Publish the Contract Award Notice in ADF website and local newspaper(s)	ADF
20	Obtain performance security	ADF
21	Sign the Contract with the Contractor	ADF
22	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract.	ADF
23	Release bid securities.	ADF
24	Supervise the implementation of works and payments process	ADF

Table 3.4: Procurement responsibilities in RFB

Steps in RFB, Small Works, single stage process (works)		Responsibility
1	Prepare technical specifications and BoQ for works	ADF
2	Approve of the estimated cost and technical specifications, drafting of technical qualification criteria and the additional evaluation factors by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
3	Issue the Procurement Order and appoint the committee for evaluation of bids	ADF
4	Prepare Procurement Documents using the Standard Procurement Documents Small Works (Two-Envelope Bidding Process)	ADF
5	Obtain the WB “No Objection” on the Procurement Documents (for prior review procedures)	ADF

6	Publish Specific Procurement Notice in ADF website and local newspaper(s)	ADF
7	Issue Procurement Documents to interested bidders	ADF
8	Document any requests for clarification by potential bidders and the respective answers. Respond to all potential bidders without identifying the name(s) of the bidder(s) requesting clarification	ADF
9	Receive bids until the deadline and file them properly. Return unopened any bid received after the deadline	ADF
10	Open the Technical Part of bids publicly immediately after deadline for bids submission	ADF
11	Securely store the Financial Part of bid not opened	ADF
12	Prepare the minutes of public opening of bids and promptly send it to the WB (for prior review procedures) and to all bidders who submitted bids in time, on their request	ADF
13	Evaluate Technical Part of bids using the standard form of evaluation report.	ADF
14	Prepare the Technical Evaluation Report with the recommendation for prequalified or conditionally prequalified applicants	ADF
15	Obtain the WB “No Objection” on the Technical Evaluation Report (for prior review procedures)	ADF
16	Notify the bidders who has submitted bids for the date, time and address for public opening of the Financial Part of bid of the qualified bidders	ADF
17	Open the Financial Part of bid publicly immediately after deadline	ADF
18	Prepare the minutes of public opening of Financial Part of bid and promptly send it to the WB (for prior review procedures) and to all bidders whose Financial Part of bid is opened on their request	ADF
19	Evaluate Financial Part of bids using the standard form of evaluation report	ADF
20	Prepare the Evaluation Report with the recommendation for award	ADF
21	Obtain the WB “No Objection” on the Evaluation Report and the recommendation for award (for prior review procedures)	ADF

22	Issue the Notification of Intention to Award the Contract to each bidder and publish it in ADF website	ADF
23	Address any complaint that has been filed within the Standstill Period and provide debriefing to complainer on his request	ADF
24	Obtain the WB “No Objection” on the Contract Award Notice (for prior review procedures)	ADF
25	Issue the Notification of Award (Letter of Acceptance)	ADF
26	Publish the Contract Award Notice in ADF website and local newspaper(s)	ADF
27	Obtain performance security	ADF
28	Sign the Contract with the Contractor	ADF
29	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract.	ADF
30	Release bid securities.	ADF
31	Supervise the implementation of works and payments process	ADF

Table 3.5: Procurement responsibilities in Request for Quotation

Steps in RFQ (works, goods and non-consulting services)		Responsibility
1	Approve of the estimated cost and technical specifications, drafting of technical qualification criteria and the additional evaluation factors and determining the list of bidders/suppliers that will be invited for quotation (at least three) by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
2	Issue the Procurement Order and appoint the committee for evaluation of bids	ADF
3	Prepare Invitation to Quote (ITQ) Documents using sample format for ITQ	ADF
4	Obtain the WB “No Objection” on the ITQ (for prior review procedures)	ADF
5	Send ITQ to listed bidders/suppliers	ADF

6	Document any requests for clarification by potential bidders/suppliers and the respective answers. Respond to all potential bidders/suppliers without identifying the name(s) of the bidder/suppliers(s) requesting clarification	ADF
7	Receive quotations until the deadline and file them properly	ADF
8	Open quotations immediately after deadline for submission	ADF
9	Prepare the minutes of public opening of quotations	ADF
10	Evaluate and compare quotations using the shopping sample form of evaluation report	ADF
11	Prepare Evaluation Report with the recommendation for award	ADF
12	Obtain the WB “No Objection” on the Evaluation Report and the recommendation for award (for prior review procedures)	ADF
13	Inform successful/unsuccessful bidders/suppliers	ADF
14	Issue the Notification of Award (Letter of Acceptance)	ADF
15	Sign the Contract with the Contractor	ADF
16	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
17	Supervise the implementation of works and payments process	ADF

Table 3.6: Procurement responsibilities in Direct Selection

This method does not provide the benefits of competition and the transparency, so it is used in exceptional cases properly justified and approved.

Steps in DS	Responsibility	
1	Approve the estimated cost, technical specification, justification for the selection method and selection of the bidder by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF

2	Obtain the WB “No Objection” on the estimated cost and the justification for direct contracting (PP etc.) (for prior review procedures)	
3	Proceed with the procurement and contract conditions.	ADF
4	Receive quotation	ADF
5	Send draft Contract to the WB for “No Objection” (for prior review procedures)	ADF
6	Issue the Notification of Award (Letter of Acceptance)	ADF
7	Sign the Contract with the Contractor	ADF
8	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
9	Supervise the implementation of works and payments process	ADF

Table 3.7: Procurement responsibilities in QCBS (Quality Cost Based Selection)

Steps in QCBS (Quality Cost Based Selection)		Responsibility
1	Approve the estimated cost and ToR, drafting of technical qualification criteria and the additional evaluation factors by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
2	Prepare the TOR compatible with the available budget.	ADF
3	Obtain the WB “No Objection” on the TOR	ADF
4	Issue the Procurement Order and appoint the evaluation and negotiations committee	ADF
5	Prepare criteria for evaluation of Expressions of Interest.	ADF
6	Publish REOI and TORS (if applicable) in ADF website and local newspaper(s)	ADF
7	Collect the EOIs received and file them properly. Prepare the minutes on receipt of EOIs and issue it to the World Bank (for prior review procedures)	ADF
8	Evaluate Expressions of Interest and prepare a short list of consultants who responded to the REOI.	ADF

9	Prepare the Request for Proposals (RFP), which includes a Letter of Invitation, Information to Consultants, ToR and proposed contract	ADF
10	Obtain the WB “No Objection” on the short list and the RFP (for prior review procedures)	ADF
11	Provide the final short list to the firms who expressed interest	ADF
12	Issue the RFP to the shortlisted firms	ADF
13	Hold the meeting with the Consulting firms requesting to visit ADF or site, if specified in the RFP	ADF
14	Document any question for clarifications and their respective answers, and respond to all consulting firms without identifying the name(s) of the consulting firms requesting clarification	ADF
15	If needed, modify the RFP through an Amendment approved by the WB and issue the Amendment to the shortlisted firms	ADF
16	Receive the proposals and file them properly. Return unopened any proposal received after the deadline	ADF
17	Open the technical proposals immediately after deadline for proposal submission in presence of the evaluation committee and representatives of the consultants who choose to attend	ADF
18	Securely store the financial proposals not opened	ADF
19	Prepare the minutes on receipt of proposals and opening of technical proposals, and send it to the World Bank (for prior review procedures) and to all consultants who submitted proposals on time on their request	ADF
20	Evaluate the technical proposals on the basis of criteria/sub-criteria and points specified in the RFP. Each member of the evaluation committee shall score independently	ADF
21	Prepare the report on evaluation of technical proposals. Obtain the WB “No Objection” on Technical Evaluation Report (for prior review procedures)	ADF

22	Notify the consultants who has submitted proposals providing information relating to technical score, scores obtained for each criterion and sub-criterion and the date, time and address for public opening of the financial proposals of the consultants who have achieved the minimum qualifying technical score	ADF
23	Open the financial proposals publicly in the presence of evaluation committee and representatives of the consultants who choose to attend.	ADF
24	Prepare the minutes of the public opening of financial proposals and promptly send it to the WB (for prior review procedures) and to all consultants whose financial proposal is opened on their request	ADF
25	Evaluate the financial proposals	ADF
26	Complete the final evaluation report ranking the proposals according to their combined technical and financial scores (using the RFP assigned weights). Send the report as information to the WB (for prior review procedures)	ADF
27	Invite to negotiations the consultant scoring the highest combined technical and financial score	ADF
28	Hold the negotiations with the highest ranking consultant as result of the combined the technical and financial score.	ADF
29	If negotiations with the highest ranking firm fail to result in an acceptable contract, the next ranked firm will be invited for negotiations (and so on). Consult with the WB prior to taking this step	ADF
30	Incorporate results of the negotiations in a draft Contract	ADF
31	Obtain the WB “No Objection” on Contract to be signed (for prior review procedures)	ADF
32	Issue the Notification of Intention to Award the Contract to each consultant and publish it in ADF website	ADF
33	Address any complaint that has been filed within the Standstill Period and provide debriefing to complainer on his request	ADF
34	Obtain the WB “No Objection” on the Contract Award Notice (for prior review procedures)	ADF
35	Publish the Contract Award Notice in ADF website, local newspaper(s)	ADF

36	Issue the Notification of Award (Letter of Acceptance)	ADF
37	Sign the Contract with the consultant	ADF
38	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
39	Return unopened financial proposals of consultants who have not achieve the minimum technical score during evaluation of the technical proposals	ADF
40	Supervise the implementation of contract and payments process	ADF

Table 3.8: Procurement responsibilities in LCS (Least Cost Based Selection)

LCS (Least Cost Selection) procedures are usually used for selection of auditing firm for annual audits throughout the life of the project.

Steps in LCS (Least Cost Based Selection)		Responsibility
1	Approve the estimated cost and ToR, drafting of technical qualification criteria by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
2	Prepare the TOR compatible with the available budget.	ADF
3	Obtain the WB “No Objection” on the TOR	ADF
4	Issue the Procurement Order and appoint the evaluation and negotiations committee	ADF
5	Establish a short-list based on the Bank’s list of qualified auditors	ADF
6	Preparation of short list and the RFP. Before composing the short list, the firms should confirm their interest in the assignment	ADF
7	Obtain the approval of the WB “No Objection” on the short list and the RFP (for prior review procedures)	ADF
8	Issue the RFP to the shortlisted firms	ADF

9	Document any question for clarifications and their respective answers, and respond to all consulting firms without identifying the name(s) of the consulting firms requesting clarification	ADF
10	If needed, modify the RFP through an Amendment approved by the WB (for prior review procedures) and issue the Amendment to the shortlisted firms	ADF
11	Receive the proposals and file them properly. Return unopened any proposal received after the deadline	ADF
12	Open the technical proposals immediately after deadline for proposal submission in presence of the evaluation committee and representatives of the consultants who choose to attend	ADF
13	Securely store the financial proposals not opened	ADF
14	Evaluate the technical proposals on the basis of criteria/sub-criteria and points specified in the RFP. Each member of the evaluation committee shall score independently.	ADF
15	Prepare the report on evaluation of technical proposals. Obtain the WB “No Objection” on Technical Evaluation Report (for prior review procedures)	ADF
16	Notify the consultants who has submitted proposals providing information relating to technical score, scores obtained for each criterion and sub-criterion and the date, time and address for public opening of the financial proposals of the consultants who have achieved the minimum qualifying technical score	ADF
17	Open the financial proposals publicly in the presence of evaluation committee and representatives of the consultants who choose to attend.	ADF
18	Prepare the minutes of the public opening of financial proposals and promptly send it to the WB (for prior review procedures) and to all consultants whose financial proposal is opened on their request	ADF
19	Evaluate the financial proposals	ADF
20	Complete the final evaluation report ranking the proposals according to their combined technical and financial scores (using the RFP assigned weights). Send the report as information to the WB (for prior review procedures)	ADF

21	Invite to negotiations the consultant with the lowest price among those Proposals that achieved the minimum qualifying technical score	ADF
22	Hold the negotiations with the consultant with the lowest price	ADF
23	If negotiations with the highest ranking firm fail to result in an acceptable contract, the next ranked firm will be invited for negotiations (and so on). Consult with the WB prior to taking this step	ADF
24	Incorporate results of the negotiations in a draft Contract	ADF
25	Obtain the WB “No Objection” on Contract to be signed (for prior review procedures)	ADF
26	Issue the Notification of Intention to Award the Contract to each consultant and publish it in ADF website	ADF
27	Address any complaint that has been filed within the Standstill Period and provide debriefing to complainer on his request	ADF
28	Obtain the WB “No Objection” on the Contract Award Notice (for prior review procedures)	ADF
29	Publish the Contract Award Notice in ADF website and local newspaper(s)	ADF
30	Issue the Notification of Award (Letter of Acceptance)	ADF
31	Sign the Contract with the consultant	ADF
32	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
33	Return unopened financial proposals of consultants who have not achieve the minimum technical score during evaluation of the technical proposals	ADF
34	Supervise the implementation of contract and payments process	ADF

Table 3.9: Procurement responsibilities in FBS (Fixed Budget Based Selection)

The method is used for simple assignments when the budget is fixed. FBS procedures may be used for assignments related to Public Relations (PR) and Education campaigns. The RFP shall indicate the maximum available budget and a firm will be selected that offers the best quality technical proposal within that available budget.

Steps in FBS (Fixed Budget Based Selection)		Responsibility
1	Approve the estimated cost and ToR, drafting of technical qualification criteria and the additional evaluation factors by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
2	Prepare the TOR compatible with the available budget.	ADF
3	Obtain the WB “No Objection” on the TOR	ADF
4	Issue the Procurement Order and appoint the evaluation and negotiations committee	ADF
5	Prepare criteria for evaluation of Expressions of Interest.	ADF
6	Publish REI in ADF website and local newspaper(s)	ADF
7	Collect the EOIs received and file them properly. Prepare the minutes on receipt of EOIs and issue it to the World Bank (for prior review procedures)	ADF
8	Evaluate Expressions of Interest and prepare a short list of consultants who responded to the REI.	ADF
9	Prepare the Request for Proposals (RFP), which includes a Letter of Invitation, Information to Consultants, ToR and proposed contract	ADF
10	Obtain the WB “No Objection” on the short list and the RFP (for prior review procedures)	ADF
11	Provide the final short list to the firms who expressed interest	ADF
12	Issue the RFP to the shortlisted firms	ADF
13	Hold the meeting with the Consulting firms requesting to visit ADF or site, if specified in the RFP	ADF
14	Document any question for clarifications and their respective answers, and respond to all consulting firms without identifying the name(s) of the consulting firms requesting clarification	ADF
15	If needed, modify the RFP through an Amendment approved by the WB and issue the Amendment to the shortlisted firms	ADF
16	Receive the proposals and file them properly. Return unopened any proposal received after the deadline	ADF

17	Open the technical proposals immediately after deadline for proposal submission in presence of the evaluation committee and representatives of the consultants who choose to attend	ADF
18	Securely store the financial proposals not opened	ADF
19	Prepare the minutes on receipt of proposals and opening of technical proposals, and send it to the World Bank (for prior review procedures) and to all consultants who submitted proposals on time on their request	
20	Evaluate the technical proposals on the basis of criteria/sub-criteria and points specified in the RFP. Each member of the evaluation committee shall score independently	ADF
21	Prepare the report on evaluation of technical proposals. Obtain the WB “No Objection” on Technical Evaluation Report (for prior review procedures)	ADF
22	Notify the consultants who has submitted proposals providing information relating to technical score, scores obtained for each criterion and sub-criterion and the date, time and address for public opening of the financial proposals of the consultants who have achieved the minimum qualifying technical score	ADF
23	Open the financial proposals publicly in the presence of evaluation committee and representatives of the consultants who choose to attend.	ADF
24	Prepare the minutes of the public opening of financial proposals and promptly send it to the WB (for prior review procedures) and to all consultants whose financial proposal is opened on their request	ADF
25	Evaluate the financial proposals	ADF
26	Complete the final evaluation report ranking the proposals according to their combined technical and financial scores (using the RFP assigned weights). Send the report as information to the WB (for prior review procedures)	ADF
27	Invite to negotiations the consultant scoring the highest technical score	ADF
28	Hold the negotiations with the highest ranking consultant	ADF

29	If negotiations with the highest ranking firm fail to result in an acceptable contract, the next ranked firm will be invited for negotiations (and so on). Consult with the WB prior to taking this step	ADF
30	Incorporate results of the negotiations in a draft Contract	ADF
31	Obtain the WB “No Objection” on Contract to be signed (for prior review procedures)	ADF
32	Issue the Notification of Intention to Award the Contract to each consultant and publish it in ADF website	ADF
33	Address any complaint that has been filed within the Standstill Period and provide debriefing to complainer on his request	ADF
34	Obtain the WB “No Objection” on the Contract Award Notice (for prior review procedures)	ADF
35	Publish the Contract Award Notice in ADF website and local newspaper(s)	ADF
36	Issue the Notification of Award (Letter of Acceptance)	ADF
37	Sign the Contract with the consultant	ADF
38	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
39	Return unopened financial proposals of consultants who have not achieve the minimum technical score during evaluation of the technical proposals	ADF
40	Supervise the implementation of contract and payments process	ADF

Table 3.10: Procurement responsibilities in CQS (Consultant’s Qualification-based Selection)

The method would be used for small assignments or Emergency Situations

Steps in CQS (Consultant’s Qualification-based Selection)		Responsibility
1	Approve of the estimated cost and ToR, drafting of technical qualification criteria and the additional evaluation factors by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF

2	Prepare the TOR compatible with the available budget.	ADF
3	Obtain the WB “No Objection” on the TOR	ADF
4	Issue the Procurement Order and appoint the evaluation and negotiations committee	ADF
5	Prepare criteria for evaluation of Expressions of Interest.	ADF
6	(i) Request from at least three consultants to provide information about their relevant experience and qualifications, or (ii) Publish REOI in ADF website and local newspaper(s)	ADF
7	Collect the EOIs received and file them properly. Prepare the minutes on receipt of EOIs and issue it to the World Bank (for prior review procedures)	ADF
8	Evaluate Expressions of Interest and prepare a short list of consultants who responded to the REI. Ask for additional qualification information (if needed)	ADF
9	Prepare the Request for Proposals (RFP), which includes a Letter of Invitation, Information to Consultants, ToR and proposed contract	ADF
10	Obtain the WB “No Objection” on the short list and the RFP (for prior review procedures)	ADF
11	Issue the RFP to the first-ranked consulting firm from the short list.	ADF
12	Provide clarifications as requested by selected consulting firm	ADF
13	Review the proposal and prepare the Minutes on the Proposal Review.	ADF
14	Invite the selected consulting firm to negotiations	ADF
15	Hold the negotiations with the selected consulting firm.	ADF
16	If negotiations with the highest ranking firm fail to result in an acceptable contract, the next ranked firm will be invited for negotiations (and so on). Consult with the WB prior to taking this step	ADF
17	Incorporate results of the negotiations in a draft Contract	ADF
18	Obtain the WB “No Objection” on Contract to be signed (for prior review procedures)	ADF
19	Notify the unsuccessful consultants about successful completion of the negotiations	ADF

20	Provide explanation to any consultant who wishes to ascertain the ground on which it was not selected	ADF
21	Issue the Notification of Award (Letter of Acceptance)	ADF
22	Sign the Contract with the consultant	ADF
23	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
24	Supervise the implementation of contract and payments process	ADF

Table 3.11: Procurement responsibilities in IC (Individual Consultant) Open Competitive Selection

Steps in IC (Individual Consultant) Open Competitive Selection		Responsibility
1	Approve the estimated cost and ToR, drafting of technical qualification criteria and the additional evaluation factors by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
2	Prepare the TOR compatible with the available budget.	ADF
3	Obtain the WB “No Objection” on the TOR	ADF
4	Issue the Procurement Order and appoint the evaluation and negotiations committee	ADF
5	Prepare criteria for evaluation of Expressions of Interest.	ADF
6	Publish REOI in ADF website and local newspaper	ADF
7	Collect the EOIs received and file/copy them properly. Prepare the minutes on receipt of EOIs and issue it to the World Bank and members of the Evaluation Committee	ADF
8	Evaluate Expressions of Interest. Ask for additional qualification information (if needed). Prepare the Evaluation Report.	ADF
9	Obtain the WB “No Objection” on Evaluation Report (for prior review procedures)	ADF
10	Prepare the draft Contract	
11	Invite the first-ranked individual consultant to	ADF

	negotiations	
12	Hold the negotiations with the selected individual consultant.	ADF
13	If negotiations with the first-ranked consultant fail to result in an acceptable contract, the second-ranking consultant will be invited for negotiations (and so on). Ask the WB for approval prior to taking this step.	ADF
14	Incorporate results of the negotiations in a draft Contract	ADF
15	Obtain the WB “No Objection” on Contract to be signed (for prior review procedures)	ADF
16	Notify the unsuccessful consultants about successful completion of the negotiations	ADF
17	Provide explanation to any consultant who wishes to ascertain the ground on which she/he was not selected	ADF
18	Issue the Notification of Award (Letter of Acceptance)	ADF
19	Sign the Contract with the consultant	ADF
20	Submit a copy of the signed Contract to the WB and assure appropriate registration of the contract	ADF
21	Supervise the implementation of contract and payments process	ADF

Table 3.12: Procurement responsibilities in DS Direct Selection

This method does not provide the benefits of competition and the transparency, so it is used in exceptional cases properly justified and approved.

Steps in DS Direct Selection		Responsibility
1	Approve of the estimated cost ToR, justification for the selection method and selection of the consultant by the responsible people to complete these tasks as per their job description reference or other specific appointed persons.	ADF
2	Prepare the TOR compatible with the available budget.	ADF
3	Obtain the WB “No Objection” on the TOR	ADF

4	Issue the Procurement Order and appoint the evaluation and negotiations committee	ADF
5	Prepare the Letter of Invitation, including the request for the selected consultant to submit a combined technical-financial proposal	ADF
6	Obtain the WB “No Objection” on the justification for the single source selection and the LOI (PP etc.) (for prior review procedures)	ADF
7	Issue the LOI to selected consultant	ADF
8	Provide clarifications as requested by the selected consultant	ADF
9	Receive combined technical-financial proposal.	ADF
10	Review the proposal and prepare the minutes on the Proposal Review.	ADF
11	Invite the selected consultant to negotiations.	ADF
12	Hold the negotiations with the selected consultant.	ADF
13	Incorporate results of the negotiations in a draft Contract.	ADF
14	Obtain the WB “No Objection” on Contract to be signed (for prior review procedures)	ADF
15	Sign the Contract with the consultant.	ADF
16	Submit a copy of the signed Contract to the WB.	ADF
17	Supervise the implementation of contract and payments process	ADF

4. Environmental and Social Risk Assessment and Management

The ADF is the Implementing Agency for the Project and will be responsible for all aspects of its day-to-day management, including its adherence to the present Environmental and Social Management Framework (ESMF) attached to this Operational Manual. Environmental and Social risk Assessment and Management will be exercised by the ADF Environmental Unit, which will make available for this project the following staff: one (1) Environmental and health/safety specialist, one (1) Resettlement/Social Specialist.

The ADF may complement in-house institutional capacity for environmental and social governance of its activities by hiring environmental and social safeguards consultants or including safeguards monitoring function into the contracts of designer/construction/supervision consultants hired with a broader mandate. Such consultants may perform their functions during the entire period of project implementation or during specific time periods of its implementation.

The Ministry of Environment and Tourism has the overall responsibility for protection of environment in Albania. The assigned department of permits within the Ministry of Environment and Tourism and/or dependent institutions will review Environmental Impact Assessment reports for those activities under the project which may require environmental permitting according to the national legislation and will issue such permits before the request for construction permit is submitted to the respective local authority. The Ministry of Environment and Tourism and its dependent institutions are mandated to undertake control over the compliance of construction works with the terms and conditions of the issued environmental permits.

a) Citizen Engagement and Project Communication

The respective municipality where the project will be implemented, has the responsibility, based on a mutual investment agreement signed with ADF, to follow up on the process of environmental and social risk assessment and apply to the respective authority – the Ministry of Environment and Tourism- for an environmental permit for the subproject, without delays, prior to issuing the construction permit. The environmental permit that is issued to the municipality sets out environmental criteria to be followed during the implementation as well as reporting requirements. Besides the criteria being a responsibility of the municipality to be followed, they must be closely monitored by the environmental and social team of ADF to ensure compliance with the ESMF.

As local communities are the primary beneficiaries of the project, their involvement in the rehabilitation and maintenance of local roads will be important to the implementation of the project. First, the ADF/municipalities will hold gender-representative consultations in all affected local communities starting at the project design phase. As part of these consultations, the ADF/municipalities will inform beneficiaries of the status of rehabilitation works and other project-related activities (for example, available roads safety programs) and seek their feedback regarding the project implementation progress. Second, as local communities live in the closest vicinity to the rehabilitated roads, they are best suited to monitor rehabilitation and maintenance works. Thus, several representatives will be selected from each affected community as part of the consultation meetings and serve as community monitors. These monitors will receive the ADF/municipalities monthly updates regarding the planned works in their communities and report any issues or problems associated with the implementation of these works in the field. Their reports will be discussed as part of the subsequent community consultations, and the ADF/municipalities will report to the World Bank on how questions that were raised as part of the reports were addressed.

b) Environmental and Social Screening and Scoping of Subprojects

In accordance with OP/BP 4.01 Environmental Assessment, an Environmental and Social Management Framework (Annex 4) is developed and attached to this OM. It sets forth procedures mandatory for reviewing, screening, classifying, selecting, approving, and managing all activities financed under the Project. The latter includes carrying out ESIA if prescribed to an individual investment through the environmental, social and cultural screening; development of ESMPs; and monitoring of their implementation. ESMPs must be included into bidding documents upon tendering

of works and attached to contracts for the provision of works, which makes them mandatory for adherence by contractors.

Based on the World Bank Operational Policy OP 4.01, on Environmental Assessment, projects are divided into four categories: A, B, C or FI¹.

This project is classified as Category B. Sub-projects will require application of due environmental assessment. No category A subprojects will be financed. Depending on the complexity and magnitude of risks associated, Category B sub-projects may require conduct of full ESIA, preliminary ESIA or only the development of simplified ESMPs. Summary ESIA, as required by national law and World Bank guidelines, will be carried out for sub-projects which may affect physical cultural resources, natural or otherwise valuable habitats, and/or require involuntary resettlement, given that these impacts can easily be predicted and mitigation measures designed. For sub-projects with minimal environmental and social risks which may be mitigated by application of simple conventional mitigation measures, only a template of simplified ESMP is suggested. In all above-mentioned cases, an ESMP will always be prepared, since it must be a part of procurement documents.

Environmental review of project concepts starts off by application of environmental and social review. Project concepts, which do not pass environmental and social criteria of eligibility, may not be considered for the matching funding from the RLRCF Project. The Bank does not finance activities that will contravene national legislation or relevant international environmental agreements identified during the Environmental Review.

Eligible investments include:

- a) Reconstruction or rehabilitation of roads on existing right of way. Allowed in the protected areas, but not critical habitats.
- b) Only one or two lane roads would be permissible under the project.
- c) New construction however solely if part of improvement of the existing road or a logical continuation. New construction would be allowed just in cases where segments are missing or alignment of a section that is currently particularly difficult or dangerous.
- d) In nature protected sites, or important natural habitats, only rehabilitation of the

¹ (a) Category A: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. Such projects will not be supported by RLRCF.

(b) Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas--including wetlands, forests, grasslands, and other natural habitats--are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigation measures can be readily designed. The scope of ESIA for a Category B project may vary from project to project; it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B ESIA are described in the project documentation (Project Appraisal Document and Project Information Document).

(c) Category C: A proposed project is classified as Category C if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further EA action is required for a Category C project.

(d) Category FI: A proposed project is classified as a category Financial Intermediaries which on-lend to various activities. No projects of this type are anticipated for RLRCF.

existing roads would be allowed with no widening and no new construction.

Since all sub-projects will belong to Category B, the following sub-categories of potential investments (B1, B2, B3) are specified in detail in the following table, in order to serve as a guideline for preparation of necessary environmental due diligence documents:

	Criteria	Due diligence documents
Cat. B1	Sub projects in nature protected sites, or important natural habitats, only rehabilitation of the roads would be allowed with no widening and no new construction.	ESIA (and ESMP required Preliminary EIA according to the Albanian legislation cleared by the Agency for Protected areas (or relevant Environmental Authorities)
Cat. B2	New construction however solely if part of improvement of the existing road or logical continuation or connection. New construction would be allowed just in cases where segments are missing or alignment of a section that is currently particularly difficult of dangerous. New construction cannot take place in the protected areas.	ESIA (preliminary according to Albanian legislation) ESMP
Cat. B3	Reconstruction or rehabilitation of roads on existing right of way in form of only one or two lane roads	Preliminary ESIA ESMP Request MoET opinion if preliminary ESIA is required

Category B1

For category B1 projects, the beneficiary (or designer) is responsible for preparing a preliminary ESIA (simpler form of ESIA) that includes, as necessary, elements of the other instruments which may simply require specifying well-defined mitigating measures and adopting accepted operating practices. This ESIA will be prepared to comply with both Albanian legislation and WB OP 4.01.and OP 4.04. ESMP will be prepared by ADF or ADF engaged consultant/designer, in coordination with the local government units. Consent and opinion on this ESIA will be requested from Agency for Protected Areas or relevant environmental authority. If profound ESIA would be required according to national legislation, project would not be financed.

Category B2Category B2 projects require a Preliminary ESIA to assess any potential future environmental impacts associated with the proposed project, identify potential environmental improvement opportunities and recommended any measures needed to prevent, minimize and mitigate adverse impacts. The preliminary ESIA would be prepared by the beneficiary/designer together with ESMP.

Category B3

Environmental impacts of Category B3 are less adverse than those of Category B1 and B2 projects considering their nature, size and location, as well as the characteristics of the potential environmental impacts. Category B3 would include reconstruction or rehabilitation of roads on existing right of way in form of only one or two lane roads. In this case, preliminary ESIA with ESMP will be prepared to comply with both Albanian legislation and WB OP 4.01.and OP 4.04. ESMP will be prepared by ADF or ADF engaged consultant/designer, in coordination with the local government units.

c) The environmental and social management plans

Based on the outcomes of environmental, social and cultural resources screening of subprojects, preliminary ESIA's or ESMP's will be undertaken for all Category B subprojects with the purpose of identifying all potential impacts and recommendation of appropriate mitigation measures to be followed during implementation.

The ESIA will also include the Environmental and Social Management Plan. It is essential that the table of mitigation measures names specific types of activities requiring mitigation, prescribes specific measures for mitigating risks associated with individual types of activities, and provides concrete measurable indicators against which the success of mitigation will be measured. ESMPs must cover both – construction and operation phases of a subproject.

d) Public Consultation and Citizen Engagement in Social and Environmental Management

Participatory approach is a mandatory component during environmental and social safeguards development and implementation. It is an essential step to ensuring an appropriate and thorough environmental and social risk management process.

The ADF will update and maintain their website for wider dissemination of the project results and progress. At a minimum, the following information will be available on the Internet: all surveys, all services funded by the project, progress reports and grievance mechanism. The environmental due diligence documents prepared for sub-projects will as well be disclosed on this site. The Citizen Engagement specialist will assist municipalities with public meetings and related public communications and keep track of salient issues which may arise.

The project ESMF was disclosed through ADF's web page and made available in print version during the public consultation meeting organized with main stakeholders of this project before the appraisal. This final and cleared ESMF is attached in the annex 3 of this document.

After the concept preparation the citizen engagement consultation will be organized to discuss site-specific ESMPs and the proposals of the concept. The design company will incorporate (if technically, financially, economically feasible) in cooperation with local government and ADF, the inputs of these consultations into the detailed designs,

Site-specific ESIA/ESMPs will be disclosed in two languages on the ADF's web page, and hard copies in Albanian will be delivered to the local authorities of the area where each subproject will be implemented. Local communities will be notified on the availability of these hard copies at least 14 days in advance as well as on the means of communicating their feedback on ESIA/ESMPs. Public consultation meetings with sub-project-affected people will be held in the vicinity of subproject sites selected to guarantee easy access of stakeholders.

Citizen engagement is a key element of the participatory approach to tackling of environmental and social governance under the RLRC project. A Citizen Engagement specialist (CE) within the ADF, is the responsible person who co-ordinates as appropriate with other implementation units and specialists, (land acquisition and social, environment, engineering, etc.) and reports to project management. All project-supported interventions, including social and environmental safeguards measures, will be disclosed and discussed in public to ensure that stakeholder input is taken into account in site selection, design, and implementation arrangements.

Key citizen engagement specialist functions include internal and external functions: social outreach and engagement; links to the media; website maintenance and linkages; grievance redress mechanism information flow and tracking, and internal co-ordination with key implementation units.

e) Environmental Monitoring

Environmental monitoring will be an integral part of the ADF's supervisory work in the course of the project implementation. The ADF will be responsible to ensure that on-site works contractors are familiar with ESIA/ESMPs, since they are part of their contracts, and instruct workers/personnel on the compliance with these ESIA/ESMPs. The ADF will demand from works contractors timely submission of environmental permits for the operation of asphalt/concrete plants (if owned); licenses for the extraction of rock, gravel, and sand (if operating quarries); and written agreements with local authorities on the disposal of waste. The ADF will conduct regular monthly on-site monitoring of civil works to verify contractors' adherence to the requirements set out in ESIA/ESMPs, to identify any outstanding environmental issues or risks, and to ensure proper application of the prescribed remedial actions. In case of recorded non-compliance with ESIA/ESMPs, the ADF will instruct contractors on the corrective measures and closely monitor their further progress. Prior to any disbursements within the civil works contract, an ADF Environmental Unit clearance memo will be applied to ensure that environmental conditions are met. Such clearances will enable ADF to manage implementation more effectively.

The ADF's in-house capacity to carry out the above described supervisory functions may be supplemented by a hired international construction supervision company. Oversight on the environmental, cultural, and social aspects of construction works will be an integral part of the terms of reference for such supervision company.

The periodic reports submitted to the World Bank Group will contain a separate section on Environmental and Social Risk monitoring. This section of the reports will be prepared based on the

findings of the ADF environmental and social staff and the weekly reports of the supervisor.

The municipalities will also monitor that the environmental conditionality during implementation are met, based on the legislative requirements arising from the environmental permit. They will need to report to the Ministry of Environment and Tourism/National Environmental Agency as requested in the permit.

The World Bank Group will oversee the correct implementation of the environmental and social safeguards for the overall project and each subproject. They will perform periodic monitoring missions as well as ad-hoc site visits as necessary.

The World Bank Group will approve each Environmental and Social Impact Assessment or Environmental and Social Management Plan and follow up on its implementation.

The Ministry of Environment and Tourism's role as the national authority partnering this project with regards to environmental issues will be to monitor the implementation of the environmental permit for each subproject when it is needed.

In cases when the project is located with a protected area, the Ministry of Environment and Tourism will monitor the implementation of the works that will maintain upon completion.

f) Grievances Redress Mechanism

During implementation of the subprojects, there might be several issues related to environmental hazards and disputes on entitlement processes may occur due to the Project activities. For example, intensive schedule of construction activities; inappropriate timing of construction vehicle flow; waste; noise and air pollution from construction activities; ecological disturbances, are some of the environmental issues that are likely to arise from the Project activities.

The success of the RLRC Project will require maintaining strong consultations with all stakeholders. Particular efforts will be made to include vulnerable groups (e.g. women, female-headed households, youth etc.) into stakeholder consultations and to ensure that their feedback is integrated into the Project design and implementation. A viable grievance redress mechanism will be maintained by ADF throughout the Project life. For these mechanisms to have a greater impact, citizens shall be encouraged to ask questions and provide feedback on a broader range of concerns, and to provide this feedback even if they are not directly affected by the Project. ADF, through its grievance redress mechanism, will respond to all types of citizen concerns and feedback about the Project. Data on citizen concerns and the resolution of grievances will be collected, helping to promote greater accountability and responsiveness.

Communities and individuals who believe that they are adversely affected by the RLRC Project should submit complaints to the project-level grievance redress mechanism. People do have recourse to the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank's non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. Information on how to submit complaints to the World Bank's GRS is available at <http://www.worldbank.org/GRS>, and information on how to submit complaints to the World Bank Inspection Panel is available at www.inspectionpanel.org.

The local communities, as specified previously, will constitute of their own monitoring system for each sub-project that is implemented in their respective community. The community monitoring system will be complemented by a grievance redress mechanism (GRM) that will be operated by the ADF and will allow all project-affected beneficiaries to submit questions, complaints, or suggestions through e-mail, phone, or regular mail. The GRM will be implemented no later than 45 days after project effectiveness. The GRM will be widely publicized in all project sites and on brochures that will be distributed to project beneficiaries. All complaints will be registered and addressed within a predefined period (that is, 15 days for regular complaints and 30 days for complaints that require special actions). Quarterly reports that include the details of all complaints and ways in which they were addressed will be submitted for the World Bank's review. Beneficiaries who are not satisfied with the response to their complaint will be able to submit an appeal to the community monitors, and the community monitors will discuss the appeal together with the ADF. The GRM will not prevent the beneficiaries from bringing their grievances to national courts.

The Citizen Engagement specialist assigned to the project will be the responsible focal point to address appropriately issues raised through the Grievance Redress Mechanism.

Issues raised by the community monitoring system will also be handled by the Citizen Engagement specialist assigned to the project.

g) Monitoring safeguards compliance

Monitoring of safeguards compliance under the RLRC Project will be an integral part of the ADF's monitoring work in the course of the Project implementation. The ADF will be responsible to ensure that on-site works contractors are familiar with ESIA / ESMPs and instruct workers/personnel on the compliance with these ESIA / ESMPs. The ADF will demand from works contractors timely submission of environmental permits for the operation of asphalt/concrete plants (if owned); licenses for the extraction of rock, gravel, and sand (if operating quarries); and written agreements with local authorities on the disposal of waste. The ADF will conduct regular on-site monitoring of civil works to verify contractors' adherence to the requirements set out in ESIA / ESMPs, to identify any outstanding environmental issues or risks, and to ensure proper application of the prescribed remedial actions. In case of recorded non-compliance with ESIA / ESMPs, the ADF will report to the PM on the non-compliance, as well as instruct contractors in writing on the remedial measures and closely monitor their further progress. Clearance will be provided periodically for each works contract for compliance with the ESIA / ESMP, prior to processing the interim payment.

The ADF's in-house capacity to carry out the above described supervisory functions may be supplemented by a hired international construction supervision company. Oversight on the environmental, cultural, and social aspects of construction works will be an integral part of the terms of reference for such supervision company.

h) Reporting

Documenting of environmental and social supervision of subprojects is mandatory. Field supervision of works will be undertaken at least once a month and will cover all active work sites. Findings of the field visit will be documented using field environmental and social monitoring checklists. Records will be supported with photo material. Special attention will be given to remedial actions prescribed for addressing any shortfalls revealed during a monitoring visit. Monitoring report of the next month must reflect if and how remedial actions had been applied and what were the results

Monthly monitoring reports will be generated by filling out field monitoring checklists, reflecting

quality and extent of the application of each mitigation measure prescribed by ESIA / ESMPs. Environmental chapters of semiannual progress reports on the project implementation shared with the World Bank will carry more comprehensive, analytical information on the status of environmental performance under the RLRCP project, including overview of deviations/violations of ESIA / ESMPs encountered over the report period, instructions given to the works contractors for addressing any weaknesses or identified issues, and follow-up actions on the revealed outstanding matters. Social chapters of the semiannual progress reports will include a short description of the status of the application of different social safeguards provisions. Summaries of consultations, status of compensation to PAPs, status of livelihoods restoration activities and challenges in the implementation of RAPs will also be described. A list of sub-projects expected to trigger the application of the RPF in the upcoming quarter will also be included. The supervision company shall be licensed for undertaking tasks included in the Terms of Reference and it will routinely collect information and address any issues to the ADF team, who will further manage the issue.

The supervising engineer/contractor will report on the implementation of the ESIA / ESMP to the ADF monthly as well as on the implementation of works. The content of the report will be agreed with ADF.

Monthly reports of the technical supervisor of works will include a chapter on safeguards monitoring outcomes, based on ESIA / ESMP items, and will carry filled out field environmental and social monitoring checklists attached. Narrative write-up will summarize safeguards performance over the report period and will flash out key issues encountered. In case of accident or negative impact on the environment (not predicted by the ESIA / ESMP) the supervising engineer will report to ADF immediately.

ADF will heavily rely on the inputs from technical supervisor of works, but will include information on the quality checks undertaken by ADF's in-house staff.

i) Land Acquisition and Resettlement Action Plans

The community and population in the areas of the projects will be affected on their properties during the implementation of RLRCP. The Environmental and Social Management Framework included in Annex 3 of this document sets out the anticipated types of property loss and the main type of impacts, accompanied by the type of owner.

The World Bank Policies require the application of the local laws for the valuation and compensation of losses as far as they fit the principles of the WB, which include the provision of replacement cost for lost assets and mitigation of losses of income related to land acquisition. In every case, as mentioned above, the international agreement between GoA and the World Bank prevails where there is a gap in land acquisition remedies between the World Bank policy and the Albanian legislative framework.

A Resettlement Policy Framework has been prepared for RLRCP which provides the policy and legal framework and procedures to mitigate unavoidable land acquisition (resettlement) impacts. These procedures are in conformity to the World Bank OP 4.12 on Involuntary Resettlement, as well as the applicable Laws and Regulations of GoA. Subproject resettlement plans consistent with the policy framework are prepared with guidance from ADF and subsequently are submitted to the Bank for approval after specific planning information becomes available (see OP 4.12, para. 29).

For each subproject, a Resettlement Action Plan, in line with the Resettlement Policy Framework will be prepared. An example of a RAP outline is included in Annex 4 of this document, as part of the Resettlement Policy Framework.

A Report on Evaluation of Property and assets lost, to be prepared by licensed property evaluators, will be included in the Terms of Reference of the Designer. The ADF will prepare the Resettlement Action Plan (RAP) based on the evaluation from the designer/municipality.

j) Institutional Arrangements for the Land Acquisition and Resettlement Process Implementation

The ADF will form a committee composed of PAPs and-relevant Project Authorities which will provide oversight of the implementation of the Resettlement Procedure. The ADF will cooperate all relevant local institutions to ensure successful implementation of the Resettlement Procedure (RAP/ARAP). The LGUs (Municipalities, Administrative Units) are the final beneficiaries of the project implementation. From the LGU it is required continuous assistance and presence during all the progress of the project. Immovable Property Registration Office for each District in the Project area, under the authority of the Central Registration Office, which are responsible for identifying and verifying property boundaries and ownership. Land Administration and Protection Offices (formerly Cadaster Offices) under the Region, will clarify land allotment certificates for agricultural land that has not been formally registered and transferred to the Immovable Property Registration Offices. The Regions and the Municipalities will be responsible for the coordination of the implementing procedures and payment of compensation. Assistance will be given to speed up the process of legalization of properties to the PAPs that have applied for legalization procedures.

Local municipalities will play a leading role in implementation, assigning staff members to carry out specific tasks outlined in the RAP with the assistance and guidance from the resettlement and social specialists of the ADF. The Municipalities will assist affected persons in protecting their rights and preparing documentation required to register land purchases, land use agreements and servitude agreements. Compensation will be provided before land is taken up for construction. Temporary use of land, needed during implementation, will be agreed with land owners in advance and land or property will be reinstated to its original condition upon conclusion of the works.

Each time a RAP is developed, the ADF through the RAP Implementation Commission, will ensure support to livelihoods restoration for any individual whose livelihood has been affected. The following steps will be followed:

1. Assess the groups of people affected and their vulnerability as individuals and as households.
2. Determine the type of livelihoods affected and the amount of temporary and permanent losses.
3. Determine the market potential for livelihoods restoration in the same type of work/sector after the project is implemented.
4. Develop a process of consultation with PAPs that describes the project and expected impacts on livelihoods.

5. Consult with PAP to jointly develop strategies for income restoration. Help PAP develop distinct strategies based on their skills, experience, and location. Whenever possible, link these strategies to other livelihoods improvement activities provided by the Government or NGOs in the project area;
6. Determine the amount of compensation necessary to restore income streams for each PAP. Determine the type and cost of additional economic rehabilitation measures;
7. If income restoration requires changes in livelihoods, the development of alternative farmlands, etc., or involve some other activities which require a substantial amount of time for preparation and implementation, support measures that help PAPs adapt to these changes.
8. Develop special measures for women and pensioners that will have to change their source of livelihoods.
9. Complete an action plan to address impoverishment risks

Monitoring impacts on resettled individuals and households and on those receiving livelihoods restoration assistance will be undertaken immediately after the implementation of RAP as well as six and twelve months after displacement has occurred. If after 12 months of displacement, negative impacts, such as reduced income are found, the Project will provide additional support to those individuals that have carried out activities to restore their standard of well-being and livelihood but need additional support.

4.11 Promoting woman's employment in the road sector in Albania

The capacity of the selected municipalities to reach out and increase women's participation in the road maintenance program will be analyzed under a separate TA, and capacity-building training will be provided to the municipalities to enhance their knowledge and understanding of the ways in which, the participation of both women and men in road maintenance can be enhanced and local ownership and sustainability of road maintenance activities promoted. The TA will also include work with a several contractors to explore opportunities to promote women's employment in high-skilled jobs in their respective workforce. This will be done by reviewing their policies and practices regarding equal opportunities with a view to identifying specific actions that may be appropriate to improve gender balance and providing recommendations for their introduction and/or enhancement. Hence, the focus will be on more and better jobs. The gender component will be concluded by a national event that will bring together key stakeholders to showcase the results achieved with the selected stakeholders and, more importantly, to produce a gender action plan reflecting concrete and measurable commitments made by the stakeholders to promote women's employment throughout the project with an ultimate end goal of increasing women's employment in the project. More detailed information regarding this is included in **Annex 3**.

5. Project Financial Management (FM)

An FM assessment was carried out to determine the FM implementation risk and help establish adequate FM arrangements for the proposed project. Fiduciary responsibilities for the project will remain with the ADF. The ADF has adequate capacity to maintain adequate FM systems in compliance with World Bank policies. The significant strengths that will provide a basis for such reliance include the following: (a) FM arrangements proposed are similar to those of previous projects implemented and found to be adequate, (b) there are no significant issues in the audits of the previous projects implemented by the ADF, and (c) the ADF finance director and FM staff are experienced in implementation of World Bank and donor-funded projects. The municipalities will have no FM responsibilities. However, their role and engagement with the ADF with respect to Component 2 is further defined in the Project Agreement and POM, acceptable to the World Bank.

Loan proceeds will be advanced to the Designated Account (DA) denominated in U.S. dollar and maintained in the Bank of Albania (the Central Bank). Reporting on use of advances will be made quarterly based on unaudited interim financial reports (IFRs). The ceiling of advance would equal the cash forecast of project expenditure for the two subsequent reporting periods. The reporting currency will be U.S. dollar. Other allowed disbursement methods will include reimbursements, direct payments, and special commitments.

The annual audited project financial statements will be submitted to the World Bank within six months after the end of each fiscal year. In addition, the ADF's audited financial statements will be required. The audit reports will be made publicly available within two months from receipt, as required by the World Bank Policy on Access to Information.

FM assessment was carried out to determine the FM implementation risk and help establish adequate FM arrangements for the proposed project. As discussed in the institutional and implementation arrangements, the ADF has fiduciary responsibilities. The selected municipalities will have no FM responsibility but will provide the ADF with evidence of review and acceptance of the goods, works, and consultants' deliverables, as required, to ensure validity of payment request by contractors, suppliers, and consultants. The assessment showed that the ADF has adequate capacity to maintain adequate FM systems in compliance with the World Bank policies. The significant strengths that would provide a basis for reliance include the following: (a) FM arrangements proposed are similar to those of previous projects implemented and found to be adequate, (b) no significant issues in the audits of the previous projects implemented by the ADF, and (c) the ADF Finance Director and FM staff are experienced in the implementation of World Bank- and donor-funded projects. Overall, the FM risk level is assessed as moderate.

a) Country Public Financial Management (PFM) status

Albania has participated in a number of detailed reviews of its PFM systems including, among others, three Public Expenditure and Financial Accountability (PEFA) assessments (2006, 2011, and 2016); a Public Expenditure Review (2006); a Public Finance Review (2013); annual EU-Support for Improvement in Governance and Management reviews; and other analyses by the World Bank, the International Monetary Fund (IMF), the European Commission, and other organizations.

The various reviews have plotted the significant progress that Albania has made in improving PFM. The last PEFA assessment for Albania, in 2016, concluded that Albania has advanced in some areas

such as budget credibility, elements of fiscal transparency, monitoring of expenditure arrears, and procurement. Despite significant progress, lagging areas include (a) monitoring of extra-budgetary units, (b) public investment management, (c) better links between the sector strategies and budget, (d) systematic arrears monitoring, (e) implementation of internal audit and financial management and control, and (f) scope and nature of the external audit function.

b) FM Staff

The ADF's organizational structure is adequately designed to achieve the organization objectives. It properly defines authority lines, roles, and responsibilities of departments and employees; ensures segregation of duties; provides a system of coordination for integrating the activities of individuals and departments; and ensures that the four-eye principle is honored. The roles and responsibilities of individuals and departments are defined in the ADF POM. The overall FM responsibility for the project will be borne by the ADF Finance Department. The Finance Department has an excellent track record and high observed compliance in disbursement and reporting with respect to the previous World Bank-funded projects. At present, the unit comprises six staff. Based on the information provided by the ADF, the World Bank team assessed that the workload within the department will remain at the same levels, due to scaling down in the other ongoing projects. Therefore, no additional staff will be required for the project. The Finance Director is the main responsible for maintaining the project's financial management system and preparing financial statements in accordance with consistently applied accounting standards acceptable to the Bank, in a manner adequate to reflect the operations and financial condition of the ADF, including the operations, resources and expenditures related to the Project. In addition to the FM director, the project will count with a FM project specialist which will support the FM director as outlined below. However, the World Bank will continuously monitor the staffing requirements to identify any potential gap. ADF management assigned a focal point responsible for communication with the World Bank team on FM matters. During project implementation, periodic and ongoing training on World Bank disbursement and FM will be provided to the finance staff as part of the World Bank-funded training program.

c) Budgeting

General principles for budgeting The Project Appraisal Document (PAD), Loan Agreement (LA) will provide detailed data about the project main activities and disbursement categories implemented by ADF. The operation will rely on country public budget and planning systems. The mechanisms for budgeting and opening the budget (release of funds) are considered adequate for the needs of the project. The ADF will be responsible for the preparation of the project's medium-term forecasts and annual budgets, whose process is regulated by the Ministry of Finance and Economy (MoFE) budget instructions. Responsibility for preparation and approval of budget Based on planned activities of ADF to reach basic goals of the project, FD proposes a model of ADF organizational budget which includes each Project divided by Disbursement Categories. Financial Unit collects projections of project implementation from other ADF Technical Departments, based on the approved Procurement and Implementation plan, reflects it to the model of organizational budget.

These budgets will form the basis for allocating funds to project activities and, after expenditures are paid, for requesting funds from the World Bank. The project budgets and forecasts will be identified

and monitored separately. The project's annual budgets, as part of the ADF annual budget documents, will be approved by the MoFE and the ADF Board of Trustees.

The project's budget will include the investment spending forecast to be financed by the loan proceeds and counterpart funds, if any. Financial Unit controls monthly expenditures by comparing them to budget and prepares monthly budget comparison report for Executive Director.

The operation will rely on country public budget and planning systems. The mechanisms for budgeting and opening the budget (release of funds) are considered adequate for the needs of the project. The ADF will be responsible for the preparation of the project's medium-term forecasts and annual budgets, whose process is regulated by the Ministry of Finance and Economy (MoFE) budget instructions. Project budgets and forecasts will reflect inputs from the Technical Departments involved with the project and will be based on the approved Procurement and Implementation Plan. These budgets will form the basis for allocating funds to project activities and, after expenditures are paid, for requesting funds from the World Bank. The project budgets and forecasts will be identified and monitored separately. The project's annual budgets, as part of the ADF annual budget documents, will be approved by the MoFE and the ADF Board of Trustees. The project's budget will include the investment spending forecast to be financed by the loan proceeds and counterpart funds, if any.

d) Accounting and maintenance of accounting records

The ADF is using an acceptable Financial Management System FMS approved by WB in previous projects implemented by ADF, which is adequate for maintaining and producing financial information for project management use. The project funds and expenditures will be accounted separately and the project chart of accounts will be defined based on the project activities. The accounting records for all project expenditures will be maintained by category and by component. Periodic reconciliation will be performed between general ledger and project bank accounts and the World Bank disbursement data. The Accounting system shall be maintained and operate based on the "cash-basis" approach.

Chart of accounts

ADF shall have its chart of accounts which is labelled and codified according to the specificities of the institution, aiming at the recording of transactions by type, category of credit, financing source and destination for the use of funds.

The major accounts grouping shall serve the Financial Reporting for public institutions and donors. The accounting shall ensure the recording of assets, liabilities, receipts, payments, financing sources and the destination for the use of generated revenues.

The grouping of Accounts shall include the following categories:

- 1XXX – Funds
- 2XXX – Assets/Investments
- 5XXX – Bank Accounts and cash
- 6XXX – Expenses
- 7XXX - Revenues

Funding sources shall be classified as follows:

- Credit from International Financial Institutions;
- Credit from foreign Countries;

- Grants from International Financial Institutions iv. Credit from foreign Countries;
- Funds from the GOA;
- Funds from Local Beneficiaries (public or private);
- Funds from Agreements with Ministries or other institutions in the country;
- Miscellaneous funds

Bank Accounts shall be classified into Special Accounts (SA) and Operating Accounts (OP) according to each program and donor.

The Expenses shall be classified by categories and componets defined in the respective agreements, as follows:

- Civil Works;
- Goods and Equipment;
- Technical Assistance;
- Training;
- Operating Costs;

The sources of revenues shall be classified into:

- Interests of current accounts and term deposits;
- Sale of bidding documents;
- Competitive grants, seizure of bank warranties.

Accounting policy

The financial procedures of the ADF shall adhere to the Albanian Accounting Law, International Accounting Standards (IAS/IASPS) approved to be implemeted in the territory of Albania by the National Accounting Committee (NAC), the accounting guidelines for non-profit organizations and if appropriate, guidelines for specific reporting on the donors"requirements. The accounting system shall:

- Facilitate the reporting and auditing of Projects/Programs;
- Take into consideration requirements of the Donors and other interested parties
- Allow identification of groups or subgroups of costs for all expenses, in order to enable easy physical comparisons and other monitoring;
- Allow presentation of expenses, according to disburseable categories such as Civil Works, Goods, Consulting Services, Training, Operating Costs, etc;
- Allow the presentation of financial resources whenever required; lejoje paraqitjen e burimeve financiare sa here qe kërkohet;
- Allow the recording of Assets, liabilities and accumulated funds in appropriate groups.

The accounting system will be maintained in both ALL and EUR. Variation in foreign exchange rate between the two currencies will be treated according IFRS and Albanian accounting regulation, as a change in the Fund source account without any impact as a gain or loss in the operating costs.

e) *Specific Rules for project Accounting*

Payments to suppliers

To process payments to suppliers, the FD will liaise with the respective Department team.

Advance Payments to suppliers

In the case of a commercial contractor for Civil Works, an advance payment will not exceed the amount secured by a bank guarantee. The bank guarantees should be closely monitored in order not to skip the expiration date. The Performance Security guarantees and the advance Payment Guarantees are monitored and controlled by Procurement Unit. For correctness of the Defects liability guarantees are responsible three units, in particular Financial, Procurement and Legal. Each department monitor the guarantee on the corresponding time level. The Financial Unit, in particular accountants are involved in the process on initial stage (submission, monitor the correctness of the information, and respective payment) based on the submitted document. The monitoring and legal departments are responsible for the controlling the validity period of the guarantees and respective actions in case of claims against the guarantees.

Also, any change in contract amount, duration which may have its impact on the bank guarantees, should be communicated to the financial/accounting or respective staff who monitors the guarantees for taking proper actions, if needed.

In case of local or international consultant, an advance payment will be paid based on the terms of the contract.

Payment to suppliers for accomplished works

Payments to contractors will be in accordance with terms and conditions stated in the Contract.

Payments to the consultants

In the case of consultants, periodic payments will be made for provision of services based on the contract and after submission of work done to the respective supervisor of this contract.

Request for Payment

Before disbursements are released the monitoring department should assure the following be scrutinized:

- That the "Request for Payment" and/or Hand-Over agreement is correctly completed by respective supervisor;
- That payments are requested according to the budget line indicated in the Framework Agreement and the contract;

- That the required accurate documents are attached.

In case there are errors in the request form or if the documentation is found to be unsatisfactory, the "Request for Payment" is returned to the Supervisor or Coordinator for amendment or correction.

Description of the Computerized Accounting System

The ADF accounting system is currently using the computerized financial software "DATECH". The Computerized Accounting System will ensure the following:

Reliability in information storage and fast processing of information;

- Simple and clear methods of information input and output;
- The necessary level of protection from unauthorized access;
- Certain level of protection against the input of false data;
- Generation of reports meeting both the IFRS requirements and Albanian accounting rules;
- make daily backups.

The accounting software allows analyzing transactions as follows:

Donors "Source of Funds";

Disbursement categories: Civil works, Goods, Consulting services, Operational costs;

Main Activities of project: Component and sub-components;

Origin of expenses: Local expenses, foreign expenses.

Financial Unit staff has different access to accounting system as they have different passwords and different level of access to the information. Accountants can enter the simple daily transactions and print-out standard reporting forms; Chief Accountant has full access without possibility of payment authorization. Financial Manager has full access level.

The accounting software has reporting module as well (WB FMR).

Backups are prepared by Programmers on Server.

Payroll processing

All Payroll processing is performed by relevant Specialist from FD, who is responsible for accuracy and correctness of the process. The staff received salary based on the contracts ones in a month. Any bonuses and additional payments are supported by respective Orders, issued by and signed by Executive Director. The time-sheets are not submitted by the staff. The administrative Unit controls the attendance based on the information from the SOFT-ware installed in the entrance of ADF. The Head of each Unit is responsible the tracking of the records of the staff under his supervision. Staff salary and any kind of bonus rates are predefined by Executive Director and approved by Supervisory Board. Salaries paid during last week of each month based on the salary scale signed by Executive Director, Head of Administration and FM. Employees salary is transferred to employee's bank account.

Salaries are calculated according based on the Staffs salaries list approved by the Supervisory Board. The rate is depends on the position of the employee. Salaries shall be calculated in € and paid in Albanian Lekë, converted with the exchange rate offered by the Bank of Albania (where the SA is

opened) on the 28th day of each month through the bank/ transfer to the personal account and all salary payments are registered in a Payroll.

Payroll sheets are prepared by relevant specialist from FU and after submitted for approval to Head of Unit. The payroll sheet, which is already signed and approved by HU should be signed by Executed Director of the ADF. The all staff salaries are transferred to related accounts opened in a Commercial Bank.

f) Operational expenditures

Operational expenditures comprise: salaries, office rent, communications, stationary, maintenance, acquisition of fixed assets, etc. Control over stationary usage and its acquisition is performed by Administrative Unit.

All operational expenses will pay based on the invoice of hand-over agreement preliminary approved and signed by Administrative Unit Representative. The Head of FM compares invoice amount to Organizational Budget monthly undisbursed amount and gives approval for payment. The respective Accountant is responsible for the verification of the accuracy and completeness of the invoice/payment request.

All fixed assets purchase by ADF will be marked or will bear inventory tags. Each fix asset is numbered and is assigned to respective staff member. Any staff member is responsible to keep belonging to him fix assets. During the last month of each year Administrative Unit proceed general reviews of fix assets - physical inventory by special committee which includes ADF different Units staff members. Committee prepared final list of fix assets and provide to Financial Unit for make respective transactions into accounting books.

g) Periodic financial reporting

Format of Interim Un-audited Financial Reports (IFR)

- Name
- Sources and uses of funds statement
- Uses of Funds by category and component
- Project Balance sheet
- Cash forecast
- Contract monitoring
- SOE Withdrawal Schedule
- Designated Account statement

Staff in charge of producing reports Interim unaudited Financial Report (IFR) is prepared by Head of the Unit.

Frequency of Financial Monitoring Report

Interim Financial Reports (IFR) should be prepared on a quarterly basis and submitted to the WB within 45 days of the end of each quarter.

In addition to the above mentioned, annual reports are to be prepared, which will summarize the

information contained in the quarterly reports.

Quarterly IFRs, containing at least (a) the statement of sources and uses of funds (with expenditure classified by category and component), (b) contract monitoring, (c) cash forecast for two subsequent periods, and (d) a DA statement will be submitted to the World Bank within 45 days of the end of each quarter. The format and content of the IFRs have been agreed during the appraisal and will be included in the POM. The annual project financial statements will be prepared in accordance with International Public Sector Accounting Standards on a cash basis. The financial reports will be prepared in U.S. dollars. The first quarterly IFRs will be submitted after the end of the first full quarter following the first disbursement. The IFRs will be the basis for documenting the use of advances made in the DA. The IFRs will be reviewed and confirmed every quarter by the World Bank team.

h) Internal Control

Principles ruling internal control

The ADF internal control systems should be able to ensure that financial records are reliable and complete. In particular, the internal control system should ensure:

- safeguarding of assets and resources;
- compliance to management policies, applicable laws and regulations;
- Accuracy and completeness of accounting records;
- Timely preparation of reliable financial information;
- Prevention and detection of fraud and errors.
- Appropriate documentation of policies

All standard procedures related to the checking information and verification of the documents must be followed by accountants. The accountant should check the signatories of all staff, who is responsible for the issuance of the documents based on the existing structure.

- Segregation of functions Authorization to execute a transaction;
- Recording the transaction in the accounting records;
- Maintaining custody of the assets that arise from the transaction;
- Procurement and accounting;
- Accounting for fixed assets / Annual Inventory of assets.

Also the staff recording the transaction and the staff carry out the reconciliations at the period-end should be different.

Internal Control Procedures

Fixed Asset Control

The internal control of fixed assets such as furniture, equipment, machinery and any other capital assets is to be maintained by the ADF. All employees are responsible and accountable for fixed assets in their possession. Each Fixed Asset is tagged indicating the inventory number.

Any acquired or donated assets will be recorded in a Fixed Asset register. This register will include a description of the asset, date received, cost or estimated (market) value, unique serial numbers, location and an indication if it was purchased or donated. The Fixed Asset Record will be maintained by the Accountant who should be notified about worn out or obsolete assets with no cash value. At the end of each year ED appoints commission with three members to carry out inventory of the main assets. The commission will inventory all main assets indicating: name, model, unit price, quantity, condition, place, and the name and position of the responsible person. Old or obsolete assets should be written off at the end of each calendar year on the basis of conducted inventory and drawing up relevant act.

i) External Audit

Annual Audit

The project's financial statements will be audited annually by independent auditors acceptable to the World Bank. In addition, annual audited financial statements of the ADF will be required. The auditor for the project will be appointed by the MoFE as part of an overall agreement for the audit of the nonrevenue-earning World Bank-financed portfolio in Albania. The audit service fee is covered by the MoFE. Specific terms of reference based on International Standards on Auditing are used for the projects covered by this agreement and are cleared by the World Bank. The audited project and ADF financial statements will be submitted not later than six months after the end of the reporting period. Pursuant to the World Bank Policy on Access to Information (July 2010), the ADF will have to disclose the audit reports within two months of their receipt from the auditors, by publishing the reports on their website. Following formal receipt of these reports, the World Bank will make them publicly available as well. At present, there are no overdue audits from the ADF.

The fiscal year of the ADF is from January 1 to December 31.

The accounts are to be closed on the last day of the fiscal year and the audit is to be conducted within two months of the closing of the accounts.

The purpose of the audit is to give the World Bank a reasonable assurance that the funds were used according the terms of the loans and for purposes intended. The audit also aims to provide the Government of Albania with the tools to exercise its legitimate oversight responsibility.

Audit reports shall be submitted to ADF Board of Trustees and to Donors no later than June 30 of each year. Audit expenses are covered by Donors and ADF local costs (State budget).

The audit of the project and the entity (ADF) financial statements will be conducted (i) by independent private auditors acceptable to the Bank, on terms of reference (TOR) acceptable to the Bank, and (ii) according to the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC).

The annual audited project and entity financial statements will be provided to the Bank within six months of the end of each fiscal year, and for the project also at the closing of the project. If the period from the date of effectiveness of the loan to the end of the borrower's fiscal year is no more than six

months, the first audit report may cover financial statements for the period from effectiveness to the end of the second fiscal year.

j) Conflict of Interest

Conflict of interest shall be interpreted but in no way limited to the following: any past, present or prospective economic, financial and private direct and/or indirect (through relatives or partners) interest, as well as ownership or other links with the ADF staff or companies, project developers and individuals involved in projects financed directly by the ADF.

It is expected that all officers, trustees, and staff of the ADF will at all times adhere to the highest ethical standards in all matters.

Where any officer, trustee, or staff member, or any spouse (or other person with whom one cohabits), or lineal descendant or ascendant of same respectively, is an officer, director, or staff member of, or has a financial interest in, any other association or other organization (including any vendor of goods or services) with which ADF has entered into, or is considering entering into, any contract or other transaction, such officer, trustee, or staff member shall disclose in writing to the ADF director all material facts as to the relationship or interest. Individuals with conflicts of interest must reclude themselves from participating in any part of the decisions related to the transaction giving rise to the conflict.

No officer, trustee, or staff member shall use, for financial or other advantage, confidential or proprietary information accessed by virtue of his or her position with ADF. Information does not need to be marked as "proprietary" or "confidential" before this policy applies. Types of information ADF considers proprietary or confidential include, for example, computer programs and databases, such other information as personnel files, research and development information, strategic plans, technical information, financial information, and advice of accountants and legal counsel. Only individuals to whom proprietary and confidential information must be disclosed in the performance of duties have a need to know this information.

Fraud, waste, or misuse of project resources or property Each case of fraud, waste or misuse of project resources or property identified by the ADF employee shall be reported in writing to its direct supervisor or to the ADF director if the issue is neglected or unsettled by the supervisor. Should the MDF director fail to undertake any action for suspending such fraud, waste or misuse, the issue shall be submitted to Board member/members in writing by the same employee with sending a copy of such notification to the person having committed an act of fraud, waste or misuse.

k) Flow of documents

In ADF, part of administrative procedures will be decentralized to the Head of the Units. Flow of documents at ADF level

a) Commitments

The contract shall constitute the basic document for accounting of commitments and disbursements;
One copy is to be registered and kept in the Financial Unit Office;
As each payment is made, its date and amount shall be noted on the contract payment record; at any

given moment the undisbursed portion of the amount committed shall be the difference between the initial commitment and the sum of the payments already made.

b) Presentation of invoices / Request for payment – The role of LGU's or partner Ministries as applicable in this and the following step is clarified in the cooperation agreement with municipalities and partner ministries. In those cases when required, LGU's or partner Ministries should issue a letter confirming acceptance of goods (check against delivery lists and technical specifications) and services (check if all comments and recommendations have been incorporated in the Final Report). A copy of the acceptance letter and final deliverable, approved timesheet and other evidence will be submitted to ADF for further processing.

- Invoices/Payment requests shall be submitted by the contractor and/or supplier/consultant as specified in the contract;

- Each invoice/payment request shall clearly specify the corresponding work performed indicating:

- the costs;
- taxes if necessary;
- the amount of any withholding for the advance payment;
- the total to be paid;
- the contractor's/supplier's/consultant's full name, Tax identification Number and bank account to which payment should be made;
- Invoices/payment requests shall be dated and signed by the contractor's /suppliers/ consultant's authorized representative.

c) Checking of invoices ADF Head of the Administrative Unit or respective unit's Head shall reconcile any invoice and attached statements of work, goods and services certify the service performed by comparing:

- Purchase order and actual delivery;
- Purchase order and invoice

And then transmit the file to the Deputy Director for the approval and further processing to the FM for further payment.

The accuracy and completeness of all invoices/payment request (including tax invoices) should be verified by the respective Accountant prior to making payment. The verification should be confirmed by the signature on the invoice.

d) Authorization for payment

The designated Financial specialists respectively shall check the breakdown of the invoice against the undisbursed portion of the commitment shown on the contract payment record. Payment orders are prepared by respective accountants, approved by Head of Finance and finally authorized by Executive Director.

e) Closure of contract

Upon final acceptance of the works, all retention moneys of the balance thereof shall be released after execution of the work to be done before any reservations lodged at provisional acceptance are lifted.

At that time the contract shall be considered closed, and any undisbursed commitment voided.

l) Funds Flow and Disbursement

The project will be completely financed by an IBRD loan. The loan proceeds will be disbursed on the basis of standard World Bank disbursement methods for investment projects. The currency of disbursements will be the same as the loan currency. A DA, denominated in U.S. dollars, will be opened at the Bank of Albania, specifically for this project, where the World Bank will advance loan proceeds.

Project funds will flow from the World Bank, either (a) through the DA, which will be replenished on the basis of the documentation specified in the Disbursement Letter, or (b) by using the direct payment method or the special commitment. Once the funds have been deposited in the DA, the Treasury Department at the MoFE, on the request of the ADF, will transfer loan proceeds from the DA to the ADF project bank accounts that will be maintained in a commercial bank, acceptable to the MoFE, to make project expenditure payments to third parties, that is, consultants, contractors, and suppliers. These bank accounts (one denominated in U.S. dollars and one in Albanian leks) will be managed by the ADF.

The World Bank will require either copies of the original documents evidencing eligible expenditures ('records') or unaudited IFRs, as specified in the Disbursement Letter. The use of the advances will be documented by quarterly financial reports; that is, the project would use unaudited IFRs instead of a detailed list of expenditures (statement of expenditures [SOE]). Should the World Bank determine at any time that the IFRs are not adequate to support the disbursement process, it reserves the right to revert to the traditional disbursement methodology (SOEs, summary sheets, and so on). Withdrawal applications will be sent to the World Bank every three months, the same as the frequency of the IFRs. However, for direct payments records will be required, consisting of documents such as invoices and receipts. In all cases, the ADF is required to maintain original documents evidencing eligible expenditures and making them available for audit or inspection. These documents should be maintained for at least two years after receipt by IBRD of the audit report and for a period required by the local legislation.

The IFR reporting on the use of the previous advance will also be the basis on which the World Bank agrees to advance additional funds, accounting for any unused portion of the previous advance as well as analyzing the realism of the forecasted activities and contracts. The advance will cover two quarters and will provide sufficient liquidity for the project to begin a number of activities.

6. List of Annexes

Annex 1: ADF's Law

Annex 2: ADF Organizational Structure

Annex 3: Environmental and Social Management Framework

Annex 4: Resettlement Policy Framework

Annex 5: Financial Management Manual

Annex 6: Report on Project's Prioritization for the First Phase

Annex 7: Template of Investment Agreement between ADF and Municipalities

Annex 8: Template of Agreement for Operation and Maintenance

Annex 9: Results Framework Monitoring and Evaluation

Annex 10: Citizen Engagement Protocol

Annex 1: ADF's Law

LAW
NO. 10 130, DATED 11.05.2009
ON
THE ALBANIAN DEVELOPMENT FUND

Based on the articles 78 and 83 item 1 of the Constitution, with the proposal of the Council of Ministers,

PEOPLE'S ASSEMBLY OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER 1
GENERAL PROVISIONS

Article 1

Object of the law

The law's object is to define the organizational form, the operational and administration rules of the Albanian Development Fund (hereinafter ADF).

Article 2

The scope of the law

The field of ADF's activities is the encouragement of a sustainable, balanced and cohesive social and economic development, at the local and regional level, to support the governmental development policies.

Article 3

Definitions

In pursuance to this law, the following terms denote:

"ADF" is the Albanian Development Fund.

"The statute" is the act which foresees the regulations of the ADF's inner functioning established on and in the application of this law:

“The Manual of Procedures” is the manual of management, administrative, financial, and technical procedures of the ADF.

“The Project” means projects or development programs implemented by ADF, financed by various donors and/or government.

“Donor” means all national and international financial and bank institutions being those public and private, domestic and foreign, which finance development projects to be implemented by ADF.

Article 4

The Legal Status

1. ADF is a juridical entity and is entitled to the status of the non-profit organization.
2. ADF is entitled to management, administrative, financial and technical independence.
3. ADF exerts its activity in pursuance to the provisions of the law herein, the Statute, The Manual of Procedures as well as with the stipulations set forth in the financing agreements and those of the projects implementation.
4. ADF is established as a central entity, with its headquarters in Tirana, which enjoys the right to establish other structures at local level according to the criteria and procedures stipulated in the Statute.

Article 5

ADF Objectives

In accomplishing its functions and competences foreseen by this law, ADF is guided by these main objectives:

- a) improvement of the local socio-economic infrastructure;
- b) improvement of the local public services;
- c) institutional strengthening of the local governing units;
- d) encouragement of good-governance at local level.

Article 6

ADF competences

1. The scope of ADF activity is, as the case might be, the designing, management, financing, implementation and supervision of the projects related to the field of activity.
2. ADF main competences include:
 - a) management of the projects financed by the Albanian Government and/or various donors whose aim is the local and regional development;
 - b)
 - c) provision of financial assistance in forms such as grants, loans, guarantees, etc. for the local government units to the improve the socio-economic infrastructure and local public services;

- d) provision of technical support in the implementation, follow-up and the supervision of investments to improve socio-economic infrastructure and the local public services;
 - e) provision of the technical assistance and the carrying out of trainings to increase the institutional capacities of the local government;
 - f) carrying-out of various activities to serve the implementation of policies and the instruments of the local and regional development.
3. ADF cooperates, coordinates and accords its activities with public institutions and other state organisms, civil society organisms and with other social organisms which operate in the domains or fields related to the local and regional development.
 4. Concerning the management of the projects financed by the Albanian Government and/or donors according to the object of ADF activity, the Albanian Government may contract ADF, pursuant to the respective agreements.

Article 7

The principles governing ADF activities

While accomplishing its activities and providing assistance to the local government units ADF is based, as the case might be, on the following principles:

- a) sectorial and/or territorial priority in compliance with priorities of the government policies for the regional and local development;
- b) the just and equal handling of the local government units in similar conditions among them;
- c) the application of controllable, transparent and simple procedures;
- d) the encouragement of the local community participation in the identification of the priority needs at local level, project implementation and their monitoring;
- e) the contribution of the local government units for the project funding;
- f) the cooperation among the local government units;
- g) the competition among local government units based on the criteria of needs, public effectiveness of projects and the best accomplishment of other principles set forth herein this article;
- h) principles and other criteria set forth in the agreements with donors or under the defined provisions for the allocated funds from the State Budget.

CHAPTER II

THE CAPITAL AND FINANCING SOURCES

Article 8

Financing sources

1. The incomes in the ADF budget are created from:

- a) funds obtained from the agreements between the Republic of Albania/the Council of Ministers

and various donors to finance projects which are implemented by ADF;

- b) funds obtained from State Budget, from individuals and institutions within and outside the Republic of Albania, in accordance to the respective agreements;
- c) funds obtained from the coo financing of the beneficiaries and local government units;
- d) revenues obtained from ADF activities and the services provided;
- e) material contribution, bilateral and multilateral programs and from various non-profit organizations;
- f) Other funding sources approved by the legislation in force.

2. Generated revenues from ADF activity will be used to finance its activities, in compliance with the procedures stipulated in the Statute.

CHAPTER III STRUCTURE, ORGANISATION AND MANAGEMENT OF ADF

Article 9 Management bodies

The management bodies of ADF are:

- a) the Board of Trustees
- b) the Executive Director

Article 10 Composition of the Board of Trustees

1. The Board of Trustees is the highest decision-taking body of the ADF and it is composed from 11 members.

- a) Five of these members represent the central government and they are as follows:
 - i. The Head of the ADF's Board of Trustees is the Deputy-prime minister of the Republic of Albania;
 - ii. Four members of the Board of Trustees are officials, at minister or deputy minister level, according to respective sectors in the frame of projects that are under implementation from ADF, which can be nominated or dismissed by the decision of the Council of Ministers.
- b) Six members are representatives of the local government, as follows:
 - i. two Chairmen of Regions, elected by the Association of the Chairmen of the Regional Councils;
 - ii. two Mayors, elected by the Association of the Municipal Mayors;
 - iii. two Chairmen of Communes, elected by the Association of the Chairmen of the Communes.

2. The term of office as members of the Board of Trustees is similar to that of their mandate as the local government elected members.
3. In case the mandate of the local government representative is revoked before its expiration, then the respective associations will propose the new member of the ADF Board of Trustees.

Article 11

The duties of the Board of Trustees

1. The Board of Trustees has the following competences:
 - a) approves the main orientations of the ADF's activity;
 - b) approves ADF Statute and the Manual of Procedures with two-thirds majority of the voting of Board of Trustees' members;
 - c) approves the agreements of implementation and/or the agreements of project financing;
 - d) nominates and dismisses the Executive Director, in pursuance to the article 12 hereunder.
 - e) supervises ADF administration and activities.
 - f) approves ADF organizational structure.
 - g) approves the provisions and the basic criteria of the ADF's employment terms including the structure as well as employers' salary levels.
 - h) approves the annual budget, annual reports and the periodic reports on the ADF activity.
 - i) approves the annual budget of the ADF;
 - j) reviews and approves the audit reports conducted on the ADF activity;
 - k) approves the Regulation for its operation;
 - l) takes decisions on the issues relevant to ADF activity and confirms the required documents for the progress of ADF's activity;
2. Secretary of the Board of Trustees is appointed from ADF's administration.
3. The mode and the most detailed procedures for the execution of the Board of Trustees competences are stipulated in the Statute, the Manual of Procedures and in its operational regulation.

Article 12

The Executive Director

1. The Executive Director is the highest executive authority of the ADF.
2. The Executive Director is accountable to the Board of Trustees.
3. The Executive Director is nominated with the approval of the two-thirds majority of the Board of Trustees' members.
4. As an Executive Director is nominated the person who:
 - a) is an Albanian Citizen;
 - b) has never been condemned for having committed a delict;

- c) has graduated in Economics or Law;
 - d) has obtained post-graduate degrees in the respective domain;
 - e) has more than three years of work experience in the management of the projects financed by various donors;
 - f) masters one or more foreign languages.
5. The mandate of the Executive Director lasts five years, with the right to be reelected.
6. The Executive Director is dismissed from his functions before serving out his term with the approval of the two-thirds majority of voting by the Board of Trustees members only in case:
- a) he is condemned by court for having committed a delict;
 - b) deficiency in ability to cover the assigned duties for more than six months;
 - c) breaks seriously the rules of work ethics, which are defined by the Board of Trustees in the ADF Manual of Procedures;
 - d) does not accomplish the assigned duties in pursuance to the Article 13 of the law herein;
 - e) he resigns.

Article 13

The competences of the Executive Director

1. All the competences which are not specified for the Board of Trustees are attributed to the ADF Executive Director. In particular the Executive Director has the following competences:
- a) ADF legal representation;
 - b) manages ADF administrative and organizational operation and execution of the decisions taken by the Board of Trustees;
 - c) administration of the ADF financial sources;
 - d) signing of Agreements with the Council of Ministers of the Republic of Albania and various donors;
 - e) staff selection and appointment;
 - f) calling for the extraordinary meetings of the Board of Trustees;
 - g) carrying out all the other duties assigned to him by law, the ADF's Statute and the Manual of Procedures.
2. The mode and procedures of the competence execution by the Executive Director are set forth in the ADF Statute and Manual of Procedures.

Article 14

ADF's Administration

1. The activity of ADF is supported by an administration which functions in compliance with the ADF's Statute and Manual of Procedures.
2. The work relationships of the staff under this administration are regulated according to the Work

Code.

Article 15

The conflict of interest

In the course of their activity, the employees of ADF prevent and avoid the conflict of interest in pursuance to the legislation in force, ADF's Statute and the Manual of Procedures.

CHAPTER IV

TRANSITIONAL PROVISIONS

Article 16

Continuation of rights and obligations

1. All the ADF rights and obligations in relation to the third parties prior to the entrance into power of this law, continue to be in force pursuant to the respective act or agreements with these parties.
2. Upon entry into force of this law herein, all the financial and physical assets at the current ownership of ADF continue to be its property.
3. Upon entry into force of this law, the assets which are under the administration of ADF continue to be thus, until another decision of the respective bodies. To the effect of tax registration, ADF will continue to have the same Tax ID number.

Article 17

Establishment of the first management bodies

1. The members of the Board of Trustees, representatives of the central government are elected not later than 30 days from the entry into force of this law, and are proposed in compliance with the article 10 of the law herein.
2. The Executive Director is elected not later than 45 days following the entry into force of this law and is nominated in compliance with the article 12 of the law herein.
3. The actual members of the Board of Trustees, representatives of the local government, carry out this assignment up to the end of their mandate as local government elected members.
4. The Statute and the Manual of Procedures pursuant to this law are approved by the Board of Trustees not later than 60 days after the establishment of this Board.
5. The management bodies of the ADF, prior to the entry into force of this law, continue to carry out their assignments up to the establishing of the management bodies in pursuance to this law.

CHAPTER V

FINAL PROVISIONS

Article 18
Abrogation

Upon entry into force of this law, follows the abrogation of point 2 of the Decision no. 12 of the Council of Ministers dated January 9, 1993 on the approval in principle of the World Bank Project “On the alleviation of poverty in the rural areas” which established “The Foundation on the Rural Development”, as well as all the other bylaw acts that conflict with this law.

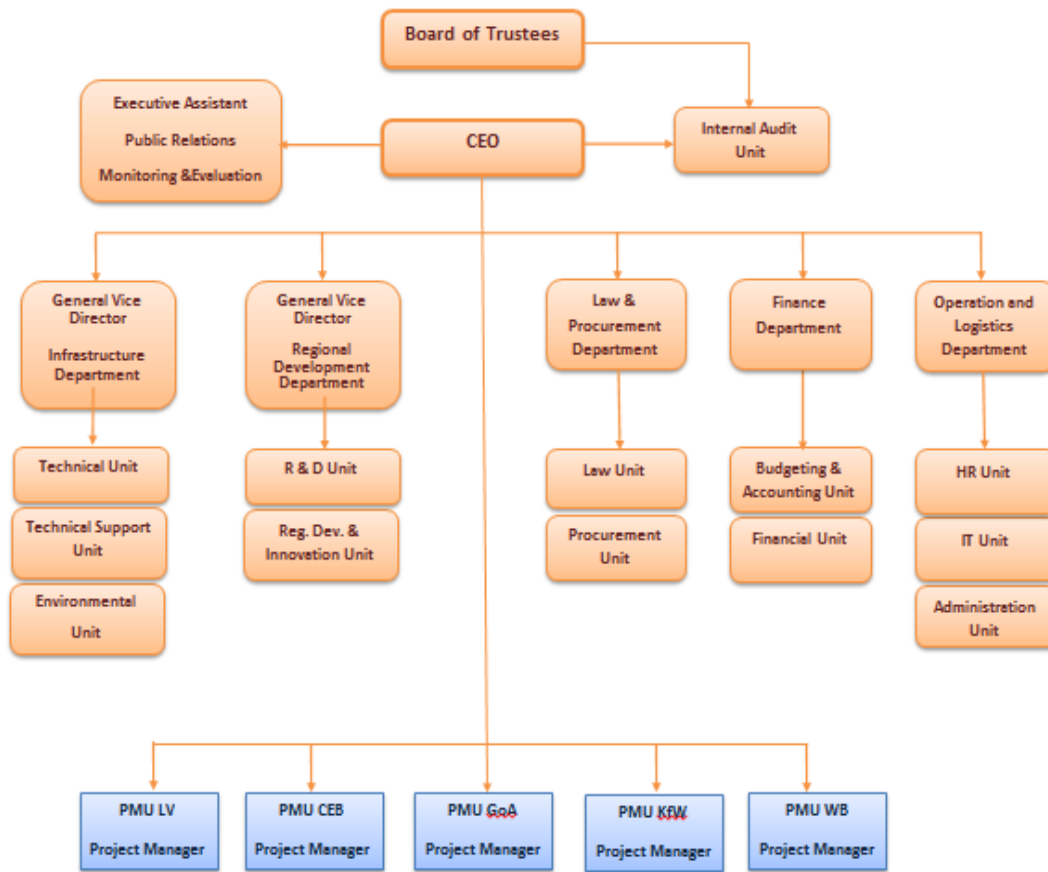
Article 19
Entry into force

This Law enters into force 15 days upon its publication on the Official Gazette.

Announced with the Decree no. 6181, dated 25.05.2009, of the President of the Republic of Albania, Bamir Topi.

Annex 2: ADF Organizational Structure

Organizational Structure and Internal Management Procedures



The management bodies of ADF are:

- a. The Board of Trustees (BT)
- b. The Executive Director (ED)

The counseling body of the ADF is the Technical and Administrative Council (TAC)

Annex 3: Environmental and Social Management Framework

3.1. Environmental and Social Management Framework (attachment)

3.2 . Gender Analysis and Foreseen Actions

a. Analysis to identify project-relevant gaps between men and women, especially in light of country gaps identified through the Systematic Country Diagnostic and CPF

1. Rapid economic growth experienced since the 1990s has not been evenly distributed among men and women. Women in Albania have a lower labor force participation rate than men: 58 percent versus 74 percent for men for the 15–64 age group (2016).² By comparison, in 1989 the women’s labor force participation rate was 85 percent (and 94 percent for men). During the transition period, public sector employment fell by over 70 percent, and this had a disproportionate impact on women, both in terms of lost employment in public sector enterprises and the loss of state-provided services such as childcare. Although the overall economy subsequently recorded high growth rates and achieved good rates of job creation, women have not managed to fully recover their position in the labor market. This can be partly explained by the fact that women’s employment tends to be concentrated in agriculture and in other sectors that have not experienced significant employment growth. As such, promoting women’s economic opportunities as part of the efforts to reverse poverty trends and boost shared prosperity is paramount.

2. While the 2013 election saw a marked improvement in women’s political representation (from 7 percent of parliamentary seats in 2009 to 27.9 percent in 2017),³ which was mainly due to the gender quota introduced into the Electoral Code in 2009, women’s development opportunities in Albania are constrained by economic and sociocultural factors including family dynamics. Entrenched patriarchal norms and values continue to exert a strong influence on social, economic, and family life in the country. The traditional gender paradigm places women’s responsibilities mainly within the private sphere and men’s in the public sphere. The Kanun (customary law), which provides a framework of household gender divisions, continues to exert some influence in rural areas of Northern Albania. According to this customary law, men are responsible for representing the family outside of the home and making family decisions, while women are responsible for carrying out household tasks and raising children. Migration has had a significant impact on family life and gender relations in Albania. Around one-quarter of Albania’s population resides abroad, the majority of which are men, who send remittances back to their families in Albania. This had both positive and negative effects for women; it has increased their financial independence but has also increased their burden of carrying out household and agricultural chores.

3. Although women are much more likely than men to enroll in, and graduate from, tertiary education (graduation rates are 64 percent and 36 percent, respectively), there is marked gender segregation in subject choices; women are disproportionately concentrated in health (85 percent) and education (74 percent) fields, which do not often lead to well-remunerated occupations, while men

² Institute of Statistics of Albania (INSTAT), Men and Women in Albania, 2017.

³ Inter-Parliamentary Union 2014.

dominate subject areas such as engineering, manufacturing, and construction (62.6 percent) and services (71.1 percent). Not surprisingly, gender segregation in education has translated into the labor market where, for example, less than 5 percent of all the employed women are in construction.⁴ Women's labor force participation is particularly low among the Roma community (just 25 percent of Roma women are employed, compared with 59 percent of Roma men).

4. Albania's gender divide is most evident in rural areas. Although most of the rural women work in agriculture, women consistently receive less financial benefits working in agriculture than men, due to multiple factors including, but not limited to, unequal access to information, education, and productive assets.⁵ Among the overall employed in the sector, a large share corresponds to unpaid family workers where women are overrepresented (61 percent) while majority of wage employees are men.⁶ Only 6 percent of farms are owned or managed by women, despite women's overwhelming representation in the sector.

5. Poor quality/unsafe roads are likely to affect women more than men in Albania. Although the information on gender-differentiated needs for roads is scarce, some reports point to that direction: for example, a 2007 household survey⁷ conducted in Tirana suggests that more women than men use public transport as their primary means of commuting to work. Others report lack of safe travelling options as one of the barriers to education that more girls than boys face. Domestic violence remains a cause of concern with significant share of women reporting to have suffered it by a partner during their life.

6. It must be noted that during the last decade the GoA has made some noticeable progress in terms of legislative changes to improve gender equality including the 2008 Law on Gender Equality, amendments to the Criminal Law to include coverage of domestic violence and quotas for women parliamentarians although there remain some challenges to implement them.⁸

b. Specific actions proposed to address the gender gaps identified in (a) and/or to improve women or men's empowerment

7. In line with the aspirations of the country's CPF and the World Bank's Gender Strategy to remove constraints not only for more but also for better jobs for women, and to reduce occupational gender segregation in the labor market, the project sourced a World Bank-executed TA to promote women's economic opportunities in Albania by working with the local stakeholders to explore opportunities to reach out and recruit women in a pilot road maintenance program as well as among the contractors' workforce in high-skill jobs. The proposed work is closely linked to one of the aims of the investment to modernize road maintenance practices where modernization relates not only to road inventory and conditions but to human resources practices, which include, among others, provision of equal employment opportunities for women and men. The work will be undertaken on a pilot basis with a number of municipalities and contractors to be selected in consultation with the ADF. Based on

⁴ Men and Women in Albania, 2017. Institute of Statistics of Albania (INSTAT); International Labour Organization Key Labour Market Indicators.

⁵ FAO (Food and Agriculture Organization of the United Nations). 2014. *The Gender Gap in Agriculture in Eastern Europe - Results of Recent Country Rural Gender Assessments*.

⁶ Davalos, M. E., and C. Cancho. 2015. *Insights into Key Challenges of the Albanian Labor Market*. World Bank.

⁷ Pojani, D. 2010. *Public Transport and Its Privatization in East Europe: The Case of Tirana, Albania*.

www.openstarts.units.it/dspace/bitstream/10077/6159/1/45D_Pojani.pdf.

⁸ Albania Country Profile, Organisation for Economic Co-operation and Development, Social Institutions and Gender Index: <https://www.genderindex.org/country/albania/>.

the results of the pilot, this will be rolled out in consequent road maintenance contracts that are expected to follow the pilot.

8. The proposed actions include (a) gender assessment to understand municipalities' needs and operational challenges to recruit women in road operations and focus group interviews with women to understand their needs and concerns toward taking up employment in roads works; (b) mapping the respective workforce of a sample of contractors to identify the share and the position of the employed women; (c) capacity-building trainings to the selected municipalities to enhance their skills to recruit women in a pilot road maintenance program and to mainstream best practices related to gender in road projects; (d) gender sensitization of various manuals, for example, curriculum of on-the-job trainings and operating procedures manuals to address any potential gender segregation of tasks that may be preventing women from performing a variety of tasks that they would wish to do/physically can; (e) examination of the contractors' views on the challenges and opportunities to employ women in their workforce and provision of recommendations to them in this regard, as well as the capacity-building trainings to strengthen their understanding and awareness of the risks of potential gender-based violence in the project sites and its prevention/mitigation mechanisms; and (f) a national event with municipalities/ADF/contractors to showcase results achieved with the selected stakeholders in this pilot and, more importantly, to produce a gender action plan reflecting concrete measurable commitments made by the stakeholders to promote women's employment throughout the project with an ultimate goal of increasing the share of women employed in the sector. The GoA is committed to increasing the number of women in high-skilled jobs in the workforce of the contractors and road departments of the participating municipalities by 10 percent (from 5 percent to 15 percent) by the end of this project. The ADF and the World Bank will use the action plan to monitor the achievement of this target as well as other goals to be identified in consultation with the ADF during the implementation of the TA.

Annex 4. Resettlement policy framework (Attachment)

Annex 5: Financial Management Manual

INTRODUCTION

The Albanian Development Fund (ADF) will be managed in accordance with the procedures stated in the Operational Manual (OM).

The Financial Management Manual (FMM) provides a detailed description of the financial management (FM) arrangements of the project; including planning and budgeting, accounting, internal control, funds flow, financial reporting, and auditing arrangements in compliance with the World Bank requirements and Albanian current laws and regulations. The FMM is an integral part of the project Operational Manual.

The manual also indicates procedures for preparing and filing the relevant supporting documentation.

The FM of ADF will manage financial information for monitoring the project's progress toward its agreed objectives. The FM will maintain adequate financial management system, including planning and budgeting, accounting, internal control, funds flow, financial reporting and auditing, to provide reliable and timely information regarding project resources and expenditures.

The FM controls all financial, logistic, part of administrative and personnel operations, such as:

- Purchase payment and registration of all goods, services and fixed assets;
- Relations with local commercial banks where ADF will open Designated Account (DA) and other accounts;
- Reports to the ADF Supervisory Board (SB), World Bank, other donors and MoF (GOA)
- Implementation of relevant administrative orders;
- Control of work time and attendance of the staff, processes regarding administrative Manual;
- Keeps all financial documentation.

Objectives of the manual

This Manual has been prepared in compliance with: Disbursement Handbook; Financial Monitoring Reports for World Bank Financed Projects: Guidelines for Borrowers; Reference Material to the Financial Management Manual for World Bank-Financed Investment Operations, RM Financial Reporting and Auditing and other relevant WB guidelines and references.

Procedures for updating the manual

Any updating of the present Manual will be done by FM and will be effective after approval by Executive Director (ED), the ADF Supervisory Board (SB), and should be agreed with the World Bank.

ORGANISATIONAL MANAGEMENT

1.1. Management Principles

All the rules pertaining to the personnel are drawn up in accordance with the labour legislation of Albania and reflected in the MOP.

ADF will be managed in accordance with the methods worked out in the Operational Manual. ADF employees will be selected by its Executive Director on competition basis in accordance with the work description drawn up for each position. Procedure of employee selection is reflected in the Administrative Manual.

1.2. Organizational Structure

ADF operates under the supervision of a Supervisory Board and is managed by an Executive Director (Annex-1). Financial Management based on the ADF structure is working under direct supervision of the Executive Director. Head of Unit lead and coordinate unit's activities.

1.3. FM role and responsibility

The responsibilities of the FM are to carry out all financial management activities of ADF in accordance with Albanian law and regulations, and World Bank relevant guidelines, or in case of funding from other sources, the requirements of the respective donors.

Specifically, below is highlighted the important aspects of activities executed by the FM :

- (a) Prepare the ADF annual budget, control its execution, and prepare monthly status reports for the ADF Executive Director;
- (b) Prepare semiannual reports on budget execution for submission to the Supervisory Board, other Government bodies, in particular IFR s for the World Bank, and/or, if applicable, any other donor.
- (c) Follow the overall financial position of ADF, including evolution of revenue and expenditure, and prepare corresponding short-, medium-, and long-term projections.
- (d) Prepare annual disbursement plans for the World Bank (IBRD) Loan account, and/or, in case of funding from others sources, the relevant documents required by the respective donors;
- (e) Manage ADF accounts, including Designated Accounts, for accounting and reporting purposes in accordance with IFRS international accounting standards, requirements of Albanian law and regulations, and the World Bank relevant guidelines and/or, if applicable, the requirements of other donors;
- (f) Carry out all financial transactions of ADF including other revenues due to ADF; payments to ADF contractors and government entities; payments for salaries and other ADF operating expenses; and replenishment requests for Designated Accounts;
- (g) Ensure all payments and other financial transactions for contracts for projects executed in conformity with contract terms from the submission of the invoice and executed by ADF on behalf of its clients;
- (h) Coordinate the appointment and contracting of independent external auditors and prepare all necessary documentation for the execution of annual audit

Financial Management includes budgeting, accounting. The Unit is led by Head of the Unit. There are 5 specialists working on budgeting on accounting issues.

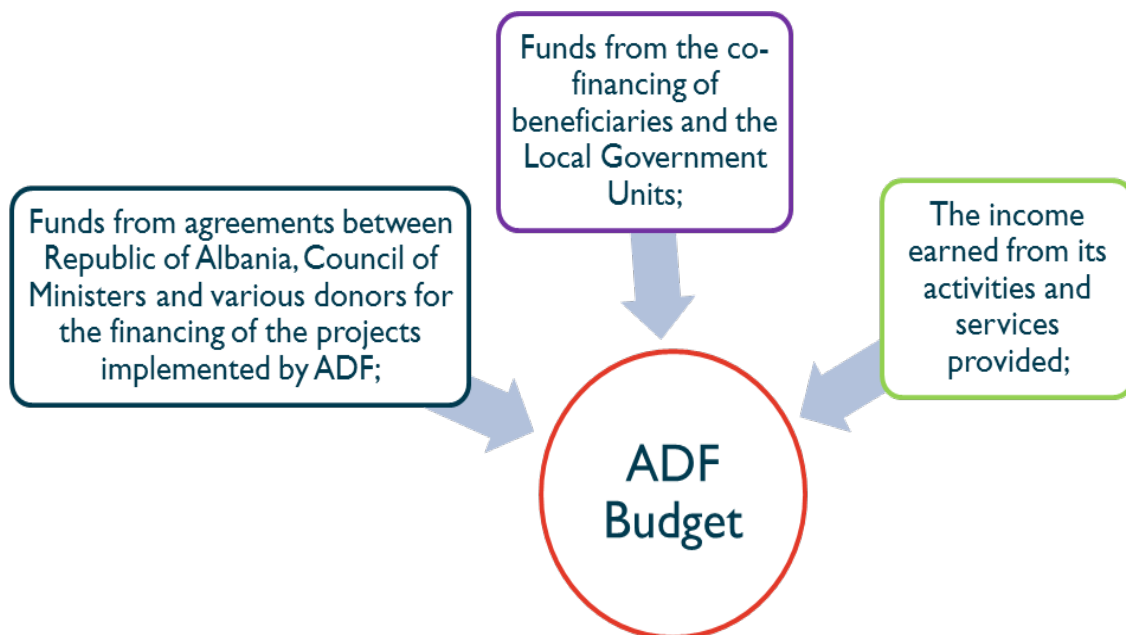
FLOWS OF FUNDS

Understanding the project

In ADF, there will be several sources of funds:

- International financial institutions: The World Bank; and/or other FI and donors etc
- Local Government, Beneficiaries and/or Other contributors:
- GOA through the Ministry of Finance of Albania;

Funds will come from donors through several bank accounts and will be spent according to the budget planned under the categories based in the Project Appraisal Document (PAD), Loan Agreement (LA) and annual budget prepared by ADF.



Flows of funds

Funds will be managed through the various accounts according to the following procedures:

- Designated Account with the World Bank
- Description of Designated Account (DA)

The MoF will open a Designated Accounts in the BANK of Albania upon request by ADF. The Designated Account shall be set up with funds advanced, at the ADf 's request, by

the World Bank.

Ceiling of designated account – Variable based on cash forecast for two subsequent quarters

Currency of the designated account - USD.

Signatories for the transfers made from DA will be Executive Director and Head of Financial Management.

According to the Disbursement letter, the ADF shall present to the World Bank a request for replenishment in an amount equal to the payments made, supported by a Unaudited Interim Financial Reports (IFRs) certified by the authorized signatures. The supporting documentation shall be retained by the ADF and shall at all times be available to the auditors and to the representatives of the World Bank and of the Ministry of Finance of Albania.

Disbursements

Detailed information on disbursement procedures are given in the World Bank Disbursement Handbook and the Disbursement Letter for the project, which is prepared by the World Bank Loan Department before project, starts disbursing funds.

Withdrawal application

The World Bank form Application for Withdrawal - eForm 2380 together with its IFRs shall be used for the following:

- Advance to the Designated Account;
- Advance to and documentation of advance to the Designated Account
- Direct payment from the credit (or other financing) account to a third party for amounts due;
- Reimbursement of payment(s) already made by the Borrower from its own resources.
- Special Commitment

Minimum value of applications for Direct Payment and Special Commitment is 200,000 USD;

Authorization process: Application is prepared by the accountant, after verified by the Head of Unit. The Head of Unit posts the application to the Client Connection System and sends for signatory to liaisons indicated under e-signatory.

The Authorized signatories are 1) Executive Director, and 2) Head of FM. The authorized signatures letter, in the template provided in the Disbursement Letter will be submitted by the Ministry of Finance when the project becomes effective.

Unaudited Interim Financial Reports (IFRs)

Quarterly interim financial reports (IFRs), containing at least (a) the statement of sources and uses of funds (with expenditure classified by category and component), (b) contract monitoring, (c) cash forecast for two subsequent periods, and (d) a designated account (DA) statement will be submitted to the World Bank within 45 days of the end of each quarter. Should the Bank determine at any time that the IFRs are not adequate to support the disbursement process, it reserves the right to revert to the traditional disbursement methodology (SOEs, summary sheets etc.).

Statements of Expenditure-(SoE)

The certified statements of expenditure shall provide a detailed listing of all eligible payments made with, for each one, specific reference to the supporting documentation (including filing code). Certified statements of expenditure shall be prepared under the responsibility of the Head of Financial Department and be approved by the ADF Executive Director. The supporting documentation will be retained at ADF 2 years after the project closing date. (WB disbursement guidelines)

Reporting on USE of Financial Proceeds, Request for Reimbursement and Direct Payment under ADF will be in accordance with the Disbursement Handbook, WB Guidelines and Client Connection procedures (Project's bank accounts

In addition to DA the ADF will also open two other separate accounts (one in USD?? and one in ALL) in commercial bank, where loan proceeds will be deposited.

Authorized signatures

The signatories to Project accounts are jointly the Executive Director of ADF and the Head of FM.

Foreign exchange risk

To avoid foreign exchange losses, ADF will maintain bank accounts in ALL Euro and USD. Any losses from the foreign exchange Difference shall not be covered by the World Bank Funds, and should be covered by the Borrower.

Flow of documents

In ADF, part of administrative procedures will be decentralized to the Head of the Units. Flow of documents at ADF level

a)Commitments

- The contract shall constitute the basic document for accounting of commitments and disbursements;
- One copy is to be registered and kept in Financial Unit's Office;
- As each payment is made, its date and amount shall be noted on the contract payment record; at any given moment the undisbursed portion of the amount committed shall be the difference between the initial commitment and the sum of the payments already made.

b) Presentation of invoices / Request for payment – The role of LGU's as applicable in this and the following step is clarified in the investment agreement with municipalities. In those cases when required, LGU's should issue a letter confirming acceptance of works (check against delivery lists and technical specifications) and services (check if all comments and recommendations have been incorporated in the Final Report). A copy of the acceptance letter and final deliverable, approved timesheet and other evidence will be submitted to ADF for further processing.

- Invoices/Payment requests shall be submitted by the contractor and/or supplier/consultant as specified in the contract;

- Each invoice/payment request shall clearly specify the corresponding work performed indicating:

- the costs;

- taxes if necessary;
 - the amount of any withholding for the advance payment;
 - the total to be paid;
 - the contractor's/supplier's/consultant's full name, Tax identification Number and bank account to which payment should be made
- Invoices/payment requests shall be dated and signed by the contractor's /suppliers/ consultant's authorized representative.

c) Checking of invoices

ADF Head of the Administrative Unit or respective unit's Head shall reconcile any invoice and attached statements of work, goods and services certify the service performed by comparing:

- Purchase order and actual delivery;
- Purchase order and invoice

And then transmit the file to the Deputy Director for the approval and further processing to the FM for further payment.

The accuracy and completeness of all invoices/payment request (including tax invoices) should be verified by the respective Accountant prior to making payment. The verification should be confirmed by the signature on the invoice.

d) Authorization for payment

The designated financial specialists respectively shall check the breakdown of the invoice against the undisbursed portion of the commitment shown on the contract payment record. Payment orders are prepared by respective accountants, approved by Head of Finance and finally authorized by Executive Director.

e) Closure of contract

Upon final acceptance of the works, all retention moneys of the balance thereof shall be released after execution of the work to be done before any reservations lodged at provisional acceptance are lifted. At that time the contract shall be considered closed, and any undisbursed commitment voided.

4. Budgeting procedures

4.1. General principles for budgeting

The Project Appraisal Document (PAD), Loan Agreement (LA) will provide detailed data about the project main activities and disbursement categories implemented by ADF.

Responsibility for preparation and approval of budget

Based on planned activities of ADF to reach basic goals of the project, FD proposes a model of ADF organizational budget which includes each Project divided by Disbursement Categories. Financial Unit collects projections of project implementation from other ADF units and reflect it to the model of organizational budget. Organizational Budget prepared on annual basis reflects all expenditure categories, expenditure items, financiers, donors, and

government funding within the agreed financing percentages. Prepared Model of organizational budget reviewed by Executive Director and all ADF Units Managers.

ADF annual budget, provide to Supervisory Board at the end of each year for approval. Changes in Organizational Budget could be done only after Supervisory Board approval.

Financial Unit controls monthly expenditures by comparing them to budget and prepares monthly budget comparison report for Executive Director. Any discrepancy should be explained and disclosed in corresponding notes.

5. Accounting system

The Accounting system shall be maintained and operate based on the “cash-basis” approach. Due to the nature of the institution responsible for the management of various financing sources and reporting requirements, ADF shall maintain an Integrated Computerized Accounting System, called Financial Management System (FMS) approved by WB in previous projects implemented by ADF

Chart of accounts

ADF shall have its chart of accounts which is labelled and codified in response to nature of ADF’s operations, aiming at the recording of transactions by type, category of credit, financing source and destination for the use of funds.

The major accounts grouping shall be serve the Financial Reporting for public institutions and donors.

The accounting shall ensure the recording of assets, liabilities, receipts, payments, financing sources and the destination for the use of generated revenues.

The grouping of Accounts shall include the following categories:

1XXX - Funds

2XXX – Assets/Investments

5XXX – Bank Accounts and cash

6XXX – Expenses

7XXX - Revenues

Funding sources shall be classified as follows:

- i. Credit from International Financial Institutions;
- ii. Credit from foreign Countries;
- iii. Grants from International Financial Institutions
- iv. Credit from foreign Countries;
- v. Funds from the GOA;
- vi. Funds from Local Beneficiaries (public or private);

- vii. Funds from Agreements with Ministries or other institutions in the country;
- viii. Miscellaneous funds

Bank Accounts shall be classified into Designated Accounts (DA) and Operating Accounts (OP) according to each program and donor.

The Expenses shall be classified by categories and components defined in the respective agreements, as follows:

- i. Works and non-consulting services
- ii. Goods and Equipment's;
- iii. Technical Assistance;
- iv. Training;
- v. Operating Costs;

The sources of revenues shall be classified into:

- i. Interests of current accounts and term deposits;
- ii. Sale of bidding documents;
- iii. Competitive grants, seizure of bank warranties.

Accounting policy

The financial procedures of the ADF shall adhere to the Albanian Accounting Law, International Accounting Standards (IAS/IASPS) approved to be implemented in the territory of Albania by the National Accounting Committee (NAC), the accounting guidelines for non-profit organizations and if appropriate, guidelines for specific reporting on the donors' requirements.

The accounting system shall:

- i. Facilitate the reporting and auditing of Projects/Programs;
- ii. Take into consideration requirements of the Donors and other interested parties
- iii. Allow identification of groups or subgroups of costs for all expenses, in order to enable easy physical comparisons and other monitoring;
- iv. Allow presentation of expenses, according to disbursement categories such as Civil Works, Goods, Non/ Consulting Services, Training, Operating Costs, etc;

- v. Allow the presentation of financial resources whenever required; lejoje paraqitjen e burimeve financiare sa here qe kërkohet;
- vi. Allow the recording of Assets, liabilities and accumulated funds in appropriate groups.

The accounting system will be maintained in both ALL and USD. Variation in foreign exchange rate between the two currencies will be treated according IFRS and Albanian accounting regulation, as a change in the Fund source account without any impact as a gain or loss in the operating costs.

Specific Rules for project Accounting

Payments to suppliers

To process payments to suppliers, the FD will liaise with the respective Department team.

Advance Payments to suppliers

In the case of a commercial contractor for Civil Works, an advance payment will not exceed the amount secured by a bank guarantee. The bank guarantees should be closely monitored in order not to skip the expiration date. The Performance Security guarantees and the advance Payment Guarantees are monitored and controlled by Procurement Unit. For correctness of the Defects liability guarantees are responsible three units, in particular Financial, Procurement and Legal. Each department monitor the guarantee on the corresponding time level. The Financial Unit, in particular accountants are involved in the process on initial stage (submission, monitor the correctness of the information, and respective payment) based on the submitted document. The monitoring and legal departments are responsible for the controlling the validity period of the guarantees and respective actions in case of claims against the guarantees.

Also, any change in contract amount, duration which may have its impact on the bank guarantees, should be communicated to the financial/accounting or respective staff who monitors the guarantees for taking proper actions, if needed.

In case of local or international consultant, an advance payment will be paid based on the terms of the contract.

Payment to suppliers for accomplished works

Payments to contractors will be in accordance with terms and conditions stated in the Contract.

Payments to the Consultants

In the case of consultants, periodic payments will be made for provision of services based on the contract and after submission of work done to the respective supervisor of this contract.

Request for Payment

Before disbursements are released the monitoring department should assure the following be

scrutinized:

- That the "Request for Payment" and/or Hand-Over agreement is correctly completed by respective supervisor;
- That payments are requested according to the budget line indicated in the Framework Agreement and the contract;
- That the required accurate documents are attached.

In case there are errors in the request form or if the documentation is found to be unsatisfactory, the "Request for Payment" is returned to the Supervisor or Coordinator for amendment or correction.

Payroll Processing

All Payroll processing is performed by relevant Specialist from FD, who is responsible for accuracy and correctness of the process. The staff received salary based on the contracts ones in a month. Any bonuses and additional payments are supported by respective Orders, issued by and signed by Executive Director. The time-sheets are not submitted by the staff. The administrative Unit controls the attendance based on the information from the SOFT-ware installed in the entrance of ADF. The Head of each Unit is responsible the tracking of the records of the staff under his supervision. Staff salary and any kind of bonus rates are predefined by Executive Director and approved by Supervisory Board. Salaries paid during last week of each month based on the salary scale signed by Executive Director, Head of Administration and FM. Employee's salary is transferred to employee's bank account.

Description of the Computerized Accounting System

The ADF accounting system is currently using the computerized financial software "DATECH".

The Computerized Accounting System will ensure the following:

- Reliability in information storage and fast processing of information;
- Simple and clear methods of information input and output;
- The necessary level of protection from unauthorized access;
- Certain level of protection against the input of false data;
- Generation of reports meeting both the IFRS requirements and Albanian accounting rules;
- Make daily backups.

The accounting software allow analyzing transactions as follows:

- Donors "Source of Funds";
- Disbursement categories: Civil works, Goods, Consulting services, Operational costs;
- Main Activities of project: Component and sub-components;
- Origin of expenses Local expenses, foreign expenses.

Financial Unit staff has different access to accounting system, they have the different passwords and different level of access to the information. Accountants can enter the simple daily transactions and print-out standard reporting forms; Chief Accountant has full

access without possibility of payment authorization. Financial Manager has full access level.

The accounting software has reporting module as well (WB FMR). Backups are prepared by Programmers on Server.

Operational expenditures

Operational expenditures comprise: salaries, office rent, communications, stationary, maintenance, acquisition of fixed assets, etc. Control over stationary usage and its acquisition is performed by Administrative Unit.

All operational expenses will pay based on the invoice of hand-over agreement preliminary approved and signed by Administrative Unit Representative. The Head of FM compares invoice amount to Organizational Budget monthly undisbursed amount and gives approval for payment. The respective Accountant is responsible for the verification of the accuracy and completeness of the invoice/payment request.

All fixed assets purchase by ADF will be marked or will bear inventory tags. Each fix asset is numbered and is assigned to respective staff member. Any staff member is responsible to keep belonging to him fix assets. During the last month of each year Administrative Unit proceed general reviews of fix assets – assets physical inventory by special committee which includes ADF different Units staff members. Committee prepared final list of fix assets and provide to Financial Unit for make respective transactions into accounting books.

FINANCIAL Reporting

Format of Interim Un-audited Financial Reports (IFR)

Name
Sources and uses of funds statement
Uses of Funds by category
Project Balance sheet
Contract monitoring
Cash forecast
Withdrawal Schedule
Designated Account statement

Staff in charge of producing reports

Interim unaudited Financial Report (IFR) is prepared by Head of the Unit. Frequency of Financial Monitoring Report

Interim Financial Reports (IFR) should be prepared on a quarterly basis and submitted to the WB within 45 days of the end of each quarter.

In addition to the above mentioned, annual reports are to be prepared, which will summarize the information contained in the quarterly reports.

Internal Control

Principles ruling internal control

The ADF internal control systems should be able to ensure that financial records are reliable and complete. In particular, the internal control system should ensure:

- safeguarding of assets and resources;
- compliance to management policies, applicable laws and regulations;
- Accuracy and completeness of accounting records;
- Timely preparation of reliable financial information;
- Prevention and detection of fraud and errors. Appropriate documentation of policies

All standard procedures related to the checking information and verification of the documents must be followed by accountants. The accountant should check the signatories of all staff, who is responsible for the issuance of the documents based on the existing structure.

Segregation of functions

- Authorization to execute a transaction;
- Recording the transaction in the accounting records;
- Maintaining custody of the assets that arise from the transaction;
- Procurement and accounting;
- Accounting for fixed assets / Annual Inventory of assets.

Also the staff recording the transaction and the staff carry out the reconciliations at the period-end should be different.

Internal Control Procedures

Fixed Asset Control

The internal control of fixed assets such as furniture, equipment, machinery and any other capital assets is to be maintained by ADF. All employees are responsible and accountable for fixed assets in their possession. Each Fixed Asset is tagged indicating the inventory number.

Any acquired or donated assets will be recorded in a Fixed Asset register. This register will include a description of the asset, date received, cost or estimated (market) value, unique serial numbers, location and an indication if it was purchased or donated. The Fixed Asset Record will be maintained by the Accountant who should be notified about worn out or obsolete assets with no cash value. At the end of each year ED appoints commission with three members to carry out inventory of the main assets. The commission will physical inspect and record all main assets indicating: name, model, unit price, quantity, condition, place, and the name and position of the responsible person. Old or obsolete assets should be written off at the end of each calendar year on the basis of conducted inventory and drawing up relevant act.

Pay and Payroll Matters

Salaries are calculated according based on the Staff's salaries list approved by the Supervisory Board. The rate is depends on the position of the employee. Salaries shall be calculated in €

and paid in Albanian Lekë, converted with the exchange rate offered by the Bank of Albania (where the DA is opened) on the 28th day of each month through the bank/ transfer to the personal account and all salary payments are registered in a Payroll. Payroll sheets are prepared by relevant specialist from FU and after submitted for approval to Head of Unit. The payroll sheet, which is already signed and approved by HU should be signed by Executed Director of the ADF. The all staff salaries are transferred to related accounts opened in a Commercial Bank.

External Audit

Annual Audit

The fiscal year of the ADF is from January 1 to December 31.

The accounts are to be closed on the last day of the fiscal year and the audit is to be conducted within two months of the closing of the accounts.

The purpose of the audit is to give the World Bank a reasonable assurance that the funds were used according the terms of the loans and for purposes intended.

The audit also aims to provide the Government of Albania with the tools to exercise its legitimate oversight responsibility.

Audit reports shall be submitted to ADF Board of Trustees and to Donors no later than June 30 of each year. Audit expenses are covered by Donors and ADF local costs (State budget).

The audit of the project and the entity (ADF) financial statements will be conducted (i) by independent private auditors acceptable to the Bank, on terms of reference (TOR) acceptable to the Bank, and (ii) according to the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC).

The annual audited project and entity financial statements will be provided to the Bank within six months of the end of each fiscal year, and for the project also at the closing of the project. If the period from the date of effectiveness of the loan to the end of the borrower's fiscal year is no more than six months, the first audit report may cover financial statements for the period from effectiveness to the end of the second fiscal year.

Conflict of Interest

Conflict of interest shall be interpreted but in no way limited to the following: any past, present or prospective economic, financial and private direct and/or indirect (through relatives or partners) interest, as well as ownership or other links with the ADF staff or companies, project developers and individuals involved in projects financed directly by the ADF.

It is expected that all officers, trustees, and staff of the ADF will at all times adhere to the highest ethical standards in all matters.

Where any officer, trustee, or staff member, or any spouse (or other person with whom one cohabits), or lineal descendant or ascendant of same respectively, is an officer, director, or staff member of, or has a financial interest in, any other association or other organization (including any vendor of goods or services) with which ADF has entered into, or is considering entering into, any contract or other transaction, such officer, trustee, or staff member shall disclose in writing to the ADF director all material facts as to the relationship or interest. Individuals with conflicts of interest must reclude themselves from

participating in any part of the decisions related to the transaction giving rise to the conflict.

No officer, trustee, or staff member shall use, for financial or other advantage, confidential or proprietary information accessed by virtue of his or her position with ADF. Information does not need to be marked as "proprietary" or "confidential" before this policy applies. Types of information ADF considers proprietary or confidential include, for example, computer programs and databases, such other information as personnel files, research and development information, strategic plans, technical information, financial information, and advice of accountants and legal counsel. Only individuals to whom proprietary and confidential information must be disclosed in the performance of duties have a need to know this information.

Fraud, waste, or misuse of project resources or property

Each case of fraud, waste or misuse of project resources or property identified by the ADF employee shall be reported in writing to its direct supervisor or to the ADF director if the issue is neglected or unsettled by the supervisor. In case the MDF director fail to undertake any action for suspending such fraud, waste or misuse, the issue shall be submitted to Board member/members in writing by the same employee with sending a copy of such notification to the person having committed an act of fraud, waste or misuse.

Annex 6. Report on the Projects prioritization for the first phase

1. Purpose of the report

The purpose of this document is to present the prioritization process conducted by ADF for the preparation of first year investment programme for the the Regional Connectivity Programme. This document aims to present the phases/steps and criteria used in the evaluation and selection of investment projects.

2. Analyses and consultations with stakeholders

The Key steps in this phase were:

- **Formal letter addressed on 19th of April to all 61 municipalities to first inform them on the programme, consultation schedule and process of prioritization.**

ADF asked a list of potential rural road construction/rehabilitation that fulfill the criteria for being financed through this programme and deadline for the official answer. Template forms to be filled by the municipalities were sent attached to the letter.

- **Workshop/consultations with all the municipalities in region base.**

The aim of these workshops is to explain to the municipalities the criteria that need to fulfill an investment in order to be financed, as well as their contribution in the preparation of analyses, such as cost benefit analyses etc, and respective deadlines. 13 workshops were organized starting from 25th April to 5th of May 2017

Results:

- Max 2 road sections (20 km-s) for small municipalities (low no.population) and 3 road sections (40 km-s) for large municipalities (high no.population), were provided.
- A comprehensive list of approximately **1.380 km of rural roads projects, or 145 road sections**, that fulfill the criteria of this programme and that are based on national and local plans and strategies, is prepared. 51 municipalities sent their priorities.

3. Data collection and analyses

A multi-criteria analyses approach was agreed with the World Bank staff to be used for the purpose of the prioritization exercise.

A set of data technical, economic and social were collected from the municipalities during their application and a database was created. A first filter based on the unverified data as sent by the municipalities was conducted by the ADF and the World Bank team. This filter was based on 4 key criteria:

- Tourism importance (40%)
- Agriculture Potential (20 %)
- Traffic (20%)
- Population served (20%)

The top 15 road sections, around 210 km-s resulted as the highest ranked sections. It was agreed that further analyses would be conducted on these 15 sections to define a first year work plan of investments.

Nr.	Qark	District	Administrative Unit	Road Name
1	DURRES	Durres	Rrashbull	Rruga Liria- Rrashbull Durres
2	FIER	Fier	Dermenas,	Rik i rruges Ura e Hoxhares - Darzeze
3	FIER	Fier	Qender,Dermenas, Topoje	Rik i rruges Fier - Seman
4	LEZHE	Lezhë	Balldre	RIKONSTRUKSION I RRUGE TOROVICE
5	DURRES	Durres	Sukth	Rikonstruksion i rruges Sukth - Rrushkull
6	TIRANE	Kamëz	Kamez	Paskuqan - Aeroporti Rinas
7	KORCE	Pogradec	BUÇIMAS	Pogradec-Tushemisht
8	FIER	Fier	Libofshe	Ardenice - Shen Kozma
9	LEZHE	Lezhë	Zejmen,Kolsh, Lezhe	Rehabilitimi rruges Lezhe - ura e Milotit
10	FIER	Fier	Levan	Kthesa Qarr - Derik
11	LEZHE	Lezhë	Lezhe,Shengjin	Shengjin – Rane e Hedhun
12	SHKODER	Shkodër	Theth	Rruga "Qafe Thore-Theth"
13	VLORE	Vlorë	Novosele	Rruga Novosele Poro - Faza 2
14	SHKODER	Malësi e	Shkrel	Rrethrotullimi Koplík - Dedaj

		Madhe		- Razem
15	KORCE	Pogradec	Proptish ,Velcan	Slabinjë-Losnik-Velçan-Laktesh-Somotinë

Figure 1: Shortlisted road sections

ADF collected more detailed data, especially on the cost calculation in order to conduct a proper economic analysis using RED.

3. Description of the methodology used and criteria for the selection of the first year programme.

The criteria used and their weights are the following.

- Tourism importance (40%)
- Agriculture Potential (20 %)
- Net present value (20%)
- Population served (20%)

Tourism Importance assessment

Tourism is one of most important sectors in Albania recently, which impacts directly in the social and economic development and generates employment and incomes, especially for the population in rural areas. Tourism is well linked with other economy sectors, including agro tourism, entrepreneurship development and has a huge impact in agriculture as well.

Rating of components/ measurement scale

0	10	20	30	40
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Data analyzed:

The tourism criteria were measured basically using two key sub-criteria:

1. The importance of the tourism area linked by the road. (20 points)

Key indicator: Territory linked by the road in an important national asset (yes or no)

Source: Decision of Council of Ministers defining tourism importance areas, the National Territorial Plan definition of tourism importance areas.

This is a yes or no indicator Yes=20 points; No = 0 points.

Number of beds in the area (related to tourism)

Key indicator: Number of beds in the area served by the road

Source: Municipality application checked with other reports,
Evaluation grid for the number of tourists

Tourism importance	Maximum Score	Granted Scores	Low	medium		High	
			0	5	10	15	20
	40						
1.1 Accomodation Capacities (beds) 0	5						
1.2 Accomodation Capacities (beds) 0-180	4						
1.3 Accomodation Capacities (beds) 180-287	3						
Accomodation Capacities (beds) 287-516	2						
1.5 Accomodation Capacities(beds) 516-32,000	1						
Scores tourism							

Percentile	Value
1.0	32,000
0.8	516
0.6	287
0.4	180
0.2	0
0.0	0

Table of percentages based on Number of beds for a seasonal occupancy rate

Agriculture Potential (maximum 20 points)

Rating of components/ measurement scale

0	5	10	15	20
---	---	----	----	----

Key indicator: The key data analyzed here is the area of arable land (in cultivation or not) in the catchment zone of the road (in a buffer zone of 2 km-s from the road).

Source: GIS and Google earth measurement of the arable land. This is a better proxy than the data provided by the municipalities that by large are data belonging to an entire administrative unit.

Evaluation grid for agriculture potential of the project

Agriculture potential	Maximum Score	Granted Scores	Low	medium		High	
			0	5	10	15	20
	20						
1.1 Agriculture potential based on the Arable land of 0-364 ha	5						
1.2 Agriculture potential based Arable land of 364 -802 ha	4						
1.3 Agriculture potential based Arable land of 802 -1730 ha	3						
1.4 Agriculture potential based Arable land 1730 - 1,973ha	2						
1. Agriculture potential based Arable land of 1,973- 5700 ha	1						
Scores agriculture							

Percentile	Value
1.0	5,700
0.8	1,973
0.6	1,730
0.4	802
0.2	364
0.0	100

Table of percentages based on the *Arable Area*

Economic return of the investment

Rating of components/ measurement scale

0	5	10	15	20
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Key indicator: The Net present value of the investment. (NPV)

Source: ADF with the WB assistance used the RED, the Road Economic Decision Model for the the calculation of the NPV and EIRR.

Key inputs used for running the RED include the following data:

Data provided by the municipality:

- Road data base information (Name, start latitude, longitude, end latitude, end longitude, length, carriage, shoulder weight, carriage surface type, shoulder surface type, traffic volume, condition, year last resurfaced) (provided by the municipality)
- Traffic counts (current travel time, current total traffic, current small/large bus traffic, current small/medium truck traffic) - 3 days/road from 8 am: 12 pm; AADT corrected for daily traffic

Data provided from ADF:

- IRI (ADF team conducting IRI for 2000 km)-through open source RoadLab Pro software
- Project road work description and investment cost (internal ADF human resources- for the 200 km-s a thorough check was made in each of the 15 sites)
- RED was run by ADF experts

Evaluation grid for agriculture potential of the project

NPV	Maximum Score	Granted Scores	Low	medium		High	
			0	5	10	15	20
	20						
1.1 NPV [$< - 2.671$] mln EUR	5						
1.2 NPV [-2.671 to 1.384] mln EUR	4						
1.3 NPV [1.384 to 1.863] mln EUR	3						
1.4 NPV [1.863 to 4.841] mln EUR	2						
1.5 NPV [4.84 to 12.724] mln EUR	1						
Scores traffic							

Percentile	Value
1.0	12.724
0.8	4.841
0.6	1.863
0.4	-1.384
0.2	-2.671
0.0	-10.631

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Table of percentages based on NPV

Population served

Rating of components/ measurement scale

0	5	10	15	20
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Key indicator: Number of direct beneficiaries. (Direct beneficiaries are defined the population that is direct user of the road to be constructed). Data on the number of indirect beneficiaries were also considered but it was understood differently from the municipalities hence giving some data difficult to be compared to each-other.

Source: Municipality applications, cross-checked by ADF staff using the latest data from the Census, Civil registry offices and local plans.

Evaluation grid for rate of population served from the project

Population served	Maximum Score	Granted Scores	Low	medium		High	
			0	5	10	15	20
	20						
1.1 Direct Beneficiary Population of 0-2,990	5						
1.2 Direct Beneficiary Population of 2,990-8,061	4						
1.3 Direct Beneficiary Population of 8,061-8,061	3						
1.4 Direct Beneficiary Population of 8,061-17,545	2						
1.5 Direct Beneficiary Population of 17,545-69,883	1						
Scores traffic							

Percentile	Value
1.0	69,883

0.8	17,545
0.6	12,722
0.4	8,061
0.2	4,513
0.0	2,990

Table of percentages based on Population Direct

4. First year program

ADF staff compiled all the data and run the multicriteria analyses:

The summarized results are the following:

Municipality	Road	Length	Cost (EUR)	Score
Fier	Rik i rruges Fier - Seman	18	6,842,873	90
Pogradec	Pogradec-Tushemisht	8.5	5,534,911	65
Shkoder	Rruga "Qafe Thore-Theth" (Mbarim asfalti Qafe Thore-Kisha Qender Theth)	17.5	4,972,944	60
Lezhe,	Shengjin – Rane e Hedhun –Velipoje	11.7	7,899,341	60
Durres	Rikonstruksion i rruges Sukth - Rrushkull			55
Malesi e Madhe	Rrethrotullimi Koplík - Dedaj - Razem			55
Vlore	Rruga Novosele Poro - Faza 2			50
Durres	Rruga Liria- Rrashbull Durres			50
Fier	Rik i rruges Ura e Hoxhares - Darzeze			50
Lezhe	Rehabilitimi rruges Lezhe - ura e Milotit			45
Kamez	Paskuqan - Aeroporti Rinas			40
Lezhe	RIKONSTRUKSION I RRUGE TOROVICE			35
Fier	Ardenice - Shen Kozma			35
Fier	Kthesa Qarr - Derik			35
Pogradec	Slabinjë-Losnik-Velçan-Laktesh-Somotinë			15

Annex 7: Template of Investment Agreement between ADF and Municipalities

REPUBLIC OF ALBANIA

INVESTMENT

AGREEMENT

Between Albanian Development Fund and Municipality _____
For

“ _____ ”

TIRANA _____2017

This Investment Agreement (IA), is signed today on _____._____.201_ between:

Albanian Development Fund, represented by Mr. Benet Beci, Executive Director, in the role of “Project Implementing Entity” , which will be referred as “ADF”

and

Municipality_____, represented by Mr/Mrs. _____, Mayor, which will be referred as: “Municipality”.

Article 1: Object of the Agreement

Object of this Agreement is the financing and implementation of the works for the realization of the subcomponent “_____”, in framework of the Regional Road Connectivity Project, financed by the World Bank.

This Investment Agreement is based on the legal framework defined in the Framework Cooperation Agreement dated _____signed between ADF and Municipality, thus in order to be understood it shall be read together with the Framework Cooperation Agreement dated _____.

Article 2: Rights and responsibilities of Municipality

Municipality undertakes to exercise the rights and to fulfill the responsibilities which are defined in article 6 (The Rights and Responsibilities of the Municipality) of the Framework

Cooperation agreement dated _____ signed between ADF and Municipality.

Article 3: Rights and responsibilities of ADF

ADF undertakes to exercise the rights and to fulfill the responsibilities which are defined in article 7 (The Rights and Responsibilities of the ADF) of the Framework Cooperation agreement dated _____ signed between ADF and Municipality.

Article 4: Implementation of the Works

The subproject consists of

The works comprise reconstruction/ rehabilitation

These works will be implemented in accordance with the technical project.

The works contract shall be signed by ADF and the Contractor only after:

- Submission by the Municipality of the Decision for approval of the Necessary Permits (infrastructure permit, special permit), as well as the application for an environmental permit.
- Signature of the Operating and Maintenance Agreement with ADF.
- Finalization of the Resettlement Action Plan, which has taken the prior approval of the World Bank.

Subproject shall be implemented in accordance with the defined period set out in the Conditions of the Works Contract.

Municipality shall have the right to inspect the works during their implementation.

On completion of the works, after the inspection of the Works in the presence of the Contractor, Supervisor, Municipality, and ADF, shall be signed the Certificate of Completion of the Works by the Contractor, Supervisor, ADF and Municipality. Certificate of Completion of the Works means the temporary Taking Over Certificate of the subproject. During the Defects Liability (Notification Period), is the Contractor who shall carry out the maintenance of the subproject.

After the Completion of the Works begins the Defects Liability (Notification Period) which lasts one year. At the end of Defects Liability (Notification Period) the Works of the subproject are ready for taking over by the Municipality. This Taking Over shall be accompanied with an inspection of the Works in the presence of the Contractor, Supervisor, Municipality and ADF.

If it is confirmed that there are no defects or/and the defects are repaired shall be signed the Taking -Over Certificate by the Contractor, Supervisor, Municipality and ADF, which represents the permanent Taking Over of the subproject.

Article 5: Clauses of Operation and Maintenance

Upon the signature of this Cooperation agreement, shall be signed a multi- annual Agreement of Operation and Maintenance (AOM) between ADF and Municipality and that shall determine:

- the general principles and the requirements on the operating and maintenance of the given subproject;
- confirmation that the cost of the required 5-annual contract of the maintenance shall be included in the Municipality's budget for the incoming five years; and
- a draft contract for a private company, which is going to undertake to realize the maintenance for the incoming five years.

Municipality is engaged also:

- to sign the AOM and in full accordance, especially to prepare the Operating and Maintenance Plan.
- to transfer its obligations as set out in this Agreement and related to the operating and maintenance in case of transfer of the administration right of this investment in another juridical entity.
- to complete the procurement of the Operating and Maintenance Contract between Municipality and the private company, for the operating and maintenance of the subproject, within the deadline for works completion.
- to accept that in case the Municipality does not respect or does not act in conformity with the rules determined in the AOM, will lose the right to win another subproject which ADF is going to invest in, for a two years period.

Article 6: Consultation

Any question relating to the execution or interpretation of this Agreement shall be subject to consultation between the Parties to this Agreement leading, where necessary, to an amendment of this Agreement.

Article 7: Cancellation of the Agreement before its termination period

In the event of the suspension or cancellation of the funds by the World Bank, in the framework of the Project for Integrated Urban Development and Tourism, through which is financed this subproject, shall be suspended or cancelled as it is the case, the financing of this investment by ADF and this Agreement shall be cancelled without penalties.

In the event of war or in any other similar event which is out of the control of the parties of this Agreement, this clause can be used by the parties and this Agreement shall be cancelled without penalties.

Article 8: Settlement of disputes

Municipality and ADF shall make any effort to solve in an amicably way and with direct informal negotiations the disagreements or disputes arisen from this Agreement.

If after thirty days from the beginning of the informal negotiations the dispute cannot be solved, then a third and independent party can be engaged for intermediating (for example: the lawyer of the Prefecture or County). In the case that after that the conflict cannot be solved the parties shall be addressed to the Law Court of Judicial District of Tirana.

The parties of this Agreement acknowledge and admit that any judicial process shall be held according the conditions and requirements set out in this Agreement.

Article 9: Notices

Any communication relating to this Agreement shall be in writing.
Any communication relating to this Agreement is submitted in the following addresses:

For Albanian Development Fund

Mr. Benet Beci Executive Director
Street. "Sami Frasheri" no. 10,
Tirana, Albania
Faks:.....
E-mail:

For Municipality

Mr./Mrs _____
Mayor
Municipality _____
Adresa:.....
Faks
E-mail:

Read and approved

The Executive Director of ADF:

The Mayor:

Official Stamp, Name and Signature

Official Stamp, Name and Signature

Annex 8: Template of Agreement for Operation and Maintenance

Republic of Albania

Operation & Maintenance Agreement

Between

Albanian Development Fond

And

Municipality: _____

For

" _____ "

TIRANA _____.____.2018

OPERATING AND MAINTENANCE AGREEMENT

This Operating and Maintenance Agreement (OMA), is signed today on __.__.201_ between:
Albanian Development Fund, represented by Mr. Benet Beci, Executive Director, in the role of “Project Implementing Entity” , which will be referred as “ADF”

and

Municipality_____, represented by Mr/Mrs. _____, Mayor, which will be referred as: “LGU”

Article 1

Object of Agreement

The object of this Agreement is the determination of the provisions and concrete obligations for the realization of Operating and Maintenance (O&M) regarding the subproject entitled “ _____” which shall be financed and implemented, in the framework of in the frame of the Regional and Local Road Connectivity Project, financed by World Bank, in accordance with the Cooperation Agreement signed by the parties on date __.__.201_.

Article 2

Obligations of LGU

The date on which shall terminate the deadline for temporary Taking Over of the subproject and of the period of Defects Liability, shall be the date when the LGU shall have the full responsibility for O&M of the subproject. During the period of Deffects Liability, the Cotractor is reponsible for the O&M of the subproject.

The LGU undertakes that within that date shall:

1. draft the O&M Plan for a period of 5 years;
2. draft the technical specifications, complete the procurement procedure and contract a private company for the maintence of the subproject for the coming 5 years;
3. solve the social conflicts that accompany O&M of the subproject.

Article 3

Financial requirements

The LGU confirms that:

- The cost of the required 5-annual contract of the maintenance shall be included in

the LGU's budget for the incoming five years; and

- After the signature of the Taking Over Certificate, the LGU shall dispose for the O&M of the subproject the necessary funds from its annual budget in accordance with O&M Plan.

Funds shall cover the management and repairs costs and will provide funds for emergency and depreciation.

Financial needs will be estimated and adjusted each year by the LGU and, if needed, with the assistance of the ADF staff, according to the remaining maintenance funds of the prior year, conditions of the sub-projects and foreseen works required. Yearly estimation could be realized on a minimum basis including salaries of the agents required, cost of materials, equipment, works entrust to private enterprises and fix cost of depreciation.

Although LGU may contract the management and/or the Operation & Maintenance of the sub-project to a suitable third party, the LGU will remain fully responsible all the time for the proper O&M of the sub-project and shall take proper precautions to ensure that this is realized, through monitoring and supervision, appropriate contract clauses, etc.

LGU will report by writing, about this subject to ADF for 5 years after Works Completion and will assume eventual penalizations in case of lack of maintenance.

Article 4

Technical Requirements

1. LGU undertakes that in the O&M of the subproject shall apply the general principles and the requirements of the O&M of the subproject as foreseen in Anex A.
2. The minimum technical requirements necessary, the design standards related to the O&M, are strictly required by the ADF, but are not limited that.
3. LGU undertake to engage a private company for the O&M of the subproject for the incoming years in accordance with the draft contract enclosed to this Agreement in Annex B.
4. ADF shall submit to the LGU also a Manual for the activities related to the O&M, whchi shall govern the implementation of the service contract for O&M of the subproject signed between LGU and ADF.

Article 5

Penalties

ADF staff will visit the completed sub-project at intervals of not more than six-months for at least two years, to check on its operational status. In the event, of any failure by the LGU, Community or CMG or its Contractor(s) to respect one or more of the above or annexed requirements and/or there is any degradation resulting from any failure to operate and/or maintain it as per this Agreement, ADF will act as follows:

- It will advise the LGU in writing of the problems noted, and give it two months to make the necessary repairs and take any steps necessary to ensure the proper observation of this Agreement. During this period LGU will not be permitted to apply for a new sub-project;

- At the end of this period the ADF will decide if the normal O&M status has been reached and the appropriate systems and procedures are in place, and advise the LGU in writing, as appropriate;
- Where the actions(s) are satisfactory by the LGU, the above penalty will be removed and the LGU will be permitted to apply for a new sub-project. Where it has been unsatisfactory the matter will be referred to ADF's Technical and Administrative Committee to consider applying both the following sanctions:
 - the LGU will be "Black-listed" for a period of two years, advertised at Qark-level;
 - during this period the LGU will not be permitted to apply for a new sub-project funded by ADF.

The LGU will be notified of the decision of the Technical and Administrative Committee (TAC) in writing, following which it will have 15 days to appeal against the decision and provide appropriate evidence. The TAC will then have 5 days to review its decision and rescind or uphold it as appropriate.

Read and approved

The Executive Director of ADF:

The Mayor:

Official Stamp, Name and Signature

Official Stamp, Name and Signature

Annex 9: Results Framework - Monitoring and Evaluation

Semiannual Progress Report:

Format and Content

All information to be provided for semiannual preceding issuance of report and completed by a recapitulation showing status from project inception

Section A: Implementation Progress:

- General data on progress in implementation:
 - Number, type, and beneficiary of new ADF SP
 - Number and beneficiary of new subprojects
 - Status of ongoing works and/or TA contracts.
- Problems encountered and resolved
- Other issues pending
- Other information or data relevant for project
- Challenges and points for project management attention

Section B: Financial Information

- Disbursement status
- Special Account status
- Contract payments
- Status of audits
- Other financial management issues

Section C: Procurement Information:

- Detailed report on procurement activities
 - Status of preparation of bidding documents
 - Status of tenders in progress
 - Contracts awarded
 - Contracts closed
 - Contracts with issues
- Procurement plan for next semester

Section D: Environment and Social Risk management information

Section E: Results Framework and Assessments

Household draft Questionnaire

ID. Serial Number																	
QV. Voting Center																	
LOC. City																	
ADDR. Write the detailed address of the house/apartment																	
										d	d	m	m				
DM. Date of interview														2	0	1	7
														h	h	m	m
TS. Start Time of interview																	
TE. End Time of interview																	
MET. Methodology (1=Random Route)										1							
REFUSALS. INT . Write the number of refusal occurred. If none, mark 0.																	
RESNAME: Name of the respondent																	
RESNUM: Telephone number																	
INTNAME. Name of the interviewer																	
INTCODE. Code of the interviewer																	
GPS. GPS Coordinates										GPS_La. Latitude		GPS_Lo. Longitude					
<i>INT. input the coordinates of the housing unit.</i>										_____		_____					

Hello, my name is _____ and I am carrying out a survey for the World Bank. We are conducting a survey among beneficiaries of the World Bank financed Regional Development Project which recently implemented the infrastructure and housing improvements in your street, to get a better understanding of the socio-economic and housing characteristics of the residents in the street. Your house was selected at random and participation in the survey is voluntary. The information you provide to us will only be used for research purposes and will not be disclosed. Your responses will help us to better understand potential areas for improvement or development of new projects.

Fill in

B1. How many “permanent” members live in this family? (TOTAL)	
B2. How many members older than 18 years live in this family?	

HOW TO FILL IN THE ROSTER:

In the roster will be listed all the permanent members of the family.

- (1) Head of household (HH) always written in the first row
- (2) Surname written only for the head and other members who have the surname different from that of the head. Members who have the same surname as that of the head of household do not write their surname.
- (3) If the date of birth is unknown write 99, 99, 999 for the birthday and 999 for the age.
- (4) If it is refused the information on member's birthday write 88,88,8888 for the birthday and 888 for the age.

RESPCODE	Name/Surname	Gender	Relationship to the head of household	Birthday			Age	Highest education degree attained?	Marital Status	Employment	Receiving a Pension?
			1. Female 2. Male	1. Head of household 2. Wife/husband 3. Child/adopted child 4. Niece/Nephew 5. Father/Mother 6. Sister/ Brother 7. Son/Daughter in law 8. Brother/Sister in law 9. Grandfather/Grandmother 10. Father/Mother in law 11. Other 12. No relationship				1. None 2. Elementary 4 years completed 3. Secondary 7-8-9 years completed 4. High school completed 5. University completed 6. Master's degree completed 7. Doctoral studies completed 99. Don't know	1. Single 2. Married 3. Divorced 4. Widower widower	1. Self-employed (non-agricultural) 2. Farmer (self-employed in agriculture) 3. Employed – in non-agricultural private sector 4. Employed – in public sector 5. Employed – in agricultural sector (private) 6. Business Owner 7. Retired 8. Student 9. Housewife / housekeeper 10. Unemployed seeking actively for a job 11. Unemployed not seeking for a job 12. Disabled / Unable to work 13. In military service	1. Yes 2. No

											77. OTHER (please specify) ...	
R	R1	R2	R3	DD	M	YY	R4	R5	R6	R7	R8	
0												
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												

RESPCODE. Respondent Code		Code:
RESPNAME. Respondent Name		

Module 1: Housing and basic services

Q1.1 What type of dwelling is this?	1. House 2. Room in a larger dwelling 3. Apartment (in a block of flats)
Q1.2 Is this your primary residency? (WHERE HOUSEHOLD LIVES MOST OF THE YEAR)	1. Yes 2. No

Q1.3 Is your dwelling connected to the following utilities?

		CHECK IF YES	CHECK IF NOT WORKING
1	Water		
2	Sewerage		
3	Electricity		
4	Solid Waste Collection		
5	Gas		
6	Internet/wifi		

Q1.4 On average how many hours per day do you receive water? _____ HOURS.

Q1.5 How many blackouts do you experience per month? _____

Q1.5a. Is solid waste regularly collected from your garbage collection point? (Regularly: Garbage does not pile up for more than 2 days)	Yes No Don't know

Q1.5b. Please answer YES/NO to the following questions in regards to solid waste collection services:

Garbage collection is unreliable	Yes No Don't know
Disposal/collection points are too far from dwelling	Yes No Don't know
Collection points are in unsanitary conditions	Yes No Don't know

Q1.6 In approximately what year was this dwelling built?

(ASK THE RESPONDENT TO PROVIDE AN ESTIMATE IF UNSURE OF THE EXACT YEAR) _____

Q1.7 In your opinion, what is the ACTUAL structural condition of this dwelling?	<ol style="list-style-type: none"> 1. Very weak 2. Weak 3. Fair 4. Good 5. Very good
--	---

Q1.8 Is this dwelling owned or rented?	<ol style="list-style-type: none"> 1. Owned 2. Rented <i>Skip to Q1.11</i>
---	--

ASK IF Q1.8 = 1

Q1.9 If you were to sell this property, how much do you think you could sell it for?
 _____ ALL

Q1.10 If you were to rent this property, how much do you think you could rent it for?
 _____ ALL

ASK IF Q1.8 = 2

Q1.11 What is the total rent per month?
 _____ ALL

Q1.12. Are you planning to move to another house/dwelling within the next 24 months?	<ol style="list-style-type: none"> 1. Yes, definitely 2. Yes, probably 3. No
---	---

Ask if Q1.12 = 1 or 2

Q1.13. If Yes, why? _____

Ask if Q1.12 = 3

Q1.14. If NO, why? _____

Ask if Q1.12 = 1 or 2

Q1.15. Where are you planning to move?	Another area in the city Another city Rural area/village Another country Other (Please specify _____)
---	---

Module 2: Public spaces/road infrastructure and accessibility

<p>A1. How would you rate the quality of life in your neighborhood?</p>	<p>1. Very bad 2. Bad 3. Neutral 4. Good 5. Very Good</p>
<p>A1.A What is the condition of the road outside your dwelling?</p>	<p>Paved, in good condition Paved, in poor condition Unpaved, in good condition Unpaved, in poor condition No road</p>

A2. I am going to ask you some questions about public spaces in your neighborhood; In your opinion are there sufficient...?

1	Parks in my neighborhood	1) Yes 2) No
2	Green areas in my neighborhood	1) Yes 2) No
3	Playgrounds in my neighborhood	1) Yes 2) No
4	Roads in my neighborhood	1) Yes 2) No
5	Sidewalks in my neighborhood	1) Yes 2) No

A3. What is your opinion on the quality of the following aspects of public spaces in your city?

		1	2	3	4	5	98
1	Neighborhood roads						
2	Main roads						
3	Sidewalks						
4	Parks and green areas						
5	Promenades						
6	Street lightning						

A4. How frequently do you use these public spaces in your city?

		At least weekly	Once a month	A few times per year	Rarely	Never	NA
		1	2	3	4	5	98
1	Neighborhood roads						
2	Main roads						
3	Sidewalks						
4	Parks and green areas						
5	Promenades						
6	Playgrounds						

A5. I am going to ask you some questions about your neighborhood, please answer

YES or NO

1	It is safe for women and children to walk alone in the neighborhood during the day	Yes No DK
2	It is safe for women and children to walk alone in the neighborhood at night	Yes No DK
3	Streets in my neighborhood are well lit at night	Yes No DK
4	Sidewalks, pedestrian pathways, stairs and promenades in my neighborhood are easy to use by pedestrians	Yes No DK
5	Sidewalks, pedestrian pathways, stairs and promenades in my neighborhood are easy to use by elders, children or people with disabilities	Yes No DK

A6. What is your opinion of the following with respect to parks, recreational facilities, and other open spaces in your City?

		Very Good	Fairly Good	Neutral	Somewhat Poor	Very Poor	DK/NA
		1	2	3	4	5	9
1	Preservation of historic places and structures						
2	Condition and maintenance of park and playground equipment and structures						
3	Safety of parks and recreation areas						
4	Cleanliness and maintenance of fields and parks						
5	Quality of park equipment and facilities						

Module 3: Welfare, socio-economic and benefits from tourism activities

Q3.1 In your opinion over the past five years have tourism activities increased in the [add city]?	Yes No
---	-----------

DK

Q3.2. Who do you think benefits from an increase in tourism activities? [Please select all that apply]

- a. My household
- b. Other households in the city or region
- c. People from Tirana or elsewhere in Albania
- d. Large businesses
- e. Foreigners
- f. Other (specify.....)

Ask if Q3.2=a

Q3.3 Do you think your household benefits directly or indirectly from increased tourism activities in [enter city name] or in the south of Albania?

- 1. Yes
- 2. No

Ask if Q3.3=1

Q3.4. How does your household benefit from increased tourism activities?

Q3.5 Do you think your household is directly or indirectly affected negatively by increased tourism activities in [enter city name] or in the south of Albania?

- 1. Yes
- 2. No

Ask if Q3.5=1

Q3.6. How is your household affected negatively affected tourism activities?

Q3.7. Is there any economic activities operating inside your housing structure?
(FOR EXAMPLE, RENTING ONE ROOM, SHOP, RESTAURANT, OFFICE, WORKSHOP...)

- 1. Yes
- 2. No **Go to Q3.13**

Q3.8.A. Who from your family runs or works in the household business (even as unpaid family workers)?

INT: INSERT MEMBER CODE FROM ROSTER!

Runs the business

Works in the business

<p>Q3.9. What type of economic activity is operating inside your house? ENTER TWO OPTIONS IF MORE THAN ONE ACTIVITY OPERATING</p>	<p>Shop Coffee shop Restaurant Souvenir shop Supermarket Wine tasting Artist/Crafts shop or workshop Room(s) for rent for tourists or seasonal Room(s) for rent NON tourist and permanent</p> <p>Office Other (SPECIFY IF OTHER _____)</p>
<p>Q3.10 Is this activity run by you or any of your household members?</p>	<p>1. Yes 2. No Go to Q3.12</p>

Q3.11 What is your average monthly profit for this activity?

_____ ALL

Q3.12 How long has this activity been operating? (ENTER ZERO IF LESS THAN 1 YEAR)

_____ Years

<p>Q3.13 Are you planning to change a part of your house to start new economic activities?</p>	<p>1. Yes 2. No Go to MODULE 4</p>
<p>Q3.14 What type of economic activity are you planning to start in your house? ENTER TWO OPTIONS IF MORE THAN ONE ACTIVITY OPERATING MULTIPLE QUESTION</p>	<p>a) Shop b) Coffee shop c) Restaurant d) Souvenir shop e) Supermarket f) Wine tasting g) Artist/Crafts shop or workshop h) Room(s) for rent for tourists or seasonal</p>

	i) Room(s) for rent NON tourist and permanent j) Office k) Other (SPECIFY IF OTHER _____)
--	---

Q3.15 Do you think that you (or someone from your household) have the skills to start this bussiness?

1. Yes
2. No

Q3.16 What assistance would be useful to start this new business?

PLEASE PROVIDE TWO OPTIONS

- a) Obtaining raw materials
- b) Selling/marketing
- c) Micro-credit
- d) Money (Grant)
- e) Training or advice
- f) Other SPECIFY IF OTHER _____

Module 4					
WI1. Do you own?					
....(Read each alternative below)		Yes	No		
Vehicle		1	0		
Bank account		1	0		
Credit card		1	0		
Debit card		1	0		
Bycycle		1	0		
Motorcycle		1	0		
PC/Desktop		1	0		
Laptop		1	0		
Digital camera		1	0		
Videocamera		1	0		
Smartphone		1	0		
Tablet PC		1	0		
Total (write total number of 1s owned by respondent)					
WI. In average, who much do you spend monthly for...?					
Food, beverages, cigarettes		_____			
		All			
Utilities		_____			
		All			
Transportation costs (public transportation/gas/fuel)		_____			
		All			
Entertainment/ going out in bars and restaurants)		_____			
		All			
Education		_____			
		All			
Other expenes (rent, morgage loan, etc)		_____			
		All			
Total					
WI 3. At the end of the month, how much do you manage to save? {Approximately how much do you manage to save per month?}					
ALL					
WI 4. [INT. SHOW TABLE!] In which category does your family belong, in terms of monthly incomes?					
0	I have no income	6	80,001-100,000	ALL	
1	Less than 10,000	ALL	7	100,001-150,000	ALL
2	Between 10,001-15,000	ALL	8	150,001-200,000	ALL
3	15,001-20,000	ALL	9	200,001-300,000	ALL
4	20,001- 50,000	ALL	10	More than 300,000	ALL
5	50,001-80,000	ALL	98	Refuses to answer	
WI 5. Can you tell us all the sources that your family has received in last three months?					
Incomes from public sector	A	Scholarship	K		
Incomes from private sector	B	Financial assistance from remittances	138 L		
Family business	C	Financial assistance from family/friends in	M		

		Kosovo	
Selling the crafts	D	Humanitarian aid from an NGO, church, mosque...	N
Income from the rent	E	Nonfinancial help (food, clothes, hygiene products)	O
Non formal incomes (babysitting, etc)	F	Other (Specify _____)	P
Social Assistance	H		

Business Survey draft Questionnaire
RLRCP- Business Survey

ID. Serial number									
BUSNAME. NAME OF THE BUSINESS									
LOC. City/village [INT write name of city/village]									
LOCCODE. Exact address of the business		_____							
GPS. GPS Coordinates		GPS_La.	Latitude	GPS_Lo.	Longitude				
		_____	_____	_____	_____				
DM. Date of the interview		d	d	m	m	2	0	1	7
TS. Time of beginning of the interview		h	h	m	m				
TE. Time of end of the interview									
TL. Zgjatja e intervistës									
REFUSALS. INT write number of refusals for the particular implementation of this interview. If no refusals write 0.									
RESP.NAME		_____							
RESNR. Telephone number of the respondent.		_____							

READ THE FOLLOWING TO THE RESPONDENT BEFORE PROCEEDING.

Hello, my name is [insert your name]. I am collecting data for a study that is trying to understand your satisfaction and access with services/infrastructure, firm growth, local business environment etc.

Your workplace has been chosen randomly, along with several hundred others, to provide a representative sample of all employers. The information you provide is strictly confidential. Your firm/workplace's name and data will never be identifiable in any report or dataset. The information gathered here will help develop new policies and programs to improve firms' access

to skills.

Module 1

A1. What is your job title (main responsibility)?

- 1) Manager
- 2) Owner/Proprietor
- 3) Partner
- 4) Other _____ (specify)

A2. In what year did the company/firm begin operations in this country?

A3. What is the legal status of this workplace?

- 1) Sole proprietorship
- 2) General partnership
- 3) Foreign company
- 4) Other _____ (specify)

A4. What is the sector in which operates this establishment?

- 1) Manufacturing
- 2) Retail
- 3) Wholesale
- 4) Services
- 5) Other _____ (specify)

A5. What is the precise industry of this establishment?

Hotel/Accommodation

Tour operator

Restaurant

Bar

Handicrafts shop

Food shop

Other _____ specify

A6. How many workers (including yourself) does your workplace currently employ?

	(A) TOTAL	(B) Men	(C) Women
1 Permanent Workers (Including full-time and part-time)			
2 Temporary Workers (including Casual Workers)			

A8. How would you describe the financial performance of your company in the last fiscal year?

Very poor (large losses over the last year)	1
Poor (some losses over the last year)	2
Stable (breaking even last year)	3
Good (some profits over the last year)	4
Very good (large profits over the last year)	5
Refuse to answer	8
Don't know	9

A9. How would you describe the growth prospects for your company in the coming three years?

Very poor (large losses in the coming three years)	1
Poor (some losses in the coming three years)	2
Stable (breaking even in the coming three years)	3
Good (some profits in the coming three years)	4
Very good (large profits in the coming three years)	5
Refuse to answer	8
Don't know	9

A10. In the past 3 years, has your firm introduced any...

		Yes	No	DK
1	New or significantly improved products or services	1	2	9
2	New or significantly improved methods of manufacturing or producing goods or services	1	2	9
3	New or significantly improved procedures (logistics, delivery or distribution methods) or supporting activities for your processes	1	2	9
4	New or significantly improved organizational structures or	1	2	9

A11. Can you please indicate the extent to which each of the following factors present a constraint in doing business?

		1 'No problem'	2	3	4	5 'Severe problem'	8.NA	9.DK
1	Electricity							
2	Telecommunications and Transportation							
3	Tax rates							
4	Customs and Trade Regulations							
5	Business Licensing and Operating Permits							
6	Access to Financing							
7	Cost of Financing							
8	Political Uncertainty							
9	Economic and Financial Instability							
10	Corruption							
11	Crime, theft and disorder							
12	Anti-competitive or informal practices							
13	Labor Factors							
14	Solid waste collection							
15	Water supply							
16	Wastewater collection							

A12. Can you please indicate how problematic each of the following labor factors is for the operation and growth of your business?

		1. 'No problem'	2	3	4	5. 'Severe problem'	8.NA	9.DK
1	Employment protection legislation/ labor code laws							
2	Labor availability							
3	General education of workers							
4	Technical and vocational education and training of workers							
5	Finding workers with previous experience							
6	Payroll taxes and social security contributions							
7	Overall wage level							

INTERVIEWER: PLEASE ASK THE QUESTIONS BELOW ONLY FOR HOTELS AND RESTAURANTS!

<p>Q3.1 In your opinion over the past five years have tourism activities increased in [add city]?</p>	<p>Yes</p> <p>No</p> <p>Don't know</p>
---	--

HR1. Regarding fiscal year 2016, what percentage of your guests were:

	Percent (999 for Don't know)
Local	
Foreign (outside the country)	
Total (check the total sums 100%)	

HR2. Regarding fiscal year 2016, what was the price for a room for two people (tax excluded) in peak and low seasons? Indicate clearly the currency.

	Percent (9. Don't know)
Peak season	
Low season	
Currency	

HR3. In fiscal year 2016 how much spent an average individual per day/night at your establishment (including pre-paid amount)?

	Percent (9 for Don't know)
An average traveler from abroad per night	
An average traveler from Albania per night	
Currency	

HR4. In fiscal year 2016, how many days/nights did an average individual stay at your establishment?

	Percent (9 for Don't know)
An average traveler from abroad	
An average traveler from Albania	

HR5. Does your establishment provide any of these activities?

	Yes	No	Not Applicable	DON'T KNOW (SPONTANEOUS)
Boating/marine activities	1	2	7	9
Recreational sports inside your facility	1	2	7	9
Spa/Massages	1	2	7	9
Recreational sports outside your facility (trekking, bikes tours, etc)	1	2	7	9
Sightseeing tours	1	2	7	9
Classes	1	2	7	9
Conference facility	1	2	7	9
Others	1	2	7	9

HR6. In fiscal year 2016, what is the average price for a typical meal (entrée, main course and beverage)?

	Price (9. Don't know)
Peak season	
Low season	
Currency	

HR7. In fiscal year 2016, how much do you estimate an average individual spent per meal at your establishment?

	(999. Don't know)
An average traveler from abroad per meal	
An average traveler from Albania per meal	
Currency	

HR8. In fiscal year 2016 how many guests/clients could you host in your establishment when functioning at full capacity?

Number: _____

9. Don't know

HR9. In fiscal year 2016, could you estimate your occupancy rate during the peak season? (the season when travel is most active and rates are highest, usually in the summer)

Number: _____

9. Don't know

HR10. In fiscal year 2016 could you estimate your occupancy rate during the low season? (Time of the year during which demand is lowest.)

Number: _____

9. Nuk e di

HR11. In fiscal year 2016, could you estimate your occupancy rate during the break-even? (where total revenues equals total expenses)

Number: _____

9. Don't know

TOURIST SITE SURVEY

ID. Serial Number										
	d	d	m	m						
DM. Date of Interview					2	0	1	6		

			h	h	m	m
TS. Start time						
TE. End time						
TL. Duration of interview						
MET. Methodology (Random)						
REFUSALS.INT: Write the number of refusal occurred. If none, mark 0.						
RESPNAME: Respondent Name						
INTNAME: Enumerator Name						
INTCODE: Enumerator Code						
GPS. GPS Coordinates	GPS_La.	Latitude	GPS_Lo.	Longitude		
SITE: Tourism site	Saranda – Promenade area Gjirokaster – The castle Berat – The castle Permet – The town square Blue Eye – The source Porto Palermo – The castle Zvernec Island					
LANG: Questionnaire Language	Albanian English					

INTRODUCTION

This survey is done through face-to-face interviews. During the interview please read the questions as they are formulated in the questionnaire. Circle the respective codes for every answer. Open-ended questions should be written exactly as given by the respondent. Instructions for interviewers are in italic letters.

Interviewer READ:

Hello. I am _____ and I work for IDRA. IDRA company is conducting a survey on visitors perceptions and experiences regarding the current visit in the area and in this specific site.

You have been chosen in a random way as part of this survey. Your responses are confidential and no one will know your name or link your name to the responses.

Do you have any questions? Can we start? Thank you!

PROFILE OF THE RESPONDENT

A1	Gender	Male Female
A2	Age	_____ years old.

A3	Are you?	An Albanian residing in Albania An Albanian residing abroad A foreigner residing in Albania A foreigner visiting Albania
A4	If A3 =2 or 4 Ask In what country do you reside in? _____	
A4.1	If A3=2 or 4 Could you please tell us your point of entry to Albania	Airport Port of Durres Port of Vlora Port of Saranda Land border entry, specify _____
A5	If A3=4 ask Is this your first time visiting Albania?	Yes No
A6	A3 =2 or 4, then ask Please, tell me how many days (from the day you entered to the day you will leave) will be your stay in Albania.	_____ days.
A7	Ask All Is this your first time visiting _____?	Yes No
A8	Can I ask about your employment status? Are you?	A student A retiree A full time employee A part time employee Self-employed Currently unemployed Other, specify _____
A9	What is the highest level of education that you completed?	Elementary High School Vocational/ Trade School University Post-Graduate
A10	In regard to the visit you are having on _____, are you?	An independent tourist On a package tour Other, specify _____
A11	Are you visiting alone or with a party?	Alone With a party/family
A12	If A11=2, Ask How many people are in your travel party?	_____ people.
A13	If SITE=1, 2, 3 or 4, then ask Please tell me how many days will you stay in this area/site	A13.1 ...up to now _____ A13.2 ...to be spent within the day _____
A14	If SITE =5, 6 or 7, ask Please tell me how many hours will you stay in this area/site	A14.1 ...up to now _____ A14.2 ...to be spent within the day _____

MARKET INFORMATION

B1	Where did you obtain information about this destination Select all that apply (Multiple)	Radio Television Newspaper Magazine Internet Travel brochure Tour operator From a friend/relative Other
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B3. What touristic activities have you done or intend to do in the South of Albania? [show card]

Activity	B3.1 Have done?	(IF B3.1=2) B3.2 Intend to do?	(IF H1=1) B3.3 Evaluate in a s from 1 to 5 the quality your experience w 1=Very Poor 5=Excellent
Visiting churches, museums or cultural monuments (Castle, Ruins, archaeological sites etc)	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
Laying In the Beach	Yes No	Yes No	1 2 3 4 5
D. Attending art or music performances (i.e. dancing, drumming, singing, craft demonstrations) and festivals	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
E. Attending religious ceremonies	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
G. Visiting (nearby) villages and communities	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
H. Visiting natural parks	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
I. Hiking/trekking/ biking, Adventure tourism such as: rafting, paragliding, water sports etc	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
L. Enjoying local gastronomy	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5
M. Bar – cafes, night clubs	1. Yes 2. No	1. Yes 2. No	1 2 3 4 5

B5	Ask all																																																																																					
How would you evaluate the following aspects [show card] of your stay taking into consideration all Southern Albania?																																																																																						
(Please circle the number of the answer that represents your evaluation of each factor)																																																																																						
<table border="1"> <thead> <tr> <th data-bbox="272 317 995 453">Products, Services & Hospitality</th> <th data-bbox="995 317 1097 453">Excellent</th> <th data-bbox="1097 317 1203 453">Good</th> <th data-bbox="1203 317 1308 453">Bad</th> <th data-bbox="1308 317 1414 453">Very bad</th> <th data-bbox="1414 317 1443 453">Not</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 453 995 562">Customs and immigration services at the point of entry</td> <td data-bbox="995 453 1097 562">4</td> <td data-bbox="1097 453 1203 562">3</td> <td data-bbox="1203 453 1308 562">2</td> <td data-bbox="1308 453 1414 562">1</td> <td data-bbox="1414 453 1443 562">0</td> </tr> <tr> <td data-bbox="272 562 995 632">Convenience of the point of entry</td> <td data-bbox="995 562 1097 632">4</td> <td data-bbox="1097 562 1203 632">3</td> <td data-bbox="1203 562 1308 632">2</td> <td data-bbox="1308 562 1414 632">1</td> <td data-bbox="1414 562 1443 632">0</td> </tr> <tr> <td data-bbox="272 632 995 701">Personal safety</td> <td data-bbox="995 632 1097 701">4</td> <td data-bbox="1097 632 1203 701">3</td> <td data-bbox="1203 632 1308 701">2</td> <td data-bbox="1308 632 1414 701">1</td> <td data-bbox="1414 632 1443 701">0</td> </tr> <tr> <td data-bbox="272 701 995 770">Friendliness of the people</td> <td data-bbox="995 701 1097 770">4</td> <td data-bbox="1097 701 1203 770">3</td> <td data-bbox="1203 701 1308 770">2</td> <td data-bbox="1308 701 1414 770">1</td> <td data-bbox="1414 701 1443 770">0</td> </tr> <tr> <td data-bbox="272 770 995 840">National cuisine/drinks</td> <td data-bbox="995 770 1097 840">4</td> <td data-bbox="1097 770 1203 840">3</td> <td data-bbox="1203 770 1308 840">2</td> <td data-bbox="1308 770 1414 840">1</td> <td data-bbox="1414 770 1443 840">0</td> </tr> <tr> <td data-bbox="272 840 995 909">Quality of restaurants</td> <td data-bbox="995 840 1097 909">4</td> <td data-bbox="1097 840 1203 909">3</td> <td data-bbox="1203 840 1308 909">2</td> <td data-bbox="1308 840 1414 909">1</td> <td data-bbox="1414 840 1443 909">0</td> </tr> <tr> <td data-bbox="272 909 995 978">Quality of lodging</td> <td data-bbox="995 909 1097 978">4</td> <td data-bbox="1097 909 1203 978">3</td> <td data-bbox="1203 909 1308 978">2</td> <td data-bbox="1308 909 1414 978">1</td> <td data-bbox="1414 909 1443 978">0</td> </tr> <tr> <td data-bbox="272 978 995 1050">Quality of service (in restaurants, hotels, etc.)</td> <td data-bbox="995 978 1097 1050">4</td> <td data-bbox="1097 978 1203 1050">3</td> <td data-bbox="1203 978 1308 1050">2</td> <td data-bbox="1308 978 1414 1050">1</td> <td data-bbox="1414 978 1443 1050">0</td> </tr> <tr> <td data-bbox="272 1050 995 1119">Quality of guides</td> <td data-bbox="995 1050 1097 1119">4</td> <td data-bbox="1097 1050 1203 1119">3</td> <td data-bbox="1203 1050 1308 1119">2</td> <td data-bbox="1308 1050 1414 1119">1</td> <td data-bbox="1414 1050 1443 1119">0</td> </tr> <tr> <td data-bbox="272 1119 995 1228">Degree of knowledge of foreign languages from the service personnel</td> <td data-bbox="995 1119 1097 1228">4</td> <td data-bbox="1097 1119 1203 1228">3</td> <td data-bbox="1203 1119 1308 1228">2</td> <td data-bbox="1308 1119 1414 1228">1</td> <td data-bbox="1414 1119 1443 1228">0</td> </tr> <tr> <td data-bbox="272 1228 995 1297">Telecommunications (mobile, internet...)</td> <td data-bbox="995 1228 1097 1297">4</td> <td data-bbox="1097 1228 1203 1297">3</td> <td data-bbox="1203 1228 1308 1297">2</td> <td data-bbox="1308 1228 1414 1297">1</td> <td data-bbox="1414 1228 1443 1297">0</td> </tr> <tr> <td data-bbox="272 1297 995 1367">Convenience and access to local transport</td> <td data-bbox="995 1297 1097 1367">4</td> <td data-bbox="1097 1297 1203 1367">3</td> <td data-bbox="1203 1297 1308 1367">2</td> <td data-bbox="1308 1297 1414 1367">1</td> <td data-bbox="1414 1297 1443 1367">0</td> </tr> <tr> <td data-bbox="272 1367 995 1499">Convenience for payment transactions using cards (debit/credit)</td> <td data-bbox="995 1367 1097 1499">4</td> <td data-bbox="1097 1367 1203 1499">3</td> <td data-bbox="1203 1367 1308 1499">2</td> <td data-bbox="1308 1367 1414 1499">1</td> <td data-bbox="1414 1367 1443 1499">0</td> </tr> </tbody> </table>			Products, Services & Hospitality	Excellent	Good	Bad	Very bad	Not	Customs and immigration services at the point of entry	4	3	2	1	0	Convenience of the point of entry	4	3	2	1	0	Personal safety	4	3	2	1	0	Friendliness of the people	4	3	2	1	0	National cuisine/drinks	4	3	2	1	0	Quality of restaurants	4	3	2	1	0	Quality of lodging	4	3	2	1	0	Quality of service (in restaurants, hotels, etc.)	4	3	2	1	0	Quality of guides	4	3	2	1	0	Degree of knowledge of foreign languages from the service personnel	4	3	2	1	0	Telecommunications (mobile, internet...)	4	3	2	1	0	Convenience and access to local transport	4	3	2	1	0	Convenience for payment transactions using cards (debit/credit)	4	3	2	1	0
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B6	In overall during all your stay in Southern Albania, taking into consideration all the aspects mentioned above, how would you evaluate your stay?	Very dissatisfied Dissatisfied Neutral Satisfied Very satisfied																																																																																				

B7	(IF SITE=5, 6 or 7 then ask)					
	How would you evaluate the following aspects of your stay in [Site]					
	(Please circle the number of the answer that represents your evaluation of each factor)					
	Products, Services & Hospitality	Excellent	Good	Bad	Very bad	Not
	Easiness to find information about the site prior to visiting	4	3	2	1	0
	Easiness to find the location of the site	4	3	2	1	0
	Natural or cultural attractiveness of the site	4	3	2	1	0
	Quality of parking facilities	4	3	2	1	0
	Quality of the walking pathways	4	3	2	1	0
	Quality of restaurants facilities on site (if available)	4	3	2	1	0
	Quality of recreation facilities	4	3	2	1	0
	Level of Cleanliness of the site	4	3	2	1	0
	Quality and availability of toilets and sanitation facilities	4	3	2	1	0
	Interpretation/signage available	4	3	2	1	0
	Quality of the guides (if available)	4	3	2	1	0
	Facilities for children	4	3	2	1	0

EXPENDITURE INFORMATION

C3	When considering the stay IN THIS DESTINATION/AREA, could you please tell me, on average/approximately, what is the amount of money you have spent PER CAPITA ON A DAILY BASIS (counting all expenditures, tour package, accommodation, food, transportation, activities, shopping etc).	C3E. _____ EURO C3L. _____ Lek C3C. Comment _____
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Annex 10: Citizen Engagement protocol

CITIZEN ENGAGEMENT PROTOCOL FOR ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND PROJECT COMMUNICATION DURING THE IMPLEMENTATION OF THE

“REGIONAL AND LOCAL ROADS CONNECTIVITY PROJECT”

CITIZEN ENGAGEMENT

Throughout the process of the development and implementation of the project and its specific activities, consultation with affected communities and relevant stakeholders is an essential element. Citizens’ engagement is basic to public support, stakeholder input, and a positive, socially sustainable outcome of a given activity.

The citizen engagement specialist is an employee of the Albanian Development Fund and has the following internal and external functions:

- social outreach and engagement;
- links to the media;
- website maintenance and linkages;
- GRM information flow and tracking, and
- internal co-ordination with key implementation units

The citizen engagement specialist is responsible for

- ensuring and documenting a program of public consultations carried out and synchronised with each investment activity from the initial design phase through implementation.

- ensuring and facilitating, as needed, initial meetings with stakeholders (including feedback on proposed designs and impacts of each investment activity.)

- Ensuring that public meetings inform stakeholders of the RPF/RAP (and environmental) conditionalities, the grievance redress mechanism, access to any information needs, activity timing and implementation; etc.

- Engagement of electronic and print media.

- Keep records / document and report salient inputs from consultations to management, especially those which may affect project design or implementation.

- Document and ensure GRM is informed of grievances or issues as they may arise. Keep records and track grievances to conclusion / resolution.

- Maintain the project website and use social media to ensure public awareness and participation. Ensure that up-to-date information on investment activities is provided in a timely way to municipal and participating ministries' websites.

- Provide information on public outreach, grievances, and salient issues as needed for

progress reports.

- Maintain frequent communication with media, citizens and other project partners in regards to which activities the project is supporting and which are not part of the project. Providing clarifications as needed to the different stakeholders.

2. WORLD BANK POLICY REQUIREMENTS FOR PUBLIC CONSULTATION DURING THE IMPLEMENTATION OF CATEGORY B PROJECTS

For projects that fall under the category B, The Albanian EIA procedures are generally in line with the World Bank's POLICY on Environmental Assessment (OP 4.01). The public consultation will occur when the EIA is in a draft phase and the findings of the draft EIA will be discussed. The views of the public will be incorporated into the final EIA.

The public and stakeholder consultation and participation will be realized through:

- information to the public and stakeholders about a component, sub-project or activity, including access to key data and indicators in electronic or hard copy;
- ensuring conditions that maximize opportunities to express opinions and participate in the decision making process, through public debate and other consultative processes:
 - public meetings
 - individual meetings with stakeholders
 - advertisement, notices , media
- consideration of any proposals for improvements and ways to make them;

Preparing and implementing the consultation process will comprise the following steps:

- identification of national and local stakeholders and public representatives as suggested above;
- preparation of the simple and adequate information of the activity/action to be displayed to stakeholders and information to public;
- publication in the official websites (ADF, WBG), the local newspapers and flyer announcements and documents distributed to locals and the LGU, providing also the details of the public meeting to take place. The required timeframe for the documents to be available to the public prior to the public meeting is a minimum of 20 days.
- facilitation of the events;
- recording the information, opinions and advice obtained.
- consideration of the above information in finalizing the design and the operation and maintenance arrangements, etc.;

- co-ordination of the time table/schedule for each of the above steps .

Where land acquisition impacts are a factor in a given activity, consultations on land acquisition compensation procedures, and related impacts are to be undertaken and documented in the resettlement instruments for each specific activity; (Resettlement Action Plan (RAP) or Abbreviated RAP for impacts on less than 200 people (ARAP)). Participation of PAPs in the RAP's preparation and implementation is essential for a transparent and effective resettlement.

The citizen engagement specialist co-ordinates as appropriate with other implementation units, (land acquisition and social, environment, engineering, etc.) and reports to project management.

Contacts for grievance and issues management and salient details of the land acquisition process will be made clear in public consultations and in discussions with land owners.

A pre –disclosure phase will be organized in case when PAPs are not identified as they did no longer reside in the expropriated areas (migrated in another region of the country or emigrated abroad). The notification will be done through publication of PAPs name at the city/village, and at least in two newspapers with a nationwide and local distribution for a period of one month (every Sunday).

A special provision will be taken prior to the disclosure phase on publication of the names and contacts of the land owners to be expropriated. Based on the Albanian legislation “On personal data” privacy will be maintained for PAPs names and contact during disclosure of RAP.

3. MECHANISMS FOR CONSULTATIONS

Once the tentative arrangement of the civil works is identified, each sub-project beneficiary (LGUs) in cooperation with the ADF will hold public consultations to discuss the expropriation and its implications. All those whose ownership or occupation of land that will be affected by the expropriation will be invited to these consultations, in which they will be offered choices about their options and rights pertaining to compensation, and resettlement – if required, and provided with technically and economically feasible alternatives.

The aim of public consultations at this stage would be to:

- Disseminate concepts for proposed projects with the aim to bring communities interest on the project, and allay fears about what might happen when the project is under way.
- Determine communities' willingness to contribute in kind towards the implementation of the project, and formulate resettlement options that address the affected people's needs.
- Determine community willingness to contribute towards long term maintenance, when and if required.

Continuous consultations should follow up in order to ensure cooperation from the PAPs and transparency on the project activities and on the evaluation of the PAPs losses.

All consultations will be documented and reflected in the Resettlement Action Plan or the Abbreviated Resettlement Action Plan.

Grievance Redress mechanism

Grievances are a common phenomenon in involuntary resettlement which, if not friendly and timely resolved, invariably gives rise to local resistance, political tension and unnecessary delays in executing the project. A grievance redress mechanism for the project will be established for

addressing potential legitimate concerns of PAPs who may consider themselves deprived of appropriate treatment under the project. The mechanism should include the following main tasks:

- a recording and reporting system, including grievances filed both verbally and in writing
- staff with responsibility at various levels of governments
- establishment of a grievance committee
- a time frame to address the filed grievances

An ad-hoc committee for GRM, that could help to avoid the need to proceed to formal official authorities, would be formed by the ADF and include one of the PAPs, one representative from the beneficiary (Respective Municipality), and one representative considered as neutral from the affected area (local government or district official, which will be assigned when the responsibilities, nominations and coverage of the Local Districts will be decided). The creation of this committee sui generis is considered to facilitate considerably any issues that arise with the projects and reduce their administrative costs considering that the affected areas are away from Tirana and all proceedings of their complaints are held in Tirana.

This committee must be composed of the following members:

(1) One representatives from the Beneficiary, Respective Municipality	Berat, Saranda, Gjirokastra, Himara Municipality
(2) One representative from the PAPs;	TBD
(3) One independent individual recognized as a neutral party from the District/Local Authorities	District/Local Authorities

Steps of resettlement process, including citizen engagement

Steps	Institution	Description of responsibilities	Remarks
Step I	LGU/ ADF or Consultant	Identification of PAPs, public information, calculation of RAP value	Information on project effects, needs on RAP, evaluation and verification of PAPs
Step II	LGU/ADF (or Consultant on behalf of ADF)	PAP Consultation	Explanation on assets to be affected, identification of the best way for compensation, explanation of time of compensation, main actors on implementation process, procedures to be undertaken and the rights for Grievances
Step III	ADF/LGU	Preparation of final RAP report	Preparation of RAP Report considering comments of WB
Step IV	WB	Approval of final report	Formalizing the RAP report and including at project implementation ToR
Step V	ADF	Grievance Committee Creation	The Grievance Committee needs to be formalized and specific contacts need to be given to the PAPs.
Step VI	LGU/Line ministry	Request for expropriation for public interest	Fulfill of criteria provided by law, especially the necessary documents that prove the expropriation needs
Step VII	Line ministry	Expropriation Commission at Line ministry has to examine the request and documents If the legal criteria are fulfilled the Line ministry starts the expropriation procedures. If not, the request will be rejected.	Raising of Expropriation Commission, verification of documentation on properties, calculation and verification of compensation value
Step VIII	ADF / Grievance Committee	Ensure that the Expropriation Commission decisions are based in Albanian Legislation and WB guidelines and considers PAPs requests	Evaluation of compliance between interested part requests
Step IX	Local Authority/ /PAPs	Compile the agreement considering pretends of any parts and legislation	Give solution and incite agreements supporting PAPs requests upon legislation

Step X	Responsible ministry	Agreement with PAP's about expropriation.	Important: the fair evaluation of the properties
		Publication of the notice for the expropriation - Declaration	The procedure must be followed carefully and respecting the right of the third persons to prevent the complaint to the Court
		Examine the suggestions and the complaints of persons affect by the process	The expropriation it will be done for the persons who will accept to be compensated with the conditions published.
		Prepare the draft decision for Council of Ministers.	Preparation of DCM on PAP compensation
Step XI	Council Ministers of	Approve the decision of the expropriation for public interest;	DCM shall be implemented 1 month after declaiming on official newspaper
		Or Reject the proposal to Line ministry with the suggestion to review, if it is not in conformity with the law. Pay the compensation to persons affected by the project	
Step XII	ADF/Grievance Committee	Assistance on relationship between PAPs and Local and Governmental authorities, verifications, and supervision of RAP implementation	Verification of compatibility of the agreement between interested parts.
Step XIII	ADF / Grievance Committee	If needed, assistance of PAPs on grievance procedures for administrative bodies, RAP procedures, compensation values etc and support PAPs grievances on the Court	If PAPs will have grievances
Step XIV	PAPs	Opening a Bank Account and reporting it at the Line ministry	Institutional support of the compensation process
Step XV	LGU/GOA	Pay the compensation to persons affected by the expropriation before the civil works begin	Ensure that compensation are done in respect (amount and time) of agreements signed by interested parties and before starting the project implementation
XVI	ADF	Ensure that the process	Ensure that compensation are done in respect

		implementation has considered all pretends by both interested parties/provide clearance on the correct implementation of RAP for the works to start	(amount and time) of agreements signed by interested parties
Step XVII	ADF	Prepare the final report on RAP implementation	Considering that compensations should be finished before starting the project implementation.
Step XVIII	Line ministry, PAP, ADF	Assignment of the disclosure process according the interested parties demands and in respect of DCM	Ensure a signed document that shows the RAP is finished and the compensation is done. This document also will verify that in the future the expropriate lands are ownership of the government