

**Albania: Rehabilitation Rinas Airport**

**Ex-post evaluation**

<b>OECD sector</b>	21050 / Aviation	
<b>BMZ project ID</b>	1996 65 159	Investment in fixed assets
	96 168	Personnel support
<b>Project-executing agency</b>	Albtransport	
<b>Consultant</b>	Dorsch Consult (investment measure) Friedel Landwehr (training and advanced training)	
<b>Year of ex-post evaluation</b>	<b>2003</b>	
	<b>Project appraisal (planned)</b>	<b>Ex-post evaluation (actual)</b>
<b>Start of implementation (investment in fixed assets)</b>	Q 3 1996	Q 4 1996
<b>Period of implementation</b>	07/96 – 03/98	10/96 – 12/00
<b>Investment costs</b>	EUR 25.0 million	EUR 25.7 million
<b>Counterpart contribution</b>	EUR 0.51 million	EUR 2.1 million
<b>Financing, of which Financial Cooperation (FC) funds</b>	EUR 25.0 million, of which EUR 24.5 million in FC funds	EUR 25.7 million, of which EUR 23.6 million in FC funds
<b>Other institutions/donors involved</b>	none	none
<b>Performance rating</b>	N/A due to restricted appraisal assignment	
<b>• Significance/relevance</b>	N/A due to restricted appraisal assignment	
<b>• Effectiveness</b>	N/A due to restricted appraisal assignment	
<b>• Efficiency</b>	N/A due to restricted appraisal assignment	

**Brief Description, Overall Objective and Project Purposes with Indicators**

Owing to the precarious condition of the airport at the time of the project appraisal, the project focused on resolving the most urgent problems directly affecting air traffic. Thus, FC funds were used to rehabilitate the runway and taxiways, to construct a second apron and a security fence, and to finance the supply and installation of navigation and power supply facilities. Technical training and advanced training for the project-executing agency Albtransport were planned to ensure operation and maintenance.

The project purpose was to ensure aeronautical safety and to increase the efficiency of operations at the airport. The publication of the airport approach procedure in the Aeronautical Information Publication (AIP) and adherence thereto for a period of five years after the start of operation were defined as the indicator of achievement of the project purpose. The overall objective was to maintain regional and international air traffic. In view of the airport's extremely precarious condition and the urgent need for

action in order to maintain civil air traffic, the project was based on a restricted appraisal assignment and limited to the following items: "Project Design" and "Total Cost and Financing."

### **Project Design / Major Deviations from the original Project Planning and their main Causes**

The design, prepared during the project appraisal and then revised, provided for the implementation of the FC-funded measures by a consortium chosen after a bidding competition comprising Siemens (technical equipment) and Walter-Bau (building construction and civil engineering) on the basis of agreed fixed prices. The planned measures were carried out as scheduled with minor modifications. The start of the investment measures was delayed by around 2 years, due in part to political unrest. The Final Acceptance Certificate was issued in November 1999. The application of the training measure was delayed even further because of the crisis in Kosovo. Practical training with the equipment could not begin until summer 2000 and lasted until March 2002.

Albania's civil aviation system was reorganized in 1999. The two legally independent air traffic service providers Albtransport and ANTA were founded as a result. ANTA's main source of income, the overflight fee charged to international air carriers, was declared to be a national tax. ANTA now keeps only 25% and must transfer 75% to the Ministry of Finance. The goals of the second training measure agreed in 2000 were to define the requirements for ANTA to be able to survive financially and also to draw up recommendations for increasing its organizational efficiency (milestone I). The second training measure was carried out between the 4<sup>th</sup> quarter 2000 and July 2001. The results for milestone I were satisfied. The planned assistance for ANTA with the application of these recommendations (milestones II and III) was cancelled since acceptance of the recommendations by ANTA was minimal, as was its motivation to apply them at short notice.

### **Key Results of the Impact Analysis and Performance Rating**

The intended results of the investment measures financed out of FC – i.e. handling of the take-off and landing of aircraft in accordance with international guidelines and safety requirements as well as maintenance of civil air traffic – were, for the most part, achieved. Air traffic has increased considerably since 1996 (from approx. 3,800 flights to approx. 5,000 flights in 2002). The number of passengers handled by Albtransport grew during the same period from 283,000 to around 500,000. The volume of cargo increased from 1,000 tons to 1,800 tons p.a.

The first technical training measure enabled the staff of both service providers – ANTA and Albtransport – to operate the equipment supplied under the project properly and to maintain it.

After the Albanian government decided to reduce its share of the overflight fee from 75% to 20% as of the year 2002, ANTA's financial situation improved tremendously. In 2002 it generated an after-tax profit of USD 4.2 million. Thus, it can bear the costs of proper maintenance of the equipment including procurement of spare parts. Since the appraisal assignment was limited in scope, the success of the project in developmental terms was not assessed.

### **General Conclusions applicable to other Projects**

The conclusion that can be drawn and applied to other projects is that in FC projects carried out in complex transport systems (e.g. airports) - even if they are only designed as short-term emergency measures in individual areas of operation – strong efforts should be made as early as possible to sustainably strengthen the respective project-executing agencies by way of an early strategic alliance with experienced operators (possibly within the framework of privatizations).

## Legend

Developmentally successful: Ratings 1 to 3	
Rating 1	Very high or high degree of developmental effectiveness
Rating 2	Satisfactory degree of developmental effectiveness
Rating 3	Overall sufficient degree of developmental effectiveness
Developmental failures: Ratings 4 to 6	
Rating 4	Overall slightly insufficient degree of developmental effectiveness
Rating 5	Clearly insufficient degree of developmental effectiveness
Rating 6	The project is a total failure

## Criteria for the Evaluation of Project Success

The evaluation of a project's "developmental effectiveness" and its classification during the final evaluation into one of the various levels of success described in more detail below concentrate on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient **significant developmental effects** (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?
- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project conception)?
- To the extent that undesired (**side**) **effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group are able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms or to carry on with the project activities on their own and generate positive results after the financial, organizational and/or technical support has come to an end.