

IPA 2009 National Programme for Albania
Project Fiche N°11
Rehabilitation of the border crossing point of Morine-Kukes

1. Basic information

- 1.1 CRIS Number: 2009/021-642
- 1.2 Title: **Rehabilitation of the border crossing point of Morine-Kukes**
- 1.3 ELARG Statistical code: 02.22
- 1.4 Location: **Morine border crossing point, Region of Kukes, Albania**

Implementing arrangements:

- 1.5 Contracting Authority: **Delegation of European Commission to Albania**
- 1.6 Implementing Agency: **Delegation of European Commission to Albania**
- 1.7 Beneficiary (including details of project manager): **Albanian Customs Administration**

Project manager:

Mr. Sami Vrapı, Director of Investments and Infrastructure,
Directorate General of Customs, Rr. Duresit, Laprake, Tirane
E-mail: svrapi@dogana.gov.al
Tel.: +355 4 2253820

Financing:

- 1.8 Overall cost (VAT excluded)¹: **550 000 EUR**
- 1.9 EC contribution: **460 000 EUR**

1.10 Final date for contracting:

Two years following the date of the conclusion of the Financing Agreement.

1.11 Final date for execution of contracts:

Two years following the end date of contracting. These dates apply also to national co-financing.

1.12 Final date for disbursements:

One year following the end date for the execution of contracts.

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

2. Overall Objective and Project Purpose

2.1 Overall Objective

To contribute to the development of the region of Kukes, through further improving and modernising the infrastructure of the Morine-Kukes BCP.

2.2 Project purpose:

Rehabilitation and improvement of the infrastructure in Morine-Kukes BCP.

2.3 Link with AP/NPAA / EP/ SAA

The project will assist to achieve the priorities included in the proposal of the European Commission dated 06.11.2007 for a Council Decision on the principles, priorities and conditions contained in the **European Partnership (EP)** with Albania repealing Decision 2006/54/EC.

The European Partnership outlines as the short-term priority the further approximation of customs legislation and procedures with EU practices, and full implementation of the computerised system for customs declaration and customs data processing in all customs offices. As medium term priority, the General Customs Directorate should ensure continued approximation of Albanian customs legislation to the EU acquis and further increase administrative capacity to implement customs legislation and to fight corruption, cross-border crime and fiscal evasion.

The Stabilisation and Association Agreement (SAA) between the Government of Albania and the European Community has been signed in July 2006. Article 97 of the agreement aims to strengthen the cooperation in this area with a view to guaranteeing compliance with the provisions to be adopted in the area of trade and to achieving the approximation of the customs system of Albania to that of the Community.

The Customs Administration is currently part of the National Plan of the Implementation of the Stabilisation and Association Agreement (NPISAA) where are foreseen mid-term and long-term actions that aim at strengthening the administrative capacities for the implementation of customs legislation and the fight against corruption and fiscal evasion, as well as improvement of transparency and exchange of information with the Member States of EU to facilitate the implementation of measures to prevent evasion. The full list of short and medium priorities, and legislative reforms foreseen in the NPISAA, is enclosed in ANNEX IV.

2.4 Link with MIPD

This project is proposed under the area of Economic Criteria section of the IPA/ MIPD for the period 2008–2010:

- *Regional development:* Support to regional development activities, focusing on less developed regions of Albania as well as investments in necessary infrastructure.

2.5 Link with National Development Plan

The abovementioned EU strategic documents have been included as a substantial part of the Albanian Government's National Strategy of Development and Integration.

2.6 Link with national/ sectoral investment plans

Under the framework of the Government's Integrated Planning System (IPS), whose core aim is to match medium and annual budgeting to the policy framework, a Public Finance strategy has been drafted by the Ministry of Finance covering the period 2007-2013. In the framework of this strategy, the Directorate General of Customs should "improve and develop means for developing data exchange and increasing cooperation between the Albanian Customs and the business sector, other institutions of the Republic of Albania, other law enforcement institutions; and with the Customs authorities of other countries, EU institutions and international organisations in the fields of implementation of customs legislation, prevention of violations, control and investigation."

3. Description of project

3.1 Background and justification:

The Border Crossing Point in Morine-Kukes is a second category customs house, serving as a communication point between the Republic of Albania and Kosovo (under UNSCR 1244).

The customs building has been partially refurbished in year 2002, but still the actual condition of the infrastructure is not satisfactory. The parking lot serves only for three-four heavy means, the administrative building esp. roof and heating system are either amortised, or out of function. The ground asphalt is damaged, the control equipment is missing (scanner, detective bridge, etc.).

In view of the completion of the project for the highway connecting the Albanian main port to Kosovo- Durres-Kukes-Morine, the flow of movement of goods and passengers is expected to grow in this BCP. As a consequence it is expected that the engineering and logistic infrastructure is being improved, in order to better suit to the new conditions.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

Impact – The project is expected to have an economic impact due to the good infrastructure of the border crossing point, through the facilitation of the traffic flow and efficient, qualitative service on similar parameters from both countries.

Through this action will be released traffic flow in the border and to facilitate the movement of people and goods and will improve link between Albania and countries in the North of Albania.

Also as a consequence of the construction of the new road Durres- Kukes-Morine, this BCP shall be the main border crossing in the North of Albania.

Catalytic effect – The project will trigger possible revisions and/or updating of development regional plans and will bring greater benefits to the local communities in the border and will have an impact to the economical and social growth in Albania and in the region.

Sustainability – The Ministry of Finance will ensure the necessary funding for the maintenance of the BCP after the project will be completed.

3.3 Results and measurable indicators:

Results and measurable indicators in relation with **activity 1**

Results:

1. The cross border point of Morine-Kukes rehabilitated

Measurable indicators:

- Expropriation successfully completed
- The necessary permits have been issued by competent bodies before the contracting of works
- The respective contracts on works and supervision have been signed and order to commence issued
- Works are being implemented in accordance with the contract provisions
- Works have been completed and acceptance certificates signed at full satisfaction from the beneficiary

Results and measurable indicators in relation with **activity 2**

Results:

2. The project design finalised

Measurable indicators:

- One project design finalised
- Supervision of the works is insured

3.4 Activities:

Activity 1 Rehabilitation of the border crossing point of Morine-Kukes

This activity will be implemented through a works contract (Contract 1.1). The contract will include the following:

- Extension of the existing parking lot with 5000 m2
- Partial reconstruction of the administrative building
- Lay asphalt paving for all the customs area + parking lot

- Other infrastructure related activities needed for the CBC connection

This activity will be co-financed by the Government of Albania through a separate contract (Contract 1.2). The contract will cover the costs for the expropriation process of 5.000 m2 and of a one-storey building of 250 m2 (90 000 EUR).

Activity 2 Design, preparation Tender dossier, supervision (Contract 2.1)

This activity will be implemented through a service contract. The contract will include the following:

- Project design
- Preparation tender dossier
- Supervision of the works in site

3.5 Conditionality and sequencing:

Construction of parking lot is subject to the expropriation process of a land (5 000 m2) and a one-storey building (250 m2) to be completed by the Albanian Government. Therefore the works contract covered by IPA funds will be launched and signed only after completion of the expropriation process

3.6 Linked activities

a) Project: Construction of the Joint Border Crossing Point Murriqan/Sukobin CARDS 2004

Field/Area -Strengthening of democracy and the rule of law

Donator: European Union

Project overall cost: 1,1 million EUR

Co-financing commitment of Albanian Government: EUR 0.2 million

Status: Under implementation

Duration: Implementation started: February 2008, -termination: May 2009

Main Beneficiary institution

- Directorate General of Customs (Ministry of Finance)

-Border and Migration Albanian State Police (Ministry of Interior)

-Directorate of Food Safety and Consumer Protection (Ministry of Agriculture, Food and Consumer Protection)

- Counterpart State: Montenegro

Project objective:

- To upgrade physical infrastructure and strengthening of control in BCPs
- To facilitate border crossing.

**b) Project: Construction of the Border Crossing Point Qafe Bote, Konispol.
CARDS 2005- Neighbourhood Programme Albania- Greece**

Field/Area -Strengthening of democracy and the rule of law

Donator -European Union

Project overall cost EUR 1,3 million

Co-financing commitment of Albanian Government EUR 0.5 million

Status - Under implementation

Duration -Implementation started: February 2009, Termination: April 2010

Main Beneficiary institution -Directorate General of Customs (Ministry of Finance)

Partner Beneficiary institution:

- State Police (Ministry of Interior)

- Department of Food Safety and Consumer Protection (MoAFCP)

Project Objective

- To improve physical infrastructure and strengthen control in BCPs

- To facilitate border crossing

**c) Project: Construction of 10 Border Crossing Points of categories II and III
CARDS 2004**

Field/Area - Strengthening of democracy and the rule of law

Donator - European Union

Project overall cost EUR 2,7 million

Co-financing commitment of Albanian Government - 552,851.07 EUR

Status - Under implementation

Duration - Implementation started: January 2009; Termination: May 2010

Main Beneficiary institution -Directorate General of Customs (Ministry of Finance)

- Border and Migration, Albanian State Police (Ministry of Interior)

- Department of Food Safety and Consumer Protection (MoAFCP)

Project Objective

- To improve physical infrastructure and strengthen control in BCPs

- To facilitate border crossing

3.7 Lessons learned

Infrastructural projects related to crossing border points are essential in order to assist the Albanian Authorities in establishing an efficient and strengthened integrated border management system. Under CARDS Programme 2004 and 2006 the European Union has already financed projects targeted on integrated border management in accordance with the National Strategy for Border Control and its Integrated Management approved on 23 February 2003 by the Albania Government.

The initiative involves all the entities operating at the border like: customs, border and migration police, veterinary and phyto- sanitary service.

Improvements of the infrastructures at the borders are influencing positively the relationship between Albania and the neighbouring countries Montenegro and Greece, facilitating procedures enforced and making the working conditions of police, customs and other stakeholders easier.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1			500,000									
contract 1.1	-	X		410000	75	0	0	0	0	0	0	-
contract 1.2	-	X				90,000	16	90,000	0	0	0	-
Activity 2			50,000									
contract 2.1	-	X		50,000	9	0	0	0	0	0	0	-
TOTAL IB												
TOTAL INV			550,000	460,000	84	90,000	16					
TOTAL PROJECT			550,000	460,000	84	90,000	16					

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1	2Q 2010	4Q 2010	4Q 2011*
Contract 2.1	2Q 2010	2Q2010	4Q 2011*

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA

* including defect liability period

6. Cross cutting issues

6.1 Equal Opportunity

During the implementation of the project, the principle of equal opportunities within the General Directorate of Customs will be guaranteed.

6.2 Environment

During the implementation of the project, respect toward the environment by the General Directorate of Customs will be guaranteed.

6.3 Minorities

During the implementation of the project, the principle of respecting minorities within the General Directorate of Customs will be guaranteed

ANNEXES

- Annexe I** Logical framework matrix in standard format
- Annex II** amounts (in €) Contracted and disbursed by quarter for the project
- Annex III** Description of Institutional Framework
- Annex IV** Reference to laws, regulations and strategic documents
- Annex V** Details of EU funded contracts

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number Rehabilitation of the border crossing point of Morine-Kukes	
		Contracting period expires two years after the conclusion of the FA	Disbursement period expires
		Total budget : 550,000	IPA budget: 460,000
Overall objective	Objectively verifiable indicators	Sources of Verification	
To contribute to the development of the region of Kukes, through further improving and modernising the infrastructure of the Morine-Kukes BCP	Traffic flow and movement of people and goods		
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Rehabilitation and Improvement of the infrastructure in Morine-Kukes BCP	Progress in the implementation of works until the endorsement of the acceptance certificates from the beneficiary	Progress and final reports issued by the Supervisor Certificates of final acceptance of the works	

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1.The cross border point of Morine-Kukes rehabilitated</p> <p>2.The project design finalised</p>	<p>Expropriation successfully completed</p> <p>The necessary permits have been issued by competent bodies before the contracting of works</p> <p>The respective contracts on works and supervision have been signed and order to commence issued</p> <p>Works are being implemented in accordance with the contract provisions</p> <p>Works have been completed and acceptance certificates signed at full satisfaction from the beneficiary</p> <p>One project design finalised</p> <p>Supervision of the works is insured</p>	<p>Permits</p> <p>Contracts</p> <p>Progress and final reports from the supervisor and release of certificates of acceptance</p>	<p>GoA takes its financial commitments to the expected expropriations at earlier stage of the project</p> <p>Beneficiary agrees without delays on the tender documents</p>
Activities	Means	Costs	Assumptions
<p>Activity 1 Rehabilitation of the border crossing point of Morine-Kukes</p> <p>Activity 2 Design + preparation tender documents + supervision</p>	<p>Contract 1.1 Works contract (IPA Funds)</p> <p>Contracts 1.2 Expropriation Costs (GoA budget)</p> <p>Contract 2.1 (IPA funds)</p>	<p>EUR 410,000</p> <p>EUR 90,000</p> <p>EUR 50,000</p>	<p>Expropriation successfully completed</p> <p>Designs delivered in due time</p>

ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project

Contracted	1Q2010	2Q2010	3Q2010	4Q2010	1Q2011	2Q2011	3Q2011	4Q2011
Contract 1.1				410,000				
Contract 2.1		50,000						
Cumulated		50,000		460,000				
Disbursed								
Contract 1.1					41,000	164,000	164,000	41,000
Contract 2.1		30,000						20,000
Cumulated		30,000			71,000	235,000	399,000	460,000

ANNEX III: Description of Institutional Framework

The project is addressed to the following institutions: General Directorate of Customs within the Ministry of Finance.

ANNEX IV: Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

Law No. 8449, of 27.01.1999 on “Customs code of the Republic of Albania”

Reference to AP /NPAA / EP / SAA

The project will assist to achieve the priorities included in the proposal of the European Commission dated 06.11.2007 for a Council Decision on the principles, priorities and conditions contained in the **European Partnership** (EP) with Albania repealing Decision 2006/54/EC.

The **European Partnership** outlines as the short-term priority the further approximation of customs legislation and procedures with EU practices, and full implementation of the computerised system for customs declaration and customs data processing in all customs offices. As medium term priority, the General Customs Directorate should ensure continued approximation of Albanian customs legislation to the EU acquis and further increase administrative capacity to implement customs legislation and to fight corruption, cross-border crime and fiscal evasion.

The Stabilisation and Association Agreement (SAA) between the Government of Albania and the European Community has been signed in July 2006. Article 97 of the agreement aims to strengthen the cooperation in this area with a view to guaranteeing compliance with the provisions to be adopted in the area of trade and to achieving the approximation of the customs system of Albania to that of the Community.

The Customs Administration is currently part of the **National Plan of the Implementation of the Stabilisation and Association Agreement 2008- 2014 (NPISAA)** where are foreseen mid-term and long-term actions that aim at strengthening the administrative capacities for the implementation of customs legislation and the fight against corruption and fiscal evasion, as well as improvement of transparency and exchange of information with the Member States of EU to facilitate the implementation of measures to prevent evasion. The full list of short and medium priorities, and legislative reforms foreseen in the NPISAA, is enclosed in ANNEX IV.

Reference to MIPD

This project is proposed under the area of Economic Criteria section of the IPA/ MIPD for the period 2008–2010:

Regional development: Support to regional development activities, focusing on less developed regions of Albania as well as investments in necessary infrastructure.

Reference to National Development Plan

The abovementioned EU strategic documents have been included as a substantial part of the Albanian Government’s National Strategy of Development and Integration.

Reference to national / sectoral investment plans

Under the framework of the Government’s Integrated Planning System (IPS), whose core aim is to match medium and annual budgeting to the policy framework, a Public Finance strategy has been drafted by the Ministry of Finance covering the period 2007-2013. In the framework of this strategy, the Directorate General of Customs should “improve and develop means for developing data exchange and increasing cooperation between the Albanian Customs and the

business sector, other institutions of the Republic of Albania, other law enforcement institutions; and with the Customs authorities of other countries, EU institutions and international organisations in the fields of implementation of customs legislation, prevention of violations, control and investigation.”

ANNEX V: Details of EU funded contracts

A consultant will be selected for feasibility study, detailed design and supervision of works.

A contractor will be selected for the implementation of the works.

**