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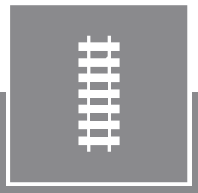

Insights in Maritime Connectivity in South Adriatic Area D.T.2.2.1

Connectivity New Governance Approach 10/2020

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Abstract

The South Adriatic (SA) area is located strategically between Eastern Europe and the Mediterranean Sea (Fig. 1.). In the SAGOV project we refer as South Adriatic area the space between and including South of Italy (Puglia), Albania and Montenegro. Through different financial instruments, European Union (EU) is investing a large budget to boost cross-border cooperation (CBC) between different regions of the EU and non-EU regions or countries. The aim of cross-border cooperation is to "reinforce the effectiveness of cohesion policy by encouraging exchange of experience between regions on thematic objectives and urban development, including urban-rural linkages, to improve implementation of territorial cooperation programmes and actions as well as promoting analysis of development trends in the area of territorial cohesion through studies, data collection and other measures". Investing is done through different EU funded Programme mainly through Interreg programmes, IPA and Connectivity Agenda.

The Interreg IPA II CBC Programme Italy-Albania-Montenegro promotes cooperation between regional and local actors from territories in three different States, namely Italy (EU Member State), Albania, and Montenegro (Candidate Member States). This program encompasses countries and regions on both sides of the Adriatic Sea and includes:

- Italian Provinces of Foggia, Bari, Brindisi, Lecce, Barletta-Andria-Trani (BAT) and Taranto (Apulia Region) as well as Isernia and Campobasso (Molise Region);
- Albania (whole country);
- Montenegro (whole country).

The Programme area has 66.365 km^2 with more than 7.8 million citizens.

Background

Connectivity is predominantly and instinctively understood as at least two-dimensional phenomenon even if very often it is multidimensional. Its easier illustration is in transport and energy networks, because these sectors provide the spatial context that allows us to visualize networks that connect two destinations (or nods).

The interaction amongst different ways of transport is the natural first step in explanation of the interwoven and multi-layered nature of connectivity. Each transport vector – them being road, rail, maritime or airborne – can be visualized as a thread that connects two different nods (or hubs) in a map. In a context of scarce resources – from financial to land to expertise – the prioritization of one transport vector will affect the development of the rest of them. For example, in the investment phase diverting the budgetary resources towards road infrastructure will deplete the available funding for rail.

The transport networks of the Western Balkans Six have been included as an indicative extension of the Trans-European Transport (TEN-T). They also include the core network, and the comprehensive corridors that feed the core network. In the end they consist in a priority project list predetermined for infrastructure investments.

Extending core network corridors into the Western Balkans ensures a closer connection with and integration into the EU, and makes up the basis for efficient use of SEE6 infrastructure investments. The Western Balkans Investment Framework (WBIF) and the Connecting Europe Facility (CEF) are facilities serving this particular purpose.

Indicative extension of Comprehensive TEN-T to the Western Balkans region and to the territory of Montenegro shall include, among others, the SEETO road route 1. This road route is called Adriatic-Ionian corridor (coastal variant, speedway along the Montenegrin coast)/Mediterranean corridor, connection to Republic of Croatia and Republic of Albania.

Adriatic-Ionian Highway joins the Mediterranean Corridor of the Trans-European Transport Network. This TEN-T Corridor crosses six EU member states (Spain, France, Italy, Slovenia, Croatia, and Hungary) at 6,000 km in length. In addition to many technical assistance projects financed by Connectivity Agenda, until currently, Albania has benefited funding for four infrastructure projects: i) the Tirana – Durrës - Rinas Rail; ii) the Durrës Port Rehabilitation of Quays 1 and 2; iii) the Albania - North Macedonia (I) energy interconnection line - Albanian Section, and iv) the broadband infrastructure project. Another important project, which is in its planning phase, is also the Adriatic-Ionian Corridor [12].

In Montenegro, the planned Adriatic–Ionian motorway at around 100 km (95.2 km) long will link both Montenegro with Bosnia and Herzegovina in the west and in the east its capital Podgorica with Albania. From there it may continue through Albania and further reach Greece. A part of the Podgorica's bypass, around 10 kilometers in length, may be shared with the Bar–Boljare motorway. In the Spatial Plan of Montenegro, route of the Adriatic – Ionian motorway is currently defined as following: Nudo (border with Bosnia and Herzegovina) - Grahovo - Čevo - (Podgorica) Mareza - (Podgorica) Smokovac - Dinoša - Božaj (Border with Albania). Thus, Government of Montenegro has considered only the option of motorway crossing southern Bosnia and Hercegovina near Trebinje.

According to Montenegro Single Project Pipeline total costs for Adriatic-Ionian expressway coastal variant along Montenegro's coast is 1.013 million euros. The total cost of the Adriatic-Ionian corridor is estimated at some 3.4 billion Euro.

A development argument used in favour of the Adriatic-Ionian corridor that goes beyond the financial viability of the road, would be the contribution in driving economic growth in the country, namely in trade and tourism. As regards trade, 33% of the Albanian trade volume is done with Italy alone. In total, approximately 70% of the trade is processed at the Port of Durrës. In addition, Greece, Kosovo, Romania, and Bulgaria are among the 10 biggest partners of the country [12].

Since Albania and Montenegro are EU candidate countries, the European Commission (EC) and all its related bodies dealing with transport – in particular, the European Commission of Directorate General for Mobility and Transport (DG MOVE) – play a major role in the identification of road networks and in the definition and development of the EU transport policies, which subsequently need to be adopted or implemented by Albania and the rest of the Western Balkan countries.

In addition to the above, on top of regional cooperation amongst six WB countries - the main outcome of the regional cooperation in transport field is the signing of the TCT in 2017 - Albania and Montenegro are part of several regional cooperation programmes and initiatives. At the same time, TCT aims at harmonizing national legislations of the Western Balkan countries with the Acquis, as regards transport and relevant environmental and social policies, thus providing us with a consistent and common framework for moving forward on the transport Acquis in the region. In parallel with this process, the Development of Core network by 2030 and Comprehensive by 2050 as per TEN-T guidelines remain a priority for both the Albanian and Montenegrin authorities.

In this framework, both governments have prioritized the transport infrastructure projects through the Single Sector Project Pipeline process, thus identifying and approving the national and regional short-term and mid-term goals, related to national transport network [2]. Italy, being a member state follows a completely different process in the identification and prioritisation of both investment and relevant sector legislation. Moreover, there is a clear definition of the separation of competencies between the national and the regional level of the member state.

The TCA has initially been focused on road, rail and inland waterways. Lately the maritime connectivity has got a boost through the approval of the financing of the Quays 1 and 2 in the Durres Port. For the moment this is the only CA infrastructure project that targets the increase of maritime connectivity in the Adriatic.

In Montenegro the Port of Bar is the central port of the Montenegrin port system and it is integrated with the Belgrade-Bar railway and road traffic network, representing a very important link in the intermodal transport chain. Within the 2014, Port of Bar has introduced Port Community System (PCS framework and module Disposition) and in this first phase PCS has established connection with Customs, forwarders and other stakeholders of the port.

In 2015 and 2016, new module Vessel has been introduced in Port Community System and necessary upgrade of legacy system to the new conditions of functioning in the situation when PCS (Port Community System) is being introduced (electronic delivery of ship announcement, order forms for commissioning pilot, time of mooring and unmooring as well as submission of requests for approval for line handling of ships, etc.). These improvements involve all stakeholders (in particular passengers, state authorities, forwarders, agents, etc.)

in the port and new functionality in the PCS (system of notification) will enable better info mobility in the port community.

The developed Port Community System can be replicated at Border Crossing Points in Montenegro and can communicate with other similar systems via messages (EDI, XML, etc.). The action aims to strengthen the relationship between the port and its stakeholders. Within the ADRIPASS project, the Port of Bar prepared three different modules like “control center” module, Customs module and Truck module.

I. Current situation of Connectivity Agenda in SAA

Connectivity becomes of strategic value not only for infrastructure, trade or the mobility of people, and especially youth, but also for establishing strong connections amongst Western Balkans and EU institutions. In addition, connectivity projects create the necessary conditions for higher people mobility, resulting in the transmission of our best values, which are our common European values. In this view, Berlin Process is not only infrastructure-related, but it becomes a fully-fledged socio-political project.

SA area is the scene of many strategic connectivity initiatives and projects. Within Western Balkans 6 (WB6) framework, European Commission (EC) and 6 Prime Ministers (Albania, Bosnia and Herzegovina, Montenegro, Kosovo, North Macedonia and Serbia) agreed on April 2015 on the indicative extension of Trans-European Transport Network core network in WB6, so covering the eastern part of SA.

The Western Balkans Comprehensive Network is strategically located in the European Transport system. It constitutes a physical transport corridor that enables the continuity of different parts of the TEN-T Network, providing connections for the Central European Countries to the Black Sea and further beyond to Asia. In June 2015, the transport infrastructure-related Ministries of the WB6 and the EC indicatively identified the main transport axes that will be connected to the existing TEN-T Core Network Corridors and they have identified the maps of the Comprehensive and Core Network, thus extending the TEN-T Network to WB6, and respectively to Albania and Montenegro.

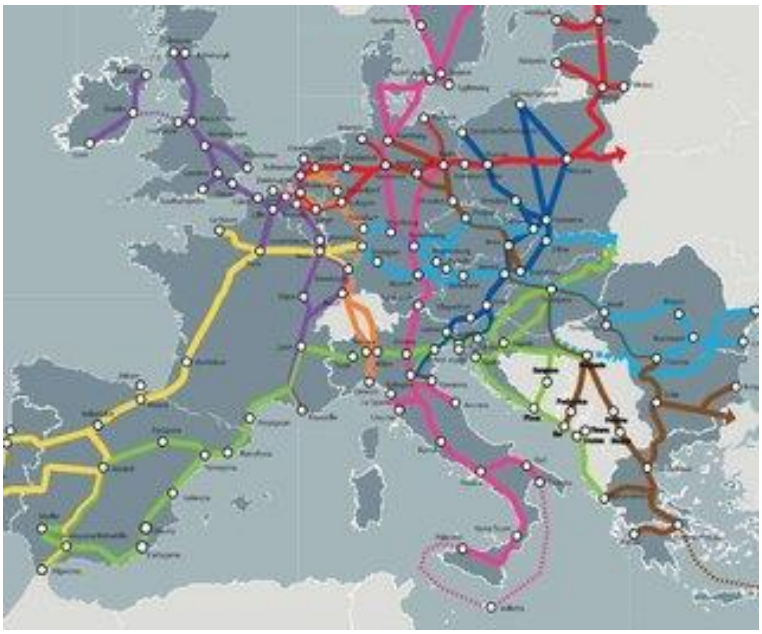

Figure 1. TEN-T map including SEE6, Source EU

The common challenges that SA area is facing regarding the development of transport connectivity measures are:

- fragmentation on two sides of the Adriatic Sea. This situation impacts the pattern of spatial interactions between them. The current situation makes visible a definitive need for

improving the intra and interregional connectivity through a better organisation of Corridors;
- national and regional transport systems are characterized by low interoperability and inter-modality;
- there is a detachment between policymaking level and technical / project implementation level: The VTMIS pilot that we have selected is the perfect example;
- need for joint vision, better planning, efficient coordination, responsive fund-raising, synergies among different connectivity platforms such as EUSAIR (The EU Strategy for the Adriatic and Ionian Region), Berlin Process, TEN-T and National Single Project Pipeline (NSPPs);
- improvement of skills and capacities of public and private transport actors, being them institutional or individuals.

A summary assessment of governance elements in transport connectivity in the South Adriatic shows that not always there is a clear political vision to promote the SAA region at the service of three Adriatic Sea bordering countries, and consequently develop the adapted transport network. Our research has shown: (i) high territorial fragmentation of transport infrastructure at bilateral (i.e. railway) or multilateral (i.e. maritime), which constraints the potential for integrated territorial development and accessibility; (ii) low interoperability; (iii) lack of agreement amongst countries on the priorities to address / need for better coordination of development objectives of existing transport infrastructure and future investments on corridors (indicative extensions of the TEN-T core network in WB6, highest priorities on the PECI's list) and on methodology (e.g. applying the Union guidelines for the TEN-T); (iv) need for shared vision & political commitment of countries to the Connectivity agenda / willingness and capacity to implement high priority connectivity infrastructure & technical standards for efficient connectivity; (v) changing priorities for the beneficiaries of connectivity projects; (vi) low level of communication amongst stakeholders; (vii) local ownership, compliance and post-investment sustainability; and, (viii) increased presence other actors and competing stakeholders (Russia, China, etc.).

To enhance its contribution in the South East Europe Six (SEE6) accession process, the Connectivity Agenda needs to increase its scope beyond support for growth and mobility, and adopt a more proactive role in the development path and reform processes engaged by the Balkan countries.

Large infrastructure projects and connectivity reform measures are an efficient mechanism at the service of institutional reforms. They expose the problems impacting their internal functioning and have proved to be efficient in improving certain aspects of institutional governance. However, there is no relevant knowledge transfer component included in the selected CA infrastructure projects. The capacity building function in the infrastructure investments is carried by technical assistance projects; is explicit; and is conceived in its most elementary form. There is no connection amongst CA infrastructure projects and the global value chain implications in SEE6. Available documents mention no data, interaction, or impact of those road, rail or energy infrastructure in the global value chain penetration and its impact in the region.

SA area is a vital connectivity nod crisscrossed with transport infrastructure. To face the need for a shared vision, better coordination and technical harmonisation, several cooperation structures have emerged, such as the yearly meetings of National Investment Committees (NIC), different project financing groups through like WBIF, or EU supported CONNECTA project.

However, there is still a need to bring partners together like policy-makers, project managers, technical specialists and other stakeholders such as Non-Governmental Organisations (NGO) at a cross-border context.

At the moment, there is no multi-actor and multi-level coordination platform. The strategic prioritization of the connectivity projects falls under a strictly governmental competence in respective countries. They define their priority strategic projects and put them in their Sector plans, and then in the National Single Project Pipeline (NSPP). But they must be part of the Comprehensive and Core Network and fulfill criteria that include CBC.

Until now, infrastructure support to the Balkans countries has been dealt with separately from countries' institutional reform. EU approach regarding the development of Western Balkans infrastructure has been financial and technical, but its dependency from and impact on national institutions has not been strategically assessed. This rich and complex institutional structure has not foreseen any mechanism of direct involvement of CSOs or LGUs in the LIP project cycle. In theory both stakeholder groups - CSO and LGU - are requested by law to be consulted during the: (i) preparation of the NSPP and other different national consultation mechanisms regarding the identification and prioritization of infrastructure projects; and, (ii) phase of pre-feasibility and feasibility study through the Environmental and Social Impact Assessment (ESIA).

On the western shores, the Italian planning system of infrastructure is un-related with its Eastern parts. To the best of our knowledge, national and regional authorities of SAA countries do not coordinate during planning. The coordination is made at the EU level through the TEN-T framework.

SA area is very dense in cross border cooperation CBC and bi-multilateral initiatives in transport, energy, and other fields. At the policy level, there is need of an integrated governance approach regarding connectivity initiatives in SA, for higher effectiveness and efficiency of policymaking regarding the strategic connectivity projects, be achieved through:

- coordination: transnational, cross-section (focused on transport, but transferable in other sectors), multi-actor and multi-level (local, regional, national, EU);
- involvement*:* project will provide tools and procedures that may be used by all stakeholders in connectivity-policy making cycle. At the project level, project's approach will be: multi-platform, multi-actor, multi-level by bringing together national policymakers;
- designed for systemic impact by piggy-backing a real-life initiative and through the embedment of its outputs in the policy cycle;
- build-up of the pilot in the function of real needs and problems coming from the connectivity actors in the SA and based on the partner government policy agenda;
- based on evidence-based policymaking by using research and analysis in connectivity, territorial development and cooperation;
- involvement of NGO at national & regional scale.

This endeavor should go beyond problem-solving, towards the identification of best cases that really work in the complicated context of the SA. The connectivity governance model should be sustainable, applicable and replicable in other areas. It should offer organic interlinking of policymaking in the SA with existing EU cohesion and territorial programs. This foresees the adoption of acquis Communautaire and inclusion of accession negotiations in the planning and implementation of goals and objectives. It needs to be backed by synergic interaction within regional cooperation in transport, to further connect the region, sustain the rhythm of reforms engaged in Montenegro and Albania and speed WB6 accession in EU.

In its transport strategy, the main midterm objective is the integration of Albanian core network rail and road corridors to the 9 European TEN-T Corridors; upgrading Adriatic – Ionian Highway/Expressway to the EU Motorway Standards; and qualifying railways Vora-Hani i Hotit and Durres-Pogradec-Lin as indicative extensions of Orient/East Med TEN-T rail corridor.

In its transport strategy, Montenegro is planning to construct two new highways (Bar-Boljare highway and Adriatic-Ionian expressway coastal variant), reconstruct the highway corridor to the border with Bosnia & Herzegovina (main road Šćepan Polje -Pluţine), and continuous rehabilitation and maintenance of the state road network. Rehabilitation of country's railway network is also underway and/or planned (Bar–Podgorica–Bijelo Polje and Podgorica–Tuzi sections). A new railway line is planned to connect Montenegro and Bosnia & Herzegovina (using existing corridor between Belica and Nikšić). Extensive modernization and expansion of the Tivat and Podgorica airports is also programmed in the forthcoming years.

II. Future trends in Regional governance of SAA

Maritime accidents are a good example of the need for a unified regulatory space in SAA. They leave catastrophic effects on the environment and economy, most of all on tourism, and their prevention is crucial for the countries in the region. Each of the national maritime administrations in the region has the responsibility of surveilling the maritime transport on their own territory and watch over its safety. In that sense, it is of utmost importance to coordinate maritime safety on the regional level. It is important to increase the level of maritime safety in the region by introducing systematic cooperation and coordination of maritime administrations of all countries of the region. To achieve the goal it is necessary to develop systematic coordination, harmonise the legal basis for cooperation, increase the level of data exchange, harmonize and standardize the VTS service, as well as develop a common education system for VTS operators.

Even today, ADRIREP functions as a mandatory ship reporting system, but its procedures do not meet the current requirements and technical achievements. Maritime administrations mutually cooperate, but not in a systematic and coordinated way. Their cooperation is the result of historic agreements such as the Trilateral Commission and many individual bilateral agreements between the involved countries. So, there is no standard for communication and coordination of activities and, therefore, it is of utmost importance to develop coordinated cooperation and distribution of duties. A specific challenge represents the fact that IT, EL, SI, and HR are member countries of the EU, while countries such as AL, ME, and BA are not. Also, these countries are significantly different in the levels of their economic development, technical equipment of the maritime administration, and in the implementation of the latest achievements in the navigation surveillance. These elements have to be harmonised in order to develop effective communication and coordination of the surveillance of regional maritime transport. There is also the issue of diversification and unevenness in the work and training of VTS operators in the Adriatic Ionian countries. This issue has a direct adverse effect on their common work and coordinated cooperation.

In this context the joint prioritisation of needs, joint preparation, financing, implementation, and coordinated lobbying at political action at regional and EU level became a necessity. Common and programme specific output indicators that should be monitored in order to assess the connectivity level are the following:

- Common interventions aimed to improve the cross-border framework
- Number of business and research institutions involved/offering nonfinancial support,
- Financial indicator,
- Projects contracted for strengthening the cross-border cooperation and competitiveness of SMEs
- Number of new products, services and pilot or demonstration projects realized
- Number of cross-border creative platforms created,
- Agreements for cross-border passengers and freight sustainable transport systems and multimodal mobility solutions
- Number of new multimodal connections for the benefit of passengers and freight
- Projects contracted for increasing cross border accessibility, promoting sustainable transport service and facilities and improving public infrastructures.

The multilayered nature of connectivity serves to better understand how phenomena in sectors without apparent connection, impact each other. For example, the increasing trend of WB6 emigration responds to internal social fracture and ever-increasing inequality. A higher people-to-people mobility (from WB6 to EU) or a mass migration of middle class responds to the disconnection of Balkan citizen from mechanisms of

national policy-making. Infrastructure networks are the visible and intuitive part of connectivity phenomenon. Spatial connectivity is only one of its dimensions. The fully-fledged connectivity phenomenon can be better understood and acted upon only when combined with economic and social variables as well as growth determinants and placed in a cultural and political context.

With regard to soft measures, Albania is working hard to fulfil all the obligations foreseen in the Connectivity Reform Measures Plan (CRMP). The main CRMP National measures can be resumed as below:

- Adoption of Road Safety Inspection (RSI) guidelines and curriculum and delivering of trainings. This includes:
    - Prepare three-year RSI plan for the Core and Comprehensive network and pilot RSIs on high accident sections – This measure completed.
    - Albanian Road Authority (ARA) have signed the contracts for road safety improvements (road marking and vertical signalling) for 137 km in North Albania and 144 km in South Albanian Region including the road sections as per RSI Reports. For all these projects the audit process was carried out before their implementation. This measure is in progress.
- Carry out road safety audits as per the Directive 2008/96/EC on all projects on the core and comprehensive network. This measure is completed by CONNECTA project.
- Establish a national system for continuous road crash data collection (by 2018) - CONNECTA TA has been completed.
- The Roadmap for the improvement of the existing national system for the road crash is being implemented with the assistance of the World Bank. The project started in January 2019 with duration period of 21 months. As per the Initial Report of Database Improvement a new system on Road Data Crash needs to be developed.
- Effective cross-border road transport facilitation. The Minister of Infrastructure and Energy issued the Order of Minister of Infrastructure and Energy No 848 of 7.12.2018 “On the establishment of the Working Group for drafting the Joint Action Plan for the border crossing points between the Republic of Albania and Montenegro”. The working group is being completed with the experts of line ministries involved in this process. Once the working group will be fully completed, it will start the collaboration with the Montenegrin counterparts in order to draft the Action Plan by following the ConnectaTA recommendations. To this purpose, on 1 February 2019, the Ministry of Infrastructure and Energy has officially requested from the Albanian Ministry for Europe and Foreign Affairs the start of negotiations with the Montenegrin side for the development of the joint action plan with Montenegrin counterparts taking into account the recommendations of ConnecTA.
- In addition, a Prime Minister Order No. 14, dated 25.10.2019 has been issued “On establishment of the Inter-institutional Working Group for drafting and negotiation of the Agreement, between the Council of Minster of the Republic of Albania and Government of the Republic of North Macedonia on the establishment of the one stop shops in the Border Crossing Points between two countries”. This working group (two representatives are from the Ministry of Infrastructure and Energy) is responsible to prepare and negotiate the Governmental Agreement for Qafë Thana / Kjafasan BCP.
- Definition of strategic framework for implementation of ITS on the Core Road Network includes:
    - Definition of strategic framework for implementation of ITS on the Core Rail Network - CONNECTA TA completed.
    - Definition of strategic framework for implementation of ITS on the Core Maritime Network.
- VTMIS will be financed as per the Loan Agreement approved by the Parliament between Republic of Albania and IBRD for the project on facilitation of trade and transport in Western Balkan. Currently the PIU is in the process of being set up at the Ministry of Finance and Economy.

Other measures include: i) Adoption of Maintenance plan for 2019-2023 for the entire Core Network- Road Maintenance Plan- CONNECTA TA completed; ii) Adoption of Maintenance plan for 2019-2023 for the entire Core Network- Rail Maintenance Plan. This measure is in progress; and, iii) Implementation of the border crossing agreement between Montenegro and Albania as a part of Adriatic – Ionian Initiative project. This measure is completed.

The transport Development Strategy – Montenegro 2019-2035 identifies and proposes necessary measures for tackling problems associated with specific objectives that are stated in the table:

	Specific Objective	***Measures***
1.1	Complete infrastructure projects in SPP	1/Program and monitor single pipeline projects for target years 2025 and 2035. 2/Continue and intensify actions towards project completion. 3/Align project activities and programming with those of neighbouring countries.
1.2	Align rail with interoperability requirements	1/Introduce European Rail Traffic Management System (ERTMS) in rail network. 2/Expand overtaking sections length of selected rail stations up to 740 m
1.3	Reduce border clearance time	Add control booths in road border crossings
1.4	Improve connectivity in the Port of Bar	1/Improve rail connection segments to Port of Bar 2/Expand piers and passenger terminal
2.1	Maintain adequate LOS of state road network	1/Reconstruct state road sections 2/Upgrade roads to recreational areas (ski and coastal resorts).
2.2	Complete rail network overhaul and improve rail infrastructure in accordance with TEN-T standards and improve rail transport	Upgrade the railway lines through implementation of planned rehabilitation works of the railway network
2.3	Revitalize and/or upgrade transport infrastructure in maritime transport	1/Increase of transhipment of general cargo and containers by securing the status of a transhipment port; 2/Expansion of the capacity for transhipment and storage of dry bulk cargo on the northern slope of Volujica hill; 3/Increase of transhipment of liquid and bulk cargo.
2.4	Reinforce the creation of an efficient and integrated transport system through intermodality	Develop intermodal stations in Podgorica and Bijelo Polje
2.5	Determine possibilities and needs for revitalization and/or reconstruction of transport infrastructure of air transport	Valorisation of other airports in Montenegro (besides Podgorica and Tivat)
2.6	Deployment of ITS technologies in the road, rail and maritime sectors	1/Installation of ITS equipment in the core network and selected parts of the main road network (variable message signs, dynamic signage etc.). 2/Installation of axle load measuring systems. 3/Completion of Vessel Traffic Management Information System (VTMIS)
3.1	Improve road safety on state road network	1/Complete planned road reconstruction projects (2019-2021). 2/Improve signage and road furniture of main roads

A concrete endeavor is the VTMIS. IN Albania VTMIS should cover the Port of Durres (Port of Core Network), where the main system should be located, and the other ports where VTS should be installed, provided that the updated Feasibility study supports such decision. Also, the connection of Durres VTMIS and other VTS with the Central Ministry at Tirana should be considered. Taking into account the geomorphology of Albania, the location of the necessary repeaters should be also carefully investigated. Documentation should also take into account, not only equipment, but also infrastructure needed to host VTMIS (e.g. buildings, control tower, power supply etc.). Moreover, when designing and assessing such systems, organizational, human resources, capacity building as well as market, services, legislative/ royalty and training issues should be addressed [14].

A major problem affecting transport Large Infrastructure Projects (LIPs) in WB6, is the region's administrative capacity to manage - identify, design, implement and operate - such projects. "Public investment management frameworks in the region exhibit significant weaknesses, the strength of public investment management in the Western Balkans is circa 70% of their Central-East Europe (CEE) peers".

As a region, WB6's current challenges are to build capable institutions at the same time and same importance, as building infrastructure; and, invest in local expertise. Acknowledging this, IMF brings the concept of "investing in investing" aiming at bolstering the capacity of Balkan countries to plan, select, and carry out infrastructure projects.

Higher transparency and increased obligations that result from reinforced institutional cooperation between EU and WB6 during the implementation of joint projects, can become part of new and innovative strategic mechanisms that support the sustainable reforming and modernization of WB6 institutions.

This should improve the coordination amongst main actors in their endeavour in connectivity initiatives that contribute to sustainable CB connections, mainly:

- at policymaking level to obtain better understanding and knowledge of the context and factors impacting the connectivity initiatives in the SA, focused on coordination;
- at the project level to develop and implement joint pilot action, test the feasibility of new coordination mechanisms, tools and services that could improve the strategic connectivity projects;
- at the institutional level to enable national, regional and local stakeholders to exchange knowledge and work together on full project cycle for connectivity initiatives.

The outcome should be the increase the efficiency of existing Connectivity coordination mechanisms at policy and project level and to pioneer new ones, and creation of the conditions for the application of an integrated connectivity governance approach that considers all platforms like EUSAIR, Berlin Process, TEN-T, bilateral agreements and national prioritization tools. This requires a multi-actor platform (policy-makers, IFI, business, NGO, research bodies, etc.) that allows for political commitment, efficiency, local ownership & sustainability.

The axis of intervention needs to be in:

- Policymaking: a comprehensive view of transport connectivity initiatives and of success factors,
- concrete connectivity projects: for example, SAGOV project promote the institutional cooperation for the implementation of VTMIS in Albania and sharing experiences on VTMIS between Montenegro and Albania Maritime Competent Authorities.

The limitations of local administrations during the implementation phase can be explained by the degree of complexity of LIPs, the low mass of narrow-focused specialists in public administration, as well as by the politisation of administration and the regular turnover of civil servants as identified by the many EC Progress Reports.

From the points above mentioned, we identify the need to prepare an overall SEE6 Connectivity Strategy document, or at least a comprehensive SEE6 Connectivity Program that would add a heavier political and strategic component to the infrastructure investments in the region. Moreover, this strategy document would bring together in one single approach the spatial connectivity together in transport and energy with the respective reform measures. Finally, it should contain a section addressing the institutional capacity of the local partners.

A concrete example is the collaboration between Montenegro and Albania in VTMIS. In Albania, the deployment of a Vessel Traffic Monitoring Information System (VTMIS) would be crucial to the monitoring of vessel traffic. VTMIS is as an extension of the Vessel Traffic Service (VTS), in the form of an Integrated Maritime Surveillance, which incorporates other telematics resources to allow allied services and other interested agencies in the direct sharing of VTS data or access to certain subsystems to increase the effectiveness of port or maritime activity operations.

The establishment of the VTMIS is a requirement of the International Maritime Organization (IMO in resolution (A.857(20), ref. 4), EU legal framework (Directive 2010/65/EU and Directive 2002/59/EC), National Transport Strategy and EU Strategy for Adriatic and Ionian Region (EUSAIR). Legislation on an EU vessel traffic monitoring and information system has not been transposed yet and further efforts are also needed to define a strategic framework for the implementing intelligent transport systems on the core maritime network.

Albania is the only country in the Adriatic region that is yet to establish the VTMIS, hence making it an immediate priority and of paramount importance, to facilitate and improve the international maritime traffic, ameliorate traffic monitoring, enhance maritime safety, security and protection of marine environment, improve the response of authorities to incidents, accidents or potentially dangerous situations at sea, including search and rescue operations.

Accordingly, it is deemed necessary for Albania to revise and update current project documentation in line with the EU technical, legal and institutional standards and requirements, in parallel with/ in support to the necessary efforts made by the country to transpose the relevant EU legislation.

Regarding collaboration in the policy-making process during VTMIS in Albania, formally it appears in the TORs of the World Bank tender only as bullet point 6 in Task 3. However, Albanian and Montenegrin administration have kept close relationship in almost all the stages and have exchanged information whenever deemed necessary:

Task 1: Completing the Vessel Traffic Monitoring Management Information System (VTMIS) Feasibility Study by updating the actual document, drafting of the Cost Benefit Analysis and other necessary element of the study taking in consideration the best practices in the region, EU in implementing a new VTMIS and lessons learned from the neighbouring countries.

Task 2: Provision of a detailed review and update of the VTMIS documents prepared in 2016: i) Preliminary Design, ii) Detailed requirements specifications, iii) Feasibility study and project design, indicating its limitations and areas for improvement,

Task 3: Completion of the existing Feasibility Study by including:

- Cost Benefit Analysis (Financial Analysis, Economic Analysis, Sensitivity and Risks Analysis),
- market/ traffic analysis and assessment of beneficiary's and users' needs,
- update of preliminary requirements for proposed VTMIS (specifications, equipment, infrastructure, capacity building, etc.),
- analysis of the regulatory/ legal regime for VTMIS (vis a vis international requirements),
- best EU practice in implementing a new VTMIS,
- lessons learned from the neighbouring countries,
- assessment of the available personnel to operate the systems,
- prepare the draft tender documents.

Task 4: Provision of support for the implementation of VTMIS in Albania

- Provide specific technical advice on VTMIS implementation and capacity building,
- Support the adoption of legal changes required to comply with EU regulations, directives and standards on ITS,
- Assist during the evaluation of the procurement procedure,
- Prepare the Terms of Reference for the VTMIS training.

As a result – partly of SAGOV project as well – the main external adviser of Montenegrin government and expert of SAGOV (and author of this study) has also been selected officially to assist the Albanian government and the World Bank during the implementation of VTMIS stage 1 in Albania.

Another example of regional institutional cooperation in maritime sector is the Adriatic Euro regions, an international association of local (territorial) governments of the Adriatic Sea (regions or municipalities of Italy, Croatia, Slovenia, Bosnia-Herzegovina, Montenegro, and Albania) with the aim of promoting and supporting cooperation and development programmes in the Adriatic area. Founded on 30 June 2006 in Pula (Croatia), the association is a non-profit legal entity. It could be pointed out that, within the process of modernization of WB countries, the strategic priority is to accelerate the integration of Albania's transport system and the establishment of an integrated market comprised of transport infrastructure by land (road and rail), by sea and by inland waterways. Despite significant investments especially in improving road infrastructure, the transport sector has yet to become a significant promoter of economic development in Albania. The timely and adequate funding of annual and medium-term programme investments remains problematic. Further, the quality of transport related public works is still not yet up to EU standards.

III. Conclusions

In the short term, the Berlin process and its focus on connectivity, provides the space and political support for IPA III to efficiently support the WB6 institutions through a relevant diagnosis and scrutiny of their solidity. The implementation of connectivity projects or of engagements taken in the regional fora, make possible the scrutiny and verification of commitments taken by political elites, and verifies the implementation of such commitments. By using IPA to support full project cycle planning, EU allows for the market-based return on investment to replace soft and subjective “sustainability” criteria. This replacement puts a clear financial bill to the institutional capacity in implementation of IPA. It also gives the closest measure possible to an impact assessment of EU financial assistance to WB6.

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