CONFERENCE PAPER
International Conference on Economic Sciences and Management in the Changing World 2025

Accepted: October 12, 2025 | **Published:** November 1, 2025 | **Language:** English

Assessing Budgetary Performance and Efficiency in Albania's RoadTransport Investments (2013-2023)

Vilma Bilaj [1]***, Elida Liko*** [2]

[1] PhD Candidate, Faculty of Economics, University of Tirana, Albania
[2] Prof. Assoc. Dr., Lecturer, Faculty of Economics, University of Tirana, Albania

Corresponding author:
Vilma_bilaj.feutdr@unitir.edu.al

This work is licensed under CC BY-NC-ND 4.0. To view a copy of this license, visit https://creativecommons.org/licenses/by-nc-nd/4.0

ABSTRACT: This study evaluates the budgetary performance and efficiency of Albania's road transport sector from 2013 to 2023. The objective is to analyse trends in public investment, execution rates, and the sustainability of financial management practices. The analysis is based on official monitoring reports from the Ministry of Finance and the Ministry of Infrastructure and Energy, covering planned and realised expenditures and funding structures. Results show a steady increase in investments and a high average execution rate of 93–94%, reflecting improved fiscal discipline and institutional coordination. However, limited maintenance funding and regional disparities continue to hinder balanced development. The findings underscore the need for a more equitable allocation of resources, stronger maintenance strategies, and enhanced monitoring systems to promote transparency and long-term sustainability in Albania's road infrastructure sector.

KEYWORDS: Road transport, public expenditure, efficiency, budgetary performance, infrastructure investments.

How to cite: Bilaj, V., & Liko, E. (2025). Assessing Budgetary Performance and Efficiency in Albania's RoadTransport Investments (2013-2023). *International Conference on Economic Sciences and Management in the Changing World 2025*, (pp. 147-151). Futurity Research Publishing. https://doi.org/10.5281/zenodo.17509832

©Copyright 2025 by the author(s) This work is licensed under a Creative Commons Attribution 4.0 International License.

Introduction

The road transport sector represents a cornerstone of Albania's economic and social development. Efficient road networks facilitate the movement of goods, increase market accessibility, and strengthen regional integration. Over the past decade, the Albanian government has significantly increased public investment in road construction, rehabilitation, and maintenance, supported by both domestic and international funding sources, including the World Bank, EBRD, EIB, and the European Union through IPA programs.

This paper aims to assess budgetary performance and efficiency in the road transport sector by examining funding trends, execution rates, and the overall impact of these investments on economic development between 2013 and 2023.

Research Aim and Research Questions

The main aim of this study is to assess the budgetary performance and efficiency of public investments in Albania's road transport sector during the period 2013–2023. It seeks to evaluate how financial resources have been allocated, executed, and managed, and to determine the extent to which these investments have contributed to sustainable infrastructure development and regional balance.

To achieve this aim, the study addresses the following research questions:

1. How have budget allocations and execution rates in the road transport sector evolved between 2013 and 2023?
2. What are the main factors influencing the efficiency and effectiveness of public expenditure in road infrastructure?
3. To what extent do maintenance funding and regional distribution affect the sustainability of road investments in Albania?
4. What measures can improve transparency, equity, and long-term financial performance in the sector?

Research Results

To evaluate the budgetary performance of Albania's road transport sector, the analysis relies on official annual monitoring reports prepared by the Ministry of Finance and the Ministry of Infrastructure and Energy for the period 2013–2023. These reports provide comprehensive data on the planning, allocation, and utilisation of financial resources within the national

road program. They also include information on the structure of expenditures, the contribution of different financing sources—such as the state budget, development loans, and donor funds—and the progress of implementation for key infrastructure projects.

The data summarised in Table 1 present the evolution of planned and realised funds, execution rates, and the composition of primary financing sources across the ten-year period,

©Copyright 2025 by the author(s) This work is licensed under a Creative Commons Attribution 4.0 International License.

offering a clear picture of investment dynamics and fiscal performance in Albania's road transport sector.

Table 1

Evolution of budget allocations in Albania's road transport sector (2013-2023)

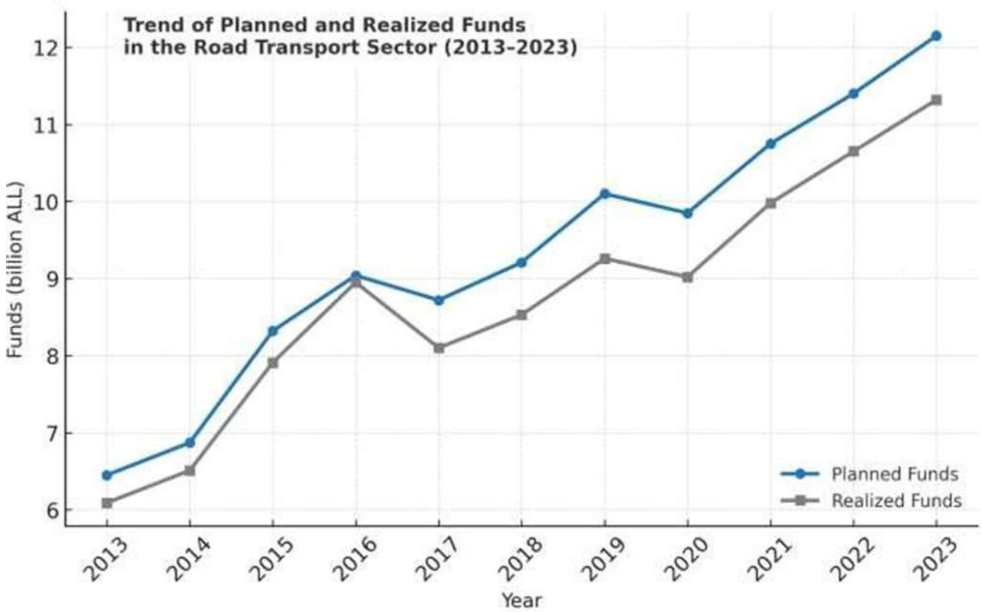
Year	Planned Funds (million ALL)	Realized Funds (million ALL)	% Execution	Main Financing Source	Major Projects or Segments
2013	6,450	6,090	94.4%	State Budget + EIB	Qafë-Thore-Theth Road, regional maintenance
2014	6,870	6,510	94.8%	WB + EBRD	Lin-Pogradec, Durrës- Kukës rehabilitation
2015	8,320	7,910	95.1%	Budget + Donors	Qukës-Qafë Plloçë , Shkodër-Velipojë
2016	9,040	8,946	99.0%	State Budget	Plepa-Kavajë Rrogozhinë, Arbër Road, Tirana Ring Road
2017	8,720	8,100	92.9%	WB + EIB + Budget	Kardhiq-Delvinë, rural connectors
2018	9,210	8,530	92.6%	Budget + IPA	PBMC maintenance , Tiranë-Elbasan
2019	10,100	9,260	91.7%	Budget + IPA II	Fier-Vlora widening , Arbër Road
2020	9,850	9,020	91.6%	Budget+Development Loans	Periodic maintenance , PBMC projects
2021	10,750	9,980	92.8%	Budget + IPA III	Fier Bypass, Nation Road, maintenance
2022	11,400	10,650	93.4%	Budget + WB/IPA	Vlora Bypass, Llogara Tunnel
2023	12,150	11,320	93.2%	State Budget	Llogara Tunnel, rural and urban roads

Source: Author's elaboration based on the Annual Budget Monitoring Reports for the Road Transport Sector (MFE & MIE, 2013-2023)

©Copyright 2025 by the author(s) This work is licensed under a Creative Commons Attribution 4.0 International License.

Figure 1

Trend of Planned and Realised Funds in the Road Transport Sector (2013-2023)



Source: Author's elaboration based on the Annual Budget Monitoring Reports for the Road Transport Sector (MFE & MIE, 2013–2023).

As shown in Table 1 and Figure 1, the budget allocated to the road transport sector followed a consistent upward trend during 2013 to 2023. In 2013, the planned budget was approximately 6.4 billion ALL, while by 2023, it had reached 12.15 billion ALL, nearly doubling within a decade. This reflects institutional commitment to improving infrastructure and regional integration. The average execution rate of 93–94% demonstrates strong fiscal discipline and efficient fund management.

The year 2016 recorded the highest execution level (99%), marking optimal financial and technical performance. Key projects completed during that year included the Plepa–Kavajë–Rrogozhinë segment, Arbër Road, and the Tirana Ring Road.

During 2017–2019, execution rates slightly declined due to delays in disbursements from international financing; however, performance-based maintenance programs (PBMPs) helped sustain road quality.

Between 2020 and 2023, despite the challenges posed by the COVID-19 pandemic, the sector maintained fiscal stability and implemented large-scale projects, including the Llogara Tunnel and the Fier and Vlora Bypasses.

Regionally, about 65% of total road investments were concentrated in central and southern Albania (Tirana, Fier, Vlora, Durrës), reflecting their strategic economic importance. However, this approach has exacerbated regional disparities, as northern and northeastern regions, such as Kukës and Dibër, received smaller allocations despite having higher infrastructure needs.

©Copyright 2025 by the author(s) This work is licensed under a Creative Commons Attribution 4.0 International License.

Maintenance remains underfunded, accounting for only 20–25% of annual resources, compared to 70–75% for construction and reconstruction. This imbalance may impact the long-term sustainability of the network, necessitating a new national maintenance strategy.

Conclusions and Recommendations

The analysis confirms that Albania's road transport sector maintained strong financial stability and efficient fund utilisation over the past decade. High budget execution rates and continuous project implementation reflect institutional maturity and improved coordination among implementing agencies. However, to ensure long-term sustainability and equitable regional development, several measures are recommended:

- Increase funding for regular and preventive road maintenance to preserve existing assets and reduce future rehabilitation costs;
- Balance investment distribution between regions, with greater focus on northern and northeastern areas;
- Expand performance-based maintenance contracts (PBMC) to enhance cost-efficiency and service quality;
- Strengthen the digital monitoring system (WEB–GIS) for real-time project tracking and transparency;
- Introduce measurable indicators to assess budgetary efficiency and socio-economic impact across the sector.

Overall, the road transport sector remains a key pillar of Albania's economic growth and regional connectivity. Achieving long-term efficiency requires a balanced approach between construction and maintenance, supported by transparent budgeting and evidence-based policymaking.

References

European Bank for Reconstruction and Development (EBRD). (2023). *Annual review of infrastructure investments in the Western Balkans.* EBRD. https://www.ebrd.com/infrastructure

Ministry of Finance and Economy. (2013–2023). *Annual budget monitoring reports for the road transport sector.* Ministry of Finance and Economy. https://www.financa.gov.al

Ministry of Infrastructure and Energy. (2016). *Report on the implementation of products and expenditures for the 12-month period of 2016.* Ministry of Infrastructure and Energy. https://www.infrastruktura.gov.al

World Bank. (2022). *Albania: Transport and infrastructure overview.* World Bank Publications. https://www.worldbank.org/en/country/albania

©Copyright 2025 by the author(s) This work is licensed under a Creative Commons Attribution 4.0 International License.