Interreg

Co-funded by the European Union

IPA South Adriatic

Co4Co

# Training needs assessment and skills gaps at Albanian Railways



November 2026

Interreg Co-funded by the European Union
IPA South Adriatic
Co4Co

# Training needs assessment and skills gaps at Albanian Railways

Co-funded by: Interreg Co-funded by the European Union IPA South Adriatic

Implemented by: Cooperation & Development Institute, HSH, Regione Puglia, Regione Molise, Željeznički prevoz Crne Gore

Interreg Co-funded by the European Union
IPA South Adriatic

Co4Co

**Author:**

Brikena Tare, Transport Expert

**Contributors:**

Ergys Verdho, Administrator, Albanian Railways
Klorinda Ibro, Director of Internal Supporting Services, Albanian Railways
Gentjan Liko, Head of Project Management Unit, Albanian Railways
Bashkim Kasoruho - Head of PIU Durres-Tirane-Rinas, Albanian Railways
Helidon Lusha, Head of Project Management & Implementation Unit, Albanian Railways
Bruno Firza, Head of Finance and Risk Management Sector, Albanian Railways
Ermal Limanaqi, Head of Procurement Unit, Albanian Railways
Margarita Kodra, Deputy Director, Infrastructure Management Unit, Albanian Railways
Jonida Ilia, Human Resources, Albanian Railways
Eneida Elezi, Specialist of External Relations, Albanian Railways
Paulina Nako, Human Resources, Albanian Railways
Eriton Hasaj, Environment and Social Specialist, Albanian Railways
Ledina Gjiknuri, Independent Consultant and Capacity Building Professional

**Coordinated by:**

Ardian Hackaj, Tirana Connectivity Forum Coordinator, Cooperation and Development Institute

**Publisher:**

Connected for Cohesion
Website: www.co4co.southadriatic.eu

© Copyright 2026, Connected for Cohesion. All rights reserved

This publication is under Creative Commons Attribution-Non-Commercial-No Derivatives 4.0 International License (CC BY-NC-ND 4.9).
Should you wish to reproduce parts of this publication, please ensure that you acknowledge the original source and consult with the contributing organization or institution.



**Suggested Citation:**

Please cite as: Connected for Cohesion, November 2026, "Training Needs Assessment and Skills Gaps at Albanian Railways".

**Keywords:**
Railways; Human Capital; Capacity Building; TEN-T; EU Transport Policy; Albania.

**Disclaimer:**
This material has been prepared by the expert contracted by Albanian Railways within the framework of the Connected for Cohesion (Co4Co) project, co-funded by the Interreg IPA South Adriatic Programme.

The information and views expressed in this material are those of the author and do not necessarily reflect the official position of the European Union or Albanian Railways. Neither Albanian Railways nor any person acting on its behalf may be held responsible for the use of the information contained in this material.

Interreg Co-funded by the European Union
IPA South Adriatic
Co4Co

# Contents


**1. INTRODUCTION ..... 7**

Introduction and context ..... 7

Objectives of the TNA and Skills Gap Analysis ..... 7

Scope of the Assessment ..... 8

**2. METHODOLOGY FOR DELIVERY OF THE TRAINING NEEDS ASSESSMENT AND SKILLS GAP ANALYSIS REPORT ..... 9**

2.1 Methodology ..... 9

2.2 Questionnaire ..... 10

**3. DESK REVIEW ..... 11**

3.1 Review of strategies, legislation and policy documents ..... 11

3.2. Previous Institutional Reports on Staff Capacity Assessments ..... 12

3.3 Past and planned training activities ..... 14

3.4 Railway Center of Excellence (RRCE) ..... 16

3.5 Complementarity and Added Value of the Co4Co TNA, Skills Gap Analysis and KTAP ..... 17

**4. EU RAILWAY POLICY, TECHNICAL REQUIREMENTS, INSTITUTIONS AND FINANCIAL INSTRUMENTS ..... 18**

4.1 TEN-T ..... 18

4.2 Railway Interoperability ..... 18

4.3 Key EU and Regional Institutions ..... 19

4.4 Key EU Financing and Investment Instruments ..... 20

**5. STAKEHOLDER MAPPING ..... 22**

5.1 Purpose of the Stakeholder Mapping ..... 22

5.2 Stakeholder Mapping Approach ..... 22

5.3 Stakeholder Mapping Matrix ..... 23

5.4 Stakeholder Analysis ..... 24

5.5 Stakeholders Relevant for the Training Needs Assessment....24
**6. DATA COLLECTION....25**
6.1 Purpose of Data Collection....25
6.2 Target Groups....25
6.3 Data Collection Methods....25
6.4 Validation of Information....26
6.5 Limitations of the Assessment....26
**7. INSTITUTIONAL ANALYSIS OF ALBANIAN RAILWAYS....27**
7.1 Introduction....27
7.2 Legal and Institutional Framework....27
7.3 Strategic and Policy Framework....28
7.4 Organisational Structure....29
7.4.1 Project Management and Implementation Directorate (PMIU)....30
7.5 Assessment of the HSH Organisational Structure....33
7.6 Employment Regulation and Job Classification Framework....34
7.7 Assessment of the Employment Regulation and Job Classification Framework....36
7.8 Other Internal Governance and Administrative Regulations....37
**8. COMPETENCY FRAMEWORK FOR EU RAILWAY POLICY, PROJECT MANAGEMENT AND INSTITUTIONAL CAPACITY....38**
8.1 Purpose of the Competency Framework....38
8.2 Core Competency Areas....38
8.3 Competency Requirements by Functional Area....39
**9. TRAINING NEEDS ASSESSMENT AND SKILLS GAP ANALYSIS....40**
9.1 Assessment Framework....40
9.2 Target Groups and Respondent Profile....40
9.3 Consolidated Questionnaire Results....42

9.4 Questionnaire Results by Competency Area....45
9.5 Overall Institutional Capacity and Skills Gap Assessment....48
9.6 Qualitative Findings and Training Preferences....51
9.7 Training Priorities....52
9.8. Prioritization for the Knowledge Transfer and Absorption Programme (KTAP)....57
9.9 Recommended Training Approach....58
**10. CONCLUSIONS AND RECOMMENDATIONS....59**
10.1 Immediate Priorities for KTAP Design....59
10.2 Embedding Competencies Beyond the KTAP....59
10.3 Addressing Workforce Renewal and Succession....60
10.4 Longer-Term Institutional Development....60

## Table of Abbreviations

| | |
|---|---|
| CEF | Connecting Europe Facility |
| DG MOVE | Directorate-General for Mobility and Transport (European Commission) |
| DG REGIO | Directorate-General for Regional and Urban Policy (European Commission) |
| EBRD | European Bank for Reconstruction and Development |
| EIB | European Investment Bank |
| EIP | Economic and Investment Plan for the Western Balkans |
| EOAP | Equal Opportunities Action Plan |
| ERA | European Union Agency for Railways |
| ERTMS | European Rail Traffic Management System |
| ESIA | Environmental, Social, Health and Safety Assessment (Plan) |
| ETCS | European Train Control System |
| EU | European Union |
| FIDIC | International Federation of Consulting Engineers (contract framework) |
| HR | Human Resources |
| HSH | Hekurudha Shqiptare (Albanian Railways) |
| ICT | Information and Communication Technology |
| IFI | International Financial Institution |
| ILO | International Labour Organization |
| IPA III | Instrument for Pre-accession Assistance (third phase) |
| KTAP | Knowledge Transfer and Absorption Programme |
| LARF | Land Acquisition and Resettlement Framework (Plan) |
| NJBM | Freight Transport Unit |

| | |
|---|---|
| NJBMI | Infrastructure Management and Business Unit |
| NJBU | Passenger Transport Unit |
| NJSHBM | Internal Support Services Department |
| NJSHML | Rolling Stock Service Unit |
| NSDI | National Strategy for Development and Integration |
| PIU | Project Implementation Unit |
| PMIU | Project Management and Implementation Directorate |
| PRAG | Practical Guide to procurement procedures for EU external actions |
| RFI ` | Rete Ferroviaria Italiana (Italian railway infrastructure manager) |
| RRCE | Regional Railway Centre of Excellence |
| RRF | Recovery and Resilience Facility |
| SAA | Stabilisation and Association Agreement |
| SASPAK | State Agency for Strategic Programming and Aid Coordination |
| SEA | Strategic Environmental Assessment |
| SEP | Stakeholders Engagement Plan |
| SERA | Single European Railway Area |
| SRA | Strategic Relevance Assessment |
| TEN-T | Trans-European Transport Network |
| TNA | Training Needs Assessment |
| TSI | Technical Specification for Interoperability |
| TVET | Technical and Vocational Education and Training |
| WB6 | Western Balkans Six |
| WBIF | Western Balkans Investment Framework |
| WP2 | Work Package 2 |
| ZICG | Railway Infrastructure of Montenegro- AD Podgorica |

## EXECUTIVE SUMMARY

The **Training Needs Assessment (TNA) and Skills Gap Analysis** was conducted under the **Connected for Cohesion (Co4Co) Project** to assess Albanian Railways' (HSH) institutional capacities to support EU transport policies, TEN-T requirements, railway reform, and the preparation and management of EU-funded projects.

The assessment responds to growing demands arising from Albania's EU accession process, the revised TEN-T Regulation, the EU Growth Plan for the Western Balkans and expanding EU transport financing. Strengthening HSH's capacities is essential to ensure effective planning, implementation and management of railway investments in line with EU policies, standards and funding requirements.

The assessment combined desk research, institutional and organisational analysis, stakeholder mapping, competency framework development, a questionnaire completed by 28 HSH staff members, and semi-structured interviews. This mixed-method approach provided quantitative and qualitative evidence of existing competencies, institutional strengths and capacity gaps.

Findings highlight HSH's solid technical expertise, experienced workforce and practical railway infrastructure knowledge. However, competencies in EU transport policy, TEN-T implementation, financing instruments, project management, procurement, interoperability, digitalisation and cross-border cooperation remain concentrated in specialised units, particularly Project Implementation Units (PIUs). An ageing workforce and limited exposure to EU-funded projects across other units create risks to institutional continuity and long-term resilience.

The assessment recommends moving beyond stand-alone training towards structured organisational learning, combining competency-based workshops, case studies, practical exercises, study visits and peer exchange with EU railway organisations. Continuous professional development and knowledge-sharing are essential to retain and disseminate expertise.

The report identifies priority capacity-building areas for the Knowledge Transfer and Absorption Programme (KTAP), focusing on EU transport policy, financing, project management, procurement, interoperability and cross-border cooperation. These will strengthen HSH's institutional resilience, improve its capacity to prepare and manage EU-funded projects, and support Albania's alignment with the EU transport acquis and TEN-T objectives.

The planned restructuring of HSH into four companies further highlights the need for tailored Human Resource Development to extend competencies beyond PIUs and ensure knowledge retention across the future organisational structure.

# 1. INTRODUCTION

## Introduction and Context

The transport sector is undergoing a period of significant transformation, driven by the EU's evolving policy priorities, the enlargement process, and growing emphasis on sustainable, integrated transport systems. For candidate countries like Albania, this creates opportunities to strengthen transport connectivity, accelerate reforms and access EU financial instruments for strategic infrastructure investment.

The inclusion of the Western Balkans in the revised Trans-European Transport Network (TEN-T), the EU Growth Plan, and performance-based financing have increased emphasis on national institutions' ability to prepare and implement projects to EU standards. Closer cooperation between EU Member States and candidate countries is also increasingly important for joint cross-border transport projects and integrating the Western Balkans into the European network.

Strengthening HSH's institutional capacity is therefore key to its readiness to access and manage EU-funded projects, particularly under the Growth Plan, CEF, IPA III and, eventually, EU Cohesion Policy. This report, prepared under the Co4Co Project (WP2), presents the Training Needs Assessment (TNA) and Skills Gap Analysis for HSH, evaluating staff knowledge and competencies in EU transport policy, cross-border cooperation, and EU-funded project management. The findings form the basis for a targeted capacity-building programme to strengthen HSH's readiness to participate in joint projects and access EU funding.

## Objectives of the TNA and Skills Gap Analysis

The Training Needs Assessment (TNA) and Skills Gap Analysis aims to identify the current competencies, knowledge and institutional capacities of HSH in relation to the requirements of EU railway policies, cross-border cooperation, and the preparation and implementation of EU-funded transport projects. The assessment evaluates existing strengths, identifies capacity and skills gaps, and determines priority areas for professional development.

Findings provide the basis for a targeted Knowledge Transfer and Absorption Programme (KTAP), aligned with HSH's operational needs, Albania's EU integration goals, and TEN-T requirements. The focus is on institutional and project management capacities required for effective participation in EU programmes and initiatives, rather than on technical railway operational skills, which are addressed through other specialized sector programmes.

## Scope of the Assessment

The assessment covers HSH's institutional, managerial and administrative capacities for EU integration, cross-border cooperation and EU-funded project participation in future European cooperation and investment programmes — focusing on project preparation, knowledge of EU policies and funding instruments, coordination, and organisational capability.

It excludes technical railway operations, engineering, maintenance and signalling competencies, which are covered by dedicated sector programmes.

# 2. METHODOLOGY FOR DELIVERY OF THE TRAINING NEEDS ASSESSMENT AND SKILLS GAP ANALYSIS REPORT

## 2.1 Methodology

The Training Needs Assessment and Skills Gap Analysis applied a structured, evidence-based methodology to assess HSH staff competencies against EU transport policies, cross-border cooperation, and EU-funded railway project requirements. Combining documentary analysis, stakeholder engagement and questionnaire-based competency assessment, it established a baseline of existing capacities and identified priority areas for institutional strengthening under Co4Co (WP2).

### Work Planning and Coordination

The assignment began with a detailed work plan outlining activities, responsibilities and coordination arrangements with HSH and Co4Co partners. An inception meeting confirmed the assessment scope and methodology and designated focal points for data collection and consultation. Regular coordination throughout the assignment ensured timely information exchange and validation of interim outputs.

### Desk Review

The assessment began with a comprehensive desk review of HSH's institutional and policy context, covering national transport strategies, railway legislation, organisational documents and previous capacity assessments. It examined relevant EU frameworks, the revised TEN-T Regulation, railway acquis, EU financing and policy instruments, and ongoing national and regional railway reforms. Previous and planned training programmes were also reviewed to identify complementarities, avoid duplication and align the assessment with broader institutional capacity-building efforts.

### Stakeholder Mapping and Data Collection

Based on the desk review, stakeholder mapping identified HSH units and staff categories involved in railway planning, infrastructure development, project implementation, EU cooperation and institutional management. Data were collected through a structured questionnaire, complemented by interviews and consultations with key staff and management, providing quantitative and qualitative insights into existing competencies, practical experience and perceived capacity development needs.

### Training Needs Assessment and Skills Gap Analysis

The desk review and stakeholder consultations underpinned the Training Needs Assessment and Skills Gap Analysis, which compared existing competencies against the institutional capacities required to participate in EU-funded transport projects and align with the EU transport acquis. The assessment covered EU transport policy, TEN-T, project preparation and management, EU financing instruments, procurement, financial

management, monitoring and reporting, and cross-border cooperation, identifying institutional strengths, competency gaps and priority development areas.

### Validation of Findings

Preliminary findings were presented to HSH and relevant stakeholders for validation, with feedback incorporated into the final assessment to ensure the identified training needs reflected institutional priorities and operational requirements. The validated findings established priority capacity-building areas, forming the basis for the Knowledge Transfer and Absorption Programme (KTAP), training curricula development, and targeted capacity-building activities under the Co4Co Project.

### Finalization and Reporting

Following validation, the report was finalised with comments and recommendations from HSH and the Co4Co project partners. It presents the results of the desk review, stakeholder consultation and skills gap analysis, together with priority capacity-building areas and recommendations for the KTAP.

The methodology ensured a systematic, participatory and evidence-based assessment of institutional capacities. Combining documentary review, stakeholder consultation and competency assessment provided a robust basis for identifying priority capacity-building needs and strengthening HSH's readiness for EU-funded projects, cross-border cooperation and alignment with the EU transport acquis.

## 2.2 Questionnaire

A Training Needs Assessment (TNA) questionnaire was the principal tool for assessing HSH staff's institutional capacities, knowledge and competencies relative to the Co4Co Project's objectives. The questionnaire collected information on respondents' professional profiles, knowledge of EU transport policies and TEN-T, experience with EU-funded projects, familiarity with key financing instruments, self-assessed competencies and priority training needs.

Participation was voluntary, and responses were treated confidentially and used solely for this assessment. In total, 28 questionnaires were completed by staff in railway planning, infrastructure management, project preparation and implementation, and institutional support. Semi-structured individual and group interviews complemented the quantitative findings, providing qualitative insight into institutional practices, operational challenges and capacity needs that closed-ended questions could not capture.

Together, the questionnaire and interview findings form the primary evidence base for the Training Needs Assessment and Skills Gap Analysis in Chapter 9.

### Questionnaire Structure

The questionnaire was organized into five sections covering: (i) respondent profile; (ii) knowledge of EU transport policies and financing instruments; (iii) previous experience with EU-funded projects and cross-border cooperation; (iv) self-assessment of competencies in key thematic areas; and (v) perceived training needs and priority capacity-building areas. This structure ensured the collection of both quantitative and qualitative information necessary to support the Training Needs Assessment and Skills Gap Analysis.

## 3. DESK REVIEW

The desk review provided the analytical foundation for the assessment by establishing the institutional, policy and strategic context in which HSH operates, including policy objectives, legislative requirements, institutional arrangements, previous capacity-building initiatives, and ongoing regional and national efforts.

It covered national and European transport strategies, legislation and policy documents, previous institutional assessments and skills gap analyses, past and planned training activities, and regional capacity-development initiatives. The findings identified institutional strengths, helped avoid duplication with earlier interventions, and clarified where this assessment adds value. The main findings follow in the next sections.

### 3.1 Review of strategies, legislation and policy documents

The following section summarises the principal national, regional and European policy and strategic documents that provide the policy framework for the development of Albania's railway sector and the strengthening of institutional capacities required for EU integration and access to EU funding.

#### Albania National Strategy for Development and Integration (NSDI) 2030[1]

The NSDI 2030 identifies transport connectivity as a key driver of sustainable growth, regional integration and Albania's EU accession. It supports TEN-T development, multimodal transport and cross-border connectivity, and recognises that delivering these requires stronger governance, planning and administrative capacity for EU-funded investments.

#### Albania Transport Sector Strategy 2030[2]

The Transport Sector Strategy 2030 prioritises EU acquis alignment and TEN-T implementation, including railway modernisation, interoperability, ERTMS, and sustainable and multimodal transport. It also stresses project preparation, digitalisation and institutional and administrative capacity to improve EU funding absorption.

[1] https://qbz.gov.al/eli/vendim/2023/02/22/88/59519cb2-2180-4e7e-9d91-68545a68e008
[2] https://www.infrastruktura.gov.al/wp-content/uploads/2026/04/Transport-Sector-Strategy2030_Eng.pdf

### Western Balkans Smart and Sustainable Transport Strategy[3]

The Western Balkans Smart and Sustainable Transport Strategy promotes an integrated, interoperable regional transport system linked to TEN-T. It prioritises railways for connectivity, competitiveness and greener transport, and calls for regional cooperation, digitalisation and stronger institutional capacity to implement EU policies and investment programmes.

### Revised TEN-T Regulation[4]

Regulation (EU) 2024/1679 sets the legal and technical framework for TEN-T, with railway requirements on interoperability, cross-border connectivity, standards, multimodality, resilience and ERTMS, plus rules on passenger speeds, terminal connectivity, combined transport, urban mobility and alternative fuels. Compliance requires not only infrastructure investment but also the institutional capacity to deliver projects to EU standards. KPIs on interoperability, electrification, speed and service quality support alignment with the Single European Railway Area (SERA) and the EU acquis.

### Transport Community Next Generation Action Plans 2025–2027[5]

The Transport Community Next Generation Action Plans (2025–2027) prioritise Western Balkans railway development, including TEN-T implementation, interoperability, digitalisation, safety and sustainable investment. They stress stronger institutional capacity among ministries and infrastructure managers for EU-funded projects, alongside multimodality, transport facilitation and passenger rights.

### European Commission Albania Report 2025[6]

The European Commission Albania Report 2025 notes progress in railway reforms and TEN-T investment preparation, but calls for faster implementation and further acquis alignment. It identifies limited administrative and institutional capacity as a key constraint and recommends stronger governance, project management and delivery of Transport Community and EU-funded commitments.

Together, these documents consistently point institutional capacity-building as a prerequisite for railway reform, TEN-T development and effective use of EU funds, providing the rationale for this Training Needs Assessment and Skills Gap Analysis.

## 3.2. Previous Institutional Reports on Staff Capacity Assessments

A review of previous institutional assessments and capacity-building studies identified existing findings, priority areas and previously identified skills gaps in HSH's human and

[3] https://www.transport-community.org/wp-content/uploads/2021/06/Strategy-for-Sustainable-and-Smart-Mobility-in-the-Western-Balkans.pdf
[4] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401679
[5] https://www.transport-community.org/action-plans/
[6] https://enlargement.ec.europa.eu/albania-report-2025_en

institutional capacities, as well as ongoing efforts to strengthen governance, human resource management and performance.

It ensured this TNA builds on earlier analyses, avoids duplication, and focuses on gaps relevant to EU integration, cross-border cooperation, and the preparation and implementation of EU-funded railway projects.

The principal findings of the most relevant assessments are summarised below.

### *Albania Equal Opportunities in the Railway Sector in Albania and Skills Needs Assessment*

The "Albania Equal Opportunities in the Railway Sector and Skills Needs Assessment", implemented by the Gender Alliance for Development Centre (October 2023–May 2024), aimed to improve the attraction, retention and promotion of women at HSH, particularly in technical and managerial roles. It comprised a baseline and needs assessment, content development, and implementation support.

The baseline found an experienced but ageing workforce, low female representation, limited professional development, shortages of specialised technical skills, and gaps in digital competencies, internal communication and training, and recommended strategic workforce planning and better alignment of vocational training with sector needs.

The project then produced an Equal Opportunities Action Plan (EOAP), proposed gender-responsive TVET and recruitment measures, and supported implementation through policy revisions and training for HR staff and management.

### *New Skills for New Rails*[7]

The JASPERS "New Skills for New Rails" initiative (2023) aimed to strengthen Albanian Railways' institutional and technical capacity to support Albania's railway modernisation. Addressing constraints from decades of limited investment, it produced an action plan to improve HSH's ability to manage major infrastructure projects, focusing on:

- staff competencies, through training on project management, public procurement and railway operations;
- institutional capacity, through better working conditions, IT resources and internal coordination; and
- a practical procedures manual based on international best practice to support implementation and knowledge transfer.

The initiative improved HSH's readiness to implement and manage internationally financed railway investments and laid a foundation for workforce development.

[7] https://jaspers.eib.org/stories/newskillsfornewrails

*Labour Audit Report, 2021. Railway Line Durrës-Tirana Public Terminal of Transport (PTT) and new Railway Line to the International Airport Mother Teresa*

The Labour Audit Report (2021) assessed HSH's compliance with national labour legislation, core ILO conventions and EBRD Performance Requirement 2 (PR2), covering HR policies, working conditions, health and safety, equal opportunities, grievance mechanisms, workforce management, salary benchmarking, union relations and supply chain management.

HSH was found generally compliant, but the audit recommended updating HR policies and procedures, strengthening health and safety, workforce management, equal opportunity policies and grievance mechanisms, and improving working conditions and supply chain compliance with EBRD standards. It also noted HSH's active participation in EU- and donor-funded reform initiatives amid sector restructuring.

## 3.3 Past and planned training activities

### 3.3.1 Overview of Previous Training Activities

The review of HSH's training records shows staff participation in a broad range of national and international capacity-building programmes, primarily supported by EU-funded projects, the Transport Community, the Western Balkans Investment Framework (WBIF), international financial institutions and other development partners, complemented by internal training aimed at building institutional capacity and promoting continuous professional development.

#### Main Thematic Areas of Previous Training

The review indicates that previous training programmes have primarily focused on supporting railway sector modernization, institutional reform and alignment with the EU transport acquis. The principal thematic areas included:

- Railway infrastructure assessment of maintenance and asset management system (RIA-AMS)
- EU railway acquis, legislation and regulatory alignment (including ERA requirements and TEN-T policy)
- Railway safety, interoperability (ERTMS/ETCS), and risk management systems, and the SMS, (Safety Management Systems) for Infrastructure managers and railway undertakings, respectively
- Project preparation and implementation under EU funding instruments (IPA, WBIF)
- Public procurement and contract management
- Digitalisation and innovation in the railway sector (CONNECTA, Horizon Europe programmes)

- Greening freight transport, modernization and logistics development
- Environmental sustainability, climate resilience and energy efficiency
- Institutional reform, governance and institutional capacity building
- Gender equality and inclusion in the transport sector
- International cooperation, workshops and knowledge exchange activities

### Beneficiary Staff Categories

Training programmes targeted both operational and administrative personnel, reflecting the multidisciplinary nature of railway management and infrastructure development. The principal beneficiary groups included:

- Project Implementation Unit (PIU) staff
- Infrastructure management and maintenance staff
- Safety and security and regulatory units
- Legal and procurement departments
- Finance and administrative services
- Technical and engineering staff
- Management and institutional governance structures
- Human resources and gender equality focal points

Overall, the review demonstrates that HSH has benefited from extensive national and international capacity-building support covering a broad spectrum of technical, operational and institutional topics. While these initiatives have significantly strengthened organisational capacities and supported railway sector reform, they have primarily focused on infrastructure modernisation, railway operations, regulatory compliance and project implementation.

The present Training Needs Assessment builds upon these efforts by examining the institutional competencies required for EU transport policy implementation, cross-border cooperation and the effective preparation and management of EU-funded transport projects.

### 3.3.2 Future Capacity Building and Trainings

Planned capacity-building will continue to support the railway sector in 2026-2027, strengthening administrative and technical capacities for railway reform, EU railway acquis alignment, and the preparation and management of EU-funded projects. HSH, the Ministry of Infrastructure and Energy and other railway institutions are expected to be involved, contributing to a more coordinated and capable sector.

#### Support for the Implementation of the EU Acquis in the Rail Sector (IPA III)

Under IPA III, a Technical Assistance project — "Support for the Implementation of the EU Acquis in the Rail Sector through the Establishment and Capacity Building of the Required Rail Authorities and Systems" — is scheduled for 2026–2027, aiming to align Albania's railway legislation and institutional framework with the EU acquis while strengthening administrative capacity at the Ministry of Infrastructure and Energy and the national railway authorities responsible for the reform.

### Connected for Cohesion (Co4Co)

The Connected for Cohesion (Co4Co) project, funded under the Interreg IPA South Adriatic Programme 2021–2027, aims to strengthen institutional cooperation and readiness among transport stakeholders in the South Adriatic area to participate in EU connectivity initiatives and jointly implement strategic transport investments. Its KTAP component focuses on strengthening HSH's institutional capacity for preparing, implementing and managing EU-funded railway projects in preparation for future access to the Connecting Europe Facility (CEF), reinforcing long-term regional capacity building and alignment with EU railway standards.

In parallel, Co4Co project contributes to the consolidation of the Regional Railway Centre of Excellence (RRCE) by developing specialized training programmes on EU rail and logistics policies and by facilitating the transfer of knowledge and good practices among project partners from Albania, Montenegro and Italy.

## 3.4 Railway Center of Excellence (RRCE)[8]

The Regional Railway Centre of Excellence (RRCE) is an EU- and Transport Community-supported initiative, established in February 2023 through a Memorandum of Cooperation signed by the Western Balkans (WB6) railway companies and later joined by the Transport Community's Observing Participants. It aims to strengthen railway stakeholders' skills and institutional capacities and support alignment of regional railways with EU legislation, standards and best practices.

As a regional platform linking railway companies with educational and research institutions, it promotes knowledge transfer, networking and best-practice exchange through training, workshops and technical cooperation, supporting the Transport Community Treaty, TEN-T and interoperability, and building a sustainable network of railway professionals across the region.

Although its institutional framework and cooperation network are already established, the RRCE remains in a gradual development phase, with its governance arrangements and training portfolio continuing to evolve in response to regional capacity-building needs.

[8] https://www.transport-community.org/railways/regional-railway-centre-of-excellence/

The operationalization of the RRCE remains subject to several key challenges, including:

- selection of the host country among the Western Balkan (WB6) partners;
- securing sustainable long-term financial resources for its establishment and operation; and
- designing and harmonising training curricula that address regional capacity-building needs while ensuring alignment with the EU railway acquis and best practices.

## 3.5 Complementarity and Added Value of the Co4Co TNA, Skills Gap Analysis and KTAP

The desk review confirms that HSH has benefited from several national, regional and international initiatives supporting railway reform, institutional development and workforce capacity building, which have collectively strengthened its capacity and supported alignment with the EU railway acquis.

Building on these, the Co4Co Training Needs Assessment and Skills Gap Analysis focuses on institutional competencies for implementing EU transport policy, TEN-T, EU financing instruments, project cycle management and cross-border cooperation. Its findings provide the evidence base for the Knowledge Transfer and Absorption Programme (KTAP), addressing areas that have received comparatively little attention.

Unlike previous programmes, Co4Co does not cover specialised operational skills such as signalling, rolling stock maintenance or traffic management, but the institutional, managerial and administrative capacities needed to prepare, implement and manage EU-funded railway projects. Through the KTAP, it will also contribute to the Regional Railway Centre of Excellence by developing specialised training curricula and supporting knowledge exchange on EU railway policy, connectivity and funding instruments.

# 4. EU RAILWAY POLICY, TECHNICAL REQUIREMENTS, INSTITUTIONS AND FINANCIAL INSTRUMENTS

This chapter outlines the EU policy, technical, institutional and financial frameworks governing railway infrastructure projects, covering TEN-T, interoperability, the roles of EU institutions and the main transport financing instruments.

As an EU candidate, Albania is progressively aligning its railway sector with the EU acquis while benefiting from EU policies and funding for railway reform, TEN-T implementation and regional connectivity. Understanding these frameworks is essential to develop quality projects, access EU funds and ensure compliance. It also provides the basis for identifying the competencies needed for TEN-T, interoperability and EU-funded project management.

## 4.1 TEN-T

TEN-T policy frames a unified, multimodal European network. Rail projects must meet the following requirements:

- Alignment with the TEN-T Core and Comprehensive Network corridors, ensuring strategic connectivity at EU level.
- Removal of bottlenecks, missing links and capacity constraints along priority corridors.
- Compliance with technical infrastructure parameters, including track quality, axle load capacity, line speed and electrification where applicable.
- Integration of cross-border continuity requirements, ensuring seamless operations between national networks.
- Development of intermodal connectivity, particularly rail–port–road integration nodes.
- Progressive implementation of ERTMS deployment strategies as part of TEN-T modernization priorities.

## 4.2 Railway Interoperability

EU railway interoperability acquis ensures the technical and operational compatibility of rail systems across Member States and neighbouring countries. Key requirements include:

- Full application of Technical Specifications for Interoperability (TSIs) covering infrastructure, energy, rolling stock, signalling/control systems and operations, tunnel's safety and the PRM.
- Deployment of the ERTMS, including ETCS and communication systems.
- Harmonisation of safety certification and authorisation procedures for infrastructure and rolling stock.

- Compliance with EU railway safety directives, including the establishment and functioning of independent safety authorities.
- Standardisation of operational rules to ensure cross-border train operations without technical barriers.
- Implementation of maintenance and asset management standards aligned with EU best practice.

### 4.3 Key EU and Regional Institutions

The following institutions play a central role in shaping transport policies, supporting railway sector reforms, financing infrastructure investments and assisting candidate countries in aligning with the EU transport acquis. They provide the policy guidance, financial resources and technical assistance that underpin the development and implementation of strategic transport projects in Albania.

#### European Commission (DG MOVE and DG REGIO)

Develops EU transport and regional development policies, coordinates the implementation of the Trans-European Transport Network (TEN-T), and manages EU funding programmes supporting sustainable, multimodal and cross-border transport infrastructure.

#### European Investment Bank (EIB)

Provides long-term financing and technical assistance for transport infrastructure projects, supporting the modernisation, resilience and integration of railway and other transport networks in line with EU priorities.

#### European Bank for Reconstruction and Development (EBRD)

Finances transport infrastructure investments and support railway sector reform, institutional strengthening, corporate governance and the adoption of international best practices in candidate countries.

#### EU Delegation to Albania

Represents the EU in Albania, supports policy dialogue and the accession process, coordinates the implementation of IPA assistance, and oversees EU-funded programmes and projects.

#### Transport Community Permanent Secretariat

Supports the implementation of the Transport Community Treaty by promoting alignment with the EU transport acquis, facilitating regional cooperation, monitoring reform progress, and strengthening institutional capacities across the Western Balkans.

## 4.4 Key EU Financing and Investment Instruments

The EU and its partners support railway infrastructure and reform through grants, loans and technical assistance. IPA III, WBIF and the Growth Plan already support Albania, while Cohesion Policy, the RRF and the CEF are potential future sources. The following sections cover the instruments most relevant to HSH and the Co4Co Training Needs Assessment.

### Economic and Investment Plan (EIP) for the Western Balkans (2021-2027)[9]

The EIP is the EU's strategic framework for investment in the Western Balkans, supporting transport, energy, digitalisation, environment, human capital and private sector development through grants, technical assistance, guarantees and loans. It is implemented mainly through IPA III, the Western Balkans Investment Framework (WBIF) and the Western Balkans Guarantee Facility.

### Western Balkans Investment Framework (WBIF)[10]

Established in 2009, the WBIF is the main platform for implementing the Economic and Investment Plan in the region, bringing together the EU, international financial institutions, bilateral donors and beneficiary countries to mobilise grants, loans and technical assistance.

In transport, WBIF supports large-scale railway investments, including project preparation and technical assistance, finances TEN-T projects and supports the Growth Plan through the Reform and Growth Facility.

### New Growth Plan for the Western Balkans[11]

The New Growth Plan for the Western Balkans accelerates convergence with the EU by linking financial assistance to agreed reforms, building on the EIP. It is implemented through the Reform and Growth Facility (2024-2027), providing grants and concessional loans that complement IPA III and the WBIF and support competitiveness, governance and integration into the EU Single Market.

### Connecting Europe Facility (CEF)[12]

The Connecting Europe Facility (CEF) is the EU's main funding instrument for strategic transport, energy and digital infrastructure. In transport, it supports TEN-T, especially cross-border rail, interoperability, electrification, multimodal terminals, ITS and military

[9] https://eur-lex.europa.eu/EN/legal-content/summary/economic-and-investment-plan-for-the-western-balkans.html
[10] https://www.wbif.eu/
[11] https://enlargement.ec.europa.eu/enlargement-policy/growth-plan-western-balkans_en
[12] https://commission.europa.eu/funding-and-tenders/find-funding/eu-funding-programmes/connecting-europe-facility_en

mobility. Albania is not yet eligible for direct funding, but CEF is a key reference for future project preparation.

### Cohesion Policy[13]

EU Cohesion Policy is the EU's main investment policy for balanced economic, social and territorial development. Its funds are open only to Member States, but its multiannual programming and partnership principles help candidate countries prepare to manage Structural and Cohesion Funds after accession. Albania may participate in the new Cohesion Fund instrument under the MFF 2028-2034 as an Associated Country.

### Recovery and Resilience Facility (RRF)[14]

The Recovery and Resilience Facility (RRF) is the EU's flagship instrument for recovery and resilience. It is performance-based, linking financial support to reform milestones and investment targets rather than expenditure alone.

Albania is not currently RRF-eligible, but the Facility is a useful model for future investment programming, promoting integrated planning, strong monitoring and reporting, and green and digital investment.

[13] https://ec.europa.eu/regional_policy/policy/what/investment-policy_en
[14] https://reforms-investments.ec.europa.eu/recovery-and-resilience-facility-1_en

# 5. STAKEHOLDER MAPPING

## 5.1 Purpose of the Stakeholder Mapping

Stakeholder mapping identified the institutions and units involved in planning, financing and implementing railway projects relevant to Co4Co. It supported the TNA by identifying the organisations and profiles essential for TEN-T, interoperability and EU-funded projects, and by clarifying responsibilities and cooperation across governance levels.

## 5.2 Stakeholder Mapping Approach

The stakeholder mapping took a governance-based approach, identifying institutions involved in planning, financing, regulating and implementing railway projects relevant to Co4Co, and distinguishing them by responsibility, influence and role across the project cycle.

The mapping is based on four complementary principles:

- Multi-level governance, recognising the interaction between European, national, regional and project-level stakeholders in the planning and implementation of railway investments.
- Functional responsibilities, distinguishing institutions involved in policy-making, regulation, financing, implementation, supervision and technical delivery.
- Cross-border cooperation and interoperability, reflecting the importance of regional coordination and alignment with the TEN-T and the EU railway acquis.
- Integration of policy, financing and implementation, recognising that successful railway projects require close coordination between policy institutions, financing organisations, implementing bodies and technical stakeholders.

This approach maps the institutional environment in which HSH operates and identifies the stakeholders most relevant to the TNA and the KTAP.

## 5.3 Stakeholder Mapping Matrix

The stakeholder mapping matrix summarises the principal stakeholders involved in governing, financing and implementing railway infrastructure projects relevant to Co4Co, identifying their roles, level of influence and interest, and providing the basis for determining the institutions and organisational units most relevant to the TNA and the KTAP.

*Stakeholder Mapping Matrix*

| Stakeholder Group | Key Institutions / Actors | Role in Project Cycle | Influence | Interest |
|---|---|---|---|---|
| **EU Institutions & Financing Bodies** | European Commission (DG MOVE, DG REGIO), EIB, EBRD, EU Delegation | Policy direction (TEN-T, Cohesion Policy), funding (IPA, Growth Plan, RRF), technical assistance | Very High | Very High |
| **National Institutions** | Ministries of Transport, national planning agencies | Strategic planning, policy alignment, project prioritisation, EU acquis compliance | Very High | Very High |
| **Rail Infrastructure Managers** | Hekurudha Shqiptare (HSH), RFI Italy, Montenegro Railways Infrastructure (ZICG) | Infrastructure ownership, project implementation, maintenance, technical coordination | High | Very High |
| **Project Implementation Units (PIUs)** | PIUs (Tiranë-Durrës-Rinas, Vorë-Hani i Hotit, Durrës-Rrogozhinë etc.) | Day-to-day project management, procurement coordination, monitoring & reporting | High | Very High |
| **Regional / Local Authorities** | Municipalities, Regional Planning Bodies | Permitting, land access, local coordination, regional development integration | Medium | Medium-High |
| **Regulatory & Safety Authorities** | Rail safety agencies, environmental agencies, audit institutions | Safety certification, environmental compliance, financial/control oversight | High | High |
| **Private Sector / Contractors** | Construction firms, engineering consultants, signalling/tech providers | Project design, construction, system delivery, technical implementation | Medium-High | High |
| **Knowledge & Research Institutions** | Universities, transport institutes, EU rail platforms | Research, innovation, capacity building, training, best practices | Low-Medium | Medium |
| **Cross-border Cooperation Platforms** | Adriatic cooperation frameworks, SAA-related platforms | Policy dialogue, coordination between Member States & candidate countries | Medium | High |

## 5.4 Stakeholder Analysis

Railway planning requires coordination among policy, financing, regulatory, implementation and technical institutions, which is essential for building TEN-T, interoperability and EU-funded project capacities. In Albania, this is supported by EU technical assistance, in which HSH participates as beneficiary or project entity, and by HSH's public consultations.

### European and Regional Stakeholders

At the strategic level, the European Commission, EIB, EBRD and Transport Community Permanent Secretariat shape policy, finance infrastructure and support EU acquis alignment, advancing TEN-T priorities and institutional capacity in the Western Balkans and setting the framework for Albania's railway investments.

### National Institutions and Railway Authorities

The MIE leads transport policy, investment planning and accession reforms, supported by railway regulatory, licensing and safety authorities. HSH, as infrastructure manager and railway undertaking, is the main implementing body for project preparation and delivery. Close coordination among them is essential for compliance and effective use of EU funds.

### Project Delivery Stakeholders

Railway projects are delivered through dedicated Project Implementation Units (PIUs), supported by technical assistance teams, consultants, contractors and specialised providers covering project management, procurement, supervision, environmental and social compliance, financial management and technical delivery, in line with EU procurement rules and financing requirements.

### Supporting and Knowledge-Based Stakeholders

Regional and local authorities, universities and research institutions contribute through territorial planning, research and knowledge transfer, while regional cooperation platforms enable experience exchange among Western Balkans countries, promoting interoperability, EU standard harmonisation and common approaches to railway reform and cross-border connectivity.

## 5.5 Stakeholders Relevant for the Training Needs Assessment

This TNA focuses on HSH, particularly the units for infrastructure planning, project preparation and implementation, procurement, financial management, environmental and social compliance, HR and international cooperation, which were the primary targets of the questionnaire, interviews and competency assessment.

# 6. DATA COLLECTION

## 6.1 Purpose of Data Collection

Data collection aimed to obtain reliable, evidence-based information on HSH staff's knowledge, competencies and experience in EU transport policy, project preparation and EU-funded project implementation. Complementing the desk review with input directly from staff, it provided the empirical basis for the TNA and Skills Gap Analysis and for identifying KTAP priority areas.

## 6.2 Target Groups

The assessment focused on staff whose responsibilities are directly related to railway planning, infrastructure management, project preparation and implementation, EU funding, procurement, audit, financial management and institutional coordination. Respondents were selected to ensure representation of the principal organisational units involved in the preparation and implementation of railway investments, including management, technical and administrative staff.

The target groups included, among others:

- Project Management and Implementation Directorate;
- Project Implementation Units (PIUs);
- Infrastructure Management Unit;
- Passenger and Freight Transport Unit;
- Economic and Finance Unit;
- Internal Audit Unit;
- Programming Unit;
- Human Resources;
- Senior Management.

## 6.3 Data Collection Methods

Data were collected through structured questionnaires, semi-structured interviews and document review. The TNA questionnaire was the principal tool for assessing respondents' knowledge, experience and self-assessed competencies relevant to EU-funded railway projects and institutional capacity development.

The 28 respondents completed the questionnaires independently, indicating clear questions and response options. Individual and group interviews with the expert then explored selected responses, clarified the reasons behind identified gaps and added qualitative and institutional insight that closed-ended questions could not capture.

## 6.4 Validation of Information

Questionnaire and interview information was cross-checked against organisational documents, previous assessments, training records and policy documents from the desk research, with discrepancies clarified during consultation. This triangulation strengthened the consistency and credibility of the findings.

## 6.5 Limitations of the Assessment

The assessment was conducted within the Co4Co Project's timeframe and scope, focusing primarily on organisational units directly involved in railway planning, project implementation and EU-funded investments. Given the relatively limited number of respondents, findings should be read as an assessment of institutional capacity rather than a statistical survey of the entire workforce — though participants represent the principal organisational units responsible for railway investment preparation, implementation and management, providing a reliable basis for identifying capacity gaps and priority training needs.

# 7. INSTITUTIONAL ANALYSIS OF ALBANIAN RAILWAYS

## 7.1 Introduction

This chapter analyses HSH's legal, organisational and governance framework to determine whether its institutional arrangements support implementation of EU railway policies and EU-funded projects, providing the institutional baseline for the subsequent TNA and Skills Gap Analysis.

## 7.2 Legal and Institutional Framework

Albanian Railways (HSH) is a joint-stock company wholly owned by the State and operates in accordance with the national legal framework governing commercial companies, labour relations and railway transport. Its activities are primarily regulated by:

- Law No. 9901, dated 14 April 2008, "On Entrepreneurs and Commercial Companies"[15], as amended
- The Statute of Albanian Railways;
- Law No. 142, dated 22 December 2016, Railway Code of the Republic of Albania;[16]
- Regulation on Organization and Functions of Albanian Railways, as amended (2022)
- Regulation "On European Union Guidelines for the Development of the TEN-T"[18] (2026)
- Law No. 7961, dated 12 July 1995, Labour Code of the Republic of Albania, as amended. [17]

The Railway Code established the framework for aligning Albania's railways with the EU acquis by separating regulatory, safety, licensing and accident investigation functions from operations. The sector is governed by the following institutions:

- Ministry of Infrastructure and Energy (MIE);
- Railway Regulatory Authority;
- Railway Safety Authority;
- Railway Licensing Authority;
- National Authority for the Investigation of Railway and Maritime Accidents and Incidents;
- Albanian Railways (HSH);
- Albrail Sh.A., the railway concessionaire.

[15] https://qbz.gov.al/eli/ligj/2008/04/14/9901

[16] https://qbz.gov.al/eli/ligj/2004/11/18/9317

[17] https://qbz.gov.al/share/Ldpfd2e9SoihoV7O9_yQIQ

[18] https://www.qbz.gov.al/eli/fz/2026/187/9eeb5e40-15f6-4079-91a0-46a4a3cc0f83

The MIE is responsible for transport policy, planning and railway reform, while independent authorities perform regulatory, safety, licensing and accident investigation functions under the Railway Code. The Transport Sector Strategy 2030 notes that these authorities are established but not yet fully operational, and need further structures, staffing and capacity to implement the EU railway acquis, particularly in regulatory oversight, interoperability, market liberalisation and safety.

HSH manages the national network, with freight also operated by the concessionaire Albrail Sh.A. The roughly 360 km single-track network has deteriorated after decades of limited investment and operates under reduced conditions. Ongoing EU- and IFI-supported rehabilitation is expected to progressively restore it in line with TEN-T requirements and EU standards.

## 7.3 Strategic and Policy Framework

The National Transport Sector Strategy 2030 (yet to be approved) sets the sector's direction, prioritising rail for connectivity, sustainable mobility and European integration through modernisation, TEN-T implementation, interoperability, digitalisation and institutional capacity for EU-funded projects.

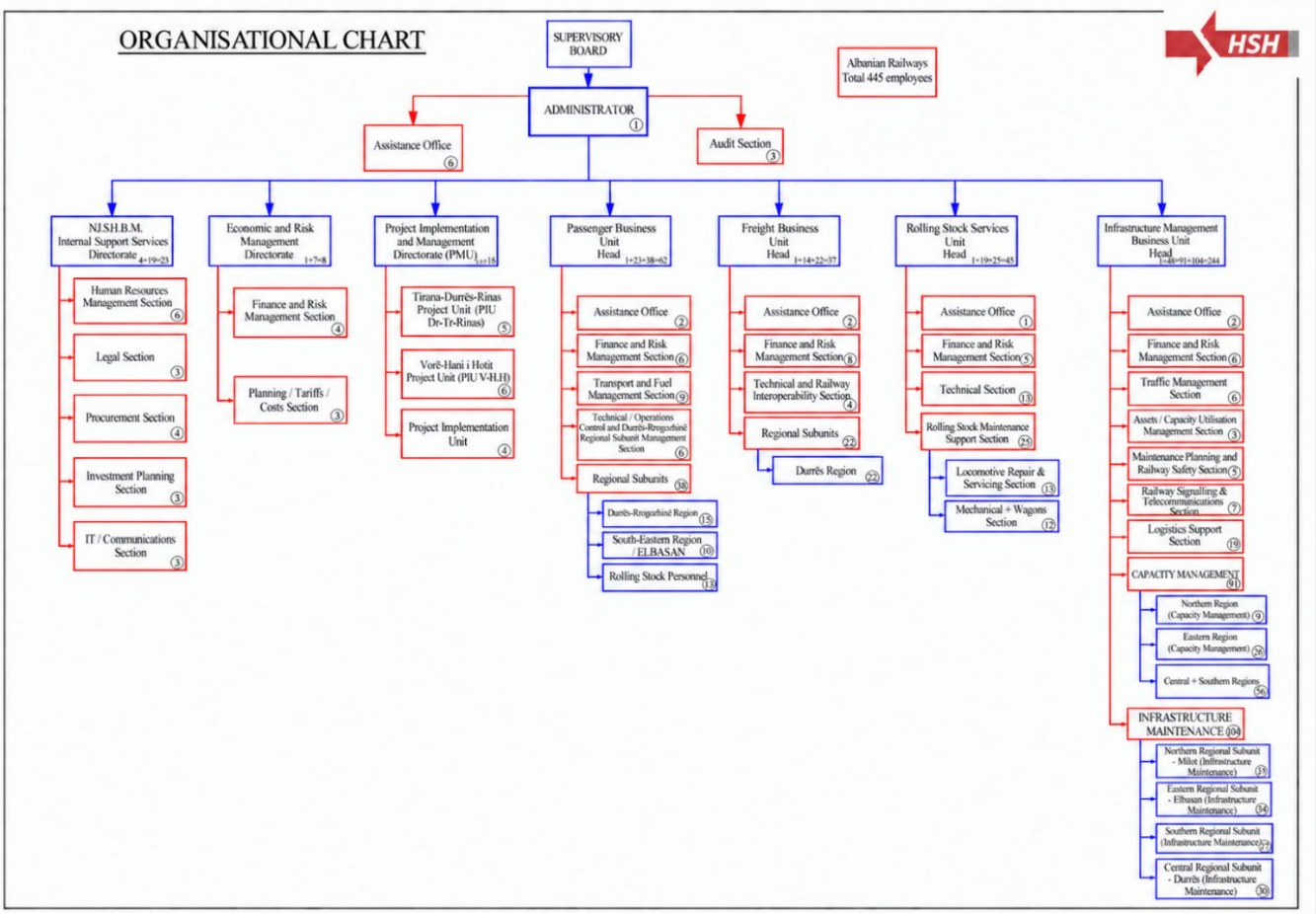
The Railway Code (Law No. 142/2016) provides the legal basis for reform, largely aligned with the EU acquis, notably Directive 2012/34/EU and the Fourth Railway Package. It separates infrastructure management from operations and promotes transparency, interoperability and gradual market liberalisation. Order No. 178 of 30.7.2026 on railway market monitoring reporting assigns obligations to infrastructure managers and railway undertakings, while technical alignment is in place through the TSI INF, ENE, PRM and SRT specifications and the ERATV and RINF registers.

Chapters 14 (Transport Policy) and 21 (Trans-European Networks) require effective acquis implementation, stronger railway institutions, TEN-T development and compliance with revised TEN-T Regulation reporting obligations.

## 7.4 Organisational Structure

The organisational structure of HSH is presented in the following diagram, while a detailed description of the functions and responsibilities of each organisational unit is included in the "Regulation for Functioning and Organisation of Albanian Railways (2022)".

*HSH Organisational Chart*




Albanian Railways is a state-owned joint-stock company whose structure combines operational, technical and administrative functions to manage railway operations and infrastructure, implement investments and deliver sector reforms.

The Supervisory Board is its governing body. The Administrator leads overall management, strategy and external representation, supported by legal, economic, technical and administrative units, while an independent Internal Audit Unit evaluates internal control, risk management and performance.

At the operational level, HSH is organized into five principal business and service units:

- Central Directorate;
- Passenger Business Unit;
- Freight Business Unit;
- Railway Infrastructure Management Business Unit;
- Rolling Stock Maintenance and Service Unit.

These units are responsible for the delivery of passenger and freight services, railway infrastructure management, rolling stock maintenance and the provision of corporate support services required for the company's daily operations.

The Central Directorate performs the institution's core management and coordination functions through three principal units:

- Economic Directorate, responsible for financial planning, budgeting, accounting and financial reporting;
- Internal Support Services Directorate, responsible for human resources, legal affairs, procurement, ICT, communications and general administration;
- Project Management and Implementation Directorate, responsible for planning, coordinating and implementing railway investment projects.

HSH has established dedicated Project Implementation Units (PIUs) for the strategic corridors Tirana-Durrës-Rinas, Vorë-Hani i Hotit and Durrës-Rrogozhine, managing implementation, contracts, financial management, environmental and social compliance, and coordination with contractors, consultants, national institutions and international financial institutions. They are supported by the Technical Assistance Management and Internal Investment functions.

Specialised units for internal audit, procurement, legal affairs, ICT and technical advice support governance, compliance and delivery, reflecting HSH's dual role as infrastructure manager and railway undertaking.

The planned reorganisation would split HSH into an infrastructure manager and an operator, each of which, under the relevant Ministerial Order, will set up its own training centre.

### 7.4.1 Project Management and Implementation Directorate (PMIU)

The Project Management and Implementation Directorate is HSH's main structure for preparing and implementing EU-, IFI- and other externally financed projects. Its 16 staff coordinate three Project Implementation Units (Tirana-Durrës-Rinas, Vorë-Hani i Hotit and Durrës-Rrogozhine) and other international investments. Recruiting specialised railway expertise is difficult, and one position was vacant at the time of the assessment.

### Project preparation and financing applications

HSH prepares draft project applications with technical support from experts engaged through the PMIU, in coordination with the MIE and the State Agency for Strategic Programming and Aid Coordination (SASPAK), which administers the national system for foreign assistance and ensures that externally financed projects align with national priorities and EU integration. The PMIU contributes the railway expertise, documentation and technical inputs for investment proposals.

This gives HSH an established pathway for submitting externally financed projects, but the systemic reliance on external experts suggests that project preparation capacity is not yet fully internalised within HSH.

### Project implementation, reporting and handover

During implementation, the PMIU and the relevant PIUs are responsible for coordinating project activities, monitoring progress and fulfilling the reporting requirements of financing institutions. Reporting obligations include:

- monthly reports on project implementation progress to Ministry of Infrastructure and Energy and Ministry of Finance;
- financial, environmental and social reporting;
- reporting to the HSH Administrator;
- reporting to IFIs as per conditions set out in the financing agreement.

On project completion, the resulting assets pass to the Infrastructure Management Unit, separating implementation from operation and maintenance. A smooth transition requires timely coordination among the PMIU, contractors, supervising consultants and the unit, and proper handover of technical documentation, asset information and maintenance knowledge.

### Audit and control arrangements

Contracts and projects are audited by the financing institution, HSH's Internal Audit Unit (to a moderate extent) and the Supreme State Audit Institution, which has a specialised function for foreign-financed projects. This strengthens accountability but requires the PMIU to maintain consistent documentation, financial records, procurement files and audit trails meeting national and financier requirements.

### Training and knowledge transfer

Training for PMU and PIU staff is generally provided under financing and works contracts, with other units sometimes participating as determined by the Administrator based on scope and operational requirements. For two to three years after

commissioning, contractors normally train HSH's technical and maintenance staff, while railway undertakings are responsible for training their own staff under ministerial requirements.

This offers useful project-specific knowledge transfer, but as training is tied to individual contracts rather than a permanent institutional framework, knowledge may remain concentrated in the PIUs and not be shared systematically across HSH.

### Institutional capacity

The Technical Assistance Sector within the PMIU has no appointed head and is managed by the PMIU Director, which keeps it functioning but adds to the Director's workload and may limit its capacity to coordinate technical assistance, consultants, institutional development and knowledge transfer independently.

The PMIU has also received project-specific support, including the 2023 JASPERS Action Plan, which envisaged further support linked to EIB financing for the Vorë-Hani i Hotit project. Job descriptions were revised to meet financier requirements, aligning roles and competencies with international project-management standards.

### Main Strengths

The PMIU represents one of HSH's strongest institutional assets in relation to EU- and IFI-funded projects. Its principal strengths include:

- a dedicated organisational structure for managing major international railway investments;
- practical experience in cooperating with the EU, EIB, EBRD and other financing partners;
- established coordination with the MIE and SASPAK;
- experience in project preparation, implementation, financial management and compliance reporting;
- dedicated PIUs for major railway investment projects;
- revised job descriptions;
- regular financial, environmental, social and implementation reporting;
- established audit and accountability arrangements;
- project-based training opportunities for technical, administrative and maintenance staff; and
- a formal process for transferring completed infrastructure projects to the Infrastructure Management Unit.

### Main Capacity Gaps and Institutional Risks

Despite these strengths, five gaps limit the sustainability and wider impact of the PMIU's expertise:

1. **Concentrated knowledge.** Project-management expertise sits within the PMIU and PIUs, limiting transfer of EU- and IFI-related competencies to HSH's permanent structures and creating dependency on few staff.
2. **Reliance on external experts.** External support is necessary for complex investments, but HSH needs more internal capacity in project identification, application drafting, economic and financial analysis, environmental and social documentation and financing requirements.
3. **Recruitment difficulties.** The limited national pool of railway professionals affects PIU staffing and the retention of competencies once projects end.
4. **Contract-based training.** There is no institutionalised mechanism to assess learning outcomes, retain materials, develop internal trainers or share knowledge beyond project teams.
5. **Limited EU engagement.** Beyond WBIF, HSH has no structured relations with DG MOVE, CEF or DG REGIO, which are increasingly relevant to its preparedness beyond 2030.

### Overall Assessment and Implications for the KTAP

The PMIU gives HSH a credible, experienced platform for managing EU- and IFI-funded railway projects. Its experience with major investments, international financiers and compliance is a strong foundation for future access to EU instruments, including CEF.

However, this expertise is not yet embedded across HSH. To participate successfully in EU instruments after accession, HSH must not only strengthen the PMIU but use it as a hub for internal knowledge transfer.

The KTAP will draw on PMIU experience to address the identified gaps through targeted modules. The PMIU should be both a principal beneficiary and a key internal partner, with PMIU and PIU staff contributing project examples, lessons learned and case studies, supported by the valuable experience of the Italian partners, to turn project-specific experience into sustainable institutional capacity.

## 7.5 Assessment of the HSH Organisational Structure

The organisational review indicates that HSH has established a comprehensive framework for railway operations, infrastructure, corporate services and investment projects, providing a sound basis for ongoing reforms and internationally financed investments. However, from an EU accession and acquis alignment perspective, the organisational model remains transitional and requires further development.

At the time of assessment, HSH employed 427 permanent staff across the Central Directorate and four regional units, with an average age of 53 years; the Central Directorate had 53 staff, averaging 44 years. This profile highlights the reliance of operational and technical functions on experienced staff approaching retirement, underscoring the need for succession planning, knowledge transfer, recruitment of younger professionals and continuous capacity development.

Out of the 427 employees, 95 were women and 332 men, with men dominating all five principal business and service units. This highlights the need to strengthen women's recruitment, retention and career progression.

Several features reflect EU good practice, including the separation of passenger and freight transport, infrastructure management and rolling stock maintenance. The dedicated Project Development Unit and specialised PIUs demonstrate growing capacity to prepare and manage EU- and IFI-funded investments. Corporate functions covering finance, procurement, legal affairs, HR, ICT and internal audit support governance and compliance, while the integration of environmental, social, safety and technical expertise into project structures reflects international implementation practices.

Nevertheless, the model retains characteristics of an integrated railway undertaking, with limited functional separation between infrastructure management and operations—a key benchmark for EU accession Chapter 14 to be completed by end-2027. Decision-making remains relatively centralised, while implementation, support and reporting rely heavily on project-based structures linked to IFIs. This creates parallel reporting lines and concentrates specialised expertise in PIUs rather than embedding it across the permanent organisation.

Overall, HSH has a sound institutional foundation, but further progress requires stronger post-separation governance, operationalisation of independent railway authorities, improved institutional coordination, workforce renewal and succession planning, and integration of EU transport policy, interoperability, project management and funding competencies into permanent structures. These priorities should inform the TNA and subsequent KTAP.

## 7.6 Employment Regulation and Job Classification Framework

Human resource management follows national legislation, collective labour arrangements and internal regulations covering employment conditions, job classification, qualification requirements and professional responsibilities — the institutional basis for workforce management, recruitment, career development and accountability.

### 7.6.1 Employment Relations and Occupational Health & Safety

Employment relations at HSH are governed by the Labour Code and implemented through the Collective Labour Agreement with representative railway trade unions, covering working conditions, remuneration, leave, employee representation, social dialogue and related matters.

Occupational health and safety are regulated by national legislation, the National Occupational Health and Safety Strategy and HSH's internal technical safety regulations, which establish procedures for employee protection, occupational risk prevention and safe working conditions across railway operations.

### 7.6.2 Regulation on Employment Criteria and Job Classification

HSH's principal internal HR governance document is the 2018 Regulation on Employment Criteria and Job Classification/Descriptions. Based on national legislation and the National Classification of Occupations, it standardises job classification, professional profiles and minimum qualification requirements across the organisation.

The Regulation groups all positions into five professional categories, corresponding to different levels of responsibility and management:

*Age Group distribution by staff category (Grand Total)*

| Category | 20-30 | 30-40 | 40-50 | 50-60 | +60 | Total |
|---|---|---|---|---|---|---|
| Cat I | 0 | 0 | 0 | 1 | 0 | 1 |
| Cat II | 0 | 7 | 4 | 8 | 7 | 26 |
| Cat III | 5 | 11 | 6 | 9 | 8 | 39 |
| Cat IV | 10 | 19 | 14 | 12 | 6 | 61 |
| Cat V | 8 | 28 | 45 | 107 | 112 | 300 |
| **Total** | **23** | **65** | **69** | **137** | **133** | **427** |

Each category is further divided into classes reflecting the level of responsibility, managerial authority and professional expertise required for the respective position.

### 7.6.3 Recruitment Criteria and Job Descriptions

For every job position, the Regulation establishes specific recruitment and qualification requirements covering:

- education;
- professional experience;
- technical qualifications and training;
- foreign language proficiency (where applicable);
- problem-solving responsibilities;
- managerial responsibilities;
- required knowledge and professional competencies.

These requirements are implemented through a standardised Job Description Form defining each position's purpose, principal duties, reporting relationships, decision-making authority, supervisory responsibilities and minimum qualifications.

Overall, HSH's Employment Regulation and Job Classification Framework support structured HR management and institutional governance through common recruitment criteria, professional categories and standardised job descriptions. Their adequacy in addressing the competencies required for railway sector reform, EU accession and EU-funded project implementation is assessed in the following section.

## 7.7 Assessment of the Employment Regulation and Job Classification Framework

The review indicates that HSH has established a structured HR management system defining organisational responsibilities, reporting lines, qualification requirements and recruitment criteria. Standardised job descriptions and professional categories support transparent recruitment, accountability and consistent allocation of responsibilities.

From an EU accession and Co4Co perspective, however, the system remains primarily position-based rather than competency-oriented. While it defines organisational roles and minimum recruitment requirements, it places less emphasis on developing the specialised competencies required in an increasingly European and project-oriented railway environment.

Despite recognising experience and training as recruitment requirements, the framework lacks structured competency assessments, continuous professional development and regular skills updating. Expertise in internationally financed railway projects has largely developed through PIUs and technical assistance rather than being systematically embedded across HSH, creating risks to knowledge retention and institutional continuity.

As HSH assumes greater responsibilities for EU accession, railway reform and EU-funded projects, the HR system could be strengthened through EU good practices, including competency frameworks, periodic skills assessments, structured professional development and knowledge-transfer mechanisms, addressing the gaps identified in Section 8.2.

In this context, the TNA and KTAP complement existing HR development efforts by identifying competencies needed for EU integration and EU-funded project implementation. Their findings can inform future revisions of job descriptions, competency profiles and staff development programmes, supporting a more competency-oriented approach and strengthening HSH's long-term institutional capacity.

## 7.8 Other Internal Governance and Administrative Regulations

In addition to the organisational and HR management regulations described above, HSH has adopted a number of internal governance and administrative instruments supporting institutional management, ethical conduct, financial accountability and regulatory compliance — together establishing the internal control environment needed for effective functioning and contributing to transparency, integrity and good governance.

The principal internal regulations include, among others:

- Law no. 90/2012 “For Organisation and Functioning of Public Administration”, as amended.
- Code of Ethics of Albanian Railways (HSH), establishing the ethical principles, standards of professional conduct and integrity expected of employees in performing their duties.
- Internal Audit Charter, defining the mandate, independence, responsibilities and operating principles of the Internal Audit Unit in line with applicable legislation and international internal audit standards.
- Public Procurement Procedures Code, regulating the planning, implementation and management of procurement procedures in compliance with the Albanian public procurement legislation.
- Other internal regulations, procedures and administrative instructions governing financial management, document administration, operational processes, occupational health and safety and the implementation of technical railway activities. Order No. 164, dated 21.10.2025, on the approval of the regulation "On certain aspects of the working conditions of mobile workers engaged in cross-border interoperable services in the railway sector".
- Guideline of the Minister No. 15/2023 “On Public Rail Passenger Transport Services”, (2023);
- Guideline Manual for Asset Administration at HSH, No. 10, dated 18.01.2024 – Regulation "On the management of assets and valuables of the company Albanian Railways S.A. (HSH)".
- Order no. 5/2026 "On establishing of Strategic Management Group (GMS) at the HSH SA".
- Order no. 6/2026 "On establishing of the Risk Management Group (GMR), at the HSH S.A".
- Midterm Risk Strategy "Risk Management Strategy (HSH) and Long-term Action Plan (2025)";

# 8. COMPETENCY FRAMEWORK FOR EU RAILWAY POLICY, PROJECT MANAGEMENT AND INSTITUTIONAL CAPACITY

## 8.1 Purpose of the Competency Framework

The purpose of this chapter is to define the core competencies HSH staff need to support implementation of the EU railway acquis, TEN-T policy and EU-funded railway investments — establishing the reference framework against which the TNA and Skills Gap Analysis are undertaken.

## 8.2 Core Competency Areas

Based on the EU policy and legislative framework, HSH's institutional analysis and Co4Co's objectives, core competency areas have been identified to support the effective preparation, implementation and management of EU-funded railway projects. These encompass the knowledge, skills and institutional capabilities required for compliance with the EU railway acquis, TEN-T policy, railway interoperability, project management and international cooperation.

| Competency Area | Why it is Important |
|---|---|
| EU Transport Policy | Understanding EU railway reforms |
| TEN-T Policy | Planning and reporting obligations |
| Railway Interoperability | Technical compliance |
| EU Funding Instruments | Project funding acquisition, disbursement and reporting (IPA, WBIF, Growth Plan, CEF, RRF, etc.). |
| Project Cycle Management | Preparation → Closure |
| Procurement & FIDIC | Contract implementation |
| Financial Management | Eligibility, reporting |
| Monitoring & Evaluation | Indicators, reporting |
| Environmental & Social Standards | IFI compliance monitoring scheme |
| Cross-border Cooperation | Corridor projects |
| Communication & Partnership | International, regional cooperation |

## 8.3 Competency Requirements by Functional Area

While core competency areas apply across HSH, requirements vary by unit and staff category. The framework defines the key competencies expected in railway planning, infrastructure management, project preparation, EU-funded project implementation and institutional governance, providing a basis for identifying priority gaps and defining KTAP capacity-building measures.

| Functional Area | Main Competencies Required |
|---|---|
| Senior Management | EU transport policy, strategic planning, EU funding |
| Project Management Unit procurement | TEN-T, Project Cycle Management, EU funding. |
| PIUs | Advanced project implementation, contract management, reporting |
| Procurement | PRAG, FIDIC, procurement legislation |
| Finance | EU eligibility, reporting, audits and ex-post evaluation (if necessary) |
| Infrastructure Management | TEN-T standards, interoperability, ERTMS, SMS, safety authorizations |
| HR | Capacity development, competency management, staff certification |
| Legal | EU acquis, contracts, compliance, complaints handling mechanism |

# 9. TRAINING NEEDS ASSESSMENT AND SKILLS GAP ANALYSIS

## 9.1 Assessment Framework

This chapter presents the findings of the Training Needs Assessment and Skills Gap Analysis by integrating evidence from:

- the desk review;
- the analysis of the EU policy and legislative framework;
- the institutional analysis of HSH;
- the assessment of the organisational structure;
- the assessment of the Employment Regulation and Job Classification Framework;
- the Competency Framework for EU Railway Policy, Project Management and Institutional Capacity;
- the questionnaires;
- the semi-structured interviews.

The assessment examines how HSH's institutional arrangements, organisational capacities and staff competencies align with the requirements of the EU railway acquis, TEN-T policy, interoperability, cross-border cooperation and EU-funded transport project management, using the competency framework established in Chapter 8 as a reference.

Questionnaire responses and interview findings are analysed alongside the institutional review to identify strengths, competency gaps and priority development needs, combining staff perspectives with an assessment of the institutional context.

The assessment focuses on institutional, managerial and administrative competencies relevant to EU integration and project implementation. It excludes operational railway skills, such as signalling, rolling stock maintenance and traffic management, which fall outside the scope of Co4Co and the KTAP.

## 9.2 Target Groups and Respondent Profile

The Training Needs Assessment questionnaire was completed by 28 employees across a broad range of organisational units — infrastructure management, project preparation and implementation, financial management, human resources, audit and technical support — including managerial, technical and administrative staff with varying professional experience, providing a representative overview of HSH's current institutional capacities and training needs. The respondent profile shows the assessment captured perspectives from the organisational units most directly involved in railway planning, infrastructure management, project implementation and institutional support. While respondents have considerable railway sector experience, prior participation in EU-funded projects remains comparatively limited, reinforcing the need for targeted capacity development in EU project management and financing.

*Respondent Profile*

| Indicator | Number | Percentage (%) |
|---|---|---|
| **Total respondents** | **28** | **100** |
| **Gender** | | |
| Male | 15 | 53.6 |
| Female | 13 | 46.4 |
| Department / Unit | | |
| | | |
| Project Management and Implementation Unit (PMIU) | 7 | 25 |
| Infrastructure Management and Business Unit (NJBMI) | 4 | 14.3 |
| Passenger Transport Unit (NJBU) | 5 | 17.9 |
| Rolling Stock Service Unit (NJSHML) | 3 | 10.7 |
| Internal Audit | 3 | 10.7 |
| Freight Transport Unit (NJBM) | 2 | 7.14 |
| Programming Unit | 1 | 3.6 |
| Human Resources | 1 | 3.6 |
| Economic and Risk Management Department | 1 | 3.6 |
| Internal Support Services Department (NJSHBM) | 1 | 3.6 |
| Years of professional experience | | |
| Less than 5 years | 3 | 10.7 |
| 5–10 years | 8 | 28.6 |
| 11–20 years | 6 | 21.4 |
| More than 20 years | 11 | 39.3 |
| Previous participation in EU-funded projects | | |
| Yes | 12 | 42.9 |
| No | 16 | 57.1 |

### Key observations

The respondents represent a broad cross-section of HSH's organisational structure, with the **Project Management and Implementation Unit (25.0%)**, **Infrastructure Management Directorate (17.9%)**, and **Transport Units (17.9%)** accounting for more than 60% of the sample. These units play a central role in railway planning, infrastructure management and project implementation, ensuring that the assessment reflects the perspectives of staff most directly involved in Co4Co scope.

- Respondents are generally experienced professionals: over **60%** have over 10 years' experience, while only **10.7%** have under five years – indicating the assessment reflects the views of staff with substantial institutional knowledge and sector-specific expertise.
- **42.9%** of respondents reported previous participation in EU-funded projects, against **57.1%** with no direct experience- suggesting that while HSH possesses significant technical and operational expertise, institutional experience in preparing, implementing and managing EU-funded projects has ample space to develop. Strengthening competencies in EU transport policy, financing instruments, project preparation and project cycle management should therefore be considered a priority for future capacity-building interventions.
- The gender distribution is **relatively balanced**, with **15 male respondents (53.6%)** and **13 female respondents (46.4%)**. This provides a diverse perspective across the assessed competency areas.

## 9.3 Consolidated Questionnaire Results

The table below summarises respondents' knowledge levels across the assessed competency areas. Overall, the results indicate overall **basic to moderate knowledge**, with no competency area reaching an advanced level of proficiency. Respondents demonstrated comparatively stronger knowledge in technical railway topics, including asset management, climate resilience, railway interoperability and safety, as well as a general understanding of the EU enlargement framework.

As expected, lower knowledge levels emerged in **EU financing instruments, procurement, FIDIC contracts and key EU transport policies** – areas essential for preparing, acquiring, implementing and reporting on EU-funded railway projects. Most respondents rated their knowledge as **Basic**, with only a limited number reporting **Advanced** knowledge, and some questions left unanswered.

These findings point to a need for targeted capacity building to strengthen institutional competencies in the policy, financial and project management aspects of EU-funded railway investments.

*Assessment scale*

| Mean Score | Interpretation |
|---|---|
| 2.50–3.00 | High competency |
| 2.00–2.49 | Good competency |
| 1.50–1.99 | Moderate competency – strengthening recommended |
| 1.00–1.49 | Basic competency – significant capacity development required |
| <1.00 | Limited competency – priority training need |

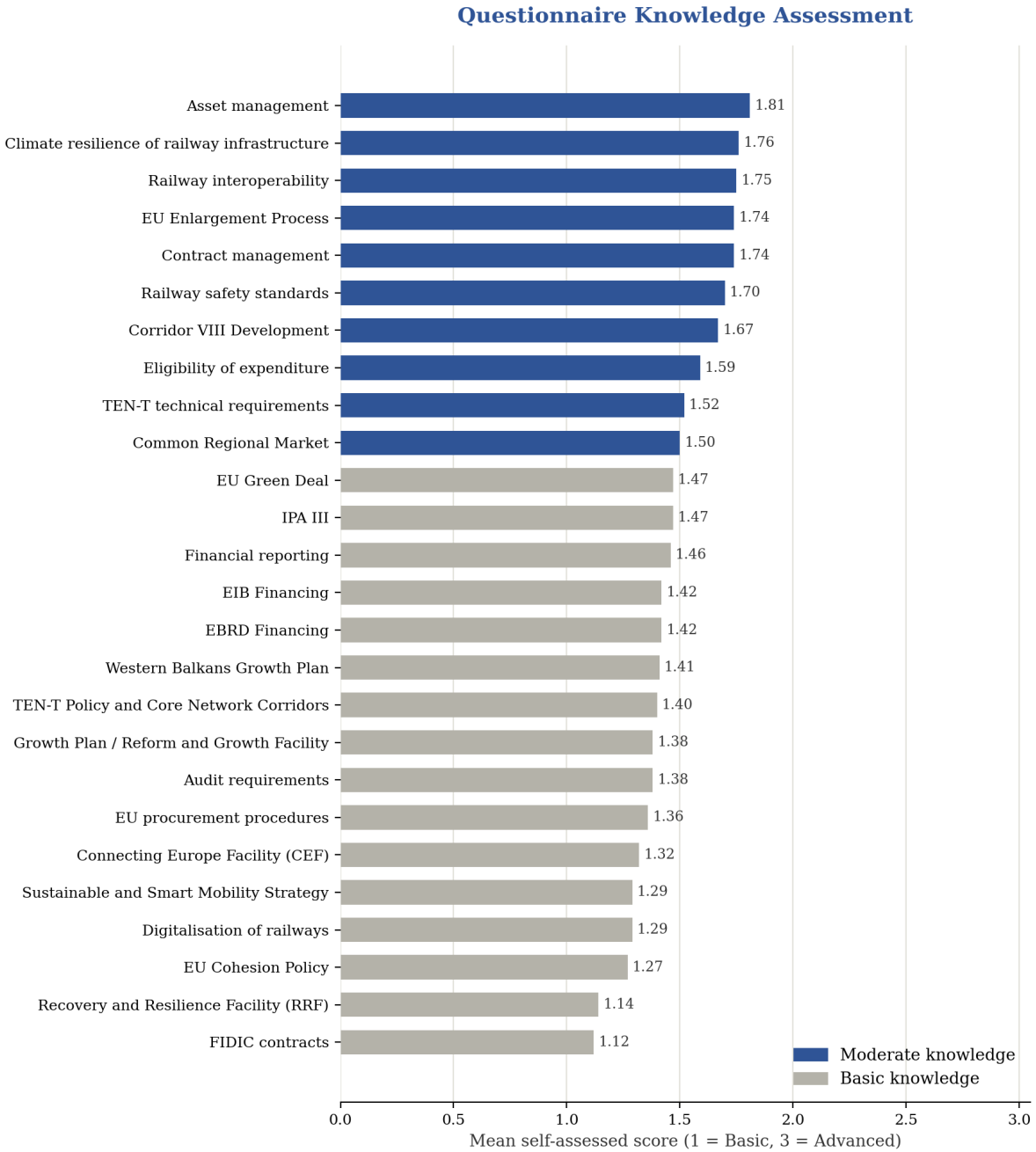
Questionnaire responses were coded on a four-point ordinal scale (None = 0, Basic = 1, Intermediate = 2, Advanced = 3). Mean scores were calculated for each competency

area using a weighted average and interpreted according to predefined competency thresholds to facilitate comparison across topics and identify priority capacity-building needs.

*Consolidated Questionnaire Results (Knowledge Assessment – in descending order)*

| Rank | Question / Topic | None | Basic | Intermediate | Advanced | Mean Score | Knowledge Assessment |
|---|---|---|---|---|---|---|---|
| 1 | Asset management | 0 | 7 | 11 | 3 | 1.81 | Moderate |
| 2 | Climate resilience of railway infrastructure | 0 | 5 | 11 | 1 | 1.76 | Moderate |
| 3 | Railway interoperability | 0 | 10 | 10 | 4 | 1.75 | Moderate |
| 4 | EU Enlargement Process | 0 | 10 | 9 | 4 | 1.74 | Moderate |
| 5 | Contract management | 0 | 9 | 11 | 3 | 1.74 | Moderate |
| 6 | Railway safety standards | 0 | 9 | 12 | 2 | 1.7 | Moderate |
| 7 | Corridor VIII Development | 0 | 11 | 10 | 3 | 1.67 | Moderate |
| 8 | Eligibility of expenditure | 0 | 9 | 6 | 2 | 1.59 | Moderate |
| 9 | TEN-T technical requirements | 0 | 11 | 9 | 1 | 1.52 | Moderate |
| 10 | Common Regional Market | 0 | 14 | 5 | 3 | 1.5 | Moderate |
| 11 | EU Green Deal | 0 | 14 | 1 | 4 | 1.47 | Basic |
| 12 | IPA III | 0 | 11 | 4 | 2 | 1.47 | Basic |
| 13 | Financial reporting | 0 | 7 | 6 | 0 | 1.46 | Basic |
| 14 | EIB Financing | 0 | 17 | 4 | 3 | 1.42 | Basic |
| 15 | EBRD Financing | 0 | 17 | 4 | 3 | 1.42 | Basic |
| 16 | Western Balkans Growth Plan | 0 | 15 | 5 | 2 | 1.41 | Basic |
| 17 | TEN-T Policy | 0 | 19 | 2 | 4 | 1.4 | Basic |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | and Core Network Corridors | | | | | | |
| **18** | Growth Plan / Reform and Growth Facility | 0 | 12 | 2 | 2 | 1.38 | Basic |
| **19** | Audit requirements | 0 | 9 | 3 | 1 | 1.38 | Basic |
| **20** | EU procurement procedures | 0 | 8 | 2 | 1 | 1.36 | Basic |
| **21** | Connecting Europe Facility (CEF) | 0 | 14 | 4 | 1 | 1.32 | Basic |
| **22** | Sustainable and Smart Mobility Strategy | 0 | 13 | 3 | 1 | 1.29 | Basic |
| **23** | Digitalisation of railways | 0 | 16 | 4 | 1 | 1.29 | Basic |
| **24** | EU Cohesion Policy | 0 | 12 | 2 | 1 | 1.27 | Basic |
| **25** | Recovery and Resilience Facility (RRF) | 0 | 13 | 0 | 1 | 1.14 | Basic |
| **26** | FIDIC contracts | 0 | 7 | 1 | 0 | 1.12 | Basic |




## 9.4 Questionnaire Results by Competency Area

For analytical purposes, questionnaire results have been consolidated into five broader competency areas, grouping the eleven competency domains defined in the Chapter 8 framework. This simplifies presentation and interpretation without altering the underlying framework, allowing related topics to be analysed together while maintaining methodological consistency.

The consolidated results below give an overview of respondents' current competency levels and identify areas requiring further institutional capacity development.

### 9.4.1 Competency Area 1 – EU Transport Policy and TEN-T

| Indicator | Result |
|---|---|
| Average competency | Basic to Moderate |
| Strongest topic | EU Enlargement Process |
| Weakest topic | Sustainable and Smart Mobility Strategy / TEN-T Policy implementation |
| Overall assessment | Capacity requires strengthening |

#### Analysis

Results show respondents have a **basic-to-moderate** understanding of the EU transport policy framework. The highest scores relate to the EU Enlargement Process, reflecting familiarity with Albania's accession process and its transport policy implications, and to Corridor VIII development, largely due to respondents' involvement in ongoing railway investments.

More limited knowledge was observed in TEN-T Policy, the Sustainable and Smart Mobility Strategy, and the practical implementation requirements of the revised TEN-T Regulation — suggesting that while respondents are aware of the strategic policy framework, further capacity development is needed in this competency area.

### 9.4.2 Competency Area 2 – EU Financing Instruments

| Indicator | Result |
|---|---|
| Average competency | Basic |
| Strongest topic | IPA III |
| Weakest topic | Recovery and Resilience Facility (RRF), Connecting Europe Facility (CEF) |
| Overall assessment | Significant capacity development required |

#### Analysis

Knowledge of EU financing instruments is one of the weakest competency areas identified. Respondents show relatively greater familiarity with IPA III, reflecting Albania's long-standing participation in pre-accession assistance, but limited knowledge of more specialised mechanisms — CEF, the RRF, EU Cohesion Policy, the Western Balkans Growth Plan and IFI financing.

Given the growing importance of these instruments for railway infrastructure and cross-border connectivity, strengthening institutional knowledge here should be a high priority.

### 9.4.3 Competency Area 3 – Project Cycle, Procurement and Financial Management

| Indicator | Result |
|---|---|
| Average competency | Moderate |
| Strongest topic | Contract Management |
| Weakest topic | FIDIC Contracts, EU Procurement Procedures |
| Overall assessment | Moderate capacity with important knowledge gaps |

#### Analysis

Knowledge is stronger in general project management concepts, particularly contract management and eligibility of expenditure, reflecting practical experience from nationally and internationally funded infrastructure projects. However, knowledge of FIDIC contractual procedures, EU procurement requirements, audit procedures and financial reporting remains comparatively limited — competencies essential for successfully preparing, implementing and closing EU-funded projects, pointing to a need for targeted training on EU financial management and procurement compliance.

### 9.4.4 Competency Area 4 – Railway Technical Policies and Infrastructure Management

| Indicator | Result |
|---|---|
| Average competency | Moderate |
| Strongest topic | Asset Management |
| Weakest topic | Digitalisation of Railways |
| Overall assessment | Good technical foundation requiring competency strengthening |

#### Analysis

This competency area scored highest overall. Respondents show comparatively stronger knowledge of asset management, railway interoperability, safety standards and infrastructure climate resilience, reflecting many respondents' technical background and involvement in infrastructure planning and maintenance.

Lower scores on railway digitalisation suggest less familiarity with emerging digital technologies and intelligent railway systems — given EU transport policy's growing focus

on digital transformation, further capacity building should target digital railway management, smart infrastructure and interoperability technologies.

### 9.4.5 Competency Area 5 – Cross-Border Cooperation and International Cooperation

| Indicator | Result |
|---|---|
| Average competency | Moderate |
| Strongest topic | Corridor VIII Development |
| Weakest topic | Growth Plan implementation mechanisms |
| Overall assessment | Capacity should be further strengthened |

#### Analysis

The assessment indicates moderate understanding of regional cooperation initiatives, largely reflecting familiarity with Corridor VIII and ongoing cooperation with neighbouring countries, but more limited knowledge of the institutional mechanisms supporting cross-border cooperation under the Growth Plan, regional transport initiatives and EU cooperation frameworks. Strengthening these competencies would improve institutional readiness for developing joint railway projects and participating more effectively in regional and EU-funded cooperation.

## 9.5 Overall Institutional Capacity and Skills Gap Assessment

The overall assessment integrates the desk review, institutional and organisational analysis, competency framework, training records, questionnaires and interviews to provide an evidence-based evaluation of HSH's capacities, gaps and development priorities beyond staff self-assessment.

The findings confirm that HSH has an experienced workforce, strong technical expertise and practical knowledge of infrastructure, asset management, safety and project implementation. Existing structures also provide a foundation for procurement, financial management and the delivery of financed investments.

However, competencies required for greater participation in EU-funded railway programmes remain unevenly distributed and insufficiently embedded across the organisation. Expertise in EU transport policy, TEN-T governance, financing instruments, project preparation, procurement, FIDIC contracts, interoperability, digitalisation and cross-border cooperation is concentrated mainly in specialised project-based units and among a limited number of experienced staff. Combined with workforce ageing, this creates risks to institutional continuity, knowledge retention and succession.

Capacity development should therefore address both individual competencies and organisational mechanisms for developing, sharing, retaining and applying knowledge through specialised training, improved internal coordination, structured knowledge transfer, succession planning and continuous professional development.

*Institutional Capacity and Skills Gap Matrix*

| Competency area | Existing capacity and strengths | Principal gap | Priority | Capacity-development focus |
|---|---|---|---|---|
| **EU Transport Policy and TEN-T** | General understanding of the EU accession process and familiarity with Corridor VIII | Limited practical knowledge of the revised TEN-T Regulation, corridor governance, planning and reporting obligations | High | TEN-T governance, Core and Comprehensive Network requirements, corridor planning, Article 8 and 9 reporting and Chapter 21 obligations |
| **EU Financing Instruments** | Basic familiarity with IPA III and financing provided through international financial institutions | Limited knowledge of CEF, Cohesion Policy, the Growth Plan, RRF, WBIF, eligibility conditions and funding procedures | Very High | EU financing architecture, programming, eligibility, co-financing, project selection and preparation of funding applications |
| **Project Preparation and Project Cycle Management** | Practical implementation experience within specialised project units | Limited organisation-wide capacity to develop mature projects from identification through implementation, monitoring and closure | High | Project identification, feasibility, cost-benefit analysis, risk management, monitoring, reporting, evaluation and project closure |
| **Procurement, Contract Management and Financial Governance** | Existing procurement, financial and contract-management functions | Limited practical familiarity with EU procurement procedures, FIDIC, audit, eligible expenditure and compliance requirements | High | Procurement planning, tendering, contract administration, claims, financial control, reporting, audit trails and fraud prevention |

| | | | | |
|---|---|---|---|---|
| **Railway Technical Policies and Interoperability** | Strong foundation in infrastructure management, asset management, railway safety and climate resilience | Limited knowledge of digitalisation, interoperability technologies and emerging EU technical requirements | High | ERA framework, TSIs, ERTMS, interoperability, digital asset management, data governance and climate-resilient infrastructure |
| **Cross-Border Cooperation and Regional Integration** | Experience with Corridor VIII and participation in regional initiatives | Limited capacity for joint project development, partnership building and governance of multinational initiatives | High | Cross-border project preparation, partnership development, institutional coordination, joint applications and regional governance |
| **Environmental and Social Requirements** | Initial exposure to sustainability, climate resilience and gender-related topics | Environmental, climate and social requirements are not yet systematically integrated into project preparation and implementation | Medium–High | Climate proofing, environmental and social safeguards, stakeholder engagement, gender equality and performance monitoring |
| **Institutional Governance and Organisational Capacity** | Experienced workforce and established organisational structures | Need for stronger coordination, strategic planning, knowledge management and organisational learning | Medium–High | Institutional governance, internal coordination, change management, performance management and learning systems |
| **Human Resources and Knowledge Continuity** | Substantial institutional knowledge held by experienced staff | Ageing workforce, concentration of expertise and insufficient succession and knowledge-transfer mechanisms | High | Competency profiles, succession planning, mentoring, internal trainers, induction and continuous professional development |

### Overall Assessment

HSH's overall institutional capacity is assessed as **moderate**. While the organisation has the technical expertise and experience to fulfil its current responsibilities, further strengthening is required to meet the demands of EU accession, the revised TEN-T framework and EU-funded railway projects.

The main challenge is not a lack of technical expertise, but the need to broaden and embed competencies in EU transport policy, financing instruments, project cycle management and governance across the organisation. Capacity-building should therefore move beyond isolated training towards structured institutional learning, combining practical training, knowledge transfer, improved coordination and long-term workforce development.

Addressing these gaps will strengthen HSH's institutional resilience and EU accession readiness, while enhancing its capacity to prepare, secure financing for, implement, report on and manage railway projects in accordance with EU requirements.

## 9.6 Qualitative Findings and Training Preferences

The open-ended questions complemented the quantitative assessment by providing further insight into staff perceptions of institutional capacity gaps and preferred development approaches. Their findings largely confirmed the competency assessment while adding interpretative context.

Respondents highlighted the need to strengthen competencies in EU transport policy, financing instruments, project preparation, procurement, contract management and EU-funded project implementation. They also expressed strong interest in case studies, study visits and exchanges with EU railway organisations.

Practical, interactive training methods were preferred, including real-project workshops, problem-solving exercises and peer learning. A hybrid in-person/online format was considered most suitable, with preference for trainers experienced in EU transport policy and EU-funded projects.

A summary of the qualitative findings is presented in the below table:

*Summary of Qualitative Findings*

| Theme | Main findings from respondents | Implication for KTAP |
|---|---|---|
| EU project management | Need for stronger project cycle management, procurement, monitoring and reporting | Dedicated KTAP module on PCM and EU project implementation |
| EU funding instruments | Limited familiarity with CEF, IPA III, Growth Plan, WBIF and donor procedures | Module on EU funding architecture |
| Cross-border cooperation | Need for better coordination with national and international partners | Module on partnership building and cross-border governance |
| Railway technical knowledge | Demand for TEN-T, ERA, digitalisation and interoperability | Technical policy and railway modernization module |
| Institutional capacity | Continuous training, internal trainers, HSH Training Centre | Sustainability and knowledge transfer component |

## 9.7 Training Priorities

Based on the consolidated quantitative, qualitative and institutional findings, the following priorities translate the identified competency gaps into targeted areas for the Knowledge Transfer and Absorption Programme (KTAP). They address both technical-policy competencies and the organisational mechanisms required to ensure sustainable knowledge transfer across HSH.

### Core KTAP Pillars

#### Priority 1 – EU Funding Instruments and Access to Connectivity Financing

The assessment identified limited practical knowledge of key EU financing instruments for railway infrastructure and connectivity. Strengthening this capacity will help HSH identify funding opportunities, understand eligibility requirements and develop competitive project proposals, improving its readiness to access and manage external funding.

The programme should cover:

- financing architecture and EU applicable instruments for candidate countries;
- eligibility, co-financing and application requirements;
- programming and identification of suitable railway projects;

- preparation of project concepts and funding applications;
- partnership requirements and cross-border project development;
- links between TEN-T priorities, national strategies and financing decisions; and
- practical analysis of successful EU-funded railway projects.

### Priority 2 – Project Preparation and Project Cycle Management

Respondents demonstrated varying levels of project preparation and implementation experience, with competencies largely concentrated among staff directly involved in externally financed projects. Capacity development should therefore focus on broadening project identification, preparation, implementation, monitoring and reporting knowledge organisation-wide, in line with EU requirements and international good practice — reducing reliance on a limited number of specialists and supporting more sustainable institutional capacity.

Training should cover the complete sequence from project identification to closure, including:

- project concept development and prioritization;
- feasibility studies and technical documentation;
- cost-benefit analysis and financial assessment;
- environmental, social, health and safety requirements;
- project planning and risk management;
- preparation of applications and supporting documentation;
- monitoring, evaluation, reporting and audit requirements; and
- project relevance assessment (SRA), closure and lessons learned.

### Priority 3 – Procurement, Contract Management and Financial Governance

The assessment identified a need to strengthen procurement, contract management and financial governance competencies for EU-funded project implementation. While previous training provides a basic foundation, more advanced, practical knowledge is needed across procurement, finance, engineering, legal and project management functions — improving project implementation, financial governance and EU compliance.

Priority topics include:

- EU and national procurement principles;
- procurement planning and preparation of tender documentation;
- evaluation procedures and conflict-of-interest safeguards;
- FIDIC and other internationally recognized contract frameworks;
- contract administration, variations, claims and dispute prevention;
- financial planning, eligible expenditure and cost control;
- audit trails, record keeping and reporting;
- prevention of irregularities, fraud and double financing; and

- coordination among technical, procurement, finance and legal units.

### Priority 4 – TEN-T Policy, EU Railway Acquis and Sector Governance

HSH staff need stronger knowledge of EU transport policy, the revised TEN-T Regulation and the enlargement framework for transport reform. Although general awareness is evident, advanced competencies in TEN-T planning, reporting obligations, corridor governance and policy implementation remain limited. Strengthening these areas will enhance HSH's contribution to national transport planning, compliance with TEN-T obligations, EU-funded project implementation and alignment with EU transport legislation and accession requirements.

Training should include:

- the revised TEN-T Regulation and its implications for Albania;
- Core and Comprehensive Network requirements;
- European Transport Corridors and cross-border connectivity;
- Albania's reporting and planning obligations;
- railway market governance and institutional separation;
- infrastructure manager and railway undertaking responsibilities;
- the role of the European Union Agency for Railways;
- interoperability, safety certification and authorization processes;
- streamlining measures to facilitate the administrative processes for permitting procedures of cross-border infrastructure and military mobility under the EU initiatives, for the dual use;
- coordination with ERA and national railway authorities; and
- implications of EU accession negotiations under Chapter 21.

This priority should be coordinated with the planned IPA III technical assistance for the implementation of the EU railway acquis in order to avoid duplication.

### Priority 5 – Cross-Border Cooperation and Partnership Development

Strengthening competencies in cross-border cooperation, stakeholder coordination and partnership development will enhance HSH's engagement with neighbouring countries, EU institutions and financing partners, and support its effective participation in joint railway project preparation and implementation, in line with Co4Co's objectives.

Training should address:

- development of joint cross-border project concepts;
- identification and engagement of suitable partners;
- governance arrangements for multinational projects;
- allocation of institutional responsibilities;
- communication and coordination mechanisms;
- preparation of joint applications;

- harmonization of technical, administrative and financial requirements;
- stakeholder mapping and consultation;
- negotiation and consensus building; and
- management of cross-border implementation risks.

### Priority 6 – Railway Digitalisation, Innovation and Modern Infrastructure Management

Digitalisation remains a key competency gap despite HSH's strong foundation in infrastructure and asset management. Training should support the shift from traditional railway practices towards digitally enabled infrastructure planning, operations and maintenance.

Relevant themes include:

- digitalisation strategies for railway organisations and competences;
- digital systems for asset management and infrastructure databases;
- Building Information Modelling and digital project management;
- ERTMS/ETCS policy and deployment considerations;
- intelligent monitoring and preventive, predictive, regular and corrective maintenance;
- data collection, quality management system, SMS on safety and interoperability parameters;
- cybersecurity and protection of railway information systems;
- digital passenger and freight services; telematics applications;
- innovation programmes, R&I priorities development and research opportunities; and
- organisational change associated with the introduction of new technologies.

The KTAP should not duplicate highly specialized operational or engineering training planned under other programmes. Instead, it should strengthen the ability of managerial, project and policy staff to understand, plan, finance and govern digital railway investments.

## Institutional and Horizontal Enablers

### Priority 7 – Environmental Sustainability, Climate Resilience and Social Requirements

The assessment identified the need to strengthen institutional capacity to integrate environmental, climate and social requirements into the preparation and implementation of EU-funded railway projects. Building on previous training, further capacity development should focus on the practical application of these requirements to ensure compliance with EU policies and funding standards.

Training should cover:

- the European Green Deal and sustainable mobility objectives;
- climate proofing benefits of infrastructure investments;
- greenhouse gas reduction, net-zero and modal shift;
- environmental impact assessment;
- biodiversity and resource-efficiency considerations;
- energy efficiency and renewable energy opportunities;
- environmental and social safeguards of EU and IFI projects;
- stakeholder engagement and grievance mechanisms;
- gender equality and social inclusion; and
- monitoring and reporting of environmental and social performance..

### Priority 8 – Institutional Leadership, Coordination and Change Management

HSH is operating within a transitional institutional environment marked by railway reform, evolving responsibilities and growing interaction with independent authorities, ministries and international partners — making it important to ensure technical knowledge gained through training translates into organisational practice, internal procedures and management decisions.

Training should focus on:

- strategic leadership in the context of EU accession;
- organisational change and reform management;
- coordination between business units and support functions;
- delegation, accountability and decision-making;
- management of multidisciplinary project teams;
- institutional risk management, risk identification/evaluation;
- communication with authorities, financiers and stakeholders;
- performance management and results-based planning; and
- development of a learning-oriented organisational culture.

### Priority 9 – Human Resource Development, Succession Planning and Knowledge Transfer

Workforce ageing and the concentration of expertise among a limited number of experienced staff pose significant institutional risks. Strengthening succession planning and knowledge transfer will help retain institutional knowledge, develop staff competencies and ensure continuity in EU-funded railway project implementation.

Training and organisational development measures should include:

- preparation of competency profiles for key functions;
- periodic assessment of staff skills, culture declaration;
- individual professional development plans;
- identification of critical positions and succession needs;

- mentoring and coaching arrangements, transfer know-how;
- training of internal trainers;
- documentation of operational and institutional knowledge;
- induction programmes for newly recruited staff, re-routing;
- cooperation with universities and vocational education providers; and
- measures to attract younger professionals and improve gender balance.

### Priority 10 – Foreign-Language, Communication and Professional Skills

English-language proficiency and communication skills are enabling competencies for participation in EU projects, international cooperation and access to technical documentation. These needs should be addressed as a horizontal component rather than as an isolated subject.

Relevant support may include:

- professional English for EU projects and railway terminology;
- drafting of applications, reports and official correspondence;
- presentation and negotiation skills;
- communication with international partners;
- facilitation of meetings and workshops;
- technical writing and document quality; and
- teamwork and interdisciplinary cooperation.

These skills are particularly important for staff expected to participate in international partnerships, project preparation, reporting and EU-level events.

## 9.8. Prioritization for the Knowledge Transfer and Absorption Programme (KTAP)

Not all training needs can be addressed with the same level of intensity under the Co4Co project. The KTAP should therefore give immediate priority to competencies that are both central to the project's objectives and insufficiently covered by other planned programmes.

The core KTAP should focus primarily on:

1. EU financing instruments and future access to CEF;
2. project preparation and project cycle management;
3. procurement, contract management and financial governance;
4. TEN-T policy and EU transport frameworks;
5. cross-border cooperation and partnership development;
6. digitalisation, innovation and modern infrastructure management;
7. practical case studies of EU-funded railway investments; benchmarks;
8. institutional knowledge transfer and train-the-trainer mechanisms.

Railway safety, interoperability, detailed technical regulation and strengthening of capacities for independent railway authorities, remain highly important but are expected to be addressed also through the IPA III technical assistance project and other sector-specific initiatives. The KTAP should coordinate with these programmes and complement them through policy, project, financing and institutional-capacity modules.

## 9.9 Recommended Training Approach

The findings indicate that the KTAP should not consist of a series of unrelated training events. It should be designed as a progressive learning programme in which modules build upon one another and lead from introductory knowledge to practical application.

The proposed approach should combine:

- introductory modules for participants with limited or no prior knowledge;
- intermediate and advanced sessions for staff already involved in EU-funded projects;
- face-to-face workshops supported by online learning;
- practical exercises based on HSH and cross-border railway projects;
- case studies from Italy and other EU Member States;
- study visits and peer exchanges;
- mentoring by experienced practitioners; excellence for railways;
- multidisciplinary participation across organisational units; and
- training-of-trainers activities to support internal dissemination.

Participants should be selected according to their functions and expected future responsibilities rather than solely by organisational position. Some modules should involve a broad group of managerial, technical and administrative staff, while specialized sessions should target project, procurement, finance, legal, infrastructure, ICT, environmental and human resource personnel.

# 10. CONCLUSIONS AND RECOMMENDATIONS

The assessment confirms that HSH's principal challenge is not a lack of training exposure but the absence of a system for converting training into lasting institutional capacity. The recommendations below set out how the Co4Co project, and HSH itself, can address this over the short, medium and longer term.

## 10.1 Immediate Priorities for KTAP Design

- **Sequence the programme around the priorities set out in Section 9.8**, starting with EU financing instruments and project cycle management, where the assessment identified the largest gaps and the clearest link to Co4Co's objectives.
- **Design modules jointly with Co4Co Italian partners, PMIU and PIU staff**, drawing on their project experience as case-study material rather than treating them solely as trainees — this both improves training relevance and begins the knowledge-transfer process the assessment found lacking.
- **Set participation criteria by function and future responsibility, not organisational rank**, so that competencies reach staff outside the units where they currently sit concentrated.
- **Agree a coordination arrangement with the IPA III technical assistance project** before KTAP content is finalised, particularly for topics that border on railway safety, interoperability and independent-authority establishment, to avoid duplication and to make the division of labour between the two programmes explicit.

## 10.2 Embedding Competencies Beyond the KTAP

Training alone will not resolve the concentration of expertise identified in this assessment. HSH should treat the KTAP as one input into a broader set of institutional measures:

- **Introduce a lightweight competency-profiling exercise** for functions most exposed to EU-funded project work, building on the competency framework in Chapter 8, to identify where else in the organisation these skills need to exist.
- **Formalise a knowledge-transfer expectation within PIUs**, for example requiring PIU staff to brief counterparts in the permanent structure at defined project milestones, rather than relying on informal or contract-driven training alone.
- **Review job descriptions and recruitment criteria** to reflect competency requirements rather than position requirements only, feeding the findings of

Section 7.7 into the next revision cycle of the Employment Regulation and Job Classification Framework.

## 10.3 Addressing Workforce Renewal and Succession

The workforce profile identified in Chapter 7 (an ageing operational and technical staff base, with limited renewal outside managerial and project functions) requires attention independent of the KTAP's training content:

- **Identify critical positions at risk of knowledge loss** and prioritise these for mentoring and internal-trainer arrangements during the KTAP period, rather than after it.
- **Use KTAP-trained staff as internal trainers** for subsequent cohorts, so that capacity built through Co4Co continues to be transferred after the project ends.
- **Coordinate with the planned separation of HSH into infrastructure-management and operations entities**, ensuring each new entity's training centre inherits a clear mandate for the competencies identified in this assessment, rather than starting from a blank slate.

## 10.4 Longer-Term Institutional Development

Beyond the life of the Co4Co project, the findings of this assessment should inform:

- the establishment of a permanent internal training and knowledge-management function, potentially linked to the Regional Railway Centre of Excellence as it becomes operational;
- periodic (rather than one-off) skills assessment, so that competency gaps are tracked as the organisation's responsibilities evolve with EU accession;
- closer integration between HSH's training planning and its project pipeline, so that capacity-building is timed to precede, rather than follow, major investment decisions.

Taken together, these measures would allow HSH to convert the benefits of expertise it has already built — particularly within the PMIU and PIUs — into an organisation-wide, self-sustaining capacity to identify, prepare, implement and manage EU-funded railway investments.

Interreg

Co-funded by the European Union

IPA South Adriatic

Co4Co

# Connected for Cohesion (Co4Co)

www.co4co.southadriatic.eu

