

Independent Auditor's Report and Special
Purpose Financial Information

“Building Resilient Bridges Project”

P174595 (IBRD 94790)

For the year ended 31 December 2025

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Independent Auditor's Report

To the Management of the Project for "Building Resilient Bridges" and the Albanian Road Authority

Opinion

We have audited the accompanying special purpose financial information comprising the statement of sources and uses of funds, statement of withdrawal applications and related notes and appendixes of the "Building Resilient Bridges" (further referred to as the "Project"), implemented by the Albanian Road Authority financed under International Bank for Reconstruction and Development (IBRD) Loan Agreement Number 94790-AL for the period from 1 January to 31 December 2025.

In our opinion, the special purpose financial information of the Project "Building Resilient Bridges" is prepared, in all material respects, in accordance with the cash receipts and disbursement basis of accounting as set out in note 2 to the special purpose financial information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Special Purpose Financial Information section of our report. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Information in Albania, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to note 2 to the special purpose financial information, which describes the basis of accounting. The Special Purpose Financial Information is prepared to assist the Projects in complying with the financial reporting provisions of the financing agreements set out in note 1 to the special purpose information. As a result, the special-purpose financial information may not be suitable for another purpose.

Our report is intended solely for the Project, the donors, and the Ministry of Finance and Economy and should not be used by or distributed to parties other than the Project, the donors, or the Ministry of Finance and Economy.

Responsibilities of Management for the Special Purpose Financial Information

Management is responsible for preparation and fair presentation of the Special Purpose Financial Information in accordance with the basis of accounting described in notes 2; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the Special Purpose Financial Information in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a Special Purpose Financial Information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Special Purpose Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Information, including the disclosures, and whether the Special Purpose Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton sh.p.k.

Mediana Kollari, Pric

Tirane, Albania

11 August 2026



Statement of Sources and Uses of Funds

	Note	For the period from 1 January - 31 December 2025	For the period from 1 January - 31 December 2024	Cumulative from 1 December 2023 to 31 December 2025
Sources of Funds				
IBRD 94790	3	6,382,724	4,298,186	10,680,910
Front-end Fee		-	-	129,000
Total		6,382,724	4,298,186	10,809,910
Uses of Funds				
Goods	4	-	(60,291)	(60,291)
Works	5	(132,967)	-	(132,967)
Consulting Services	6	(572,043)	(38,206)	(610,249)
Trainings	7	(19,529)	-	(19,529)
Incremental Operating Cost	8	(242,507)	(158,747)	(401,254)
Front-end Fee		-	-	(129,000)
Total		(967,046)	(257,244)	(1,353,290)
Excess of receipts over disbursements		5,415,678	4,040,942	9,456,620
Exchange rate difference		2,184	(5,204)	(3,020)
Cash at the beginning of the period		4,035,738	-	-
Closing Cash balance	9	9,453,600	4,035,738	9,453,600

The Statement of Sources and Uses of Funds is to be read in conjunction with the notes set out on pages 3 to 8 and forming an integral part of the special purpose financial information.

The special purpose financial information of Support to project "Building Resilient Bridges" were authorized for issue by the management of the Albanian Road Authority on 28 July 2026 and signed on its behalf by:

Mr. Ami Kozeli
General Director - Albanian Road Authority

Mrs. Alma Lleshi
Director of Budget Planning and Finance



Statement of Expenditures

IBRD Loan 94790

Withdrawal application	Type of application	Appl. Pym. Amount	Category I	Category II	Category III	Advance	Date received	Value date
1	Advance to and documentation of designated account	6,382,724	27,027	114,765	105,514	6,135,418	17.04.2025	29.04.2025
Total 2025		6,382,724	27,027	114,765	105,514	6,135,418		

Withdrawal application	Type of application	Appl. pym. amount	Category I	Category II	Category III	Advance	Date received	Value date
2	Advance and documentation	2,623,709	-	-	-	-	21-Nov-24	02-Dec-24
1	Advance	1,674,478	-	-	-	-	28-Dec-23	04-Jan-24
Total 2024		4,298,186	-	-	-	4,298,186		

Notes to the Special Purpose Financial Information

1 General Information

The "Building Resilient Bridges" (further referred to as the "Project") is financed by an IBRD Loan of EUR 51,6 million as per Loan Agreement dated July 5 2023, between the Republic of Albania (Borrower) and the International Bank for Reconstruction and Development ("IBRD" or the "Bank").

The project is implemented by the Albanian Road Authority ("ARA"), and it became effective on December 1, 2024, and its closing date is set on July 31, 2029.

The objective of the Project is to:

- a) Enhance resilience to climate change and natural hazards of Albania's critical bridge infrastructure; and
- b) Improve road and bridge asset management.

The project consists of the following parts:

Part 1 – Bridge Infrastructure

1.1 *Building Priority Bridges and Associated Structures*

- i. Carrying out the rehabilitation, reconstruction, or construction of Priority Bridges and Associated Structures on the NRN, including supervision of works;
- ii. Carrying out bridge designs for the rehabilitation, reconstruction, or construction; and
- iii. Providing support to ARA and PMT in the preparation of the disability's studies, detailed design, and the procurement documents for additional bridges and structures other than Priority Bridges and Associated Structures under this Project.

1.2 *Climate Resilience and Road Safety*

- i. Carrying out
 - a. Climate vulnerability assessments of the Priority Bridges and Associated Structures; and
 - b. Climate resilience and road safety studies for the design of the Priority Bridges and Associated Structures
- ii. Independent audits for road safety are carried out as detailed in the POM.

Part 2 – Institutional Capacity Building

2.1 *Asset Management for Climate-Resilient and Safe Infrastructure*

- i. Developing the ARA's RAMS and its BMS through inter alia:
 - a. The collection of road and bridge condition data
 - b. Procurement of equipment for data collection and monitoring; and
 - c. The procurement and installation of remote sensors on selected bridges;

1. General Information (continued)

Part 2- Institutional Capacity Building (continued)

2.1 Asset Management for Climate-Resilient and Safe Infrastructure (continued)

- ii. Improving ARA's capacity to manage road and bridge infrastructure, including support to ARA to comply with Law 45/2019 on Civil Protection for:
 - a. Collecting disaster loss data, and
 - b. Conducting disaster risk assessment
- iii. Training for ARA staff to feed and use the RAMS and BMS software and hardware, including the use of the bridge sensors data feeding the BMS; and
- iv. Providing technical assistance to analyze road crashes, injuries and fatalities data.

2.2 Safeguarding Bridge Maintenance

Providing support to Ara to implement medium-term budget planning for the maintenance of roads and bridges.

2.3 Addressing the Gender Employment Gap in Road Construction

Developing and carrying out a women's internship program through:

- i. Providing six-month paid internships in the MoE in transportation and construction fields for female university students and graduates;
- ii. Setting up collaboration between MoE and education institutions that prepare graduates with relevant profiles.
- iii. Developing an internship program (content, orientation),
- iv. Providing onboarding training to interns and capacity building to the staff who will mentor the interns, and
- v. The review of ARA's human resources policies and training.

Part 3 – Project Management

Providing support for Project implementation and management, including support for procurement, financial management, environmental and social risk management, monitoring and evaluation, and reporting, including Operating Costs.

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in Euro)	Percentage of Expenditures to be financed (inclusive of Taxes)
1. Goods, Works, non-consulting services for the Project	40,708,000	100%
2. Consultants' services, and Training for the Project; Internships under Part 2.3 (i) of the Project	8,218,000	100%
3. Operating Costs for the project	2,545,000	100%
4. Front-end Fee	129,000	The Front-end Fee is in percent (0.25%) of the Loan amount.
5. Interest Rate Cap or Interest Rate Collar premium	-	
TOTAL AMOUNT	51,600,000	

2 Summary of significant accounting policies

A summary of significant accounting policies underlying the preparation of the Project's financial statements is presented below.

2.1 Basis of preparation

The special purpose financial information has been prepared in accordance with the cash receipts and disbursements basis of accounting as further explained in Note 2.3 – Recognition of income and expenses. The financial information includes the period from 1 January 2025 to 31 December 2025.

Cumulative information on cash receipts and disbursements from the Project's inception to date is presented in the Statement of Sources and Uses of Funds for information purposes only.

The special purpose financial information is presented in EUR.

The financial statements comprise the Statement of Sources and Uses of Funds, the Statements of Expenditures used as the basis for the submission of withdrawal applications and a summary of significant accounting policies and other explanatory notes.

As supplementary schedules for the financial statements are presented, the Statements of Special Accounts and second level banks associated with the Project.

2.2 Foreign currency transactions

The Project has adopted the Euro as its reporting currency for consistency with the reporting needs of its main donor, the World Bank.

Cash and bank balances in other currencies are converted into Euro at the year-end rate of exchange. Transactions in currencies other than Euro are converted to the reporting currency at the rate ruling at the date of the transaction. Foreign exchange differences are recognized in the Statement of Sources and Uses of Funds.

As of 31 December 2025, 1 EUR was equivalent to 96.77 ALL (31 December 2024: 98.15 ALL).

2.3 Recognition of income and expenses

Income is recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Accordingly, direct payments of the Project's expenses, which are made from the proceeds of the Project, are recognized as sources and uses of funds at the time the payment is made. The Statement of Withdrawal Applications presents only applications submitted during the year and only expenses settled through such applications. Expenses presented in the notes to the financial statements include all expenses settled during the year in spite of the withdrawal application period.

2.4 Taxation

The Project is exempt from income tax. The Project is liable for withholding tax and personnel income tax for its staff.

3 IBRD Funding

Funds received from the Donor are as per the table below:

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
Advance/ Advance and documentation of DA	6,382,724	4,298,186
Total	6,382,724	4,298,186

4 Goods

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
IT equipment for the project office	-	27,027
Vehicles	-	33,264
Total	-	60,291

5 Civil Works

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
The rehabilitation/reconstruction of Viroi bridge	132,967	-
Total	132,967	-

6 Consulting Services

The consultancy services were composed as follows:

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
Feasibility study and detailed design for group A bridges	158,024	19,103
Feasibility study and detailed design for group B bridges	158,175	19,103
Design review and Supervision of works for Beshiri bridge	66,340	-
Supervision of works for Viroi bridge	85,800	-
Disaster Management Risk (DMR) audits for bridges	50,296	-
Road Safety Audit (RSA) for designs	29,930	-
Audit of Project Financial Statement	8,994	-
International consultants for PIT and ARA	14,484	-
Total	572,043	38,206

7 Trainings

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
IRF - AI Applications for Road Safety Inspections (Albania)	6,882	-
IRF - Civil Engineering Project Planning and Programming (Albania)	5,150	-
IRF - Bridge Preservation Techniques (Albania)	6,438	-
WB - Regional Training in Bank Procurement (<i>Montenegro</i>)	423	-
WB - Regional Workshop “From Framework to Practice: Engaging People through the Environmental and Social Framework (ESF) and Citizen Engagement in World Bank Projects (<i>Nord Macedonia</i>)	457	-
WB - Environmental and Social Framework (ESF) and Citizen Engagement in World Bank Projects (<i>Nord Macedonia</i>)	179	-
Total	19,529	-

8 Incremental Operating Costs

Operating costs detailed in categories for the year ended on 31 December 2025 are as follows:

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
PMT staff salaries	136,957	103,342
Health & social insurance and PIT	60,426	44,435
Environmental permission and technical approval for bridges	33,476	6,409
Internet and other expenditure for the office	7,001	850
Bank Charges	1,704	396
Per diem	1,487	1,155
Announcement in journal	906	2,160
Car expenditure	550	-
Total	242,507	158,747

9 Cash at the end of the period

Cash on hand and at banks as at 01 January to 31 December 2025 was composed as follows:

	Period from 1 January to 31 December 2025	Period from 1 December to 31 December 2024
Bank of Albania	-	-
Second Level Bank		
Cash on Bank - EUR	9,422,986	3,959,790
Cash on Bank – ALL	30,614	75,948
Total	9,453,600	4,035,738

"Building Resilient Bridges"

For the year ended 31 December 2025

Amounts are expressed in EUR unless otherwise stated

10 Expenditures by component

Project Component\ Category of expense	Goods	Non-consulting services	Works	Consultant services	Operating Costs	Training	Year ended December 31, 2025	Year ended December 31, 2024
Part 1- Bridge Infrastructure	-	-	132,967	548,566	-	-	681,533	38,206
1.1. Building Priority Bridges and Associated Structures	-	-	132,967	518,635	-	-	651,602	
1.2. Climate Resilience and Road Safety	-	-	-	-	-	-	-	
Part 2- Institutional Capacity Building	-	-	-	-	-	-	-	
2.1. Asset Management for Climate-Resilient and Safe Infrastructures	-	-	-	-	-	-	-	
2.2. Safeguarding Bridge Maintenance	-	-	-	-	-	-	-	
2.3. Addressing the Gender Employment Gap in Road Construction	-	-	-	-	-	-	-	
Part-3 Project Management	-	-	-	210,997	54,987	19,529	285,513	219,038
Total	-	-	132,967	759,563	54,987	19,529	967,046	257,244

11 Subsequent events

There are no other significant events that would require either adjustments or additional disclosures in the special purpose financial information.

APPENDICES

(Loan IBRD 94790)

Albania Building Resilient Bridges Project

**Statements of Special Accounts and Project Accounts
for the year ended 31 December 2025**

(Supplementary schedules for the Special Purpose Financial Information)

Appendix 1

Supplementary Schedule of the Special Account Statement

Donor	IBRD
Account No:	AL 551011100800000000211736DE
Depository Bank:	Bank of Albania
Currency:	EUR

	2025	2024
Opening Balance at beginning of period	-	-
Funds received:		
Replenishment	6,382,724	4,298,186
Total	6,382,724	4,298,186
Disbursements:		
Funds transferred to Credins Bank in EUR	(6,382,724)	(4,298,186)
Funds transferred to Credins Bank in ALL		-
Total	(6,382,724)	(4,298,186)
Closing balance on 31 December	-	-

Appendix 2

Supplementary Schedule of Current Account Statement

Donor	IBRD	
Account No:	AL 20 2121 1009 0000 0000 0201 5363	
Depository Bank	CREDINS BANK	
Currency:	EUR	
	2025	2024
Opening Balance at the beginning of period	3,959,790	-
Funds received:		
Funds transferred from IBRD Special Account	6,382,724	4,298,186
Sale of bid documents	-	-
	6,382,724	4,298,186
Disbursements:		
Funds transferred to the bank account in ALL	(200,000)	(300,000)
Project expenditures	(718,139)	(38,206)
Bank charges	(1,389)	(190)
	(919,528)	(338,396)
Closing balance on 31 December	9,422,986	3,959,790

Appendix 3

Supplementary Schedule of Current Account Statement

Donor	IBRD
Account No:	AL04 2121 1009 0000 0000 0201 5360
Depository Bank	CREDINS BANK
Currency:	ALL

	2025	2024
Opening Balance at beginning of period	7,454,274	-
Funds received:		
Funds transferred from bank account in EUR	19,290,000	29,110,000
Sale of bid documents	100,000	50,000
Total	19,390,000	29,160,000
Disbursements:		
Project expenditures	(23,752,988)	(21,685,160)
Bank charges	(28,738)	(20,566)
Bid (to treasury account)	(100,000)	-
	(23,881,726)	(21,705,726)
Balance at the end of the period	2,962,548	7,454,274
Balance at the end of the period converted in EUR	30,614	75,948